Governance and Financial Review 2024

KONECRANES Moves what matters.

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Information about Konecranes' Annual Report 2024
Konecranes' Annual Report 2024 consists of two separate reports: Annual Review and Governance and Financial Review.
All documents are downloadable on our Annual Report website at **https://investors.konecranes.com/annual_report_2024.**

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Corporate governance

Konecranes Plc ("Konecranes", "the Company") is a Finnish public limited liability company that complies with the Finnish Companies and Securities Market Acts, the rules of Nasdaq Helsinki, and other regulations concerning public companies, as well as with Konecranes Plc's Articles of Association, in its decision-making and administration.

Konecranes complies with the Finnish Corporate Governance Code 2025 (the "Code"), which came into force on January 1, 2025, and was approved by the board of the Securities Market Association. The Code can be found at www.cgfinland.fi. Konecranes complies with the recommendations of the Code with no exceptions. Konecranes has issued a Corporate Governance Statement and Remuneration Report based on the Code. Read more at **www.konecranes.com > Investors > Corporate Governance.**

General Meeting
The General Meeting of Shareholders is Konecranes' highest decision-making body, through which shareholders exercise their decision-making power and right of supervision and control over the Company's business.

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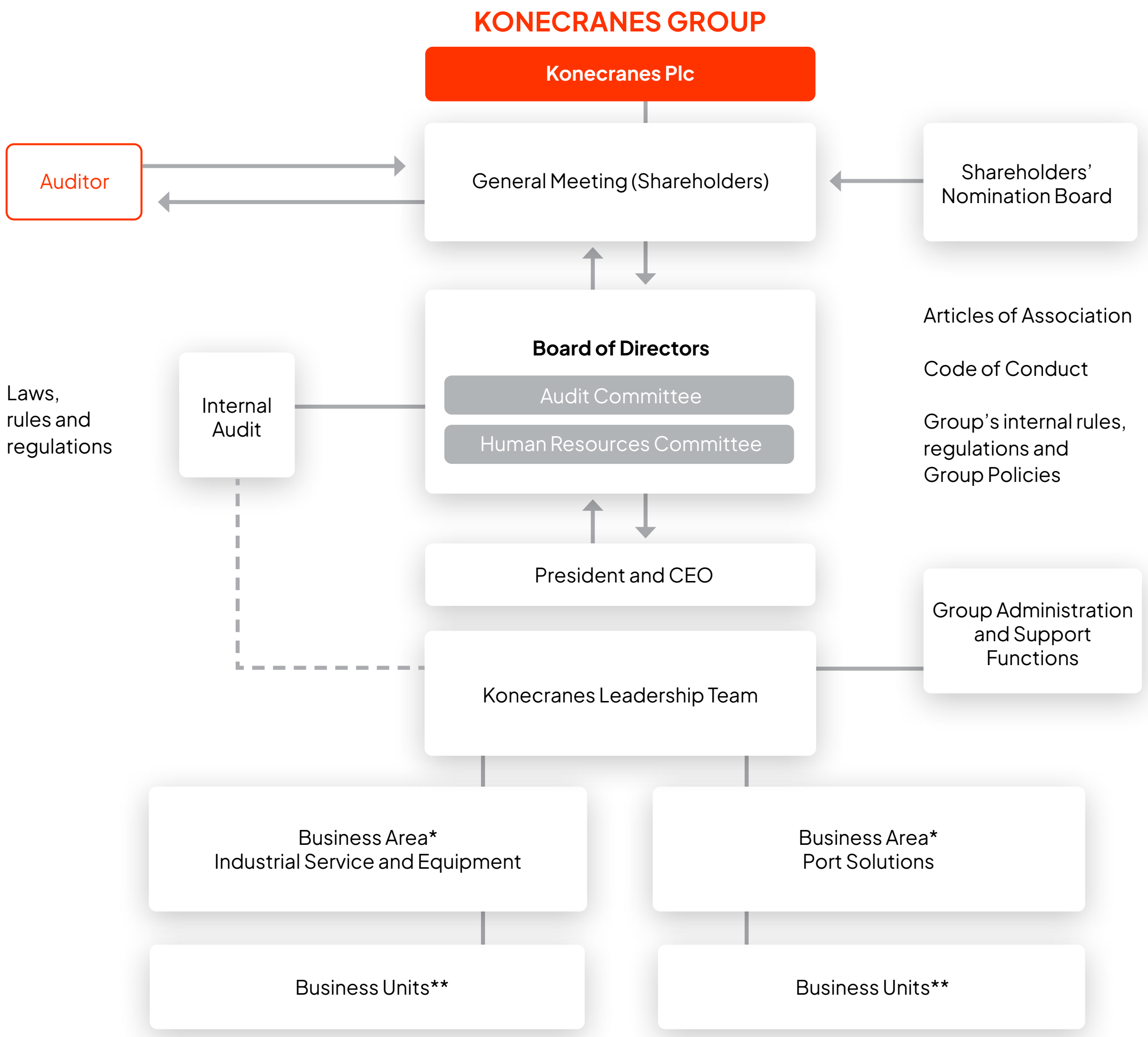
The Annual General Meeting (AGM) must be held within six months after the end of a financial year. Konecranes Plc's Annual General Meeting 2024 was held in Hyvinkää on March 27, 2024. A total of 1,037 shareholders representing approximately 65.9 percent of all shares and votes attended the meeting. Present at the meeting were also all members of the Board of Directors, except for Helene Svahn and Niko Mokkila, the proposed new members of the Board of Directors Thomas Schulz and Birgit Seeger, the President and CEO Anders Svensson, the Chair of the Shareholders' Nomination Board Reima Rytsölä, the company's auditor with principal responsibility Toni Halonen, members of the company's management, as well as technical personnel.

An Extraordinary General Meeting (EGM) must be held, for example, when the Board of Directors considers it necessary or if an auditor or shareholders with at least 10 percent of shares so demand in writing to consider a specific issue. In 2024, no EGM was arranged.

The Board of Directors ("Board") shall convene an AGM or EGM by publishing a notice on the Company's website or in one or more national newspapers or by sending a written notice to shareholders by mail no more than three (3) months and no less than three (3) weeks before a meeting. The notice shall include the proposed agenda. The Company shall disclose on its website the date by which shareholders shall notify the Board of Directors of any issue that they wish to be included in the agenda. The Company will publish the decisions made at General Meetings as stock exchange releases and on the Company's website without delay after meetings.

The minutes of the General Meeting, including those appendices of the minutes that are part of decisions made by the meeting, will be posted on the Company's website within two weeks of a General Meeting. More information on General Meetings can be found on the Company's website at **https://investors.konecranes.com/general-meeting.**

Corporate Governance structure of Konecranes Group in 2024



* Konecranes has two Business Areas, Industrial Service and Equipment, and Port Solutions, and three Business Segments: Service, Industrial Equipment and Port Solutions.

** Some Business Units are managed and organized as through three regions: Americas, EMEA and APAC.

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Shareholders' Nomination Board

Composition of the Shareholders' Nomination Board

Mr. Reima Rytsölä
b. 1969
Chair of the Nomination Board
Finnish citizen
Appointed by Solidium Oy
Education: M.Soc.Sc.
Principal occupation: CEO of Solidium Oy

Mr. Markus Aho
b. 1980
Finnish citizen
Appointed by Varma Mutual Pension Insurance Company
Education: M.Sc. (Tech.)
Principal occupation: Chief Investment Officer of Varma

Mr. Stig Gustavson
b. 1945
Finnish citizen
Appointed by Stig Gustavson and family
Education: M.Sc. (Tech.)

Mr. Mikko Mursula
b. 1966
Finnish citizen
Appointed by Ilmarinen Mutual Pension Insurance Company
Education: M.Sc. (Econ.)
Principal occupation: Deputy CEO, Investments of Ilmarinen Mutual Pension Insurance Company

In addition, **Pasi Laine, the Chair of Konecranes' Board of Directors,** served as an expert in the Nomination Board without being a member.

Konecranes has a Shareholders' Nomination Board, which prepares proposals to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, for the election and remuneration of the members of the Board of Directors and to identify potential Board member candidates.

The Nomination Board shall ensure that the Board of Directors and its members maintain and represent a sufficient level of expertise, knowledge and competence as well as diversity. In its duties, the Nomination Board shall comply with applicable laws and regulations including the stock exchange rules and the Finnish Corporate Governance Code.

The Charter of the Shareholders' Nomination Board is available on the Company's website at **www.konecranes.com > Investors > Corporate Governance > Shareholders' Nomination Board.**

The Shareholders' Nomination Board is comprised of one member appointed by each of the four largest shareholders of the Company. The Chair of the Company's Board of Directors serves as an expert in the Nomination Board without being a member. The shareholders entitled to appoint a member are determined on the basis of the shareholders' register of the Company maintained by Euroclear Finland Ltd. on August 31 each year. Nominee registered holdings or holdings, e.g., through several funds or group companies may be taken into account when making a written request to the Chair of the Board of Directors no later than on August 30 each year.

The member appointed by a shareholder shall resign from the Nomination Board if the shareholder concerned later transfers more than half of the shares held on August 31 and as a result thereof is no longer amongst the Company's ten largest shareholders.

The Nomination Board is established until a General Meeting of the Company decides otherwise. The members shall be nominated annually, and their term of office shall end when new members are nominated to replace them.

In 2024, all members of Konecranes' Shareholders' Nomination Board were male. The Nomination Board convened 4 times. The attendance of the Nomination Board members at meetings was 100 percent. The attendance of the members to the Nomination Board was as follows:

Attendance in Shareholders' Nomination Board meetings

Member	Attendance	Percentage
Reima Rytsölä, Chair	4/4	100%
Markus Aho	4/4	100%
Stig Gustavson	4/4	100%
Mikko Mursula	4/4	100%
Christoph Vitzthum*	1/1	100%
Pasi Laine*	3/3	100%

Chair of Konecranes' Board of Directors serves as an expert in the Shareholders' Nomination Board but is not a member of the Nomination Board.
* Christoph Vitzthum was Chair of the Board until March 27, 2024, and Pasi Laine since March 27, 2024.

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Board of Directors

Konecranes' Board of Directors on December 31, 2024:

Pasi Laine
b. 1963
Finnish citizen
Chair of the Board since 2024
Board Member since 2022
Independent of the Company and its significant shareholders
Education: M.Sc. (El.Eng.)
Shares: 3,434

Pauli Anttila
b. 1984
Finnish citizen
Board Member since 2022
Independent of the Company but deemed to be dependent of a significant shareholder of the Company based on his position as Investment Director and Member of the Management team, Solidium Oy (until January 2025).
Education: M.Sc. (Econ.)
Principal occupation: Investment Director and Member of the Management Team, Solidium Oy (until January 2025)
Shares: 2,718

Ulf Liljedahl
b. 1965
Swedish citizen
Board Member since 2016
Independent of the Company and its significant shareholders
Education: B.Sc. (Economics and Business Administration)
Principal occupation: President and CEO, Volito AB
Shares: 6,454

Gun Nilsson
b. 1955
Swedish citizen
Board Member since 2023
Independent of the Company and its significant shareholders
Education: M.Sc. (Econ.)
Principal occupation: Board professional
Shares: 1,182

Päivi Rekonen
b. 1969
Finnish citizen
Board Member since 2018
Independent of the Company and its significant shareholders
Education: M.Soc.Sc., M.Sc. (Econ.)
Principal occupation: Board professional and independent strategic advisor
Shares: 5,763

Thomas Schulz
b. 1965
German citizen
Board Member since 2024
Independent of the Company and its significant shareholders
Education: Ph.D. Mineral Mining and Quarrying
Principal occupation: Chief Executive Officer, Bilfinger SE
Shares: 369

Birgit Seeger
b. 1969
German citizen
Board Member since 2024
Independent of the Company and its significant shareholders
Education: DIPLOM-Kfm, Business Administration, Planning & Organization Private Law
Principal occupation: Senior Vice President, Head of Global Business Unit Comfort Actuators, Robert Bosch GmbH
Shares: 369

Sami Piittisjärvi
b. 1992
Finnish citizen
Board Member since 2022
Independent of the Company's significant shareholders but deemed to be dependent of the Company due to his position as an employee of Konecranes.
Education: Bachelor of Electrical Engineering
Principal occupation: Manager, product portfolio, Business Unit Port Services (until year-end 2024)
Shares: 85

Sami Piittisjärvi was selected from among candidates put forward by the employees of Konecranes in accordance with the agreement on employee representation between Konecranes and its employees.

Board Members until March 27, 2024

Christoph Vitzthum
b. 1969
Finnish citizen
Chair of the Board until March 27, 2024
Board Member 2015–2024, Board Chair 2016–2024
Independent of the Company and its significant shareholders
Education: M.Sc. (Econ.)
Principal occupation: President and CEO, Fazer Group

Niko Mokkila
b. 1979
Finnish citizen
Board Member 2020–2024
Independent of the Company and its significant shareholders. Until May 16, 2024, Niko Mokkila was deemed to be dependent of a significant shareholder of the Company.
Education: M.Sc. (Tech.), M.Sc. (Econ.)
Principal occupation: Managing Director, Head of Investment Operations, Hartwall Capital Oy Ab

Helene Svahn
b. 1974
Swedish citizen
Board Member 2022–2024
Independent of the Company and its significant shareholders
Education: Ph.D. (El. Eng)
Principal occupation: Professor in Nanobiotechnology, Royal Institute of Technology (KTH), Sweden

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1. Pasi Laine **2.** Pauli Anttila **3.** Ulf Liljedahl **4.** Gun Nilsson **5.** Päivi Rekonen **6.** Thomas Schulz **7.** Birgit Seeger **8.** Sami Piittisjärvi **9.** Christoph Vitzthum **10.** Niko Mokkila **11.** Helene Svahn

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The Board of Directors shall under the Konecranes Articles of Association have a minimum of five and maximum of ten members. The Directors are elected at each Annual General Meeting. In 2024, the Board of Directors had eight members. The managing director may be a member of the Board of Directors, but (s)he cannot be elected the Chair of the Board. In 2024, Konecranes' President and CEO was not a member of the Board of Directors.

Main tasks

The Board is vested with powers and duties to manage and supervise the administration and operations of the Company as set forth in the Companies Act, the Articles of Association, and any other applicable Finnish laws and regulations. The Company complies with all other applicable rules and regulations affecting the Company or its affiliates (Group Companies) outside Finland, provided that such compliance does not constitute a violation of Finnish law. As a publicly listed company, the Rules of Nasdaq Helsinki will apply to the Company, and the Company complies with the Finnish Corporate Governance Code in effect.

The Board has a general obligation to pursue the best interests of the Company and all of its shareholders. The Board is accountable to the Company's shareholders. The members of the Board of Directors shall act in good faith and with due care, exercising their business judgment on an informed basis in what they believe to be the best interest of the Company and its shareholder community as a whole.

The Board of Directors shall decide on the business strategy of the Company; the appointment and dismissal of the President and CEO (holding the position of the managing director under the Companies Act), the deputy to the President and CEO, and other senior management, Group structure, acquisitions and divestments, financial matters and investments. It shall also continuously review and monitor the operations and performance of Group companies, risk management, and the Company's compliance with applicable laws, as well as any other issues determined by the Board of Directors. The Board shall keep itself informed of issues and business activities of major strategic importance to the Company on an ongoing basis.

The Board shall appoint a secretary to be present at all Board meetings.

The President and CEO and Chief Financial Officer report to the Board on a quarterly basis on the sales funnel, competitive situation, market sentiment, the Company's order intake and financial performance and full-year forecast, as well as on safety, people, and customer topics. The status of the most important development activities, e.g., major IT investments, R&D projects and acquisition cases, may be presented to the Board by the persons directly responsible for such matters.

The Charter of the Board of Directors is available on the Company's website at **www.konecranes.com > Investors > Corporate Governance > Board of Directors > Charter of the Board of Directors.**

Diversity of the Board of Directors

The Board has a diversity policy. According to the policy, the Members of the Board of Directors are always selected based upon their expected contribution and effectiveness as members of the Board of Directors, and capability to positively influence the long-term strategic direction and performance of the Company. As a team, the Board of Directors works for the benefit of the key stakeholders, including customers, employees and shareholders. Diversity in the composition of the Board of Directors enables diversity in thinking and high-quality decision-making.

Konecranes Board competence matrix

	Industry expertise	Finance and accounting	Corporate governance	CEO experience in a listed company	M&A	Strategic planning	Sustainability	Cyber security, digitalization	Risk manage-ment
Pasi Laine	•		•	•	•	•	•	•	•
Pauli Anttila		•	•		•	•	•		•
Ulf Liljedahl	•	•	•		•	•			•
Gun Nilsson	•	•	•		•	•			•
Sami Piittisjärvi	•		•					•	•
Päivi Rekonen			•		•	•	•	•	•
Thomas Schulz	•		•	•	•	•	•		•
Birgit Seeger	•		•		•	•		•	•

When considering diversity within the Board of Directors, the main attribute is diversity in thinking, including individual professional and personal experiences, influenced by diversity in nationality, age and gender. Board selections are based on a candidate's background and competency to understand Konecranes' current and future markets, strategy, employees and customers, including a sound understanding of financials and business dynamics. Collectively the Board of Directors should have combined experience in different markets, geographies and important topics like digitalization and corporate responsibility.

For a well-functioning Board of Directors, it is important that Board members are committed to Board work and have the possibility to devote the time needed to understand the Company's current situation, customers and strategy.

The most important nomination criteria for Board candidates are competency, knowledge, personal qualities and integrity. Both genders shall be represented on the Board of Directors, and Konecranes' aim is to strive towards a good and balanced Board composition taking into account all aspects of Board diversity.

At the end of 2024, out of eight Board members, three were female, representing 38% of the total. The Board had three different nationalities and experience from four different decades of birth. The Board also consisted of versatile work experience and different educational backgrounds from the fields of engineering and economics.

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In 2024, Konecranes' Board convened 12 times. The attendance of the Board members at meetings was 96 percent. The attendance of the members to the Board and committee meetings is presented in the following table:

Board and Board committee meeting attendance

	Board meetings		Audit Committee meetings		Human Resources Committee meetings	
Member	**Attendance**	**Percentage**	**Attendance**	**Percentage**	**Attendance**	**Percentage**
Chairman						
Pasi Laine	12/12	100%			8/8	100%
Christoph Vitzthum	4/4	100%			3/3	100%
Other Board Members						
Pauli Anttila	12/12	100%			8/8	100%
Ulf Liljedahl	12/12	100%	9/9	100%		
Niko Mokkila	4/4	100%	2/2	100%		
Gun Nilsson	12/12	100%	9/9	100%		
Sami Piittisjärvi	10/12	83%				
Päivi Rekonen	12/12	100%	9/9	100%		
Thomas Schulz	8/8	100%			5/5	100%
Birgit Seeger	8/8	100%	7/7	100%		
Helene Svahn	2/4	50%			3/3	100%

Pasi Laine Chairman since March 27, 2024. Christoph Vitzthum Chairman and Board member until March 27, 2024. Thomas Schulz and Birgit Seeger Board members since the AGM 2024 on March 27, 2024. Niko Mokkila and Helene Svahn Board members until the AGM 2024.

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Committees

The Board of Directors has appointed two committees consisting of its members: the Audit Committee and the Human Resources Committee. The Board has confirmed rules of procedure for both Committees.

The Audit Committee

In 2024, the Board's Audit Committee was comprised of the following members:

- Mr. Ulf Liljedahl (Chair)
- Ms. Gun Nilsson
- Ms. Päivi Rekonen
- Ms. Birgit Seeger, since March 27, 2024
- Mr. Niko Mokkila, until March 27, 2024

At the end of 2024, all members of the Audit Committee were deemed to be independent of the Company and its significant shareholders. All members have sufficient expertise on corporate management. In addition, all members have a degree in business administration and/or economics and two of the members have CFO experience.

The Board shall appoint an Audit Committee from among its members to assist the Board in its responsibilities relating to the appropriate arrangement of the control of the Company accounts and finances pursuant to the Companies Act. The intention is not to extend the duties of the Board from what is expressly stipulated in the Finnish Companies Act. The Audit

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Committee shall not make independent decisions and it may rely on the information provided to it.

The Audit Committee shall have at least three (3) non-executive Board members, who are independent of and not affiliated with the Company. At least one member must be independent of significant shareholders. The members must have the qualifications necessary to perform the responsibilities of the Audit Committee, and at least one member shall have expertise specifically in accounting, bookkeeping or auditing.

The primary purpose of the Audit Committee is to assist the Board in its oversight responsibilities relating to the Company's financial reporting process and in monitoring the Audit of the Company and in matters relating to financial reporting, internal control, internal audit and risk management. The Audit Committee shall assist the Board by performing some preparatory tasks as specified in its Charter. The Audit Committee shall not make independent decisions.

The tasks and responsibilities of the Committee are defined in the Charter of the Audit Committee, which has been approved by the Board and is based on a Board resolution as part of the Company's corporate governance principles.

The Charter of the Audit Committee is available on the Company's website at **www.konecranes.com > Investors > Corporate Governance > Board Committees.**

In 2024, Konecranes' Audit Committee convened 9 times. The attendance of the Audit Committee members at meetings was 100 percent. The attendance of the members is presented in the table on page 9.

In 2024, the Audit Committee's main focus was on CSRD reporting and on the preparations to appoint a new auditor for the company.

The Human Resources Committee

In 2024, the Board's Human Resources Committee was comprised of the following members:

- Mr. Pasi Laine, Chair since March 27, 2024
- Mr. Christoph Vitzthum, Chair and member until March 27, 2024
- Mr. Pauli Anttila
- Mr. Thomas Schulz, since March 27, 2024
- Ms. Helene Svahn, until March 27, 2024

All members of the Human Resources Committee are deemed to be independent of the Company. All members of the Committee with the exception of Pauli Anttila are deemed to be independent of the Company's significant shareholders.

The Human Resources Committee is responsible for assisting and providing guidance and recommendations to the Board of Directors of the Company in fulfilling its oversight and other responsibilities in relation to e.g.:

- the operative structure and selection of senior management;
- talent management, retention and succession planning of senior management;
- professional and competence development for senior management;
- evaluation and compensation of the President and CEO and Konecranes Leadership Team (KLT);
- general principles for compensation, long- and short-term incentive compensation plans and share-based incentive plans;
- human resources, sustainability, ESG (Environmental, Social and Governance) and safety strategies and performance; and any other matters delegated to the Human Resources Committee by the Board.

The Human Resources Committee is appointed to assist the Board in its responsibilities and the Human Resources Committee does not have independent decision-making power. The Human Resources Committee consists of a minimum of three (3) directors. The Board elects the members and the Chair of the Human Resources Committee from among its members. The majority of the members shall be independent of the Company.

The tasks and responsibilities of the Committee are defined in the Charter of the Human Resources Committee, which has been approved by the Board and is based on a Board resolution as part of the Company's corporate governance principles.

The Charter of the Human Resources Committee is available on the Company's website at **www.konecranes.com > Investors > Corporate Governance > Board Committees.**

In 2024, Konecranes' Human Resources Committee convened 8 times. The attendance of the Human Resources Committee members at meetings was 100 percent. The attendance of the members is presented in the table on page 9.

In 2024, the Human Resources Committee's main focus was on the selection process of new leadership team members and on the update of long-term incentive programs.

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President and CEO

Anders Svensson
b. 1975
Swedish citizen, male
President and CEO since 2022
Member of the Konecranes Leadership Team since 2022
Employed since 2022
Education: M.Sc. (Eng.)
Shares: 7,938

Main tasks and duties

Under the Companies Act, the President and CEO is responsible for the day-to-day management of the Company in accordance with instructions and orders given by the Board. The President and CEO may undertake actions which, considering the scope and nature of the operations of the Company, are unusual or extensive only with the authorization of the Board. The President and CEO shall see to it that the Company's accounting practices comply with the law and that its financial affairs have been arranged in a reliable manner. The President and CEO is also responsible for preparing matters presented to the Board and for the Company's strategic planning, finance, financial planning, reporting, and risk management.

Deputy CEO

Konecranes CFO, Teo Ottola, acts as the Deputy CEO.

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Konecranes Leadership Team

In addition to the President and CEO, the Konecranes Leadership Team (KLT) consisted of the following persons on December 31, 2024:

Teo Ottola
b. 1968
Finnish citizen, male
Chief Financial Officer, Deputy CEO
Member of the Konecranes Leadership Team since 2007
Employed by Konecranes since 2007
Education: M.Sc. (Econ.)
Shares: 56,801

Fabio Fiorino
b. 1967
US and Canadian citizen, male
Executive Vice President, Industrial Service and Equipment
Member of the Konecranes Leadership Team since 2012
Employed by Konecranes since 1995
Education: B. Eng., P. Eng., MBA
Shares: 44,750

Tomas Myntti
b. 1963
Finnish citizen, male
Business Area President, Port Solutions since October 14, 2024
Member of the Konecranes Leadership Team since 2024
Employed by Konecranes since 2008
Education: M.Sc. (Eng.)
Shares: 5,692

Minna Aila
b. 1966
Finnish citizen, female
Executive Vice President, Corporate Affairs & Brand since July 1, 2024
Member of the Konecranes Leadership Team since 2024
Employed by Konecranes since 2024
Education: LL.M.
Shares: 181

Claes Erixon
b. 1969
Swedish citizen, male
Executive Vice President, Technologies since May 13, 2024
Member of the Konecranes Leadership Team since 2024
Employed by Konecranes since 2024
Education: M.Sc. (Eng.)
Shares: 0

Christine George
b. 1969
French and US citizen, female
Executive Vice President, Corporate Strategy & Business Development since April 8, 2024
Member of the Konecranes Leadership Team since 2024
Employed by Konecranes since 2024
Education: M.Sc. (Chem.), MBA
Shares: 0

Anneli Karkovirta
b. 1963
Finnish citizen, female
Executive Vice President, People & Culture
Member of the Konecranes Leadership Team since 2021
Employed by Konecranes since 2014
Education: M.Sc. (Econ.)
Shares: 3,371

Sirpa Poitsalo
b. 1963
Finnish citizen, female
Executive Vice President, General Counsel
Member of the Konecranes Leadership Team since 2016
Employed by Konecranes since 1988
Education: LL.M.
Shares: 46,254

KLT Member until October 13, 2024

Juha Pankakoski
b. 1967
Finnish citizen, male
Executive Vice President, Port Solutions until October 13, 2024
Executive Vice President, Technologies until May 12, 2024
Member of the Konecranes Leadership Team 2015-2024
Employed by Konecranes since 2004
Education: M.Sc. (Eng.), eMBA

Main tasks

The Konecranes Leadership Team assists the President and CEO, but has no official statutory position based on legislation or the Articles of Association. In practice, however, the Konecranes Leadership Team plays a significant role in the Company's management system, strategy preparation and decision-making. The Konecranes Leadership Team convenes on a monthly basis. On December 31, 2024, of the nine Konecranes Leadership Team members, five were men and four were women.

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1. Teo Ottola **2.** Fabio Fiorino **3.** Tomas Myntti **4.** Minna Aila **5.** Claes Erixon **6.** Christine George **7.** Anneli Karkovirta **8.** Sirpa Poitsalo **9.** Juha Pankakoski

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Internal control and risk management related to financial reporting

Risk management

Konecranes' Board of Directors has defined and adopted a set of risk management principles based on widely accepted international good management practices. The Audit Committee evaluates and reports on the adequacy and appropriateness of internal controls and risk management to the Board.

Risk is anything that will clearly affect Konecranes' ability to achieve its business objectives and execute its strategies. Risk management is part of Konecranes' control system and is designed to ensure that any risks related to the Company's business operations are identified and managed adequately and appropriately to always safeguard the continuity of Konecranes' business and operations.

Risk management is considered an integral part of running Konecranes' operations. Konecranes' corporate risk management principles provide a basic framework for risk management across Konecranes, and each legal entity and/ or operating unit is responsible for its own risk management. This approach guarantees the best possible knowledge of local conditions, experience and relevance. The same principle is also applied to financial reporting.

The risk management principles define risk management as a continuous and systematic activity aimed at protecting employees from personal injury, safeguarding the assets of all Group companies and the Group as a whole, and ensuring stable and profitable financial performance. By minimizing

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losses due to realized risks and optimizing the cost of risk management, Konecranes can safeguard its overall long-term competitiveness. Konecranes has assessed its strategic, operational, financial and hazard-related risks.

Management of financial risks is described in note 33 to Konecranes' Financial Statements 2024.

Internal Control

Internal control related to financial reporting is designed to provide reasonable assurance concerning the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, applicable laws and regulations, and other requirements covering listed companies.

Control environment

Corporate governance and business management at Konecranes are based on the Company's four core values: Putting customers first, Doing the right thing, Driving for better and Winning together. The control environment is the foundation for all other components of internal control and for promoting employee awareness of key issues, supporting the execution of strategy and regulatory compliance. The Board of Directors and Management are responsible for defining Konecranes Group's control environment through business management structures, corporate policies, instructions and financial reporting frameworks. These include Konecranes' Code of Conduct, Anti-Corruption Policy and Konecranes' Controller's Manual, which constitute the main tool for accounting and financial reporting principles with respect to providing information, guidelines and instructions. The interpretation and application of accounting standards is the responsibility of the global accounting function. Guidelines and instructions for reporting are updated when necessary and are reviewed at least once a year.

In 2024, Konecranes had two Business Areas, Industrial Service and Equipment, and Port Solutions, and three Business Segments: Service, Industrial Equipment and Port Solutions. Port Solutions also incorporates those service branches and spare part units which are dedicated to serve the port customer segment.

In 2024, Business Segment Service had three business lines: Field Service, Component spare parts and Parts supply. Business Line Field Service was internally managed and reported as a line organization through three regions — Europe, Middle East and Africa (EMEA), Americas (AME) and Asia-Pacific (APAC). Other business lines were managed as line organizations globally. Business Segment Industrial Equipment had three business units: Standard Equipment, Solutions, and Agilon. Within Business Unit Standard Equipment, Business Line Industrial Cranes was managed and reported as a line organization through the same three regions as Field Service and Business Line Components was managed and reported as a global line organization. Within Business Unit Solutions, Business Line Process Cranes was managed and reported through the three regions and Business Line Nuclear Cranes was managed and reported as a global line organization. Business Area Port Solutions was operated as line organizations further divided into business units, and under business units further into product lines. These segments had clear product line-specific profit responsibilities, ensuring a flawless order-to-delivery process and enabling effective decision-making. Support functions, such as Finance, Legal, People and Culture, IT and Marketing and Communications were managed as line organizations.

In the finance operating model, management accounting (business controlling) and financial accounting are segregated where applicable. Management accounting employees support the business area management decision-making, whereas financial accounting primarily follows the Group's legal structure with a close link to Group-level financial accounting and reporting. Group Internal Controls is focused on supporting local units in improving controls and processes and monitoring compliance with Konecranes' internal controls and is part of the Internal Audit organization.

Financial targets are set, and planning and follow-up activities are executed, along the business area and business unit structures in alignment with the overall business targets of Konecranes Group. The operations of Business Segment Service are typically monitored based on profit-responsible service branches, which are further consolidated to country and region levels. Business Segment Industrial Equipment is mainly monitored via the Standard Equipment and Solutions Business units, which are divided into business lines Components, Industrial Cranes, and Process and Nuclear Cranes. The manufacturing of components, sub-assemblies and other parts have a separate set of key performance indicators (KPIs), as these supply operations are treated as cost centers rather than profit-generating units. Business Segment Port Solutions has Lift Trucks, Mobile Harbor Cranes, Port Cranes, Software, Solutions, and Port Services business units monitored in the same way as in Business Segment Industrial Equipment.

Control activities

The Konecranes Leadership Team has operational responsibility for internal controls. Control activities are integrated into the business processes of Konecranes Group and management's business supervision and monitoring procedures. Management follow-up is carried out through monthly management reporting routines and performance review meetings. These meetings are conducted at the Business Area and business unit levels, based on their own management structures, as well as at the Group level. Topics covered in the meetings include safety, review of the sales funnel, competitive situation, market sentiment, order intake

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and order book, monthly financial performance, monthly, quarterly and rolling 12-month forecasts, quality related matters and business risks. Matters related to personnel, customers and internal control topics are also taken into account. Management separately follows up the most important development activities.

All legal entities and business units have their own defined controller functions. Representatives from controller functions participate in planning and evaluating unit performance and ensure that monthly and quarterly financial reporting follows the Company's policies and instructions and that all financial reports are delivered on time in accordance with schedules set by the Company.

Konecranes has identified and documented the significant internal controls that relate to its financial processes either directly or indirectly through other processes. Group companies are responsible for implementing the identified and documented internal controls. Konecranes has a register of internal controls that applies to all entities globally. The register includes controls over assets, liabilities, revenue, and costs that require the involvement of Business and Financial Management. The register includes approximately 90 controls that are categorized as key controls or operational controls. The list of internal controls is reviewed annually.

Assessments and monitoring

Each operational legal entity/unit assesses and reports its compliance with the centrally determined set of significant internal controls through completion of an annual controls assessment document. Responsibility for fulfilling this reporting requirement lies with the managing directors and controllers. This document is reviewed by the Internal Audit team, which ensures completion of the assessment and provides feedback and guidance when needed on how to improve existing processes to fill possible gaps in controls.

In 2024, Internal Audit visits covered approximately 40 percent of the operational legal entities. In addition to the above-described self-assessment of the control environment and Internal Audit visits, Group Internal Controls coordinated a self-testing process for 42 operational legal entities. Remediation of the control deficiencies is the responsibility of the Managing Director of the legal entity, and Internal Audit conducts a re-audit after the entity has corrected control weaknesses.

Communication

The Controller's Manual, together with reporting instructions, control register and policies, is stored in the Konecranes Intranet for access by personnel. The Company, Business Areas and regions also arrange meetings to share information on financial processes and practices. Information for the Company's external stakeholders is regularly communicated via the Konecranes website. To ensure that the information provided is comprehensive and accurate, Konecranes has established a set of external communication guidelines. These define how, by whom, and when information should be issued; and they are designed to ensure that Konecranes meets all its disclosure obligations and to further strengthen internal controls related to financial reporting.

During 2024

In 2024, Konecranes continued its IT system roll-out to implement harmonized processes, increase operational visibility and improve decision-making, and to reduce the overall number of various IT systems. The oneKonecranes SAP ERP system is being taken into use for transaction handling and logistics within all three business segments. At the end of 2024, oneKonecranes SAP coverage was 94 percent of Konecranes entities, increasing from 2023 (81 percent).

Konecranes also continued the implementation and development of the Shared Service Center concept to offer mainly financial transaction handling services, selected financial accounting, procurement and HR services.

The internal control environment has been further improved using common, unified processes and a common system platform. The annual review and update of internal controls was focused on compliance and contractual matters.

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Internal audit
Konecranes' Internal Audit function is an independent unit, which assists the organization in achieving its objectives. The unit evaluates the efficiency of risk management, control and governance processes.

Internal Audit operates according to an audit plan approved by the Board's Audit Committee. The unit's working methods are based on the professional standards laid down by the Institute of Internal Auditors (IIA) and focus on process-oriented engagement rather than solely entity-based auditing. Internal audit results are reported to the audited units' operative management, local subsidiaries' Chair of the Board (internal Board) and relevant KLT members. Remediation follow-ups are coordinated by Internal Audit and the Group Internal Controls function. Remediated findings are verified by Internal Audit in separate re-audits.

In 2024, the Internal Audit Team conducted 41 planned audits according to an approved annual audit plan. The internal audit approach was changed from revenue-based to a clearly more risk-based approach. The basis for the internal audit plan was a country risk analysis. As a part of the ongoing risk assessment process, the plan was specified during the year. Internal audits in 2024 generally covered applicable key controls (51), and on risk basis selected operational controls (41). Also, sample sizes varied from limited to wide based on the analyzed risk level. The internal audit annual plan covered 40 percent of active operational legal entities, all Financial Service Centers (FSSC) in Tallinn, Xiamen and Klang, and selected centralized functions, such as Global IT Services, and Centralized Finance

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Services in China. Additionally, Internal Audit conducted or participated in compliance and ethics risk assessments on need basis.

All Internal Audit activities are reported to the Konecranes Leadership Team and the Board's Audit Committee on a regular basis. Internal Audit is responsible to the Audit Committee.

Related party transactions

Konecranes' Board of Directors has defined the principles for monitoring and evaluating related party transactions in terms of identification, reporting and supervision of related party transactions, as well as proper decision-making.

All related party transactions that are not part of the Company's ordinary course of business, or are made in deviation from customary commercial terms, require a Board decision to be carried out. Such a decision shall be supported by appropriate documentation to demonstrate that the transaction is compatible with the purpose and interests of the Company and is commercially justified.

Konecranes regularly identifies its related parties and follows transactions by those parties through its ERP system, as well as through disclosures by related parties. The existence of other possible related parties in the form of shareholders is reviewed and evaluated throughout the year by the Legal Function to verify whether any shareholder has control or significant influence over Konecranes. The related party transactions connected to the key management personnel are collected systematically once a year by the Legal Function.

In 2024, Konecranes has not conducted related party transactions that would be material from the perspective of the Company or would deviate from the Company's normal business operations or would not be made on market or market equivalent terms. Information on related party transactions can be found in note 30 to Konecranes' Financial Statements.

Insider administration

The Board of Directors has approved the Konecranes Plc Insider Regulations based on Market Abuse Regulation ("MAR"), regulation and guidance given by the European Securities and Markets Authority, the Finnish Securities Markets Act, Nasdaq Helsinki Ltd's Guidelines for Insiders and guidance given by the Financial Supervisory Authority.

Konecranes maintains an insider list ("Insider List") recording all persons having access to insider information related to the Company. The Insider List consists of one or more project-specific sections. Konecranes has determined that it will not establish a permanent insider section in this Insider List, and there are thus no permanent insiders in Konecranes.

At Konecranes, persons discharging managerial responsibilities ("Managers") according to MAR are the members of the Board of Directors, the President and CEO and the members of the Konecranes Leadership Team.

Managers and their closely associated persons have to notify Konecranes and the Financial Supervisory Authority of all transactions, as defined in MAR, conducted on their own account relating to the financial instruments of Konecranes within three days of the transactions. Managers are prohibited from trading in Konecranes' financial instruments during a closed period starting on the 15th day of the month prior to the end of each calendar quarter and ending when the corresponding interim report or the financial statement bulletin is published, including the day of publication of said report ("Closed Period").

Konecranes keeps a record of persons who regularly participate in the preparation of Group-level financial results or who can otherwise have access to such information and has decided that the Closed Period set by Konecranes applies to them. Persons included in the Insider List's project-specific sections are prohibited from trading in Konecranes' financial instruments until termination of the project concerned.

External audit

According to the Articles of Association of Konecranes, the Company has to have at least one regular APA auditor and one deputy auditor, or alternatively at least one auditing corporation, with an APA auditor as the responsible auditor. The auditors are elected to their office for a term expiring at the end of the Annual General Meeting of shareholders following the election. Ernst & Young Oy, Authorized Public Accountant Firm, has been the Company's external auditor since 2006. Mr. Toni Halonen served as Principal Auditor in 2024 and has been in this position since 2021. In 2024, Ernst & Young Oy and its affiliated audit companies received EUR 3.8 million in fees for auditing Konecranes Group companies and EUR 0.5 million of fees for non-audit services. In 2023, the corresponding fees were EUR 3.5 million and EUR 0.3 million.

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Letter from the Chair of the Konecranes Board

Dear Shareholders,

It is my pleasure to present you the first remuneration report since my appointment as Chair of the Konecranes Board and Human Resources Committee.

At Konecranes, remuneration is linked to performance on all organizational levels. We believe that competitive and motivating remuneration enhances management's commitment to achieve the Company's strategic and financial targets and contributes positively to shareholder value.

In recent years, Konecranes' key strategic focus areas have been topline growth and profitability improvement. In 2024, profitability was record-high in all Business Segments, mainly as a result of sales growth due to pricing and higher volumes, and good strategy execution. The good performance is reflected in the short-term incentives (STI) for the year 2024, which will be paid out in March 2025. Also 2023 was a strong year for Konecranes, and the 2023 STI payments paid out in 2024 were on a high level.

During the past two years, Konecranes has successfully improved its margins, and the Earnings per Share (EPS) has increased. This is reflected in management's Long-term incentives (LTI) which will be paid out in 2025 and which were paid out in 2024, as both Performance Share Plans 2022 and 2021 had comparable EPS as their only performance criteria. Based on the feedback received from our previous year's Remuneration Report, we have now decided to add transparency regarding our LTI programs and have disclosed the thresholds and target levels of the vested programs in this Report.

In addition to the Performance Share Plans, Konecranes has also used a Restricted Share Unit (RSU) Plan in special situations. When the current President and CEO Anders Svensson joined Konecranes in late 2022, he was granted 17,170 gross Konecranes shares through an RSU plan to ensure his commitment towards the Company. 40% of the shares were paid in the beginning of 2024, and the remaining 60% vested on December 31, 2024, and was paid in the beginning of 2025. The President and CEO was the only participant in the RSU plan, and as he has now received the RSU based compensation, there are no other participants in the plan.

Finally, Konecranes continues to develop its remuneration by following that the remuneration levels and elements are aligned with market practices. In 2025, the short-term incentives will have a slightly higher focus on sales growth compared to the previous years' STI programs. Konecranes will increase the weighting on the ESG performance criterion in its long-term incentive programs. The ESG performance criterion will cover CO_2 emissions from Konecranes' own operations and the company's EcoVadis score. We believe that these changes will further encourage management's commitment to Konecranes' growth and sustainability ambitions.

I welcome any feedback or comments on Konecranes' Remuneration Report for 2024.

Pasi Laine
Chair of the Konecranes Board
and Human Resources Committee

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1. Introduction

This report has been prepared by the Konecranes Board of Directors' Human Resources Committee. It is based on **Konecranes' Remuneration Policy** and has been prepared in accordance with the requirements set forth by the amended EU Shareholders' Rights Directive, which was implemented in Finland in 2019, and the Finnish Corporate Governance Code issued by the Finnish Securities Market Association. The report will be presented at the Konecranes 2025 Annual General Meeting (AGM), and the resolution of the AGM on the matter will be advisory.

Konecranes' Remuneration Policy was first implemented in 2020 to formalize the existing and continuing practices and to illustrate the link between Konecranes' business targets and strategy and how those have been considered in existing remuneration principles. The Policy was updated in 2024. The AGM 2024 gave an advisory resolution to support the Remuneration Policy, covering the principles for remuneration of the members of the Board of Directors, President and CEO and Deputy CEO. The Remuneration Policy's validity is regularly reviewed by the Board of Directors, and it is presented to the General Meeting at least every four years or whenever substantial changes are made to it.

In 2024, the remuneration decisions were made within the frame of the Remuneration Policy 2024. There were no deviations from the Remuneration Policy.

The primary target of Konecranes management's remuneration is to align the interests of Board members and executives with those of the shareholders, and to enhance management's commitment to achieving strategic targets and to promoting the long-term financial success of the Company, as well as to contribute to the positive development of shareholder value. The executive shareholding requirements support the alignment of corporate aims and executive interests.

At Konecranes, remuneration is linked to performance and achievements on all organizational levels. The short-term incentive plan for senior management is based on annual targets related to the financial and sustainability performance of the Group. The long-term Performance Share Plan is based on longer-term financial performance and shareholder value creation.

Development of the fees of the Board of Directors and CEO compared to the development of the average remuneration of employees and to the company's financial development over the preceding five financial years:

Financial Performance / Remuneration in €	2020	2021	2021 vs. 2020	2022	2022 vs. 2021	2023	2023 vs. 2022	2024	2024 vs. 2023
Net sales, MEUR	3,178.9	3,185.7	**0.2%**	3,364.8	**5.6%**	3,966.3	**17.9%**	4,227.0	**6.6%**
Comparable EBITA, MEUR	260.8	312.2	**19.7%**	318.4	**2.0%**	450.7	**41.6%**	551.6	**22.4%**
Chair of the Board*	140,000	140,000	**0.0%**	140,000	**0.0%**	150,000	**7.1%**	150,000	**0.0%**
Vice Chair of the Board*	-	-	**n/a**	100,000	**n/a**	100,000	**0.0%**	-	**n/a**
Other board members*	70,000	70,000	**0.0%**	70,000	**0.0%**	70,000	**0.0%**	70,000	**0.0%**
President & CEO **	698,677	901,303	**29.0%**	748,778	**-16.9%**	814,208	**8.7%**	850,950	**4.5%**
Average KC employees ***	46,913	49,089	**4.6%**	53,129	**8.2%**	56,807	**6.9%**	61,129	**7.6%**
CEO-to-employee pay ratio	14.89	18.36	**23.3%**	14.09	**-23.2%**	14.33	**1.7%**	13.92	**-2.9%**

* This includes only the fixed fee, without meeting fees.
** The compensation of the President and CEO reflects the remuneration of Interim CEO Teo Ottola from Oct 2019 to Jan 2020, Rob Smith from Feb 2020 to Dec 2021, Interim CEO Teo Ottola from Jan 2022 to Oct 18, 2022, and Anders Svensson from Oct 19, 2022, onwards. The remuneration details contain the base salary as well as the car and phone benefit; pension is not included in this amount.
*** Excluding restructuring costs.

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2. Remuneration of the Board of Directors

The Board of Directors' remuneration consists of Annual Fee, Board Meeting Attendance Fees, Committee Attendance Fees, and travel reimbursements.

According to the AGM 2024 decision, the annual remuneration of the Board of Directors remained unchanged from the previous year. As per the AGM 2024 decision, 40 percent of the annual remuneration was paid in Konecranes shares acquired on behalf of the Board members at a price determined in public trading on Nasdaq Helsinki, and the purchase of shares was carried out in four equal installments; each installment purchased within a two-week period following the publishing of Konecranes' interim reports and the financial statement release. The Company paid transaction costs and a transfer tax in connection with the purchase of remuneration shares.

In addition to the Annual Fees, as per the AGM 2024 decision, the Board members were eligible for a meeting fee of EUR 1,000 for each meeting they attend. For meetings of the Board committees, the Audit Committee Chair is entitled to a compensation of EUR 5,000, the Human Resources Committee Chair is entitled to a compensation of EUR 3,000 and the other Board members are entitled to a

Fees payable to the Board members as confirmed by the Annual General Meeting on March 27, 2024

Annual fee 2024	Total EUR
Chair of the Board	150,000
Vice Chair	100,000
Board member	70,000
Fee per Board meeting	1,000
Fee per Board Committee meeting	1,500
Chair of the Audit Committee per committee meeting	5,000
Chair of the HR Committee per committee meeting	3,000

Board members are also reimbursed for their travel expenses.

Board meeting attendance 2024

Member	Board meetings attended	Audit Committee meetings attended	HR Committee meetings attended
Chair			
Christoph Vitzthum (until AGM 2024)	4/4		3/3
Pasi Laine (since AGM 2024)	12/12		8/8
Other Board Members			
Pauli Anttila	12/12		8/8
Ulf Liljedahl	12/12	9/9	
Niko Mokkila	4/4	2/2	
Gun Nilsson	12/12	9/9	
Sami Piittisjärvi	10/12		
Päivi Rekonen	12/12	9/9	
Thomas Schulz	8/8		5/5
Birgit Seeger	8/8	7/7	
Helene Svahn	2/4		3/3

Pasi Laine was the Vice Chair of the Board until the AGM 2024, and has been the Chair of the Board since the AGM 2024. Thomas Schulz and Birgit Seeger are Board members since the AGM 2024 on March 27, 2024. Christoph Vitzthum, Niko Mokkila and Helene Svahn were Board members until the AGM 2024 on March 27, 2024.

compensation of EUR 1,500 per each attended committee meeting. No meeting fee is paid for decisions that are confirmed in writing without a meeting.

In case the remuneration could not be paid in shares due to legal or other regulatory restrictions or due to other reasons related to the Company or a Board member, the annual remuneration would be paid fully in cash. In case the term of office of a member of the Board of Directors ends before the closing of the Annual General Meeting in 2025, he or she is entitled to the prorated amount of the annual remuneration calculated based on his or her actual term of office. In 2024, all Konecranes Board members received 40 percent of their annual remuneration in Konecranes shares.

Travel expenses for all Board members, including the employee representative, were compensated against receipt.

In accordance with the agreement on employee representation between Konecranes and its employees, no Board remuneration shall be paid to Board members employed by the Company. Therefore, Sami Piittisjärvi did not receive remuneration for his Board membership and meeting attendance.

Konecranes' Board members are not in an employment relationship or service contract with Konecranes with the exception of Sami Piittisjärvi who was selected as a Board member among the employees. The other Board members do not participate in Konecranes' incentive programs or have pension schemes arranged by Konecranes.

The members of the Shareholders' Nomination Board are not entitled to any remuneration from Konecranes on the basis of their membership.

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Total remuneration paid to the Board of Directors in 2024

Member	EUR Cash portion as part of Total Annual Remuneration	Nr of shares as part of Total Annual Remuneration	EUR value of shares as part of Total Annual Remuneration	Committee and Board Meeting Fees: EUR Committee Meeting Fees	Committee and Board Meeting Fees: EUR Board Meeting Fees	Committee and Board Meeting Fees: EUR Committee and Board Meetings TOTAL	Total EUR
Chair							
Christoph Vitzthum (until AGM 2024)	22,515	343	14,985	12,000	6,000	18,000	55,500
Pasi Laine (since AGM 2024)	82,654	1,019	54,846	15,000	12,000	27,000	164,500
Other Board Members							
Pauli Anttila	42,074	529	27,926	10,500	13,000	23,500	93,500
Ulf Liljedahl	42,074	529	27,926	45,000	13,000	58,000	128,000
Niko Mokkila	10,510	160	6,990	6,000	6,000	12,000	29,500
Gun Nilsson	42,074	529	27,926	13,500	13,000	26,500	96,500
Päivi Rekonen	42,074	529	27,926	13,500	13,000	26,500	96,500
Thomas Schulz	31,565	369	20,935	4,500	7,000	11,500	64,000
Birgit Seeger	31,565	369	20,935	7,500	7,000	14,500	67,000
Helene Svahn	10,510	160	6,990	6,000	4,000	10,000	27,500
Other Board Members	**252,447**	**3,174**	**167,553**	**106,500**	**76,000**	**182,500**	**602,500**
Total Board Compensation	**357,616**	**4,536**	**237,384**	**133,500**	**94,000**	**227,500**	**822,500**

Due to the payment cycle, Board remuneration from January 1, 2024, until the AGM 2024 was based on the decision made by the AGM 2023. From the AGM 2024 until December 31, 2024, the partial remuneration was based on the AGM 2024 decision.

Thomas Schulz and Birgit Seeger have been members of the Board since AGM 2024 (March 27, 2024). The Board remuneration presented in the above table is based on payments made in 2024. The Committee meeting fees include fees of 7 HR Committee and 9 Audit Committee meetings. The Board meeting fees include fees of 13 Board meetings.

No remuneration was paid to Sami Piittisjärvi, in accordance with the agreement on employee representation between Konecranes and its employees.

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3. Remuneration of the President and CEO and the Deputy CEO

The Konecranes Remuneration Policy defines the principles for the remuneration of the President and CEO and the Deputy CEO.

Both the President and CEO's and the Deputy CEO's remuneration are decided by the Board of Directors based on the proposal by the HR Committee.

Remuneration of Konecranes' President and CEO and Deputy CEO includes a fixed salary with fringe benefits, performance-based annual variable pay and a long-term, performance-based share plan.

In addition to the Finnish statutory pension, the President and CEO and the Deputy CEO have a supplementary contribution pension benefit provided by the Company. The pension scheme for the President and CEO sets the defined contribution at 20 percent of the annual base salary, including fringe benefits and excluding performance-based compensation (annual or long-term incentives). The contribution level for the Deputy CEO is set at 1 percent of the annual base salary. The retirement age in this supplementary pension plan is 63 years for the President and CEO and 60 years for the Deputy CEO.

Remuneration paid to the President and CEO and the Deputy CEO in 2024
In 2024, the fixed salary including salaries and fringe benefits paid to the President and CEO amounted to EUR 850,950 and for the Deputy CEO to EUR 348,014.

The short-term incentive payments for 2023 were paid in 2024 and amounted to EUR 778,480 for the President & CEO Anders Svensson and EUR 312,654 for the Deputy CEO Teo Ottola. The short-term incentive plan 2023 for the President & CEO as well as for the Deputy CEO was based on the achievement of the following measures: 65 percent weight on Group comparable EBITA margin, 25 percent weight on Group sales growth %, and 10 percent weight on

Key remuneration elements for the President and CEO and the Deputy CEO according to the Remuneration Policy (2024):

Remuneration element	Key features of the policy
Base salary To provide a base salary which reflects the nature of the role and the business, the performance and contribution as well as external market trends	The base salary of the Konecranes CEO and Deputy CEO reflects the performance and individual job responsibilities, experience, skills, and knowledge. Konecranes' annual salary review also applies to the CEO and Deputy CEO and is completed by the Board after the evaluation and proposal by the HR Committee. Industry benchmarks, market trends and average salary increases in Konecranes are considered when reviewing the salary. Konecranes conducts a remuneration analysis to benchmark its remuneration levels against its peer group companies of similar size, scope and complexity to determine the appropriate remuneration level for the President and CEO, and Deputy CEO.
Benefits and pension To provide fringe benefits and pension in line with the company's practices in the prevailing market	The President and CEO's and the Deputy CEO's fringe benefits mostly follow employment country practices for CEOs and similar job level executives. Other benefits may include a company car and a phone benefit. Also, a housing benefit can be offered if considered appropriate. The CEO / Deputy CEO will normally participate in the statutory pension scheme of the relevant country. In addition, Konecranes provides supplementary contribution-based pension benefits to the CEO / Deputy CEO (Defined Contribution Plan). The retirement age will be defined according to applicable country legislation or may be defined in the service contract.
Short-term incentives To provide a performance-based remuneration tied to the achievement of key business and financial targets in the short term	The annual targets for the CEO and Deputy CEO are decided by the Board of Directors considering strategic business priorities. Typical performance indicators may be financial, operational or strategic. The CEO's and Deputy CEO's annual incentive is based on the comparison of financial performance of the Company against the set targets. The actual award payout amount is based on the HR Committee's evaluation and proposal, which is approved by the Board. The maximum achievement is capped at 100% of the annual base salary.
Long-term incentives To align the objectives of shareholders and Konecranes' key employees to increase the value of the Company, to commit key employees to the Company and to reward for achieving set targets in the long term	Konecranes provides a Performance Share Plan. After each Performance Share Plan period, the plan participants may earn share rewards for achieving set targets. For each share plan period, a maximum reward is defined. The actual reward payment is based on the performance of the Company against the pre-set criteria decided by the Board of Directors. If a threshold level for the criteria is not met, rewards will not be awarded. For practical reasons, part of the earned share reward is paid in cash to pay the necessary taxes for the reward. A cap for Performance Share Plan awards payments applied at the time of the vesting is 300% of the average base salary over the performance period and applicable to the new upcoming programs since the AGM in March 2024. For retention purposes, a Restricted Share Unit Plan (RSU) can be used under special conditions. The vesting periods can last from 12 to 36 months. The prerequisite for reward payment is continued employment or service until the end of the vesting period.
Shareholding requirement To support alignment of corporate aims and executive interests	The CEO and Deputy CEO have a shareholding requirement tied to the share-based incentive plans. Restrictions on selling shares earned through the plans are defined in the incentive plans.

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ESG targets. The actual outcome was 97.3 percent out of the maximum 100 percent.

The short-term incentive plan for 2024 for the President & CEO and Deputy CEO was based on the achievement of the following measures: 65 percent weight on Group comparable EBITA margin, 25 percent weight on Group sales growth %, and 10 percent weight on ESG targets. The short-term incentive payments for 2024 due to be paid in 2025 amount to EUR 748,992 for the President & CEO and EUR 300,344 for the Deputy CEO, and the outcome was 91.6 percent out of the maximum 100 percent.

Rewards based on the long-term Performance Share Plan (PSP) 2021 were paid in 2024. The plan had a three-year-long performance period with three separate one-year-long measurement periods. There were separate targets for each measurement period, and the criterion for all measurement periods (2021, 2022 and 2023) was comparable EPS. Items affecting comparability of the EPS included defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The outcome for the PSP 2021 was 70.4 percent. The previous President & CEO did not participate in the PSP 2021, but the Deputy CEO was delivered 11,261 gross shares, of which 50 percent was paid in shares and 50 percent in cash.

The Performance Share Plan 2022 consists of a three-year-long performance period consisting of three one-year-long measurement periods with separate targets decided by the Board of Directors. The criterion for all measurement periods (2022, 2023 and 2024) was comparable earnings per share (EPS). The outcome for the measurement period 2022 was 11.1 percent, the outcome for the measurement period 2023 was 100 percent and the outcome for the measurement period 2024 was 100 percent.

The three-year-long performance period for the PSP 2022 ended in December 2024, and the total outcome was 70.4 percent. The PSP 2022 rewards are due to be paid in 2025, and the Deputy CEO will be delivered 15,484 gross shares, of which 50 percent will be paid in shares and 50 percent in cash. The President & CEO did not participate in the PSP 2022.

The President & CEO Anders Svensson joined Konecranes in October 2022. For retention purposes, at the time of joining the company, he was allocated 17,170 Restricted Share Unit 2017 (RSU) gross shares, of which 40 percent vested on December 31, 2023, with a share delivery of 6,868 shares in January 2024, which were settled fully in shares. 60 percent vested on December 31, 2024, with a share delivery of 10,302 gross shares in January 2025. The Board of Directors decided to settle 50% of the award in shares and 50% in cash to cover taxes.

In 2024, the total remuneration paid to the President and CEO amounted to EUR 1,905,216, and for the Deputy CEO to EUR 1,187,903.

Remuneration elements and terms of employment of the President and CEO and Deputy CEO

	President and CEO Anders Svensson	Deputy CEO Teo Ottola
Base salary	Fixed salary with fringe benefits Monthly salary: EUR 70,912.54	Fixed salary with fringe benefits Monthly salary: EUR 29,001.14
Short-term incentives	Based on financial performance Max. 100% of annual base salary	Based on financial performance Max. 100% of annual base salary
Long-term incentives	Performance Share Plan 2023 and 2024 RSU Restricted Share Unit 2017 plan (17,170 gross shares, 40% vested on Dec 31, 2023, and 60% on Dec 31, 2024) Employee Share Savings Plans 2023 and 2024	Performance Share Plans 2022, 2023 and 2024 Employee Share Savings Plans 2022 and 2023
Proportion of fixed and variable pay (as % of total target remuneration)	32% base salary 16% STI* 52% LTI* * Target opportunity, long-term incentive includes only Performance Share Plan	32% base salary 16% STI* 52% LTI* * Target opportunity, long-term incentive includes only Performance Share Plan
Pensions	Finnish Statutory pension Defined contribution plan at 20% of annual salary	Finnish Statutory pension Defined contribution plan at 1% of salary
Shareholding requirements	Must hold min. 100% of any net shares given based on reward plans until the value of shareholding equals annual salary, thereafter 50% until the value of shareholdings equals 150% of annual salary, and membership in the Konecranes Leadership Team continues	Must hold min. 50% of any net shares given based on reward plans until the value of shareholding equals annual salary, and membership in the Konecranes Leadership Team continues
Period of notice	6 months' notice by the President and CEO and by the company	6 months' notice by the Deputy CEO or 9 months' notice by the company
Severance pay	Equals to 12 months' salary and fringe benefits in case of termination prior to the age of 63, in addition to the salary for the notice period	Equals to 9 months' salary and fringe benefits, in addition to the salary for the notice period
Retirement age	63 years	65 years 6 months

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Short-term incentives

2024

		Target levels			STI outcome			
KPI	**Weight**	**Low (12.5%)**	**Target (50%)**	**Max (100%)**	**Performance outcome**	**Total performance outcome**	**President and CEO**	**Deputy CEO**
Sales Growth (%)	25%	0.0%	4.0%	8.0%	86%			
Adjusted EBITA (%)	65%	10.8%	11.6%	12.4%	100%	91.6 %	EUR 748,992	EUR 300,344
ESG (2 separate KPIs*)	10%	12.5%	50%	100%	50%			

2023

		Target levels			STI outcome			
KPI	**Weight**	**Low (12.5%)**	**Target (50%)**	**Max (100%)**	**Performance outcome**	**Total performance outcome**	**President and CEO**	**Deputy CEO**
Sales Growth (%)	25%	7.3%	11.4%	15.0%	100%			
Adjusted EBITA (%)	65%	9.5%	10.1%	10.6%	100%	97.3%	EUR 778,480	EUR 312,654
ESG (3 separate KPIs**)	10%	12.5%	50%	100%	73%			

* CO_2 emissions from own operations and safety.

** CO_2 emissions from own operations, safety, and diversity and inclusion.

Long-term incentives

				Target levels**						Allocated shares***		Awarded shares***	
Plan	**Performance period**	**KPI***	**Weight**	**Low (10%)**	**Target (50%)**	**Max (100%)**	**Performance outcome**	**Total performance outcome**	**Payment/vesting schedule**	**President and CEO**	**Deputy CEO**	**President and CEO**	**Deputy CEO**
	2020	Comparable EPS	33.3%	€1.65	€1.92	€2.19	96.0%						
PSP 2020	2021	Comparable EPS	33.3%	€2.01	€2.18	€2.46	100%	69.1%	Paid in 2023	–	16,000	–	11,061
	2022	Comparable EPS	33.3%	€2.63	€2.98	€3.23	11.4%						
	2021	Comparable EPS	33.3%	€2.01	€2.18	€2.46	100%						
PSP 2021	2022	Comparable EPS	33.3%	€2.63	€2.98	€3.23	11.1%	70.4%	Paid in 2024	–	16,000	–	11,261
	2023	Comparable EPS	33.3%	€2.64	€2.99	€3.25	100%						
	2022	Comparable EPS	33.3%	€2.63	€2.98	€3.23	11.1%						
PSP 2022	2023	Comparable EPS	33.3%	€2.64	€2.99	€3.25	100%	70.4%	To be paid in 2025	–	22,000	–	15,484
	2024	Comparable EPS	33.3%	€3.80	€4.22	€4.64	100%						
		Sales Growth CAGR	40%	-	-	-	-						
PSP 2023	2023–2025	Cumulative Comparable EPS	60%	-	-	-	-	-	To be paid in 2026	55,000	22,000	-	-
		Sales Growth CAGR	35%	-	-	-	-						
		Cumulative Comparable EPS	55%	-	-	-	-						
PSP 2024	2024–2026							-	To be paid in 2027	49,500	19,800	-	-
		CO_2 emissions from Konecranes' own operations (tCO_2)	10%	-	-	-	-						

* The comparable EPS used as the performance KPI in the performance share plans deviates from Konecranes' reported EPS. The items affecting comparability include e.g. defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items.

** Compared to the previous year's remuneration report, transparency has been increased by disclosing the thresholds and target levels of the vested programs.

*** Gross shares, including the reward paid in cash.

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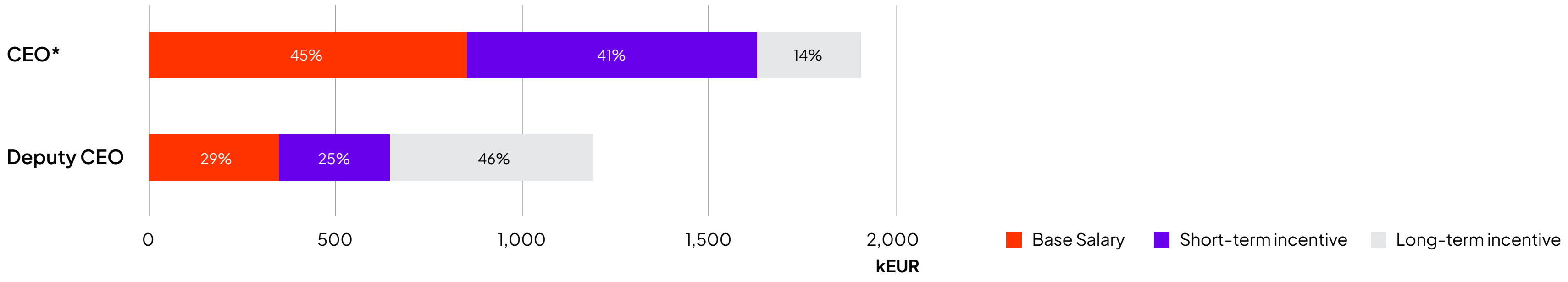
Remuneration of the President and CEO and Deputy CEO in 2024 and 2023

	2024 Anders Svensson	2024 Teo Ottola	2023 Anders Svensson	2023 Teo Ottola
	President & CEO	**Deputy CEO**	**President & CEO**	**Deputy CEO**
Fixed Salary (Salaries and fringe benefits)	850,950	348,014	814,208	295,910
Short-term incentives paid (based on previous year performance)	778,480	298,960	-	46,430
One-time bonus	-	-	-	-
Value of long-term incentive rewards paid	275,786	540,929	-	338,218
Total Variable Pay	1,054,266	839,889	-	384,648
Total Remuneration paid	**1,905,216**	**1,187,903**	**814,208**	**680,557**
Proportion of fixed and variable pay	45% / 55%	29% / 71%	100% / 0%	43% / 57%
Estimated short-term incentives due payment (based on previous year performance)	748,992	300,344	778,480	312,654
Gross shares delivered	6,868	11,261	-	11,061
Performance share rights allocated (# of share rights)	104,500	63,800	55,000	60,000
Restricted share rights allocated (# of share rights)	10,302	-	17,170	-
Shareholding in Konecranes Plc (# of shares)	7,938	56,801	324	51,075
Expense of statutory/voluntary pension plans	456,458	110,013	296,565	60,818

Proportions of realized remuneration elements of the President and CEO and Deputy CEO in 2024



* As Konecranes' President and CEO Anders Svensson started in the company on October 19, 2022, he did not participate in the PSP (LTI) program which was paid out in 2024. The LTI paid to the President and CEO Anders Svensson is the RSU that vested in January 2024.

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Long-term Incentives

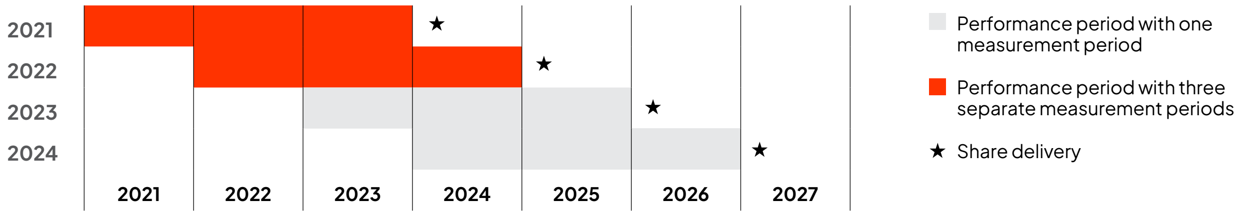
Performance Share Plan (PSP)
The aim of Konecranes' Performance Share Plans is to align the objectives of shareholders and Konecranes' key employees to increase the value of the Company, to commit key employees to the Company and to reward employees for achieving set targets. The actual grant is directly linked to Key Performance Indicators supporting long-term shareholder return and is based on a multi-year performance period.

All the active PSP plans in 2024 had three-year performance periods, but the measurement periods vary. The PSP plans launched in 2021 and 2022 have three separate one-year-long measurement periods within the three-year performance period. Due to the uncertainty caused by the COVID-19 pandemic in 2020, 2021, the war in Ukraine in 2022, as well as the planned merger announcement made in 2020*, the Board of Directors decided to apply one-year-long measurement periods instead of three-year-long periods for the Plans started in 2021 and 2022 to enable efficient and relevant target-setting. Despite the one-year-long measurement periods of PSP plans 2021 and 2022, remuneration is paid only after the three-year-long performance period. The PSP 2023 and PSP 2024 plans have one earnings and measurement period covering three years.

The potential rewards from the PSP plans will be paid partly in shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the plan participants. As a rule, no reward will be paid if the plan participant's employment or service ends before the reward payment.

* The planned merger with Cargotec was cancelled in March 2022.

Performance Share Plan



Performance Share Plan (year)	PSP 2021	PSP 2022	PSP 2023	PSP 2024
Performance period	2021-2023	2022-2024	2023-2025	2024-2026
Number of participants **	152	150	153	158
Measure	Comparable EPS for years 2021, 2022 and 2023 ***	Comparable EPS for years 2022, 2023 and 2024 ***	Cumulative Comparable EPS and Sales Growth CAGR %	Cumulative Comparable EPS, Sales Growth CAGR % and CO_2 emissions from Konecranes' own operations (tCO_2)
Performance share rights allocated (# of share rights)	542,210	534,410	604,500	537,700
Grant date share value, €/Share	38.77	22.13	35.34	52.95
Total share value, based on the grant date value	€21,021,482	€11,826,493	€21,363,030	€28,471,215
Total gross shares delivered	192,662	n/a	n/a	n/a
Gross shares delivered to CEO & Deputy CEO				
Anders Svensson, CEO since October 19, 2022	0	n/a	n/a	n/a
Teo Ottola, Deputy CEO (Interim CEO, from October 7, 2019, to January 31, 2020, and from January 1 to October 18, 2022)	11,261	n/a	n/a	n/a

** At the end of December 2024
*** PSP 2021 and PSP 2022 have three separate 1-year measurement periods with separate targets for each 1-year period. Measure for years 2021, 2022 and 2023 was comparable EPS.

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2021–2023 Performance Share Plan (paid in 2024)

The 2021–2023 PSP plan had a three-year-long performance period with three separate one-year-long measurement periods. The Board of Directors has annually resolved the criterion and separate targets for each measurement period, and the criterion for all measurement periods (2021, 2022 and 2023) was comparable EPS. Items affecting comparability of the EPS included defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The target group of the plan for the performance period 2020–2022 consisted of a maximum of 170 key employees of the Konecranes Group. The rewards paid on the basis of the performance period corresponded to the value of a maximum total of 634,921 Konecranes shares, including the proportion paid in cash. The outcome for the measurement period 2021 was 100 percent, the outcome for the measurement period 2022 was 11 percent and the outcome for the measurement period 2023 was 100 percent. As a result, the total outcome of the plan was 70 percent.

2022–2024 Performance Share Plan (payable in 2025)

The 2022–2024 plan has a three-year-long performance period with three separate one-year-long measurement periods and separate targets for 2022, 2023 and 2024. The criterion for the measurement periods 2022, 2023 and 2024 is comparable EPS. Items affecting comparability of the EPS include defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The target group of the plan for the performance period 2022–2024 consists of a maximum of 170 key employees of the Konecranes Group. The rewards to be paid on the basis of the performance period correspond to the value of a maximum total of 600,000 Konecranes shares, including the proportion to be paid in cash. The outcome for the measurement period 2022 was 11 percent, the outcome for the measurement period 2023 was 100 percent and the outcome for the measurement period 2024 was 100 percent. As a result, the total outcome of the plan was 70 percent. The rewards will be paid in 2025.

2023–2025 Performance Share Plan (payable in 2026)

The 2023–2025 plan has a three-year performance period from 2023 to 2025. The plan has two performance criteria: the cumulative comparable Earnings per Share (EPS) for the financial years 2023–2025 with a 60 percent weighting and the compound annual growth rate (CAGR) for Sales for the financial years 2023–2025 with a 40 percent weighting. Items affecting comparability of the EPS include defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The target group of the Plan consists of a maximum of 170 Konecranes key employees. The rewards to be paid on the basis of the performance period 2023–2025 correspond to the value of a maximum total of 700,000 Konecranes Plc shares. The potential rewards will be paid in 2026 if the plan's terms and conditions are met.

2024–2026 Performance Share Plan (payable in 2027)

The 2024–2026 plan has a three-year performance period from 2024 to 2026. The plan has three performance criteria: the cumulative comparable Earnings per Share (EPS) for the financial years 2024–2026 with a 55 percent weighting, the compound annual growth rate (CAGR) for Sales for the financial years 2024–2026 with a 35 percent weighting and CO_2 emissions, own operations, with a 10 percent weighting. Items affecting comparability of the EPS include defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The target group of the Plan consists of a maximum of 170 Konecranes key employees. The rewards to be paid on the basis of the performance period 2024–2026 correspond to the value of a maximum total of 600,000 Konecranes Plc shares. The potential rewards will be paid in 2027 if the plan's terms and conditions are met.

Restricted Share Unit Plan 2017 (RSU)

In addition to the Performance Share Plan, Konecranes has a Restricted Share Unit Plan (RSU), which can be used for retention purposes under special conditions. The vesting periods can last from 12 to 36 months. The prerequisite for reward payment is that a key employee's employment or service continues until the end of the vesting period. The rewards to be allocated on the basis of the entire plan will amount to a maximum total of 200,000 Konecranes shares, including the proportion to be paid in cash. The Board of Directors may decide to settle the full award in shares, taxable by the participant.

Recently, there was only one participant in the RSU 2017 plan: the Konecranes President and CEO Anders Svensson, who joined the Company in October 2022. He was allocated 17,170 gross shares, of which 40 percent vested on December 31, 2023, and 60 percent vested on December 31, 2024, with a share delivery of 10,302 gross shares in January 2025. The first 40% was paid in shares and the remaining 60% was settled in shares (50%) and in cash (50%) to cover taxes. The President and CEO was the only participant in the RSU plan, and as he has now received the RSU-based compensation, there are no other participants in the plan.

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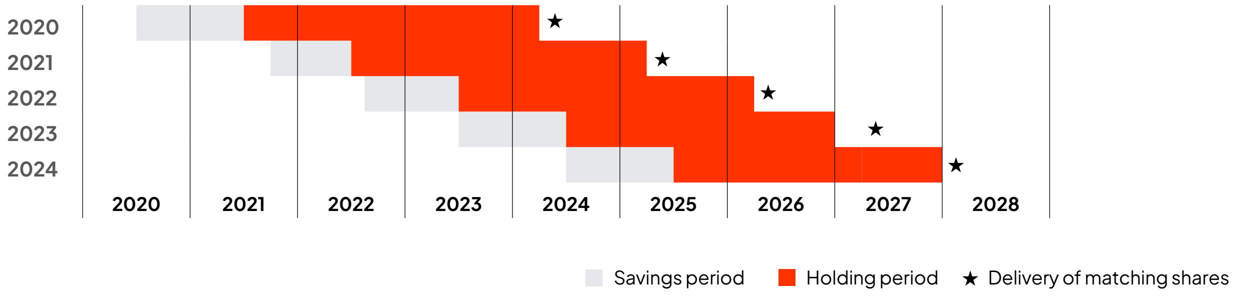
Employee Share Savings Plan (ESSP)

In 2012, Konecranes launched an Employee Share Savings Plan for all employees, including the Management, except in those countries where the plan could not be offered for legal or administrative reasons. The Board has decided to launch a new ESSP plan annually since the start of the program.

Participants can monthly save a sum of up to 5 percent of their gross salary, which is used to buy Konecranes shares from the market on behalf of the participants. If participants are still in possession of these shares after an approximately three-year-long holding period, they will receive one matching share for every two initially purchased shares.

This ESSP plan is also available to the President and CEO, as well as the Deputy CEO. The President and CEO participates in the ESSP 2024 plan, which is currently in its savings period, with potential rewards due in 2028. Both the President and CEO and the Deputy CEO participate in the ESSP 2023, which is currently in its holding period, with potential rewards due in 2027. The Deputy CEO also participated in the ESSP 2022 plan, which is currently in its holding period, with potential rewards due in 2026.

Employee Share Savings Plan



Employee Share Savings Plan (year)	ESSP 2020	ESSP 2021	ESSP 2022	ESSP 2023	ESSP 2024
Savings period	October 1, 2020– June 30, 2021	July 1, 2021– June 30, 2022	August 1, 2022– June 30, 2023	July 1, 2023– June 30, 2024	July 1, 2024– June 30, 2025
Number of participants *	1,906	1,873	2,057	2,383	2,573
Number of shares acquired	81,970	137,453	124,706	112,257	20,915 (Ongoing)
Delivered or expected matching shares to be delivered *	40,985	68,727	62,353	56,129	10,458 (Ongoing)
Share price by delivery date or by the end of December 2024 (for non-vested plans), €/share	46.60	61.20	61.20	61.20	61.20
Value of the delivered or expected matching shares **	€1,909,901	€4,206,062	€3,816,004	€3,435,064	€ 639,999 (Ongoing)

* At the end of December 2024
** Share value by delivery date or by the end of December 2024 (for non-vested plans)

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Risk management

Konecranes' Board of Directors has defined and adopted a set of risk management principles based on widely accepted international good management practices. The Audit Committee evaluates and reports on the adequacy and appropriateness of internal controls and risk management to the Board.

Risk management principles

Risk is anything that will clearly affect Konecranes' ability to achieve its business objectives and execute its strategies. Risk management is part of Konecranes' control system and is designed to ensure that any risks related to the Company's business operations are identified and managed adequately and appropriately to safeguard the continuity of Konecranes' business at all times. The Group's risk management principles provide a basic framework for risk management across Konecranes, and each Group company or operating unit is responsible for its own risk management. This approach guarantees the best possible knowledge of local conditions, experience, and relevance. The Group's risk management principles define risk management as a continuous and systematic activity aimed at protecting employees from personal injury, safeguarding the assets of all Group companies and the Group as a whole, and ensuring stable and profitable financial performance. By minimizing losses due to realized risks and optimizing the cost of risk management, Konecranes can safeguard its overall long-term competitiveness.

Significant risks for Konecranes

Konecranes has assessed its strategic, operational, hazard and financial risks. The risks and risk management methods

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described below are intended to be indicative only and should not be considered exhaustive.

Strategic risks
At Konecranes, strategic risks are considered to have potential long-term impact on Konecranes' businesses and strategic objectives.

Demand for Konecranes' products and services is affected by the development of local and global economies, regional and country-specific political and geopolitical issues and stability, as well as the business cycles of Konecranes' customer industries. Currency fluctuations may cause changes in the competitiveness of Konecranes' products in a specific market and affect its customers' businesses. Demand for maintenance services is driven by the capacity utilization rates of customers. Capital expenditure on industrial cranes varies with the development of industrial production and production capacity, while demand for port solutions follows trends in global container traffic and port investment cycles. Lift truck demand follows other industrial and port product segments. In addition to risks related to sales volumes, adverse changes in demand can also result in overcapacity and affect market prices, as can the actions of competitors.

Konecranes' aim is to increase the proportion of service revenue in its total revenue stream and thereby reduce its exposure to economic cycles. In general, the demand for services is less volatile than that for equipment. As part of its strategy, Konecranes strives to maintain a reasonably wide geographical market presence to balance out economic trends in different market areas, while also paying attention to relevant distribution costs. Konecranes also aims to limit the risks resulting from changes in demand in different customer segments, as well as in the demand for certain products, by maintaining a diverse customer base and offering a wide range of products and services. Konecranes also strives to differentiate itself from its competitors and reduce the competitive pressures that it experiences through active product development.

Operational risks
Konecranes' operational risks are closely related to day-to-day activities, decisions, and management of business. These risks are continuously managed at all organizational levels.

Konecranes' ability to operate is dependent on the availability, expertise, and competence of professional personnel. Konecranes' personnel objectives are supported by active talent processes, talent acquisition and engagement as well as systematic employee surveys and third-party social responsibility assessments. Konecranes continuously invests in improving the essential competencies in the industry-leading technical skills of its service technicians, digital talent, leadership development, and in customer-centric and effective sales and sales management skills, among other things. Failure to obtain, develop and retain the required capabilities could have an adverse effect on Konecranes' growth and profitability.

As Konecranes has and maintains a strong brand and reputation, issues affecting Konecranes' reputation or brand could have a negative impact on Konecranes' business and financial performance. Such risks could materialize, for example, due to issues with safety, cyber security, quality, or major delivery challenges.

Konecranes' supply relies on its supply chain of own manufacturing operations, while most components used are sourced from external suppliers. Konecranes subcontracts and outsources a substantial share of activities and processes while working closely with partners and service providers in various activities, such as logistics and IT. This model exposes Konecranes to risks relating to the availability, continuity and costs of components, subcontracted labor, and services. A failure to secure materials, components, resources or services in a timely manner, or quality issues within these, can cause business disruptions, cost increases or quality risks with supply. Labor availability constraints can impact Konecranes' capacity to operate.

Hazard risks
Hazard risks are, by nature, occurrences with negative consequences.

Employee and subcontractor safety is the top priority in everything Konecranes does. Konecranes' goal is that everyone gets home safe every day. In Konecranes' way of working, there is no job so important and no service so urgent that one cannot take the time to perform work safely and correctly. Safety extends to Konecranes' offering of safety-enhancing products, solutions, and services that support the safety of customers. Safety risks may expose individuals and businesses to various negative consequences.

Konecranes' business depends on the reliable and continuous operation of its production facilities, supply chain, various internal and outsourced services, and functioning logistics. Konecranes, its customers and suppliers rely materially on information technology and the availability, integrity and quality of information. Potential disruption with any of these may cause business interruption to Konecranes' operations, with financial consequences and damage to Konecranes' brand.

Cybersecurity incidents, severe weather events, natural catastrophes or terrorism are examples of hazard risks that are difficult to predict, challenging to mitigate or prevent and may cause interruption to Konecranes, its supply chain or service providers.

Financial risks
See note 33 in the Financial Statements for a detailed overview of financial risk management.

Insurance
The Group continuously reviews its insurance policies as part of its overall risk management. Insurance policies are used to cover all risks that are economically feasible or otherwise reasonable to insure.

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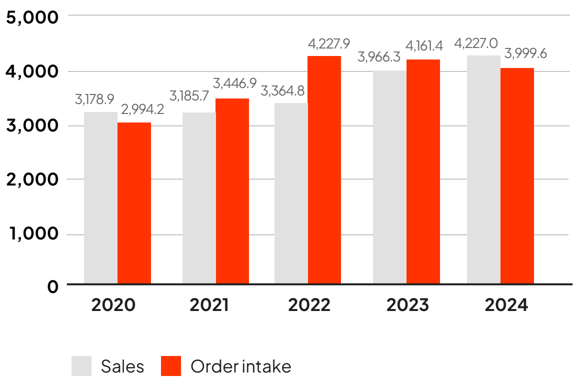
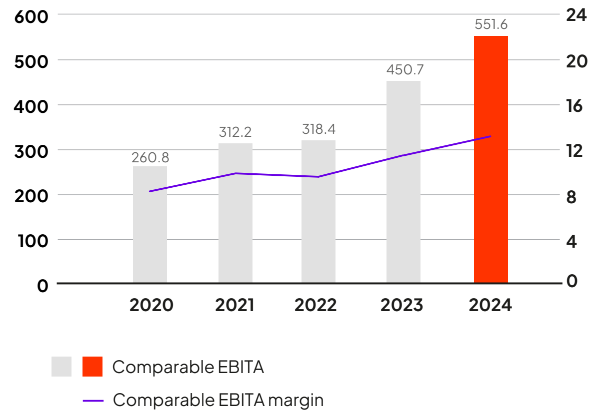
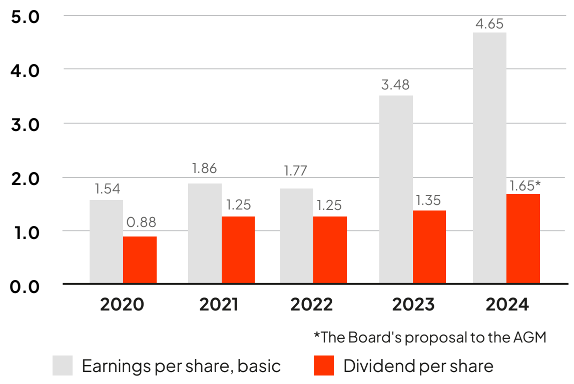
Sales & order intake, MEUR



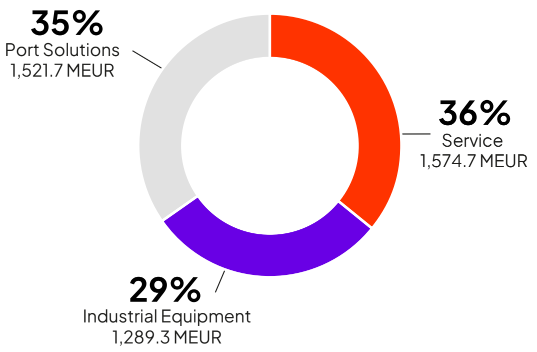
Comparable EBITA, MEUR & Comparable EBITA margin, %



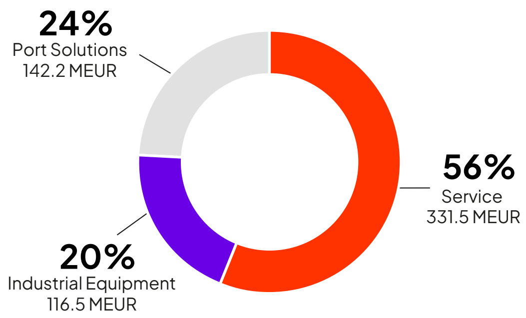
Earnings & dividend per share, EUR



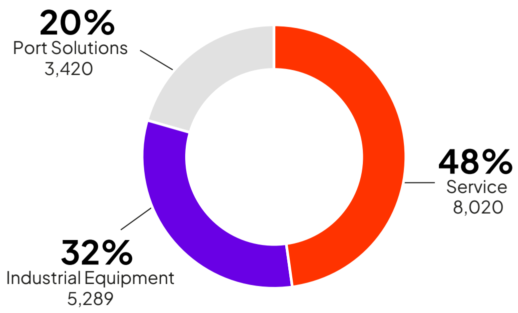
Sales by Segment, 2024



Comparable EBITA by Segment, 2024



Personnel by Segment, 2024



Percentages have been rounded and may not total to 100%.

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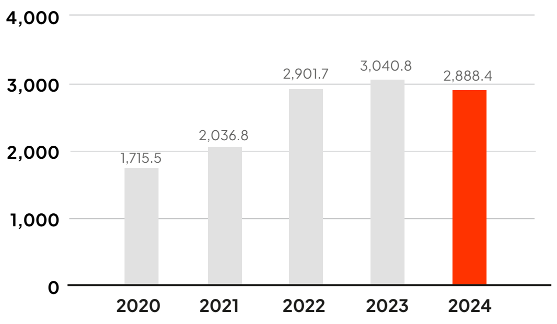
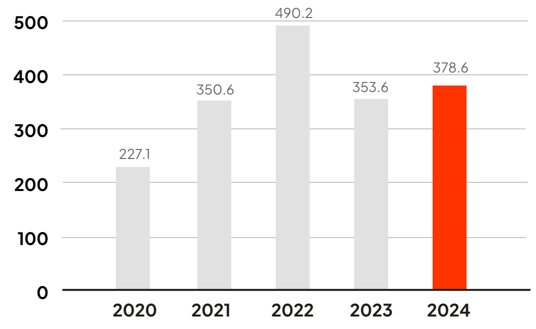
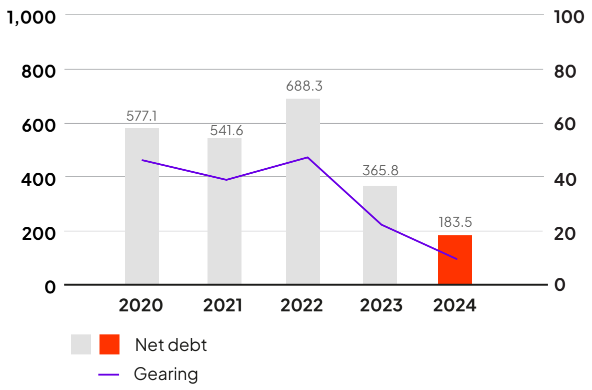
Order book, MEUR



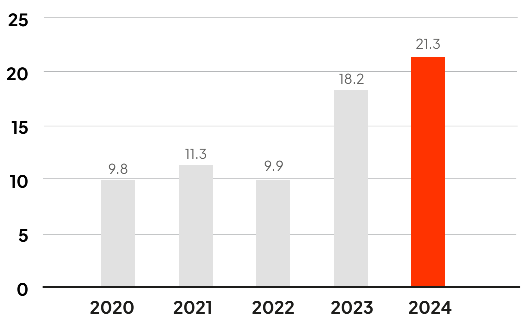
Year-end net working capital, MEUR



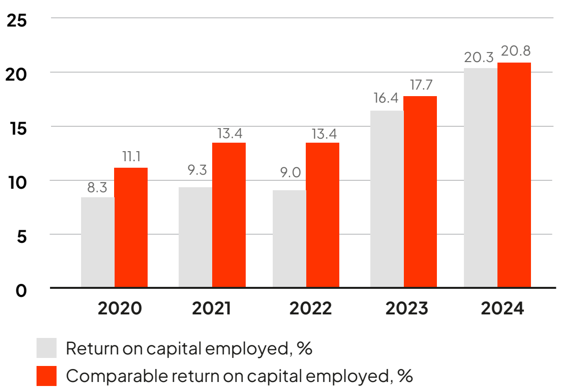
Year-end net debt, MEUR & Gearing, %



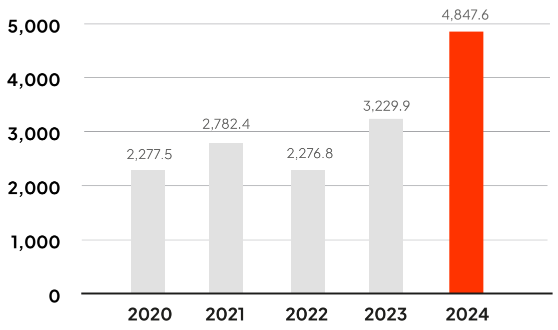
Return on equity, %



ROCE, % & Comparable ROCE, %



Year-end market capitalization*, MEUR



* Excluding treasury shares

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Konecranes' strategy

Konecranes' purpose is to ***shape next-generation material handling for a smarter, safer and better world.***

The world is facing the challenge of providing materials and goods that are essential for people, while preserving scarce resources and limiting emissions. As an industry leader, Konecranes is perfectly placed to meet this challenge: the company supports its customers' operations with innovative solutions that enhance their productivity, lower their emissions and drive their business forward.

Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries. The company consistently sets the industry benchmark, from everyday improvements to the breakthroughs at moments that matter most, and is trusted every day to lift, handle and move what the world needs.

Konecranes owns the largest patent portfolio in its industry and provides value for customers during the material handling solutions' whole lifetime.

Service provides industry-leading maintenance services for all types and makes of industrial cranes and hoists. Konecranes has an unparalleled global service network, with an objective to improve the safety, productivity and sustainability of customers' operations. Konecranes takes a comprehensive, systematic and collaborative approach to managing customer assets through Lifecycle Services; connecting data, machines and people to deliver a digitally enabled customer experience in real time and to maximize uptime and minimize downtime.

Industrial Equipment provides hoists, cranes and material handling solutions from general manufacturing to various kinds of process industries, and Konecranes is a global leader in sustainable lifting solutions covering a full range of industrial applications. The company's deep industry knowledge is built into every Konecranes product which has quality at the core. Konecranes designs and manufactures the key crane components ("core of lifting") in-house, to function flawlessly in the specific lifting applications of customers' industries.

Port Solutions provides lifting equipment and solutions, as well as services, to container terminals, intermodal terminals, shipyards and bulk terminals. Konecranes' container handling offering is the widest and deepest in the industry, and Port Solutions offers a full range of manned and fully automated container yard cranes and automated guided vehicles, mobile harbor cranes, manned and fully automated straddle carriers, and heavy-duty lift trucks. It also provides a complete array of shipyard cranes and Terminal Operating System (TOS) and Equipment Control System (ECS) software, optimizing the operations of entire container terminals.

Global demand driving Konecranes' growth and innovation

Demand for Konecranes' products and services is influenced by market conditions in the manufacturing and container handling industries. Customers typically invest in new equipment to expand capacity or replace old machinery. Investment can be cyclical and varies across different industries, depending on the economic environment. Konecranes sees growth opportunities arising from the demand for higher productivity, safety and environmental sustainability.

The vast majority of Konecranes' customers are in industrial production sectors, including general manufacturing, metals, power generation, petrochemicals, and pulp and paper. In general, their need for services and new equipment is tied to production volume and capacity utilization. The remaining are container ports and terminals, where investments are linked to global trade and container volumes.

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Konecranes' organic growth has been healthy, complemented by a strong acquisition track record. As Konecranes has expanded, its operations have become increasingly international, with products manufactured in the Americas, EMEA, and APAC, and sold worldwide. Today, Konecranes' operations span across the world with presence in over 50 countries. The global reach allows Konecranes to offer the benefits of an industry leader while delivering extensive local presence and service capabilities.

Megatrends driving Konecranes' business

Konecranes has identified three megatrends that shape its markets and provide business opportunities: Sustainability, Digitalization and automation, and Geopolitics.

In Konecranes' customer industries, companies and regulators alike have increased their ambitions to decarbonize operations. Konecranes supports this development through its own ambitious climate targets and offering and the company's products are designed to combine productivity with eco-efficiency. The extensive service offering lengthens the lifecycle of the equipment and supports circular economy. Safety is incorporated into the design, construction, maintenance and service of Konecranes' products.

Digitalization is accelerating within the industries Konecranes provides solutions to, and customers increasingly explore digital solutions to enhance productivity, safety and sustainability. Konecranes is a technology leader in material handling, developing smart, connected products and autonomous solutions, and harnessing the advantages of the company's purpose-built componentry, technical knowledge and digitalization. The extensive digital offering supports Konecranes' position as the supplier of choice, while also providing data that supports in perfecting offerings such as predictive maintenance. Konecranes applies industry best practices within cybersecurity to provide safe and secure digital solutions to customers.

Geopolitical events such as the war in Ukraine do not only bring human suffering – they create disruptions in companies' operating environment as seen in supply chain challenges, rising energy costs and inflation. In addition, the increased protectionism over the past few years is reflected in Konecranes and its customers' operating environment. Konecranes' diversified business portfolio and industry-leading position also help protect the company from regional and segment volatility. On the other hand, changing supply chains and trade routes may increase the global demand for material handling solutions and services.

Business targets

Konecranes' ambition is ***to become the world leader in material handling solutions, creating value for everyone.***

Reflecting the growing global demand for material handling solutions and services that sustainably meet people's needs, Konecranes has established the following financial targets:

- sales growth faster than the market[1], and
- a comparable EBITA margin of 12-15% as soon as possible but no later than in 2027[2].

Growth is expected to be mainly organic.

The financial targets for the Business Segments are the following:

Service:
- Sales growth clearly faster than the market
- Comparable EBITA margin of 20-24%

Industrial Equipment:
- Sales growth in line with the market
- Comparable EBITA margin of 8-10%

Port Solutions:
- Sales growth clearly faster than the market
- Comparable EBITA margin of 9-11%

In addition to financial targets, Konecranes has set ambitious climate targets, and aims to have carbon neutral own operations by 2030 and continues the work to reach its science-based targets, in line with limiting global warming to 1.5°C. For Scope 3 emissions, Konecranes is committed to reduce absolute GHG emissions by 50% by 2030 from base year 2019, encompassing the use of sold products and steel related purchases. The target covers over 70% of Konecranes' value chain emissions.

The decarbonization levers in Konecranes' climate roadmap are electrified product offering and customer industries' electrification, steel industry decarbonization, energy market decarbonization, material handling optimization and carbon neutral own operations.

Strategy

In order to become the global leader in material handling solutions, Konecranes has a clear strategy to execute in all its Business Segments.

In Service, Konecranes targets at topline growth, whereas Industrial Equipment focuses mainly on profitability improvement. In Port Solutions, focus is both on sales growth and profitability improvement.

On both Group and Business Segment level, Konecranes focuses on

- Profitable and high growth offerings and geographies
- Leveraging technology leadership through automated and digital solutions
- Markets and segments that appreciate the added value of the company's offering
- Pricing, cost management and internal efficiency
- Operating model with clear authorization and accountability

1) nominal world GDP growth, IMF World Economic Outlook
2) profitability range, depending on the cycle

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In order to generate growth and improve profitability, Konecranes has outlined five strategic enablers that are critical for the company's future success. These are:

- ***Deepening customer focus*** – Konecranes places the needs and expectations of customers at the heart of the decision-making every day.
- ***Accelerating efficiency*** - Konecranes continuously optimizes operations and its go-to-market model, building resilience, driving efficiency and enhancing productivity.
- ***Scaling technology innovation*** – Konecranes is a technology leader in material handling, developing smart, connected products and autonomous solutions, leveraging the advantages of its purpose-built componentry, technical knowledge and digitalization.
- ***Advancing responsible business*** – Konecranes is enabling a decarbonized and circular world by embedding sustainability across its business and supporting customers in reaching their targets. Konecranes is creating a fair, inclusive and diverse working environment where everyone is treated with respect and expects the highest ethical standards of its employees and business partners.
- ***Enhancing our winning culture*** – Konecranes is creating an organization where working together comes naturally and people are inspired to be the best they can be.

Key intangible resources supporting Konecranes' business model

Konecranes is an industry leader, with over 100 years of experience in producing and servicing material handling solutions. Key intangible resources supporting Konecranes' business model include for example patents and trademarks, software, technology and customer lists, as well as experience in the industry.

Konecranes has a dual go-to-market model and sells products to customers under different brands and trademarks. Within industrial customer segments, Konecranes-branded products are sold to end-customers, whereas Demag, SWF, Verlinde, R&M and Donati branded products are sold to distributors and Original Equipment Manufacturers. Within port customers, Konecranes sells products with the Konecranes, Konecranes Gottwald, Konecranes Noell and Konecranes Liftace brands.

The diverse trademark and brand portfolio results from Konecranes' active M&A history. As the acquired brands have had established and strong positions among customers in certain products, geographies and regions, Konecranes has decided to maintain the multi-brand approach, and dual go-to-market model. The strong brand portfolio supports demand for Konecranes' offering, although the product platforms for different brands have been largely harmonized.

Technology leadership is key to Konecranes' success, and the company owns the largest patent portfolio in its industry. Konecranes designs and produces its key components largely in-house, and they are specifically designed and optimized for lifting and material-handling purposes. The patented technology provides a competitive advantage, as Konecranes' products and solutions are known for their durability and optimized performance.

Throughout its history, Konecranes has invested in technology and software development. When designing new products, or upgrading the current ones, usability, productivity, sustainability and serviceability are key elements. The company's service capability builds on decades of experience and know-how, and millions of hours of utilization data.

One of the cornerstones of Konecranes' maintenance ecosystem is TRUCONNECT, a remote monitoring system that provides important real-time data about material handling equipment's and solutions' condition, usage and operation. TRUCONNECT uses sensors on various crane components to gather critical data, including running time, lifted loads, emergency stops and brake condition. The data is sent to a real-time IoT and analytics platform from which insights can be gathered. These insights enable Konecranes experts and crane owners to foresee maintenance needs so the performance of equipment can be optimized and its lifespan prolonged. Monitoring with TRUCONNECT is not limited to only Konecranes assets, it can be added to cranes made by other manufacturers when possible.

TRUCONNECT data can be utilized when the equipment is being serviced and maintained. Based on advanced predictive maintenance models, Konecranes receives forecasts on potential faults and replacement needs, and sales teams can then contact the customer to discuss recommended actions. TRUCONNECT provides also valuable data on how actively Konecranes' products in different customer segments and regions are being used, giving good insight to equipment utilization and demand environment.

Another example of software supporting Konecranes' business model includes the SLIM application, which Konecranes service technicians use while performing their work. SLIM, which stands for Siebel Light In Mobile, is a mobility tool developed for Konecranes field operatives. It is an application which works online, or offline with synchronization, that allows field operatives - service technicians or certified inspectors - to review service requests and then record their work on their smartphone and review it with the customer. Their daily schedule and customer information is also available in the SLIM app, and implementing the app has saved hours of back-office work and increased field operatives' productivity.

One of the key success elements for Konecranes' service business is access to installed base, i.e. data of industrial crane and material handling solution fleet at customer sites. When acquiring crane service companies, access to customer lists and potential legacy equipment drawings are usually some of the key deal logics. The installed base data allows Konecranes to target customers more

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effectively. Information about the installed base is not only limited to service opportunity, as equipment sales also benefit from it.

Market review

Konecranes' operating environment in Service and Industrial Equipment is mainly driven by industrial production. Manufacturing Purchasing Managers' Index (PMI) and manufacturing capacity utilization rates are the macro-indicators that best describe the operating conditions in Konecranes' two industrial Business Segments. In Port Solutions, the operating environment is mainly driven by global container traffic.

The world's manufacturing sector's operating conditions, according to the global manufacturing PMI, were in contraction at the end of the fourth quarter, even though December's PMI reading (49.6) was higher than the previous quarter (48.8).

In the eurozone, the manufacturing PMI continued to signal a downturn in the manufacturing sector. December PMI (45.1) was on a similar level compared to the previous quarter. In the US, the manufacturing PMI was in contraction in December (49.4), but on a higher level compared to the previous quarter. In the emerging markets, December's manufacturing PMI signaled improving operating conditions in India, Brazil and China, albeit at a slowing rate.

The manufacturing industry capacity utilization rate in the European Union continued to decrease in the fourth quarter. The capacity utilization rate was at a lower level on a year-on-year basis, and it was below the pre-COVID-19 pandemic levels. The manufacturing industry capacity utilization rate in the US was on a similar level in the fourth quarter versus the third quarter and it was lower on a year-on-year basis.

Global container throughput, according to the RWI/ISL Container Throughput Index, continued at a strong level in the fourth quarter compared to the historical readings. At the end of December, global container throughput was approximately three percent higher than the year before.

Regarding raw material prices, at the end of the fourth quarter steel prices were below previous year's levels while copper prices were on a slightly higher level than a year ago. The average EUR/USD exchange rate was approximately on the same level compared to the year-ago period.

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Financial performance

Unless otherwise stated, the figures in brackets in the sections below refer to the same period in the previous year.

Konecranes has made changes in reporting Industrial Equipment's order intake and net sales. The change also impacts Industrial Equipment's profitability. The previous year's figures presented in this report have been restated and are fully comparable with the current year figures.

Orders received

In full year 2024, orders received totaled EUR 3,999.6 million (4,161.4), representing a decrease of 3.9 percent. On a comparable currency basis, order intake decreased 3.6 percent. Orders received increased in EMEA but decreased in APAC and in the Americas.

In Service, order intake increased 4.6 percent on a reported basis and 5.1 percent on a comparable currency basis. In Industrial Equipment, orders received decreased 6.7 percent on a reported basis and 6.3 percent on a comparable currency basis. External orders received in Industrial Equipment decreased 7.6 percent on a reported basis and 7.2 percent on a comparable currency basis. In Port Solutions, order intake decreased 8.0 percent on a reported basis and 8.1 percent on a comparable currency basis.

Order book

At the end of December, the value of the order book totaled EUR 2,888.4 million (3,040.8), which was 5.0 percent lower compared to previous year. On a comparable currency basis, the order book decreased 6.1 percent. The order book decreased 1.7 percent in Service, stayed approximately on the same level in Industrial Equipment and decreased 8.6 percent in Port Solutions.

Sales

In full year 2024, Group sales totaled EUR 4,227.0 million (3,966.3), representing an increase of 6.6 percent. On a comparable currency basis, sales increased 6.9 percent. Sales increased 5.7 percent in Service, 2.7 percent in Industrial Equipment and 11.0 percent in Port Solutions. Industrial Equipment's external sales increased 2.7 percent.

At the end of December, the regional breakdown of sales, calculated on a rolling 12-month basis, was as follows: EMEA 47 (47), Americas 40 (38) and APAC 13 (14) percent.

Financial result

In full year 2024, the Group comparable EBITA increased to EUR 551.6 million (450.7). The comparable EBITA margin increased to 13.1 percent (11.4). The comparable EBITA margin increased in Service to 21.0 percent (19.9), in Industrial Equipment to 9.0 percent (7.0) and in Port Solutions to 9.3 percent (7.5). The increase in the Group comparable EBITA margin was mainly attributable to higher sales due to pricing and volume growth, and good strategy execution.

In full year 2024, the consolidated comparable operating profit increased to EUR 520.7 million (419.7). The comparable operating margin increased to 12.3 percent (10.6).

In full year 2024, the consolidated operating profit totaled EUR 511.4 million (402.5). The operating profit includes items affecting comparability of EUR 9.3 million (17.2), which mainly comprised of restructuring costs. Year-on-year, the operating margin increased in Service to 20.0 percent (18.6), increased in Industrial Equipment to 8.1 percent (5.3) and increased in Port Solutions to 8.8 percent (6.9).

In full year 2024, depreciation and impairments totaled EUR 120.5 million (114.9). The impact arising from the purchase price allocation amortization and goodwill impairment represented EUR 30.7 million (30.4) of the depreciation and impairments.

In full year 2024, the share of the result in associated companies and joint ventures was EUR 0.6 million (0.8).

In full year 2024, financial income and expenses totaled EUR -26.7 million (-35.7). Net interest expenses accounted for EUR 23.1 million (29.6) of the sum and the remainder was mainly attributable to other financing expenses and realized and unrealized exchange rate differences related to the hedging of future cash flows, which are not included in the hedge accounting.

In full year 2024, profit before taxes was EUR 485.3 million (367.6).

Orders received and net sales

	1-12/2024	1-12/2023	Change %	Change % at comparable currency rates
Orders received, MEUR	3,999.6	4,161.4	-3.9	-3.6
Net sales, MEUR	4,227.0	3,966.3	6.6	6.9

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In full year 2024, income tax was EUR 116.9 million (92.0). The Group's effective tax rate was 24.1 percent (25.0).

In full year 2024, net profit was EUR 368.4 million (275.6).

In full year 2024, the basic earnings per share were EUR 4.65 (3.48) and the diluted earnings per share were EUR 4.63 (3.46).

On a rolling 12-month basis, the return on capital employed was 20.3 percent (16.4) and the return on equity 21.3 percent (18.2). The comparable return on capital employed was 20.8 percent (17.7).

Balance sheet

At the end of December, the consolidated balance sheet amounted to EUR 4,788.3 million (4,552.4). The total equity at the end of the reporting period was EUR 1,857.7 million (1,594.8). The total equity attributable to the equity holders of the parent company was EUR 1,857.7 million (1,594.8) or EUR 23.45 per share (20.14).

Net working capital totaled EUR 378.6 million (353.6). Sequentially, net working capital decreased by EUR 21.2 million.

Cash flow and financing

In full year 2024, net cash from operating activities was EUR 491.6 million (557.3). The decrease in net cash from operating activities was mainly due to change in net working capital. Cash flow before financing activities was EUR 380.6 million (481.9), which included cash inflows of EUR 4.8 million (6.5) related to sale of property, plant and equipment. It included cash outflows of EUR 69.2 million (52.4) related to capital expenditures, and EUR 46.7 million (39.0) related to acquisition of Group companies.

At the end of December, interest-bearing net debt was EUR 183.5 million (365.8). Net debt decreased mainly due to strong cash flow from operating activities. The equity to asset ratio was 44.4 percent (41.1) and gearing 9.9 percent (22.9).

At the end of December, cash and cash equivalents amounted to EUR 710.0 million (586.6). None of the Group's committed EUR 350 million back-up financing facility was in use at the end of the period.

In April 2024, Konecranes paid dividends, amounting to EUR 106.9 million or EUR 1.35 per share, to its shareholders.

Capital expenditure

In full year 2024, capital expenditure excluding acquisitions and joint arrangements amounted to EUR 65.7 million (54.4). The amount consisted mainly of investments in machinery and equipment, buildings, office equipment and information technology.

Acquisitions and divestments

In full year 2024, the cash impact of capital expenditure for acquisitions and joint arrangements was EUR -46.7 million (-39.0). The cash impact of divestment of Businesses and disposal of associated companies was EUR 0.1 million (9.5).

In April 2024, Konecranes acquired the business of German crane and service supplier Kocks Kranbau.

In July 2024, Konecranes acquired the service business of Dungs Kran- und Anlagentechnik GmbH, a specialist in crane system services based in Voerde, Lower Rhine region in Germany.

In December 2024, Konecranes acquired Rotterdam-based Peinemann Port Services BV, a significant port services provider in the Netherlands, and Peinemann Container Handling BV, a business that sells, rents and services lift trucks in Rotterdam area.

Personnel

In full year 2024, the Group had an average of 16,656 employees (16,503). On December 31, 2024, the number of personnel was 16,842 (16,586). In January-December, the Group's personnel increased by 256 people net.

At the end of December, the number of personnel by operating segment was as follows: Service 8,020 employees (8,010), Industrial Equipment 5,289 employees (5,253), Port Solutions 3,420 employees (3,222) and Group staff 113 employees (101).

The Group had 10,066 (9,785) employees working in EMEA, 3,415 (3,335) in the Americas and 3,361 (3,466) in APAC.

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Business segments

Service

	1–12/2024	1–12/2023	Change %	Change % at comparable currency rates
Orders received, MEUR	1,559.0	1,490.7	4.6	5.1
Order book, MEUR	435.9	443.5	-1.7	-4.2
Agreement base value, MEUR	342.5	318.3	7.6	6.3
Net sales, MEUR	1,574.7	1,490.4	5.7	6.2
Comparable EBITA, MEUR [1]	331.5	296.2	11.9	
Comparable EBITA, % [1]	21.0%	19.9%		
Purchase price allocation amortization, MEUR	-16.6	-17.4	-4.8	
Items affecting comparability, MEUR	-0.7	-1.9		
Operating profit (EBIT), MEUR	314.2	276.9	13.5	
Operating profit (EBIT), %	20.0%	18.6%		
Personnel at the end of period	8,020	8,010	0.1	

[1] Excluding items affecting comparability and purchase price allocation amortization.

In full year 2024, orders received totaled EUR 1,559.0 million (1,490.7), corresponding to an increase of 4.6 percent. On a comparable currency basis, orders received increased 5.1 percent.

Sales increased 5.7 percent to EUR 1,574.7 million (1,490.4). On a comparable currency basis, sales increased 6.2 percent. Sales increased in field service and parts.

The comparable EBITA was EUR 331.5 million (296.2) and the comparable EBITA margin was 21.0 percent (19.9). The increase in the comparable EBITA margin was mainly attributable to pricing and higher volumes. The operating profit was EUR 314.2 million (276.9) and the operating margin 20.0 percent (18.6).

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Industrial Equipment

	1-12/2024	1-12/2023	Change %	Change % at comparable currency rates
Orders received, MEUR[1]	1,263.5	1,354.4	-6.7	-6.3
of which external, MEUR	1,165.6	1,261.8	-7.6	-7.2
Order book, MEUR	893.3	892.3	0.1	-2.5
Net Sales, MEUR[1]	1,289.3	1,255.8	2.7	3.1
of which external, MEUR	1,205.5	1,173.8	2.7	3.1
Comparable EBITA, MEUR[2]	116.5	87.4	33.2	
Comparable EBITA, %[1,2]	9.0%	7.0%		
Purchase price allocation amortization, MEUR	-7.0	-7.0	-1.2	
Items affecting comparability, MEUR	-4.9	-13.5		
Operating profit (EBIT), MEUR	104.6	66.9	56.3	
Operating Profit (EBIT), %[1]	8.1%	5.3%		
Personnel at the end of period	5,289	5,253	0.7	

[1] Previous year restated due to the change in reporting in which the internal component orders received from and internal component sales to Port Solutions have been transferred to internal items within the Port Solutions.
[2] Excluding items affecting comparability and purchase price allocation amortization.

In full year 2024, orders received totaled EUR 1,263.5 million (1,354.4), corresponding to a decrease of 6.7 percent. On a comparable currency basis, orders received decreased 6.3 percent. External orders received decreased 7.6 percent on a reported basis and 7.2 percent on a comparable currency basis. Order intake increased in components but decreased in standard cranes and process cranes.

Sales increased 2.7 percent to EUR 1,289.3 million (1,255.8). On a comparable currency basis, sales increased 3.1 percent. External sales increased 2.7 percent on a reported basis and 3.1 percent on a comparable currency basis. Sales increased in process cranes and components, but remained approximately flat in standard cranes.

The comparable EBITA was EUR 116.5 million (87.4) and the comparable EBITA margin 9.0 percent (7.0). The increase in the comparable EBITA margin was mainly attributable to pricing and good strategy execution. The operating profit was EUR 104.6 million (66.9) and the operating margin 8.1 percent (5.3).

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Port Solutions

	1-12/2024	1-12/2023	Change %	Change % at comparable currency rates
Orders received, MEUR	1,350.5	1,468.5	-8.0	-8.1
Order book, MEUR	1,559.1	1,705.0	-8.6	-8.5
Net sales, MEUR	1,521.7	1,370.8	11.0	10.9
of which service, MEUR	278.2	233.3	19.3	19.2
Comparable EBITA, MEUR[1]	142.2	102.7	38.4	
Comparable EBITA, %[1]	9.3%	7.5%		
Purchase price allocation amortization, MEUR	-7.4	-6.6	12.9	
Items affecting comparability, MEUR	-1.3	-1.1		
Operating profit (EBIT), MEUR	133.5	95.1	40.4	
Operating profit (EBIT), %	8.8%	6.9%		
Personnel at the end of period	3,420	3,222	6.1	

[1] Excluding items affecting comparability and purchase price allocation amortization.

In full year 2024, orders received totaled EUR 1,350.5 million (1,468.5), corresponding to a decrease of 8.0 percent. On a comparable currency basis, orders received decreased 8.1 percent.

Sales increased 11.0 percent to EUR 1,521.7 million (1,370.8). On a comparable currency basis, sales increased 10.9 percent.

The comparable EBITA was EUR 142.2 million (102.7) and the comparable EBITA margin 9.3 percent (7.5). The increase in the comparable EBITA margin was mainly attributable to higher volumes, pricing and good strategy execution. Gross margin increased on a year-on-year basis. Operating profit was EUR 133.5 million (95.1) and the operating margin 8.8 percent (6.9).

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Group overheads

In full year 2024, the comparable unallocated Group overhead costs and eliminations were EUR 38.5 million (35.7), representing 0.9 percent of sales (0.9).

The unallocated Group overhead costs and eliminations were EUR 40.8 million (36.4), representing 1.0 percent of sales (0.9). These included items affecting comparability of EUR 2.3 million (0.7).

Administration

Decisions of the Annual General Meeting

The Annual General Meeting was held on March 27, 2024. The meeting approved the Company's annual accounts for the fiscal year 2023, discharged the members of the Board of Directors and the CEO from liability, and approved all proposals made by the Board of Directors and its committees and the Shareholders' Nomination Board to the AGM.

The AGM approved the Board's proposal that a dividend of EUR 1.35 per share be distributed. The dividend was paid on 10 April 2024.

The AGM approved the Remuneration Report. The resolution by the AGM on approval of the Remuneration Report is advisory.

The AGM decided to support the Remuneration Policy. The resolution by the AGM on approval of the Remuneration Policy is advisory.

The AGM approved the Shareholders' Nomination Board's proposal that the annual remuneration for the Board of Directors and the meeting fees for the committees and meetings of the Board of Directors remain unchanged.

The AGM approved the Shareholders' Nomination Board's proposal that the number of members of the Board of Directors shall be eight. The current Board members Pauli Anttila, Pasi Laine, Ulf Liljedahl, Gun Nilsson, Sami Piittisjärvi, and Päivi Rekonen were re-elected, and Thomas Schulz and Birgit Seeger were elected as new members. Pasi Laine was elected as Chair of the Board of Directors.

The AGM approved the Board's proposal that Ernst & Young Oy be re-elected as the Company's auditor. The remuneration will be paid according to an invoice approved by the Company.

The AGM approved the Board's proposal to change the language of the Company's Articles of Association to Finnish and the Company's business name into Konecranes Oyj.

The AGM authorized the Board to decide on the repurchase and/or on the acceptance as pledge of the Company's own shares.

The AGM authorized the Board to decide on the issuance of shares as well as on the issuance of special rights entitling to shares.

The AGM authorized the Board to decide on the transfer of the Company's own shares.

The AGM authorized the Board to decide on a directed issuance of shares without payment for an Employee Share Savings Plan.

The AGM authorized the Board to decide on donations.

The resolutions of the AGM have been published in the stock exchange release dated March 27, 2024.

Board of Directors

The Board of Directors elected in the Annual General Meeting 2024 consisted of:

- Pasi Laine, Chair of the Board
- Pauli Anttila, Member of the Board
- Ulf Liljedahl, Member of the Board
- Gun Nilsson, Member of the Board
- Päivi Rekonen, Member of the Board
- Thomas Schulz, Member of the Board
- Birgit Seeger, Member of the Board
- Sami Piittisjärvi, Member of the Board

The term of office ends at the closing of the Annual General Meeting in 2025.

On March 27, 2024, Konecranes announced that the Board had held its first meeting. The Board decided to continue with an Audit Committee and a Human Resources Committee.

Ulf Liljedahl was elected Chair of the Audit Committee, and Gun Nilsson, Päivi Rekonen and Birgit Seeger as Committee members. Pasi Laine was elected Chair of the Human Resources Committee, and Pauli Anttila and Thomas Schulz as Committee members.

All Board members with the exception of Sami Piittisjärvi were deemed to be independent of the Company and all Board members with the exception of Pauli Anttila were deemed to be independent of the Company's significant shareholders.

Sami Piittisjärvi was deemed not to be independent of the Company due to his current position as an employee of Konecranes. Pauli Anttila was deemed not to be independent of a significant shareholder of the Company based on his position as Investment Director and Member of the Management Team at Solidium Oy until January 2025.

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Shareholders' Nomination Board

On September 9, 2024, Konecranes announced the composition of the Shareholders' Nomination Board.

The following members were appointed to the Shareholders' Nomination Board:

- Reima Rytsölä, CEO of Solidium, appointed by Solidium Oy,
- Markus Aho, Chief Investment Officer of Varma, appointed by Varma Mutual Pension Insurance Company,
- Stig Gustavson, appointed by Stig Gustavson and family, and
- Mikko Mursula, Deputy CEO, Investments of Ilmarinen, appointed by Ilmarinen Mutual Pension Insurance Company.

Pasi Laine, the Chair of the Konecranes' Board of Directors, serves as an expert in the Nomination Board without being a member.

Konecranes Leadership Team

In full year 2024, Konecranes Leadership Team consisted of:

- Anders Svensson, President and CEO
- Teo Ottola, CFO, Deputy CEO
- Fabio Fiorino, Executive Vice President, Industrial Service and Equipment
- Tomas Myntti, Business Area President, Port Solutions (since October 14, 2024)
- Juha Pankakoski, Executive Vice President, Port Solutions (until October 13, 2024)
- Minna Aila, Executive Vice President, Corporate Affairs & Brand (since July 1, 2024)
- Claes Erixon, Executive Vice President, Technologies (since May 13, 2024)
- Christine George, Executive Vice President, Corporate Strategy & Business Development (since April 8, 2024)
- Anneli Karkovirta, Executive Vice President, People and Culture
- Sirpa Poitsalo, Executive Vice President, General Counsel

On October 1, 2024, Konecranes announced that as of January 1, 2025, the company will have three Business Areas: Industrial Service, Industrial Equipment and Port Solutions. Related to the new operating model, Fabio Fiorino was appointed Business Area President, Industrial Service, as of January 1, 2025. He continues as a member of the Konecranes Leadership Team. Marko Tulokas was appointed as Business Area President, Industrial Equipment, and a member of the Konecranes Leadership Team as of January 1, 2025.

Shares and trading

Share capital and shares

On December 31, 2024, the company's registered share capital totaled EUR 30.1 million. On December 31, 2024, the number of shares including treasury shares totaled 79,221,906.

Treasury shares

On December 31, 2024, Konecranes Plc was in possession of 12,788 treasury shares, which corresponds to 0.0 percent of the total number of shares, and which had on that date a market value of EUR 0.8 million.

On January 2, 2024, 6,868 treasury shares were conveyed without consideration as the reward payment to the key employee participating in the Konecranes Restricted Share Unit Plan 2017. After the share delivery, Konecranes holds a total of 12,788 own shares.

Market capitalization and trading volume

The closing price for the Konecranes shares on the Nasdaq Helsinki on December 31, 2024, was EUR 61.20. The volume-weighted average share price in full year 2024 was EUR 53.30, the highest price being EUR 68.60 in September and the lowest EUR 38.09 in January. In full year 2024, the trading volume on the Nasdaq Helsinki totaled 31.5 million, corresponding to a turnover of approximately EUR 1,678.9 million. The average daily trading volume was 125,507 shares representing an average daily turnover of EUR 6.7 million.

On December 31, 2024, the total market capitalization of Konecranes Plc was EUR 4,848.4 million including treasury shares. The market capitalization was EUR 4,847.6 million excluding treasury shares.

Performance Share Plans 2022, 2023 and 2024

On February 1, 2024, Konecranes announced that the Board of Directors had decided to establish a new Performance Share Plan 2024 for Konecranes key employees. The Plan has a three-year performance period from 2024 to 2026. The Plan has three performance criteria: the cumulative comparable Earnings per Share (EPS) for the financial years 2024–2026 with a 55 percent's weighting, the compound annual growth rate (CAGR) for Sales for the financial years 2024–2026 with a 35 percent's weighting and the CO2 emissions from own operations for the financial years 2024-2026 with a 10 percent's weighting. The targets for the three-year performance period have also been decided by the Board of Directors. The target group of the Plan consists of approximately 170 Konecranes key employees. Additional information, including essential terms and conditions of the Plan, is available in the stock exchange release dated February 1, 2024.

On February 1, 2024, Konecranes announced that the Board of Directors had decided the criterion for the measurement period 2024 of the Performance Share Plan 2022. The criterion is comparable earnings per share (EPS). Also, the targets for the measurement period 2024 were decided by the Board of Directors. Additional information on the criterion is available in the stock exchange release dated February 1, 2024.

Additional information, including essential terms and conditions of the Plan 2022 in the stock exchange release published on March 30, 2022. Information, including

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essential terms and conditions of the Performance Share Plan 2023, is available in the stock exchange release published on February 1, 2023.

Employee Share Savings Plan
On February 1, 2024, Konecranes announced that the Board of Directors had decided to launch a new Plan Period relating to the Employee Share Savings Plan. The new Plan Period began on July 1, 2024, and will end on June 30, 2025. The other terms and conditions approved by the Board have been published in the stock exchange release dated February 1, 2024.

Notifications of major shareholdings

In January-December, Konecranes did not receive notifications of major shareholdings.

Research and development

In 2024, Konecranes' research and product development expenditure totaled EUR 59.8 (51.3) million, representing 1.4 (1.3) percent of sales. R&D expenditure includes product development projects aimed at improving the quality and cost efficiency of both products and services.

Konecranes is a technology leader in its industry, building on more than a century of breakthroughs and innovation. Offering is built around state-of-the-art solutions that provide tangible benefits for customers, while meeting increasing requirements in areas such as cybersecurity.

Making material flow better, safer and more sustainable
In 2023 Konecranes launched its Zero4 research and innovation program, partly funded by Business Finland. The program aims to improve industrial productivity by zeroing out information barriers, safety incidents, absolute greenhouse gas emissions and energy waste in material handling. The vision of Zero4 is a unified material flow platform that seamlessly tracks, orchestrates, visualizes and optimizes the flow of material and intralogistics equipment fleets.

As part of the program, Konecranes plans to develop selected production plants into material flow flagship sites and model factories to boost research and innovation efforts.

The program has so far brought together more than 60 ecosystem partners, with the number expected to grow further. In 2024, six research projects were started within Zero4:

- TwinFlow focuses on enhancing production and intralogistics operations.
- HiFive explores utilizing metaverse technologies in industrial work.
- MixedFleet researches enhanced collaboration between machines and humans.
- Inverse further develops the collaboration between cranes and robots.
- In VIIMA, Konecranes studies the effects of variating wind loads in dimensioning components such as gears and motors, relevant for equipment in high-wind environments such as ports.
- DareX focuses on data-based circularity strategies.

Cybersecurity throughout the value chain
Cybersecurity is a priority for Konecranes and has become a differentiator when doing business. In 2024, Konecranes received its expanded ISO 27001 certification, a standard for information security management which is especially crucial for potential customers tendering within critical infrastructure and governmental contracting. Konecranes also achieved its first product security certification, IEC 62443 4-1, for the secure development of products, showcasing that security is a priority in every step of our product development process.

In 2024, Konecranes strengthened its own third-party risk management, implemented supplier security monitoring and started a supplier security audit program. These initiatives were designed to protect the organization from potential threats, ensure business continuity and maintain a high level of security and assurance throughout the supply chain.

Technology and data boost business operations and employee productivity
In its technology development, Konecranes prioritizes projects that provide tangible business and customer benefits. This is exemplified by the Predictive Maintenance Engine, which was launched the previous year and further developed in 2024. Co-developed by Konecranes' data experts and customer-facing frontlines, the engine predicts service needs by bringing together a multitude of data points including asset usage hours and age and field inputs from service technicians.

The engine has proven to be a valuable tool in predicting when a piece of equipment will require service. This insight is appreciated by customers, who use it to avoid unplanned downtime. Solutions such as this showcase the unique capabilities of Konecranes, pairing its expertise in material handling equipment with deep data and technology capabilities. Konecranes works with technology development throughout its Technologies function, including a dedicated Data Science Lab, and together with the businesses.

Konecranes also places a focus on providing its employees with the latest productivity tools. As large language models became more prevalent in 2024, Konecranes developed the Konecranes Artificial Intelligence Secured Advisor (KAISA). Based on commercially available large language models, KAISA provides a secure environment for Konecranes employees to utilize generative AI. Other tools based on generative AI are also in development to improve internal processes and ways of working.

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Sustainability statement

1. GENERAL INFORMATION

General disclosures

Basis for preparation

General basis for preparation of sustainability statement

The Konecranes Sustainability Statement has been prepared on a consolidated basis. With regard to owned subsidiaries, the scope of consolidation is the same as for the financial statements, except for acquisitions and divestments. The joint operations and equity accounted investments, for which Konecranes has no operational control, are treated as suppliers or investments and excluded from the Sustainability Statement regarding own operations.

Acquisitions and divestments during the reporting year are included in the consolidated sustainability statements as soon as they are integrated into the relevant information systems. The acquisitions and divestments completed during 2024 are accounted in the year-end headcount figures and occupational safety figures for own workforce. The acquisitions and divestments are considered to have an immaterial impact on the sustainability metrics in 2024. For more information about the acquired and divested entities during the reporting year, see **Acquisitions and divestments in note 4 in Konecranes' Financial Review 2024.**

The Konecranes Sustainability Statement covers the company's upstream and downstream value chain to the extent that the company has visibility and a direct ability to affect. Konecranes' Supplier Code of Conduct and Distributor Code of Conduct set requirements for Tier 1 suppliers and subcontractors, other business partners and third parties Konecranes works with, as well as sub-suppliers and subcontractors that provide services or deliver products to such companies for the benefit of Konecranes. Regarding downstream, the Sustainability Statement covers customers and end-users, distributors and logistics providers, depending on the go-to-market model of the Business Area and Business Unit in question.

In the Sustainability Statement, Konecranes has not used the option to omit the disclosure of sensitive information.

Disclosures in relation to specific circumstances

Other medium- or long-term time horizons than defined in ESRS 1

In the Konecranes Sustainability Statement, the short-term horizon is 1 year, medium-term over 1 year and up to 5 years, and long-term is more than 5 years.

Value chain estimation

In the Konecranes Sustainability Statement, value chain data is mainly used to calculate Scope 3 greenhouse gas emissions data. The Scope 3 calculation methodologies and used estimations are described in **E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions.**

Sources of estimation and outcome uncertainty

No metrics with a high level of measurement uncertainty have been identified in the Konecranes Sustainability Statement 2024. As Scope 3 GHG emission calculations include indirect data sources and estimations, they are subject to some level of uncertainty especially related to data accuracy and timeliness.

Governance

Role of the administrative, management and supervisory bodies

Composition and access to sustainability expertise and skills

At the end of 2024, the Konecranes Leadership Team had nine executive members including the CEO, and the Board of Directors had eight members. One of the Board members is an employee representative, selected from among candidates put forward by the employees of Konecranes in accordance with the agreement on employee representation between Konecranes and its employees, and the other seven are non-executive Board members.

Konecranes' Shareholders' Nomination Board prepares proposals for the election of the members of the Board of Directors and for identifying potential Board member

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candidates. The Shareholders' Nomination Board ensures that the Board of Directors and its members maintain and represent a sufficient level of expertise, knowledge and competence as well as diversity. Board selections are based on a candidate's background and competency to understand Konecranes' current and future markets, strategy, employees and customers, including a sound understanding of financials and business dynamics. Collectively the Board of Directors should have combined experience in different markets, geographies and important topics like digitalization and corporate responsibility.

As of 2024, Konecranes' Board of Directors includes individuals with relevant experience across different sectors and regions.

The share of independent Board members in 2024 was 88 percent.

Percentage of members of administrative, management and supervisory bodies by gender
Both females and males are represented on the Board of Directors, and Konecranes' aim is to strive towards a good and balanced Board composition taking into account all aspects of Board diversity.

At the end of 2024, out of eight Board members, three were female, representing 38 percent of the total. The Board members represented three different nationalities and were born in four different decades. The Board also consisted of versatile work experience and different educational backgrounds from the fields of engineering and economics.

The Board's gender diversity ratio was 0.6.

Roles and responsibilities
Konecranes' Board of Directors is the highest body overseeing sustainability. Two Board committees, the Human Resources Committee and the Audit Committee, have sustainability-related responsibilities. Konecranes' President and CEO holds the highest executive management-level responsibility on sustainability. The Konecranes Leadership Team might also carry out relevant responsibilities, with the assistance of the Councils and Committees reporting to the Konecranes Leadership Team.

The responsibilities of the committees are defined in their respected charters. The Board of Directors approves the long-term focus, ambition level and targets. The Board of Directors' Human Resources Committee is the official supervisory Board committee focusing on sustainability. The Human Resources Committee is responsible for assisting and providing guidance and recommendations to the Board of Directors in fulfilling its oversight and other responsibilities concerning sustainability. The Human Resources Committee evaluates and makes recommendations to the Board concerning the company's strategy and ambitions related to sustainability and ESG, specially related to environmental responsibility, human and labor rights, health and safety as well as diversity, equity and inclusion. The Human Resources Committee reviews the reports on the Konecranes sustainability strategy, and reviews performance against set targets, business strategy and Konecranes values as well as the long-term and short-term incentive plans including ESG metrics. The Board of Directors' Audit Committee is the official supervisory body for overseeing the Corporate Sustainability Reporting.

Konecranes' President and CEO holds the highest executive-level responsibility on sustainability. The Konecranes Leadership Team plays a significant role in the company's management system, strategy preparation and decision-making and is involved in the risk and financial planning process, but it has no official statutory position based on legislation or the Articles of Association. The Konecranes Leadership Team approves sustainability policies, strategy and targets and reviews sustainability performance on a monthly basis.

The Sustainability Council, which is nominated by the Konecranes Leadership Team, advises and assists in overseeing the sustainability strategy, ambition and performance, as well as compliance with Konecranes' sustainability-related policies and processes. The Sustainability Council also validates the materiality assessment, prepares policies, and oversees the implementation of the practices. The Sustainability Council follows risk and opportunity assessments and emerging trends and regulations, and is led by the Vice President, Sustainability. The Compliance & Ethics Committee oversees the development and quality of the Compliance & Ethics Program and is sponsored by the Executive Vice President, General Counsel.

In Konecranes' organizational structure, the highest responsibility for operational sustainability work is with the Vice President, Sustainability, who reports directly to the President and CEO. The Vice President, Sustainability, also reports to Konecranes' Leadership Team on progress on a monthly basis, and to the Konecranes Board of Directors and to the Committees of the Board annually.

Konecranes has some dedicated controls and procedures over managing identified sustainability impacts, risks and opportunities. Negative impacts and risks are integrated into Konecranes' Enterprise Risk Management (ERM) process, while positive impacts and opportunities are more likely to be acknowledged in the strategy process. Konecranes has a Risk Management function reporting to the Executive Vice President, General Counsel. The identified material sustainability risks are visible on the Konecranes ERM top risk list discussed within the Audit Committee of the Board annually, presented by the global Head of Risk Management.

Overseeing the company's target setting and monitoring progress are built into the company's governance mechanism. The Sustainability Council prepares proposals on the targets for the Konecranes Leadership Team's

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approval. The Board of Directors approves the strategic targets and follows progress at least annually with the support of the Human Resources Committee. The Human Resources Committee serves as a supervisory body on sustainability-related issues. It approves the long-term sustainability goals, ambitions, and targets, while also reviewing performance and activities on an annual basis. Additionally, the Human Resources Committee oversees the progress of the climate transition plan and manages employee incentives. The Vice President, Sustainability, reports to the Human Resources Committee annually.

As an example, in 2024, Konecranes committed to setting long-term company-wide emission reduction net-zero targets, in line with the Science Based Targets initiative (SBTi), in addition to the current near-term targets. The Vice President, Sustainability, presented the proposal to the Sustainability Council and after it was approved, took the proposal to the Konecranes Leadership Team for approval. After this, the proposal was brought to the agenda of the Human Resources Committee, and once the Committee approved it, the proposal was officially approved by the Board of Directors. Sustainability is an annual agenda item in Board meetings, where progress is reviewed. The Konecranes Leadership Team follows the progress on a monthly basis.

How appropriate skills and expertise are available or will be developed to oversee sustainability matters

According to the charter of the Shareholders' Nomination Board, the most important nomination criteria for Board members are competency, knowledge, personal qualities and integrity. Furthermore, the members of the Audit Committee must have the qualifications necessary to perform the responsibilities of the Audit Committee, and at least one member shall have expertise specifically in accounting, bookkeeping or auditing. Additionally, according to the Board of Directors' diversity policy, the Members of the Board of Directors are always selected based upon their expected contribution and effectiveness as members of the Board of Directors, and their capability to positively influence the long-term strategic direction and performance of the company. Collectively the Board of Directors should have combined experience in important topics like digitalization and corporate responsibility. These requirements also ensure that the Board of Directors has sufficient sustainability-related expertise.

The Board has received training on the Corporate Sustainability Reporting Directive and has access to Konecranes' internal experts for additional insights. Sustainability matters are presented to the Board and its committees several times each year. Notably, sustainability is a topic scheduled to be discussed annually by the Board.

The Board and the President and CEO, together with the company's in-house sustainability experts, are able to ensure the company continues to have sufficient internal sustainability expertise. External advisors can be used when needed.

The Konecranes Leadership Team members have strong sustainability expertise and have actively been participating in sustainability-related discussions.

Additionally, administrative, management and supervisory bodies have the opportunity to seek external and internal expertise.

The Board of Directors' knowledge and experience ensure a reasonable understanding of sustainability-related topics to include the sustainability perspective in market, business, and strategic decisions. The Board and the Konecranes Leadership Team are systematically informed about Konecranes' sustainability-related topics, such as progress and regulatory requirements, to ensure that they have the necessary knowledge to make business decisions. Additionally, Konecranes has experts in different operational teams that have deep knowledge relevant to all material topics.

Governance in relation to business conduct

The Group's Compliance & Ethics program is overseen by an executive-level Compliance & Ethics Committee and the Audit Committee of Konecranes' Board of Directors. The Audit Committee receives periodic compliance and ethics reports that allow proper oversight, including summaries of internal investigations that can be of significance. Furthermore, the Head of Compliance & Ethics provides a compliance and ethics update to the full Board of Directors once a year or as needed.

The President and CEO receives periodic updates from the Compliance & Ethics Committee that allow proper oversight. Additionally, the Head of Compliance & Ethics provides quarterly reports to the Konecranes Leadership team. The Board and the President and CEO are provided training on the company's Code of Conduct.

Information provided to and sustainability matters addressed by administrative, management and supervisory bodies

At Konecranes, the functional leaders inform administrative, management and supervisory bodies as agreed annually to ensure that the material sustainability matters are addressed during the reporting period. The information is usually shared within the scheduled meetings of the respective bodies.

Sustainability matters are covered on the agenda at least once a year in the meetings of Konecranes' Board of Directors. The Human Resources Committee reviews sustainability performance and activities at a minimum of once a year. The Konecranes Leadership Team reviews sustainability progress systematically and in 2024 this was done once a month.

The identified material sustainability risks are discussed in the Board of Directors' meeting annually, presented by

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the global Head of Risk Management. By systematically receiving reviews the Board can assess the progress made as well as the related risks and opportunities. With this process, Konecranes aims to ensure that the Board members utilize this information when making any strategy-related decisions.

Sustainability is embedded in the core of Konecranes' strategy, as *advancing responsible business* is identified as one of the company's strategic enablers. Also, the company's values include a sustainability aspect. To ensure that material topics are considered within decision-making, ESG topics are evaluated within the annual and long-range planning, as well as Enterprise Risk Management, and they are identified in the strategy process. Having ESG matters included in the processes ensures that the risks and opportunities are addressed and that the related trade-offs are considered.

In 2024, the double materiality assessment was discussed in the Konecranes Leadership Team and Audit Committee of the Board. Risks identified within the double materiality assessment were introduced to the Board of Directors and the Konecranes Leadership Team as part of Enterprise Risk Management. The sustainability agenda in general was discussed in the Board and the Human Resources Committee once, including deep dives into the climate agenda and safety. People topics are discussed in all Human Resources Committee meetings. The Board reviewed the Corporate Sustainability Reporting Directive (CSRD) implementation progress twice and the Audit Committee three times. Information security as well as compliance and ethics topics were covered in the Audit Committee.

Integration of sustainability-related performance in incentive schemes

Konecranes integrated ESG into its incentive scheme in 2023.

The members of the Board do not participate in Konecranes' incentive schemes and do not receive performance-based remuneration nor do they have a pension scheme arranged by Konecranes. Remuneration of the Konecranes President and CEO and Deputy CEO includes a fixed remuneration of base salary, fringe benefits and pension, and a variable remuneration with short-term and long-term incentives. Further details are provided in **Remuneration Report 2024.**

The short-term incentive plan is based on annual targets related to financial performance as well as ESG. In 2024 the long-term Performance Share Plan (PSP) was based on longer-term financial performance and shareholder value creation.

In 2024, the short-term incentive plan consisted of sales growth (%) and comparable EBITA (%) on a Group level or Business Area level, where applicable, and ESG targets with two main KPIs: CO_2 emissions from own operations and the Total Recordable Incident (TRI) rate, with a weighting of 5 percent for each. Thus, the total weighting of ESG in the short-term plan is 10 percent.

Additionally, the short-term incentives of Konecranes leaders include ESG metrics to further enforce the management's commitment to Konecranes' sustainability targets.

The incentive schemes are approved annually by the Board of Directors based on a proposal by the Human Resources Committee.

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Statement on due diligence

Core elements of due diligence	Environment	People	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model - Material impacts, risks and opportunities and their interaction with strategy:	Sustainability is identified as a business enabler and is linked to strategy and long- and short-term business planning. Double materiality assessment will be revisited regularly to ensure that the material impacts, risks and opportunities are made visible and known by the internal stakeholders who drive and lead the relevant strategic areas of the company. The material impacts, risks and opportunities will be taken into account within the annual and long-range planning of all relevant Group functions, Business Areas and their Business Units as well as Enterprise Risk Management.		General disclosures: • Governance • Strategy • Impact, risk and opportunity management
- Integration to policies:	Environmental Policy Statement, Konecranes Code of Conduct, Supplier Code of Conduct, Distributor Code of Conduct and internal programs, such as HSE excellence.	Human Rights Policy, Konecranes Code of Conduct, Supplier Code of Conduct, Distributor Code of Conduct and topic-specific policies such as Fair Labor Frame; Health and Safety Policy Statement; Diversity, Equity and Inclusion Policy Statement; Data Protection Policy.	E1 Climate change: • E1-2 Policies related to climate change mitigation and adaptation E5 Resource use and circular economy • E5–1 Policies related to resource use and circular economy S1 Own workforce • S1–1 Policies related to own workforce S2 Workers in the value chain • S2–1 Policies related to value chain worker S4 Consumers and end-users • S4–1 Policies related to consumers and end-users G1 Business conduct • G1–1 Business conduct policies and corporate culture • Entity-specific information: Cyber-preparedness and enterprise resilience
- Integration to administrative, management and supervisory bodies	Information is regularly provided and matters addressed by the Sustainability Council, the Human Resources Committee of the Board and different business and functional leadership meetings.		General disclosures: • Governance
- Integration of sustainability-related performance in incentive schemes:	In 2024, the short-term incentive targets of the President and CEO, the Deputy CEO and other senior management had a 10 percent weighting on ESG targets.		General disclosures: • Governance

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Core elements of due diligence	Environment	People	Paragraphs in the sustainability statement
b) Engaging with affected stakeholders in all key steps of the due diligence	Employees: Internal communications, idea. konecranes.com, e-learnings, internal team meetings and internal training and development. Customers: Sales personnel, key account managers and service technicians. Surveys and the Voice of Customer (VoC) feedback tool after delivery or installation. Customer data requests. Investors: Investor briefings and meetings, Annual General Meetings, Annual Report and sustainability reporting, and by replying to investor questionnaires. Suppliers, subcontractors: Procurement personnel, supplier assessments and negotiations, and ongoing contract management.	Employees: Internal communications (e-mail, Konecranes' intranet, internal social media channel Viva Engage), employee engagement survey (EES), idea.konecranes.com, Pulse checks, e-learnings, Whistleblowing Channel and compliance e-mail, internal team meetings and internal training and development. Customers: Engagement mainly through sales department, key account managers and service technicians. Surveys and the Voice of Customer (VoC) feedback tool is also used after delivery or installation. In addition, replying annually to a significant number of data requests by customers. Investors: Engagement through investor briefings and meetings, Annual General Meetings, Annual Report and sustainability reporting, and by replying to investor questionnaires. Suppliers, subcontractors: Engagement through procurement personnel, supplier assessments and negotiations, and ongoing contract management.	General disclosures: • Strategy S1 Own workforce • S1-2 Processes for engaging with own workers' representatives about impacts • S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns S2 Workers in the value chain • S2-2 Processes for engaging with value chain workers about impacts • S2-3 Processes to remediate impacts and channels for value chain workers to raise concerns S4 Consumers and end-users • S4-2 Processes for engaging with consumers and end-users about impacts • S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns G1 Business conduct • G1-2 Management of relationships with suppliers
c) Identifying and assessing adverse impacts	Regular impact assessment and climate risk analysis based on scenario work using internal and external expertise as well as input from e.g. audits. Regular risk assessment from enterprise to topic-specific level.	Regular impact assessment using internal and external expertise as well as input from e.g. audits and Whistleblowing Channel. Regular risk assessment from enterprise to topic-specific level.	General disclosures: • Governance • Strategy • Impact, risk and opportunity management E1 Climate change • Material impacts, risks and opportunities and their interaction with strategy and business model S1 Own workforce • S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns S2 Workers in the value chain • S2-3 Processes remediate impacts and channels for value chain workers to raise concerns S4 Consumers and end-users • S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns G1 Business conduct • G1-2 Management of relationships with suppliers

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Core elements of due diligence	Environment	People	Paragraphs in the sustainability statement
d) Taking actions to address those adverse impacts	Own operations' environmental management based on certified ISO 14001 EMS and global HSE Standards, product development according to Design for Environment, supplier management according to Supplier Code of Conduct.	Programs and processes for Health and Safety, Compliance and Ethics, Human Resources, Supplier Management, Know Your Counterparty, Data Protection, Diversity, Equity and Inclusion.	E1 Climate change • E1-3 Actions and resources in relation to climate change policies E5 Resource use and circular economy • E5-2 Actions and resources related to resource use and circular economy S1 Own workforce • S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions S2 Workers in the value chain • S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions S4 Consumers and end-users • S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions G1 Business conduct • G1-2 Management of relationships with suppliers • Actions and resources related to business conduct

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Core elements of due diligence	Environment	People	Paragraphs in the sustainability statement
e) Tracking the effectiveness of these efforts, and communicating	Monitoring progress of key indicators monthly and at a minimum on an annual basis monitoring, for example, energy and emissions and circularity KPIs.	Supplier Code of Conduct audits, social responsibility assessments for own operations, internal auditing, Whistleblowing Channel, employee surveys, Health & Safety and Compliance & Ethics KPIs. Overseeing findings in necessary forums.	E1 Climate change • E1-3 Actions and resources in relation to climate change policies • E1-4 Targets related to climate change mitigation and adaptation E5 Resource use and circular economy • E5-2 Actions and resources related to resource use and circular economy • E5-3 Targets related to resource use and circular economy S1 Own workforce • S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions • S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S2 Workers in the value chain • S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions • S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities S4 Consumers and end-users • S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions • S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities G1 Business conduct • G1-2 Management of relationships with suppliers • Actions and resources related to business conduct • Targets related to business conduct

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Risk management and internal controls over sustainability reporting

Konecranes has created a control environment for its sustainability reporting. For all material datapoints, there is evidence or a control in place, ensuring good data quality in the reporting process. In addition, Konecranes has identified risk factors to which each datapoint could be exposed. All datapoints are assessed against those risk factors, determining the overall risk level for incorrect reporting. Further control needs and internal controls are designed based on the risk level. This process will promote data accuracy and mitigate the risk of human errors in the reporting process in the coming years.

For quantitative datapoints, Konecranes assessed risk levels as high, medium, or low, based on several predefined factors. The factors influencing risk include alignment with key company targets or management incentives, data availability, dependencies between datapoints, involvement of multiple personnel in the data collection process, reliance on spreadsheets, and estimation-based data.

For qualitative datapoints, high, medium, or low risk was identified using specific criteria related to data source availability, data complexity, and narrative scope. By summing these factors within defined thresholds, risk levels were prioritized without explicitly detailing individual scoring.

The main risks identified were related to the same data used in many disclosure points, data timing availability, and source of the data including topics such as many data sources. The risk evaluation and control descriptions are integrated into the CSRD reporting process documentation and reviewed with affected functions.

To support the control environment development own operations' reporting on energy consumption will be implemented in internal audit processes and practices in 2025.

The risk assessment is presented to the Konecranes Leadership Team and the Audit Committee of the Board regularly, and the process is aligned with the risk management function and the internal audit team.

Strategy

Strategy, business model and value chain

Konecranes' purpose is to *shape next-generation material handling for a smarter, safer and better world.* The world is facing the challenge of providing materials and goods that are essential for people, while preserving scarce resources and limiting emissions. As an industry leader, Konecranes is perfectly placed to meet this challenge: the Company supports its customers' operations with innovative solutions that help enhance their productivity, lower their emissions and drive their business forward. Demand for Konecranes' products and services is influenced by market conditions in the manufacturing and container handling industries, and the Company sees growth opportunities arising from the demand for higher productivity, safety and environmental sustainability. Additionally, three megatrends have been identified that shape Konecranes' markets and provide business opportunities: Sustainability, Digitalization and automation, and Geopolitics.

Konecranes' ambition is to become the world leader in material handling solutions, creating value for everyone. For this, the Company has set financial targets as well as ambitious climate targets (read more from **E1-4 Targets related to climate change mitigation and adaptation**). In order to generate growth and improve profitability, Konecranes has outlined five strategic enablers that are critical for the company's success. These are *Deepening customer focus; Accelerating efficiency; Scaling technology innovation; Advancing responsible business;* and *Enhancing our winning culture*. Read more about the Company strategy from the **Report of the Board of Directors.**

In its double materiality assessment, Konecranes has identified actual and potential impacts related to sustainability matters, which are connected to the whole product and service offering. As sustainability is at the core of Konecranes' strategy and operations, Konecranes continuously takes action to minimize the negative impacts caused by its products and services. Konecranes' sustainability-related goals are set at the Group level. In terms of products, Konecranes aims for all new solutions to be more sustainable than the previous generation. Other than this, the goals are not limited in terms of groups of products and services, customer categories, geographical areas and relationships with stakeholders.

Konecranes offers products and services through its three business segments – Service, Industrial Equipment and Port Solutions – each contributing approximately one third of Group sales.

The business segment Service provides specialized maintenance services and spare parts for all types of industrial cranes and hoists, from a single piece of equipment to entire operations. The objective is to improve the safety and productivity of Konecranes' customers' operations. The service products help to extend the lifecycle of customers' equipment and to improve the safety and security of the equipment.

The business segment Industrial Equipment provides an extensive range of industrial cranes, from components and light duty applications to demanding process use and solutions. They include, for example, industrial cranes and wire rope hoists, other components needed for crane manufacturing as well as digital controls, software and automation. Konecranes also offers chain hoists, workstation

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lifting systems, overhead cranes, and cranes and hoists for hazardous environments. The whole Industrial Equipment offering is electric. Taking this into account, the product sustainability focus areas in Industrial Equipment are topics such as material selection and weight optimization, and improving the energy efficiency of the products. Konecranes has, for example, investigated standby power reduction possibilities and offerings related to regenerative power, as well as motor development with optimized material use and efficiency. Streamlining of the product variants continued, resulting in fewer components. In 2024, Konecranes launched several new products like the Konecranes S-series low headroom hoist, the Konecranes D-series electric chain hoist, the X-series crane and a new explosion-proof electric chain hoist for hazardous environments (zones 1/2/21).

The business segment Port Solutions provides equipment, services and software, including products such as ship-to shore cranes, rubber-tired gantry cranes, lift trucks, mobile harbor cranes, straddle carriers, automated guided vehicles and automated stacking cranes. Additionally, Port Solutions offers maintenance and repair services as well as spare parts for the container handling industry and its products. In Port Solutions, Konecranes has steadily expanded its offering of electric and hybrid products, with the last remaining diesel-fueled product lines within the lift truck business to be made available electrically by the end of 2026. This is one of Konecranes' focus areas connected to the company's Scope 3 target of halving emissions by 2030. The emissions category "use of sold products" is the biggest source of emissions, and the share of Port Solutions' diesel-powered equipment sales impacts that heavily. This is why Konecranes' transition plan focuses on this area in the customer industries of ports and terminals.

In 2024, Konecranes further expanded the Port Solutions offering of electrified lift trucks by launching the company's second electric forklift E-VER in 18–25-ton capacity and the empty container handler E-ACE for the Asian market. Konecranes also launched the Konecranes Noell Straddle and Sprinter Carrier with modular power options for hybrid, battery and hydrogen, and built-in readiness for future power sources. Each option is retrofittable and interchangeable. During 2024, Konecranes also launched the Future Fields automation concept, which is an integrated automated solution incorporating a multi-trolley ship-to-shore crane, an automated guided vehicle and Automated High-Bay Container Storage.

Konecranes' products are designed to combine productivity with eco-efficiency, and the extensive service offering lengthens the lifecycle of equipment and supports circular business models. Safety and security are incorporated into the design, construction, maintenance and service of our products. With the Konecranes Design for Environment (DfE) process, the company aims to improve its products' environmental performance already at the design phase.

The demand for Konecranes' products and services is driven by market conditions in different industries. Business Area Industrial Service and Equipment serves general manufacturing and various process industries, such as metals production, power generation, automotive, pulp and paper, raw materials and chemicals. Business Area Port Solutions serves mainly the container handling industry, covering ports and terminal customers. Additionally, customers include industrial customers and those involved in other material handling sectors, primarily bulk material handling.

At the end of 2024 Konecranes had 16,842 employees of whom 10,066 or 60 percent were in the Europe, Middle East and Africa region (EMEA), 3,415 or 20 percent in the Americas region, and 3,361 or 20 percent in the Asia-Pacific (APAC) region.

Konecranes has no products or services relating to or affecting sustainability matters that are banned in certain markets.

Konecranes' strategic enablers have a focus on the most material sustainability matters and they guide the company's approach to the future. For example, *Enabling responsible business* focuses on safety and security, environmental sustainability, human and labor rights, as well as ethical business behavior, while *Scaling technological innovation* focuses on low-carbon R&D and digitalization on top of general innovation activities.

Konecranes' specific sustainability strategy is built around four sustainability commitments:

- We deliver safe and secure material handling solutions
- We enable a decarbonized and circular world
- We create a fair, inclusive, diverse, and engaging working environment
- We expect high ethical standards of ourselves and our business partners

Konecranes has set targets for each sustainability commitment as well as programs that ensure the implementation of the needed actions.

Description of business model and value chain

Konecranes' ambition is to become the world leader in material handling, creating value for everyone. Konecranes is shaping the next generation of material handling for a smarter, safer and better world. The company focuses on designing, manufacturing, and servicing intelligent, connected lifting devices. Key resources include technological innovation, a skilled workforce, and sustainable practices. The company's distribution channels ensure efficient delivery to diverse customer segments, including industrial sectors, ports, and logistics providers.

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Konecranes' key stakeholders are the following, including the main upstream (supplier) and downstream (customer) value chain relationships.

- **Investors:** Investors in Konecranes include both shareholders who own the company's shares and potential investors, as well as equity research analysts. The General Meeting of Shareholders serves as the highest decision-making body, where shareholders exercise their decision-making power and supervise and control the company's business. Investors make their investment decisions independently and determine their holdings based on their individual investment strategies.
- **Customers and distributors:** The quality and quantity of Konecranes' offering can affect customers. The majority of Konecranes' emissions originate from the use of sold products, meaning the emissions generated at customer sites. Customers are increasingly interested in ESG topics, and Konecranes' products can affect customers' environmental impacts from an emissions perspective.
- **Suppliers and subcontractors:** Konecranes relies on its suppliers to perform business operations and projects. Similarly, these suppliers depend on Konecranes to financially support their own business. The impact of raw materials and their acquisition is significant for Konecranes' ESG targets, highlighting the importance of suppliers for the company. Konecranes has a vast, global supplier base.
- **Employees:** Konecranes' employees are key stakeholders since they interact directly with customers, keep the business running and earn a living from working at the company.

Konecranes is organized into three business segments based on its products and services. In accordance with IFRS 8, it has three reportable segments in 2024: Service, Industrial Equipment and Port Solutions. In the company's double materiality assessment, Konecranes has identified impacts, risks and opportunities which may have an impact on its stakeholders and on all of its business segments equally.

Inputs

Konecranes considers the following topics as inputs: People; technology; business conduct; collaboration and partners; manufacturing and supply chain; financial inputs; and natural resources.

People: Konecranes has approximately 16,800 employees worldwide. The company focuses on acquiring, developing and retaining talented workforce. To achieve this, the company has solid processes in place in the areas of recruitment, learning and development. To secure talented workforce, Konecranes aims to create a diverse and inclusive working environment where people feel trusted, can thrive by working in a psychologically safe environment, and where everyone has an opportunity to succeed.

Technology: Konecranes has 1,750 patents or patents pending globally, spends 1.4 percent of sales in R&D and has five R&D units globally. Konecranes' innovation process enables new innovations, and the product development process and quality management, together with the oneKONECRANES systems and processes, enable the technology development. Patent management enables the protection of Konecranes' intellectual property rights (IPR).

Business conduct: Konecranes invests in leadership development, follows relevant regulations and legal frameworks, and has built a strong governance model. Together with common processes and due diligence, the company has a strong business conduct model. This is supported by the company's Code of Conduct and, for example, the company's values. To further develop its business conduct, processes such as the company's Whistleblowing Channel enable taking corrective actions and developing company processes and approaches for knowledge sharing. Employee engagement and training help in building a strong culture.

Collaboration and partners(hips): Konecranes has partner programs with startups, universities and different research and innovation programs. Regarding manufacturing and supply chain, Konecranes' global manufacturing network and global supplier and subcontractor base ensure that the company gets the needed inputs, while the Konecranes Way lean methodology helps develop them, and procurement and manufacturing processes as well as continuity planning help in securing them.

Safety and security: Safety and security are at the core of Konecranes' operations – they are prioritized in all areas of the company's operations and throughout the value chain. Prioritizing safety and security in all areas of the company's activities provides it with a competitive advantage. With the company's offering, customers can not only enhance the safety and security of their business, but also improve the efficiency and productivity of their operations. Konecranes' safety culture is based on the principle that there is no work so urgent or important that it cannot be done safely. Product and information security is managed systematically to protect the company's information assets.

Manufacturing and supply chain: Konecranes has a global manufacturing footprint and an extensive service network. Konecranes also has an extensive global supplier base of a total of 22,000 Tier 1 suppliers (including logistics services, material and components, installations, assemblies and other services). In Industrial Service and Equipment, in addition to selling equipment with the Konecranes brand directly to end-users, the company also sells its products to distributors with its other brands such as Demag, R&M, SWF, Donati and Verlinde. Konecranes' approach to gathering and developing manufacturing and supply chain inputs is based

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on global material and service delivery processes as well as procurement process (oneKONECRANES processes), Supplier Relationship Management, and the Konecranes Way lean methodology. To secure the inputs, Konecranes practices continuity planning. In securing our supply chain, we focus on dual purchasing options, demand planning and forecasting, supply chain disruption screening, inventory management, and securing our regional supply base, all contributing to supply chain resilience.

Financial inputs: Konecranes creates value by leveraging financial inputs from debt and equity investors. Funds raised through investment and loans are used to support the development and manufacturing of the company's products, which are then sold to customers. Revenue generated from these sales, along with healthy margins, sustains and grows the business. Konecranes' Enterprise Resource Planning and Group consolidation system ensure that the financial reporting adheres to IFRS standards and is regularly verified by both internal and external audits, guaranteeing transparency and accuracy. Secure IT systems safeguard the integrity of our financial data. The consistent quality and reliability of Konecranes' products foster repeat sales, assuring investors of the stability and profitability of their contributions. This continuous cycle of investment and reinvestment enables Konecranes to develop, innovate and maintain a resilient and thriving business.

Natural resources: Regarding materials, Konecranes mainly procures steel as well as mechanical and electrical components. The company uses energy, for example, for heating and cooling and for manufacturing processes, as well as fuels, for example, for service vehicles. To gather, develop and secure the needed raw materials and energy, Konecranes has a Supplier Code of Conduct that sets the minimum legal and ethical requirements and principles of conduct which Konecranes requires from its suppliers and subcontractors.

Outputs

Konecranes considers the following topics as outputs: Products and services; waste and emissions; economic value distributed.

Products and services:

Konecranes' product offering consists of an Industrial Equipment offering of standard cranes and process cranes and Port Solutions' products for container handling. Konecranes' business segment Service provides industry-leading lifecycle services for all types and makes of industrial cranes and hoists. Konecranes technology improves operational performance through operational software and services, connected cranes and digital tools as well as intelligent machines and devices.

- **Current and expected benefits for customers and end-users:** Konecranes' innovation work concentrates on adopting new technologies and optimizing material handling flows with its products, services, and digital solutions. Konecranes helps its customers cut their carbon footprint with its eco-optimized offering, enabling transition to a low-carbon future. Konecranes applies circular economy principles in its processes for improving resource and energy efficiency. Extending asset lifecycles, minimizing the overall carbon impact, and ensuring that materials are kept in circulation all create value for the customer.
- **Current and expected benefits for investors:** Konecranes provides value for investments by meeting non-financial expectations via producing products and services that advance responsible business.
- **Current and expected benefits for other stakeholders:** The society benefits from decarbonization that Konecranes aims to advance by electrifying its offering and utilizing circular economy principles in its processes. By doing this the company improves its resource and energy efficiency, extends equipment lifecycles and minimizes the overall carbon impact, as well as ensures that materials are kept in circulation.

Waste and emissions:

- **Current and expected benefits for customers and end-users:** Konecranes helps its customers cut their carbon footprint with its eco-optimized offering and by minimizing the emissions from its own operations. This will be done by electrifying Konecranes' offering to minimize the use phase emissions of sold equipment. By applying circular economy principles in its processes, Konecranes improves resource and energy efficiency, and therefore reduces waste and emissions. By extending customers' asset lifecycles, minimizing the overall carbon impact of its products and operations, and ensuring that materials are kept in circulation, the company creates value for the customer.
- **Current and expected benefits for society:** Konecranes aims to minimize the waste generated as well as emissions, and thereby helps society in the transition to a low-carbon future.

Economic value distributed:

- **Current and expected benefits for customers and end-users:** Monetary value with profitability and stability. Reliable and optimized performance. High reliability leads to increased uptime and predictability, which can lower the total cost of ownership of a customer's material handling system.
- **Current and expected benefits for investors:** Dividends. Konecranes also creates value for shareholders by meeting the non-financial expectations via sustainable business practices and risk management.
- **Current and expected benefits for other stakeholders (society, employees and educational institutions):** Paying taxes and boosting local economies as an employer, providing rewarding jobs and competitive salaries for employees, donating, non-profit organizations. Close and mutually beneficial relationships with educational

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institutions and top universities, including financial endowments.

Main features of upstream and downstream value chain

Upstream value chain: This includes all our upstream activities not covered in own operations, mostly focusing on procurement. Konecranes has workers in the supply chain (subcontractors) working at the company's sites and at their own sites. Konecranes' suppliers of steel and other key raw materials such as fabricated steel and electric components are key, especially the suppliers of steel, which is the main raw material used in the company's products. Also, suppliers related to transportation are those with great importance to Konecranes.

Downstream value chain: In the downstream value chain, Konecranes includes all end-users using its products (they act in industries like ports and terminals handling containers, shipyards, metals production, paper and forest, automotive, waste to energy and biomass, and nuclear) and services. In Konecranes' downstream value chain, also distributors are important, as for example in the Business Area Port Solutions Konecranes sells its products to end-users through distributors in addition to utilizing its own sales organization. In the Business Area Industrial Service and Equipment Konecranes has a dual channel approach: The so called beta channel is for selling products under the Konecranes brand directly to end-users, and the so-called alpha channel is indirect distribution to end-users via crane builders, distributors and component integrators. On the service side, Konecranes' relationship with customers and end-users is based on, for example, service agreements. In the parts business, Konecranes' customers can buy spare parts directly from Konecranes.

Interests and views of stakeholders – general

Konecranes places a great deal of importance on its role in addressing sustainability opportunities and challenges. In addition to being responsible, Konecranes must also be responsive to society's fast-changing expectations by engaging in regular and close dialogue with its key stakeholders to understand their evolving needs and expectations. Strategic dialogue helps the company ascertain that its sustainability strategy supports market demands and that the information it provides is relevant and transparent.

Konecranes' key stakeholders are customers, distributors, employees, shareholders and investors as well as suppliers and subcontractors. Stakeholder engagement occurs systematically with all mentioned stakeholder groups.

Engagement with customers is mainly handled by the company's sales department, their key account managers and service technicians. Konecranes uses surveys and the Voice of Customer (VoC) feedback tool after delivery or installation. In addition, Konecranes replies to a significant number of data requests by its customers annually. On health and safety issues, Konecranes engages with customers, and especially the end-users of its products, through Konecranes' authorized contact raised through Accident Investigation Reporting (AIR) or Field Quality Inspections (FQI) processes. These processes ensure constant engagement with the customers. The main aim is to ensure a deepening customer focus. Konecranes has a proactive approach to how it understands and collaborates with its customers, enabling the company to continuously deliver solutions and experiences they value. The company engages actively with its customers throughout the equipment lifecycle, strengthening relationships, building trust, optimizing performance and enhancing profitability, in accordance with the company's strategic priorities and values.

Regarding *employees*, the types of engagement are described as part of Konecranes' people processes. One example of collecting feedback on interests, views and rights is the Pulse survey and the Employee Engagement Survey. Additionally, Konecranes maintains open communication channels with workers' representatives to discuss and address different concerns that may arise on a day-to-day basis. Konecranes has an intranet, an enterprise social network and several other online tools as engagement platforms for our internal stakeholders.

Konecranes engages in active dialogue with *shareholders* and encourages shareholders to share feedback with the company. The feedback is received in shareholder meetings and calls as well as through questionnaires and ratings that shareholders value.

Supplier cooperation is organized by the company's centralized and business unit specific procurement and purchasing functions. A supplier management model is utilized for creating solid partnerships. Suppliers' workers are able to voice their views and concerns, including human rights concerns, through their company's Konecranes contact, as part of audit interviews and in case of actual negative impacts, through Konecranes' Whistleblowing Channel.

The purpose of having an active stakeholder engagement approach is to ensure that Konecranes continuously stays ahead of and is responsive to the emerging trends and requirements, as well as to understand stakeholders' evolving needs and expectations. Konecranes wants to be a preferred supplier for its customers and a preferred employer for its existing and future employees. Konecranes follows the interests of its investors to ensure it is aligned with their requirements. Engaging with suppliers ensures that the company knows what is happening within its supply chain, for example, around new innovations and/or identifying potential changes and securing compliance.

The information received through the company's stakeholder engagement is used as an input in Konecranes'

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KONECRANES Moves what matters.

sustainability strategy and all the way to the Group's strategy. It helps to ensure that the strategy supports market demands and that the information Konecranes provides to the market is relevant and transparent.

Konecranes has gained valuable insights into its stakeholders' interests and perspectives through various communication tools and channels. These have been used to inform the double materiality assessment. Using both the ESRS guidance and findings from Konecranes' 2022 materiality assessment as a foundation, Konecranes reviewed stakeholder input to identify and exclude topics less relevant to our organization. Key topics of interest for Konecranes' stakeholders include GHG emissions and materials used for our products to reduce environmental impact, as well as employee and product health and safety, human rights, and transparency.

Konecranes launched its updated strategy in May 2023. No amendments to the new strategy have been made since then.

The administrative, management and supervisory bodies are informed, as relevant, about the views and interests of affected stakeholders either when the information is available or as a part of predefined topical reviews. The Investor Relations team gathers shareholder feedback and shares it with the Board of Directors, if relevant. Employee views are obtained from the results of employee surveys. The customer's voice is the focus of our Business Areas, and KPIs related to the work with customers are followed monthly by the Konecranes Leadership Team. The results of the double materiality assessment, including stakeholder views and interests, are presented to the Board of Directors or to the Committees of the Board and to the Konecranes Leadership Team whenever the assessment is updated. The Sustainability Council validates the assessment.

Material impacts, risks and opportunities and their interaction with strategy and business model

Environment:

Climate change mitigation is a material topic for Konecranes. The biggest impacts as well as opportunities in climate change mitigation are related to the sub-topic *GHG emissions reduction* in own operations, and upstream and downstream value chain. The need to reduce emissions can create material financial opportunities through enabling a competitive position in the market and increased sales of a low-carbon offering. Konecranes also acknowledges a negative impact to the environment generated through its emissions, mainly through upstream (e.g. raw material purchases, steel) and downstream (use of sold products) value chain emissions. Also, the emissions caused by Konecranes' own operations are relevant, although the impact is small compared to the value chain emissions. If Konecranes' customer industries and suppliers of carbon-intensive raw materials like steel do not proceed with their decarbonization actions and customers do not prefer electric products instead of diesel-fueled ones, Konecranes will not be able to meet its emissions reduction targets. This may also be seen as a risk if the development costs of a low-carbon offering do not generate income. Konecranes has identified impact reduction and financial opportunities especially in the downstream value chain when ensuring *sustainable product design* and utilizing *new sustainable technologies*. Also, *sustainable finance and investments* are material for Konecranes through supporting positive impacts and creating financial opportunities especially in relation to the downstream value chain. For example, government grants can support the financing of research and development, improving environmental performance. *Energy consumption* is a material topic, negative impacts generated mainly through own operations and use of sold products in the downstream value chain. The energy efficiency of the product offering also creates an opportunity: Konecranes can gain a competitive advantage with more energy efficient products. In addition, *renewable energy alternatives* enable emissions reduction in Konecranes' own operations and along the value chain.

Within the topic of **climate change adaptation,** the impact of *extreme weather* events is negative mainly due to the potential damage to manufacturing facilities, but also due to potential impacts in manufacturing and logistics in the upstream value chain, resulting in availability issues or delays. Impacts within the downstream value chain could happen mainly through product deliveries to Port Solutions customers who are in general more subject to extreme weather events than the customers of Industrial Equipment.

The lifecycle of our products may be decades, and **resource outflows** is material for Konecranes from the circular economy perspective. In this area the topic of *product quality and lifecycle* has a positive impact on the environment through the downstream value chain. Manufacturing durable and efficient products reduces their environmental footprint during the whole lifecycle of the product. This may create a financial opportunity for Konecranes when the products are seen as more environmentally sustainable, strengthening the company's good market position. Similarly, *material use efficiency* has a positive impact on the environment mainly through Konecranes' own operations (for example, by using materials more efficiently in production) and downstream value chain (when the products have been designed by keeping, for example, modularity in mind).

The **management of relationships with suppliers** is material for Konecranes, specifically the topic of *setting environmental requirements for suppliers,* leading to a smaller environmental impact when Konecranes is selecting its suppliers with the same high level of environmental ambitions as Konecranes. This might have a positive impact

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on the GHG emissions reduction but is also seen as a material reputational risk if the suppliers are not meeting the environmental requirements or if the climate footprint of Konecranes' product portfolio would increase, affecting the company's market position.

Social:
Working conditions of own workforce is a material topic for Konecranes. The material negative impact of the sub-topic *working time* is related to possible excessive overtime that may lead to physical and mental health issues and impact an individual's right to family or personal time. The topic *adequate wages* has a positive impact in the form of, for example, living wages, which is a very important topic for Konecranes. Paying adequate wages, and especially living wages, to all employees results in positive impacts, especially in low-income countries. Konecranes sees adequate wages as an essential component of decent work, reducing inequalities and increasing gender equality. *Freedom of association* has a positive impact on employees' fundamental labor right of freedom of association and their ability to engage with Konecranes as an employer. *Work-life balance* may negatively impact employees' quality of life in the form of balancing time between work and private life. At Konecranes, work-life balance is considered to apply to all employees, not only family leaves. *Health and safety* might have a negative impact on employees' well-being. Many of Konecranes' employees work in the field at customers' sites, and this work has many safety risks.

Equal treatment and opportunities of own workforce is also a material topic for Konecranes. Its sub-topic *training and skills development* impacts both positively and negatively not only Konecranes' own operations but also the company's employees and the surrounding society. *Diversity* can relate to positive and negative impacts. Promoting diversity, equity and inclusion can enhance employee engagement. On the other hand ,if the company is not promoting equity and inclusion of all employees, this might potentially lead to discrimination.

Regarding **workers in the value chain,** the impacts on people are concentrated in the upstream value chain, where **working conditions** are seen as a material topic. *Working time* relates to suppliers' employees' possible excessive overtime that may lead to physical and mental health issues and impact individuals' right to family or personal time. *Health and safety* impacts suppliers' employees' well-being. When looking at **other work-related rights,** *forced labor* can create severe negative impacts further down in the upstream value chain.

Regarding **consumers' and end-users' personal safety,** the negative impact on people is mainly generated through the downstream value chain due to the impacts on the end-users' and consumers' *health and safety* through potential safety incidents. There are both compliance and reputational risks in the case of serious incidents (even fatalities) related to possible product quality failures where Konecranes' products would be involved. However, Konecranes sees this as a material financial opportunity as our good product quality provides us with a competitive advantage.

Governance:
Regarding **business conduct, corruption and bribery** and especially the *prevention and detection of corruption and bribery, including training* are material topics for Konecranes, impacting people in own operations and in the upstream and downstream value chain. These can have negative impacts on businesses by creating an unfair playing field for those doing honest business. These can also have a negative impact on local economies and societies, as they raise the cost of doing business, discourage investments and hinder economic growth, while undermining social cohesion and eroding trust.

Corporate culture is a material topic, where positive impacts are seen generated especially through own operations and the upstream value chain. It positively impacts ethics in general, the social environment as well as the environment. Corporate culture defines how Konecranes operates, and a strong culture helps us in being compliant and in managing relationships with suppliers and, for example, distributors – which in turn helps us in achieving our climate targets (which in turn has positive impact on the environment through decreased emissions). Corporate culture is both a financial opportunity and a risk. A strong, good corporate culture leads to better performance. It supports employee engagement and helps to build trust with customers and investors. Companies, including Konecranes, also face risks of non-compliance, sanctions and reputational risks related to corporate culture.

Management of relationships with suppliers and especially *management of relationships with suppliers excluding payment practices* are seen as material topics for Konecranes due to the related financial opportunities and risks. Good supplier management and processes are opportunities as they help to increase predictability and resiliency and reduce risks. The respective risks relate to the regulatory environment and a scenario in which businesses would not be able to implement a due diligence act (e.g. Germany's Due Diligence Act) properly.

Entity-specific topics:
Within the area of **cybersecurity,** Konecranes has identified two material sub-topics that are slightly different from each other: *cyber-preparedness and enterprise resilience;* and product security. Cyber-preparedness and enterprise resilience has a negative impact mostly through Konecranes' own operations: The continuity of Konecranes operations is based on functional and reliable business applications, IT infrastructure and factories. A wide-scale cybersecurity attack against Konecranes can cause a data breach,

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operational downtime, and failure to provide service and new equipment to customers according to service agreements and contracts. This is both a financial risk and an opportunity for Konecranes. When cybersecurity is managed well, Konecranes businesses can run smoothly, and, in some cases, this is a prerequisite for doing business. *Product security* is a material topic with a negative impact through the downstream value chain. Konecranes' material handling solutions are used by customers operating in industries like the energy sector, industrial manufacturing, and ports. The availability and security of the material handling solutions impact the continuity of customers' processes. Poor security of the solutions can cause safety, environment and availability issues. Thus, the solutions must be secure by design and remain secure throughout their lifecycle. Product security is also both a financial risk and an opportunity: Good product security helps Konecranes do business with customers and, for example, a cybersecurity certificate can be a prerequisite from the customer. Badly managed product security could have the opposite impact: Failing to comply with cybersecurity regulation and standardization requirements weakens business opportunities and market position or results in regulatory fines.

Pollution, water and biodiversity
Pollution is not considered as material for Konecranes as it does not exceed the set threshold for materiality. Konecranes uses only limited volumes of chemicals and most of the hazardous substances in Konecranes products are widely used commercial components that do no significant harm during the products' use phase.

Based on an analysis, water consumption is not significant for Konecranes since the company's manufacturing processes use very little or no water at all, and the company's operations do not require extensive changes in freshwater or seawater use. Therefore, Konecranes has deemed water as a non-material topic.

Biodiversity and ecosystems is not considered a material topic for Konecranes. The manufacturing of Konecranes' products does not reserve large areas of land or have a significant effect on biodiversity in the surrounding natural environment. Based on biodiversity risk screening, Konecranes factories are not located in biodiversity-sensitive areas such as UNESCO World Heritage sites, Ramsar sites or UNESCO biosphere reserves. However, one of the factories is in an area considered a key biodiversity area. This factory is described in more detail in **Process to identify and assess impacts, risks, dependencies and opportunities in relation to other environmental topics.**

Current and anticipated effects of material impacts, risks and opportunities
During the initial double materiality assessment process, several internal stakeholders participated in discussing the current and anticipated effects of Konecranes' material impacts, risks and opportunities on the company's business model, value chain, strategy and decision-making. And as the double materiality assessment will be revisited regularly, these topics are made clearly visible and are known by the internal stakeholders who drive and lead the related areas within the company. The current and anticipated effects of the material impacts, risks and opportunities will be taken into account within the annual and long-range planning of all relevant Group functions, Business Areas and their Business Units, as well as Enterprise Risk Management.

The material impacts related to the following material topics: Greenhouse-gas emissions reduction, sustainable product design, new sustainable technologies, sustainable finance and investments, reduced energy consumption, utilization of renewable energy alternatives, suppliers' environmental requirements, product quality and lifecycle as well as material use efficiency; all affect people and the environment by mitigating climate change and its negative impacts to people and the environment. Konecranes also acknowledges a negative impact to the environment and people generated through its emissions. The majority of these emissions come from the value chain, mainly from steel raw material purchases and the energy used when using Konecranes' sold products.

The social material impacts related to topics within own workforce's working conditions and equal treatment and opportunities for all are mainly related to people's physical or mental well-being or health and safety, either positively or negatively, similarly to the working conditions and other work-related rights of workers in the value chain. Positive impacts are also related to, for example, helping to prevent unintentional and intentional discrimination and harassment. Negative impacts are related to violations of human rights of those working in the supply chain. Consumers' and end-users' personal safety-related impacts affect end-users' health and safety.

The material impacts are closely connected to Konecranes' strategy, business model and purpose of *Shaping next generation material handling for a smarter, safer, and better world*. They are also very well connected to all of the company's five strategic enablers: *Deepening customer focus; Accelerating efficiency; Scaling technology innovation; Advancing responsible business;* and *Enhancing our winning culture*, as well as the company's values: *Putting customers first; Doing the right thing; Driving for better;* as well as *Winning together.*

The impacts have been considered regarding their likelihood, taking into account the expected time horizon in the following way: Is the event expected to occur in most circumstances (more than once a year), some circumstances (once every 1–5 years), at some time (once every 5–10 years) or in only exceptional circumstances (once in 10–50 years or longer).

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Konecranes is involved in the material impacts through its activities or because of its business relationships in the following ways:

For example, Konecranes' impacts on the environment (for example, climate change mitigation) can be affected by having ambitious climate targets regarding Scope 1, 2 and 3 emissions. Konecranes can reduce its emissions with activities such as managing the supplier relationship and setting tighter environmental requirements for the company's suppliers. Also, the product offering's environmental impact can be minimized by utilizing smart design principles, maximizing the product lifecycle and utilizing circular economy principles throughout the value chain. Konecranes' service business helps to maximize the life of material handling equipment with, for example, predictive maintenance, modernizations and retrofits. Konecranes also works towards carbon neutral own operations by 2030 and helps its customers in reaching their low-carbon targets. The safety-related impacts can be managed by prioritizing and embedding safety in everything the company does. Konecranes has systematic approaches to the different aspects of safety, for example, in the form of embedding safety into the design requirements and product development processes, certifications for ISO 45001 and ISO 9001, and additionally, the reliability and testing approach following ISO 17025. Security in the form of cybersecurity is being managed by systematically implementing security best practices, such as requirements set in the ISO 27001 standard for information security, cybersecurity and privacy protection. In the product security area, Konecranes relies on the industry's best practice standards, such as IEC 62443 for industrial automation and control systems.

Konecranes is involved in the material impacts on people through its activities on governance (the Code of Conduct setting the direction for these activities), supplier management (the Supplier Code of Conduct setting the direction, supported by the Know Your Supplier Policy) as well as different people-related activities that are guided by the company's policies such as the Human Rights Policy, the Diversity, Equity and Inclusion policy statement, as well as the Talent Acquisition and Recruitment policy.

In the reporting year, no material financial effects on the financial position, financial performance or cash flows have been identified regarding material risks and opportunities. No significant risk for material adjustments in the next annual reporting period has been identified. The resilience of Konecranes' strategy and business model regarding the capacity to address material impacts and risks, and to take advantage of the material opportunities, is discussed in connection with the material topics in **Material impacts, risks and opportunities and their interaction with strategy and business model** as well as under relevant topic-specific standards.

The double materiality assessment was done for the first time in 2023, and this is the basis for reporting year 2024. In addition to the impacts, risks and opportunities that are covered by ESRS Disclosure Requirements, Konecranes has identified two entity-specific material topics: *Product security* and *Cyber-preparedness and enterprise resilience*. These entity-specific material impacts, risks and opportunities are disclosed in **Material impacts, risks and opportunities and their interaction with strategy and business model** as well as with entity-specific disclosures in **S4 Consumers and end-users** (product security) and **G1 Business conduct** (cyber-preparedness and enterprise resilience).

Impact, risk and opportunity management

Description of process to identify and assess material impacts, risks and opportunities

In defining its impacts, risks and opportunities and their assessment, Konecranes has followed the draft guidance of double materiality assessment provided by the European Securities and Market Authority (ESMA). First, a model for the assessment was created by mapping all the relevant stakeholders and their interests, topics, sub-topics and sub-subtopics. Then, the thresholds for materiality were defined.

Different information sources were used to map the stakeholders and their interests: Regulations (topics that are highly regulated or topics with emerging regulations); investors (feedback from ESG ratings and discussions with investors); customers (customer requests, annual benchmarking and a thesis work from 2023 including a customer questionnaire); competitors (annual competitor benchmark, and various discussions with customers); employees (subject matter experts, Employee Engagement Survey results and Pulse surveys' results); company management (Konecranes' strategy and values, and discussions with the management).

To map the sustainability universe (topics), a long list of all aspects of sustainability was created based on ESRS and Konecranes' 2022 materiality analysis, and topics relevant for Konecranes were added, further increasing the granularity of the topics. The next step was to define topics that were not relevant for Konecranes' internal or external stakeholders, using the information sources listed above.

For defining the thresholds for materiality, the framework was aligned with Konecranes' Enterprise Risk Management (ERM) methodology as much as possible: The ERM scales were used for defining the impact severity of scale, scope and irremediability (1–4; low, medium, severe, very severe) and likelihood (1–4; low, possible, likely, highly likely). The average of severity mirrored with likelihood then showed if the impact is minor, significant, major or critical (1–4). The impacts were assessed in relation to Konecranes' own operations and upstream and downstream value chain. For assessing

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financial effects, the ERM-aligned approach was used to evaluate a potential monetary value (1–4; minor, significant, major or critical) as well as likelihood (1–4; low, possible, likely, highly likely). To define the final threshold for the material topics, a heatmap for the high-level topics was created and all topics having major or critical impact either from impact materiality or financial materiality point of view were deemed to be material topics for Konecranes.

In general, the analysis supporting materiality assessment was based on Konecranes' operations at a global level. Related to certain topics, for example, local or supply category specific risks were assessed on a more granular level.

To include insights on how affected stakeholders' may be impacted, Konecranes used the insights collected from interviews of suppliers' employees during third-party supplier audits. Regarding the internally affected stakeholders, the information collected from the Employee Engagement Surveys as well as the Pulse surveys was used.

In general, the same approach was used for identifying, assessing, prioritizing and monitoring financial risks and opportunities. First, it was assessed whether the topic is a risk or an opportunity by nature – or both. Next, the size of the financial effect (EUR) was evaluated considering short-, medium- and long-term time horizons. This evaluation considered whether the topic is related to potential income or costs. In addition, it was analyzed whether the effect was reputational, legal, people- or environment-related. The likelihood of the financial effect was also assessed. Finally, the actual financial effect was a result of the scale of the monetary effect adjusted by its likelihood. Out of the resulting scale of minor, significant, major and critical, the major and critical financial effects were deemed material for Konecranes' Sustainability Statement.

The connections of impacts and dependencies with risks and opportunities that may arise from those impacts and dependencies have been considered as much as possible by looking at the whole spectrum of the topics, impacts, risks and opportunities during the assessment process.

The double materiality assessment process was validated with select leaders of the company. After this initial validation, the assessment was validated by the Sustainability Council. Finally, the Audit Committee of the Board reviewed the results. As a control procedure the assessment results were reviewed by relevant topic-specific experts and internal stakeholders.

The information from the double-materiality assessment is utilized in Konecranes' annual ERM process. As part of the process, sustainability-related risks are integrated into enterprise risk reporting, evaluated by the Audit Committee of the Board and reported to the Board of Directors.

The assessment information supports Konecranes' sustainability agenda and roadmaps and helps to ensure that the identified impacts, risks and opportunities are addressed. The Group's Sustainability team is responsible for defining the action plans. As part of Konecranes' overall management and business planning process, sustainability topics, where relevant, are integrated into the annual and long-range planning of Business Areas, business units and functions.

Konecranes has considered its own operations as well as the upstream and downstream value chain activities throughout the double materiality analysis. The double materiality assessment process was applied for the first time for the reporting period 2024. The materiality assessment will be reviewed annually.

Process to identify and assess climate-related impacts, risks and opportunities

IThe identification of climate-related impacts, risks and opportunities started by creating a long list of potential risks and opportunities. For the assessment, Konecranes has used the information received from earlier natural hazard risk evaluations, a climate risk scenario analysis done for selected predefined risks, as well as insights from internal experts and business segment management team members who in the end validated the results. Company-level climate-related risks and opportunities are reviewed annually. In addition to the short-, medium- and long-term (0–10 years) time horizons, a longer time horizon to the year 2050 has been considered for climate-related risks and opportunities. The local environmental and climate-related risks are assessed locally according to the requirements established in the ISO 14001 environmental management systems. Climate risks are integrated into a multi-disciplinary, company-wide risk management process. The Konecranes Board of Directors has defined and adopted a set of risk management principles based on widely accepted international management practices. These principles serve as part of the company's system of controls and are designed to ensure that any risks related to the company's business operations are identified and managed adequately and appropriately to safeguard the continuity of Konecranes' business at all times. As part of the process, risk points are discussed, documented, and prioritized involving considerations on probability, costs of mitigation, and impacts on the business.

Key risks are reported to risk management (legal department), the Konecranes Leadership Team and the Board of Directors' Audit Committee. The Konecranes Leadership Team and Business Area management teams are responsible for supporting risk mitigation with the activities needed.

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Konecranes deploys a systematic approach to calculating its Greenhouse Gas (GHG) emissions. The details of the accounting are explained under **E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions.**

Climate-related physical risks and opportunities
Physical climate risks, such as the increase in extreme weather conditions like storms, cyclones, hailstorms and lightning, could have a potential impact on Konecranes' own manufacturing units. In the upstream value chain, extreme weather conditions could have a potential impact on the shipment of the goods purchased and in the downstream on the shipments of Konecranes products or spare parts. The risks identified in the downstream value chain are considered less significant from Konecranes' business perspective, although the impacts might be severe for the company's customers. The risks are identified as higher in the medium and long term, as the volume of extreme weather events has been estimated to increase over time.

To identify climate-related hazards and to understand the probability, time scale and actual risks involved, the company builds on the results from local natural hazard assessments conducted during 2017–2019. The analysis for climate-related physical risks was further supported by an assessment facilitated by a third party in 2019. This assessment focused on Konecranes' own operations in the United States, Finland, Germany, Ukraine, and China. The countries were selected based upon the significance of the operations in these countries, and they are considered to represent a Group-wide view.

The risks were again assessed at Group level in 2022, and in 2024 as part of the annual enterprise risk management process, and no major changes were considered. When assessing climate-related risks and opportunities, Konecranes has focused on the SSP5-8.5 and SSP5-2.6 global reference scenarios prepared by the International Panel on Climate Change (IPCC). The assessment has included the view of short-, medium- and long-term (0–10 years) time horizons, but also a longer time horizon to the year 2050 has been considered for climate-related risks and opportunities. The time horizons are also aligned with Konecranes' GHG emissions reduction targets.

The potential impacts of climate-related hazards on customers will be investigated further during the coming years.

Climate-related transition risks and opportunities
Technological development has been identified as one of the most significant transitional risks as well as opportunities for Konecranes. This is relevant across all of Konecranes' Business Areas, but in particular in the traditional diesel engine powered product segments of the Business Area Port Solutions. In the medium- and long-term scenarios where Konecranes' product offering would not be attractive to its customers and would not help them achieve their environmental targets, Konecranes could lose market share. To mitigate this risk, Konecranes is committed to electrifying its offering in all product groups, continuing the development of the energy efficiency of its equipment, and seeking to develop new services and solutions that accelerate circularity, automation and digitalization. The most relevant climate opportunities also reside in Konecranes' offering, enabling the decarbonization of customers' operations by providing equipment and solutions that reduce emissions and advance electrification. Transition to a low-carbon society is faster in climate scenarios where global warming is less than 2°C. In these scenarios, Konecranes has identified increased sales opportunities in its current and future low-carbon offering as well as in modernizations and retrofits.

The market risks may have a significant financial impact in the case of increased carbon taxation for steel or material availability challenges. Konecranes' mitigation activities include, for example, the diversification of the supplier network and investments in research and development on alternative materials. The cost of affordable sustainable energy and materials may also entail a short-, medium- and long-term risk and opportunity. Konecranes has been focusing on improving energy efficiency for years, which minimizes the risk. The company also applies smart design principles to maximize resource efficiency.

Emerging regulations create a moderate risk and opportunity, especially in the medium term. Both Konecranes and its customers will experience changes in the business environment as they navigate the evolving landscape of regulations and sustainability requirements. This requires a strategic approach, including stakeholder engagement, risk assessments, and the integration of sustainability considerations into business strategies. The reporting requirements coming from the regulation are increasing direct and indirect costs. To mitigate this risk, Konecranes is closely following regulatory developments.

Konecranes has set an ambitious climate target to reduce greenhouse gas emissions along the value chain, which relies on customers' and suppliers' commitments to decarbonization. The target exposes the company to a mid- and long-term reputational risk as well as an opportunity.

In addition to the global reference scenarios by the IPCC, Konecranes has considered the Sustainable Development Scenario by the International Energy Agency (IEA) when assessing climate-related transition risks and opportunities. In this scenario, global warming remains below 2°C, involving regulatory measures and investments in low-emission technologies. The scenario helps to identify risks and opportunities stemming from the development in regulation, markets, and technologies, although the eventual events depend on the pace of transition and its regional variations.

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Uncertainties and constraints in the scenario relate, among others, to regulatory initiatives, technological development, economic conditions, and market dynamics in different regions.

Konecranes has also examined the potential impacts of carbon pricing within different emission-level scenarios in case the company's operations would be directly under emission trading systems. Konecranes does not see this as likely to be realized over the short- or medium-term time horizon.

The compatibility of climate scenarios with critical climate-related assumptions made in financial statements

The climate-related risks and opportunities are considered, where relevant, in the preparation of Konecranes' financial statements. The assumptions for the financial statements are based on the climate scenarios described in the sustainability statements. Climate risks may impact Konecranes' operations, and require judgment in the financial reporting, relying on the management's best judgement and knowledge under the current circumstances. For more information, see **Use of estimations and judgements** in Konecranes' financial statements.

Process to identify and assess impacts, risks, dependencies and opportunities in relation to other environmental topics

Pollution

Pollution is not considered as a material topic for Konecranes' sustainability statement. Konecranes has considered microplastics, pollutants, pollution to water and soil, harmful chemicals and chemical usage and disposal in its double materiality assessment. However, location-based or business activity-based screening has not been conducted, nor consultation with affected communities.

Water and marine resources

The impacts, risks and opportunities concerning water and marine resources were assessed together with other environmental topics. The topic was deemed not material for Konecranes's sustainability statement. The assessment was supported by water consumption data collected from Konecranes' manufacturing sites and the WWF Water Risk Filter tool for basin and operational water risks in relation to the sites. Based on the analysis, water consumption is not significant since Konecranes' manufacturing processes use very little or no water at all. The water risk analysis indicated that Konecranes has no manufacturing units in "Very High" water scarcity areas. The analyses covered 35 units out of which four units are located in "High" and the rest in "Medium" or "Low" risk areas. Only two of the units in high-risk areas use water in their production processes. The tool also provided scenarios on water risks based on climate and socioeconomic changes by 2030 and 2050, giving an insight into the future water risks. Consultation with affected communities has not been conducted regarding water.

Biodiversity and ecosystem

Konecranes' materiality assessment for biodiversity was supported by a combination of different methods and tools to identify the actual and potential impacts on biodiversity and ecosystems. High-level dependencies related to biodiversity and ecosystems and impacts were analyzed using the ENCORE tool. Biodiversity impacts of the company's manufacturing units have been assessed with the WWF Biodiversity Risk Filter tool, which has also been used to support the screening of potential dependencies as well as potential physical and reputational risks. In addition, transitional risks were included, and biodiversity risk screening has been conducted to identify those Konecranes factory locations which are located in or near biodiversity-sensitive areas. Systemic risks have not been considered, and communities were not involved in the materiality assessment of biodiversity and ecosystems.

The biodiversity and ecosystems topic is not considered as material for Konecranes. The manufacturing of Konecranes' products does not reserve large areas of land or have a significant effect on biodiversity in the surrounding natural environment. Water consumption is not significant since Konecranes' manufacturing processes use very little or no water at all. The company's operations do not require extensive changes in freshwater or seawater use. Based on biodiversity risk screening, Konecranes factories are not located in biodiversity-sensitive areas such as UNESCO World Heritage sites, Ramsar sites or UNESCO biosphere reserves. However, one of the factories, Konecranes' Thailand manufacturing unit, is in an area considered as a key biodiversity area. The biggest threats to the area's biodiversity are agriculture, urban expansion, infrastructure and industrial development, and related pollution. The manufacturing units is in an established industrial area.

The environmental management of Konecranes' own operations is based on ISO 14001. Konecranes' Global HSE Standards for environmental management set the minimum requirements and standardize the ways of working by defining common rules for all operations. For energy management as well as for chemical handling and waste management, the standards set a minimum level for environmental management. There are clear instructions in place to ensure that residual waste and hazardous waste are disposed of according to local requirements and through licensed waste management companies. Waste data is followed on a quarterly basis, including the treatment method. Environmental incidents and near-miss cases are reported through a global HSE reporting tool, and investigations of the root causes and corrective actions are conducted accordingly. Konecranes collects and reviews water consumption data quarterly from its factories. It has not been concluded whether or not it is necessary to implement biodiversity mitigation measures.

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Resource use and circular economy

The identification of impacts, risks and opportunities related to resource inflows, outflows and waste was done together with the climate assessment. For the circularity assessment, Konecranes used several information sources such as product-level material distribution information available in the Environmental Product Declarations, product Life Cycle Assessments, as well as information on its own resource usage such as data on water consumption and generated waste. Steel raw material was assessed more carefully as steel is a dominating material in product-level distribution in terms of material volumes.

From the resource outflow point of view, the topic of *product quality and lifecycle* and *material use efficiency* has been identified as material. Resource input flow and waste were identified as not material for Konecranes. Increasing the use of recycled steel is a part of Konecranes' climate action transition plan under the theme of steel industry decarbonization. The expected decarbonization effect from steel is approximately 1.5 percent of the value chain emissions in scope of the company's science-based targets, including the increased use of recycled steel, but also focusing on, for example, electrifying and using renewable energy in steel manufacturing. Thus, the impact from the increased use of recycled steel alone is not very significant, but it is one decarbonization lever in the company's climate transition plan. During the assessment, no consultations have taken place with affected communities.

Process to identify and assess business conduct-related material impacts, risks and opportunities

When describing the overall process in **General information: Description of process to identify and assess material impacts, risks and opportunities,** Konecranes has considered the relationship with business conduct matters.

Disclosure Requirements covered by sustainability statements

The following content index presents the Disclosure Requirements Konecranes complies with in its Sustainability Statement.

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Konecranes discloses material information, with one exception: S1-15 work-life balance. The topic as such was assessed to be material. However, the disclosure requirements in S1-15 address family-related leave, which Konecranes does not deem material for its Sustainability Statement. This is why S1-15 work-life balance information is not disclosed. Instead, related to the topic of work-life balance, Konecranes has identified hybrid work as a material topic, which is included in the disclosures on own workforce.

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List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The following table lists ESRS datapoints that derive from other EU legislation and the page numbers where these datapoints are disclosed as material. Datapoints assessed as not material are marked as "not material," while the datapoints subject to phasing-in omission are labeled "phasing-in omission."

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/181627, Annex II		49
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		49
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				52
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d)	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 I Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable

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Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU)2021/1119, Article 2(1)	84–85
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity		Article 12.1 (d) to (g), and Article 12.2	85
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		88–89
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				91
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				91
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				91
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		92–95

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ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		95
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Omitted due to phased-in disclosure requirement
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			Omitted due to phased-in disclosure requirement
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Omitted due to phased-in disclosure requirement
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Omitted due to phased-in disclosure requirement
ESRS E2-4 Amount of each pollutant listed in Annex II of the E- PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material

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ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) (i)	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material

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ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				99
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				99
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				100–101
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		101
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				101
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				101
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				103–104
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		110
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				110

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Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not material
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material
ESRS 2- SBM3 S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				111–112
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				100–101, 112–113
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				112–113
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		113
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		113
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				116

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ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				119–121
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		121
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				124–125
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				127
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				128
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Not material

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2. ENVIRONMENTAL INFORMATION

Disclosures pursuant to Article 8 of Regulation 2020/852 (Taxonomy regulation)

Konecranes has activities that qualify as environmentally sustainable according to the EU Taxonomy Regulation (EU) 2020/852. Konecranes has activities related to its equipment sales that are in the scope of technical screening criteria (TSC) 3.6. Manufacture of other low-carbon technologies of delegated regulation (EU) 2021/2139. These activities are, according to Article 16 of the Taxonomy Regulation, enabling substantial contribution towards climate change mitigation. In addition, Konecranes' maintenance and repair activities within both Business Area Industrial Service and Equipment, as well as Port Solutions, enable substantial contributions to circular economy according to delegated regulation (EU) 2023/3851 C (2023). Those are described in **TSC 5.1 Repair, refurbishment and remanufacturing.** Konecranes' spare parts businesses within both Business Areas are taxonomy-eligible for their support in the transition to a circular economy according to **TSC 5.2 Sale of spare parts.**

Accounting principles, assessment process and changes in the reporting

Eligibility and alignment of revenue was evaluated at product and solution level and represents only sales to external customers at Group level. Eligibility and alignment of capital expenditure and operational expenditure were assessed at Group level. Konecranes avoids double counting by separating the activities related to equipment and service activities and by having a clear structure in financial reporting to ensure that the business units and cost elements are separate for each activity. In 2022 Konecranes assessed its equipment offering against the technical screening criteria of the activity 3.6. The work included identifying eligible and aligned activities, reviewing the technical screening criteria (TSC) and the 'do no significant harm' criteria (DNSH) for each of the remaining environmental objectives for all relevant business activities, and carrying out an assessment of the Minimum Safeguards (MS) at Group level. In 2023 the main focus was on assessing the new established environmental objectives and identifying eligible activities related to environmental objectives for economic activities contributing substantially to the transition to a circular economy. Konecranes also reviewed its compliance against the updated 2023 version of the OECD guidelines. In 2024 Konecranes further assessed the alignment for the substantial contribution criteria for **5.1 Repair, refurbishment and remanufacturing** and for **5.2 Sale of spare parts.** The new draft FAQ on the interpretation and implementation of certain legal provisions of the EU Taxonomy delegated acts from the European Commission, published on November 29, 2024, has been noted in 2024 and possible implications are being investigated further during 2025.

For 2024 reporting Konecranes changed the calculation method of CapEx and OpEx in activity under Section 3.6. The previous year's figures have been recalculated for comparability. The previous year's figures changed for aligned CapEx from EUR 5 million to EUR 4 million and for OpEx from EUR 14 million to EUR 10 million.

The changes lead to more reliable data and are compliant with point (a) of Section 1.1.2.2 and Section 1.1.3.2 of the Disclosures Delegated Act 2021/2178 and can be associated with taxonomy-aligned economic activities. Konecranes directs R&D efforts to low-carbon development. However, the R&D costs are not necessarily linked to taxonomy-aligned products and services, and these have been excluded from the OpEx numerator.

Eligible and aligned revenue

Konecranes' activities are aligned with the objective of Climate Change Mitigation according to the technical screening criteria of **3.6. Manufacture of other low-carbon technologies.** The calculation of the revenue percentage is based on lower carbon technology such as inverter-controlled hoisting, regenerative braking and hybrid and electric power options (within the markets where there are diesel power options). These solutions provide a lower-emission alternative compared to other available technologies. Inverter technology as well as regenerative braking solutions may contribute significantly to the energy consumption of the equipment, saving 15–45 percent in carbon emissions from the use phase during the crane's lifecycle. These technologies substitute existing technology with lower-emission alternatives in lifting applications of all customer industries, but especially in heavy duty applications where the use phase impact is significant. Compared to diesel equipment, hybrids save up to 20 percent in emissions during equipment lifetime. Fully electric equipment can reduce emissions by approximately 70 percent. When using renewable electricity, the emissions savings will be higher. This equipment aims to create substantial GHG emissions reductions in the ports and terminal industries. Konecranes' activities in these areas enable substantial contributions towards climate change mitigation according to representative Life Cycle Assessments (LCA) made in comparison with the best performing alternative technologies. The lifecycle GHG emissions savings are calculated according to ISO standards.

Within the objective of circular economy, Konecranes has activities following the technical screening criteria 5.1 and 5.2. The activities that are contributing substantially to a circular economy include repair, refurbishment and remanufacturing activities, as well as the sale of spare parts, as they enable a significantly longer lifetime for the equipment. Konecranes' maintenance and repair activities, including modernizations and retrofits, are taxonomy-aligned according to the TSC laid out in **5.1 Repair, refurbishment, and remanufacturing** due to their

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substantial contribution to the circular economy objectives. Konecranes embeds a waste management guidance on the Group level, providing waste management guidelines for Konecranes service operations. The objective is to minimize negative health and environmental impacts caused by waste and pollution while promoting resource efficiency and circularity throughout the service activities. Konecranes' spare parts business was assessed to be taxonomy-eligible but not taxonomy-aligned according to the technical screening criteria for **5.2 Sale of spare parts.** Spare parts enable a prolonged lifetime for equipment. TSC 5.2 includes the requirements that primary and secondary packaging be made of at least 65 percent recycled material. For paper and cardboard packaging, the remaining primary raw materials must be certified and overall, for plastic packaging, only mono materials without coatings are allowed. Konecranes is still evaluating the packaging requirements. The 'do no significant harm' criteria of **5.1 Repair, refurbishment and remanufacturing** and **5.2 Sale of spare parts** have been assessed.

'Do no significant harm' assessment

The 'do no significant harm' assessment has been conducted collaboratively for Konecranes entities, focusing on Konecranes' production sites and offering.

Climate change mitigation (for Circular economy)

Konecranes' repair, refurbishment and remanufacturing activities do not involve on-site generation of heating/cooling or co-generation including power, and they emit no direct GHG emissions deriving from this activity.

Climate change adaptation

Konecranes has conducted a climate risk and opportunity assessment. The company has focused on two scenarios: the SSP5-8.5 and SSP5-2.6 global reference scenarios by the International Panel on Climate Change (IPCC). Based on the results of the assessment, Konecranes has implemented mitigation measures, including focusing on continuous improvement of energy efficiency as well as addressing physical climate hazards in the continuity planning, where relevant.

Sustainable use and protection of water and marine resources

Konecranes has water management practices in place, such as the ISO 14001 management system, and other internal processes and policies. According to a study done using the WWF Water Risk Filter tool, Konecranes has no manufacturing sites in "Extremely High" water stress areas. Only two of Konecranes' sites located in high-risk areas use water in their production processes. For example, the site in Jejuri, India, has countermeasures in place, such as a closed-loop system for the water used in the production process and a sewage treatment plant.

Transition to a circular economy (for Climate change mitigation)

Konecranes' commitment to a circular economy is integrated into the company's business processes, covering sourcing, product development and production. Konecranes has implemented a Design for Environment concept, and the company's Supplier Code of Conduct covers requirements for waste management and a list of restricted substances. For its own operations, the company has launched a Global Environmental Standard on waste and resource management.

Pollution prevention and control

The criteria for this environmental objective require that relevant business activities do not lead to the production, putting onto the market, or use of chemicals listed in multiple EU chemical regulations and directives. Konecranes has identified that its products contain commercial components that, at low concentrations, include Substances of Very High Concern (SVHC), such as lead. Konecranes is compliant with the REACH Regulation. The company's processes ensure that the use of such substances is minimized, and components are substituted if there is commercial availability. Additionally, Konecranes ensures that substances present in concentrations above 0.1 percent by weight, which have the same properties as SVHC, but are not classified as such, are minimized or replaced with alternative substances wherever feasible. Konecranes' products are handled and used in industrial facilities and/or by professional users. Substances present in the products are incorporated into articles and are not meant to be released.

Protection and restoration of biodiversity and ecosystems

Konecranes has conducted an analysis to identify factories located in biodiversity-sensitive areas such as UNESCO World Heritage sites, Ramsar sites or UNESCO biosphere reserves, and based on the analysis no factories are located in these areas. However, the company's Thailand factory is in an area that is considered a key biodiversity area. The biggest threats to the area's biodiversity are agriculture, urban expansion, infrastructure and industrial development, as well as pollution. The factory is in an established industrial area. Konecranes aims to ensure that it has an efficient environmental management system in place including pollution control and waste management practices, as well as all other necessary precautionary procedures.

Minimum safeguards

Konecranes has assessed its compliance regarding the Minimum Safeguards and based on the assessment, it has adequate minimum safeguards in place. Konecranes is committed to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The company has a documented assessment of the due diligence criteria. Konecranes' global policies such as the Code of Conduct, the Human Rights Policy and the Supplier Code of Conduct, among other standards, set the minimum requirements for the conduct of the company's employees, management and business partners. Furthermore, Konecranes has processes in place to discover any material breaches or violations of the

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principles. The company is committed to strengthening the processes and assessments continuously to further improve its practices.

Turnover

Revenue is calculated on the basis of the sales revenue (revenues according to IFRS 15) as reported in Note 5 to the Financial Statements. In 2024, Konecranes' revenue amounted to EUR 4,227 million (denominator). Aligned and eligible revenue was calculated at product and solution level and represents only sales to external customers at Group level. Taxonomy-aligned products for activity 3.6. accounted for EUR 892 million, or 21 percent of Konecranes' revenue. Taxonomy-aligned sales for activity 5.1. accounted for EUR 1,099 million, or 26 percent of Konecranes' revenue. The changes in the revenue are affected by the sales mix. Taxonomy-eligible service solutions for activity 5.2 accounted for EUR 574 million, or 14 percent of the revenue.

Capital and operating expenditure

Capital expenditure (CapEx) and the specifically defined categories of operating expenditure (OpEx) described in the Taxonomy Regulation are reported at Group level. They support the transition towards a low-carbon and circular economy and achieving the science-based climate targets set for own operations and for the value chain.

In taxonomy reporting, CapEx contains intangible and tangible asset additions and also covers additions resulting from business combinations. In 2024, the total CapEx amounted to EUR 199 million (2023: 129 million) (see Notes 14 and 15 to the Financial Statements). In the aligned CapEx for Activity 3.6, Konecranes includes investments in own and leased facilities and production equipment of over EUR 50,000 that are associated with the manufacturing of taxonomy-aligned equipment. Additionally, the CapEx with vehicles used for service activities, meaning, for example, the maintenance and modernization of customer assets, are included in the aligned CapEx for Activity 5.1. The total taxonomy-aligned CapEx amounted to EUR 26 million or 13 percent of the total CapEx.

In taxonomy reporting, OpEx amounted to a total of EUR 91 million (2023: 80 million). The total OpEx contains direct non-capitalized costs that relate to building renovation measures and maintenance and repair expenditures related to servicing of assets of property and equipment, R&D expenses and short-term leases. Out of these Konecranes classifies the costs of maintenance and repair for plants that manufacture taxonomy-aligned equipment as taxonomy-aligned OpEx for Activity 3.6. The expenditure of these costs is calculated according to the proportion of taxonomy-aligned sales or production value of the total sales or production value. Additionally, the costs of maintenance and repair for service-related activities are included in the taxonomy-aligned OpEx for Activity 5.1. Taxonomy-eligible OpEx for the technical screening 5.2. refers to costs of maintenance and repair for locations in spare parts operations.

The taxonomy-aligned OpEx was EUR 14 million or 15 percent of the total OpEx. The taxonomy-eligible OpEx from the spare parts related repair and maintenance was EUR 1 million or 1 percent of the total OpEx.

The taxonomy-aligned CapEx and OpEx increased mainly due to the taxonomy-alignment of assets and processes associated with activity 5.1.

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Table 1. Revenue

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Code**	**Turnover**	**Proportion of turnover, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy aligned or eligible turnover, year 2023**	**Category enabling activity**	**Category transitional activity**
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacturing of other low carbon technologies	CCM 3.6	892	21%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	19%	E	
Repair, refurbishment and remanufacturing	CE 5.1	1,099	26%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y		Y	Y	27%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,991	47%	21%	0%	0%	0%	26%	0%	Y	Y	Y	Y	Y	Y	Y	46%		
Of which Enabling		892	21%	21%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	19%	E	
Of which Transitional		0	0%	0%							Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Spare parts	CE 5.2	574	14%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								12%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		574	14%	0%	0%	0%	0%	14%	0%								12%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		2,565	61%	21%	0%	0%	0%	40%	0%								58%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,662	39%																
TOTAL		4,227	**100%**																

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Table 2. CapEx

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	CapEx	Proportion of CapEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned or eligible CapEx, year 2023	Category enabling activity	Category transitional activity
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacturing of other low carbon technologies	CCM 3.6	3	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	3%	E	
Repair, refurbishment and remanufacturing	CE 5.1	22	11%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y		Y	Y	16%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		26	13%	2%	0%	0%	0%	11%	0%	Y	Y	Y	Y	Y	Y	Y	20%		
Of which Enabling		3	2%	2%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	3%	E	
Of which Transitional		0	0%	0%							Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%										
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		26	13%	2%	0%	0%	0%	11%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		173	87%																
TOTAL		199	**100%**																

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Table 3. OpEx

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	OpEx	Proportion of OpEx, Year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned or eligible OpEx, year 2023	Category enabling activity	Category transitional activity
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacturing of other low carbon technologies	CCM 3.6	11	12%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	12%	E	
Repair, refurbishment and remanufacturing	CE 5.1	3	3%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y		Y	Y	2%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		14	15%	12%	0%	0%	0%	3%	0%	Y	Y	Y	Y	Y	Y	Y	15%		
Of which Enabling		11	12%	12%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	12%	E	
Of which Transitional		0	0%	0%							Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Sale of spare parts	CE 5.2	1	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1	1%	0%	0%	0%	0%	1%	0%								1%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		15	17%	12%	0%	0%	0%	5%	0%								1%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																	16%		
OpEx of Taxonomy-non-eligible activities		75	83%																
TOTAL		91	**100%**																

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E1 Climate change

E1–1 Transition plan for climate change mitigation

Konecranes' transition plan for climate change mitigation is supported by 1.5°C-aligned science-based near-term targets validated by the Science Based Targets initiative (SBTi). Additionally, in 2024, Konecranes committed to setting long-term company-wide emissions reductions targets in line with science-based net-zero with the SBTi. Konecranes is committed to and has built a transition plan for mitigating climate change and to supporting its customers in decarbonizing their operations.

Ninety-nine percent of Konecranes' climate impact comes from the value chain where the use of sold products is the highest contributing category followed by purchases of goods and services, where steel-related purchases play the most significant part. In the near term, Konecranes aims to reduce its absolute Scope 1 and 2 greenhouse gas emissions by 50 percent and Scope 3 emissions encompassing the use of sold products and steel raw material purchase emissions by 50 percent by 2030, from the 2019 baseline. The Scope 3 target covers more than 70 percent of the value chain emissions within the 2019 emissions inventory. Since the company has made great progress and has reached the science-based emissions reduction target for Scope 1 and 2 emissions, an additional, new target was set in 2022: Konecranes aims to reach carbon neutral own operations by 2030, a target not validated by SBTi. Additionally, Konecranes recently committed to setting long-term net-zero emissions reduction targets in line with the SBTi's Net-Zero Standard. These long-term science-based targets will be set within the next 1–2 years.

Konecranes' transition plan focuses on five drivers steering the company's own decisions or highlighting expected market transformation.

1) Electrified offering and customer industries' electrification. Konecranes is committed to having fully electric variants of its entire product portfolio by 2026. This target applies to Port Solutions, as the offering within Industrial Service and Equipment is already fully electrified. However, the further electrification of Port Solutions' customer industries, ports and terminals, is a prerequisite for Konecranes to reach its climate ambitions and Scope 3 emissions target. The key assumption in Konecranes' transition plan is that customers will favor fully electrified ports equipment. As the biggest source of emissions is diesel-powered equipment sales, the plan heavily relies on the electrification market transformation. The regulatory environment is expected to support this change.

2) Steel industry decarbonization. The steel industry is expected to decarbonize, and the regulation is pushing for a green transformation, especially in Europe. Cooperation with steel manufacturers is needed to reduce Konecranes' steel-related value chain emissions, as the current steel production process is carbon-intensive. Konecranes wants to challenge its suppliers to move to low-emission steel production.

3) Energy market decarbonization. According to energy market reports, the share of renewable energy will continue to increase, supporting emissions reductions along the value chain.

4) Material handling optimization. Konecranes is optimizing material handling by offering and further developing automation and digital solutions. From a climate perspective, this helps to improve the efficiency of customer operations by minimizing energy consumption and emissions. In product development, the continuous improvement is ensured by adopting the Design for Environment concept, which aims to improve a product's environmental performance, in product development projects.

5) Carbon neutral own operations. Konecranes continues to invest in energy efficiency in its own manufacturing operations. For the vehicle fleet, the focus is on electrification as well as on efficient work planning. The company is also working to increase the share of renewable energy in its own energy consumption. The aim is to achieve as significant emissions reductions as possible to minimize the needed carbon offsets for the remaining unavoidable emissions.

Konecranes's GHG emissions reduction targets are in line with the goal of the Paris Agreement of limiting global warming to 1.5°C and have been validated by SBTi in 2022.

The decarbonization levers identified, and key actions planned, including changes in the product and service portfolio and the adoption of new technologies in Konecranes' own operations, or the upstream and/or downstream value chain are explained in **E1–4 Targets related to climate change mitigation and adaptation.**

Konecranes' investments and funding supporting the implementation of the transition plan with reference to the key performance indicators of taxonomy-aligned CapEx and OpEx are the following:

Taxonomy-aligned capital expenditure (CapEx): Konecranes has been investing in climate change mitigation actions. Aligned with the EU Taxonomy Regulation 2020/852 criteria, Konecranes invested EUR 3 million in assets that are associated with Taxonomy-aligned economic activities in the climate change mitigation objective. This includes, for example, the purchases of new machinery required for the manufacturing of taxonomy aligned equipment.

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Taxonomy-aligned operating expenditure (OpEx): Konecranes' Maintenance and Repair costs were EUR 11 million supporting the manufacture of the company's taxonomy-aligned equipment in the climate change mitigation objective.

The shares of the EU taxonomy-aligned capital expenditure (CapEx), operating expenditure (OpEx) and revenue are expected to increase in the medium term. Konecranes focuses on transforming the product portfolio towards a low-carbon offering, which will enhance the alignment of revenue with economic activity 3.6 under the environmental objective of climate change mitigation. Additionally, the company aims to grow its service business, enabling growth in activity 5.1 under the circular economy objective.

Read more about the EU Taxonomy KPIs in the respective EU Taxonomy disclosures.

The potential locked-in GHG emissions arise from the use of diesel-powered equipment by Konecranes' customers. If the customer industries do not accelerate their climate actions and fail to favor electrification, the ongoing reliance on diesel-powered equipment could significantly hinder both their climate transformation efforts and Konecranes' ability to meet its emissions reduction targets.

Konecranes is not excluded from the EU Paris-aligned Benchmarks.

For strategy alignment and financial planning, the climate ambition-related considerations are embedded in the most important strategic processes including short-term annual and long-term planning, top management incentives as well as enterprise risk management processes. Climate-related requirements are embedded in Konecranes' relevant policies, processes, and standards. For example, the investment policy gives guidance on considering the energy efficiency aspect of new investments.

The transition plan has been approved by the Konecranes Board of Directors and by the Konecranes Leadership Team.

The implementation of the transition plan has progressed as planned. Konecranes' climate impact in 2024 totaled 5,274,000 tonnes of CO_2e. Total emissions have decreased by approximately 8 percent compared to 2019.

In 2022, Konecranes achieved the science-based target of reducing emissions from own operations (Scope 1 & 2) by 50 percent from 2019. The main contributor was the shift to renewable electricity in manufacturing locations. In 2024, emissions from own operations had further decreased by 8 percent compared to 2023, and by 56 percent compared to the base year 2019.

Konecranes' Scope 3 emissions within the science-based target boundary limited to the use of sold products and steel raw material purchases increased by one percent year on year, mainly due to increased Port Solutions sales volumes which increased the emissions associated with the use of sold products. The total Scope 3 emissions were 12 percent lower compared to the base year 2019.

Material climate-related impacts, risks and opportunities and their interaction with strategy and business model

The potential impacts of climate change are far-reaching. Konecranes has reviewed both aspects of climate change – how climate change affects Konecranes and how the company contributes to climate change.

Technological development has been identified as one of the most significant transitional risks as well as an opportunity for Konecranes. In a scenario where Konecranes' product offering would not be attractive to its customers and would not help them achieve their environmental targets, Konecranes could lose market share. The most relevant climate opportunities reside in Konecranes' offering, enabling the decarbonization of customers' operations by providing equipment and solutions that reduce emissions and advance electrification. Transition to a low-carbon society is faster in climate scenarios where global warming is less than 2°C. In these scenarios, Konecranes has identified possible increased sales opportunities in its current and future eco-optimized offering.

The pressure for technological development in carbon-intensive industries might also increase the market risk linked to the development costs as well as the availability of technology or key components. For example, the widespread electrification trend might cause longer term availability risks in batteries.

Emerging regulations might create a moderate climate-related risk for the company as they might lead to increased costs of energy and materials, for example, due to increased taxation of carbon-intensive raw materials.

Among the most significant physical risks are floods and severe storms that might damage Konecranes' manufacturing sites or customers' sites and cause business interruption and delays in manufacturing and transportation. The company has conducted several natural hazard assessments with its insurance company to understand the probability, time scale and actual risks involved. When relevant, this information is taken into consideration in business continuity planning.

Resilience of strategy and business model in relation to climate change

Konecranes' Business Areas and product groups have been considered in the resilience analysis for climate-related risks and opportunities. The analyses for climate-related

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physical risks have focused on own operations in the United States, Finland, Germany, Ukraine, and China. The country selection is considered to represent an organization-wide view. An underlying assessment on physical climate risks was conducted in 2019 with the support of a third-party climate consultancy.

Both the physical and transitional risks and opportunities were again assessed in 2022 including minor updates to the climate scenarios. The outcomes were reviewed as part of the annual enterprise risk management process in 2024, and no major changes were considered. The horizons of the assessment include the view of short-, medium- and long-term (0–10 years) time horizons, but also a longer time horizon to 2050 has been considered for climate-related risks and opportunities. The time horizons are also aligned with Konecranes' GHG reduction targets.

When assessing climate-related risks and opportunities, Konecranes has focused on two scenarios: the SSP5-8.5 and SSP5-2.6 global reference scenarios by the International Panel on Climate Change (IPCC). In the SSP5-8.5 highest emissions scenario, the physical impacts of climate change are the most severe. In that scenario, the concentration of GHG emissions would continue to increase throughout the century and consequently the average global temperature would rise more than 4.0°C. In the SSP5-2.6 strong mitigation scenario, the impacts are less severe. Regulatory measures and investments in low-emission energy and technologies would keep global emissions low and the temperature rise below 2.0°C.

Konecranes' business may face risks in both scenarios, while the opportunities to increase the sales of hybrid and electric equipment, due to the investments in technological development, are largest in the strong mitigation scenario. In the high-emissions, business-as-usual scenario, the physical impacts and risks from climate change are more severe.

Resilience regarding climate-related transition
Konecranes' resilience relating to technological development is at a good level, as the company's offering is wide and investments in development continue to be a focus.

Signals from the markets, legislative development, voluntary agreements made by industries, and customer feedback all indicate that the demand for low-emission products and services will continue to increase. The growing demand for low-emission offering presents an opportunity – especially in ports and terminal industries where equipment is still largely operated with diesel. Konecranes' service business improves significantly the company's resilience as its offering is extensive, from basic maintenance concepts to modernizations and retrofits. The transition to a low-carbon society should be faster in a strong mitigation scenario where global warming is less than 2°C. In this scenario, also the opportunities to increase sales in Konecranes' current and future eco-optimized offering are clearest.

The market risks, for example related to potentially increased production costs due to changing input prices (energy, raw materials etc.) are seen as moderate. However, these market risks are not considered to be specific to Konecranes only – they are wider market risks. To minimize the resource needs, Konecranes considers production methods that improve energy efficiency and minimize waste. The company also continues to roll out lean manufacturing practices with the Konecranes Way program.

Emerging regulation might lead to increased cost of energy and materials, for example, due to increased taxation of carbon-intensive raw materials or a greater demand for more sustainable materials. Konecranes is closely following regulatory developments. Potential cost increases are also considered in the pricing of products. Furthermore, the company applies smart design principles to maximize resource efficiency and invests in energy efficiency.

Konecranes has set an ambitious climate target to reduce GHG emissions along the value chain, which relies on customers' and suppliers' commitments to decarbonization.

Resilience regarding physical climate change
The potential physical risks are mostly related to transportation or production locations. An increase in extreme weather conditions could especially affect crane installations and delivery project sites. Heavy rain, storms or floods might put only a few of the company's production sites at risk. Extreme weather conditions can also have a potential impact on the shipment of Konecranes' products or spare parts. Konecranes takes advantage of the findings of the climate risk scenario analysis in its risk management. Konecranes' manufacturing sites also have continuity plans in the case of unlikely but high impact events, such as fires. The continuity plans consider extreme weather events when they pose a significant risk at the location.

Extreme weather events, such as floods and hurricanes, and for example heatwaves may also affect occupational health and safety, and labor productivity, which needs to be considered in the locational occupational health and safety planning.

When relevant, climate-related risks and opportunities are considered in Konecranes' strategic, operational, and financial planning, including investments in research and product development. Climate risks might have a significant impact on Konecranes' operations, which might require judgment, for example, in revenue recognition (especially in long-term projects), provisions, collectability of accounts receivable and impairment of assets. The evaluation of the overall climate risk and opportunity impacts over the short, medium and long term can be complicated, as the effects

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of the risks and opportunities can be difficult to estimate or quantify. The impacts of climate change on the estimates and assumptions used in the financial reporting rely on the management's best judgement and knowledge under the current circumstances.

E1-2 Policies related to climate change mitigation and adaptation

Konecranes' Environmental Policy Statement defines the company's dedication to actively managing and minimizing its environmental impact and is structured to address key environment-related material topics, including decarbonization, circular economy, and resource efficiency. The policy statement commits Konecranes to achieving carbon neutrality in its own operations by 2030, reducing greenhouse gas emissions, improving energy efficiency, and transitioning to renewable energy sources.

Konecranes is actively increasing environmental awareness among its employees and business partners and is establishing clear environmental requirements for suppliers and subcontractors. The effectiveness of environmental initiatives is continuously monitored and evaluated to ensure compliance with applicable laws, to meet or exceed regulatory requirements, and to effectively mitigate climate-related risks as well as to explore climate-related opportunities. For further information on the process to identify and assess risks and opportunities, see **General information: Description of process to identify and assess material impacts, risks and opportunities.**

Konecranes' Environmental Policy Statement extends the responsibility for environmental issues to everyone at Konecranes. The policy statement covers a commitment to stakeholder cooperation by promoting collaboration and ecosystem building and setting environmental requirements for suppliers. It covers all the company's own operations as well as states requirements regarding the development of the offering and a commitment to support customers in reaching their low-carbon targets.

Konecranes' Environmental Policy Statement has been approved by the Konecranes Leadership Team and signed by the President and CEO. Its implementation is carried out by the relevant Business Areas and functions. The most senior-level personnel accountable for the implementation of the Environmental Policy Statement are the direct reports of the President and CEO.

Konecranes' Environmental Policy Statement includes the company's commitment to the 1.5°C-aligned science-based near-term targets validated by the Science Based Targets initiative (SBTi). The key third-party standards or initiatives Konecranes commits to respect through the implementation of the policy statement include the Paris Agreement, the ISO 14001 Environmental Management system, the Greenhouse Gas Protocol, and the science-based targets by SBTi, and refers to local and international environmental regulations. The policy statement is publicly available through Konecranes' website and is provided to stakeholders upon request.

The policy statement addresses climate change mitigation by including a commitment to reducing greenhouse gas emissions and reaching carbon neutrality in Konecranes' own operations by 2030. Regarding climate change adaptation, Konecranes has integrated climate risk mitigation into its environmental strategy, employing effective risk management practices to address potential climate-related risks and vulnerabilities. This approach aims to enhance the resilience of the company's operations and value chain against the impacts of climate change. To address improving energy efficiency, one of the key objectives of the policy statement, Konecranes has committed to enhancing energy efficiency across its operations. Additionally, the policy statement promotes an already active shift towards renewable energy sources within the company's operations. Konecranes actively works to increase the share of renewable energy in its energy mix.

Beyond climate-specific actions, the policy statement addresses additional environmental areas, such as waste reduction, circular economy advancement, pollution control, and increased recycling rates. Konecranes also focuses on raising environmental awareness among its employees and partners, setting clear environmental standards for procurement, and establishing sustainability criteria for suppliers and subcontractors.

E1-3 Actions and resources in relation to climate change policies

Key actions taken in the reporting year and planned, expected outcomes and contribution to policy objectives and targets

During 2024, Konecranes proceeded with each of the key drivers in its transition plan.

Electrified offering and customer industries' electrification. In 2024, Konecranes launched the company's second fully electrified forklift E-VER with increased capacity, and the empty container handler E-ACE for Asian markets, as well as the Konecranes Noell Straddle and Sprinter Carrier with modular power options for hybrid, battery, and hydrogen. The sales of these new launches did nothave a material impact on emissions reduction in 2024, but they are expected to support future reductions. In 2024, the sales of Konecranes' Port Solutions Equipment "eco portfolio", consisting of fully electrified and hybrid equipment, accounted for 66 percent of the total sales in the respective equipment business. Konecranes is committed to having a fully electrified offering available by the end of 2026.

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Steel industry decarbonization. In 2024, Konecranes further increased its understanding of the steel market decarbonization development and its impact on the company's products. Product Lifecycle Assessments (LCAs) were conducted for selected products to estimate the environmental impact of using lower-emission steel as a raw material. Konecranes already has suppliers providing it with low-emission steel, namely steel with high recycled content combined with using renewables in production. In 2024, Konecranes further investigated alternatives for purchasing low-emission steel. In 2025 the plan is to increase the usage of supplier-specific environmental data to improve emission measurement accuracy and to be able to quantify the emissions reductions from purchasing low-emission steel. Konecranes is actively engaging in a dialogue with steel raw material suppliers regarding their maturity in climate-related topics and their capability to provide emissions calculations. Konecranes is challenging its suppliers to move to low-emission production and to increase the share of recycled steel in their products. Konecranes is committed to supporting the transformation by increasing its use of low-emission steel.

Energy market decarbonization. Konecranes expects energy market decarbonization to help decrease the emissions along the value chain and in its own operations. Affordable sustainable energy is a prerequisite for the global climate transition in general. In the midterm, Konecranes considers that the energy market decarbonization will bring a minor contribution to the achievement of the value chain emissions reduction target.

Material handling optimization. In 2024, Konecranes continued to implement its Design for Environment (DfE) principles in product design and development projects. Konecranes also continued to study the digitalization of environmental data, for example, to improve visibility to emissions in the product design phase. The emissions reductions associated with these actions are not measured at a project-level, but their implementation is expected to contribute to emissions reductions along Konecranes' value chain.

Carbon neutral own operations. In 2024, Konecranes continued to increase the share of renewable energy in its own operations especially by shifting to fully renewable district heating and renewable fuels (HVO100) in Hyvinkää, Finland, and by replacing oil-based heating with geothermal heating in Markaryd, Sweden. The annual emissions reduction impact of these activities is expected to be 890 tonnes of CO_2e. In addition, Konecranes continued to electrify its vehicle fleet and improve heating, ventilation and insulation at factories, replacing old machinery with more energy-efficient ones and upgrading to LED lighting. Konecranes is committed to continuous improvement in its own energy management systems and the adoption of low-carbon technologies in the manufacturing processes, and the target is to achieve carbon neutrality in own operations by 2030. In the coming years Konecranes expects to achieve further emissions reductions especially by continuing to invest in energy efficiency, electrifying vehicles, and further increasing the share of renewable energy in its own operations.

Scope of key actions

Konecranes' key activities related to carbon neutral own operations cover 100 percent of its own operations. The key actions in the value chain are focused on decreasing emissions from the use of sold products and purchased steel raw material. The scope for both topics is global, covering both Business Areas.

Financial and other resources allocated to the actions

The actions enabling the reduction of Konecranes' emissions in its own operations and value chain are dependent on the availability and strategic allocation of resources. For example, financial investments and access to renewable energy are required for achieving carbon neutrality in own operations. Emission reductions along the value chain rely, for example, on the resourcing of product development, skilled workforce, supplier collaboration, and the availability of cost efficient low-carbon materials as well as the availability of batteries. As climate-related capital expenditure (CapEx) and operating expenditure (OpEx) are an integrated part of the operations, Konecranes aims to develop respective reporting on a consolidated basis in the future.

The CapEx and OpEx financing Konecranes' climate actions are partly included in the company's taxonomy-aligned reporting. For the taxonomy-aligned CapEx and OpEx, see **E1-1 Transition plan for climate change mitigation.**

E1-4 Targets related to climate change mitigation and adaptation

Konecranes is committed to reducing its absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 50 percent and absolute Scope 3 emissions, encompassing the use of sold products and steel raw material purchases related emissions, by 50 percent by 2030 from the 2019 baseline.

In addition to the above-mentioned science-based targets approved by SBTi, Konecranes aims for carbon neutral own operations by 2030. The targets are measured in tCO_2e. These climate-related targets are included in Konecranes' Environmental Policy Statement as the objectives to which Konecranes is committed.

The target scope is 100 percent from own operations (Scope 1 and 2) and 73 percent of the total value chain emissions (Scope 3) based on the base year 2019. The value chain

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emissions scope covers emissions from the category **Use of sold products** and steel raw material related emissions from the category **Purchased goods and services.** In 2019, Konecranes' total GHG emissions were 5,753,300 tCO2e. Konecranes' GHG emissions targets are in line with the goal of the Paris Agreement of limiting global warming to 1.5°C and the target criteria defined by the Science Based Targets initiative (SBTi). The company has involved internal stakeholders in setting the climate targets.

No significant changes in data collection, underlying measurement methodologies, or assumptions have been made during the target period. In 2025, the aim is to develop value chain emissions accuracy through, for example, increasing the share of supplier-specific emissions data.

Performance against targets

In 2022, eight years ahead of schedule, Konecranes achieved the Scope 1 and 2 science-based target of reducing the emissions of own operations by 50 percent by 2030 from the baseline year 2019. The main contributor was the shift to renewable electricity in manufacturing locations. In 2024, emissions from own operations have further decreased by 8 percent compared to 2023, and by 56 percent compared to the base year 2019.

Konecranes' Scope 3 emissions within the science-based target boundary limited to the use of sold products and steel raw material purchases increased by one percent year on year, mainly due to increased Port Solutions sales volumes. The Scope 3 emissions were 12 percent lower compared to the base year 2019.

In 2024 Konecranes introduced new, more sustainable products into its offering. For more information on these product launches, see **E1-3 Actions and resources in relation to climate change policies.**

The progress and performance of emissions (Scope 1 and 2) from Konecranes' own operations are followed on a monthly basis, and Scope 3 at a minimum annually.

Konecranes set its science-based targets in 2022. The targets are reviewed during the next 1–2 years as part of the net-zero target setting. The review of the targets follows the criteria set by the Science-Based Targets initiative (SBTi). The criteria include, for example, that the targets are reviewed every five years at a minimum or following significant changes in the operational environment.

Climate change mitigation, including emissions reduction, is assessed to be a material topic for Konecranes. The company's GHG emissions targets have been set to mitigate risks and seek opportunities.

Konecranes' GHG emissions inventory and accounting practices are in line with the GHG Protocol Corporate Standard. The operational control approach is applied to allow Konecranes to account for 100 percent of emissions where it has the authority to influence operating policies and reduce emissions. For Scope 2, the emissions reduction target has been set using the market-based method.

In case of significant changes to the baseline due to structural changes or changes in calculation methodologies, the target baseline recalculation process is started, and the target scope is adjusted if relevant. Konecranes systematically reviews the potential update needs of the GHG inventory to reflect potential changes in its own operations or value chain.

External factors such as pandemics did not affect Konecranes' energy consumption in the target base year 2019. According to the World Meteorological Organization, the years 2015–2023 were the nine warmest years on record. Besides the general temperature increase, the year 2019 did not have any major abnormal weather conditions.

For absolute emission values regarding Konecranes' SBT, see the table **Konecranes' GHG emissions and the science-based targets in E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions.**

Konecranes' GHG emissions reduction targets follow the cross-sector criteria of the Science Based Targets initiative (SBTi) of limiting global warming to 1.5°C. The targets were validated in early 2022 by the SBTi. GHG emissions inventory and accounting practices are in line with the GHG Protocol Corporate Standard.

In defining the roadmap to meet the 1.5°C targets, Konecranes used a model of two percent annual increase in sales for Scope 3. Konecranes expects its customers to value low-carbon products and the policies to favor the electrification shift, and the roadmap leans on the expectation of high share of sales in the electrified and hybrid offering.

Expected decarbonization levers to achieve emissions reduction targets

Electrified offering and customer industries' electrification. The most significant decarbonization lever is electrifying the offering in Port Solutions and enabling customers' transition to low-emission material handling solutions. To achieve significant emissions reductions, the market will need to transform and the interest in electrifying operations within the ports and terminals industry needs to increase. The decarbonization potential from electrification has been estimated to be close to 40 percent of the total baseline Scope 3 emissions, assuming the market transformation is favorable.

Steel industry decarbonization. Konecranes' science-based target in the Scope 3 category purchased goods and services covers the emissions associated with steel raw material purchasing. These emissions depend on the

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annual purchase volume and material decisions made when purchasing. By 2030 the decarbonization potential has been estimated to be around 25 percent of baseline steel raw material purchase emissions, or 1.5 percent of Konecranes' baseline value chain emissions. The potential is based on steel manufacturers' GHG emissions reduction targets and Konecranes' aspiration to increase its use of recycled steel. Konecranes currently estimates that 40 percent of the steel used by the company is recycled, based on the industry average share of recycled steel in countries where steel suppliers operate. The lack of steel emissions reporting standardization and long supply chains pose challenges for getting accurate emissions data from suppliers.

Energy market decarbonization. In the midterm, Konecranes considers that the energy market decarbonization will bring a minor contribution to the achievement of the value chain emissions reduction target.

Material handling optimization. Konecranes aims for all new solutions to be more sustainable than the previous generation. The Design for Environment (DfE) process, combined with product Life Cycle Assessment (LCA) methodology, is used in product design and development projects to improve energy and material efficiency as well as the maintainability of products. Planned energy efficiency improvements, such as reducing standby power consumption and improving motor efficiency, are expected to be significant for electrified products while the impact on total value chain emissions is low. Konecranes expects to realize emissions reductions for product use phase also through innovations, which can be a result of continuous improvement and digitalization activities or more radical innovations or changes in the industry or customer behavior.

Carbon neutral own operations. Konecranes continues to invest in energy efficiency and to increase the share of renewable energy in its own operations, having direct impact on Scope 1 and 2 GHG emissions. In the short term, Konecranes expects to reach further emissions reductions especially by continuing to invest in energy efficiency, electrifying vehicles, and further increasing the share of renewable energy in its own operations.

Scope 3 emissions are mostly affected by the sold product mix and their prime power technology (fully electrified, hybrid, or diesel). Konecranes seeks to develop new technology applications and innovations to reduce dependency on fossil fuels and to increase energy efficiency. Many customers have adopted biodiesel (HVO) in diesel-powered equipment in their current fleet, while simultaneously focusing on electrifying new equipment. However, the use of HVO is not recognized in Konecranes' emissions figures yet, as assured information on customers' fuel selection is not available. Konecranes is also prepared to support its customers with hydrogen solutions when they become feasible for heavy machinery applications. This would have a significant emissions reduction potential, like the electrified and hybrid offering.

To determine decarbonization levers, Konecranes has considered different climate scenarios. Read more about these scenarios in **E1-1 Resilience of strategy and business model in relation to climate change.**

These climate scenarios have also been considered to detect relevant environmental, societal, technological, market and policy-related developments. Regarding technological developments, Konecranes monitors advancements in low-emission technologies and innovations that can enhance energy efficiency and reduce emissions in its manufacturing processes and products. In terms of market developments, Konecranes has analyzed the shift in market demand towards more sustainable products and services, identifying opportunities to meet these preferences through its offerings. Konecranes also monitors emerging regulations and policies aimed at reducing GHG emissions.

In terms of environmental developments, Konecranes assesses the implications of changing climate patterns, such as increased frequency of extreme weather events and long-term shifts in temperature, for its operations.

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E1-5 Energy consumption and mix

Disaggregation of total energy consumption from fossil sources

Energy consumption and mix, MWh	2023	2024
Total energy consumption	**236,000**	**232,400**
Total fossil energy consumption	**181,200**	**168,600**
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products	121,900	118,200
Fuel consumption from natural gas	38,400	37,600
Fuel consumption from other fossil sources	5,500	5,100
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	15,400	7,700
Share of fossil sources in total energy consumption (%)	77%	73%
Consumption from nuclear sources	Not material	Not material
Share of consumption from nuclear sources in total energy consumption (%)	Not material	Not material
Total renewable energy consumption	**54,800**	**63,800**
Fuel consumption for renewable sources	2,000	2,500
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	51,200	59,800
Consumption of self-generated non-fuel renewable energy	1,600	1,500
Share of renewable sources in total energy consumption (%)	23%	27%

High climate impact sectors used to determine energy intensity

Konecranes operates within an industry classified with NACE code **C28.22 Manufacture of lifting and handling equipment,** which is considered a high climate impact sector according to the ESRS Annex 2. Konecranes' equipment offering is included in this sector and in the high climate impact sector energy intensity calculation. The service operations are excluded, as they are considered to have a positive impact by contributing to a circular offering and extended lifetime.

Energy intensity in relation to sales in high climate impact sectors

	2023	2024	Change year-on-year, %
Energy intensity, MWh per million EUR	49	46	-6%
Net revenue from activities in high climate impact sectors used to calculate energy intensity per million EUR	2,308.3	2,442.5	6%
Net revenue (other) in million EUR	1,658.0	1,784.5	8%
Total net revenue in million EUR (Financial Statements)	3,966.3	4,227.0	7%

The energy intensity figure for high climate impact sectors is based on energy consumption at the manufacturing sites and in equipment sales. In 2024, energy consumption in equipment sales (manufacturing units) was 113,400 MWh. The net revenue used for the energy intensity for high climate impact sectors is based on equipment sales.

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E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Konecranes' greenhouse gas emissions

	2019 target base year	2023	2024	Change year-on-year, %	2024 compared to base year 2019, %
Scope 1 GHG emissions					
Scope 1 GHG emissions tCO_2eq	52,500	37,300	35,000	-6%	-33%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0%	0%	0%	0%	0%
Scope 2 GHG emissions					
Scope 2 GHG emissions tCO_2eq (location-based)	29,700	19,800	18,300	-8%	-39%
Scope 2 GHG emissions tCO_2eq (market-based)	33,100	3,300	2,400	-27%	-93%
Scope 3 GHG emissions					
Total scope 3 GHG emissions tCO_2eq	5,667,700	5,202,400[1]	5,236,600	1%	-8%
1 Purchased goods and services	1,573,000	1,434,100[1]	1,349,900	-6%	-14%
2 Capital goods	3,700	3,300[1]	2,300	-30%	-37%
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	19,900	12,700	12,600	0%	-37%
4 Upstream transportation and distribution	39,500	160,200	196,900	23%	399%
5 Waste generated in operations	600	200	200	-11%	-68%
6 Business travelling	12,100	12,500	13,000	4%	7%
7 Employee commuting	18,100	13,000	13,500	4%	-26%
8 Upstream leased assets	Not material	Not material	Not material		
9 Downstream transportation	3,900	16,000	19,700	23%	399%
10 Processing of sold products	Not material	Not material	Not material		
11 Use of sold products	3,984,200	3,524,500[1]	3,600,100	2%	-10%
12 End-of-life treatment of sold products	5,900	5,200	4,000	-24%	-33%
13 Downstream leased assets	Not material	Not material	Not material		
14 Franchises	Not material	Not material	Not material		
15 Investments	6,700	20,700	24,500	18%	266%
Total GHG emissions					
Total GHG emissions (location-based) (tCO_2eq)	5,749,900	5,259,500[1]	5,289,900	1%	-8%
Total GHG emissions (market-based)	5,753,300	5,242,900[1]	5,274,000	1%	-8%

[1] Recalculated for comparability.

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Konecranes' GHG emissions and the science-based targets

	2019 base year	2023	2024	Change year-on-year, %	2030 target, %	2024 compared to base year, %
Total Scope 1 and 2 GHG emissions (market-based), tCO_2eq	85,700	40,500	37,400	-8%	-50% from the base year	-56%
Scope 3 GHG emissions, SBT coverage[1], tCO_2eq	4,233,600	3,651,300[2]	3,705,700	1%	-50% from the base year	-12%

[1] Konecranes' Scope 3 emissions within the science-based target boundary are limited to the use of sold products and purchases of steel raw material.
[2] Recalculated for comparability.

Methodologies, significant assumptions and emissions factors

As of the Group's reporting for 2024, energy consumption and emissions (Scope 1 and 2) from Konecranes' own operations are calculated on a rolling 12-month basis using the previous year's December data due to data availability at the time of consolidation. A specific reporting tool is used to consolidate energy use data and calculate emissions from own operations.

Scope 1

Scope 1 includes emissions from direct energy usage: diesel, petrol, ethanol, HVO100, natural gas, LPG consumption and refrigerants. Emissions are calculated using DEFRA 2023 emissions factors.

Konecranes' Scope 1 GHGs cover carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Scope 2 emissions cover CO_2, CH_4 and N_2O.

In 2024, the biogenic emissions of CO_2 in Konecranes' own operations originated from the use of biofuels in leased vehicles and lift trucks. The biogenic emissions amounted to 410 tCO_2.

Scope 2

Scope 2 includes purchased electricity and district heat. Emissions are calculated according to the GHG Protocol Scope 2 Guidance dual reporting requirement: location-based and market-based method. The IEA 2023 emissions factors are used in the calculations.

The consumption of natural gas, liquid petroleum gas (LPG) and district heat in service operations and certain offices is excluded from the reporting as not material. The largest service offices report on their electricity consumption, while the rest of the service offices' electricity consumption is extrapolated by using the employee headcount.

Since 2022, Konecranes' manufacturing sites have purchased only renewable electricity. In addition, the company's sites in Hämeenlinna and Hyvinkää, Finland, started to purchase renewable district heating in 2023 and 2024, respectively. To confirm the origins of the energy, Konecranes uses International Renewable Electricity Certificates (I-RECs), Renewable Electricity Certificates (RECs) and Guarantees of Origins, (GOs) and direct contracts with suppliers.

In 2024 the I-RECs and GOs bundled directly with supplier contracts accounted for 53 percent of Konecranes' total energy consumption. The respective share for purchased electricity was 73 percent and for purchased district heating 27 percent. The remaining renewable energy was covered by centrally purchased unbundled I-RECs, RECs and GOs.

Biogenic emissions associated with purchased energy are not available.

Scope 3

Scope 3 related calculation methodologies, significant assumptions, and used emission factors are disclosed in the table below.

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Scope 3 category	Methodology, significant assumptions and emission factors
1 – Purchased goods and services	Emissions for aluminum and steel raw material purchases are based on primary purchase volume data and Ecoinvent 3.7.1 emissions factors for virgin and recycled steel. The steel raw material purchases are estimated to include 40% recycled steel. Emissions for other purchased goods and services are calculated based on primary monetary purchase data, adjusted with inflation rate, and Quantis emissions factors. Emissions for water consumption are calculated based on primary water consumption volume and the DEFRA 2024 water supply emissions factor. These emissions are calculated on a rolling four-quarter basis using the previous year's fourth quarter due to data availability at the time of consolidation.
2 – Capital goods	Emissions are calculated based on primary monetary purchase data, adjusted with inflation rate and Quantis emissions factors.
3 – Fuel and energy related activities not included in Scope 1 or Scope 2	The value chain emissions associated with fuels, electricity, and heat are calculated based on actual consumption volumes and DEFRA 2024 WTT emissions factors. For transmission and distribution emissions calculations, IEA 2023 lifecycle emissions factors are used. Emissions are calculated on a rolling 12-month basis using the previous year's December data due to data availability at the time of consolidation.
4 – Upstream transportation and distribution	Emissions calculation is largely based on emissions reports provided by the main logistics service providers, who calculate the emissions based on transportation distance and method, and relevant WTW emissions factors. Emissions for logistics service providers without emissions reporting capability are extrapolated by using primary monetary purchase data and average emissions intensity of the primary supplier data explained above.
5 – Waste generated in operations	Emissions are calculated based on primary waste and water volume data and DEFRA 2024 waste disposal and water treatment emissions factors. Primary waste volume data includes information on waste type and treatment method. Emissions are calculated on a rolling four-quarter basis using the previous year's fourth quarter due to data availability at the time of consolidation.

Scope 3 category	Methodology, significant assumptions and emission factors
6 – Business travel	Emissions calculation is based on emissions reports provided by travel agency. Travel agencies calculate emissions based on travel distance and method as well as the number of hotel nights. In addition, a minor share of flight emissions is extrapolated with the same emissions intensity to cover travel arranged without travel agencies.
7 – Employee commuting	Employee commuting emissions are calculated based on primary headcount data, secondary data for average commuting distances and methods, and Ecoinvent 3.11 and DEFRA 2024 emissions factors. For countries where secondary information is not available, Quantis emissions factors are used.
9 – Downstream transportation and distribution	The downstream transportation emissions are estimated based on the emissions information from Konecranes' upstream transportation and the assumption that downstream transportation corresponds to 10 percent of the upstream transportation emissions.
11 – Use of sold products	Emissions are calculated based on primary sales volume data, product-specific energy data, use rate, lifetime estimate (10–30 years), the Ecoinvent 3.11 average Europe electricity emissions factor, and the DEFRA 2024 fuel production and combustion emissions factor. The calculation does not consider customers' potential use of biodiesel (HVO) or renewable electricity.
12 – End-of-life treatment of sold products	Emissions are calculated based on primary sales volume data, product weight and material composition (product EPDs), Eurostat average waste treatment methods, and DEFRA 2024 waste disposal emissions factors.
15 – Investments	Emissions are calculated based on Konecranes' proportional revenue share in equity accounted investments in their latest available financial reporting and OECD 2019 country-specific emissions factors for manufacturing.

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In Scope 3 calculations, emissions factors that cover carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3) are mostly used. For transportation and distribution, as well as fuel- and energy-related activities, CO_2, CH_4 and N_2O are covered.

Konecranes follows the GHG protocol in Scope 3 emissions calculations and considers that primary data is used only if emissions factor data is obtained from value chain partners and the volume data is primary. Based on this logic, the total share of primary data for Scope 3 emissions is approximately two percent. This consists of upstream transportation and distribution data received from logistics service providers as well as travel data received from travel agencies. Over 99 percent of Scope 3 emissions calculations are based on primary volume or monetary data, which ensures adequate accuracy also for metrics with secondary emissions factors. Secondary emissions factors are from reliable sources such as DEFRA, IEA, and Ecoinvent.

Konecranes plans to develop Scope 3 calculation methods further in 2025, including revision of secondary data used in the calculations. The focus will be especially on developing primary data collection from suppliers to improve the accuracy of emissions from purchased goods and services.

The following Scope 3 GHG emissions categories have been excluded from the inventory:

- 8 Upstream leased assets: Leased vehicles and facilities are included in Scope 1 calculations.
- 10 Processing of sold products: Konecranes does not sell intermediate products that need to undergo significant further processing before end-use.
- 13 Downstream leased assets: Konecranes does not own or operate assets that it leases to other entities with one exception. In December 2024 Konecranes completed the acquisition of Peinemann Port Services and Container Handling, which leases assets to other entities. These assets are still excluded from the value chain emissions in the Sustainability Statement 2024.
- 14 Franchises: Konecranes does not have franchises as a part of its business model.

Biogenic emissions have been estimated to be minor and thus are not included in Scope 3 calculations. Transportation can cause biogenic emissions if logistics service providers use, for example, biodiesel, but there has not been any agreement on the use of such fuels, and thus we expect the usage to be low. The calculation methodology for biogenic emissions will be evaluated in 2025.

Changes to the reporting

Konecranes has recalculated selected Scope 3 categories for 2023. The recalculated 2023 total Scope 3 emissions are 43, 000 tCO_2e lower. For categories **1 Purchased goods and services** and **2 Capital goods,** an inflation correction was applied for 2023 and 2024. In addition, a small correction was made for the volume of steel raw material purchases. For category **11 Use of sold products,** the sales volumes were aligned with revenue recognition in financial reporting.

Organizational boundaries in Scope 3 reporting

Konecranes has not had any significant changes in the definition of what constitutes the reporting undertaking and value chain. Konecranes does not have joint ventures or equity accounted investments under its operational control, and these are accounted for as suppliers or investments in Scope 3 emissions.

GHG emissions intensity in relation to sales

	2023	2024	Change year-on-year, %
Total GHG emissions intensity (location-based) (tCO_2eq per million EUR)	1,326	1,251	-6%
Total GHG emissions intensity (market-based) (tCO_2eq per million EUR)	1,322	1,248	-6%

For the net revenue used in the intensity calculation, see Consolidated statement of income (Sales) in the Financial Statements.

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E5 Resource use and circular economy

E5-1 Policies related to resource use and circular economy

The commitments towards a circular economy are stated in Konecranes' Environmental Policy Statement. The commitments related to circularity include three objectives: 1) Maximizing the lifecycle value of products and service solutions; 2) Reducing waste and maximizing recycling rate; and 3) Improving resource efficiency by minimizing raw material use and water consumption.

Konecranes' Environmental Policy Statement extends the responsibility for environmental issues to everyone at Konecranes. The policy statement includes a commitment to stakeholder cooperation by promoting collaboration and ecosystem building and setting environmental requirements for suppliers. It covers all own operations as well as states requirements regarding the development of the offering and a commitment to supporting customers in reaching their low-carbon targets.

The Environmental Policy Statement has been approved by the Konecranes Leadership Team and signed by the President and CEO. Its implementation is carried out by the relevant Business Areas and functions. The most senior-level personnel accountable for the implementation of Konecranes' Environmental Policy Statement are the direct reports of the President and CEO.

The Environmental Policy Statement is publicly available on Konecranes' website and is provided to stakeholders upon request.

E5-2 Actions and resources related to resource use and circular economy

For Konecranes, the most significant action related to circular economy is the company's service business as a whole. Service represents more than 40 percent of Konecranes' revenue annually. Konecranes' service operations extend the lifecycle of equipment through preventive and predictive maintenance, repairs and remanufacturing of parts, as well as modernizations and retrofits. Services can improve energy efficiency and performance, as well as save raw materials, reduce emissions from the transportation of new equipment, and decrease the energy used in manufacturing.

Well planned and executed equipment maintenance helps to increase safety and reduce downtime, and it can also extend equipment life and help optimize energy use. This helps to avoid premature wear of components resulting in breakdowns, which can increase service visits and equipment downtime.

When carefully maintained, a crane can last for decades. Regular inspections and preventive maintenance are needed to keep equipment and components in use, and for safety and productivity. Inspections identify risks and improvement opportunities, and preventive maintenance tasks help keep equipment productive and minimize downtime. Frequently needed parts can be kept on site with a parts package reducing the need for transport.

Predictive maintenance utilizes advanced inspections and data analytics that help make informed component-specific predictions and prioritize recommendations and actions. This means that maintenance can be carried out based on actual conditions and planned around production schedules, making repairs more targeted and resource-efficient.

Modernizations and retrofit solutions are about upgrading old equipment with new state-of-the-art technology. These solutions enable improved equipment performance, enhanced safety, and extended operational life of the crane, allowing every asset to reach its full value. Modernizations can provide a complete transformation for an existing crane as an alternative to replacing it. It also allows the introduction of new technology that did not exist before. Modernizing an old crane instead of replacing it with a new one can save hundreds of tons of steel.

Konecranes' digital services play a key role in achieving improved performance. Through optimized maintenance needs, spare parts management, extended equipment lifecycles, and accurate failure predictions, Konecranes' customers can improve their operational efficiency, reduce their environmental impact and increase their cost-effectiveness.

In 2024, Konecranes continued to study three new business opportunities related to the circular economy: a reuse concept for transport packaging, end-of-life services for cranes, and end-of-life opportunities for batteries. In its own operations Konecranes continued to implement the company's own Global HSE standards, which include waste and resource management.

The scope of Konecranes' key actions encompass mostly upstream activities via its offering, as well as some Konecranes manufacturing units and product development, including R&D globally. Konecranes has service operations in approximately 50 countries. The strategic ambition is to extend the service business continuously. Konecranes' innovation work and pilot projects on circular business models are focused on the European region. If realized as business activity, these projects would be extended globally.

The innovation work is continuous, and the priorities of this work are reviewed annually at the minimum. Project plans are established for circular business opportunities that are identified as feasible for implementation.

In the beginning of 2023, Konecranes launched its Zero4 research and innovation program to improve the industrial

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productivity and competitiveness of Finnish companies. This program is partly funded by Business Finland as a part of its broader "Veturi" program that aims to significantly boost research, development and innovation activities in Finland. Konecranes expects the program to further strengthen the company's efforts to decarbonize its own operations and value chain, as well as to accelerate circularity.

Financial resources linked to the substantial contribution of the EU Taxonomy Activity **5.1 Repair, refurbishment and remanufacturing** are crucial in enabling a circular economy. In 2024, Konecranes' operating expenditure (OpEx) was EUR 3 million for repair and maintenance activities in the field service business. Konecranes invested EUR 22 million as capital expenditure (CapEx) in service vehicles, which are needed for repair, refurbishment and remanufacturing work.

E5-3 Targets related to resource use and circular economy

Konecranes has defined one voluntary target regarding the circular economy: To assess at least three new circular economy business opportunities each year. The target supports Konecranes' environmental objectives set out in the policy: 1) Maximizing the lifecycle value of the products and service solutions; 2) Reducing waste and maximizing the recycling rate; and 3) Improving resource efficiency by minimizing raw material use and water consumption.

The circular economy business opportunities are measured as a number of assessed new circular economy business models. All own operations, upstream and downstream value chains are considered when circular business opportunities are selected for assessment.

The target has been in place since 2022. In 2025 Konecranes will further assess the target setting for the coming years.

When assessing the new circular business opportunities, Konecranes considers both environmental impacts and business benefits. Life Cycle Assessment is usually used to validate the possible environmental impacts. The assessments are primarily based on ISO 14040-44 standards.

Konecranes has involved internal stakeholders in the target-setting process. This includes discussions between functions and business units.

Konecranes periodically reviews and updates its targets and metrics to reflect new insights and changing circumstances. Any changes in targets, methodologies, or assumptions are documented, with explanations provided for the rationale behind these adjustments, which ensures transparency and maintains comparability over time.

Konecranes also regularly monitors and reviews its performance against the disclosed targets. Progress is reported annually. To date, the performance has generally been aligned with the planned milestones.

In 2024, Konecranes has assessed three (3) circular economy business opportunities. All three studies were ongoing at the end of 2024 and will also continue in 2025.

All circular opportunities assessed in 2024 relate to the increased use of circular materials. End-of-life services for cranes and end-of-life opportunities for batteries intend to close the material loops. Reuse of transport packaging aims to keep packaging in use for a long time and reduce the need for virgin packaging raw material.

The environmental impacts of a product are primarily determined during the design phase. Konecranes uses the Design for Environment concept (DfE) in its product design process. This approach looks into the product's emissions and energy usage, minimizing hazardous substances, and incorporating circularity by selecting repairable, recycled, and recyclable materials and components. The products are designed considering their entire lifecycle. Konecranes' products are not only well-suited for repair and maintenance operations to ensure long-lasting performance but also designed to be easily reused and recycled. Digital solutions play a critical role in detecting wear and tear of the equipment and predicting maintenance needs.

Most of Konecranes' products already consist of materials that are recyclable. The company aims to increase the share of recyclable materials, making their recovery and reuse easier.

In addition to the target of annually assessing at least three new circular economy business opportunities, Konecranes has defined the following KPIs supporting the company in following the progress related to resource use and circular economy:

- **Share of recycled steel used in the company's products.** In 2024 this was followed as an estimate, taking into consideration the general manufacturing averages in every region and assessing Konecranes' purchasing volumes based on that split. In the coming years, Konecranes aims to collect supplier-specific information. It is estimated that the share of recycled steel in Konecranes' steel purchases is 40 percent.
- **Recycling rate of waste generated in manufacturing operations.** Waste information is collected systematically, and results are calculated annually. In 2024, the recycling rate was 86 percent, including waste directed to recycling, reuse, or composting.
- **Revenue linked to modernization and retrofits.** The company's aim is to increase the lifespan of its products and to integrate design features that facilitate easier repair and maintenance with minimal resource use. Data is assessed and reported on a quarterly basis. In 2024, Konecranes' revenue from modernizations and retrofits was EUR 336 million or 8 percent of the Group's total revenue.

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E5-5 Resource outflows

Konecranes provides specialized maintenance services and spare parts for all types of industrial cranes and hoists, from a single piece of equipment to entire operations. The company also offers maintenance and repair services as well as spare parts for the container handling industry and its products. Konecranes service operations extend the lifecycle of equipment through maintenance and repairs, remanufacturing of parts, modernization, and retrofitting.

Konecranes' Industrial Equipment and Port Solutions products are mainly made of recyclable metals. The Design for Environment (DfE) process, combined with product Life Cycle Assessment (LCA) methodology, is used in product design and development projects to improve the energy and material efficiency as well as the maintainability of products.

Given the limited research currently available on cranes' life spans, the industry averages for different product groups are not available. ISO 12482:2014 defines the typical operational period for industrial cranes as 10–20 years. The standard does not separate different product groups.

Konecranes' products are designed for a long lifetime as well as for maintainability. A crane's lifetime depends heavily on different factors such as the type of load, the number of lifting cycles and the maintenance of the product. The expected lifetime of the company's cranes is generally from 10 to 30 years.

Konecranes' product design emphasizes modularity and easy access to critical components, facilitating straightforward repairs and reducing downtime. Konecranes also ensures that the repaired parts are readily available to support efficient maintenance and possible upgrades. The spare parts or replacement kits are available for many years, making it possible to keep older cranes in operation. Modernizations enable new features to be added to existing cranes. The company has several repair shops that can repair crane components and even complete cranes.

Based on Konecranes' Environmental Product Declarations (EPDs), on average 92 percent of material weight in products come from metals, which are widely recyclable.

The estimated rate of recyclable content in plastic packaging is 99 percent, based on information collected from purchased packaging materials in 2022. The rates of recyclable content in other packaging materials are not currently available.

The product lifetime projections mainly follow data-based design working period calculations (DWPs) from the field. In addition, in certain product categories, a scenario-based approach to reaching the expected design number of cycles has been used to estimate product lifetimes.

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3. SOCIAL INFORMATION

S1 Own workforce

Material own workforce-related impacts, risks and opportunities and their interaction with strategy and business model

Konecranes is committed to fostering a fair, inclusive and diverse working environment where we treat each other with respect and expect high ethical standards of ourselves and our business partners. The company's strategy also focuses on enhancing a winning culture, including building a culture of continuous learning, where people are supported and encouraged to develop and grow every day. Operating in industrial, international business brings along some material impacts, such as impacts on people's health and safety, as well as pressure on working times. These material impacts are aligned with Konecranes' strategy, which emphasizes advancing responsible business practices.

No topic or sub-topic related to own workforce was deemed material from the financial risks and opportunity perspective and therefore Konecranes does not disclose the relationship between its material risks and opportunities arising from impacts and dependencies on its own workforce and strategy and business model.

Own workforce at Konecranes consists of employees and non-employees. The latter includes both self-employed people and people provided by third-party undertakings primarily engaged in employment activities. All employees who could be materially impacted by Konecranes are included in the scope of this Sustainability Statement. Non-employees who could be materially impacted are mainly not in the scope of the statement, but they are separately mentioned when covered by specific disclosures.

Health and safety impacts are most relevant for people working in operative roles, whether they are employees or non-employees. Especially people working at factories, in crane and equipment installation, and in service business, where the working conditions of the technicians vary, are subject to negative health and safety impacts. Additionally, employees who are required to drive a lot due to their job duties have a higher risk of vehicle accidents.

Employees working in both operative and office roles are occasionally subject to negative impacts caused by excessive working hours and potentially unhealthy work-life balance. Both types of employees benefit from the positive impacts of adequate wages, freedom of association, training and skills development, and diversity, equity and inclusion.

Regarding the negative impacts, Konecranes considers health and safety impacts to be caused by individual incidents. The impacts caused by excessive working hours can be seen as a widespread risk potentially causing health and safety issues.

On the side of positive impacts, Konecranes considers the payment of adequate wages, and especially Konecranes' commitment to living wages to all employees,results in positive impacts especially for employees in low job grades and in low-income countries. Living wages are an essential component of decent work, as they reduce inequalities and increase gender equality. Embedding diversity, equity and inclusion in recruitment, promotion and development stages of employment creates a positive impact on all employees, especially on minorities. Freedom of association and information, consultation and participation rights of employees cover all employees and are put into practice not only through works councils, which cover part of the Konecranes geographies and employees, but also through different forums like town hall meetings and employee resource groups. Related to training and skills development, all employees have an opportunity for a personal development plan and a certain amount of training.

Konecranes does not disclose any material impacts on its own workforce that may arise from transition plans for reducing negative impacts on the environment, as the company has not identified any material impacts on its own workforce caused by its climate transition plans. Additionally, Konecranes has not identified its own operations as being at significant risk of incidents of forced labor or compulsory labor or incidents of child labor.

Regarding the negative impacts, Konecranes' health and safety and people processes help in understanding how particular groups of people may be at a greater risk of harm. For example, the knowledge on people especially at risk of negative health and safety impacts is based on the company's health and safety management system and risk assessment processes. There are specific processes to ensure that the work is done safely especially in hazardous environments, such as nuclear and waste treatment facilities. Konecranes' people processes, such as employee surveys, create understanding of employees particularly affected by excessive working hours and potentially unhealthy work-life balance.

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S1–1 Policies related to own workforce

Konecranes has adopted several policies to manage its material impacts on its workforce. At the highest level, Konecranes' Code of Conduct sets requirements on responsible business.

Konecranes' Human Rights Policy focuses on respecting and supporting human rights across all operations, encouraging business partners to do the same, and conducting risk-based human rights due diligence. Key commitments include maintaining effective mechanisms for raising concerns and seeking to provide remedy for where issues arise. This policy covers all internationally recognized human rights, addressing material impacts such as health and safety incidents, potential physical and mental health issues, forced labor and the individual's right to family or personal time – particularly when affected by excessive overtime. Monitoring occurs through human rights due diligence, including audits like the Supplier Code of Conduct and social responsibility assessments. Additionally, topic-specific policies offer guidance on addressing particular material impacts.

Konecranes' Health and Safety Policy Statement states the company's top priority: Everyone should be able to go safely home, every day. The Health and Safety Policy Statement also lists seven health and safety commitments, such as having a zero tolerance towards unsafe acts and safety violations, and six ways of working to enable the realization of these commitments. The monitoring is done through Konecranes' health and safety management system.

In accordance with its Diversity, Equity and Inclusion (DEI) Policy Statement, Konecranes aims to create a diverse and inclusive working environment where people feel trusted and can thrive by working in a psychologically safe environment where everyone has an opportunity to succeed. Monitoring is done, for example, with employee surveys, especially by following the development of the Inclusion Index. Konecranes also follows how countries develop their goals and tactics to assure an inclusive environment. The trends of an increasingly diverse workforce (e.g. gender diversity and nationality diversity) are also being followed. Additionally, Konecranes has a Talent Acquisition and Recruitment Policy to ensure that a diverse talent funnel is part of the recruitment practices. This is monitored through the share of gender and nationality diversity in the hirings.

Konecranes' Fair Labor Frame is aimed at supporting continuous improvement in Konecranes' own operations and at acknowledging different maturity levels of different locations on this topic. The Basic level states the minimum requirements, and the Advanced level includes the recommended practices Konecranes strives to achieve. Out of the material impacts, the Fair Labor Frame addresses freedom of association (for example, employee cooperation), diversity, equity and inclusion (equal opportunities), working hours and work-life balance, training and skills development, and adequate wages (compensation). The Frame states that worker associations such as work councils and trade unions are allowed, no discrimination is allowed against employees on grounds of being or not being trade union activists, and there is fair cooperation between Konecranes and employee representatives, trade unions and employee committees, wherever those exist. Working hours need to stay within legal limits and employees need to have regular rest days. To further support a healthy work-life balance, flexible working hours, time and place are recommended to be offered where applicable and available. When it comes to training and development, all employees have an equal opportunity for basic trainings and are recommended to have development discussions called "My development" with their manager. The Frame also recommends having a process to define the local living wage and to have an implementation plan to close gaps if wages are not sufficient to meet basic needs and provide some discretionary income. The monitoring of the Fair Labor Frame topics is done through regular people processes and social responsibility assessments.

All Konecranes employees are in the scope of the above-mentioned policies, and the Human Rights Policy, the Health and Safety Policy Statement and the Diversity, Equity and Inclusion (DEI) Policy Statement also partly cover non-employees. The policies have been approved by the Konecranes Leadership Team and signed by the President and CEO, except for the Fair Labor Frame, which has been approved by the Sustainability Council, and the Talent Acquisition and Recruitment Policy, which has been approved by People & Culture Leadership Team. The implementation is carried out by the relevant Business Areas and functions, and the most senior-level personnel accountable for the implementation of the Human Rights Policy, the Health and Safety Policy Statement, the Diversity, Equity and Inclusion (DEI) Policy Statement and the Fair Labor Frame are the direct reports of the President and CEO.

By implementing the Human Rights Policy, Konecranes is committed to operating in a manner consistent with internationally recognized human rights as defined in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The Human Rights Policy also states Konecranes' commitment to the UN Guiding Principles on Business and Human Rights and the ten principles of the UN Global Compact. As stated in the Diversity, Equity and Inclusion Policy Statement, Konecranes additionally supports the UN Sustainable Development Goals on reduced inequalities and gender equality and has

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signed the European Commission's Diversity Charters in some European countries.

Konecranes has recognized that many of its customers, investors and employees see that the topics related to health and safety, diversity, equity and inclusion, training and skills development and fair working conditions would be material for Konecranes, and hence these stakeholders expect Konecranes to have policies in place on these topics. The policies are available on Konecranes' intranet pages and many also publicly on **Konecranes.com.** They have also been promoted to potentially affected members of the workforce as well as to the people helping to implement the policies through various trainings and awareness campaigns.

Human rights policy commitments relevant to own workforce

Konecranes has made commitments relevant to its own workforce in the company's Human Rights Policy. The commitments are: Konecranes respects and supports human rights, conducts risk-based human rights due diligence, maintains effective concern-raising mechanisms, and seeks to provide remedy.

Konecranes respects and supports the human rights of its own workforce. The company is committed to operating in a manner consistent with internationally recognized human rights as defined in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (ILO principles covering occupational safety and health; freedom of association and collective bargaining; non-discrimination in employment and occupation; elimination of slavery and forced labor; and abolition of child labor).

Konecranes engages with affected persons in its own workforce as part of its human rights due diligence. If Konecranes causes or contributes to negative human rights impacts, the company seeks to provide access to remedy for the affected people either by the company's own resources or by cooperating in remediation through legitimate processes. This is documented in Konecranes' Human Rights Policy and the investigation process. The need for remedy is always considered in relation to investigations having a human rights aspect as part of the corrective and remedial actions consideration, including the follow-up to ensure that the necessary action is taken.

Trafficking in human beings, forced labor or compulsory labor and child labor, and alignment with internationally recognized standards relevant to own workers

Konecranes' Human Rights Policy is aligned with the key principles of the United Nations Guiding Principles on Business and Human Rights (UNGP), by following UNGP expectations for a structure of a due diligence process and by stating a commitment to maintain effective concern-raising mechanisms and to seek to provide remedy.

Konecranes' policies explicitly forbid forced labor and child labor.

Workplace accident prevention

Konecranes' Health and Safety Policy Statement describes the commitments and objectives for managing health and safety. These topics are driven by the Health, Safety and Environmental Excellence Program that focuses on three areas: Life-Saving Behaviors; Global Health, Safety and Environmental Standards; and Certified Management Systems, which are certified by ISO 45001.

Policies aimed at elimination of discrimination

The Code of Conduct states the expectation of Konecranes being an equal opportunity employer and prohibits any form of discrimination. Konecranes' Diversity, Equity and Inclusion (DEI) Policy Statement's commitment related to inclusion or positive action for people from groups at particular risk of vulnerability in its own workforce states that Konecranes aims to create a diverse and inclusive working environment where people feel trusted and can thrive by working in a psychologically safe environment. The objective is to go beyond equality and promote equity by providing resources for success based on the individual's uniqueness. Furthermore, Konecranes' Talent Acquisition and Recruitment Policy aims to ensure that a diverse talent funnel is part of the recruitment practices and that Konecranes provides equal opportunities to people with different backgrounds.

Konecranes' Diversity, Equity and Inclusion (DEI) Policy Statement and Code of Conduct state that the company does not tolerate any discrimination based on reasons such as the employee's race, religion, color, gender, gender identity, sexual orientation, age, marital status, family situation, national origin, national extraction or social origin, citizenship, political opinion, trade union membership, disability (where the applicant or employee is qualified to perform the essential functions of the job with or without reasonable accommodation) or other forms of discrimination covered in relevant regulations and laws. The company does not tolerate any form of harassment.

In addition to Konecranes' Diversity, Equity and Inclusion (DEI) Policy Statement, the company's DEI commitments are stated in Konecranes' DEI Vision. The execution of these commitments takes place through the company's DEI strategy. The ambition is to build a more diverse organization, considering all aspects of diversity. For that reason, Konecranes' DEI agenda is embedded into the company's processes. The principles for attracting and hiring the best, diverse talents are defined within Konecranes' Talent

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Acquisition and Recruitment Policy. The use of common and objective criteria for rewarding people for their work is reinforced and the company is committed to ensuring pay equity to its employees in accordance with local requirements, EU directives and other relevant regulations. Konecranes embraces pay equity not only because of the legislation, but because it is part of the company's equity principles.

Konecranes emphasizes positive actions that promote inclusivity, generate awareness, and support the underrepresented people and people at risk of vulnerability. For that reason, DEI work is being done at the local level. Through the Supervisory Boards of the legal entities, Konecranes ensures that DEI actions are part of local agendas.

Konecranes has also established global Employee Resource Groups that help tailor actions that advance inclusivity in the area of LGBTQI+ and people with disability. On the first topic, Konecranes has created a handbook on language and behavioral tips to educate the organization. On the second topic, the company has run an internal survey to capture areas of improvement and form a baseline for a future strategy.

Konecranes does not tolerate any form of harassment. The company's Code of Conduct defines the principles and processes to protect our employees. Konecranes' DEI agenda implementation is managed and driven by the Business Areas, Business Units and country organizations locally led by the Chief Diversity and Inclusion Officer on the Group level. Progress is measured through a structured set of targets and key performance indicators (KPIs) and reported through the annual reporting process. KPIs include metrics on gender diversity in leadership and in the entire organization.

S1-2 Processes for engaging with own workers and workers' representatives about impacts

Konecranes holds regular town hall meetings and conducts employee surveys. The local health & safety committees and employee resource groups engage with the company's own workers and workers' representatives to incorporate employee feedback into decisions to address potential workforce impacts. Additionally, Konecranes maintains open communication channels with workers' representatives to discuss and address any other concerns that may arise on a day-to-day basis.

The engagement occurs both directly with Konecranes' workers and through their representatives, such as works councils, employee representatives or unions, wherever they exist. The engagement happens at various stages, including during the planning, implementation, and review phases of projects and policies, and the frequency varies from monthly resource group meetings, quarterly town halls and semiannual surveys to needs-based discussions related to specific issues. The Executive Vice President, People & Culture, holds operational responsibility for ensuring effective engagement with the company's own workforce, oversees the implementation of engagement strategies, and ensures that feedback is integrated into the organizational approach.

Konecranes has signed an agreement with its European employees to establish a European Works Council (EWC) that ensures respect for human rights and facilitates regular engagement and review and consulting with employees about important matters. The parties have taken into consideration the Directive of the Council of Europe (Council Directive 94/45/EC) on the establishment of a European Works Council.

The effectiveness of Konecranes' engagement with its own workers is assessed using various methodologies. They include analyzing employee surveys to identify trends and areas of improvement, monitoring participation rates in surveys, focus groups and town hall meetings as an indicator of engagement, and tracking voluntary employee turnover.

Steps taken to gain insight into particularly vulnerable people's perspectives

To gain insight into the perspectives of people in its own workforce, Konecranes follows the results of employee surveys, especially by following the Inclusion Index development.

The company actively seeks input from vulnerable and marginalized employee groups through some of the employee surveys that gather feedback from employees about their experiences and perceptions related to workplace inclusivity. Konecranes supports and encourages the formation of Employee Resource Groups (ERGs) that provide a platform and an opportunity to improve practices that allow inclusion of marginalized employees.

Relating to gender diversity, many local ERGs have been formed to support gender equity advancement, and inclusion. Additionally, the company has launched a program called Women in Front Line to improve practices in areas like Field Operatives, where the presence of women is extremely low from a global market perspective.

The company has improved awareness of inclusive culture within the organization through a robust learning offering. For example, Konecranes has created an inclusion library based on training and e-learning. The company's internal e-learning has been updated on equity expectations, and the training

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on diversity, equity and inclusion has been included in all the managerial and leadership programs. The company's mentoring programs utilize and leverage internal and external mentors from European Women on Boards.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

If Konecranes causes or contributes to negative human rights impacts, the company seeks to provide access to remedy for the affected people either using the company's own resources or by cooperating in remediation through legitimate processes, for example, by removing risk factors, supporting the persons involved and by preventing retaliation, if applicable.

The impacts and effectiveness of remedy are assessed in connection with the investigation process, for example, by monitoring the possible reoccurrence of such negative impacts.

Konecranes encourages its employees and any external stakeholders to report all concerns relating to Konecranes, without fear of retaliation. The company has a specific reporting channel in place, the Whistleblowing Channel, which can be used to report all kinds of compliance and ethics concerns. Where required by local laws, Konecranes also has local reporting channels in place, which are managed in accordance with local laws. Read more about the whistleblowing channels in **G1-1 Business conduct policies and corporate culture.** In addition, Konecranes has an internal health, safety and environmental reporting tool as well as local health and safety committees for raising any health and safety concerns and observations.

Grievance or complaints relating to employee matters that relate to actual or suspected breaches of law or the company's policies are handled in line with the Group's investigation process. Otherwise, local complaint handling processes on employee matters, where they exist, are led by the People & Culture function and are aligned with the requirements of unions or works councils, as well as applicable laws.

Health and safety related incidents, near-misses and observations are followed through the health, safety and environmental reporting tool and local health and safety committees.

The Whistleblowing Instruction, which is available to all employees in 35 languages, gives guidance on how to report ethics and compliance concerns and on the process involved. Konecranes' Whistleblowing Channel platform is further available in 39 languages, and any language can be used to submit a report. Employees are regularly provided with training on the subject in connection with the Code of Conduct trainings and other targeted trainings.

The health, safety and environmental reporting tool is open to all employees and non-employees (Konecranes' own workforce). The tool is available both as a mobile application and through a web interface in 28 languages. Regular awareness communication about the tool is provided as part of various health and safety trainings.

The local health and safety committees exist widely in Konecranes' operations globally to support the responsible business units and to follow up on corrective actions.

Internal investigations are managed by the Group's Compliance & Ethics team in line with a defined investigation process, with Compliance & Ethics Committee and Audit Committee oversight. Konecranes follows on a monthly basis various indicators, such as the number and type of reports, businesses and geographies involved as well as the substantiation rate, to identify any trends and risks.

Stakeholder feedback on the effectiveness of the reporting channel is received through Konecranes' third-party social responsibility assessments and different employee surveys, such as the Employee Engagement Survey and the Compliance & Ethics risk assessment survey. Based on the feedback, Konecranes has, for example, increased local communication on the process of reporting concerns.

Further, corrective and remedial measures in individual cases will also be considered from the point of view of the effectiveness of the complaints procedure, for example, to identify any gaps in awareness. The effectiveness of the complaints procedure would also be considered and ensured in the context of possible mergers and acquisitions and other possible material changes in the realignment of the company or its business.

The data inserted into the health, safety and environmental reporting tool is followed closely by the local health, safety and environmental experts and unit managers. Corrective actions are created in the system and their completion is followed regularly. The process is supported by the local health and safety committees in the responsible business units, for example, by bringing up issues and following up on corrective actions.

There are frequent calls with the internal network which enable receiving feedback about the health, safety and environmental reporting tool and its usability. The tool's users are also encouraged to bring forward development ideas.

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Employees' awareness and trust in the reporting channels and investigation process is regularly followed and assessed with risk assessments and surveys, as well as in connection with regular tracking and analysis of the reports received. In addition, the share of positive responses to the following two questions of the Employee Engagement Survey is followed: 1) "Management of my unit is committed to integrity and ethical business practices" and 2) "I would feel comfortable reporting unethical behavior if I saw it in Konecranes" as part of Konecranes' Compliance & Ethics KPIs. Additionally, every second year the biennial Compliance & Ethics risk assessment survey respondents are asked to rate, for example, the risk of people not reporting due to their lack of awareness of the relevant channels or their lack of trust in the process and fear of retaliation.

Konecranes has a strict policy of non-retaliation expressed in the Code of Conduct and the Whistleblowing Instruction. More information is available in **G1-1 Business conduct policies and corporate culture.** The health, safety and environmental reporting tool user rates are followed regularly.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Health and safety:
Safety is vital in Konecranes' operations; the overall approach and commitment is outlined in Konecranes' Health and Safety Policy Statement. Konecranes' Health, Safety and Environmental Excellence program focuses on three areas: Life-Saving Behaviors; Global Health, Safety and Environmental Standards; and Certified Management Systems.

The Total Recordable Incident (TRI) rate is the company's main lagging KPI. The objective is to reach a TRI rate below three by the end of 2025.

During 2024, actions on embedding health and safety into everyone's daily job continued. This was done by supporting employees in recognizing hazards; making health, safety and environmental observations; and promoting health, safety and environmental excellence. The ISO 45001 certifications continued to cover most of the organization.

Learning from incidents focused on thorough investigation and corrective actions. The health, safety and environmental reporting tool supports the quality of incident investigations and the completion of corrective actions. A strong focus on reporting and following up on cases with actual or potential Serious Injury and Fatality (SIF) exposure was also maintained.

The number of health, safety and environmental observations has been the leading KPI for the past years. All areas within the organization showed significant improvement in reporting observations.

The key activities in 2025 will continue to be the same as in previous years: further improving incident investigation and corrective actions and the quality of observations and concentrating on reducing incidents with SIF exposure. Konecranes continues to improve its safety culture together with all employees, guided by the Health, Safety and Environmental Excellence program.

Konecranes has tools and resources to support and endorse employee well-being, such as occupational health services, and multiple courses related to resilience and well-being.

In 2024, Konecranes launched a manager survey on well-being at Konecranes to evaluate the overall well-being of the majority of people managers. The survey results will be used to define the future well-being strategy and to plan concrete actions to support employees' well-being.

Working time:
Working times are tracked by local people processes, typically including electronic recording of working hours and manager approvals. In addition to these continuous local processes, compliance with local working hour regulations and with Konecranes' global recommendations is assessed annually at some sites as part of Konecranes' Social responsibility assessments. Improvement actions are agreed case by case after the assessments. Three assessments were conducted in 2024 and at minimum three are planned for 2025.

Work-life balance:
To support employees in having a good work-life balance and to ensure keeping up with the current and future labor market trends and supporting the needs of working in a global company, Konecranes has launched a hybridworking guideline globally in all Konecranes countries for employees whose work is not tied to a specific location. By the end of 2024, the application of the hybrid working guideline was launched in all countries with over 10 employees. Countries have established their local hybrid work guidelines allowing employees whose work is not tied to a specific location to work remotely at least 20 percent of their work time.

Training and skills development:
Konecranes offers its employees various development and training programs in areas such as technology, sales, communication, leadership, health and safety, project management and ways of working. In addition, employees can enrich their work, for example, by learning on the job,

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from peers, or by joining mentoring and coaching programs and communities. Konecranes has several internal career and mobility opportunities and is actively promoting internal opportunities through the internal career pages, development discussions, social platforms, and newsletters – to ensure employees can take further steps in their career and develop their professional expertise. In 2024, Konecranes continued to offer all Konecranes employees the opportunity to have manager-employee development discussions. By having continuous dialogue with their manager, employees can achieve their targets faster and accelerate their professional growth. For non-employees, Konecranes also offers training in areas such as technology, sales, communication, leadership, health and safety, project management and ways of working.

Konecranes is planning to continue a similar approach for training and development in 2025.

Freedom of association:
Freedom of association is guaranteed for all Konecranes employees in the Code of Conduct. In 2024, the cooperation with works councils and trade unions continued in part of Konecranes geographies, such as Europe. European Works Council discussions covered, for example, quarterly reviews with top-level and regional business leaders of financial results. Information was shared on Employee Engagement Survey action planning, Value & strategy renewal workshop and manager survey on well-being at Konecranes. Separate information calls were arranged covering topics like structural changes and the Konecranes Leadership changes.

Konecranes also had alternative ways to increase information, consultation and participation rights of its workforce e.g. via quarterly webinars with the President and CEO, townhall meetings, idea management groups and Employee Resource Groups. Konecranes plans to continue different ways to ensure information, consultation and participation rights also in 2025.

Adequate wages:
In 2023, Konecranes made a living wage analysis for all its employees and in 2024, the company committed to meeting the living wage requirements and started to close gaps. Work to close the remaining gaps continues in the coming years. Konecranes' living wage analysis is based on WageIndicator's typical family methodology, lower range. In 2024, Konecranes also added an adequate wage analysis to its wage analysis, following CSRD's definition of adequate wage. In 2024, Konecranes paid an adequate wage to all its employees. The living wage is in several locations higher than the CSRD-defined adequate wage, which is in most countries based on minimum wages and collective bargaining.

Diversity, equity and inclusion:
See **S1-1 Policies related to own workforce** on how diversity, equity and inclusion related policies are implemented through specific procedures to advance diversity and inclusion in general. In 2024, Konecranes reinforced the guidance on inclusive language to raise awareness and improve the inclusivity of the working environment. Konecranes launched a renewed version of its internal diversity and inclusion e-learning, now including also the concept of equity. One additional example of the actions for including DEI in the Group-level training programs is Konecranes' flagship leadership program, "KC leader", where the participants created their own action plans related to DEI.

Konecranes has concluded a pay equity pilot in line with future EU directives in five countries and identified focus areas to prevent repeating pay gaps. The company also leveraged its Employee Resource Groups to help with practicalities for inclusion-related activities during the Pride month and conducted a survey to understand Konecranes' status of disability inclusion, with the aim of building specific initiatives in 2025 for this specific area.

In 2024, Konecranes also launched a program "Women In Front Line" aiming to accelerate actions to attract women to technician roles in frontlines. The country organizations have been engaged in crafting their DEI strategies and objectives.

In 2025, Konecranes aims to continue its focus on gender diversity, with particular attention to building the funnel for women in frontlines and focusing on a diverse future generation of leaders, by piloting a learning program that provides development support to underrepresented groups, starting from women in leadership. The aim is to increase the focus on inclusion, including programs for disability inclusion and multigenerational diversity.

Financial resources allocated to own workforce-related actions
Konecranes has allocated significant expenditure in health and safety development as well as towards the training and development of its employees. As own workforce-related capital expenditure (CapEx) and operating expenditure (OpEx) are an integrated part of Konecranes' operations, the company aims to develop respective reporting on a consolidated basis in the future.

Action taken to provide or enable remedy
During 2024, actions were taken to provide remedy for people injured in health and safety incidents. Remediation actions are driven by local legislation and insurance systems and mainly concern treatment of injuries and rehabilitation. Other types of remediation (e.g. financial support for

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families, compensation, sanctions, reorganizing work tasks) are considered case by case based on the severity of the incident, the local social support systems and the individual situation of the family.

Assessing the effectiveness of actions in delivering outcomes for own workforce
The effectiveness of health and safety related actions and initiatives is followed through lead and lag indicators and through our internal health and safety audits and our certification audits.

Compliance with the Fair Labor Frame, which includes many of the material impacts, such as freedom of association, wages and working hours, is assessed annually at selected sites through on-site Social Responsibility Assessments. These assessments also include confidential worker interviews. Internal audit function is assessing at selected sites that the company complies with local regulations on working hours and that the company takes diversity, equity and inclusion into account in hiring decisions.

The effectiveness of training and skills development is assessed e.g. with feedback collected after completion of selected trainings. Employee Engagement Survey (EES) contains a question "I have the training I need to do my job effectively". The EES also contains questions on perceived health and safety, work-life balance, wages and diversity, equity and inclusion. EES results are analyzed all the way from team level to global level to assess how employees in different parts of the organization perceive the current state.

The global People & Culture Rewards, Recognitions and Wellbeing team makes an annual assessment of adequate wages as defined by CSRD and of living wages, and addresses possible gaps for local People & Culture functions, to be discussed with businesses.

Konecranes is also rated by different investors, analysts and joint customer platforms, which allows comparisons with peers.

Processes to identify needed and appropriate actions in response to actual or potential negative impact
The processes through which Konecranes identifies what actions are needed and appropriate in response to actual or potential negative impacts on its workforce are several: 1) Assessing and mitigating occupational health and safety risks; 2) preventing and tracking health and safety incidents, near-misses, and observations; and 3) learning from past cases. The purpose of these processes is to ensure that everyone gets home safely every day. Konecranes' Life-Saving Behaviors and Global Health, Safety and Environmental standards define the behaviors and procedures that the company's employees are expected to comply with in order to create and maintain a healthy and safe workplace.

The health, safety and environmental reporting tool is used in daily health and safety management. The data entered is followed closely by the local experts and the responsible business supervisors. Improvements are planned together with the local on-site employees. Corrective actions are recorded in the system and their completion is monitored by the business units and reported internally.

By auditing health and safety protocols and procedures both internally and externally, for example, through certification schemes, the business units can, in cooperation with the health, safety and environmental team, oversee the current level of the operations and ways of working, and supervise and guide the unit in their continuous drive for improvement and doing things right.

People managers are responsible for tracking their subordinates' working hours and that the working hours stay within legal limits. Working hours impact work-life balance. Employees' perceptions of their work-life balance are measured as part of employee and manager surveys, and the results are analyzed at different levels of the company to find appropriate ways to improve the situation, as needed.

Konecranes' corporate culture helps in ensuring that the company's own practices do not cause or contribute to material negative impacts on its own workers. The way of working is based on the principle that there is no task so urgent or important that it cannot be done safely. The human rights due diligence process aims to ensure that the company has the needed policies and practices in place for identified negative impacts on own workforce. Konecranes works to continuously improve its due diligence process.

Managing the material impacts
Konecranes has allocated personnel and technical resources to manage its material impacts. On the other hand, many of the material impacts are at the core of the company's corporate culture, and all employees play an important part in the daily execution of the practices.

Daily health and safety management is owned and led by business units and supported by the internal health, safety and environmental network. Continuous improvements related to day-to-day work are accomplished in cooperation with the local health and safety committees. The overall health and safety strategy, short-term targets, and action plans are defined by the health, safety and environmental core team together with the health, safety and environmental network and the Business Areas. This work is guided by the Sustainability Council.

Health and safety themes and metrics are followed regularly by the Business Area management teams and the Konecranes Leadership Team. Konecranes expects all

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employees to be active in enhancing its safety culture and preventing incidents from taking place by removing hazards and sharing improvement ideas. Everyone plays a part in building a safe and healthy working environment, and every employee and non-employee is responsible for health and safety.

Konecranes' People & Culture organization has a central role in managing other material impacts than health and safety incidents. People managers are responsible for their subordinates' working hours compliance, and hours are tracked by local people processes, typically using dedicated tools. The People & Culture and Health and Safety organizations are key drivers to provide employees with means to achieve a healthy work-life balance. The People & Culture organization's Rewards, Recognitions and Wellbeing team is responsible for, among other things, the global hybrid working guidelines, planning global well-being initiatives such as internal trainings and awareness campaigns, and gaining insights about the current well-being of managers and employees, for example, through surveys. In addition, local People & Culture teams ensure with local management that employees get adequate wages according to local wage regulations and where applicable, according to collective bargaining agreements. The global People & Culture Rewards, Recognitions and Wellbeing team makes an annual assessment against adequate wages as defined by CSRD and against living wages, and addresses possible gaps for the local People & Culture function for discussions with businesses.

The Executive Vice President, People & Culture, holds the operational responsibility for ensuring effective engagement with Konecranes' workforce. Local People & Culture teams facilitate the information, consultation and participation rights of employees together with businesses by arranging meetings with works councils and organizing different forums like town hall meetings and employee resource groups.

Konecranes fosters a culture of continuous learning that enables its people to take ownership of their development in order to reach their full potential. The global Learning & Development (L&D) team manages global learning and leadership development programs. Business Area and function-specific L&D teams manage role-specific and technical training programs tailored to their specific needs, while local L&D teams address local needs based on local regulations and requirements. This coordinated approach ensures that employees have access to the most relevant and effective learning and development opportunities. To support continuous learning, Konecranes leverages technology such as a learning management system and external learning libraries.

Regarding diversity, equity and inclusion, progress, plans and metrics are followed regularly by the Business Area management teams, the Konecranes Leadership Team, and the local teams. Everyone within the company plays a part in building a diverse and equitable work environment. Konecranes' Diversity, Equity and Inclusion Policy Statement and Code of Conduct provide guidance and channels to ensure inclusiveness. Konecranes educates its organization to ensure positive inclusion actions and limit the risks of intentional discrimination. Any form of harassment is not tolerated within Konecranes.

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S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Social targets for own workforce

Topic	Target	2023	2024
Health and safety	Total Recordable Incident (TRI) rate to be below 3 by the end of 2025	4.6	5.9
Labor practices	Conduct annually at least 3 on-site social responsibility assessments in Konecranes' own operations. No end date is set for the target.	4	3
Diversity, equity and inclusion	Maintain a strong Inclusion Index result (71% or above) Target will be reviewed in 2025	81%	83%

Notes to social targets for own workforce

Total Recordable Incident rate

- **Methodologies and significant assumptions:** The Total Recordable Incident (TRI) rate is calculated using the following formula: (Number of work-related incidents resulting in medical treatment or lost time) ÷ (Total working hours performed during the reference period) × 1,000,000 hours.
- **Relationship of the target to the policy objectives:** The TRI rate is an indicator for the implementation of the Health and Safety Policy Statement.
- **Scope of the target:** All employees are in the scope of the target.
- **Baseline value and base year:** The target was set in 2020 based on the TRI rate of 6.2 in 2019.
- **Methodologies and significant assumptions used to define targets:** The health and safety target setting is based on past performance and continuous improvement year on year.
- **Stakeholders' involvement in target setting:** The yearly TRI rate targets have been set together with the Konecranes Leadership Team and the business unit heads.
- **Changes in targets, metrics, or measurement methodologies:** No changes.
- **Performance against disclosed targets:** After several years of steady improvement, safety performance in 2024 did not reach the set target level due to several identified and investigated reasons. The identified pain points have been addressed in the 2025 annual plans for health and safety. Safety-related themes and metrics are monitored closely by the business units. Health and safety metrics are followed against the set targets regularly by the Business Area management teams and the Konecranes Leadership Team.

Number of social responsibility assessments

- **Methodologies and significant assumptions:** The annually performed social responsibility assessments are calculated by summing together assessments completed by a third party on site during January 1 – December 31. Assessments are conducted by a third party against Konecranes' Fair Labor Frame and local regulations on the topics covered by the Frame.
- **Relationship of the target to the policy objectives:** Social Responsibility Assessments are used to check compliance with Konecranes' Fair Labor Frame requirements and recommendations, which address material impacts including working hours, work-life balance, freedom of association, wages, and training and skills development. In addition to Konecranes' Code of Conduct, the Fair Labor Frame is based on the following internationally recognized principles and best practices (but is not fully adhering to all their details): United Nations Global Compact, International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and Social Accountability International's SA8000 standard.
- **Scope of the target:** All Konecranes sites are in the scope of the target, but countries with higher likelihood of human rights risks are prioritized.
- **Baseline value and base year:** Baseline value and base year are not applicable. An annual assessment target has been in place since 2021.
- **Stakeholders' involvement in target setting:** There was no stakeholder involvement in the target setting.
- **Changes in targets, metrics, or measurement methodologies:** The target level was reduced from a minimum of five to three annual assessments from 2023 onwards as many of the riskiest sites were already covered during the first years.
- **Performance against disclosed targets:** The annual target number of assessments has been achieved since setting the target. The target is reviewed annually, and the progress is monitored regularly by the Konecranes Leadership Team.

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Inclusion Index result:

- **Methodologies and significant assumptions:** The Inclusion Index metric is measured based on employee responses to an employee survey encompassing three questions. The questions cover important aspects of inclusion: belonging, authenticity, and equity. All of these questions use a 5-point response scale, from "strongly disagree" to "strongly agree". "Agree" and "Strongly agree" are considered favorable answers. The Inclusion Index is an average percentage of the favorable responses given to the three inclusion questions. The Inclusion Index questions are tailored to align with Konecranes' ambition, but in general reflect the Qualtrics tool and methodology to allow some benchmarking. Konecranes has set the desired target level of the Inclusion index to 71% or above. The target performance is monitored on average once per year.
- **Relationship of the target to the policy objectives:** The Inclusion Index measures the Diversity, Equity and Inclusion (DEI) Policy Statement's aim to create an inclusive working environment.
- **The scope of the target:** The metric covers all employees.
- **Baseline value and base year:** The target was updated in 2024 based on the strong Inclusion Index level of 81% in 2023 as well as performance in previous years. In 2021, the index result was 69%.
- **Stakeholders' involvement in target setting:** There was no stakeholder involvement in the target setting.
- **Changes in targets, metrics, or measurement methodologies:** During 2022–2023, the target was to "improve on the Inclusion Index". For 2024, the target was updated, as the Inclusion Index level achieved in 2023 was already strong. The target is reviewed annually.
- **Performance against disclosed targets:** In 2024 the performance was above the target level. Progress has been positive and improved measurement by measurement from 2021 to 2024.

Process for setting the targets, including how Konecranes engaged directly with its own workforce or representatives

Konecranes' own workforce was not directly engaged in setting the above global targets. In some countries, local works council representatives have been involved in discussing the local elements of the health and safety target setting. The performance against health and safety targets is reviewed regularly with own workforce in various forums, including local health and safety committees, operational meetings, and works council meetings. The Inclusion Index results have been shared and discussed with employees as part of the employee survey results.

Employees are encouraged and expected to take part in enhancing the safety culture. This includes, but is not limited to, reporting health, safety and environmental observations and adding improvement ideas via the health, safety and environmental reporting tool. Continuous improvements related to day-to-day work are accomplished together with the local health and safety committees. Also, employees have been encouraged to propose improvements to Konecranes' diversity, equity and inclusion work based on the Inclusion Index results.

S1-6 Characteristics of the undertaking's employees

Number of employees by gender as of Dec 31, 2024

Gender	Number of employees	% of employees
Male	13,581	81%
Female	3,243	19%
Not reported	18	0%
Total employees	16,842	100%

The largest countries of operation in terms of number of employees[1]

Country	Number of employees
Germany	3,423
Finland	2,420
The United States	2,244
Total	8,087

[1] The countries that include at least 10% of the total headcount

Employees by contract type and gender as of Dec 31, 2024

	Female	Male	Not reported	Total
Number of employees	3,243	13,581	18	16,842
Number of permanent employees	3,107	13,054	17	16,178
Number of temporary employees	136	527	1	664

Note: Konecranes does not have non-guaranteed hours employees.

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Total number of employees who have left the undertaking during the reporting period and the rate of employee turnover in the reporting period:

Number of employees who have left: 1,957

Rate of employee turnover: 11.75%

Methodologies and assumptions

At Konecranes, the official headcount (HC) is reported on the second day of every month for the end of the previous reporting period. The official headcount definition includes all employees with employment status "Active" and employee group as "Employee", "Expatriate", or "Apprentice". In the Sustainability Statement, Konecranes reports the official headcount number in absolute value at the end of the reporting period. For the rate of employee turnover, the numerator includes employees who have left in the reporting year and the denominator is the average headcount of the reporting year.

For the number of employees in the financial statements, see Note **8 Personnel expenses and number of personnel** in Konecranes' consolidated financial statements.

S1-9 Diversity metrics

At the end of 2024, 347 (81 percent) of the company's top managers were male and 80 (19 percent) were female. Top managers include senior leaders who are positioned on Job Level 11 and above ("Leadership") in Konecranes' job architecture.

Employees by age group as of Dec 31, 2024

	Number of employees	% of employees
Under 30 years old	2,782	16%
30–50 years old	9,366	56%
over 50 years old	4,694	28%
Total	16,842	100%

S1-10 Adequate Wages

In 2024, all Konecranes employees were paid an adequate wage, in line with the benchmarks defined by the CSRD.

S1-13 Training and skills development metrics

Percentage of employees participating in performance or career development review

Female	96%
Male	95%
All employees	95%

Note: For employees who have not reported gender the percentage was 67%.

Average hours of training per employee in 2024

Female operatives	17
Female office workers	15
All female employees	15
Male operatives	26
Male office workers	15
All male employees	21
Gender not reported	27
All employees	20

S1-14 Health and safety metrics

The table below presents key metrics regarding health and safety of employees.

Metric	2023	2024
Employees covered by health and safety management system	100%	100%
Number of Total Recordable Incidents (TRIs)	139	180
TRI rate	4.6	5.9
Fatalities	0	0
Lost Days	N/A	2,741

The health and safety incidents cover on-site incidents with medical treatment or lost days of own employees. The health and safety reporting system, Life-Saving Behaviors and Planet-Saving Behaviors and Global Health, Safety and Environmental Standards are considered as Konecranes' health and safety management system. All employees have access to this system environment.

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S2 Workers in the value chain

Material impacts, risks and opportunities related to workers in the value chain and their interaction with strategy and business model

The health and safety and other human rights of the value chain workers is connected to Konecranes' strategy starting from the company's purpose of *Shaping next generation material handling for a smarter, safer and better world.* Also, one of Konecranes' strategic enablers, *Advancing responsible business*, means that Konecranes is embracing the broader sustainability agenda. Konecranes' business model includes the use of subcontractors, for example, in the manufacturing, installation and maintenance of the products and solutions in different heavy industries, and these tasks pose an inherent risk of negative health and safety impacts. Konecranes' business model is to offer a wide range of products and service solutions globally, which means that we also have an extensive global supplier base. The majority of the company's suppliers and subcontractors are located in countries where legislation supports the protection of human rights, but some of the suppliers are located in countries where the rule of law to protect fundamental human rights and to observe and respect freedoms is weak. This increases, for example, the likelihood of forced labor. Konecranes mitigates health and safety and other labor rights impacts with different appropriate measures.

The types of value chain workers who could be materially impacted by Konecranes include certain workers on Konecranes' sites who are not part of the company's own workforce. For example, cleaners may be at a higher risk of being negatively impacted by forced labor due to their generally seen weaker position to protect labour rights. In addition, security guards have been identified to be at a greater risk of being negatively impacted due to excessive working hours.

Another category of value chain workers who could be materially impacted by Konecranes are those working for entities in Konecranes' upstream value chain, and in particular, industrial workers, and workers of the company's steel structure subcontractors, who may be at a greater risk of being subject to negative health and safety impacts and excessive working hours. Konecranes is also aware that some products it purchases require the extraction of metals and minerals which takes place deeper in the company's supply chain. If the extraction is done in conflict-affected areas, it increases the risk of workers related to those activities being subjected to forced labor.

From among workers working for entities in Konecranes' downstream value chain, workers involved in the logistics activities, such as drivers and warehouse workers, are seen to hold a greater risk of being negatively impacted by excessive working hours and reduced health and safety at work.

Konecranes purchases a wide range of products and services across different industries globally and recognizes that there may be, potentially, workers in the value chain particularly vulnerable to different negative impacts, such as migrant workers who are known to face, for example, a higher risk of being negatively impacted by forced labor.

An increased risk of forced labor is identified especially in the supply chain of commodities that may include conflict minerals (tin, tantalum, tungsten, and gold) such as electronic components, and countries where the weak local legislation and protection of fundamental labor rights create a higher risk of forced labor, particularly for migrant workers.

Konecranes follows international human rights indices on country risks, and based on the available information, also related to specific risk topics such as conflict-affected and high-risk areas related to sourcing of minerals, the company has defined some countries to have an extreme geographical risk. These countries include, for example, the Democratic Republic of Congo, Ethiopia, Nigeria, and Pakistan.

Considering material negative impacts, forced labor is seen as systemic in the context of sourcing commodities, such as electric components that possibly include conflict minerals. These minerals are known to be possibly connected with forced labor in conflict-affected areas. On the other hand, all identified negative material impacts—forced labor, working hours, and health and safety—are seen as somewhat systemic in countries where the local labor legislation and protection of fundamental labor rights are weaker, and the average income level is lower. Though the aforementioned factors pose a higher risk of negative material impact realization, possible actual negative impacts are expected to be present only within individual business relationships of the company.

Considering workers in the value chain, and those with particular characteristics, Konecranes has developed an understanding of which types of workers may be at a greater risk of harm and where in the supply chain. This understanding has been gained through an abstract human rights impacts and risks assessment the company has conducted, as well as a concrete identification of the impacts. Konecranes' human rights impacts and risks assessment is based on external expert knowledge on typical risks in the company's purchasing categories and countries from which purchases are made, enriched with internal expert knowledge to identify general areas where impacts are most likely to occur and to be most severe.

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Concrete information about the impacts is received from Konecranes' own monitoring channels, such as Supplier Code of Conduct audits, suppliers' concerns raised via Konecranes' Whistleblowing Channel or other ways of reporting compliance concerns and via Konecranes' legal and compliance survey. Based on this information, Konecranes has identified that, for instance, migrant workers and workers performing duties hazardous to human health are at a greater risk of harm and more subject to material negative impacts.

S2-1 Policies related to value chain workers

Konecranes' Human Rights Policy and Supplier Code of Conduct are the key policies managing the company's material impacts related to value chain workers. For information on Konecranes' Human Rights Policy, see **S1-1 Policies related to own workforce.**

Konecranes' Supplier Code of Conduct states that Konecranes expects its suppliers and subcontractors to conduct their business in compliance with the same legal and ethical requirements and principles that Konecranes requires in its Code of Conduct. These principles are of utmost importance when establishing and conducting business relationships. Konecranes' Supplier Code of Conduct ("Code") sets the minimum legal and ethical requirements and principles of conduct that Konecranes requires from its suppliers and subcontractors. The Code covers all material impacts. The Code states, for example, that any form of modern slavery, including forced labor, compulsory labor, debt bondage, human trafficking or similar is not accepted. Working hours shall comply with the local laws and collective agreements, and they shall be followed and documented. All overtime shall be voluntary, and suppliers shall allow their employees regular rest days. Suppliers shall ensure that their employees have a healthy and safe working environment. Suppliers shall take measures to adequately protect against occupational injuries and illnesses and ensure that their employees are trained to do their work safely and correctly.

Internally, Konecranes has a Know Your Supplier Policy in use, which is established to ensure that Konecranes does business with suppliers and subcontractors that are able to meet the requirements set out in Konecranes' Supplier Code of Conduct and other Konecranes' policies. Read more in **G1-2 Management of relationships with suppliers.**

Konecranes' Human Rights Policy covers all value chain workers. Konecranes' Supplier Code of Conduct covers all suppliers and subcontractors that have a direct contractual relationship with Konecranes, as well as the sub-suppliers and subcontractors that provide services or deliver products to such companies for the benefit of Konecranes. The Supplier Code of Conduct is applicable also to workers working at Konecranes sites but who are not part of own workforce (such as cleaners) and to a part of the workers working for entities in Konecranes' downstream value chain (for example, those involved in the activities of logistics).

The above-mentioned policies have been approved by the Konecranes Leadership Team and signed by the President and CEO. Their implementation is carried out by the relevant Business Areas and functions. The most senior-level personnel accountable for the implementation of Konecranes' Human Rights Policy and Supplier Code of Conduct are the direct reports of the President and CEO.

Through its Human Rights Policy, Konecranes is committed to operating in a manner consistent with internationally recognized human rights as defined in the International Bill of Human Rights and International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The Policy also states a commitment to the UN Guiding Principles on Business and Human rights and the ten principles of the UN Global Compact. Konecranes' Supplier Code of Conduct refers to the OECD Guidelines for Multinational Enterprises and UN Global Compact.

Konecranes has identified that many of its customers and investors view it as important that Konecranes properly manages sustainability in its supply chain, and this has been one of the reasons to create the company's Human Rights Policy and Supplier Code of Conduct. Furthermore, many customers expect Konecranes to ensure that customers' supplier requirements related to social responsibility are passed along in the supply chains. Therefore, Konecranes included all core principles and requirements towards our suppliers and subcontractors in Konecranes' Supplier Code of Conduct, which was updated in 2024.

Konecranes' Human Rights Policy and Supplier Code of Conduct are available on **Konecranes.com.** The Supplier Code of Conduct is available in more than 20 languages, and after the launch of the year 2024 version of the Code, it was also communicated separately to suppliers. Compliance with the requirements set in Konecranes' Supplier Code of Conduct is a standard clause in the company's purchase agreements and when defined mandatory, Konecranes requires suppliers and subcontractors to sign a separate contractual commitment to comply with the ethical and legal principles and requirements of Konecranes' Supplier Code of Conduct.

Human rights policy commitments relevant to value chain workers and general approaches

As stated in Konecranes' Human Rights Policy, Konecranes respects and supports human rights and encourages all its

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business partners to respect human rights. As expected by the UN Guiding Principles on Business and Human Rights, Konecranes is committed to conducting risk-based human rights due diligence and to maintaining effective concern-raising mechanisms and seeking to provide remedy. As per Konecranes' Supplier Code of Conduct, suppliers shall treat their employees in a fair and equitable manner, taking into account human rights as defined in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Konecranes' commitment to respect human rights includes respecting the human rights of its value chain workers. Konecranes works with and encourages its business partners to respect internationally recognized human rights within their businesses and in turn, their business relationships. Furthermore, the company's suppliers and subcontractors are expected to comply with the principles set out in Konecranes' Supplier Code of Conduct.

Konecranes aims to engage with affected value chain workers as part of the company's overall human rights due diligence. Currently, the main approach is to conduct confidential supplier worker interviews as part of Supplier Code of Conduct audits. Konecranes aims to expand the ways to listen to affected workers in the coming years.

If Konecranes causes or contributes to negative human rights impacts, the company seeks to provide access to remedy for the affected people either with the company's own resources or by cooperating in remediation through legitimate processes. This is documented in Konecranes' Human Rights Policy and in the investigation process related to concerns reported to the Group's Compliance & Ethics team. The need for remedy is always considered in relation to investigations having a human rights aspect as part of the corrective and remedial actions consideration, including the follow-up to ensure that necessary action is taken.

Trafficking in human beings, forced labor or compulsory labor and child labor, and alignment with internationally recognized instruments
Konecranes' Supplier Code of Conduct explicitly states that trafficking in human beings, forced labor or compulsory labor and child labor is not accepted.

Konecranes' Human Rights Policy is aligned with the key principles of the United Nations Guiding Principles on Business and Human Rights (UNGP), by following UNGP expectations for a structure of a due diligence process and by stating a commitment to maintain effective concern-raising mechanisms and to seek to provide remedy. Regarding other internationally recognized instruments relevant to value chain workers, Konecranes' Supplier Code of Conduct states that the supplier shall treat its employees in a fair and equitable manner, taking into account human rights as defined in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

During 2024, no severe cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or human rights-related clauses of the OECD Guidelines for Multinational Enterprises that involve value chain workers were reported. Konecranes takes into account the value chain-related non-respect of fundamental labor rights cases reported via the Whistleblowing Channel or otherwise to Konecranes' Compliance & Ethics team and found to be substantiated as a result of an investigation. Konecranes also includes severe findings from the due diligence process, including Supplier Code of Conduct audits. There were audit findings, such as excessive working hours, missing personal protective equipment or missing grievance channels, but those have not been classified as severe cases of non-respect of the above-mentioned principles or guidelines. Konecranes requires suppliers to provide a corrective action plan for such cases and works together with the suppliers to resolve the findings.

S2-2 Processes for engaging with value chain workers about impacts

Konecranes conducts confidential supplier worker interviews as part of its Supplier Code of Conduct audit process, where employees can freely speak up without the attendance of their management. Konecranes' Supplier Code of Conduct audits are conducted by an external third-party auditor, and thus, all auditors are professionals, educated in the world-leading social responsibility assessment framework and with knowledge in relevant local laws and regulations. Suppliers and other value chain workers can raise their concerns also via Konecranes' Whistleblowing Channel. The information received through these processes will be annually or, if needed, immediately taken into consideration in the wider human rights impacts and risks assessment that guides, for example, which suppliers in specific purchasing categories or countries should have a more extensive know-your-supplier process. Read more in **G1-2 Management of relationships with suppliers.**

Engagement occurs directly with value chain workers through confidential worker interviews between the third-party auditor and individual workers.

The responsibility for the implementation of Konecranes' Supplier Code of Conduct audit process is within the

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procurement organization, where the most senior role is the Chief Procurement Officer.

At the moment, Konecranes does not have any Global Framework Agreements or other agreements with global union federations.

The effectiveness of the engagement with workers in the supply chain occurring through Konecranes' Supplier Code of Conduct audit process is assessed in the Supplier Code of Conduct re-audits through which the company receives actual results of the effectiveness and permanence of completed corrective actions since the previous audit. The third-party Supplier Code of Conduct auditor has been instructed that the worker interview sample shall always be as diverse as possible and include workers who may be particularly vulnerable to negative impacts and/or marginalized.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

If Konecranes causes or contributes to negative human rights impacts, the company seeks to provide access to remedy for the affected people either with its own resources or by cooperating in remediation through legitimate processes by removing risk factors, supporting the persons involved and by preventing retaliation, if applicable, among others.

The evaluation and determination of potential remedies are part of the defined investigation process. Further, impacts and effectiveness of remedies are assessed in connection with the investigation process by, for example, following up on the possible reoccurrence of such negative impacts.

Channels for raising concerns

Konecranes encourages its employees and any external stakeholders to report all concerns relating to Konecranes, without fear of retaliation. The company has a specific reporting channel in place, the Whistleblowing Channel, which can be used to report all kinds of compliance and ethics concerns. Where required by local laws, the company also has local reporting channels in place, which are managed in accordance with local laws. Under the Supplier Code of Conduct, Konecranes requires its suppliers to report any violations of the Supplier Code of Conduct to Konecranes either directly or via the Whistleblowing Channel. Konecranes has a strict policy of non-retaliation expressed in the company's Code of Conduct and Whistleblowing Instruction available externally on **Konecranes.com.** Read more about the whistleblowing channels in **G1-1 Business conduct policies and corporate culture.**

Value chain workers located at Konecranes' sites can also address their concerns via Konecranes' main contact. At some sites, value chain workers participate in the site's health and safety committees.

Value chain workers may also raise their concerns in connection with confidential supplier worker interviews conducted as part of the Supplier Code of Conduct audit process. Read more in **S2-2 Processes for engaging with value chain workers about impacts.**

In line with its Supplier Code of Conduct, Konecranes expects that suppliers provide their employees and other stakeholders with the possibility to raise concerns about unethical or illegal conduct without risk of reprisal and ensure that appropriate processes are in place to address these concerns and remedy any confirmed cases. Suppliers are also required to report any violations of the Supplier Code of Conduct to Konecranes either directly or via Konecranes' Whistleblowing Channel.

Information and access to the Whistleblowing Channel and related process is publicly available in 10 languages on **Konecranes.com.** Supplier Code of Conduct audits further increase awareness of Konecranes' requirements for the availability of a reporting channel as well as give feedback regarding the effectiveness of the channel.

All investigations are managed by the Group's Compliance & Ethics team in line with a defined investigation process, with Compliance & Ethics Committee and Audit Committee oversight. Any compliance or ethics issues raised, and investigations conducted, are addressed and tracked in line with the Group investigation process. The Company follows on a monthly basis various indicators, such as the number and type of reports, businesses and geographies involved as well as the substantiation rate, to identify any trends and risks.

Konecranes follows the Supplier Code of Conduct coverage of its supplier base. Within the Supplier Code of Conduct audits, the company evaluates whether suppliers enable safe and understandable reporting for their employees and if resources are allocated to address issues identified.

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S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

In 2024, Konecranes launched an updated Supplier Code of Conduct, which strengthens the ethical and legal principles and requirements for its suppliers and subcontractors, and which must be followed when working with Konecranes. The company also started the roll-out of the updated Supplier Code of Conduct for its suppliers and subcontractors.

The company continued its risk-based Supplier Code of Conduct audit program with selected suppliers, while also launching the first Supplier Code of Conduct re-audits with the aim of better understanding the effectiveness of its stakeholder engagement and corrective action planning process. According to the re-audit results received so far, the corrective action planning process with suppliers and subcontractors has resulted, in many cases, in permanent improvements in suppliers' compliance with the ethical and legal principles and requirements set in the Supplier Code of Conduct. On the other hand, some topics, seen as more systemic challenges in specific contexts, still require further development in cooperation between Konecranes and its suppliers.

Based on the information collected from the Supplier Code of Conduct audits during the past years, Konecranes also organized internal training, with the goal of increasing internal capacity building to support the Company's suppliers and subcontractors in challenging Supplier Code of Conduct topics.

Furthermore, during 2024, Konecranes updated its Know Your Supplier Policy and the process applicable to all new and existing suppliers and subcontractors, while the depth of the know-your-supplier process as well as the mandatory appropriate measures to prevent or mitigate the risk vary based on our risk-based approach. During the know-your-supplier process Konecranes assesses whether suppliers comply with the requirements of the Supplier Code of Conduct through a supplier's self-assessment questionnaire.

All of the above-mentioned key actions were targeted to be completed within the reporting period 2024.

During the year 2025, Konecranes will continue to roll out the updated Supplier Code of Conduct to its suppliers and subcontractors, and will also establish Supplier Code of Conduct training internally and externally. As a result of successful improvements and valuable insights received from the Supplier Code of Conduct audit program, including re-audits, Konecranes will also continue auditing suppliers in 2025 with the support of a third-party auditor.

The update of Konecranes' Supplier Code of Conduct concerned all suppliers and subcontractors globally. The Supplier Code of Conduct audit program continued with the approach of risk-based selection of suppliers, strongly guided by the company's human rights impacts and risks assessment. The representation of the countries where Konecranes audits its suppliers is broad, covering several continents. The internal capacity building training was organized for procurement employees managing suppliers in a particular area of Asia Pacific. Similarly to the scope of Konecranes' Supplier Code of Conduct, the know-your-supplier process is applicable to all suppliers and subcontractors globally. The implementation of changes in the process may take more time in some geographies.

Currently, Konecranes does not allocate significant operating expenditures (OpEx) or capital expenditures (CapEx) to the action plan.

Actions taken, planned or underway to prevent, mitigate or remediate material negative impacts

Konecranes manages its material impacts by setting high ethical and legal principles and requirements for its suppliers and subcontractors in its Supplier Code of Conduct. Compliance with the requirements set in Konecranes' Supplier Code of Conduct is a standard clause in the company's purchase agreements, and when defined mandatory, Konecranes requires suppliers and subcontractors to sign a separate contractual commitment to comply with the ethical and legal principles and requirements of the company's Supplier Code of Conduct. Moreover, Konecranes agrees with some subcontractors, which conduct risky work, more specifically the health and safety requirements and their management as part of the subcontract.

Konecranes monitors and evaluates how suppliers and subcontractors comply with the principles and requirements set in its Supplier Code of Conduct through its Supplier Code of Conduct audit program. These audits are one of Konecranes' key processes to assess the effectiveness of intended outcomes for value chain workers as they deliver fact-based data for the company on how the principles and requirements set in the Supplier Code of Conduct are met in practice. Audits are conducted on site by the external third-party auditor specializing in social responsibility audits. In addition, basic questions related to health and safety and working hours are covered as part of the annual process audits for suppliers conducted by Konecranes. After the audits, Konecranes follows the closure of audit findings together with suppliers through the corrective action planning process.

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During 2024, Konecranes also updated its know-your-supplier process, which ensures that Konecranes does business with suppliers and subcontractors able to meet the requirements set out in the Supplier Code of Conduct. Read more about the know-your-supplier process in **G1-1 Business conduct policies and corporate culture.** Besides the aforementioned measures, to prevent and mitigate forced labor risk specifically related to the sourcing of minerals, Konecranes continued conducting due diligence on conflict minerals. More details about conflict minerals due diligence are presented later in this chapter.

In 2025, Konecranes will continue the roll-out of its updated Supplier Code of Conduct and to establish related training internally and externally. The company will also continue its supplier audits, both those conducted by the company itself and those conducted in cooperation with the third-party auditor. Furthermore, the company will continue implementing the related procurement processes, such as the know-your-supplier process.

During 2024, Konecranes did not identify actual material impacts that would have resulted in the provision of remedy by Konecranes.

During 2024, Konecranes also conducted its first Supplier Code of Conduct re-audits for suppliers who were initially audited in 2020 when the Supplier Code of Conduct audit program was initially introduced. The results of the completed Supplier Code of Conduct re-audits allow Konecranes to get valuable insights on the effectiveness and permanence of corrective actions taken after the initial audit. An example of such an insight would be reduced overtime working hours due to enhanced production and work time planning.

Additionally, Konecranes requires its suppliers to report any violations of the Supplier Code of Conduct to Konecranes either directly or via the Whistleblowing Channel. Read more about whistleblowing in **G1-1 Business conduct policies and corporate culture.**

Konecranes' human rights impacts and risks assessment is based on external expert knowledge on typical risks in the purchasing categories and countries, enriched with internal expert knowledge to identify general areas where impacts are most likely to occur and to be the most severe. This assessment forms the foundation for identifying suppliers and subcontractors whose workers may potentially be under a higher risk of being subject to negative material impacts. After identifying the suppliers or subcontractors having a potentially higher risk for negative impacts, Konecranes can define its actions needed in response to potential negative impacts, such as the mandatory contractual commitment to the requirements of the Supplier Code of Conduct or other additional contractual clauses, Supplier Code of Conduct audits, preventive and corrective action plans or highly detailed self-assessment questionnaires towards these suppliers or subcontractors.

Related to forced labor risk in sourcing of minerals, Konecranes commits in its Responsible Minerals Statement to conducting due diligence across the supply chain to clarify where so-called conflict minerals (tin, tantalum, tungsten, and gold) originate from. Konecranes aims to ensure that minerals come from smelters or refineries audited to be conflict-free. Smelter and refinery audit information is important, as it is widely known that there is a risk that funds from the trade of these minerals contribute to or benefit from serious violations of human rights if the minerals originate from conflict-affected or high-risk areas (such as the Democratic Republic of Congo and its neighboring countries). As conflict minerals are essential in the manufacture of a variety of devices, including electrical components, and as a member of the Responsible Minerals Initiative (RMI), Konecranes utilizes an industry-level approach. Konecranes started its conflict minerals work with suppliers providing "Konecranes designed electrical components" and has enlarged the scope year by year. Konecranes offers training materials for suppliers included in its conflict minerals due diligence.

If Konecranes causes or contributes to negative human rights impacts, the company seeks to provide access to remedy for the affected people either with the company's own resources or by cooperating in remediation through legitimate processes, for example, by removing risk factors, supporting the persons involved and preventing retaliation, if applicable. These actions are documented in Konecranes' Human Rights Policy and in the investigation process. Investigations are carried out by a trained Compliance & Ethics team to ensure that they are carried out in line with the defined process. The need for remedy is always considered in case of investigations having a human rights aspect as part of the corrective and remedial actions consideration, including the follow-up to ensure that necessary action is taken.

Processes and approaches to taking action to avoid causing or contributing to material negative impacts on value chain workers

Konecranes aims to avoid causing material negative impacts on its value chain workers through practices within its own procurement organization and through various activities which either directly obligate suppliers and subcontractors to prevent causing or contributing to material negative impacts or serve as a process indirectly supporting the objective. Konecranes requires its suppliers and subcontractors to follow health and safety requirements, the prohibition of any form of modern slavery including forced labor, and legal requirements related to working hours and regular rest days. In addition to

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these requirements set in the Supplier Code of Conduct, Konecranes conducts audits, requires contractual commitments to the prevention of material negative impacts, and assesses its suppliers and subcontractors through the know-your-supplier process.

In addition, for example, in the collaborative planning of the procurement process with selected suppliers, Konecranes shares data of its production planning, which supports and enables the suppliers to plan their own capacity and financing, as well as reduce the risk of unexpected peaks in orders that may lead to increased working pressure that may cause material negative impacts. In addition, within the Supplier Relationship Management (SRM) framework, Konecranes holds meetings with suppliers to better understand the performance of the suppliers as well as hear feedback on its own way of operating. Konecranes aims to collaborate with its suppliers to find solutions in case of any identified challenges. During the reporting period, there were no severe human rights issues or incidents caused or suspected to be caused by Konecranes to its value chain workers that were reported to Konecranes' Compliance & Ethics team either directly or through the Whistleblowing Channel.

Management of the material impacts on value chain workers

Konecranes has allocated both personnel resources and technical resources to manage its material negative impacts on workers in the value chain. At Konecranes, the procurement organization is responsible for ensuring compliance with legal and ethical principles and requirements within the supply chain and for integrating these requirements into existing processes. Thus, all procurement employees hold some level of responsibility, depending on their job, to address the requirements stated in Konecranes' Supplier Code of Conduct. The actions to manage negative material impacts require resources from several procurement employees yearly. These actions refer to, for example, contractually agreeing on the Supplier Code of Conduct requirements with suppliers and subcontractors, ensuring the implementation of the know-your-supplier process, auditing suppliers and subcontractors as well as agreeing on preventive and corrective actions with suppliers in case there is an increased risk of material impacts being realized. In addition, the procurement leadership team follows the progress of actions aimed at managing the material impacts on a monthly basis.

Regarding technical resources, Konecranes' procurement organization has good visibility into the company's Tier 1 supplier base through analytics. This helps to ensure that the potential areas of material impacts occurring are acknowledged and that resources are directed to correct places. Konecranes is also running a project to roll out an electronic procurement system to manage its supplier base more efficiently with more automated processes. Konecranes is also a member of the Responsible Minerals Initiative (RMI), allowing it to utilize an industry-level approach in issues that it cannot solve alone. This membership also provides access to external data resources like country-level risk scores calculated based on international human rights indices.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Konecranes targets to increase the Supplier Code of Conduct coverage within its supplier base, and the progress is being followed on a monthly basis. Konecranes also aims to complete thirty (30) Supplier Code of Conduct audits per year with selected suppliers. Both of these targets are being reviewed annually.

The key objective of the company's Supplier Code of Conduct is to ensure that Konecranes does business with suppliers and subcontractors who commit to the same legal and ethical requirements and principles as the company itself. Konecranes tracks the Supplier Code of Conduct commitments of its supplier agreements through the Supplier Code of Conduct coverage target. The target of completing thirty (30) Supplier Code of Conduct audits supports Konecranes in evaluating how Supplier Code of Conduct objectives are realized by suppliers and subcontractors in practice. In case of non-compliance with the policy objectives, Konecranes works with suppliers and subcontractors to ensure that they conduct their business in accordance with the Supplier Code of Conduct requirements in the future.

The Supplier Code of Conduct coverage measures the total spend with suppliers who have contractually committed to Konecranes' Supplier Code of Conduct or equivalent requirements versus the total supplier spend. The Supplier Code of Conduct audits are measured as a number of on-site audits during the reporting period.

The scope of the target covers all Konecranes' Tier 1 suppliers globally. Logistics companies, which may be part of the upstream or downstream value chain, are included as suppliers in the target scope. The supplier spend is monitored with a central procurement tool currently covering over 95 percent of the Group's procurement-relevant spend.

The base year and baseline value for the Supplier Code of Conduct target are the previous year and the previous year's

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value. Hence, the baseline value for the target in 2024 was 58 percent from the base year 2023. For the Supplier Code of Conduct audits, the target level is the same each year (30 audits), if not decided otherwise.

The targets are seen to reflect the typical way of measuring the progress in responsible procurement within similar industries or corporate contexts. No other specific recognized methodology or significant assumptions have been applied.

The stakeholders have not been directly involved in the target setting of Konecranes' Supplier Code of Conduct coverage or Supplier Code of Conduct audits.

There have not been any changes in targets within the reporting period.

In 2024, Konecranes achieved both targets by increasing the Supplier Code of Conduct coverage from 58 percent to 68 percent and conducting 30 Supplier Code of Conduct audits.

At the moment, Konecranes does not set targets, track the performance of these targets nor identify improvements in the company's performance by directly engaging with its value chain workers, or their legitimate representatives or credible proxies on these matters.

S4 Consumers and end-users

Material end-user-related impacts, risks and opportunities and their interaction with strategy and business model

The health and safety of the end-user is connected to Konecranes' strategy starting from the company's purpose of *Shaping next generation material handling for a smarter, safer and better world.* As Konecranes is involved in the business of material handling, which means, for example, lifting heavy loads, the safety aspect has always been material. End-user safety is managed by multiple functions and teams across the company to ensure it gets the attention and expertise needed. Safety and security are prioritized in all areas of the company's operations and throughout its value chain. With the help of Konecranes' offering, customers can not only enhance the safety and security of their businesses, but also improve the efficiency and productivity of their operations.

Topics related to end-users' safety are also integrated into most of the company's five strategic enablers: *Deepening customers focus* emphasizes taking a proactive approach to understanding and collaborating with customers, enabling the continuous delivery of solutions and experiences they value, and product safety is a topic that is heavily valued. *Scaling technology innovation* involves leveraging data insights and using, for example, predictive analytics to enhance the safety, reliability and productivity of customers' operations. *Advancing responsible business* refers to the broader sustainability agenda and delivering solutions for uncompromised safety and uninterrupted, secure material flow. The company values *Putting customers first; Doing the right thing; Driving for better;* and *Winning together* are all closely linked to end-user safety.

Through responsible business practices and a commitment to safety and security, Konecranes leverages product quality as a competitive advantage while mitigating reputational risks from potential safety incidents at customer sites. The solutions offered to customers and used by the end-users must be safe and secure by design and remain so throughout their lifecycle. However, Konecranes remains partly dependent on the safety culture and awareness of its customers, as even the safest and most secure products require proper use.

Konecranes' disclosure within this Sustainability Statement includes all end-users who can be materially impacted by Konecranes. Consumers are not applicable, as Konecranes' products are not sold to consumers. Konecranes has identified the end-users' health and safety through potential safety incidents caused by Konecranes' products as a material impact. The end-users who are subject to this impact are the operators using Konecranes' products and people nearby when products, such as cranes, hoists and mobile vehicles, are being used. Such incidents can be, for example, load drops and uncontrolled movement. Konecranes provides product manuals and other relevant safety instructions, and that information is important for all operators using these products. Konecranes does not consider any end-users to be particularly vulnerable to negative impacts.

Based on Konecranes' understanding, the product end-users' particular characteristics such as age or literacy do not cause a greater risk of safety incidents, as long as users have been trained to use products according to safety instructions. However, there are differences in the risks of using different Konecranes products. Konecranes' product safety management process, Accident Investigation Reporting (AIR), provides systematic information on which products or services possible incidents happen and what their severity is.

During 2024, Konecranes received 250 AIR cases across the company. Further information about the AIR process is available in **S4-2 Processes for engaging with consumers and end-users about impacts.**

There are both compliance and reputational risks in the case of serious incidents related to possible product quality failures or product security issues where Konecranes' products would be involved. Furthermore, there are also financial risks involved in these incidents. Such financial risks may include lost sales, high repair costs and inspection costs at customers' facilities. Additionally, failing to comply with the cybersecurity regulation and standardization requirements might cause a weakened market position or regulatory fines. However, Konecranes sees product safety and security also as an opportunity: Good product quality creates competitive advantage and, for example, a cybersecurity certificate can be a prerequisite for closing a deal. The product safety risks and opportunities do not relate to specific groups of end-users, but to all end-users.

S4-1 Policies related to consumers and end-users

There are considerable inherent occupational health and safety risks in industrial material handling. Konecranes has policies in place that are adopted to manage the material impacts on end-users' health and safety potentially caused by, for example, safety incidents involving the company's products and services. These policies also help to manage the associated material risks and opportunities, including the compliance and reputational risks in the case of serious incidents related to possible product quality failures or product security issues, and opportunities for competitive advantage due to the company's good product quality.

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These policies are the Quality Policy Statement, the Warranty Handling Policy, the Human Rights Policy and the Information Security Policy.

As the safety risks and opportunities concerning Konecranes' products do not relate to specific groups of end-users, but to all end-users, the below-mentioned policies cover all end-users.

Konecranes' *Quality Policy Statement* describes the company's purpose, objectives and key commitments related to quality. The policy statement's objectives the company is committed to are: *Strive for zero product safety incidents; Prevent all types of non-conformities;* and *Improve customer satisfaction.* It also contains information on how the company follows progress and the ways of working it applies for systematic, continuous improvement.

All nonconformities are handled according to Konecranes' *Warranty Handling Policy* that describes the responsibilities, principles and guidelines of customer notifications in warranty cases, or when correcting defective deliveries. Continuous Improvement team is responsible for the implementation of the policy. Konecranes has identified different types of nonconformities related to end-users' health and safety. Each nonconformity type has its own process with defined process steps, roles and responsibilities. Konecranes' Accident Investigation Reporting (AIR) instructions describe the guidelines related to AIR cases, and Konecranes' Field Quality Inspection (FQI) instructions give guidance on how to recognize a potential case, how to make decisions and how to take actions when required.

Konecranes' *Human Rights Policy* gives guidance on the human rights due diligence process that includes risk and impact identification and assessment as well as summarizes the company's key commitments. Konecranes conducts risk-based human rights due diligence. The company regularly assesses human rights risks and impacts, engages with affected stakeholders and develops and implements procedures for preventing, mitigating and monitoring potential and actual adverse human rights impacts. For more information about the Human Rights Policy, see **S1-1 Policies related to own workforce.** Through the implementation of the Human Rights Policy, Konecranes is committed to operating in a manner consistent with internationally recognized human rights as defined in the International Bill of Human Rights and International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The Policy states commitments also to the UN Guiding Principles on Business and Human rights and the ten principles of the UN Global Compact.

Konecranes' *Information Security Policy* describes how Konecranes wants to address information security threats and risks and ensure the safety and security of Konecranes' products and business. Konecranes sees information security as a set of processes and practices that ensure the confidentiality, integrity and availability of Konecranes' information and data, factories and business processes. The information security objectives are: *Deliver safe and secure material handling solutions; Improve cyber preparedness and enterprise resilience;* and *Empower people to make cyber-aware decisions.* Konecranes manages information security with the security management best practices described in the ISO 27001 standard. The company has established information security policies, roles and responsibilities, and allocated appropriate resources for maintenance of the company's Information Security Management System (ISMS). The ISMS is subject to continuous, systematic review and improvement. Through the implementation of its Information Security Policy, Konecranes commits to managing information security in accordance with the security management best practices described in the ISO 27001 standard.

The scope of Konecranes' Quality Policy Statement, Human Rights Policy and Information Security Policy covers the whole value chain, including upstream and downstream value chain, in addition to own operations. Konecranes' Warranty Handling Policy covers the downstream value chain.

When setting these policies, considerations are given to the interests of relevant key stakeholders like customers, investors and employees, who expect Konecranes to provide unrivalled quality as well as safe and secure products. Topics related to these considerations include, for example, the risk landscape, regulation, and market expectations. The policies are available for employees through Konecranes' intranet pages and most of them also publicly via Konecranes.com. The policies have also been promoted to potentially affected members of the workforce as well as to the people helping to implement the policies through various trainings and awareness campaigns.

General approach in relation to respect of human rights relevant to end-users

The relevant commitments to end-users in Konecranes' Human Rights Policy are: *We respect and support human rights; We encourage all our business partners to respect human rights; We conduct risk-based human rights due diligence;* and *We maintain effective concern-raising mechanisms and seek to provide remedy.*

Konecranes is committed to operating in a manner consistent with internationally recognized human rights as defined in the International Bill of Human Rights and

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International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (the ILO principles cover occupational safety and health; freedom of association and collective bargaining; non-discrimination in employment and occupation; elimination of slavery and forced labor; and abolition of child labor). Konecranes is also committed to the United Nations Guiding Principles on Business and Human Rights and the ten principles of the United Nations Global Compact. Where national law and international human rights standards differ, the company seeks to follow the higher standard; and where they are in conflict, strives to find ways to respect human rights to the greatest extent possible. Where it is necessary to prioritize actions to address actual and potential adverse human rights impacts, Konecranes first seeks to prevent and mitigate those that are the most severe or where delayed response would make them irremediable. In addition to doing no harm, Konecranes wants to support positive human rights outcomes.

Konecranes works with and encourages its business partners to respect internationally recognized human rights within their businesses and in their business relationships. Furthermore, the company's suppliers and subcontractors are expected to comply with the principles set out in Konecranes' Supplier Code of Conduct, and distributors to comply with Konecranes' Distributor Code of Conduct.

As part of the company's overall due diligence, the company regularly assesses human rights risks and impacts, engages with affected stakeholders and develops and implements procedures for preventing, mitigating and monitoring potential and actual adverse human rights impacts in the company's own operations and business relationships.

As a general approach in relation to engagement with end-users, Konecranes considers the input and results received from the monitoring channels. The company also seeks to collect input for analysis from affected people through different means, such as employee surveys and supplier worker interviews. Konecranes actively communicates with end-users in Accident Investigation Report (AIR) and Field Quality Inspection (FQI) cases through Konecranes' authorized contact with the customer.

If Konecranes causes or contributes to negative human rights impacts, the company seeks to provide access to remedy for the affected people either with its own personnel and processes or by cooperating in remediation through legitimate processes.

Konecranes' Human Rights Policy is aligned with the key principles of the United Nations Guiding Principles on Business and Human Rights (UNGP), by following UNGP expectations for a structure of a due diligence process and by stating a commitment to maintain effective concern-raising mechanisms and to seek to provide remedy. Konecranes' Quality Policy Statement and Warranty Policy practically support the "providing a healthy and safe working environment" principle of the ILO Fundamental Principles and Rights at Work, while the first one includes a commitment to strive for zero product safety incidents and the latter guides the handling of customer notifications in warranty cases, or when correcting defective deliveries, including safety cases.

During 2024, no severe cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or human rights-related clauses of the OECD Guidelines for Multinational Enterprises that involve end-users were reported. Konecranes takes into account the non-respect of human rights cases caused or jointly caused by Konecranes' products and services that are brought to the company's attention and substantiated at court, reported to National Contact Points for OECD Multinational Enterprises or reported via Konecranes' Whistleblowing Channel or otherwise to the company's Compliance & Ethics team and found to be substantiated as a result of an investigation.

S4-2 Processes for engaging with consumers and end-users about impacts

The perspectives of end-users inform the decisions and activities aimed at managing actual and potential safety incidents caused by Konecranes' products mainly through the product safety management process called Accident Investigation Reporting (AIR). Konecranes encourages its customers to report any incident where equipment, component or service provided by Konecranes has caused or threatened to cause a health or safety incident or property damage. Such incidents can be, for example, load drops and uncontrolled movement. The reported incidents are handled through the AIR process, which includes technical experts thoroughly investigating each incident.

By default, the AIR process includes a root cause analysis to identify the potential causes of the incident. When applicable, actions are taken to fix, prevent or reduce the risk of reoccurrence at existing customers' sites or future deliveries. Additionally, by sharing the findings internally, Konecranes enables continuous safety improvement of the products and services it designs and supplies worldwide. If a systemic issue is identified, a project is started to address it with all affected customers. A similar project can also be started if the company internally identifies, or the suppliers inform the company about a systematic issue that affects the safety of past deliveries.

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In general, Konecranes develops product safety and quality during the whole product lifecycle. One important information source is the feedback from product end-users, which is received from different sources, such as customer satisfaction surveys (Voice of Customer), and the company's own customer-facing personnel.

Based on the customer feedback and requirements, Konecranes is able to provide different solutions for end-users who may be particularly vulnerable to health and safety incidents and/or marginalized (for example, people with disabilities), and these requirements can be handled already during the product development process. For example, for people with a hearing defect, Konecranes can add warning lights in the cranes.

Konecranes also actively contributes to global standardization work, which benefits the safety of the whole industry.

Konecranes' AIR process is managed at the Group level by Konecranes' Continuous Improvement function, and the respective Business Areas and their Business Unit heads are responsible for the process implementation.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Konecranes encourages its employees and any external stakeholders, like customers (end-users) to report all human rights and other compliance and ethics concerns relating to Konecranes, without fear of retaliation. Multiple ways for dialogue and opportunities to raise topics are offered, including the confidential whistleblowing channels. Customers can also contact Konecranes and their contact person directly via e-mail, phone or a service request. Product safety issues are handled according to Konecranes' Accident Investigation Report (AIR) process. Konecranes will take all necessary steps to address reports made in good faith and to find the most suitable solution for each situation. If Konecranes causes or contributes to negative human rights impacts, it seeks to provide access to remedy for the affected people either with the company's own resources or by cooperating in remediation through legitimate processes. Remediation actions related to safety incidents are driven by local legislation and insurance systems and mainly concern the treatment of injuries, rehabilitation and possible compensation for pain and suffering.

The impacts and effectiveness of remedy are assessed in connection with the investigation process by, for example, following up on the possible reoccurrence of such negative impacts.

The processes through which Konecranes supports the availability of channels for end-users to raise their safety-related concerns or needs directly and have them addressed are, for example, equipment processes (for example, during a warranty period), sales and service processes, safety processes and procedures, quality processes as well as the human rights due diligence process. Information on and access to Konecranes' Whistleblowing Channel and related processes are publicly available on **Konecranes.com.** Konecranes' Whistleblowing Channel platform is available in 39 languages and any language can be used to submit a report.

Konecranes tracks and monitors health and safety issues raised and addressed through AIR and Field Quality Inspections (FQI) processes and KPIs. These processes ensure constant involvement with the customers and therefore the end-users of the products.

All compliance investigations are managed by the Group's Compliance & Ethics team in line with a defined investigation process, with Compliance & Ethics Committee and Audit Committee oversight. Any compliance or ethics issues raised, and investigations conducted are addressed and tracked in line with the Group investigation process. Various indicators, such as the number and type of reports, businesses and geographies involved as well as the substantiation rate, are followed on a monthly basis to identify any trends and risks.

Konecranes has assessed that end-users are aware of and trust the structures or processes as a way to raise their concerns or needs and have them addressed by regularly reviewing the results of the customer satisfaction surveys (Voice of the Customer) and Net Promoter Score, as well as acting based on the feedback. Also, Konecranes' non-retaliation policy is in place and is communicated externally.

Konecranes encourages its employees and any external stakeholders to report all compliance and ethics concerns relating to Konecranes, without fear of retaliation. The company has a clear policy of non-retaliation and confidentiality established in the Code of Conduct and in the internal and external whistleblowing guidance. Read more in **G1-1 Business conduct policies and corporate culture.**

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S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Konecranes is continuously improving its product safety and related processes. The actions include internal audits, trainings, the management and implementation of the quality improvement process, and instructions. Each business unit and area has its dedicated quality and product development organizations to improve and monitor product quality and safety. Product platform teams and functions supporting product development are constantly evaluating customer needs and driving the improvement of product safety and reliability.

Product security at Konecranes is managed through Konecranes' Information Security Management System (ISMS). Konecranes' Security Steering Group directs the development at Konecranes, and the Cybersecurity team, together with business units and Group functions, implements the developments with a dedicated security budget. The organizational roles, responsibilities and competence requirements are defined in the ISMS Handbook. Information security topics are regularly reported to Konecranes' Audit Committee, and further to Konecranes' Board of Directors, when needed.

Konecranes' systematic approach to managing information security aims to ensure that all relevant information security risks are identified and mitigated. A set of security controls are implemented, and technical and organizational security measures cover topics such as asset management, access control, secure software development, incident management and information security aspects of business continuity management. Further information about cybersecurity is available in **G1 Business conduct; Entity-specific information: Cyber-preparedness and enterprise resilience.**

Key actions taken and planned for the future

During the year 2024, internal audits continued in the field of Accident Investigation Reporting (AIR) and Field Quality Inspections (FQI). Findings from the audits were used to further improve the processes. Process and instruction updates were conducted, and trainings for Business Areas and Business Units were held globally.

During the upcoming years, data quality related to AIR and FQI processes will be further improved, supporting the prevention of AIR cases. The internal auditing process and trainings for Business Areas and Business Units will remain as annual activities.

At Konecranes, significant investments are made to ensure that customers are provided with service, equipment and solutions which help them work safely and increase the usability of their equipment. Safety and quality are included in Konecranes' design requirements. Additionally, Konecranes has comprehensive quality assurance processes that are an essential part of product delivery. Systematic root cause analysis, investigations and corrective and preventive actions are part of the AIR and FQI processes. Konecranes' offering includes innovative safety features that are designed for further safety improvements at the customer site.

Regarding security, Konecranes' Information Security Management System is based on ISO 27001:2022. The scope covers all of Konecranes, including Information Technology, Operational Technology and Konecranes' products and services. The development and delivery of the yourKONECRANES and TRUCONNECT digital services achieved certification in 2021, and TBA and Equipment Control Systems & Services (ECSS) software products in 2023. The certifications have been maintained since and will continue to be maintained through a systematic management approach with the current scope.

In 2024, Konecranes received its first IEC 62443 certification, a standard for cybersecurity in industrial automation and control systems, for its Industrial Equipment process cranes and light lifting product lines. The certification level is 'capability to implement'. The certification provides assurance to customers on the company's offering and that it is built according to the industry's best practices, fulfilling the regulatory compliance requirements and being protected against cyber threats. The IEC 62443 certification continues.

To ensure cybersecurity performance it is essential that employees' awareness and level of knowledge on information security topics is increased. Konecranes has a mandatory cybersecurity training for all employees, which must be completed during employee onboarding, and after that, every time the training module has been updated. More information about Konecranes' cyber-preparedness and enterprise resilience is available in **G1 Business conduct; Entity-specific information: Cyber-preparedness and enterprise resilience.**

All of the actions mentioned above, except for the certifications, are in effect globally and will be implemented in all of Konecranes' Business Units.. During 2024 Konecranes took action to provide remedy for material health and safety impacts considered to be caused by the company's products to end-users by providing compensation and by taking corrective and preventive actions as part of the AIR and FQI processes.

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As regular product safety-related CapEx and OpEx are part of Konecranes operations, the company actively advances its capabilities to ensure accurate reporting on a consolidated basis for the future.

Actions taken, planned or underway to prevent, mitigate or remediate material negative impacts

To prevent and mitigate material negative impacts, Konecranes designs its products and services with a strong emphasis on health and safety, ensuring that the company's solutions not only meet but exceed industry standards for safety, security and reliability. For customers, there are clear instructions on how to use the products safely, and all product and service safety incidents are investigated even if the suspected cause of the incident is customer misuse. Konecranes is continually improving the company's products and services according to the feedback from internal processes and external stakeholders. With the continuous quality improvement processes in-built in the management system, the company is not only correcting the negative impacts but also analyzing the root causes of non-conformities and is conducting preventive actions to ensure that the offered products and services exceed industry standards also in the future.

During 2024 Konecranes took action to provide remedy for material health and safety impacts considered to be caused by Konecranes' products to end-users by providing compensation and by taking corrective and preventive actions as part of AIR and FQI processes.

To track and assess the effectiveness of the processes and to find improvement opportunities, Konecranes conducts internal audits. Also, the teams conducting the actions and initiatives follow their processes periodically by comparing the progress to set KPIs and by continuously creating improvements if development needs are identified.

Processes and approaches to taking action in response to a particular actual or potential negative impact on end-users

Internal guidelines, processes and instructions ensure that Konecranes' products meet the needed safety requirements, achieved through design, verification, functional testing, documentation and training. Konecranes actively contributes to global standardization work, which benefits the safety of the whole industry. Konecranes defines its own global engineering guidelines, requirements and recommendations for design work. For example, to implement safety-related control functions, the requirements meet both Konecranes' own and industry standards. Konecranes' reliability and testing approach covers the product lifecycle from research to product use phase and is certified for ISO 9001 and ISO 17025.

Prior to launch, Konecranes' products are thoroughly tested against applicable standards and known real-life operating conditions in the company's own Reliability Centers. Functionalities, including safety features, are verified and validated in various steps during the development process. In production and during commissioning, defined inspections and tests are performed to ensure the conformity of the product. Fail-safe design and self-analytics of intelligent machines reinforce the safe operation over the lifetime. Special attention is paid to process steps that have the biggest impact on product safety. The defect rates of final product inspections are monitored and the types of defects recorded, with the aim of continuously reducing the most commonly occurring defects.

As Konecranes monitors the defect rates of final product inspections, records the types of defects found, and aims to continuously reduce the most commonly occurring defects, constant involvement with the end-users of the products is necessary. In the event of a safety incident, Konecranes provides compensation and takes corrective actions as part of the AIR and FQI process. The AIR process KPIs are followed as an indicator for effectiveness of the implementation and outcomes in the case of possible safety incidents and to ensure that processes to provide or enable remedy in the event of material negative impacts are in place.

In Konecranes' FQI process, a wider number of products with possible safety risks to any person or harm to property or the environment are inspected. Based on the inspection results, field repairs may be carried out. The process aims to enable immediate action to correct any defect discovered in the company's products and to analyze and determine if the same defect exists in other similar products. In that respect, after gaining an understanding of the nature of the issue, further decisions are made on possible corrective actions.

Read more about the AIR process in **S4-2 Processes for engaging with consumers and end-users about impacts.**

Actions to mitigate material risks arising from impacts and dependencies on end-users and how to avoid material negative impacts

Konecranes aims to mitigate material risks arising from its impacts (in the case of possible health and safety incidents) and dependencies on end-users with the following actions: During the product design phase, safety topics are taken into account through, for example, failure mode and effect analysis, and also the AIR and FQI processes provide input for product development. The engineering teams make two types of risk assessments: generic risk assessment for cranes as well as project- and industry-specific

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risk assessments. During the design and sales phase, Konecranes also collaborates with the customer's crane operators to get feedback. The aim is to minimize potential safety incidents.

To pursue material opportunities for Konecranes in relation to end-user health and safety, Konecranes prioritizes safety in all areas of its operations. This way Konecranes can improve safety also throughout the value chain. Safe, secure and reliable products as well as on-site safety are values the company provides to its customers.

Konecranes' employees are trained on product and service safety. One of the cornerstones of the company's safety culture is training. Konecranes has a wide training offering, nearly 100 course options, from mandatory role-based and task-specific topics to more general safety introductions. All training courses can be completed during working hours.

Konecranes' innovation work concentrates on adopting new technologies in the company's products, services and digital solutions to optimize material handling flows, as well as to enhance customers' safety, security and efficiency. Safety is incorporated into the design, manufacturing, maintenance and service of Konecranes' products: the offering includes technologically advanced equipment with innovative safety features, as well as efficient preventive and predictive maintenance that enables customers to keep the equipment in good working order throughout its lifespan.

Crane operators who are the end-users of Konecranes' products are provided applications with features that increase safety, usability and efficiency. For example, remote operation (using the Remote Operating Station) enables the crane operator to work in safe areas with better ergonomics. Remote operation also increases safety and efficiency in customer facilities, as people are further away from the machines and all facility operators can be in the same operating room, enhancing communication.

Konecranes' Smart Features (such as sway control and target positioning) also help crane operators operate the crane more smoothly. Konecranes' cranes can be equipped with a wide variety of the company's safety improving assisting functions. Sway Control, Hook Centering and Snag Prevention limit unwanted movements of the load during lifting or moving, or if the load or hook gets caught on something. Inching and Microspeed allow the operator to control load speeds efficiently and safely especially in the beginning and end of a lift. Solutions such as Assisted Load Turning, Target Positioning and End Positioning help improve the safety of load manipulation and ensure that the load is delivered safely and accurately where needed. Live Channel, an online virtual crane demonstration tool, enables showcasing crane safety features to customers in real time. Geofencing, which is a feature that limits load handling device (lift truck) movements in outdoor areas that might cause risks to people or property, is made possible through the Work Zone Smart Feature application.

Konecranes' digital ecosystem includes the yourKONECRANES customer portal, Konecranes STORE for spare parts, global enterprise platforms and productivity-enhancing apps. The comprehensive and systematic approach to crane maintenance is based on managing customers' assets with the help of digital solutions. Data, machines and people are connected to improve the safety and productivity of customers' operations, helping them reduce the likelihood of failures that result in unplanned downtime or pose a safety risk.

Konecranes is known for delivering safe products, which brings the company competitive advantage in the market. This position and all the technological advancements are utilized in the company's marketing communications towards customers and potential customers as one of the sales arguments.

During 2024, severe health and safety incidents related to Konecranes' products were reported to Konecranes. Incidents are thoroughly studied as part of the AIR and FQI process.

Management of material impacts

Konecranes has allocated resources for the management of end-users' health and safety incidents. The persons responsible and their responsibilities are described in Konecranes' AIR instructions with a detailed description of the AIR process.

The company has one process owner for the AIR process who is responsible for the overall functioning of the process, who maintains the process, controls the functioning of the process as well as maintains and updates the AIR instruction. In addition, Business Areas have designated AIR process owners for each Business Unit. They are responsible for the prompt and timely handling of every AIR case related to their products and within their respective Business Area. They are also responsible for cooperating and communicating with other AIR case handling parties during the AIR process to make sure that the handling progresses effectively. They maintain the instructions, procedures and resources for handling AIR cases in their respective organizations.

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S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Konecranes is committed to three quality objectives highlighted in the company's Quality Policy Statement that was updated in 2023. The objectives are

- Strive for zero product safety incidents
- Prevent all types of non-conformities
- Improve customer satisfaction

At Konecranes, multiple KPIs are monitored to ensure customer safety. These include the customer Net Promoter Score (NPS), the number of Accident Investigation Reporting (AIR) cases, as well as more granular internal indicators measuring the effectiveness of the company's AIR and Field Quality Inspection (FQI) processes. Konecranes encourages its customers to report any incident where equipment, component or service provided by Konecranes has caused or threatened to cause a health or safety incident or property damage. Although the overall objective is to strive for zero product safety incidents, a certain level of cases is also an indication of the functioning of the AIR reporting and its awareness among customers and stakeholders. Therefore, no target has been set for the number of AIR cases. A specific target for product safety will be considered for the next sustainability statement.

During 2024, Konecranes received 250 AIR cases across the company. All AIR cases are handled in close collaboration with the customer. During the process, the project facilitator and the person responsible for the inspection receive feedback from the customer and internal stakeholders. According to this information, process improvements and instruction updates are conducted periodically. Information on lessons learned in the AIR cases is shared internally, and the knowledge and best practices for achieving the targets are shared to improve customer satisfaction, reduce all types of non-conformities and strive for zero product safety incidents.

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4. GOVERNANCE INFORMATION

G1 Business conduct

G1-1 Business conduct policies and corporate culture

Policies with respect to business conduct matters

Business conduct within Konecranes is guided by applicable laws and the company' Code of Conduct, which is supplemented by several Group-wide policies, such as the Human Rights Policy, the Data Protection Policy, trade compliance-related instructions, the Competition Policy, the Anti-Corruption Policy, the Whistleblowing Instruction and supplier-related requirements such as the Know Your Supplier Policy, among others.

Konecranes' Code of Conduct is the foundation setting forth expectations towards ethical and compliant behavior. It describes the rules the company is committed to following towards its customers, business partners, suppliers, subcontractors, and personnel, and also towards society and the financial markets in all of the countries where the company does business.

Konecranes expects its business partners to conduct their business in compliance and alignment with the company's high legal, ethical, environmental and employee-related principles. Konecranes promotes its responsible ways of working and zero tolerance of corruption and bribery to its business partners in Konecranes' Global Supplier Manual, Supplier Code of Conduct and Distributor Code of Conduct.

The Code of Conduct applies to all Konecranes entities and each and every Konecranes employee, manager, officer and director globally. All Konecranes' new sales agents and distributors are required to commit to the relevant Code.

The Code of Conduct has been approved by the Konecranes Board of Directors, and the Group-wide guidance needed to implement the Code is decided in the executive-level Compliance & Ethics Committee. The most senior-level personnel accountable for the implementation for the Code are the Konecranes Leadership Team members reporting to the President and CEO.

Through the implementation of the Code of Conduct, Konecranes is committed to the ten principles of the United Nations Global Compact, to the United Nations Guiding Principles on Business and Human Rights and to the OECD Guidelines for Multinational Enterprises. When preparing the current Code of Conduct in 2023, various internal stakeholder groups' interests and views were considered.

The Code and policies are available to all employees. In addition, many policies and policy statements are made available publicly. The Code has been translated into 35 languages and the language versions are available internally and externally on **Konecranes.com.**

Establishing, developing, promoting and evaluating the corporate culture

Konecranes' values are the foundation for the culture the company wishes to have. In 2023, Konecranes launched its new values that were co-created with nearly 8,000 colleagues worldwide. At the beginning of 2023, everyone at Konecranes was invited to participate in this renewal process. After 27 global workshops with 150 discussion groups, the inputs were crystallized into the company's four new values: *Putting customers first; Doing the right thing; Driving for better;* and *Winning together.* Konecranes' values guide the way its employees behave and the way they act, both internally and externally. The values summarize what the company expects of itself and others and reflect Konecranes as a company for key stakeholders. The Code of Conduct in turn sets the ground rules for our work. These themes are ingrained through consistent messaging from leadership, training programs, and internal communications, ensuring that they are understood and adhered to across all levels of the organization.

Employees are regularly trained in various corporate culture and business conduct matters. A Code of Conduct basic training is mandatory for all new employees as part of their onboarding. A regular Code of Conduct training program is in place for all employees, and staff employees are trained on Code of Conduct every year and operatives once in every two years. The training completions are closely monitored and reported to the Compliance & Ethics Committee, the Konecranes Leadership Team and the Audit Committee. In 2024 a new Code of Conduct basic training was rolled out to all employees and the completion rates are described in **G1-3 Prevention and detection of corruption or bribery.**

Depending on the employee's role, there are also other mandatory and/or recommended trainings in various areas such as competition law and data protection. Responsible business conduct is also addressed in new people manager and leadership trainings. Multiple live trainings are also arranged every year to varying audiences.

The level of implementation and development of the corporate culture is evaluated through different employee

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surveys such as the Employee Engagement Survey and Pulse surveys. They are important tools for each employee to get their voice heard and to have an impact on how their direct surroundings and the whole organization will be developed. As part of the Compliance & Ethics KPIs, Konecranes follows the share of positive responses to two compliance and ethics questions in the Employee Engagement Survey to get employees' views on the management's commitment to integrity and the speak-up culture within Konecranes.

Konecranes has an annual Compliance & Ethics risk assessment process supported by biennial risk assessment surveys to get insights throughout the organization. The company also carries out risk-based country-specific compliance risk assessments. Moreover, Social Responsibility Assessments are conducted by a third-party against Konecranes' Fair Labor Frame and local regulations on the topics covered by the Frame.

Konecranes' Whistleblowing Channel provides an opportunity for the company to learn about possible ethical concerns and non-compliance with the laws.

Read more about how Konecranes promotes its corporate culture towards suppliers in **G1-2 Management of relationships with suppliers.**

Konecranes offers multiple ways of raising concerns internally, through the management, People & Culture, Legal and Compliance & Ethics teams, or through the externally hosted Whistleblowing Channel, which also enables anonymous reporting when allowed by local laws. Konecranes' Whistleblowing Channel and investigation process are managed by the Group's Compliance & Ethics team, which is a global team independent from businesses and local decision-making and able to investigate all cases impartially. Where required by local laws, Group companies also have local reporting channels in place, which are managed in accordance with local laws.

An internal Whistleblowing Instruction giving guidance on how to report compliance and ethics concerns is available internally in 35 languages. Employees are regularly trained on the topic as part of the Code of Conduct basic training and other targeted trainings.

Konecranes' whistleblowing channels are also open to anyone externally, and stakeholders are encouraged to report ethical concerns or non-compliance with laws related to Konecranes' operations. The externally hosted Whistleblowing Channel is available in 39 languages, and information about the process and the non-retaliation undertaking has been published externally on **Konecranes.com** in 10 languages.

Konecranes has an Anti-Corruption Policy in place, which is consistent with the United Nations Convention against Corruption.

Konecranes has a strict policy of non-retaliation as described in the company's Code of Conduct and Whistleblowing Instruction. Konecranes' Whistleblowing Channel is hosted via a technical solution provided by an external partner and the channel is encrypted, password-protected and allows anonymous reports. The whistleblowing procedure and storing of related documentation is strictly confidential and regulated by a documented process. As part of the process, the team involved in the investigation process is subject to a specific confidentiality undertaking and a non-retaliation undertaking, among others.

The protection of reporters and other participants of the whistleblowing procedure and the confidentiality and non-retaliation undertakings extend to all reports on violations of the company's policies, Codes, as well as laws, not just limited to the scope of the national laws implementing the EU whistleblower protection directive.

The company's functions that are deemed to be most at risk of corruption and bribery as a result of their tasks and responsibilities are: management (including legal managing director roles), Business Area sales and project management organizations, central and Business Area procurement and business unit controllers, region controllers and their superiors.

G1-2 Management of relationships with suppliers

Konecranes expects its suppliers and subcontractors (later together referred to as "suppliers") to conduct business in compliance with the same legal and ethical requirements and principles that Konecranes requires in its Code of Conduct, and these principles are of the utmost importance when establishing and conducting business relationships. The target of embedding sustainability, compliance, and ethical requirements in the company's business processes, as described below, not only supports Konecranes' strategic commitments, but also forms a basis for the company's supplier relationship management and reduces the possible risks related to the company's supply chain.

Konecranes' Supplier Code of Conduct sets the minimum legal and ethical requirements and principles of conduct which Konecranes requires from its suppliers on topics

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such as human rights, health and safety, environmental management, anti-corruption, and trade compliance. In addition, Konecranes' Global Supplier Manual imposes the minimum requirements and expectations for all suppliers, describing the main processes related to those expectations. Any additional requirements for the suppliers might be included, for instance, in Konecranes' agreements.

Konecranes applies a structured approach to managing its relationships with its suppliers and this approach includes, but is not limited to, social and environmental performance. The key objectives of the company's Supplier Relationship Management (SRM) framework include, for instance, implementation of the know-your-supplier process, ensuring material availability, reducing supply risk, and driving and monitoring supplier performance. The SRM framework aims to give a high-level guidance and governance model on how to manage the supplier relationships.

Konecranes' tools for managing the supplier relationship include, for example, supplier audits, supplier meetings, and implementation of the know-your-supplier process. Currently, Konecranes conducts three types of audits for its suppliers. On-site process audits are focused on reviewing and validating suppliers' management systems, quality assurance methods and process capacities. On-site Supplier Code of Conduct audits conducted by a third party evaluate suppliers' capability to meet the Supplier Code of Conduct requirements. Additionally, Konecranes implements information security audits that are also conducted by a third party. According to the company's SRM framework, supplier meetings vary from annual meetings to ad-hoc ones, depending on the supplier, and they cover topics such as contracts, supplier performance, compliance, and risk review of the supplier.

As part of Konecranes' know-your-supplier process, the company requires selected, existing suppliers to conduct a regular background checking where the same risk-based approach as in the supplier selection is followed. In this process, selected existing suppliers are requested to fulfill a wider supplier self-assessment questionnaire which includes questions on topics such as certificates, information security, data protection, trade compliance, ethics, social responsibility, health and safety, and the environment.

At Konecranes, the procurement organization is responsible for ensuring compliance with the legal, ethical, environmental, and other sustainability obligations within Konecranes' supplier base, and for integrating the requirements into existing processes. The procurement organization is trained on the implementation of the SRM framework as well as other relevant policies and processes such as the Know Your Supplier Policy and process. Supplier management as well as how to avoid conflicts of interest are themes included in the global Code of Conduct training. To follow the implementation of the described practices in the management of supplier relationships, Konecranes has set internal targets, for example, related to SRM framework implementation, the number of completed audits, and Supplier Code of Conduct coverage, which are followed monthly by the procurement leadership team.

Social and environmental criteria and the selection of suppliers

Konecranes's Know Your Supplier Policy is established to ensure that the company does business with suppliers and subcontractors who are able to meet the requirements set out in Konecranes' Supplier Code of Conduct, such as respect of human rights, ethics, and environmental management. The policy sets the minimum requirements for the selection and onboarding of new suppliers, as well as for the renewal of existing suppliers' background checking. The policy applies to all Konecranes entities globally.

Konecranes follows a risk-based approach in supplier selection and management. When assessing Supplier Code of Conduct risks, the country and industry of the supplier are considered for identifying general areas where impacts are most likely to occur and to be severe. In addition, supplier-specific risks discovered in the know-your-supplier process are considered. The risk-based approach defines the depth of the know-your-supplier process. For instance, the content and extent of the background checking assessment vary, as well as the appropriate measures to prevent or mitigate the risks.

G1-3 Prevention and detection of corruption or bribery

Konecranes' Code of Conduct, Supplier and Distributor Codes of Conduct and Anti-Corruption Policy express the company's commitment to working against corruption in all forms, including extortion and bribery, and set the basis for Konecranes' anti-corruption program.

Konecranes' Anti-Corruption Policy has compliance protocols and guidelines in place to detect and address corruption risks, embedding zero tolerance of corrupt practices into monitoring and follow-up processes. The policy includes, for example, detailed instructions on gifts and hospitality, including monetary limits for reporting and pre-approvals, as well as a review and approval process for sales intermediaries.

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Several actions and processes are set up to mitigate corruption and fraud risks. They include internal controls, a sponsorship and donation approval process, a Conflict of Interest declaration portal, and a Gifts and Hospitality portal, which is the central location for employees to report on and gain pre-approval for offering and receiving gifts and hospitality.

Any allegations or suspected incidents of corruption or bribery are investigated in line with the defined Group investigation process. This process is managed by Konecranes' Compliance & Ethics team as described in **G1-1 Business conduct policies and corporate culture.** The process of reporting outcomes to the administrative, management and supervisory bodies is explained in **General information: Role of the administrative, management and supervisory bodies.**

The Anti-Corruption Policy applies to all employees globally and it is available to all employees in 35 languages. Information on the policy is communicated to employees in various ways, such as via different kinds of awareness actions and trainings. All Konecranes employees receive training on corruption matters as part of the Code of Conduct training. Additionally, a specific anti-corruption eLearning was prepared in late 2024 for employees at functions which are deemed to be at risk of corruption. The new anti-corruption training will be launched in 2025. The global eLearning is supplemented with live trainings held in various locations and teams either face-to-face or virtually. All functions at risk will be covered by the training.

The same trainings which are rolled out to Konecranes staff employees globally will be given to the President and CEO, and the company's Code of Conduct training is provided also to the Board of Directors.

Actions and resources related to business conduct

The key actions taken in 2024 included:

(1) Establishing a new Code of Conduct basic training, which was rolled out to all employees globally in 35 languages.

(2) Preparing and piloting a new country compliance risk assessment concept. This has already been piloted in a handful of countries and will continue to be used in selected countries to help better understand corruption and other compliance risks relating to Konecranes' operations in such countries.

(3) Preparing a new anti-corruption eLearning to supplement Konecranes' existing compliance training program, specifically targeted to defined functions at risk.

(4) Approval and roll-out of updated Supplier Code of Conduct, which has been applicable, since the approval, to all new suppliers. The roll-out of the updated Supplier Code of Conduct for existing suppliers is done by following a risk-based approach, starting with suppliers identified with a higher risk.

(5) Updating the Know Your Supplier Policy and process. The policy, since its approval, has been applicable to all Konecranes entities globally.

Konecranes has defined a development plan for future actions in order to continue enhancing its compliance policies and processes. The actions include further enhancing the third-party management process and related documentation and tools, updating and implementing the Distributor Code of Conduct and the related training, and establishing a new Supplier Code of Conduct training internally and externally.

All of these actions contribute to ensuring and enforcing compliance and ethical and responsible business conduct in line with Konecranes' Codes of Conduct, and all of the above enhancements are intended to be completed within the next 1–2 years. Currently, Konecranes does not allocate significant operating expenditures or capital expenditures to the action plan.

Targets related to business conduct

Konecranes has two targets within the area of business conduct:

Target 1. Code of Conduct training completion percentage globally during the reporting year.

Konecranes wants to ensure that all employees are familiar with and committed to the company's Code of Conduct. Thus, Konecranes aims to have all employees complete a training on the Code. Konecranes' Code of Conduct training program is further explained in **G1-1 Business conduct policies and corporate culture.** The target is to reach a 100 percent completion rate among the defined target group (excluding recent new hires and people on leave of absence as well as employees in Ukraine). The Code of Conduct basic training is mandatory for all employees every second year, whereas the Code of Conduct Refresher training is mandatory for staff employees every other year. Code of Conduct training completion is reviewed for the period of the reporting year. The exclusion of Ukrainian employees from the statistics of the Code of Conduct training may change if the circumstances in Ukraine change materially.

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Target 2. The share of positive replies to Employee Engagement Survey questions 1) "Management of my unit is committed to integrity and ethical business practices" and 2) "I would feel comfortable reporting unethical behavior if I saw it in Konecranes" at the time of the last survey conducted.

Following up on the share of positive replies allows Konecranes to assess the level of perceived commitment to ethical ways of working and the level of the company's speak-up culture. The target is to reach 100 percent positive replies. All own employees are in scope of the survey. The survey evaluates the situation at the time it is conducted.

The Code of Conduct basic training and the Employee Engagement survey are available for all employees globally. The number of employees who have completed the Code of Conduct training is collected from Konecranes' learning management system. The shares of different replies in the Employee Engagement Survey are collected from the survey tool used to manage the survey and to analyze the answers.

Stakeholders have been involved in target setting by discussing the targets in the relevant governing body.

Performance against the disclosed targets

Target	2024 performance
Code of Conduct training completed by all employees in the target group[1]	During 2024, 16,295 employees representing 98% of all employees[1] completed the Code of Conduct basic training (EMEA 97%, APAC ~100%, Americas 98%)
100% positive response (with a score 7–10 out of 10) on engagement survey questions: 1) "Management of my unit is committed to integrity and ethical business practices" 2) "I would feel comfortable reporting unethical behavior if I saw it in Konecranes"	No data available for 2024. In the 2023 employee engagement survey, the average percentage of employees responding positively to questions (1) and (2) was 87% and 84%, respectively.

[1] Excluding recent new hires (less than one month in the company) and people on leave of absence as well as employees in Ukraine.

Entity-specific information: Cyber-preparedness and enterprise resilience

Impacts, risks and opportunities

As stated in General information, Konecranes has assessed cyber-preparedness and enterprise resilience as an entity-specific, material topic for Konecranes. The negative impacts of this topic could potentially be realized through Konecranes' own operations. Functional and reliable business applications, IT infrastructure and factories are key for Konecranes' business continuity. A wide-scale cybersecurity attack at Konecranes could cause a data breach, operational downtime, and a failure to provide service and new equipment to customers according to service agreements and contracts. This is both a financial risk and an opportunity for Konecranes: When cybersecurity is managed well, Konecranes' businesses run smoothly and, in some cases, this is a prerequisite for doing business as some customers require, for example, certifications to prove systematic management. The risk lies in potential cyber-attacks that might paralyze the company's business continuity if the infrastructure is not properly secured. The current risk landscape shows that industrial manufacturing continues to be one of the most attacked industries. Cybersecurity regulations, such as the EU NIS2 and the EU Cyber Resilience Act, are bringing new cybersecurity rules to ensure enterprise resilience and more secure hardware and software products. To meet market expectations and reduce risks, Konecranes has a cybersecurity strategy, ambition, governance and objectives with a detailed roadmap for the upcoming years.

Policies with respect to cyber-preparedness and enterprise resilience

Konecranes' strategic security objectives laid down in the Information Security Policy are to deliver safe and secure material handling solutions, improve cyber preparedness

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and enterprise resilience, and ensure people are empowered with the right knowledge, skills, and tools to make cyber-aware decisions. See further details on the Information Security Policy in **S4-1 Policies related to consumers and end-users.**

Management of cyber-preparedness and enterprise resilience

Konecranes' Information Security Management System (ISMS) is based on and certified against the ISO 27001 standard. Konecranes' Security Steering Group directs the development at Konecranes, and the Cybersecurity unit, together with business units and Group functions, implements the developments with a dedicated security budget. The organizational roles, responsibilities and competence requirements are defined in Konecranes' ISMS Handbook. Information security topics are regularly reported to Konecranes' Audit Committee, and further to Konecranes' Board of Directors, when needed.

Konecranes' systematic approach to managing information security aims to ensure that all relevant information security risks are identified and mitigated. A set of security controls has been implemented to protect the information assets and to ensure the confidentiality, integrity and availability of Konecranes' products and services. These technical and organizational security measures cover topics such as asset management, access control, secure software development, incident management and information security aspects of business continuity management. For example, Konecranes' information security incident management process defines how to handle information security incidents. Devices and networks are monitored, and Security Information and Event Management (SIEM) is used to identify abnormal behavior or potential cyberattacks. Processes are in place for vulnerability management, malware protection and information system audits. Konecranes' Information Technology unit and information technology suppliers also follow incident, problem and change management processes to ensure the availability, stability and security of the information technology environment. In 2024, Konecranes had three security incidents which required advanced investigation. None of the cases had material impacts on Konecranes' information or continuity. More information on Konecranes' security controls is available on **Konecranes.com/cyber.**

The scope of Konecranes' Information Security Management System covers all of Konecranes, including Information Technology, Operational Technology and Konecranes' products and services, as well as the global business applications and information technology infrastructure. This increases cyber preparedness and enterprise resilience. The ISO/IEC 27001 management system certification process continues.

To enable cybersecurity performance and to secure the company's own and its customers' information, it is essential that employees' awareness and level of knowledge on information security topics is increased. Konecranes has a mandatory cybersecurity training for all employees, which must be completed during employee onboarding, and after that, every time the training module has been updated. In 2024, a new cybersecurity training was launched. Additionally, Konecranes has trainings tailored to different employee groups' needs available. These cover the various aspects of information security to increase employees' ability to recognize cyber threats. Konecranes also has comprehensive guidelines available to its employees and regularly implements awareness activities on its internal forums and channels. During 2024 these campaigns mainly focused on secure use of Generative AI and how to combat phishing and vishing.

Konecranes has set key performance indicators on information security awareness, which are followed up monthly. At the end of 2024, the renewed mandatory cybersecurity e-learning was completed by 89 percent of the company's employees. All employees are onboarded to the continuously ongoing training program for recognizing and reporting cyberattacks.

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Litigation

Various legal actions, claims, and other proceedings are pending against the Group in different countries. These actions, claims, and other proceedings are typical for this industry and are consistent with the global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn, and asbestos legacy), employment, auto liability, and other matters involving liability claims.

Stock exchange releases during full year 2024

Date	Release
December 18, 2024	Konecranes Restricted Share Unit Plan 2017 - directed share issue
December 16, 2024	Konecranes Plc's Shareholders' Nomination Board's proposals for the composition and compensation of the Board of Directors
October 25, 2024	Konecranes Plc's Interim report, January-September 2024: Continued strong performance
October 24, 2024	Konecranes Plc's financial information and AGM in 2025
October 1, 2024	Changes in Konecranes Leadership Team and operating model
September 12, 2024	Inside information: Profit warning - Konecranes upgrades its sales guidance for 2024
September 9, 2024	Composition of Konecranes Plc's Shareholders' Nomination Board
July 26, 2024	Konecranes Plc's Half-year financial report, January-June 2024: Record-high comparable EBITA margin in all Business Segments
June 14, 2024	Change in Konecranes Leadership Team: Juha Pankakoski, EVP Port Solutions, will leave Konecranes
June 12, 2024	Inside information: Profit warning - Konecranes upgrades its profitability guidance for 2024
April 30, 2024	Change in Konecranes Leadership Team: Claes Erixon appointed EVP, Technologies
April 25, 2024	Konecranes Plc: Interim report, January-March 2024: Record-high Q1 profitability

Date	Release
March 28, 2024	The amendment of the Articles of Association of Konecranes Oyj has been registered in the Finnish Trade Register
March 27, 2024	Konecranes Plc: Board of Directors' organizing meeting
March 27, 2024	Resolutions of Konecranes Plc's Annual General Meeting of shareholders
March 11, 2024	Change in Konecranes Leadership Team: Christine George appointed EVP, Corporate Strategy & Business Development
February 28, 2024	Konecranes Plc's Annual Report 2023 published
February 02, 2024	Konecranes Plc's Board of Directors convenes the Annual General Meeting 2024
February 02, 2024	Konecranes Plc's Financial statement release 2023: All-time high sales and comparable EBITA margin in 2023
February 01, 2024	The Board of Directors of Konecranes Plc has decided to continue the Employee Share Savings Plan
February 01, 2024	The Board of Directors of Konecranes Plc has decided the criterion for the measurement period 2024 of the Performance Share Plan 2022
February 01, 2024	The Board of Directors of Konecranes Plc has decided to establish a new Performance Share Plan
January 30, 2024	Konecranes Plc's Shareholders' Nomination Board's proposals for the composition and compensation of the Board of Directors

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Corporate press releases during full year 2024

Date	Release
December 13, 2024	Konecranes to supply 8 overhead cranes to PT Beka Wire's new production facility in Indonesia
December 5, 2024	Konecranes receives $46.8 million portal jib order from the US Navy
December 4, 2024	Haivanship expands operations into northern Vietnam with two new Konecranes Gottwald ESP.9B cranes on barge
December 3, 2024	Konecranes has completed its acquisition of Peinemann Port Services and Container Handling
November 27, 2024	Italian steel handling specialist Transped boosts efficiency with upgrade to Konecranes Gottwald ESP.7 Mobile Harbor Crane
November 22, 2024	Konecranes named winner of the Internationalization Award of the President of Finland for 2024
November 13, 2024	Konecranes to extend the service life of a mobile harbor crane for Dutch C. Steinweg Group
November 7, 2024	Konecranes expands emissions reduction ambition by committing to setting long-term, science-based net-zero targets
October 25, 2024	APM Terminals Maasvlakte II B.V. chooses Automated Horizontal Transport System from Konecranes to support doubling of its Rotterdam terminal capacity
October 18, 2024	Konecranes to strengthen its Port Solutions business with the acquisition of Peinemann Port Services and Container Handling
October 11, 2024	Konecranes' January-September 2024 interim report will be published on October 25, 2024
October 8, 2024	Konecranes has signed a EUR 100 million sustainability-linked bank term loan facility
September 17, 2024	Konecranes wins order for 5 advanced hybrid RTGs from Taiwan terminal
July 29, 2024	Konecranes is establishing a network of partners to build a full range of port cranes in the United States

Date	Release
July 12, 2024	Konecranes' January-June 2024 half-year financial report will be published on July 26, 2024
June 26, 2024	Intergis adds flexibility to cargo handling in South Korea with Konecranes Gottwald Generation 6 Mobile Harbor Crane
June 11, 2024	Konecranes powers up for the future by expanding its electrified portfolio and redefining operations between ship and container stack technology
May 28, 2024	Florida's SeaPort Manatee orders two Konecranes Gottwald Generation 6 Mobile Harbor Cranes to expand capacity
April 11, 2024	Konecranes' Interim report, January-March 2024 will be published on April 25, 2024, conference call time changed
April 11, 2024	Bahamas port goes electric with Konecranes Gottwald Generation 6 Mobile Harbor Crane
April 11, 2024	Konecranes' Interim report, January-March 2024 will be published on April 25, 2024
April 3, 2024	Konecranes strengthens its port services presence with acquisition of German Kocks Kranbau GmbH
March 19, 2024	Changes in reporting Industrial Equipment's order intake and net sales with an impact on Industrial Equipment's reported profitability
March 19, 2024	Konecranes launches smart, connected industrial crane to tap opportunities across multiple customer segments
February 16, 2024	Australia's Intermodal Terminal Company orders seven electric Konecranes RMG cranes for new Melbourne freight facility
February 07, 2024	Konecranes' climate work earns Leadership ranking from the CDP for a second consecutive year
February 01, 2024	Konecranes wins Pioneer of the Circular Economy award from Finland's leading share ownership promoter

Date	Release
January 30, 2024	Konecranes to supply fully automated cranes to Elixir Group's new waste-to-energy facility in Serbia
January 24, 2024	Verbrugge International streamlines operations with advanced Terminal Operating Systems from Konecranes
January 19, 2024	Konecranes' Financial statement release 2023 will be published on February 2, 2024
January 18, 2024	Konecranes' new brand identity reflects its ambition to become a global material handling solutions leader
January 05, 2024	Konecranes to modernize two cranes for Fortum Power & Heat at Finland's largest hydropower plant

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Events after the end of the reporting period

On January 2, 2025, 5,151 treasury shares were conveyed without consideration as the reward payment to the key employee, the President and CEO Anders Svensson, participating in the Konecranes Restricted Share Unit Plan 2017. After the share delivery, Konecranes holds a total of 7,637 own shares.

On January 20, 2025, Konecranes announced that President and CEO Anders Svensson will leave Konecranes to join another company. He will continue to actively lead Konecranes until he leaves on July 19, 2025.

On February 6, 2025, Konecranes announced that the Board of Directors had decided to establish a new Performance Share Plan 2025 for Konecranes key employees. The plan has a three-year performance period from 2025 to 2027. The Plan has three performance criteria: the cumulative comparable Earnings per Share (EPS) for the financial years 2025-2027 with an 80 percent's weighting, the CO_2 emissions from own operations for the financial years 2025-2027 with a 10 percent's weighting and the Konecranes Eco Vadis score in 2027 with a 10 percent's weighting. The targets for the three-year performance period have also been decided by the Board of Directors. The target group of the Plan consists of approximately 170 Konecranes key employees. Additional information, including essential terms and conditions of the Plan, is available in the stock exchange release dated February 6, 2025.

On February 6, 2025, Konecranes announced that the Board of Directors had decided to launch a new Plan Period relating to the Employee Share Savings Plan. The new Plan Period will begin on July 1, 2025, and will end on June 30, 2026. The other terms and conditions approved by the Board have been published in the stock exchange release dated February 6, 2025.

Demand outlook

Our demand environment within industrial customer segments has remained good and continues on a healthy level.

Global container throughput continues on a high level, and long-term prospects related to global container handling remain good overall.

Financial guidance

Konecranes expects net sales to remain approximately on the same level in 2025 compared to 2024. Konecranes expects the full-year 2025 comparable EBITA margin to remain approximately on the same level or to improve from 2024.

Board of Directors' proposal for disposal of distributable funds

The parent company's non-restricted equity is EUR 1,047,075,358.95 of which the net income for the year is EUR 200,085,532.18. The Group's non-restricted equity is EUR 1,792,124,000.

According to the Finnish Companies Act, the distributable funds of the company are calculated based on the parent company's non-restricted equity. For the purpose of determining the amount of the dividend, the Board of Directors has assessed the liquidity of the parent company and the economic circumstances subsequent to the end of fiscal year.

Based on such assessments, the Board of Directors proposes to the Annual General Meeting to be held on 27 March 2025 that a dividend of EUR 1.65 be paid on each share and that the remaining non-restricted equity is retained in shareholders' equity. The proposal will be included in the notice to the Annual General Meeting, which will be published during February 2025.

Konecranes' full audited financial statements, including the report of the Board of Directors, and corporate governance statement will be available on Konecranes' website on Friday, February 28, 2025.

Espoo, February 6, 2025
Konecranes Plc
Board of Directors

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Konecranes Group 2020–2024

Business development		2024	2023	2022	2021	2020
Orders received	MEUR	3,999.6	4,161.4	4,227.9	3,446.9	2,994.2
Order book	MEUR	2,888.4	3,040.8	2,901.7	2,036.8	1,715.5
Net sales	MEUR	4,227.0	3,966.3	3,364.8	3,185.7	3,178.9
of which outside Finland	MEUR	4,131.4	3,864.6	3,262.0	3,098.1	3,096.3
Export from Finland	MEUR	1,205.7	1,148.5	789.6	955.2	1,075.9
Personnel on average		16,656	16,503	16,563	16,625	17,027
Personnel on December 31		16,842	16,586	16,522	16,573	16,862
Capital expenditure	MEUR	65.7	54.4	37.0	49.8	42.8
as % of Net sales	%	1.6%	1.4%	1.1%	1.6%	1.3%
Research and development costs	MEUR	59.8	51.3	47.7	47.7	48.5
as % of Net sales	%	1.4%	1.3%	1.4%	1.5%	1.5%

Profitability						
Net sales	MEUR	4,227.0	3,966.3	3,364.8	3,185.7	3,178.9
Comparable EBITA	MEUR	551.6	450.7	318.4	312.2	260.8
as % of net sales	%	13.1%	11.4%	9.5%	9.8%	8.2%
Comparable operating profit	MEUR	520.7	419.7	286.6	279.1	224.9
as % of net sales	%	12.3%	10.6%	8.5%	8.8%	7.1%
Operating profit	MEUR	511.4	402.5	223.2	220.0	173.8
as % of net sales	%	12.1%	10.1%	6.6%	6.9%	5.5%
Income before taxes	MEUR	485.3	367.6	190.7	192.5	170.3
as % of net sales	%	11.5%	9.3%	5.7%	6.0%	5.4%
Net income (incl. non-controlling interest)	MEUR	368.4	275.6	138.5	147.4	122.9
as % of net sales	%	8.7%	6.9%	4.1%	4.6%	3.9%

Key figures and balance sheet		2024	2023	2022	2021	2020
Equity (incl. non-controlling interest)	MEUR	1,857.7	1,594.8	1,433.0	1,360.6	1,251.1
Balance sheet	MEUR	4,788.3	4,552.4	4,340.6	3,845.8	4,016.5
Return on equity	%	21.3	18.2	9.9	11.3	9.8
Return on capital employed	%	20.3	16.4	9.0	9.3	8.3
Current ratio		1.4	1.4	1.6	1.2	1.4
Equity to asset ratio	%	44.4	41.1	37.9	38.9	34.1
Net working capital	MEUR	378.6	353.6	490.2	350.6	227.1
Interest-bearing net debt	MEUR	183.5	365.8	688.3	541.6	577.1
Gearing	%	9.9	22.9	48.0	39.8	46.1

Shares in figures						
Earnings per share, basic	EUR	4.65	3.48	1.77	1.86	1.54
Earnings per share, diluted	EUR	4.63	3.46	1.77	1.85	1.54
Equity per share	EUR	23.45	20.14	18.10	17.08	15.69
Cash flow per share	EUR	6.21	7.04	0.84	2.13	5.15
Dividend per share	EUR	1.65*	1.35	1.25	1.25	0.88
Dividend /earnings	%	35.5	38.8	70.6	67.2	57.1
Effective dividend yield	%	2.7	3.3	4.3	3.6	3.1
Price /earnings		13.2	11.7	16.2	18.9	18.7
Trading low / high**	EUR	38.09/68.60	28.29/41.38	19.61/38.43	28.80/42.31	14.05/33.08
Average share price**	EUR	53.30	33.68	27.14	36.41	23.03
Share price on December 31**	EUR	61.20	40.78	28.76	35.16	28.78
Year-end market capitalization	MEUR	4,847.6	3,229.9	2,276.8	2,782.4	2,277.5
Number traded***	(1,000)	42,936	70,349	87,275	56,561	121,487
Stock turnover	%	54.2	88.8	110.3	71.5	153.6
Average number of shares outstanding, basic	(1,000)	79,209	79,196	79,152	79,134	79,078
Average number of shares outstanding, diluted	(1,000)	79,488	79,583	79,508	79,607	79,272
Number of shares outstanding, at end of the period	(1,000)	79,209	79,202	79,167	79,134	79,134

* The Board's proposal to the AGM
** Source: Nasdaq Helsinki
*** Source: Intercontinental Exchange

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Calculation of key figures

Operating profit (EBIT)	Sales + Other operating income - Materials, supplies and subcontracting - Personnel cost - Depreciation and impairment - Other operating expenses	
Comparable EBITA	Operating profit (EBIT) + purchase price allocation impacts and impairment + restructuring costs + transaction costs + other items affecting comparability	
Comparable Operating profit	Operating proft (EBIT) + restructuring costs + transaction costs + other items affecting comparability	
Return on equity (%):	Net profit for the period / Total equity (average during the period)	X 100
Return on capital employed (%):	Income before taxes + interest paid + other financing cost / Total amount of equity and liabilities - non-interest bearing debts (average during the period)	X 100
Current ratio:	Current assets / Current liabilities	
Equity to asset ratio (%):	Shareholders' equity / Total amount of equity and liabilities - advance payment received	X 100
Gearing (%):	Interest-bearing liabilities - cash and cash equivalents - loans receivable / Total equity	X 100
Earnings per share:	Net profit for the shareholders of the parent company / Average number of shares outstanding	
Earnings per share, diluted:	Net profit for the shareholders of the parent company / Average fully diluted number of shares outstanding	
Equity per share:	Equity attributable to the shareholders of the parent company / Number of shares outstanding	
Cash flow per share:	Net cash flow from operating activities / Average number of shares outstanding	
Effective dividend yield (%):	Dividend per share / Share price at the end of financial year	X 100
Price per earnings:	Share price at the end of financial year / Earnings per share	
Net working capital:	Non interest-bearing current assets excluding income tax receivables and other financial assets (derivatives) – Non interest-bearing current liabilities excluding income tax payables and other financial liabilities (derivatives) – long-term provisions	
Interest-bearing net debt:	Interest-bearing liabilities (non-current and current) - cash and cash equivalents - loans receivable (non-current and current)	
Year-end market capitalization:	Number of shares outstanding multiplied by the share price at the end of year	
Average number of personnel:	Calculated as average of number of personnel in quarters	
Number of shares outstanding:	Total number of shares - treasury shares	

Operating profit and EBITA are used to measure business profitability before financial items and taxes. Comparable operating profit and Comparable EBITA are used to reflect the underlying business performance and to enhance comparability between financial periods and is frequently used by management, analysts and investors. See also note 3 for reconciliation.

Return on equity represents the rate of return that shareholders receive on their investments and Return on capital employed represents relative profitability or the rate of return that has been received on capital employed requiring interest or other return.

Current ratio, Equity to asset ratio, Interest-bearing net debt, Interest-bearing net debt / Equity are used to measure solvency and indebtedness of Konecranes Group. Some of Konecranes' loan agreements include a covenant measured by Gearing ratio. Capital expenditure and Net working capital give additional information of the cash flows and funding needs of Konecranes Group. Share related alternative performance measures enhance the information on equity, cash flow and dividend attributable to the shareholders and development of Konecranes' share value in the stock exchange.

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Reconciliation of certain alternative performance measures

Reconciliation of comparable operating profit and comparable EBITA (MEUR)	2024	2023
Operating profit	**511.4**	**402.5**
Restructuring costs		
Employment termination costs	7.1	21.7
Impairments of non-current assets	0.0	0.2
Impairments of inventories	0.8	1.4
Other restructuring costs and income	1.6	3.1
Restructuring costs, total	**9.5**	**26.4**
Costs (-)/ income (+) related to other IAC (mainly the impacts of the war in Ukraine)	-0.2	-9.2
Comparable operating profit	**520.7**	**419.7**
Purchase price allocation and goodwill impairment impacts	31.0	31.0
Comparable EBITA	**551.6**	**450.7**
Reconciliation of interest-bearing net debt		
Interest-bearing liabilities	895.6	954.9
Loans receivable	-2.1	-2.5
Cash and cash equivalents	-710.0	-586.6
Interest-bearing net debt	**183.5**	**365.8**
Reconciliation of net working capital		
Total current assets	2,719.0	2,558.3
- Interest-bearing current assets	-2.1	-2.5
- Other financial assets	-11.4	-23.5
- Income tax receivables	-23.5	-16.5
- Cash and cash equivalents	-710.0	-586.6
Non-interest-bearing current assets	**1,972.1**	**1,929.2**
Total current liabilities	-1,991.1	-1,845.9
- Current interest-bearing liabilities	356.3	227.2
- Other financial liabilities	27.3	11.3
- Income tax payables	46.7	51.8
Non-interest-bearing current liabilities	**-1,560.8**	**-1,555.6**
Non-current provisions	**-32.8**	**-20.0**
Net working capital	**378.6**	**353.6**

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Consolidated statement of income – IFRS

(EUR 1,000,000)		Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Note:			
3,5,6	**Sales**	**4,227.0**	**3,966.3**
	Other operating income	10.5	9.5
7	Materials, supplies and subcontracting	-1,878.2	-1,820.3
7,8	Personnel cost	-1,264.0	-1,186.6
9	Depreciation and impairments	-120.5	-114.9
7	Other operating expenses	-463.4	-451.5
	Operating profit	**511.4**	**402.5**
4,16	Share of associates' and joint ventures' result	0.6	0.8
10	Financial income	31.2	32.0
10	Financial expenses	-57.9	-67.7
	Profit before taxes	**485.3**	**367.6**
11	Taxes	-116.9	-92.0
	PROFIT FOR THE PERIOD	368.4	275.6
	Profit for the period attributable to		
	Shareholders of the parent company	368.4	275.6
	Non-controlling interest	0.0	0.0
12	Earnings per share, basic (EUR)	4.65	3.48
12	Earnings per share, diluted (EUR)	4.63	3.46

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(EUR 1,000,000)		Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Note:			
	Profit for the period	**368.4**	**275.6**
	Items that can be reclassified into profit or loss		
34	Cash flow hedges	-15.7	12.5
	Exchange differences on translating foreign operations	13.8	-17.0
11.3	Income tax relating to items that can be reclassified into profit or loss	3.1	-2.5
	Items that cannot be reclassified into profit or loss		
28	Re-measurement gains (losses) on defined benefit plans	1.7	-15.6
11.3	Income tax relating to items that cannot be reclassified into profit or loss	-0.6	4.5
	Other comprehensive income for the period, net of tax	**2.3**	**-18.1**
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	370.7	257.5
	Total comprehensive income attributable to:		
	Shareholders of the parent company	370.7	257.5
	Non-controlling interest	0.0	0.0

The accompanying notes form an integral part of the consolidated financial statements.

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Consolidated balance sheet – IFRS

ASSETS

(EUR 1,000,000)		Dec 31, 2024	Dec 31, 2023
Note:			
	Non-current assets		
13	Goodwill	1,058.4	1,038.6
14	Intangible assets	449.9	458.1
15	Property, plant and equipment	433.5	359.9
	Construction in progress	24.4	15.8
16	Investments accounted for using the equity method	7.0	6.9
	Other non-current assets	0.8	0.8
17	Deferred tax assets	95.2	113.9
	Total non-current assets	**2,069.2**	**1,994.0**
	Current assets		
18	Inventories	946.3	995.9
19	Accounts receivable	643.6	587.5
20	Other receivables	33.3	33.5
	Income tax receivables	23.5	16.5
6	Contract assets	232.5	216.9
32	Other financial assets	11.4	23.5
21	Deferred assets	118.5	98.0
22	Cash and cash equivalents	710.0	586.6
	Total current assets	**2,719.1**	**2,558.4**
	TOTAL ASSETS	**4,788.3**	**4,552.4**

EQUITY AND LIABILITIES

(EUR 1,000,000)		Dec 31, 2024	Dec 31, 2023
Note:			
	Equity attributable to equity holders of the parent company		
	Share capital	30.1	30.1
	Share premium	39.3	39.3
	Paid in capital	752.7	752.7
34	Fair value reserves	-3.8	8.8
	Translation difference	5.1	-8.7
	Other reserve	70.5	71.2
	Retained earnings	595.4	425.8
	Net profit for the period	368.4	275.6
23	**Total equity attributable to equity holders of the parent company**	**1,857.7**	**1,594.8**
16	Non-controlling interest	0.0	0.0
	Total equity	**1,857.7**	**1,594.8**
	Non-current liabilities		
26,27,32	Interest-bearing liabilities	539.3	727.7
28	Other long-term liabilities	229.3	232.5
24	Provisions	32.8	19.9
17	Deferred tax liabilities	138.1	131.6
	Total non-current liabilities	**939.5**	**1,111.7**
	Current liabilities		
26,27,32	Interest-bearing liabilities	356.3	227.2
6	Advance payments received	608.1	668.8
	Accounts payable	344.2	313.4
24	Provisions	100.8	101.9
25	Other short-term liabilities (non-interest-bearing)	58.6	61.9
32	Other financial liabilities	27.3	11.3
	Income tax payables	46.7	51.8
	Accrued costs related to delivered goods and services	213.2	181.9
25	Accruals	235.9	227.7
	Total current liabilities	**1,991.1**	**1,845.9**
	Total liabilities	**2,930.6**	**2,957.6**
	TOTAL EQUITY AND LIABILITIES	**4,788.3**	**4,552.4**

The accompanying notes form an integral part of the consolidated financial statements.

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Consolidated statement of changes in equity – IFRS

	Equity attributable to equity holders of the parent company									
(EUR 1,000,000)	Share capital	Share premium account	Paid in capital	Cash flow hedges	Translation difference	Other reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at January 1, 2024	**30.1**	**39.3**	**752.7**	**8.8**	**-8.7**	**71.2**	**701.4**	**1,594.8**	**0.0**	**1,594.8**
Dividends paid to equity holders							-106.9	-106.9		**-106.9**
Equity-settled share-based payments (note 29)						-0.7	0.0	-0.7		**-0.7**
Acquisitions							-0.2	-0.2		**-0.2**
Profit for the period							368.4	368.4		**368.4**
Other comprehensive income				-12.6	13.8		1.1	2.3		**2.3**
Total comprehensive income				-12.6	13.8		369.5	370.7	0.0	**370.7**
Balance at December 31, 2024	**30.1**	**39.3**	**752.7**	**-3.8**	**5.1**	**70.5**	**963.8**	**1,857.7**	**0.0**	**1,857.7**
Balance at January 1, 2023	**30.1**	**39.3**	**752.7**	**-1.2**	**8.3**	**67.8**	**535.9**	**1,432.9**	**0.1**	**1,433.0**
Dividends paid to equity holders							-99.0	-99.0		**-99.0**
Equity-settled share-based payments (note 29)						3.4	0.0	3.4		**3.4**
Acquisitions							0.0	0.0	-0.1	**-0.1**
Profit for the period							275.6	275.6		**275.6**
Other comprehensive income				10.0	-17.0		-11.1	-18.1		**-18.1**
Total comprehensive income				10.0	-17.0		264.5	257.5	0.0	**257.5**
Balance at December 31, 2023	**30.1**	**39.3**	**752.7**	**8.8**	**-8.7**	**71.2**	**701.4**	**1,594.8**	**0.0**	**1,594.8**

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Consolidated cash flow statement – IFRS

Note:	(EUR 1,000,000)	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
	Cash flow from operating activities		
	Profit for the period	368.4	275.6
	Adjustments to net profit for the period		
	Taxes	116.9	92.0
	Financial income and expenses	26.7	35.7
	Share of associates' and joint ventures' result	-0.6	-0.8
	Depreciation and impairments	120.5	114.9
	Profits and losses on sale of fixed assets	-1.1	-0.2
	Other adjustments	0.6	3.5
	Operating income before change in net working capital	**631.4**	**520.7**
	Change in interest-free current receivables	-50.1	-23.0
	Change in inventories	62.0	-25.2
	Change in interest-free current liabilities	-17.2	170.1
	Change in net working capital	**-5.3**	**121.9**
	Cash flow from operations before financing items and taxes	**626.1**	**642.6**
	Interest received	50.0	49.5
	Interest paid	-73.9	-77.0
	Other financial income and expenses	-2.2	27.3
11	Income taxes paid	-108.4	-85.1
	Financing items and taxes	**-134.5**	**-85.3**
	NET CASH FROM OPERATING ACTIVITIES	**491.6**	**557.3**

Note:	(EUR 1,000,000)	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
	Cash flow from investing activities		
4	Acquisition of Group companies, net of cash	-46.7	-39.0
4	Divestment of businesses, net of cash	0.0	9.0
	Proceeds from disposal of associated company	0.1	0.5
	Capital expenditures	-69.2	-52.4
	Proceeds from sale of property, plant and equipment and other	4.8	6.5
	NET CASH USED IN INVESTING ACTIVITIES	**-111.0**	**-75.4**
	Cash flow before financing activities	**380.6**	**481.9**
	Cash flow from financing activities		
27.6	Proceeds from borrowings	100.0	0.0
27.6	Repayments of borrowings	-202.1	-160.6
27.6	Repayments of lease liability	-47.3	-44.1
27.6	Proceeds from (+), payments of (-) current borrowings	-0.8	-0.4
	Change in loans receivable	0.5	0.6
	Acquired non-controlling interest	-0.2	-0.1
	Dividends paid to equity holders of the parent company	-106.9	-99.0
	NET CASH USED IN FINANCING ACTIVITIES	**-256.8**	**-303.6**
	Translation differences in cash	-0.4	-5.6
	CHANGE OF CASH AND CASH EQUIVALENTS	**123.4**	**172.7**
	Cash and cash equivalents at beginning of period	586.6	413.9
22	Cash and cash equivalents at end of period	710.0	586.6
	CHANGE OF CASH AND CASH EQUIVALENTS	**123.4**	**172.7**

The effect of changes in exchange rates has been eliminated by converting the beginning balance at the rates current on the last day of the year.

The accompanying notes form an integral part of the consolidated financial statements.

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1. Corporate information

Konecranes Plc ("Konecranes Group" or "the Group") is a Finnish public limited company organized under the laws of Finland and domiciled with its principal place of business in Hyvinkää. The company is listed on the NASDAQ Helsinki.

Konecranes is a world-leading manufacturer and servicer of cranes, lifting and material handling equipment and machine tools, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes operates internationally, with its products being manufactured in North and South America, Europe, Africa, the Middle East, and Asia and sold worldwide. Konecranes has three reportable segments: Service, Industrial Equipment and Port Solutions.

2. Accounting principles

2.1. Basis of preparation

The consolidated financial statements of Konecranes Plc have been prepared in accordance with IFRS Accounting Standards as adopted by the EU.

The consolidated financial statements have been prepared on a historical cost basis, except for items that are required by IFRS to be measured at fair value, principally certain financial instruments.

The consolidated financial statements including notes thereto are presented in millions of euros and all values are rounded to the nearest million (€000,000) except when otherwise indicated.

Due to the rounding, some totals might differ from the sum of individual figures as calculations are done originally in thousands of euros.

The financial statements were approved for issuance by the Board of Directors on February 6, 2025.

Principles of consolidation

The consolidated financial statements comprise the consolidated balance sheet of Konecranes Plc and its subsidiaries as at December 31, 2024 and 2023 and the consolidated statements of income and cash flows for the periods ended December 31, 2024 and 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that majority of voting rights result in control. To support this presumption and when the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under this method, the consolidated financial statements show the Group's investment in and share of net assets of the associate or joint venture. Any premium over net assets paid to acquire an interest in an associate or joint venture is recognized as goodwill within the same line as the underlying investment. The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as share of profit of an associate and a joint venture in the statement of profit or loss.

2.2. Use of estimates and judgments

The preparation of the financial statements in accordance with IFRS Accounting Standards requires management to make estimates and judgments that affect the valuation of reported assets and liabilities and other information, such as contingent liabilities and recognition of income and expenses in the statement of income. These assumptions, estimates and judgments are based on the management's historical experience, best knowledge about the events and other factors, such as expectations on future events, which the company assesses to be reasonable in the given circumstances. Although these estimates and judgments are based on the management's best understanding of current events and circumstances, actual results may differ from the estimates. Changes in estimates and assumptions are recognized in the financial period the estimate or assumption is changed.

The most important items in the consolidated financial statements, which require management's estimates and that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change, are impairment testing, recognition of deferred taxes, measurement of the fair value of assets and actuarial assumptions in defined benefit plans, and percentage of completion revenue recognition in long-term projects.

Impairment testing

The recoverable amount for goodwill has been determined based on the value in use of the relevant cash generating unit to which the goodwill is allocated. The recoverable amounts of all material intangible assets and property, plant and equipment have also been based on their value in use. The impairment testing of goodwill is based on numerous judgmental estimates of the present value of the cash flows which affect the valuation of the cash generating units (CGU) pertaining to the goodwill. Cash flow forecasts are made based on CGU specific historical data, order book, the current market situation, and industry specific information of the future growth possibilities. These assumptions are reviewed annually as part of the management's annual and strategic planning cycles and can be subject to significant adjustment as arising from the development of the global economy, pressure from competitors' products, climate risks and opportunities as well as changes in raw material prices and operating expenses. The value of the benefits and savings from the efficiency improvement programs already announced and included in certain cash flow estimates are also subjective and based on the management's best estimate of the impact. The fair value of the CGUs is determined using a derived weighted average cost of capital as the rate to discount estimated future cash flows. The discount rate used may not be indicative of actual rates obtained in the markets in the future. See note 13.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method according to which the acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. The excess of the consideration transferred for the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The measurement of fair value of the acquired net assets is based on market value of similar assets (property, plant and equipment), or an estimate of expected cash flows (intangible assets). The valuation, which

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is based on prevailing repurchase value, expected cash flows or estimated sales price, requires management judgement, estimates and assumptions. See note 4.

Recognition of deferred taxes
The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilized. The tax effect of unused tax losses is recognized as a deferred tax asset when it becomes probable that the tax losses will be utilized. In making assessments regarding deferred tax assets, management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies. The actual current tax exposure is estimated together with assessing temporary differences resulting from differing treatment of items, such as depreciation, provisions and accruals, for tax and accounting purposes. When recording the deferred tax assets, judgments have been based on the estimates of the taxable income in each subsidiary and country in which Konecranes operates, and the period over which the deferred tax assets will be recoverable based on the estimated future taxable income and planned tax strategies to utilize these assets. The amount of deferred tax assets considered realizable could however be reduced in subsequent years if estimates of future taxable income during their carry forward periods are reduced, or rulings by the tax authorities are unfavorable. Estimates are therefore subject to change due to both market related and tax authorities related uncertainties, as well as Konecranes' own future decision matters such as restructuring. Konecranes is unable to accurately quantify the future adjustments to deferred income tax expense that may occur as a result of these uncertainties. See note 17.

Actuarial assumptions in defined benefit plans
The net pension liability and expense for defined benefit plans is based on various actuarial assumptions such as the assumed discount rate, expected development of salaries and pensions and mortality rates. Significant differences between assumptions and actual experience, or significant changes in assumptions, may materially affect the pension obligations. The effects of actual results differing from assumptions and the changing of assumptions are included in Remeasurement gain/loss on defined benefit plans in other comprehensive income. Discount rates are determined annually based on changes in long-term, high-quality corporate bond yields.

Decreases in the discount rates result in an increase in the defined benefit obligation and in pension costs. Conversely, an increase in the discount rate results in a decrease in the defined benefit obligation and in pension costs. Increases and decreases in mortality rates have an inverse impact on the defined benefit obligation and pension costs. Increases and decreases in salary and pension growth rates have a direct correlating impact on the defined benefit obligation and pension costs.

The assumed discount rate, which is based on rates observed at the end of the preceding financial year, may not be indicative of actual rates realized. The actual development of salaries and pensions may not reflect the estimated future development due to the uncertainty of the global economy and various other factors. Konecranes uses generational mortality tables to estimate probable future mortality improvements. These tables assume that the trend of increasing life expectancy will continue, resulting in pension benefit payments to younger members being likely to be paid for longer time periods than older members' pensions, given that assumed retirement ages are those defined in the rules of each plan.

The funded status, which can increase or decrease based on the performance of the financial markets or changes in our assumptions, does not represent a mandatory short-term cash obligation. Instead, the funded status of a defined benefit pension plan is the difference between the defined benefit obligation and the fair value of the plan assets. See note 28.

Revenue recognition over time in long-term projects
Konecranes applies the percentage of completion method for recognizing revenue over time from certain long-term large crane projects and modernizations in accordance with IFRS 15 Revenue Recognition. The percentage of completion is based on the cost-to-cost method. Under this method, the progress of contracts is measured by actual costs incurred in relation to the management's best estimate of total estimated costs at completion, which are reviewed and updated routinely for contracts in progress. The cumulative effect of any change in estimate is recorded in the period in which the change in estimate is determined.

The percentage of completion method of accounting involves the use of assumptions and projections, principally relating to future material, labor and project-related overhead costs. Consequently, there is a risk that total contract costs will exceed those originally estimated and the margin will decrease, or the contract may become unprofitable. This risk increases as the duration of a contract increases because there is a higher probability that the circumstances upon which the estimates were originally based will change, resulting in increased costs that may not be recoverable. Factors that could cause costs to increase include: unanticipated technical problems with equipment supplied or developed by us which may require us to incur additional costs to remedy, changes in the cost of components, materials or labor, project modifications creating unanticipated costs, suppliers' or subcontractors' failure to perform, and delays caused by unexpected conditions or events. By recognizing changes in estimates cumulatively, recorded revenue and costs to date reflect the current estimates at the stage of completion for each project. Additionally, losses on long-term contracts are recognized in the period when they are identified and are based upon the anticipated excess of contract costs over the related contract revenues.

The war in Ukraine
The impacts of the war in Ukraine on estimates in the financial reporting rely on the management's best judgement.

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The Group has assessed the impacts on goodwill, other intangible and tangible assets as part of the impairment testing process, and on defined benefit plans, provisions, valuation of inventory, recoverability of deferred tax assets and collectability of account receivables as part of the regular reporting process.

Konecranes operates a crane and component factory in Zaporizhzhia, in the south-eastern part of Ukraine. The production at the Ukrainian factory was stopped immediately after the war in Ukraine started. The production has been redirected to other Konecranes manufacturing sites. As the level of uncertainty regarding Konecranes' operations in Ukraine remains high due to the ongoing war, Konecranes has impaired all Ukraine-related assets, including inventories and receivables. Konecranes has also decided not to take any business from Russia. The war has increased market volatility and uncertainty by increasing cost inflation and global material availability concerns and other supply chain issues. See note 24.

Climate risks and opportunities

The biggest climate-related risks are transitional risks related to technological decisions and market risks related to cost impacts as well as physical risks related to own operations and supply chain. Market risks can relate to increased production costs due to changing input prices (energy, raw materials etc.) as well as availabilities of technology and key components. For example, the widespread electrification trend might cause availability risks in batteries. Technological development pressure in carbon-intensive industries is seen as an opportunity as Konecranes is committed to fully electrify its offering but similarly this might also increase the development costs. The potential physical risks are mostly related to transportation or production locations. An increase in extreme weather conditions could especially affect our crane installations and project sites. Heavy rain, storm or floods might put only few of our production sites at risk. Extreme weather conditions can also have a potential impact on the shipment of our products or spare parts. Konecranes takes advantage of findings from climate risk scenario analysis in its risk management. Having a continuity plan for production changes due to e.g., extreme weather conditions lowers the interruption risk for production.

Signals from the markets, legislation development, voluntary agreements made by industries, customer feedback and requests for quotations all indicate that the demand for low-emission products and services will continue to increase. As Konecranes already has energy efficient products in all product segments available and focuses on continuous product development and technological improvements, the growing demand for low-emission products presents an opportunity - especially in traditional diesel engine powered product segments such as Ports Solutions. Konecranes' service business advances circular economy by focusing on extending product lifecycles. By maintaining the equipment, Konecranes can extend the lifetime of the equipment and create significant raw material and emission savings. Konecranes offers several retrofit solutions for customers to reduce emissions, increase fuel efficiency and update technology to current standards. Modernizing an old crane instead of purchasing a new one saves hundreds of tons of steel. Modernizations and retrofits also enhance the energy efficiency and performance of the equipment.

Konecranes has set Science Based Emission Targets for its operations as well as for the value chain that are in line with the goal to limit global warming to 1.5°C. 99% of the emissions originate from the value chain. Most of the emissions arise from the emission categories "purchased goods and services" and "the use of sold products". This commitment guides Konecranes to make more strategic decisions related to increasing the share of eco-optimized portfolio, including electrification, and investigate new technologies that help our customers to transition to a low carbon future.

Climate risks may impact Konecranes' operations, which requires judgment, for example, in revenue recognition (especially in long-term projects), provisions, collectability of accounts receivable and impairment of assets. The evaluation of the overall climate risk and opportunity impacts can be complicated as the effects of the risks and opportunities can be difficult to estimate or quantify. The impacts of climate change on the estimates and assumptions used in the financial reporting rely on the management's best judgement and knowledge under the current circumstances.

2.3. Summary of material accounting policies

Revenue recognition

Revenue is recognized at an amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer and to the extent that it is probable that the economic benefits will flow to the Company, that revenue can be reliably measured, and that collectability is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable. The creditworthiness of the buyer is assessed before engaging into a sale. However, if a risk of non-payment arises after revenue recognition, a provision for non-collectability is established.

The company recognizes revenue when it satisfies an identified performance obligation by transferring promised goods or services to the customer. Goods and services are generally considered to be transferred when the customer obtains the control over it. Control means that the customer can direct the use of and obtain benefit from the good and service and also prevent others from directing the use of and receiving the benefits from them. Thus, the customer has sole possession of the right to use the good or service for the remainder of its economic life or to consume the good or service in its own operations.

The transaction price is usually fixed but may also include variable considerations such as volume or cash discounts or penalties. Variable consideration is included in the revenue only to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty

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is resolved. The variable considerations are estimated using the most likely value method if not yet realized at the end of the reporting period. If the contract is separated into more than one performance obligation, Konecranes allocates the total transaction price to each performance obligation based on the estimated relative standalone selling prices of the promised goods or services in each performance obligation, or if the standalone selling prices do not exist, Konecranes typically uses the expected cost plus a margin approach to estimate the standalone selling price.

Contract assets relate to receivables arising from percentage of completion method. Net asset balances are balances where the sum of contract costs, recognized profits and recognized losses exceed advance payments received. Where advance payments received exceed the sum of contract costs, recognized profits, and recognized losses, these liabilities are included in the line-item advance payments received. Contract assets are subject to impairment assessment. See also financial assets at amortized cost.

Nature of goods and services and timing of satisfaction of performance obligations and significant payment terms

The Service segment principally generates revenue from providing maintenance and consultative services as well as spare parts for all types and makes of industrial cranes and hoists. Service also provides modernizations which are complete transformations of existing cranes as an alternative to replacing them. Revenue from services is recognized when the outcome of the transaction can be estimated reliably and by customer acknowledgement for the completion of the service work or by reference to the stage of completion based on services performed at the end of the reporting period if it can be measured. The assessment of the stage of completion is dependent on the nature of the contract but will generally be based on costs incurred to the extent these relate to services performed up to the reporting date. In modernization projects, the customer typically controls the assets that are enhanced; thus the revenue is recognized over time according to the percentage of completion method. In the spare parts business, the transfer of control and revenue recognition usually takes place either when goods are shipped or made available to the buyer for shipment, depending on the terms of the contract, or when the customer has accepted the delivery. Usually, customers pay according to agreed payment terms after the services and products have been delivered. Sometimes it is required that the payment is done in advance. In these cases, for example in annual maintenance contracts, the payment is periodized to meet the revenue recognition in accordance with the delivery of services and goods. In modernization projects, the customers are typically required to make advance payments according to the milestones defined in the modernization project contract.

The Industrial Equipment segment generates revenue from hoists, cranes and material handling solutions for a wide range of customers. For standard equipment and components, the revenue is recognized when goods are shipped or made available to the buyer for shipment, depending on the terms of the contract, or when the customer has accepted the delivery, which is typically an installed crane. The revenue from large, engineered crane projects is recognized over time according to the percentage of completion (POC) method as those contracts are specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. Konecranes is then also entitled to an amount that at least compensates the entity for performance completed to date even if the customer can terminate the contract for reasons other than our failure to perform as promised. In general, the warranty period for cranes is two years for which the Group records a warranty provision based on historical data. The revenue for an extended warranty is recognized over the extended warranty period. In crane projects, the customers are typically required to make advance payments in accordance with the milestones defined in the crane project contract.

The Port Solutions segment generates revenue from container handling equipment, shipyard equipment, mobile harbor cranes, heavy-duty lift trucks and Port Solutions related software. All equipment deliveries are supported by a complete range of services. Most of the container handling and shipyard equipment are tailored and engineered to the customer needs, so the revenue from these projects is recognized over time according to the percentage of completion (POC) method as those contracts are specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. Konecranes is then also entitled to an amount that at least compensates the entity for performance completed to date even if the customer can terminate the contract for reasons other than our failure to perform as promised. The revenue from lift trucks and standard port equipment is recognized when goods are shipped or made available to the buyer for shipment, depending on the terms of the contract, or when the customer has accepted the delivery. The general warranty period for port equipment varies to some extent depending on the components used in the projects. For a general warranty, the Group records a warranty provision based on historical data. The revenue from a possible extended warranty is recognized over the extended warranty period. In Port Solutions projects, the customers are typically required to make advance payments according to the milestones defined in the project contract. The advance payments from clients do not generally include a significant financing component, because typically the payment schedule of advances follows the timing of performance obligations to be satisfied.

Measurement of stage of completion for performance obligations satisfied over time

The stage of completion of a contract is determined by the proportion that the contract costs incurred for the work performed to date bear to the estimated total contract costs (cost-to-cost method) at completion. This best depicts the transfer of control to the customer, which occurs as

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we incur costs in our contracts. When the final outcome of a project cannot be reliably determined, the costs arising from the project are expensed in the same reporting period in which they occur, but the revenue from the project is recorded only to the extent that the Group will receive an amount corresponding to actual costs. An expected loss on a contract is recognized immediately in the statement of income. Revenue in respect of variations to the contract scope and claims is recognized when it is probable that it will be received and can be measured reliably.

Research and development costs
Research costs are expensed as incurred. The development expenditure of an individual project is recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to reliably measure the expenditure during development.

Amortization of capitalized development costs begins when development is complete, and the asset is available for use.

Comparable EBITA (alternative performance measure)
The Group uses comparable EBITA as an alternative performance measure to reflect the underlying business performance and to enhance comparability between financial periods. It is frequently used by management, analysts and investors. Comparable operating profit before amortization and impairment of purchase price allocations (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding restructuring, transaction and restructuring related asset impairment costs as well as other adjusting items, amortization and impairment of purchase price allocations and financial income and expense. Alternative performance measures should not be considered as a substitute for measures of performance in accordance with the IFRS. See also note 3.

Earnings per share
Basic earnings per share are computed by dividing net income from continuing operations and net income from discontinued operations all attributable to ordinary shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by assuming conversion or exercise of all potentially dilutive share-based payment plans.

Dividend distribution
The company recognizes a liability to make dividend distributions to equity holders when the distribution is approved by the shareholders. A corresponding amount is recognized directly in equity.

Employee benefits
Konecranes companies have various pension plans in accordance with local conditions and practices. Pensions are generally managed for the Group companies by external pension insurance companies or by similar arrangements. These pension plans are classified either as defined contribution or defined benefit plans. Under defined contribution plans, expenses are recognized for the period to which the contribution relates. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. Konecranes Group accounts for the Finnish insurance system under the Employees' Pensions Act (TyEL) as a defined contribution plan.

Under defined benefit plans, a liability recognized in the balance sheet equals to the net of the present value of the defined benefit obligation (calculated using the Projected Unit Credit Method) less the fair value of the plan assets at the balance sheet date. Actuarial gains and losses are recognized in the consolidated statement of other comprehensive income as remeasurement items when they occur. Remeasurement recorded in other comprehensive income is not recycled. Past service cost is recognized in the statement of profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate to the net defined liability or asset. Independent actuaries calculate the defined benefit obligation by applying the Projected Unit Credit Method. The Group presents service cost, past-service cost, gains and losses on curtailments and settlements and net interest expense or income as Personnel cost – Pension costs: Defined benefit plans in the statement of income (see note 8).

A liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Share-based payments
Employees (including senior executives) of the Group and its subsidiaries receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) or receive settlement in cash (cash-settled transactions).

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in other reserves in equity, over the period in which the performance and/or service conditions are fulfilled in Personnel cost – Other personnel expense in the statement of income. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or

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credit recorded in the statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

The tax laws or regulations usually oblige Konecranes to withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount, normally in cash, to the tax authority on the employee's behalf. To fulfill this obligation, the terms of the share-based payment arrangement permit Konecranes to withhold the number of equity instruments equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon vesting of the share-based payment. This share-based payment arrangement with a net settlement feature is classified in its entirety as an equity-settled share-based payment transaction and the payment made shall be accounted for as a deduction from equity for the shares withheld.

Cash-settled transactions

The cost of cash-settled transactions, which is usually related to the additional employee social cost or taxes of the share-based payments, is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including, the settlement date, with changes in fair value recognized in Personnel cost – Other personnel expenses in the statement of income (see Note 8).

Foreign currency translation

The Group's consolidated financial statements are reported in euros, which is the Group's presentation currency. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized by the Group entities at their respective functional currency rates prevailing at the date of the transaction. At the end of each reporting period, foreign currency monetary items are retranslated at the functional currency spot exchange rate in effect at the reporting date. The resulting foreign currency exchange differences are recorded in the statement of income with the exception of differences that arise from monetary items that provide an effective hedge for a net investment in a foreign operation (such as intragroup loans where settlement is neither planned nor likely to occur in the foreseeable future). These are recognized in other comprehensive income until the disposal of the net investment, at which time they are recognized in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign operations

The assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates for the period. The exchange differences arising from the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the income statement.

Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Income tax

Taxes shown in the consolidated statement of income include income taxes to be paid on the basis of local tax legislations, tax adjustments from previous years as well as the effect of the annual change in the deferred tax balances. Taxes are calculated using rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities and deferred tax assets are calculated for all temporary differences arising between the tax basis and the book value of assets and liabilities. Deferred tax is not recognized for non-deductible goodwill on initial recognition and temporary differences in investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. The main temporary differences arise from unused tax losses, depreciation differences, provisions, defined benefit pension plans, inter-company inventory margin and derivative financial instruments. In connection with an acquisition, the Group records provisions for deferred taxes on the difference between the fair values of the net assets acquired and their tax bases. A deferred tax asset is recognized to the extent that it is probable that it can be utilized.

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Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method according to which the acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. The excess of the consideration transferred for the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. For each acquisition, the non-controlling interest in the acquiree, if any, can be recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. If the purchase consideration is less than the fair value of the Group's share of the net assets acquired, the difference is recognized directly through the profit and loss. Direct acquisition transaction costs are expensed as incurred.

Assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a disposal rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification are regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate disposal in its present condition. Actions required to complete the disposal should indicate that it is unlikely that significant changes to the disposal will be made or that the decision to dispose will be withdrawn. Management must be committed to the disposal within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Intangible assets

Intangible assets include service contracts, patents and trademarks as well as software licenses and implementation costs. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets with definite useful life are amortized on the straight-line basis over expected useful lives, which may vary from 5 to 20 years with service contracts and patents and trademarks and from 4 to 7 years with software licenses. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with an indefinite useful life are not amortized, but they are tested annually for impairment in a manner equivalent to that for testing goodwill. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Impairment testing of goodwill

Goodwill acquired in a business combination is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If the carrying amount for a CGU exceeds its recoverable amount, an impairment loss equal to the difference is recognized. Konecranes uses a discounted cash flow analysis to assess the fair value of goodwill. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period of five years. A previously recognized impairment loss on goodwill is not reversed even if there is a significant improvement in circumstances having initially caused the impairment.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is recorded on a straight-line basis over the estimated useful economic life of the assets as follows:

- Buildings 10-40 years
- Machinery and equipment 3-10 years

No depreciation is recorded for land.

Improvements made for existing property, plant and equipment that will provide future economic benefit are capitalized and depreciated over the remaining useful life of the asset.

For leased right-of-use assets, please see the accounting principles section for leases.

Impairment of assets subject to amortization and depreciation

The carrying values of intangible assets subject to amortization, property, plant and equipment and investments in associates and joint ventures are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such an indication exists, the recoverable amount of the assets will be estimated.

The recoverable amount is the higher of the asset's fair value less selling costs and value in use, which is the present value of the cash flows expected from the asset's use and eventual disposal. An impairment loss is recognized in the statement of income when the recoverable amount of an

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asset is less than its carrying amount. Impairment losses on these assets are reversed if their recoverable amounts subsequently increase.

Valuation of inventories

Raw materials and supplies are valued at the acquisition cost or, if lower, at the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Semi-manufactured goods are valued at variable production costs including a share of production overheads based on normal capacity. Work in progress of uncompleted orders includes direct labor and material costs, as well as a proportion of overhead costs related to production and installation. Raw materials and supplies are valued using the weighted average cost or the first-in, first-out (FIFO) basis. The inventory stock obsolescence provision is based on the best estimate of slow-moving and obsolete inventory at the balance sheet date. The estimates are based on frequent review and evaluation of inventory ageing and composition.

Account and other receivables

Account and other receivables are initially recorded at fair value after which they are subsequently measured at amortized cost. Account receivables represent the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). The provision for doubtful accounts is estimated based on the Group's historical credit loss experience adjusted with current conditions and reasonable and supportable forecasts about the future. The effect is recognized in the statement of income.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with banks and other liquid investments that are held for the purpose of meeting short-term cash commitments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value as the instruments have a maturity of three months or less from the date of acquisition. Bank overdrafts are included in current interest-bearing liabilities.

Fair value measurement

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants. The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Konecranes' assumptions about pricing by market participants.

Derivative financial instruments and hedge accounting

The Group's global operations expose it to currency risk and to a lesser extent interest rate risk.

The Group uses derivative financial instruments, primarily forward contracts and interest rate swaps, to hedge its risks associated with foreign currency fluctuations relating to certain commitments and forecasted transactions and interest rate risks. Derivative financial instruments are used for hedging purposes in accordance with the Group's hedging policy and not for speculative purposes. These instruments are initially recognized at fair value at the derivative contract date and are re-measured to fair value at subsequent reporting dates. Derivatives are presented as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For certain large crane projects, the Group applies hedge accounting in accordance with IFRS 9. The Group designates hedges of the foreign currency risk of firm commitments and highly probable forecasted transactions to a cash flow hedge. Changes in the fair value of derivative financial instruments that are designated as effective hedges of future cash flows are recognized directly in other comprehensive income, while the ineffective portion is recognized immediately in the income statement. See note 34.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in the other comprehensive income is transferred to profit or loss for the period.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of income as they arise.

The Group does not apply fair value hedging.

Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss; financial assets at fair value through OCI; or financial assets at amortized cost. Financial assets are classified according to their cash flow characteristics and the business model they are managed in. Trade day accounting is applied to regular purchases and sales of financial assets. They

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include account and other receivables, interest-bearing investments and derivative financial instruments. The subsequent measurement of financial assets depends on their classification, as follows:

Financial assets at amortized cost
Financial assets at amortized cost are subsequently measured using the effective interest rate method. Account receivables and other receivables are recognized at their anticipated realizable value, which is the original invoice amount less an estimated provision for doubtful accounts for impairment. The increase in the credit risk for financial assets measured at amortized cost is assessed at the end of the reporting period. The credit loss allowance is estimated based on the Group's historical credit loss experience adjusted with current conditions and reasonable and supportable forecasts about the future. The Group applies the simplified approach to record expected credit losses on its accounts receivable by using a provision matrix where accounts receivable is grouped based on different customer bases and different historical loss patterns.

Financial assets at fair value through profit or loss
Interest-bearing investments, which are non-derivative financial assets and have fixed or determinable payments and are not quoted on active markets, are measured at fair value through the statement of income. This category also includes derivatives that do not qualify for hedge accounting.

Financial assets at fair value through other comprehensive income
Derivatives that qualify for hedge accounting are classified as financial assets at fair value through other comprehensive income. The treatment of gains and losses arising from revaluation is described above in the accounting policy for derivative financial instruments and hedge accounting.

Financial liabilities
Financial liabilities are classified as financial liabilities at fair value through profit or loss; financial liabilities at fair value through other comprehensive income; or as financial liabilities measured at amortized cost, as appropriate. Financial liabilities include trade and other payables, finance debt and derivative financial instruments. The Group determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss are carried on the balance sheet at fair value with gains or losses recognized in the income statement. Derivatives, other than those designated as effective hedging instruments, are classified as held for trading and are included in this category.

Financial liabilities at fair value through other comprehensive income
These financial liabilities are typically derivatives designated for hedge accounting and are carried on the balance sheet at fair value. The treatment of gains and losses arising from revaluation is described above in the accounting policy for derivative financial instruments and hedge accounting.

Financial liabilities measured at amortized cost
All other financial liabilities are initially recognized at fair value. For interest-bearing loans and borrowings, this is the fair value of the proceeds received net of issue costs associated with the borrowing. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest and other finance income and finance costs. This category of financial liabilities includes accounts payables and interest-bearing liabilities.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently existing, legally enforceable, unconditional right of offset that applies to all counterparties of the financial instruments in all situations, including both normal operations and insolvency.

Derecognition of financial instruments
Financial assets are derecognized when the rights to receive cash flows from the assets have expired or the Group has transferred its rights to receive cash flow; and either the Group has transferred substantially all the risks and rewards of the assets, or the Group has neither transferred nor retained substantially all the risks and rewards of the assets but has transferred the control of the assets.

Financial liability is derecognized when the obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing loan are substantially modified, such an exchange or modification is accounted for as an extinguishment of the original liability and the recognition of a new financial liability. The difference between the respective carrying amounts is recognized in the income statement.

Provisions
Provisions are recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is considered probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions may arise from restructuring plans, onerous contracts, guarantees and warranties, among other events. Obligations arising from restructuring plans are recognized when the detailed and formal restructuring plans have been established, the personnel concerned have been informed and when there is a valid expectation that the plan will be implemented. The warranty provision is based on the history of past warranty costs and claims on delivered products under warranty. Additionally, warranty provisions

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can be established on a case by case basis to take into consideration the potentially increased risks.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, possible initial cost incurred, lease payments made before the commencement date and less any lease incentives received. The recognized right-of-use assets are mainly rentals of premises and vehicles which are typically depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the asset. Right-of-use assets are subject to possible impairment.

Lease liabilities

At the commencement date of a lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs. In calculating the present value of the lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption to equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as an expense over the lease term.

Judgment in determining the lease term

The Group has various lease agreements for office equipment, vehicles and premises with varying terms and renewal rights. The Group determines the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend or early terminate the lease if it is reasonably certain to be exercised. The Group uses judgment especially for the use of extension options as well as when defining the lease term for open-end lease agreements so that they are based on the business requirements, factors that create an economic incentive and real estimated useful lifetime of the underlying asset.

Leases, Group as lessor

The Group leases out equipment under contracts that meet the definition of a lease. They are accounted for either as operating or finance leases. In an operating lease the risks and rewards related to the ownership of an asset remain with the lessor. The leased asset is recognised on the balance sheet according to the nature of the asset. The depreciation of the leased asset is determined by considering the normal depreciation policy of similar assets in own use and the planned use after the lease period. Income from operating leases is recognised on a straight-line basis over the lease term.

In a finance lease the risks and rewards of ownership are substantially transferred to the lessee. The sales profit is recognised similarly to profit from an equipment sale. Finance lease receivables are recognised on the balance sheet at present value. The financial income relating to the finance lease contract is recognised in the statement of income over the lease term to achieve a constant interest rate on outstanding balance. The majority of assets leased out by Konecranes are operating leases.

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. In the cash flow statement, a distinction is made between cash flows from operating, investing and financing activities. Currency differences on cash and cash equivalents are recognized separately in the cash flow statement. Revenue and expenses for income tax are recognized under Cash flows from operating activities. Interest costs and interest revenues are recognized under Cash flows from operating activities. Cash flows as a result of the acquisition or disposal of financial interests (subsidiaries and interests) are recognized under Cash flows from investing activities, taking into account the cash, cash equivalents and repaid third-party debts present in these interests. Dividends paid out, as well as obtained and repaid loans, are recognized under Cash flows from financing activities.

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2.4. Application of new and amended IFRS standards and IFRIC interpretations

The relevant new or revised IFRSs that Konecranes has adopted from January 1, 2024, were the following:

Amendments to IAS 1 - Non-current Liabilities with Covenants clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements in which the amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

None of these amendments to IFRS standards had any significant impact on the financial statements of Konecranes. The disclosure of supplier finance arrangements has been added to the notes of the financial statements.

New and amended standards issued applicable from January 1, 2025, but not yet effective are disclosed below. The Group adopts new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 21 - Lack of exchangeability specify how to assess whether a currency is exchangeable and how to determine a spot exchange rate when exchangeability is lacking. In addition, the amendment requires disclosing information that enables users of financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

The amendment is effective for annual reporting periods beginning on or after January 1, 2025. The amendment is not expected to have a material impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognised on the settlement date, i.e., when the related obligation is discharged, cancelled, expires, or otherwise qualifies for derecognition. The amendments also address the assessment of financial assets with ESG-linked features, the treatment of non-recourse assets and contractually linked instruments and introduce new disclosure requirements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 requires a more structured income statement. It introduces a newly defined operating profit subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. IFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. IFRS 18 requires some of the 'non-GAAP' management defined performance measures to be reported in the financial statements. It introduces a narrow definition for these management performance measures, requiring them to be a subtotal of income and expenses, used in public communications outside the financial statements and reflective of management's view of financial performance. For each management performance measure presented, companies will need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. There are also revised requirements for how the statement of cash flow will be presented, including the classification of interest and dividend cash flows.

The new standard is effective for annual reporting periods beginning on or after January 1, 2027, while early application is permitted. The Group plans to assess the potential effect of IFRS 18 on its consolidated financial statements during 2025. The new standard will have an effect to the line items classification in the statement of income and cash flow of the Group.

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3. Segment information

For management purposes, the Group is organized into business units based on its products and services and had three reportable segments in 2024 and 2023: Service, Industrial Equipment and Port Solutions.

The Service segment provides maintenance and installation services of industrial equipment, the Industrial Equipment segment produces industrial cranes and their components for a variety of industries and the Port Solutions segment produces lifting and material handling equipment for ports and provides services for port equipment.

The business units have been aggregated to form the above reportable operating segments due to the similar economic characteristics with respect to the nature of the products and services, the nature of the production process, product type and class of customers for the products and services as well as the methods to distribute the products and services.

The above reportable segments are based on the Group's management reporting and organizational structure. Konecranes Group's chief operating decision maker is the Board of Directors.

Segment performance is evaluated based on EBIT and is measured consistently in the consolidated financial statements. However, the performance of the investees accounted for using the equity method is evaluated using proportionate consolidation.

The assets and liabilities of the reportable segments include only items directly connected with the business as well as the goodwill related to them. Taxes and financial income and expenses are managed at the Group level and are not allocated to segments.

Konecranes also reports three geographical areas, which are the main market areas: EMEA (Europe, Middle East and Africa), AME (Americas) and APAC (Asia-Pacific). Sales are reported by the customer location and assets and capital expenditure by the location of the assets.

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3.1. Operating segments

	Service		Industrial Equipment		Port Solutions		Corporate functions and unallocated		Eliminations		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Sales												
Sales to external customers	1,512.4	1,432.7	1,205.5	1,173.8	1,509.1	1,359.8	0.0	0.0			**4,227.0**	**3,966.3**
Inter-segment sales	62.4	57.7	83.8	82.0	12.5	11.0	4.2	10.9	-162.9	-161.5	**0.0**	**0.0**
Total sales	**1,574.7**	**1,490.4**	**1,289.3**	**1,255.8**	**1,521.7**	**1,370.8**	**4.2**	**10.9**	**-162.9**	**-161.5**	**4,227.0**	**3,966.3**
Comparable EBITA	331.5	296.2	116.5	87.4	142.2	102.7	-38.5	-35.7	0.0	0.0	**551.6**	**450.7**
% of net sales	21.0%	19.9%	9.0%	7.0%	9.3%	7.5%					**13.1%**	**11.4%**
Purchase price allocation amortization	-16.6	-17.4	-7.0	-7.0	-7.4	-6.6					**-31.0**	**-31.0**
Comparable operating profit	314.9	278.8	109.5	80.4	134.8	96.2	-38.5	-35.7	0.0	0.0	**520.7**	**419.7**
% of net sales	20.0%	18.7%	8.5%	6.4%	8.9%	7.0%					**12.3%**	**10.6%**
Items affecting comparability in operating profit												
Restructuring costs	-0.8	-1.7	-5.1	-24.6	-1.3	0.7	-2.2	-0.8			**-9.5**	**-26.4**
Costs (-)/ income (+) related to other IAC (mainly the impacts of the war in Ukraine)	0.2	-0.2	0.2	11.1	0.0	-1.8	-0.1	0.0			**0.2**	**9.2**
Total	-0.7	-1.9	-4.9	-13.5	-1.3	-1.1	-2.3	-0.7			**-9.3**	**-17.2**
Operating profit	314.2	276.9	104.6	66.9	133.5	95.1	-40.8	-36.4	0.0	0.0	**511.4**	**402.5**
% of net sales	20.0%	18.6%	8.1%	5.3%	8.8%	6.9%					**12.1%**	**10.1%**
Share of associates and joint ventures' result (note 16)							0.6	0.8			**0.6**	**0.8**
Financial income							31.2	32.0			**31.2**	**32.0**
Financial expenses							-57.9	-67.7			**-57.9**	**-67.7**
Profit before tax											**485.3**	**367.6**
Segment assets	1,590.3	1,562.1	1,002.3	1,061.6	1,345.7	1,106.1					**3,938.3**	**3,729.8**
Investment accounted for using the equity method (note 16)							7.0	6.9			**7.0**	**6.9**
Cash and cash equivalents							710.0	586.6			**710.0**	**586.6**
Deferred tax assets							95.2	113.9			**95.2**	**113.9**
Income tax receivables							23.5	16.5			**23.5**	**16.5**
Other unallocated and corporate function level assets							14.3	98.7			**14.3**	**98.7**
Total assets	**1,590.3**	**1,562.1**	**1,002.3**	**1,061.6**	**1,345.7**	**1,106.1**	**850.0**	**822.5**			**4,788.3**	**4,552.4**

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3.1. Operating segments (continued)

	Service		Industrial Equipment		Port Solutions		Corporate functions and unallocated		Eliminations		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Segment liabilities	299.5	300.5	547.0	557.6	755.0	631.7					**1,601.5**	**1,489.8**
Interest-bearing liabilities							895.6	954.9			**895.6**	**954.9**
Deferred tax liabilities							138.1	131.6			**138.1**	**131.6**
Income tax payables							46.7	51.8			**46.7**	**51.8**
Other unallocated and corporate function level liabilities							248.6	329.5			**248.6**	**329.5**
Total liabilities	**299.5**	**300.5**	**547.0**	**557.6**	**755.0**	**631.7**	**1,329.1**	**1,467.8**			**2,930.6**	**2,957.6**
Other disclosures												
Depreciation and impairments	53.8	51.7	42.0	39.6	25.0	22.7	-0.4	0.9			**120.5**	**114.9**
Capital expenditure	15.8	11.5	26.4	28.9	23.4	14.1	0.0	0.0			**65.7**	**54.4**
Personnel	8,020	8,010	5,289	5,253	3,420	3,222	113	101			**16,842**	**16,586**

Revenue expected to be recognized in the future periods related to performance obligations that are unsatisfied or partially unsatisfied

	During 2025	During 2026	From 2027 onwards	Total
Service	390.4	29.9	15.6	**435.9**
Industrial Equipment	724.2	108.0	61.1	**893.3**
Port Solutions	1,059.2	326.7	173.3	**1,559.1**
Total	**2,173.8**	**464.6**	**250.0**	**2,888.4**

The transaction price associated with unsatisfied or partially unsatisfied performance obligations does not include variable consideration that is constrained. The Group total revenue will also include new orders, scope changes and contract extensions which are not known at the reporting date and thus are excluded from this table.

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3.2. Geographical areas

2024	EMEA*	AME	APAC	Total
External sales*	1,968.8	1,701.5	556.8	**4,227.0**
Assets*	3,365.7	795.2	627.4	**4,788.3**
Capital expenditure	57.7	3.1	4.9	**65.7**
Personnel	10,066	3,415	3,361	**16,842**

* External sales to Finland EUR 95.6 million. Non-current assets (excluding deferred tax assets) in Finland: EUR 174.2 million and in other countries: EUR 1,799.9 million.

2023	EMEA*	AME	APAC	Total
External sales*	1,872.7	1,522.0	571.6	**3,966.3**
Assets*	3,177.8	764.8	609.7	**4,552.4**
Capital expenditure	42.5	4.1	7.8	**54.4**
Personnel	9,785	3,335	3,466	**16,586**

* External sales to Finland EUR 101.8 million. Non-current assets (excluding deferred tax assets) in Finland: EUR 173.2 million and in other countries: EUR 1,707.0 million.

There are no single customers which account for over 10% of the Group's sales.

4. Acquisitions and divestments

In December, Konecranes strengthened its Port Solutions presence at the core of Europe's largest port by acquiring Rotterdam-based Peinemann Port Services BV (PPS) and Peinemann Container Handling BV (PCH). PPS is a significant port services provider in the Netherlands with a wide customer base, and it has long-term maintenance relationships with several of Konecranes' key customers.

PCH has been a Konecranes Lift Trucks distributor in the Netherlands since 2009 and been in the sales, rental and service business of lift trucks in the Rotterdam area since 1954. Sales of the acquired companies were over EUR 40 million in 2023 and they have some 100 employees. The purchase price for the acquired shares of the companies was EUR 48 million.

The fair values of acquired businesses are as follows:

EUR million	Fair value
Intangible assets	
Clientele	11.0
Property, plant and equipment	68.5
Inventories	4.5
Accounts receivable	7.1
Other assets	6.8
Cash and cash equivalents	0.0
Total assets	**97.9**
Deferred tax liabilities	8.2
Interest-bearing liabilities	41.3
Advances received	1.2
Accounts payable and other current liabilities	8.3
Total liabilities	**59.1**
Net assets	**38.8**
Purchase consideration, paid in cash	45.3
Purchase consideration, deferred	2.6
Acquisition cost	**47.9**
Goodwill	**9.1**
Cash flow on acquisition	
Purchase consideration, paid in cash	45.3
Purchase consideration, deferred	2.6
Transaction costs[1]	0.3
Cash and cash equivalents in acquired companies	0.0
Net cash flow arising on acquisition	**48.2**
Purchase consideration:	
Purchase consideration, paid in cash	45.3
Purchase consideration, deferred	2.6
Total purchase consideration	**47.9**
Goodwill allocation to Cash Generating Units:	
Port Cranes	5.2
Lift Trucks	3.8
Total	**9.1**

1) Transaction costs of EUR 0.3 million have been expensed and are included in other operating expenses.

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Konecranes acquired in April the business of German crane and service supplier Kocks Kranbau, giving it access to new European and global customers. Kocks Kranbau GmbH was established in early 2023 following the insolvency of parent company Kocks Ardelt Kranbau GmbH, a well-established port and shipyard crane manufacturer. Kocks Kranbau's main operations are based in Bremen, Hamburg and Oberhausen. The purchase price for the acquired company was EUR 1 million.

In July, Konecranes acquired the service business of Dungs Kran- und Anlagentechnik GmbH, a specialist in crane system services based in Voerde, Lower Rhine region in Germany. Dungs Kran- und Anlagentechnik GmbH offers service, expert consulting and modernization services of crane systems in the western part of Germany. The purchase price for the acquired assets was EUR 0.6 million.

The fair values of acquired businesses are as follows:

EUR million	Fair value
Intangible assets	
Clientele	1.0
Technology	0.5
Other intangible assets	0.1
Property, plant and equipment	0.2
Inventories	1.3
Accounts receivable	1.4
Other assets	0.3
Cash and cash equivalents	0.1
Total assets	**5.0**
Deferred tax liabilities	0.1
Interest-bearing liabilities	4.0
Advances received	0.8
Accounts payable and other current liabilities	1.3
Total liabilities	**6.2**
Net assets	**-1.3**
Purchase consideration, paid in cash	1.6
Acquisition cost	**1.6**
Goodwill	**2.9**
Cash flow on acquisition	
Purchase consideration, paid in cash	1.6
Transaction costs[1]	0.3
Cash and cash equivalents in acquired companies	-0.1
Net cash flow arising on acquisition	**1.7**
Purchase consideration:	
Purchase consideration, paid in cash	1.6
Total purchase consideration	**1.6**
Goodwill allocation to Cash Generating Units:	
Port Cranes	2.9
Total	**2.9**

1) Transaction costs of EUR 0.3 million have been expensed and are included in other operating expenses.

If all these businesses had been acquired on January 1, 2024, the full year sales of the Group would have been EUR 4,274.0 million and EBIT EUR 512.0 million. The year to date sales of the acquired businesses after the acquisition date were EUR 14.0 million and EBIT EUR -0.3 million. The amount of goodwill that is expected to be deductible for tax purposes was EUR 4.4 million.

During the third quarter of 2024, Konecranes acquired the non-controlling interest of 33% of PT Konecranes Technology Indonesia and paid EUR 0.1 million as purchase price.

Divestments of associated companies

During the second quarter of 2024 Konecranes sold its interest in its associated company in Thailand (CSA Crane Service Asia Company Ltd). The sales price was in total EUR 0.1 million and no loss or profit was recorded from the transaction.

Acquisitions and divestments in 2023

Acquisitions

Konecranes acquired in April 2023 the industrial and nuclear crane and crane service operations of privately held Whiting Corporation in the U.S. The purchase price for the acquired business was EUR 37.3 million. The acquisition offers operational synergies in the service business, which are reflected in Goodwill.

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The fair values of acquired businesses are as follows:

EUR million	Fair value
Intangible assets	
Clientele	14.6
Other intangible assets	1.4
Property, plant and equipment	0.4
Inventories	3.7
Accounts receivable	3.5
Total assets	**23.6**
Other long-term liabilities	0.4
Advances received	3.3
Accounts payable and other current liabilities	4.5
Total liabilities	**8.2**
Net assets	**15.4**
Purchase consideration, paid in cash	37.3
Acquisition cost	**37.3**
Goodwill	**22.0**
Cash flow on acquisition	
Purchase consideration, paid in cash	37.3
Transaction costs[1]	0.7
Net cash flow arising from acquisition	**38.1**
Goodwill allocation to Cash Generating Units:	
Industrial Service	22.0
Total	**22.0**

1) Transaction costs of EUR 0.1 million in 2022 and EUR 0.6 million in 2023 have been expensed and are included in other operating expenses.

If the businesses had been acquired on January 1, 2023, the full year sales of the Group would have been EUR 3,972.8 million and EBIT EUR 402.1 million. The year to date sales of the acquired business after the acquisition date were EUR 9.3 million and EBIT EUR 1.2 million. The amount of goodwill that is expected to be deductible for tax purposes was EUR 42.3 million.

In June 2023, Konecranes acquired a small industrial crane service operation of Munck Cranes AS in Norway from the bankruptcy estate and paid EUR 1.7 million as purchase price for the acquired assets. The fair value of the acquired business was EUR 1.7 million for Intangible assets (clientele).

Divestments

In April 2023, Konecranes divested MHE-Demag's Industrial Products business, which rents material handling products and offers equipment like dock levellers and car park systems, to Jebsen & Jessen. The Industrial Product business unit operates in Australia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. The sales price was EUR 9.0 million and Konecranes recorded EUR 0.2 million pre-tax profit from the transaction.

Carrying amounts of net assets over which control was lost:

Assets	
Property, plant and equipment	5.2
Investments accounted for using the equity method	0.6
Inventories	13.5
Other receivables	0.4
Divested assets	**19.7**
Liabilities	
Defined pension benefits	0.1
Advances received	9.7
Provisions	0.7
Accruals and other liabilities	0.3
Divested liabilities	**10.9**
Net assets derecognized	**8.8**
Consideration received	9.0

Divestments of joint ventures and associated companies

During the second quarter of 2023, Konecranes also sold its interests in two joint ventures in China (Jiangyin Dingli Shengshai High Tech Industrial Crane Company, Ltd and Guangzhou Technocranes Company, Ltd). The sales prices were in total EUR 0.5 million and Konecranes recorded EUR 0.2 million pre-tax losses from the transactions.

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5. Disaggregation of revenue in sales

Customer contract revenue	2024	2023
Sale of goods	2,970.7	2,810.4
Rendering of services	1,251.1	1,151.8
Total customer contract revenue	4,221.8	3,962.2
Other revenue		
Leasing of own products	4.9	3.7
Royalties	0.4	0.4
Total other revenue	5.3	4.1
Total sales	**4,227.0**	**3,966.3**

Timing of satisfying performance obligations by Segments	2024 At a point of time	2024 Over time	2024 Total	2023 At a point of time	2023 Over time	2023 Total
Service	198.1	1,314.3	**1,512.4**	186.9	1,245.8	**1,432.7**
Industrial Equipment	977.9	227.6	**1,205.5**	955.4	218.4	**1,173.8**
Port Solutions	1,122.2	386.9	**1,509.1**	1,084.8	275.0	**1,359.8**
Corporate functions	0.0	0,0	**0.0**	0.0	0,0	**0.0**
Total	**2,298.1**	**1,928.8**	**4,227.0**	**2,227.1**	**1,739.2**	**3,966.3**

6. Contract balances

6.1. Contract assets and liabilities

Contract assets	2024	2023
The cumulative revenues of non-delivered projects	1,151.6	819.1
Advances received netted	919.1	602.2
Total	**232.5**	**216.9**
Transfers to receivables from contract assets recognized at the beginning of period	253.9	344.8
Contract liabilities		
Gross advance received related to percentage of completion method	1,103.6	815.0
Advances received netted	919.1	602.2
Total	**184.5**	**212.8**
Revenue recognised in the current period that was included in the contract liability opening balance	154.0	254.2
Increases due to cash received	419.3	525.3

Contract assets relate to the receivables arising from percentage of completion method. Net asset balances are balances where the sum of contract costs, recognized profits and recognized losses exceed progress billings. Where progress billings exceed the sum of contract costs, recognized profits and recognized losses, these liabilities are included in the line item contract liabilities.

See note 3 for revenue expected to be recognized in the future periods related to performance obligations that are unsatisfied or partially unsatisfied and note 21 for unbilled revenue.

6.2. Advances received

	2024	2023
Advances received from percentage of completion method (netted)	184.5	212.8
Other advances received from customers	423.6	456.0
Total	**608.1**	**668.8**

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7. Operating expenses

	2024	2023
Change in work in progress	14.4	13.4
Production for own use	-0.3	-0.7
Material and supplies	1,382.7	1,303.7
Subcontracting	481.5	503.9
Materials, supplies and subcontracting	1,878.2	1,820.3
Wages and salaries	1,025.2	959.2
Pension costs	85.0	76.9
Other personnel expenses	153.8	150.5
Personnel cost	1,264.0	1,186.6
Other operating expenses	463.4	451.5
Total operating expenses	**3,605.6**	**3,458.4**

Research and development costs recognized as an expense in the statement of income amount to EUR 59.8 million in the year 2024 (EUR 51.3 million in 2023). The Group has recognized EUR 5.8 million of research and development costs related grants in the statement of income during the fiscal year 2024 (EUR 0.2 million in 2023).

7.1. Audit and non-audit fees to Group auditor

	2024	2023
Audit	3.8	3.5
Non-audit services	0.5	0.3
Total	**4.3**	**3.9**

8. Personnel expenses and number of personnel

8.1. Personnel expenses

	2024	2023
Wages and salaries	1,025.2	959.2
Pension costs: Defined benefit plans	15.3	15.0
Pension costs: Defined contribution plans	69.7	61.9
Other personnel expenses	153.8	150.5
Total	**1,264.0**	**1,186.6**

8.2. Number of personnel

	2024	2023
Average number of personnel	16,656	16,503
Number of personnel as at December 31	16,842	16,586
Number of personnel as at December 31 in Finland	2,420	2,300

8.3. Personnel by Reportable Segment at the end of period

	2024	2023
Service	8,020	8,010
Industrial Equipment	5,289	5,253
Port Solutions	3,420	3,222
Group Staff	113	101
Total	**16,842**	**16,586**

9. Depreciation, amortization and impairments

9.1. Depreciation and amortization

	2024	2023
Intangible assets	39.9	38.7
Buildings	32.0	30.7
Machinery and equipment	48.5	45.2
Total	**120.4**	**114.6**

9.2. Impairments

	2024	2023
Property, plant and equipment	0.1	0.2
Total	**0.1**	**0.2**

The nature of the impairments is described in the disclosures of goodwill, intangible assets and property, plant and equipment (see notes 13, 14 and 15).

10. Financial income and expenses

10.1. Financial income

	2024	2023
Interest income on bank deposits and loans	25.3	16.9
Fair value gain on derivative financial instruments	5.4	14.8
Other financial income	0.5	0.3
Total	**31.2**	**32.0**

10.2. Financial expenses

	2024	2023
Interest expenses on liabilities	54.0	46.8
Exchange rate loss	0.8	15.8
Other financial expenses	3.2	5.0
Total	**57.9**	**67.7**
Financial income and expenses net	**-26.7**	**-35.7**

The company applies hedge accounting on derivatives used to hedge cash flows in certain large crane projects. The cash flow hedges of the expected future cash flows are assessed to be highly effective and a net unrealized effect of EUR -15.7 million (2023: EUR +12.5 million) with deferred taxes of EUR +3.1 million (2023: EUR -2.5 million) relating to the hedging instruments is included in equity. The hedged operative cash flows are expected to occur during the next 3–18 months. The realized and recycled currency differences from these hedges recorded in the statement of income were EUR +1.5 million in 2024 (EUR -6.0 million in 2023).

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11. Income taxes

11.1. Taxes in statement of income

	2024	2023
Local income taxes of group companies	101.0	100.3
Taxes from previous years	-4.7	3.4
Qualified Domestic Minimum top-up tax (Pillar Two)	0.0	0.0
Change in deferred taxes	20.5	-11.7
Total	**116.9**	**92.0**

11.2. Reconciliation of income before taxes with total income taxes

	2024	2023
Profit before taxes	485.3	367.6
Tax calculated at the domestic corporation tax rate of 20.0% (2023: 20.0%)	97.1	73.5
Effect of different tax rates of foreign subsidiaries	18.2	16.3
Taxes from previous years	-4.7	3.4
Tax effect of non-deductible expenses and tax-exempt income	1.5	4.4
Tax effect of unrecognized tax losses of the current year	1.2	2.9
Tax effect of utilization of previously unrecognized tax losses	-5.5	-7.2
Tax effect of recognition of previously unrecognized tax losses	0.0	-0.2
Tax effect of impairment of previously recognized deferred tax assets	0.6	0.0
Tax effect of recognizing the controlled temporary difference from investment in subsidiaries	2.0	0.5
Tax effect of tax rate change	0.6	0.5
Other items	5.9	-2.1
Total	**116.9**	**92.0**
Effective tax rate %	**24.1%**	**25.0%**

The company regularly evaluates the net realizable value of its deferred tax assets.

OECD Pillar Two legislation for minimum top-up tax has been enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning on January 1, 2024. The Group applies a temporary mandatory relief to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, as provided in the amendments to IAS 12. The assessment of the potential exposure to Pillar Two is based on the most recent Group reporting and country-by-country information and analysis. The Pillar Two minimum tax exposure has been recognized in Hungary, where the tax effect for the Group is however immaterial.

11.3. Tax effects of components in other comprehensive income

	2024	2023
Cash flow hedges	3.1	-2.5
Re-measurement gains (losses) on defined benefit plans	-0.6	4.5
Total	**2.5**	**2.0**

12. Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding during the year for the dilutive effect of the shares issued under the share-based incentive plans. The number of treasury shares is excluded from the weighted average number of shares.

	2024	2023
Net profit attributable to shareholders of the parent company	368.4	275.6
Weighted average number of shares outstanding (1,000 pcs)	79,209	79,196
Effect of share based incentive plans (1,000 pcs)	279	387
Weighted average number of shares outstanding, diluted (1,000 pcs)	79,488	79,583
Earnings per share, basic (EUR)	4.65	3.48
Earnings per share, diluted (EUR)	4.63	3.46

13. Goodwill and goodwill impairment testing

13.1. Goodwill

	2024	2023
Acquisition costs as of January 1	1,057.2	1,038.3
Additions	11.9	22.0
Translation difference	7.9	-3.0
Acquisition costs as of December 31	1,077.1	1,057.2
Accumulated impairments as of January 1	-18.7	-18.7
Total as of December 31	**1,058.4**	**1,038.6**

13.2. General principles

Management monitors the performance of the Group through the monthly meetings and monthly reporting that take place on a business unit level. Impairment testing is done at the lowest level of the Group at which goodwill is monitored internally.

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13.3. Total goodwill in reportable segments after impairments

	2024	2023
Industrial Cranes	154.3	152.9
Goodwill in Industrial Equipment total	**154.3**	**152.9**
Industrial Crane Service	689.1	682.8
Machine Tool Service	3.7	3.8
Goodwill in Service total	**692.7**	**686.5**
Port Cranes	172.0	163.3
Lift trucks	39.4	35.8
Goodwill in Port Solutions total	**211.4**	**199.2**
Total goodwill in reportable segments as of December 31	**1,058.4**	**1,038.6**

The recoverable amounts of the CGUs are determined based on value in use calculations using the discounted cash flow method. The forecasting period of cash flows is five years and it is based on financial forecasts of the management responsible for that CGU, and adjusted by Group management if needed. Cash flows beyond the five-year period were calculated using the terminal value method. The forecasts have been made based on the CGU specific historical data, order book, the current market situation and industry specific information on the future growth possibilities taking also into consideration the effects of the climate risks and opportunities in Port Solutions product offerings. Cost inflation is considered to be covered mostly by the increases in sales prices. The productivity and efficiency assumptions are based on internal targets, which are evaluated against actual performance. These assumptions are reviewed annually as part of the management's annual planning and strategic planning cycles. Calculations are prepared during the fourth quarter of the year.

The discount rate applied to cash flow projections is the weighted average (pre-tax) cost of capital and is based on risk-free long-term government bond rates and market and industry specific risk premiums. These risk premiums are derived based on the business portfolio of companies which operate in a similar industry.

The key assumptions, being the average compound annual growth rate for the forecasted sales of the next five years and the discount rate, are as follows:

	Compound annual growth rate	Discount rate
Industrial Cranes	6.3%	12.2%
Agilon	20.4%	13.4%
Industrial Crane Service	7.3%	12.0%
Machine Tool Service	1.8%	10.1%
Lift trucks	6.4%	9.7%
Port Cranes	4.0%	10.5%

The average compound growth rate for the gross profit is consistent with that of sales. Furthermore, for all the CGUs a 1% terminal growth rate has been applied.

Impairment charges

The impairment testing performed in 2024 and in 2023 did not result in any impairments being recognized.

Sensitivity analyses

In addition to impairment testing using the base case assumptions, four separate sensitivity analyses were performed for each CGU:

1) A discount rate analysis where the discount rate was increased by 5% points.

2) A Group management adjustment to the future profitability. The cash flow of each CGU was analyzed by the Group management. Based on the CGU specific historical data and future growth prospects, the cash flows were decreased by 10% in each year including terminal year.

3) A higher discount rate (+5% points) analysis combined with lower (-10%) cash flows as mentioned above.

4) A decrease in the compound annual growth rate for the sales for each of the five forecasted years (- 2% points) combined with the current discount rate.

2024

Sensitivity tests using a decrease of -2% points in the compound annual growth rate of sales indicated that the goodwill in Machine Tool Service would have been impaired by EUR 1.0 million. The recoverable amount of Machine Tool Service equals its carrying amount if the compound annual growth rate had been lowered by -1.7% points. Under the basic scenario, the recoverable amount of Machine Tool Service exceeded its carrying amount by EUR 6.3 million. There was no indication of impairment of goodwill for any other CGU from the sensitivity tests. In these cases the probability of material impairment losses is low as under the basic scenario, the calculated value in use was approximately three times higher than the CGUs' assets employed.

2023

There was no indication of impairment of goodwill for any CGU from the sensitivity tests. The probability of material impairment losses is low as under the basic scenario, the calculated value in use was approximately two times higher than the CGUs' assets employed.

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14. Intangible assets

2024	Patents and trademarks	Software	Other	Intangible assets total
Acquisition costs as of January 1	243.5	201.2	522.0	**966.6**
Additions	2.7	15.2	0.4	**18.2**
Disposals	0.0	-0.2	-0.1	**-0.3**
Business combinations	0.0	0.0	12.6	**12.6**
Translation difference	0.0	0.0	0.9	**0.9**
Acquisition costs as of December 31	246.1	216.1	535.8	**998.0**
Accumulated amortization as of January 1	-21.3	-182.8	-304.4	**-508.5**
Translation difference	0.0	0.0	0.0	**0.0**
Accumulated amortization relating to disposals	0.0	0.2	0.0	**0.3**
Amortization for financial year	-1.9	-9.1	-28.9	**-39.9**
Total as of December 31	**222.9**	**24.5**	**202.5**	**449.9**

2023	Patents and trademarks	Software	Other	Intangible assets total
Acquisition costs as of January 1	243.5	200.9	504.6	**949.0**
Additions	0.0	4.0	0.0	**4.0**
Disposals	0.0	-3.7	0.0	**-3.6**
Business combinations	0.0	0.0	17.7	**17.7**
Translation difference	0.0	0.0	-0.4	**-0.4**
Acquisition costs as of December 31	243.5	201.2	522.0	**966.6**
Accumulated amortization as of January 1	-20.6	-178.2	-274.8	**-473.6**
Translation difference	0.0	0.0	0.1	**0.2**
Accumulated amortization relating to disposals	0.0	3.6	0.0	**3.6**
Amortization for financial year	-0.6	-8.3	-29.7	**-38.7**
Total as of December 31	**222.2**	**18.3**	**217.6**	**458.1**

The category Other mainly consists of customer lists and technology acquired in business combinations. They are stated at cost and amortized on a straight-line basis over their expected useful lives. The normal amortization period of intangible assets varies from 4 to 20 years. The amortization of intangible assets is included in the depreciation and impairments line in the consolidated statement of income. On December 31, 2024, and December 31, 2023, the intangible assets having an indefinite useful life consisted of the Demag and Gottwald trademarks of EUR 167.0 million and EUR 51.0 million. As there is no foreseeable limit on the period over which the asset is expected to generate net cash inflows for the entity, it is classified as intangible assets having an indefinite useful life. The carrying amounts of these assets are tested on a yearly basis in connection with the goodwill impairment testing.

The addition of EUR 18.2 million (EUR 4.0 million in 2023) mainly consisted of capitalized development costs of the Group's ERP systems.

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15. Property, plant and equipment

2024	Land	Buildings	Machinery & Equipment	Property, plant and equipment total
Acquisition costs as of January 1	29.7	343.4	471.7	**844.7**
Additions	0.2	31.3	72.7	**104.2**
Disposals	-9.5	-19.9	-32.8	**-62.2**
Business combinations	0.0	0.0	63.7	**63.7**
Transfer within assets	-0.1	1.3	-1.2	**0.0**
Impairment	0.0	0.1	-0.2	**-0.1**
Translation difference	0.3	2.0	1.2	**3.4**
Acquisition costs as of December 31	20.5	358.2	575.0	**953.8**
Accumulated depreciation as of January 1	0.0	-154.2	-330.6	**-484.8**
Translation difference	0.0	0.0	0.0	**0.0**
Accumulated depreciation relating to disposals	5.7	19.4	19.8	**44.9**
Depreciation for financial year	0.0	-32.0	-48.5	**-80.5**
Total as of December 31	**26.3**	**191.5**	**215.8**	**433.5**

2023	Land	Buildings	Machinery & Equipment	Property, plant and equipment total
Acquisition costs as of January 1	29.7	319.0	448.8	**797.5**
Additions	0.4	42.0	64.2	**106.6**
Disposals	-0.2	-13.8	-28.2	**-42.2**
Business combinations	0.0	0.0	0.4	**0.4**
Divestments of businesses	0.0	-1.0	-11.7	**-12.7**
Transfer within assets	0.0	-0.2	0.2	**0.0**
Impairment	0.0	0.0	-0.8	**-0.7**
Translation difference	-0.3	-2.5	-1.4	**-4.3**
Acquisition costs as of December 31	29.7	343.4	471.7	**844.7**
Accumulated depreciation as of January 1	0.0	-135.9	-315.7	**-451.6**
Translation difference	0.0	0.1	0.2	**0.3**
Accumulated depreciation relating to disposals	0.0	11.8	23.1	**34.9**
Divestments of businesses	0.0	0.4	7.0	**7.4**
Depreciation for financial year	0.0	-30.7	-45.2	**-75.9**
Total as of December 31	**29.7**	**189.2**	**141.1**	**359.9**

Classification of Property, plant and equipment	2024	2023
Property, plant and equipment, owned	263.2	218.3
Right-of-use assets, leased	170.3	141.6
Total	**433.5**	**359.9**

2024

Right-of-use assets	Land and Buildings	Machinery and Equipment	Total
Balance as of January 1	92.8	48.8	**141.6**
Translation difference	1.1	0.8	**1.9**
Business combinations	0.0	32.0	**32.0**
New contracts and changes in lease contracts	25.7	17.5	**43.2**
Depreciation during the year	-23.7	-24.6	**-48.4**
Total as of December 31	**95.9**	**74.5**	**170.3**

2023

Right-of-use assets	Land and Buildings	Machinery and Equipment	Total
Balance as of January 1	89.6	42.9	**132.5**
Translation difference	-0.6	-0.6	**-1.3**
Business combinations	0.0	0.4	**0.4**
New contracts and changes in lease contracts	26.9	28.1	**55.0**
Depreciation during the year	-23.1	-21.9	**-45.0**
Total as of December 31	**92.8**	**48.8**	**141.6**

In 2024, Konecranes has adjusted its impairments related to the assets in Ukraine by EUR 0.1 million. In 2023, the EUR 0.7 million impairments of Property plant and equipment were restructuring actions.

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16. Interests in other entities and non-controlling interests

16.1. Investments accounted for using the equity method

Associated Companies	2024	2023
Acquisition costs as of January 1	2.2	2.5
Share of associated companies' result after taxes*	0.3	0.0
Dividends received	-0.2	-0.3
Total as of December 31	**2.4**	**2.2**

Joint Ventures	2024	2023
Acquisition costs as of January 1	4.7	5.3
Share of joint ventures' result after taxes*	0.3	0.8
Dividends received	-0.2	-0.1
Disposals	-0.1	-1.3
Total as of December 31	**4.7**	**4.7**

* Including adjustments from purchase price allocation.

16.2. Investments in Associated Companies and Joint Ventures

The following table illustrates the summarized financial information of the Group's investments and reconciliation with the carrying amount of the investments in consolidated financial statements.

2024	Carrying amount of the investment	Non-current assets*	Current assets*	Non-current liabilities*	Current liabilities*	Revenue*	Profit/ loss after tax from continuing operations*	Total comprehensive income*	Dividends received
Investments in associated companies and joint ventures	7.0	2.8	43.9	0.9	22.6	48.7	2.1	2.1	0.4
Total	**7.0**	**2.8**	**43.9**	**0.9**	**22.6**	**48.7**	**2.1**	**2.1**	**0.4**

2023	Carrying amount of the investment	Non-current assets*	Current assets*	Non-current liabilities*	Current liabilities*	Revenue*	Profit/ loss after tax from continuing operations*	Total comprehensive income*	Dividends received
Investments in associated companies and joint ventures	6.9	2.6	40.0	0.9	19.6	46.4	1.8	1.8	0.4
Total	**6.9**	**2.6**	**40.0**	**0.9**	**19.6**	**46.4**	**1.8**	**1.8**	**0.4**

*Asset and liability values, revenue and profit/loss represent values according to the latest published financial information.

16.3. Joint operations

Konecranes has classified the interest in AS Konesko (domiciled in Estonia) as a joint operation based on the joint arrangement agreement. AS Konesko is a strategic supplier of components used in Konecranes products. Konecranes has the exclusive right to purchase certain motors and end carriages from AS Konesko at a price to be agreed upon with AS Konesko. However, Konecranes retains ownership of the current motor designs and the trademark rights to the end carriages.

As of December 31, 2024, Konecranes owns 49.5% of AS Konesko shares.

Konecranes has recognized and accounted for the assets, liabilities, revenues and expenses relating to its interest in AS Konesko in accordance with IFRS 11.

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16.4. Subsidiaries with material non-controlling interest

2024	Accumulated non-controlling Interest	Goodwill	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit/loss after tax from continuing operations	Total comprehensive income
Non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

2023	Accumulated non-controlling Interest	Goodwill	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit/loss after tax from continuing operations	Total comprehensive income
Non-controlling interests	0.0	0.0	0.5	1.6	0.1	4.2	4.1	-1.2	-1.1
Total	**0.0**	**0.0**	**0.5**	**1.6**	**0.1**	**4.2**	**4.1**	**-1.2**	**-1.1**

Assets and liabilities as well as revenue and profit/loss values represent the total company values including purchase price allocations. See also the company list for the ownership and principal place of business of the subsidiaries.

17. Deferred tax assets and liabilities

17.1. Deferred tax assets

	2024	2023
Employee benefits	33.1	31.4
Provisions	24.9	18.1
Unused tax losses	7.3	7.7
Other temporary differences	29.9	56.6
Total	**95.2**	**113.9**

Other temporary differences include timing differences arising, for example, from accrued costs, advances received and unrealized currency differences that are not deductible in taxation until they occur.

17.2. Deferred tax liabilities

	2024	2023
Intangible and tangible assets	110.7	109.3
Other temporary difference	27.5	22.3
Total	**138.1**	**131.6**

The deferred tax assets and deferred tax liabilities have been netted on a juridical company level when there is a legally enforceable right to offset income tax receivables against income tax payables related to income taxes levied by the same tax authority. The gross amount of deferred tax assets in 2024 was EUR 105.6 million (EUR 125.2 million in 2023) and deferred tax liabilities EUR 148.5 million (EUR 143.0 million in 2023).

Konecranes has not recognized the temporary differences in investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. For OECD Pillar Two legislation effects see note 11.

17.3. Tax losses carried forward

At the end of 2024, Konecranes recorded a deferred tax asset of EUR 7.3 million (EUR 7.7 million in 2023) related to unused tax losses on the carry-forward losses of EUR 118.1 million (EUR 143.9 million in 2023) in total. The tax losses, for which no deferred tax assets are recognized due to the uncertainty of the utilization of the losses, amounted to EUR 89.2 million in the year 2024 (EUR 112.7 million in 2023). EUR 81.0 million of these carry-forward tax losses available have unlimited expiry, EUR 11.9 million expire later than in five years and EUR 25.2 million expire in five years.

Part of the carry-forward losses relate to Morris Material Handling, Inc., USA, which was acquired in 2006. The overall carry-forward losses of Morris Material Handling, Inc. amounted to EUR 18.4 million in 2024 (EUR 19.8 million in 2023).

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To assess if the convincing evidence threshold per IAS 12 was met, Konecranes has prepared tax forecasts for future periods considering the restructuring done and the tax planning opportunities that were being implemented at that time.

Tax losses carried forward and related deferred tax assets on December 31 by the most significant countries:

2024	Tax losses carried forward	Potential deferred tax assets	Deferred tax assets not recorded	Deferred tax assets
France	50.7	12.7	12.7	0.0
USA	18.4	4.5	0.0	4.5
Austria	12.6	2.9	2.9	0.0
Philippines	8.0	2.0	2.0	0.0
Australia	7.2	2.2	0.0	2.2
Japan	2.8	0.8	0.8	0.0
Malaysia	2.4	0.6	0.6	0.0
India	2.3	0.6	0.6	0.0
Switzerland	2.1	0.4	0.0	0.4
Hong Kong	2.0	0.3	0.3	0.0
Other	9.6	3.3	3.1	0.2
Total	**118.1**	**30.3**	**23.0**	**7.3**

2023	Tax losses carried forward	Potential deferred tax assets	Deferred tax assets not recorded	Deferred tax assets
France	52.3	13.1	13.1	0.0
USA	19.8	4.8	0.0	4.8
Austria	14.7	3.4	3.4	0.0
Philippines	6.7	1.7	1.7	0.0
Australia	6.4	1.9	0.0	1.9
Japan	3.5	1.1	1.1	0.0
Malaysia	2.0	0.5	0.5	0.0
India	14.6	5.1	5.1	0.0
Switzerland	6.2	1.6	1.6	0.0
Hong Kong	2.5	0.4	0.4	0.0
Other	15.3	3.3	2.4	1.0
Total	**143.9**	**36.8**	**29.1**	**7.7**

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18. Inventories

	2024	2023
Raw materials and semi-manufactured goods	362.1	389.2
Work in progress	516.8	525.7
Finished goods	23.2	23.2
Advance payments	44.3	57.7
Total	**946.3**	**995.9**

2024	Balance at the beginning of the year	Translation difference	Business combinations	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for obsolete inventory	52.0	0.5	0.4	-6.3	-5.1	15.5	**57.0**

2023	Balance at the beginning of the year	Translation difference	Business disposals	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for obsolete inventory	52.2	-1.0	-1.6	-5.5	-4.3	12.2	**52.0**

19. Ageing analysis of accounts receivable

	2024 Accounts receivable	2024 including impairment of	2023 Accounts receivable	2023 including impairment of
Not overdue	430.8	3.3	351.6	3.1
1–30 days overdue	95.8	0.1	112.2	0.4
31–60 days overdue	57.6	0.3	54.5	0.2
61–90 days overdue	23.3	0.1	26.9	0.2
more than 91 days overdue	36.1	24.4	42.3	19.5
Total	**643.6**	**28.2**	**587.5**	**23.4**

The carrying amount of accounts receivable approximates to their fair value. Accounts receivable are subject to only minor credit risk concentrations due to the Group's extensively diversified customer portfolio. Credit losses recognized from the customer contracts for the financial year totaled EUR 1.6 million (EUR 5.2 million in 2023).

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19. Ageing analysis of accounts receivable (continues)

2024	Balance at the beginning of the year	Translation difference	Business combinations	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for doubtful accounts (Impairment)	23.4	0.7	0.1	-1.6	-6.3	11.9	**28.2**

2023	Balance at the beginning of the year	Translation difference	Business combinations	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for doubtful accounts (Impairment)	24.5	-0.8	0.0	-5.2	-4.4	9.3	**23.4**

The release of the provision for doubtful accounts relates to the cash received from individual receivables which were historically provided for due to management's uncertainty of their collectability.

20. Other receivables

	2024	2023
Notes receivable	4.2	4.0
Value added tax	29.1	29.5
Total	**33.3**	**33.5**

21. Deferred assets

	2024	2023
Interest	3.2	3.2
Prepaid expenses	27.1	24.1
Unbilled revenue	53.5	40.0
Other	34.7	30.7
Total	**118.5**	**98.0**

22. Cash and cash equivalents

	2024	2023
Short-term deposits	282.8	263.6
Cash in hand and at bank	427.2	323.0
Total	**710.0**	**586.6**

Short-term deposits have a maturity of three months or less. Cash and cash equivalents are carried at nominal value, which corresponds to their fair value.

23. Equity

23.1. Shareholders' equity

	Number of shares	Number of treasury shares
As of January 1, 2023	79,166,599	55,307
Share subscriptions with share awards	35,651	-35,651
As of December 31, 2023	**79,202,250**	**19,656**
Share subscriptions with share awards	6,868	-6,868
As of December 31, 2024	**79,209,118**	**12,788**

The total shareholders' equity consists of share capital, share premium, paid in capital, cash flow hedges, translation difference, other reserves and retained earnings. Consistent with local legislation, Konecranes' share has no nominal value. All issued shares are fully paid and listed on Nasdaq Helsinki.

Share premium includes the value of shares which exceeds the accounting par value of the shares for shares issued before September 1, 2006. Cash flow hedges include changes in the fair values of derivative financial instruments used to hedge operational cash flows. Translation differences comprise the differences arising from translating non-euro functional currency entities to euro, which is the Group's presentation currency. Other reserves include the credit for equity settled share-based payment cost. The paid in capital includes the portion of shares' subscription price which is not recorded to share capital or to liabilities according to IFRS. The paid in capital also includes other capital contributions to the Group which are not recorded to some other reserve within the equity. The paid in capital also includes the possible amount of share capital decrease which is not netted against accumulated losses or is not distributed to shareholders.

Dividend proposal per share for 2024 was EUR 1.65 and dividend for 2023 was EUR 1.35.

23.2. Distributable earnings

See page 198 / Board of Directors' Proposal to the Annual General Meeting.

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24. Provisions

2024	Warranty	Restructuring	Pension commitments	Other	Total
Total provisions as of January 1	58.3	32.2	8.1	23.1	**121.8**
Translation difference	0.3	0.1	0.6	0.5	**1.5**
Increase through business combination	0.0	0.0	0.0	0.0	**0.0**
Additional provision in the period	54.5	0.6	3.4	16.6	**75.0**
Utilization of provision	-12.0	-10.1	0.0	-7.8	**-29.9**
Unused amounts reversed	-31.2	-0.3	-1.1	-2.1	**-34.8**
Total provisions as of December 31	**69.9**	**22.4**	**11.0**	**30.3**	**133.6**

2023	Warranty	Restructuring	Pension commitments	Other	Total
Total provisions as of January 1	55.4	27.7	7.5	21.9	**112.4**
Translation difference	-0.5	0.0	-0.3	-0.2	**-0.9**
Increase through business combination	2.2	0.0	0.0	0.0	**2.2**
Additional provision in the period	33.5	18.0	1.0	9.3	**61.8**
Utilization of provision	-15.6	-13.2	-0.1	-6.3	**-35.2**
Unused amounts reversed	-16.8	-0.3	0.0	-1.5	**-18.6**
Total provisions as of December 31	**58.3**	**32.2**	**8.1**	**23.1**	**121.8**

The provision for warranties covers the expenses due to the repair or replacement of products during their warranty period. The warranty liability is based on historical realized warranty costs for deliveries of standard products and services. The usual warranty period is 12 months. For more complex contracts, mainly including long-term projects, the warranty reserve is calculated contract by contract and the warranty period can be significantly longer. The restructuring provision is recognized when the Group has prepared a detailed reorganization plan and begun the implementation of the plan or announced the matter. Pension commitments include provisions for local pension schemes.

Other provisions include provisions for claims, litigations and provisions for loss-making contracts in which the amount is not provided for as part of work in progress or percentage of completion receivable of the loss-making project.

Restructuring costs

Konecranes has recorded EUR 9.5 million of restructuring costs during 1-12/2024 (EUR 26.4 million in 1-12/2023) of which EUR 0.0 million was impairment of assets (EUR 0.2 million for 1-12/2023). The remaining restructuring items are reported 1-12/2024 in personnel costs (EUR 7.1 million), in material, supplies and subcontracting (EUR 0.8 million) and in other operating expenses (EUR 1.6 million).

War in Ukraine

In 2024, some of the impairments and provisions caused by the war in Ukraine were reversed due to a changed risk position. The total value of released unutilized provisions was EUR 0.4 million and reversal of impairment for fixed assets EUR 0.2 million. At the year end, the fixed assets in Ukraine are impaired fully and there are provisions of EUR 1.4 million for the other assets in Ukraine.

25. Current liabilities

25.1. Accruals

	2024	2023
Wages, salaries and personnel expenses	164.1	152.3
Pension costs	12.9	10.4
Interest	13.6	18.1
Other items	45.3	46.9
Total	**235.9**	**227.7**

25.2. Other current liabilities (non-interest bearing)

	2024	2023
Value added tax	24.8	27.1
Payroll tax liability	21.0	19.1
Other short-term liabilities	12.8	15.7
Total	**58.6**	**61.9**

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26. Lease accounting

Maturity of undiscounted cash flows	2024	2023
within 1 year	51.6	43.7
1-5 years	112.1	88.3
over 5 years	36.6	41.1
Total	**200.3**	**173.1**

Lease liabilities included in the balance sheet	2024	2023
Non-current interest-bearing liabilities	129.2	112.7
Current interest-bearing liabilities	47.1	37.7
Total	**176.3**	**150.3**

Amounts recognized in statement of income	2024	2023
Depreciation for right-of-use asset	48.4	45.0
Income for subleasing right-of-use asset	-2.2	-1.6
Expenses related to short-term leases	4.3	5.6
Expenses related to leases of low-value assets	1.1	1.2
Interest on lease liabilities	8.2	5.8
Total expenses	**59.8**	**56.1**
Total cash flow of leases	**60.9**	**56.8**

The Group leases land and buildings for its production and office space. The leases of production facilities typically run for a period of two to seven years, and leases of office space for one to ten years. Some leases include an option to renew the lease for an additional period after the end of the contract term. Konecranes Group has major lease agreements of factory and office buildings in Hyvinkää and Hämeenlinna, Finland. During 2022 the second extention option of 5 years for these buildings was applied. The Group has also included one additional 5-year option in the lease liability value. The Group has various other leases for office equipment, vehicles and premises with varying terms and renewal rights. Vehicles typically have a lease term of three to seven years. Leasing contracts comply with normal practices in the countries concerned. The average interest rate in lease contracts was 4.5% (4.6% in 2023).

Group as a lessor

The Group leases out lift trucks to its customers. They have been classified as operating leases

Maturity of operating lease off-balance sheet receivables	2024	2023
within 1 year	12.6	1.3
1 to 2 years	9.1	0.7
2 to 3 years	7.2	0.5
3 to 4 years	3.4	0.3
4 to 5 years	1.3	0.1
over 5 years	1.8	0.1
Total	**35.5**	**3.0**

Property, plant and equipment related to off-balance sheet leases	2024	2023
Machinery and equipment	47.9	4.6

Leases in the statement of income	2024	2023
Lease income related to operating leases	4.9	3.7

27. Interest-bearing liabilities

27.1. Non-current

	2024	2023
Loans from financial institutions	399.9	599.9
Pension loans	10.0	15.0
Lease liabilities	129.2	112.7
Other long-term loans	0.2	0.1
Total	**539.3**	**727.7**

27.2. Current

	2024	2023
Loans from financial institutions	299.9	176.9
Pension loans	5.0	5.0
Lease liabilities	47.1	37.7
Other short-term loans	4.4	7.6
Total	**356.3**	**227.2**

During 2024, the Group repaid EUR 77 million of Schuldschein loans and EUR 100 million of bilateral term loans with its cash reserves and signed a new EUR 100 million term loan for general corporate purposes. In addition, the Group agreed on an extension of maturity of the EUR 350 million committed revolving credit facility (2023–2029) for one year. The revolving credit facility has been undrawn during the year 2024.

At the end of 2024, the Group's liquid cash reserves were EUR 710.0 million (Dec 31, 2023: EUR 586.6 million). In addition, the Group may draw short-term financing from the domestic commercial paper markets within the EUR 500 million limit, which was unutilized at the end of December 2024 (Dec 31, 2023: EUR 0.0 million).

At the end of December 2024, the outstanding short- and long-term loan portfolio consisted of EUR 400 million term loans, EUR 300 million Schuldschein loans and a EUR 15 million employment pension loan. The loan portfolio contains floating and fixed rate instruments and interest rate swaps and the weighted average interest rate is currently 4.07% per annum. The Group continues to have a healthy gearing of 9.9% (Dec 31, 2023: 22.9%), which is in compliance with the quarterly monitored financial covenant. At the end of December 2024, the total amount of loans directly under the gearing covenant restriction was EUR 400 million with a covenant headroom more than ten times the current gearing level. No specific securities have been given for the loans.

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income. When the derivative is designated as a hedge (hedge accounting), the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income. The foreign exchange forward contracts are measured based

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on the closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on the present value of the cash flows, which are discounted based on the quoted yield curves.

In addition, the Group has certain revolving facilities the details of which can be found in note 33.3.

The average interest rate of the non-current liabilities portfolio at December 31, 2024, was 4.34% (2023: 4.67%) and that of the current liabilities portfolio was 3.68% (2023: 3.05%). The effective interest rate for EUR loans varied between 1.30% - 5.05% (2023: 0.80% - 5.28%).

27.3. Maturity tables of financial liabilities and liquidity risk

The following table reflects the maturity of interest-bearing liabilities.

2024			Maturity			
Currency	Avg. duration	Avg. rate %	Less than 1 year	1–5 years	Over 5 years	Total MEUR
EUR	1.6 years	3.93	330.6	459.2	31.6	**821.5**
INR	1.7 years	9.66	0.6	1.4	0.0	**2.0**
CNY	1.5 years	3.81	1.4	1.4	0.0	**2.9**
USD	1.7 years	5.64	9.4	20.8	0.5	**30.7**
GBP	1.7 years	5.10	2.3	4.5	0.3	**7.1**
Others	1.0–1.9 years	2.36–13.91	11.9	12.6	6.9	**31.4**
Total		**4.08**	**356.3**	**499.8**	**39.4**	**895.6**

2023			Maturity			
Currency	Avg. duration	Avg. rate %	Less than 1 year	1–5 years	Over 5 years	Total MEUR
EUR	1.2 years	3.09	200.5	647.4	35.2	**883.2**
INR	1.8 years	9.68	0.5	1.4	0.0	**2.0**
CNY	1.3 years	4.69	1.0	0.5	0.0	**1.5**
USD	1.7 years	5.37	8.9	18.3	1.3	**28.5**
GBP	1.8 years	4.89	1.5	3.9	0.3	**5.7**
Others	0.8–3.4 years	2.23–18.39	14.8	12.3	7.0	**34.1**
Total		**4.29**	**227.2**	**683.9**	**43.8**	**954.9**

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27.4. Liquidity risk, containing undiscounted cash flows of non-derivative financial liabilities by currency

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognized financial liabilities, excluding derivatives. The amounts disclosed are undiscounted net cash outflows for the respective upcoming fiscal years, based on the earliest date on which Konecranes could be required to pay. Cash outflows for financial liabilities (including interest) without fixed amount or timing are based on the conditions existing at December 31.

2024			Maturity			
Currency	**Avg. duration**	**Avg. rate %**	**Less than 1 year**	**1–5 years**	**Over 5 years**	**Total MEUR**
EUR	1.6 years	3.93	348.3	478.2	15.7	**842.2**
INR	1.7 years	9.66	0.8	2.7	0.0	**3.5**
CNY	1.5 years	3.81	1.5	1.5	0.0	**3.0**
USD	1.7 years	5.64	8.4	24.7	1.0	**34.0**
GBP	1.7 years	5.10	2.7	4.2	0.3	**7.2**
Others	1.0–1.9 years	2.36–13.91	13.1	14.6	12.3	**40.0**
Total debt		**4.08**	**374.8**	**525.8**	**29.3**	**929.8**
Other financial liabilities			402.7	8.8	0.0	**411.6**
Total financial liabilities			**777.5**	**534.6**	**29.3**	**1,341.4**

2023			Maturity			
Currency	**Avg. duration**	**Avg. rate %**	**Less than 1 year**	**1–5 years**	**Over 5 years**	**Total MEUR**
EUR	1.2 years	3.09	241.3	720.8	40.0	**1,002.1**
INR	1.8 years	9.68	0.7	1.6	0.0	**2.3**
CNY	1.3 years	4.69	1.0	0.5	0.0	**1.5**
USD	1.7 years	5.37	10.1	20.7	1.5	**32.2**
GBP	1.8 years	4.89	2.2	4.0	0.6	**6.7**
Others	0.8–3.4 years	2.23–18.39	16.7	14.8	12.9	**44.4**
Total debt		**4.29**	**272.0**	**762.2**	**55.0**	**1,089.2**
Other financial liabilities			375.3	8.1	0.0	**383.4**
Total financial liabilities			**647.3**	**770.3**	**55.0**	**1,472.6**

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27.5. Maturity profile of the Group's financial liabilities

The following table reflects the maturity of all financial liabilities.

2024		Maturity of financial liabilities		
Liability type	Amount drawn	Less than 1 year	1–5 years	Over 5 years
Loans from financial institutions	699.8	299.9	389.9	10.0
Lease liabilities	176.3	47.1	99.9	29.3
Pension loans	15.0	5.0	10.0	0.0
Other long-term and short-term loans	4.5	4.4	0.0	0.2
Derivative financial instruments	27.3	27.3	0.0	0.0
Account and other payables	411.6	402.7	8.8	0.0
Total	**1,334.5**	**786.3**	**508.7**	**39.4**

2023		Maturity of financial liabilities		
Liability type	Amount drawn	Less than 1 year	1–5 years	Over 5 years
Loans from financial institutions	776.8	176.9	589.9	10.0
Lease liabilities	150.3	37.7	79.0	33.7
Pension loans	20.0	5.0	15.0	0.0
Other long-term and short-term loans	7.7	7.6	0.0	0.1
Derivative financial instruments	11.3	11.3	0.0	0.0
Account and other payables	383.4	375.3	8.1	0.0
Total	**1,349.5**	**613.7**	**692.0**	**43.8**

27.6. Changes in the Group's liabilities arising from financing activities

2024	Non-current interest-bearing loans	Non-current lease liabilities	Current interest-bearing loans	Current lease liabilities	Financial derivatives	Total
Total liabilities as of January 1	615.0	112.7	189.5	37.6	11.3	**966.2**
Proceeds	100.0	0.0	0.0	0.0	0.0	**100.0**
Repayments	-20.1	0.0	-182.8	-47.3	0.0	**-250.2**
Acquisitions and disposals	14.8	28.2	2.4	0.0	0.0	**45.3**
Foreign exchange movement	0.0	1.4	0.1	0.5	0.0	**2.0**
Changes in fair values	0.0	0.0	0.0	0.0	16.0	**16.0**
Changes in lease contracts	0.0	56.9	0.0	-13.6	0.0	**43.3**
Transfer between non-current and current liabilities	-299.6	-69.8	299.9	69.8	0.0	**0.3**
Total as of December 31	**410.0**	**129.2**	**309.2**	**47.1**	**27.3**	**922.9**

2023	Non-current interest-bearing loans	Non-current lease liabilities	Current interest-bearing loans	Current lease liabilities	Financial derivatives	Total
Total liabilities as of January 1	952.4	104.0	13.3	36.5	15.9	**1,122.1**
Proceeds	0.0	0.0	0.0	0.0	0.0	**0.0**
Repayments	-160.6	0.0	-0.4	-44.1	0.0	**-205.1**
Acquisitions and disposals	0.0	0.4	0.0	0.0	0.0	**0.4**
Foreign exchange movement	-0.1	-0.9	-0.3	-0.5	0.0	**-1.7**
Changes in fair values	0.0	0.0	0.0	0.0	-4.6	**-4.6**
Changes in lease contracts	0.0	55.9	0.0	-1.1	0.0	**54.9**
Transfer between non-current and current liabilities	-176.7	-46.8	176.9	46.8	0.0	**0.2**
Total as of December 31	**615.0**	**112.7**	**189.5**	**37.6**	**11.3**	**966.2**

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27.7. Supplier finance arrangements

Konecranes has entered into supplier finance arrangements with two financial institutions, and approximately 30 suppliers participate in these arrangements. The payments are extended on average for 74 days. There are no guarantees or securities provided for the arrangements.

Carrying amount of financial liabilities	2024	2023
Reported in accounts payable	36.0	36.9
of which suppliers have received payments from finance provider	35.2	36.5

Range of payment due dates	2024	2023
Accounts payable that are part of the arrangements	60-150 days	60-150 days
Comparable accounts payable that are not part of the arrangements	14-150 days	14-150 days

28. Other long-term liabilities

	2024	2023
Employee benefits	220.5	224.3
Other non-interest-bearing long-term liabilities	8.8	8.1
Total	**229.3**	**232.5**

28.1. Employee benefits

The company and most of its subsidiaries offer retirement plans which cover the majority of employees in the Group. Many of these plans are defined contribution, where Konecranes' contribution and resulting charge is fixed at a set level or is a set percentage of employees' pay. However the Group has significant defined benefit pension plans in the United Kingdom, Germany and Switzerland as well as individually insignificant plans in other countries. The companies in many countries also have other long-term employee benefits such as part-time pension benefits and jubilee benefits, which are reported as defined benefit plans.

The UK defined benefit plan is administered by an independent trustee company that is legally separated from the Group. The investments are managed by a professional and independent Fiduciary Manager who is appointed by the trustees. The Fiduciary Manager appoints Investment Managers as he/she sees fit in order to achieve the Trustees' stated objectives for the scheme funding level and taking into account the agreed risk appetite. The Fiduciary Manager has trigger points set in conjunction with the Trustees which, when reached, allow he/she to make changes to the investments to repatriate the gains to achieve full funding position. The UK plan is subject to the UK's pensions legislation, is regulated by the UK Pensions Regulator and is exempt from most UK taxation through its registered status. The UK plan was closed to new members in 2005. Under the UK plan the employees are entitled to post-retirement installments calculated as an average annual basic salary from the best three years within the last ten years. The net liability in the United Kingdom was EUR 0.0 million (EUR 0.0 million in 2023).

In Germany the defined benefit pension plans are direct pension promises which are unfunded and administered by a service provider. The payments to plan participants start after retirement or in case of disability or death. Benefits are based on the number of years worked and the final salary. The commencement of pension payments depends on the beginning of the state pension when the earliest age is 63 in case of early retirement. The old age pension starting from 65 is independent of the beginning of the state pension. The largest defined benefit pension plan in Germany is the Mannesmann Leistungsordnung (MLO), which is closed to new employees. The monthly pension benefit provided by this plan is calculated as the ratio Individual pay/Average pay, times the years of service, times 3.07, and has to be at least equal to 2.10 times the years of service. The net liability in Germany was EUR 189.1 million (EUR 194.6 million in 2023) of which the MLO plan was EUR 127.2 million (EUR 130.7 million in 2023).

The Swiss pension plans are administered via pension funds, which are legally separated from the Group. The boards of Trustees of the pension funds are equally composed of representatives of both the employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets and the administration and financing of the benefits. The plans function in and comply with a large regulatory framework and comply with the local minimum funding requirements. The plans are open to new members. Both the company and employees pay contributions to fund the plans. The pension plans qualify as defined benefit plans for IFRS purposes because accruals are by law subject to a minimum guaranteed rate of return and the plan has to guarantee a certain legal minimum level of benefits. Hence, there is a risk that the company may have to pay additional contributions. Under the plans, participants are also insured against the

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financial consequences of old age, disability and death. The net liability in Switzerland was EUR 5.0 million (EUR 4.1 million in 2023) of which the pension plan was EUR 4.8 million (EUR 3.9 million in 2023).

The defined benefit plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The investment risk is being mitigated by investing the funds both in equity and debt instruments.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

28.2. Amounts recognized in the balance sheet

	2024	2023
Present value of obligation wholly unfunded	215.3	220.1
Present value of obligation wholly or partly funded	58.3	60.1
Defined benefit plan obligations	273.6	280.1
Fair value of plan assets	-53.2	-55.8
Total net liability recognized	**220.5**	**224.3**

28.3. Components of defined benefit plan recorded in comprehensive income

	2024	2023
Service cost:		
Current service cost	8.2	7.9
Net interest cost	6.9	7.2
Past service cost	0.2	-0.1
Components of defined benefit plan costs recorded in profit or loss	**15.3**	**15.0**

	2024	2023
Remeasurement on the net defined benefit liability:		
The return on plan assets (excluding amounts included in the net interest expense) gains (-) / losses (+)	3.7	-0.5
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	-1.4	-0.3
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	-4.4	13.2
Actuarial gains (-) / losses (+) arising from experience	0.3	3.2
Components of defined benefit plan costs recorded in other comprehensive income	**-1.8**	**15.5**
Total (income (-) / expense (+))	**13.6**	**30.5**

The actuarial gains / losses in 2024 and 2023 were mainly caused by the change in discount rates in the defined benefit plans of Germany, Switzerland and the United Kingdom.

28.4. Movements of the present value of defined benefit obligation

	2024	2023
Obligation as of January 1	280.1	263.7
Translation difference	1.4	1.6
Divestment of business	0.0	-0.2
Settlements and curtailments	0.0	-0.1
Current service cost	8.2	8.0
Interest cost	9.5	10.0
Past service cost	0.2	-0.1
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	-1.4	-0.3
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	-4.4	13.2
Actuarial gains (-) / losses (+) arising from experience	0.3	3.2
Benefits paid (-)	-20.4	-18.8
Obligation as of December 31	**273.6**	**280.1**

Of the benefits paid, EUR 3.9 million (2023: EUR 3.9 million) was paid from plan assets and EUR 16.5 million (2023: EUR 15.0 million) directly by the employer.

Movements of the fair value of plan assets	2024	2023
Fair value of plan assets as of January 1	55.8	53.9
Translation difference	1.7	1.4
Divestment of business	0.0	-0.3
Interest income	2.6	2.7
Employee contributions	0.4	0.4
Employer contributions	0.3	1.0
The return on plan assets (excluding amounts included in the net interest expense)	-3.7	0.4
Benefits paid (-)	-3.9	-3.9
Fair value of plan assets as of December 31	**53.2**	**55.8**

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28.5. Major categories of plan assets at the end of the reporting period

	2024	2023
Equity instruments	6.8	6.6
Debt instruments	29.3	32.0
Insurances	1.9	2.0
Real estate	5.9	6.3
Others	9.2	9.0
Total plan assets	**53.2**	**55.8**

The plan assets do not contain any Konecranes shares or assets.

Virtually all equity and debt instruments have quoted prices in active markets. The plan assets originate from the United Kingdom, Switzerland, Germany, the Philippines and India. It is the policy of the UK fund to invest approximately 20–25% in growth assets such as equity instruments as well as property and growth funds and 75–80% in risk reducing assets such as corporate bonds and fixed or index-linked gilts. The Swiss pension funds are secured by insurances. The Company can only indirectly and partially determine the asset allocation through the 50/50 employer/employee representation in the board of Trustees. The loss on plan assets was EUR -1.2 million (2023: gain of EUR 3.2 million).

28.6. Defined benefit plan: the main actuarial assumptions

With the objective of presenting the assets and liabilities of the defined benefit plans at their fair value on the balance sheet, assumptions under IAS 19 are set by reference to market conditions at the valuation date. Qualified independent actuaries have updated the actuarial valuations under IAS 19 of the major defined benefit schemes operated by the Group on December 31, 2024. The assumptions used by the actuaries are chosen from a range of possible actuarial assumptions which, due to the long-term nature of the schemes, may not necessarily be borne out in practice. The actuarial assumptions used to calculate the benefit liabilities therefore vary according to the country in which the plan is situated. The following table shows the assumptions, weighted by liabilities, used to value the principal defined benefit plans.

Germany	**2024**	**2023**
Discount rate %	3.35	3.30
Expected development of salaries %	2.67	2.67
Expected development of pensions %	2.00	2.00
Mortality table: Richttafeln 2018 G von Klaus Heubeck		

UK	**2024**	**2023**
Discount rate %	5.50	4.80
Expected development of pensions %	3.10	3.10
Mortality table: SAPS base table of S3PA, applied at year of birth and weighted by male/female deferred members and pensioners, and CMI 2023 (2023: CMI 2020) projections with a long term improvement parameter of 1.25% (2023: 1.25%) per annum.		

Switzerland	**2024**	**2023**
Discount rate %	0.90	1.35
Expected development of salaries %	1.35	1.50
Mortality table: BVG 2020 Generational and improvement factors CMI 2019 LTR 1.5%.		

Other	**2024**	**2023**
Discount rate %	2.11 - 14.53	2.18 - 15.44
Expected development of salaries %	1.08 - 11.00	1.14 - 11.00
Expected development of pensions %	1.80 - 10.39	1.60 - 10.59

The below table shows the % effect of a change in the significant actuarial assumptions used to determine the retirement benefits obligations in our main defined benefit pension obligation countries. The effect shows the increase or decrease in the liability. In the calculation of the sensitivity of the discount rate, any effect from the return of plan assets has been ignored.

Sensitivity analysis	**Increase**	**Decrease**
0.5% points change in the discount rate	-5.4%	6.0%
0.5% points change in the expected development of salaries	0.4%	-0.4%
0.5% points change in the expected development of pensions	3.3%	-3.1%

The sensitivity analysis above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. A linear extrapolation of these amounts based on alternative changes in the assumptions as well as an addition of combined changes in the individual assumptions is not possible.

There are no changes in the way the sensitivity analysis was performed compared to the previous years.

The average duration of the defined benefit obligation weighted by the present value of the defined benefit obligation is 12 years (2023: 11 years).

The Group expects to contribute EUR 0.7 million to the above defined benefit pension plans in 2025 (Employer contribution).

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29. Share-based payments

Performance Share Plans	Plan 2020-2022	Plan 2021-2023	Plan 2022-2024	Plan 2023-2025	Plan 2024-2026
Performance period	Jan 1, 2020-Dec 31, 2022	Jan 1, 2021-Dec 31, 2023	Jan 1, 2022-Dec 31, 2024	Jan 1, 2023-Dec 31, 2025	Jan 1, 2024-Dec 31, 2026
Vesting year	2023	2024	2025	2026	2027
Maximum number of participants	170	170	170	170	170
Maximum number of shares	600,000	634,921	600,000	700,000	600,000
Non-market vesting conditions	Separate 1-year targets: Adjusted EPS[1]	Separate 1-year targets: Adjusted EPS[1]	Separate 1-year targets : Adjusted EPS[1]	Cumulative targets: Adjusted EPS[1] (60%) Compound annual growth rate (CAGR) for Sales (40%)	Cumulative targets: Adjusted EPS[1] (55%) Compound annual growth rate (CAGR) for Sales (35%) CO_2 emissions from own operations (10%)

1) Adjustments to the EPS include restructuring costs, costs related to mergers and acquisitions and separately defined other exceptional items.

The payment of the total reward takes place if the plan term conditions are met. The potential rewards from the plan will be paid partly in company shares and partly in cash after the performance periods. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the plan participants. As a rule, no reward will be paid if plan participant's employment or service ends before the reward payment.

Restricted Share Unit Plan

The Restricted Share Unit Plan 2017 is directed to selected key employees in Konecranes. The vesting periods will last for 12 to 36 months. The prerequisite for reward payment is that a key employee's employment or service continues until the end of the vesting period. The rewards to be allocated on the basis of the entire plan will amount to a maximum total of 200,000 Konecranes Plc shares including also the proportion to be paid in cash. 6,868 shares (no shares in 2023) of the restricted share unit plan were allocated during 2024.

Ownership Obligations

A member of the Konecranes Leadership Team must hold a minimum of 50 percent of any net shares given on the basis of these plans until the member's shareholding in the company in total corresponds to the value of the member's annual salary and for as long as the member's membership in the Konecranes Leadership Team continues.

Fair value

The fair value of the equity-settled portion of the share rights granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions upon which the share rights were granted. The model simulates the TSR and compares it against the group of principal competitors. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Group and its competitors to predict the distribution of relative share performance. Fair value of the cash-settled portion is measured at each reporting date using a binomial option pricing model taking into account the terms and conditions upon which the instruments were granted and the current likelihood of achieving the specified target.

Employee Share Savings Plan

The Group has launched an Employee Share Savings Plan (ESSP) in which each participant will receive one free matching share for every two acquired savings shares. Matching shares will be delivered to a participant if the participant holds the acquired shares from the plan until the end of the designated holding period. The matching shares will be paid in Konecranes shares and partly in cash. The expenses of the plan are recognized over the vesting period based on the quarterly acquired savings share amounts.

The fair value of the equity-settled portion of the share rewards granted is estimated at the date of grant using a binomial option pricing model, taking into account the terms and conditions upon which the share rewards were granted. Fair value of the cash-settled portion is measured at each reporting date using a binomial option pricing model taking into account the terms and conditions upon which the instruments were granted and the current likelihood of achieving the specified target.

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29.1. Expenses for employee service

	2024	2023
Expense arising from equity-settled share-based payment transactions	19.0	15.7
Expense arising from cash-settled share-based payment transactions	2.0	1.2
Total expense arising from share-based payment transactions	**21.0**	**16.9**

The carrying amount of the liability arising from cash settled portion was EUR 2.5 million (2023: EUR 1.4 million).

29.2. Changes in the number of gross share rewards in Performance Share Plan

	2024 Number of shares	2023 Number of shares
As of January 1	1,738,290	1,655,470
Share rewards granted	552,100	625,500
Share rewards awarded	-382,194	-351,338
Share rewards expired	-166,884	-159,062
Share rewards forfeited	-54,400	-32,280
Total as of December 31	**1,686,912**	**1,738,290**

29.3. Changes in the number of gross share rewards in Employee Share Savings Plan

	2024 Number of shares	2023 Number of shares
Outstanding as of January 1	201,784	209,577
Share rewards granted	49,135	76,393
Share rewards awarded	-40,985	-71,027
Share rewards forfeited	-12,280	-13,159
Outstanding as of December 31	**197,654**	**201,784**

29.4. Assumptions made in determining the fair value of Performance Share Plan

The fair value for the cash settled portion is remeasured at each reporting date until the possible share delivery. The fair value of the liability will thus change in accordance with the Konecranes Plc share price. The fair value for the equity settled portion has been determined at grant using the fair value of Konecranes share as of the grant date and expected dividend yield.

	2024 plan	2023 plan	2022 plan	2021 plan	2020 plan
Share price at grant, EUR	52.95	35.34	22.13	38.77	26.95
Share price at reporting period end Dec 31, EUR	61.20	61.20	61.20	61.20	61.20
Share price at vesting date				48.40	30.58
Expected volatility, % *	35.9%	34.0%	48.0%	26.0%	32.0%
Risk-free interest rate, %	3.0%	2.8%	0.7%	0.0%	0.0%
Expected dividend per share, pa , EUR	1.5	1.4	1.3	1.7	1.7
Expected contractual life in years	3.0	2.9	2.8	2.8	2.5
Weighted average remaining contractual life	2.4	1.4	0.4	0,0	0,0
Weighted average fair value of the share rewards at the grant date	52.87	31.21	18.20	33.75	22.59
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

* Expected volatility was determined by calculating the historical volatility of the Konecranes share using monthly observations over corresponding maturity.

30. Related party transactions

The related parties of Konecranes include subsidiaries (see Company list), associated companies, joint ventures and joint operations, pension fund in the United Kingdom and the key management personnel of the Group and major shareholders. The key management personnel of the Group is comprised of the Board of Directors, the CEO and the Konecranes Leadership Team.

30.1. Key Management compensation

Board of Directors

The remuneration packages for Board members are resolved by the Annual General Meeting (AGM) on proposal by the Nomination Committee. The AGM 2024 confirmed an annual fee of EUR 150,000 for the Chairman of the Board (2023: EUR 150,000), EUR 100,000 for the Vice Chairman of the Board (2023: EUR 100,000), and EUR 70,000 for other Board members (2023: EUR 70,000). In case the term of office of a Board member ends before the closing of the Annual General Meeting in 2025, he or she is entitled to the prorated amount of the annual remuneration calculated on the basis of his or her actual term in office. Members of the Board of Directors are also eligible for a meeting fee of EUR 1,000 for each meeting that they attend. In addition, compensation of EUR 1,500 was approved per meeting for attendance at Board committee meetings (2023: EUR 1,500). However, the chairman of the Audit Committee is entitled to a compensation of EUR 5,000 (2023: EUR 5,000) and the chairman of the Human Resources Committee EUR 3,000 (2023: EUR 3,000) per meeting for attendance at committee meetings.

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According to the proposal, 40% of the annual remuneration is to be used for acquiring shares in the company. The remuneration may also be paid by transferring treasury shares based on the authorization given to the Board of Directors by the General Meeting. In case such purchase of shares cannot be carried out due to reasons related either to the company or to a board member, the annual remuneration shall be paid entirely in cash.

Travel expenses will be compensated against receipt.

2024

Total compensation to the Board of Directors	Number of shares as part of compensation	Value of compensation in shares, EUR	Compensation paid in cash, EUR	Total compensation, EUR
Chairman of the Board	1,362	69,831	150,169	220,000
Board members	3,174	167,553	434,947	602,500
Total	**4,536**	**237,384**	**585,116**	**822,500**

2023

Total compensation to the Board of Directors	Number of shares as part of compensation	Value of compensation in shares, EUR	Compensation paid in cash, EUR	Total compensation, EUR
Chairman of the Board	2,023	63,614	125,552	189,166
Board members	7,473	234,288	558,876	793,164
Total	**9,496**	**297,903**	**684,427**	**982,330**

Expense of statutory pension plans was EUR 0.1 million in 2024 (EUR 0.1 million in 2023).

President and CEO

The Human Resources Committee reviews the President and CEO's performance. Based on this review and relevant facts, the Board sets the total compensation package for the President and CEO.

President and CEO	2024	2023
Salary and benefits, EUR	850,950	814,208
Annual variable pay, EUR	778,480	0
Total	**1,629,430**	**814,208**
Expense of statutory pension plans	292,858	136,565
Expense of voluntary pension plans	163,600	160,000
Total	**456,458**	**296,565**
Accrued annual variable pay of CEO	760,517	799,203
The accrual of variable pay is paid during the following year.		
Shareholding in Konecranes Plc (number of shares)	7,938	324
Performance share rights allocated (number of share rights)	114,802	72,170
Share-based payment costs, EUR	1,111,868	564,439
Retirement age	63 years	63 years
Period of notice	6 months	
Severance payment (including 6 months' notice period)	18 months' salary and fringe benefits	

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Konecranes Leadership Team

The Konecranes Leadership Team (KLT) convenes as frequently as necessary, normally on a monthly basis. Business Areas have their own management teams that convene on a regular basis. Only the KLT is classified as key management personnel due to the decision making power.

The Konecranes Leadership Team consists of the following members:

- President and CEO
- Chief Financial Officer, Deputy CEO
- Executive Vice President, Industrial Service and Equipment
- Executive Vice President, Port Solutions
- Executive Vice President, Corporate Strategy & Business Development
- Executive Vice President, Corporate Affairs & Brand
- Executive Vice President, Technologies
- Executive Vice President, Human Resources
- Executive Vice President, General Counsel

The Human Resources Committee of the Board will, based upon a recommendation by the President and CEO, make a proposal to the Board concerning the approval of the base compensation and incentive levels for KLT members.

The retirement age of the Finnish members of the KLT (excluding the President and CEO) is set according to the Employees Pensions Act (TyEL). The Finnish members of the KLT also participate in the contribution-based group pension insurance scheme offered to key personnel in Finland. The defined contribution payment by the company is 1% of annual salary excluding performance based compensation (annual or long-term incentives). The Finnish KLT members also have life and disability insurances. Non-Finnish members have local insurances.

Konecranes Leadership Team excluding the President and CEO	2024	2023
Salary and benefits, EUR	2,275,799	1,992,325
Annual variable pay, EUR	1,722,590	571,026
Total	**3,998,389**	**2,563,351**
Expense of statutory pension plans	465,845	301,595
Expense of voluntary pension plans	16,227	13,434
Total	**482,073**	**315,029**
Shareholding in Konecranes Plc (number of shares)	157,049	156,037
Performance share rights allocated (number of share rights)	240,100	202,000
Share-based payment costs, EUR	2,122,980	2,657,376

The employee benefits to the key management personnel of the Group were in total EUR 10.6 million in 2024 (EUR 8.9 million in 2023).

There have not been any material transactions between Konecranes and its members of the Board of Directors or the Konecranes Leadership Team (key management personnel) or persons closely associated with these members or organisations in which these individuals have control or significant influence. There were no loans or guarantees granted to any members of the Board of Directors or the Konecranes Leadership Team at the end of 2024 or 2023.

30.2. Transactions with associated companies and joint arrangements

	2024	2023
Sales of goods and services with associated companies and joint arrangements	15.9	18.9
Receivables from associated companies and joint arrangements	2.2	2.3
Purchases of goods and services from associated companies and joint arrangements	67.6	67.7
Liabilities to associated companies and joint arrangements	0.7	0.9

Sales to and purchases from related parties are concluded using terms equivalent to arm's length transaction.

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31. Guarantees and contingent liabilities

	2024	2023
For own commercial obligations		
Guarantees	1,176.0	1,088.3
Other	74.7	61.6
Total	**1,250.8**	**1,149.9**

From time to time Konecranes provides customers with guarantees that guarantee the company's obligations pursuant to the applicable customer contract. In sales of investment goods (machinery) the typical guarantees are the following:

- tender guarantees (bid bonds) given to the customer to secure the bidding process
- advance payment guarantees given to the customer to secure their down payment for project
- performance guarantees to secure customers over the Company's own performance in customer contracts, and
- warranty period guarantees to secure the correction of defects during the warranty period.

Contingent liabilities relating to litigation
Various legal actions, claims and other proceedings pend against the Group in various countries. These actions, claims and other proceedings are typical of this industry and consistent with a global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn and asbestos legacy), employment, vehicles and other matters involving claims of general liability.

While the final outcome of these matters cannot be predicted with certainty, Konecranes has the opinion, based on the information available to date and considering the grounds presented for such claims, the available insurance coverage and the reserves made, that the outcome of such actions, claims and other proceedings, if unfavorable, would not have a material, adverse impact on the financial condition of the Group.

32. Financial assets and liabilities

32.1. Carrying amounts of financial assets and liabilities

	2024				2023			
Financial assets	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Current financial assets								
Account and other receivables	0.0	0.0	676.9	**676.9**	0.0	0.0	621.0	**621.0**
Derivative financial instruments	7.0	4.4	0.0	**11.4**	13.6	9.9	0.0	**23.5**
Cash and cash equivalents	0.0	0.0	710.0	**710.0**	0.0	0.0	586.6	**586.6**
Total	**7.0**	**4.4**	**1,386.8**	**1,398.2**	**13.6**	**9.9**	**1,207.6**	**1,231.1**
Financial liabilities								
Non-current financial liabilities								
Interest-bearing liabilities	0.0	0.0	539.3	**539.3**	0.0	0.0	727.7	**727.7**
Other payables	0.0	0.0	8.8	**8.8**	0.0	0.0	8.1	**8.1**
Current financial liabilities								
Interest-bearing liabilities	0.0	0.0	356.3	**356.3**	0.0	0.0	227.2	**227.2**
Derivative financial instruments	14.6	12.7	0.0	**27.3**	5.3	6.0	0.0	**11.3**
Account and other payables	0.0	0.0	402.7	**402.7**	0.0	0.0	375.3	**375.3**
Total	**14.6**	**12.7**	**1,307.2**	**1,334.5**	**5.3**	**6.0**	**1,338.2**	**1,349.5**

Additional information on financial instruments is presented in Note 34.

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32.2. Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial assets and liabilities:

	Carrying amount		Fair value		
Financial assets	**2024**	**2023**	**2024**	**2023**	**Note**
Current financial assets					
Account and other receivables	676.9	621.0	676.9	621.0	19,20
Derivative financial instruments	11.4	23.5	11.4	23.5	34.1
Cash and cash equivalents	710.0	586.6	710.0	586.6	22
Total	**1,398.2**	**1,231.1**	**1,398.2**	**1,231.1**	
Financial liabilities					
Non-current financial liabilities					
Interest-bearing liabilities	539.3	727.7	546.1	734.7	27.1
Other payables	8.8	8.1	8.8	8.1	
Current financial liabilities					
Interest-bearing liabilities	356.3	227.2	357.0	227.6	27.2
Derivative financial instruments	27.3	11.3	27.3	11.3	34.1
Account and other payables	402.7	375.3	402.7	375.3	25.2
Total	**1,334.5**	**1,349.5**	**1,342.0**	**1,356.9**	

The management has assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the loan.

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 - quoted prices in active markets for identical financial instruments
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the financial instrument that are not based on observable market data (unobservable inputs)

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32.3. Hierarchy of fair values

The following table allocates financial assets and financial liabilities measured at fair value to the three levels of the fair value hierarchy.

	2024			2023		
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Derivative financial instruments						
Foreign exchange forward contracts	0.0	11.4	0.0	0.0	22.9	0.0
Interest rate derivatives	0.0	0.0	0.0	0.0	0.6	0.0
Total	**0.0**	**11.4**	**0.0**	**0.0**	**23.5**	**0.0**
Other financial assets						
Cash and cash equivalents	709.9	0.0	0.1	585.6	0.0	1.0
Total	**709.9**	**0.0**	**0.1**	**585.6**	**0.0**	**1.0**
Total financial assets	**709.9**	**11.4**	**0.1**	**585.6**	**23.5**	**1.0**
Financial liabilities						
Derivative financial instruments						
Foreign exchange forward contracts	0.0	26.9	0.0	0.0	11.1	0.0
Interest rate derivatives	0.0	0.3	0.0	0.0	0.0	0.0
Commodity derivatives	0.0	0.1	0.0	0.0	0.2	0.0
Total	**0.0**	**27.3**	**0.0**	**0.0**	**11.3**	**0.0**
Other financial liabilities						
Interest bearing liabilities	0.0	895.6	0.0	0.0	954.9	0.0
Other payables	0.0	0.0	2.3	0.0	0.0	1.4
Total	**0.0**	**895.6**	**2.3**	**0.0**	**954.9**	**1.4**
Total financial liabilities	**0.0**	**922.9**	**2.3**	**0.0**	**966.1**	**1.4**

There were no significant changes in the classification of the fair value of financial assets and liabilities in 2023 and 2024. There were also no significant movements between the fair value hierarchy classifications.

The level 3 valuations in other payables are contingent consideration liabilities resulting from business combinations or the acquisition of non-controlling interest and the cash-settled share-based payment liability.

33. Management of financial risks

The nature of Konecranes' business and its global presence exposes it to a range of financial risks. These risks include (i) market risks, which include potential unfavorable changes in foreign exchange rates, interest rates and commodities, (ii) liquidity risk and (iii) credit and counterparty risk.

33.1. Market risk

The responsibility of identifying, evaluating and controlling the financial risks arising from the Group's global business operations is divided between the business units and the Group Treasury. However, the Group uses an approach in which most of the management of financial risks is centralized to Konecranes' Group Treasury. The Group Treasury functions within the legal entity Konecranes Finance Corporation. By centralization and netting of internal foreign currency cash flows, the Group's external hedging needs can be minimized.

Konecranes Finance Corporation is not a profit center in the sense that it would pursue to maximize its profits. The company aims to serve the operating companies of the Group in reducing their financial risks.

The Group's global business operations involve market risks in the form of currency, interest rate and commodity risk. The Group's objective is to increase the short-term stability of the financial environment for the business operations by reducing the negative effects caused by price fluctuations and other uncertainties in the financial markets.

Business units hedge their risks internally with the Group Treasury. As a result of this, most of the financial risks of the Group are concentrated into one company, Konecranes Finance Corporation, and can be evaluated and controlled in an efficient way.

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Almost all funding, cash management and foreign exchange with banks and other external counterparties are centralized to and managed in Konecranes Finance Corporation in accordance with the Group's Treasury Policy. In a few special cases where the local central bank regulation prohibits using group services in hedging and funding, this must be done directly between an operating company and a bank under the supervision of the Group Treasury.

Konecranes Finance Corporation uses a treasury system which enables practically real-time processing of transactions and in-depth records of activities and performance. The standard reporting is done on a weekly basis and it covers group-level commercial and financial cash flows, foreign currency transaction exposure, debt positions, portfolio of derivatives and counterparty credit exposure for financial transactions. In addition, all Group companies participate in the monthly managerial and statutory reporting.

Foreign exchange risk

The Group's global business operations create a foreign exchange risk. However, most of the business units only have transactions in their own currency, i.e. these units have their sales and costs as well as internal funding from Konecranes Finance Corporation in their local home currency. Only 30 out of some 120 Group companies operate regularly in a foreign currency. These companies hedge their foreign exchange risk with Group Treasury. Depending on the business area and the probability of the cash flows, the hedging covers operative cash flows for the next 1–24 months and is done by using internal foreign exchange forward contracts. In this way, Konecranes Finance Corporation can manage the foreign exchange risk of the whole Group. The foreign currency funding of the other Group companies and possibly some external foreign currency funding can net some of these foreign currency items. The residual net exposure can be covered with commercial banks using foreign exchange forward contracts or currency options. Currency derivatives belonging to hedge accounting are managed in a separate portfolio than derivatives hedging other commercial flows and funding and cannot thus be netted out against other internal items. These instruments are used when the hedging effect cannot be obtained through internal netting and matching of cash flows within the Group.

The business units' commercial bids in a foreign currency can be hedged by using currency options or exchange forwards, but, in general, using currency clauses covers the risk.

For certain large crane projects, the Group applies hedge accounting under IFRS 9. Hedges are done by using foreign exchange forward contracts. Currently, only USD denominated projects are included in the hedge accounting. The hedge accounting portfolio comprises both USD sales and purchases where gross flows are hedged separately. At the end of 2024, the hedge accounting net cash flows totaled USD 195 million (USD 293 million in 2023).

The following table shows the transaction exposure of Konecranes Finance Corporation as of December 31, 2024, and December 31, 2023 (in EUR millions):

	2024	2023
AED	-1	-1
AUD	43	32
BRL	2	2
CAD	49	28
CHF	4	3
CLP	1	0
CNY	-44	-102
CZK	-7	-4
DKK	2	0
GBP	49	83
HUF	2	0
IDR	6	7
ILS	1	1
INR	4	4
JPY	3	0
MXN	1	-2
MYR	4	2
NOK	3	2
PHP	6	6
PLN	2	0
RON	1	2
SEK	-102	-148
SGD	-4	-5
THB	4	4
TWD	1	1
USD	354	294
VND	0	1
ZAR	4	2

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The following table shows the translation exposure, which represents the equity of the Group in a local currency as of December 31, 2024, and December 31, 2023 (in EUR millions):

	2024	2023
AED	12	10
AUD	15	13
BDT	1	1
BRL	16	18
CAD	12	14
CHF	9	7
CLP	15	13
CNY	123	109
CZK	12	11
DKK	9	8
GBP	-1	-17
HKD	1	1
HUF	2	2
IDR	20	15
INR	36	17
JPY	-2	-3
MAD	1	1
MXN	6	4
MYR	7	8
NOK	3	1
PEN	7	7
PHP	0	2
PLN	3	3
RON	2	2
RUB	0	4
SAR	5	-2
SEK	20	-8
SGD	33	17
THB	14	11
TWD	3	3
UAH	-2	-1
USD	158	112
VND	1	1
ZAR	8	6

See note 34 for the notional and fair values of derivative financial instruments.

Changes in currency rates can affect the profitability and equity of the Group. The US dollar has the biggest impact, as many of the large crane projects outside the United States are denominated in USD and because the Group has a lot of local business operations in the United States. A depreciation of the USD would have a negative impact.

The following table shows the theoretical effects that changes in the EUR/USD exchange rate would have on the Group's annual EBIT and equity. A 10% appreciation in the USD against the euro increases EBIT by EUR 52.5 million (EUR 64.2 million in 2023) and increases equity by EUR 16.9 million (EUR 12.7 million in 2023). The below table provides a sensitivity analysis over the past two years:

Change in EUR/USD rate	2024 EBIT	2024 Equity	2023 EBIT	2023 Equity
+10%	- 43.0	- 13.8	- 52.5	- 10.4
-10%	+52.5	+16.9	+64.2	+12.7

The EBIT effect comprises transaction exposure for euro-based companies having frequent sales in USD and the translation exposure from EBIT generated in USD translated into euros. The transaction position is estimated for 2024 as the USD positions change from one year to another and these changes are mainly due to timing of major ports projects and currencies used in them. The estimate of the effects is based on the assumption that the USD denominated transactions are not hedged. In practice, however, all large projects with long maturities generating a substantial portion of the annual changes in the transaction position are hedged and subject to project specific pricing, and the sensitivity changes based on the net exposure of the outstanding payables and receivables at the year end 2024 are not material. The change in equity is the translation exposure on the Group's equity in USD.

The appreciating USD has a positive impact on the Group's operating margin when it impacts the revenues and costs reported in euros asymmetrically. This is due to the fact that the exchange rate change impacts mostly both the Group's revenues and costs and partly only either of these. If the EBIT generated in USD based entities as well as cash flows from long-lasting projects, as they are subject to project specific pricing which in practice may be adjusted to reflect the currency rate changes, are excluded from the sensitivity analysis, the effect on EBIT is estimated to be approximately a EUR 13 million increase (EUR 11 million in 2023) when the dollar appreciates 10 percent.

Interest rate risk

Changes in market interest rates have an impact on the Group's net interest expenses and the market value of interest rate derivatives. The objective for interest rate risk management is to reduce the volatility impact the market interest rate changes cause by optimizing the allocation between fixed and floating interest rates according to principles set in capital structure management.

Approximately 92% of the Group's interest-bearing liabilities are denominated in euro (92% in 2023). See note 27.3 for the currency split of outstanding debt.

The portion of the Group's long-term debt of total debt is related to the Group's gearing ratio. The higher the ratio is, the bigger the share of long-term debt should be of the total loan portfolio in line with principles set in the capital structure management. The interest rate risk related to long-term loans may be hedged with interest rate derivatives such as interest rate swaps for which hedge accounting is applied. Other instruments that can be used for which no hedge accounting is applied are forward rate agreements, interest rate futures and interest rate options.

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A change of one percentage point in interest rates in the Group's long-term debt portfolio would have the following effect on the Group's statement of income and equity:

Change in interest rates	2024 Statement of income	2024 Equity	2023 Statement of income	2023 Equity
+1	- 5.2	+0.0	- 4.8	+1.4
- 1	+5.2	- 0.0	+5.4	- 1.5

The sensitivity analysis is excluding the interest-bearing assets. The effect on statement of income is comprised of the Group's floating long-term debt which is recognized through the statement of income. The effect on equity is comprised of the changes in fair value of interest rate derivatives, measured through other comprehensive income, which are hedging the debt portfolio.

Commodity risk

By using fuel oil derivatives, the Group may reduce the negative effect caused by oil price fluctuation on its sea freight transportation costs. In case the transportation cost is linked to EU greenhouse gas emission prices, the Group may opt to hedge the price risk of such emissions as well.

In certain large crane projects, price of some sub-contracted components may be floating with the market prices of certain metals, such as copper or nickel. In such cases the Group may enter into commodity derivatives that mitigate the metal price fluctuation risk.

The overall importance of the energy, metal and emission price risk is small compared to other financial risks and cannot be described as significant.

See note 34 for the notional and fair values of derivative financial instruments.

Steel prices are fixed as a normal part of the procurement process. Price changes naturally affect the future procurement, but these changes can be taken into consideration in the price quotes to the end customers.

In large crane projects, the steel structures are sub-contracted and as a normal part of the sub-contracting process, the steel is included in the price of the subcontracting (i.e. the price is fixed with the subcontractor).

The Group can procure steel and steel components and thus may have an inventory of those. Market price fluctuation of steel can impact the profitability of customer projects or cause inventory obsolescence.

33.2. Credit and counterparty risks

Credit risk arises from the potential failure of a commercial counterparty to meet its commercial payment obligations. To limit this risk, the Group applies a conservative credit policy towards customers. It is Konecranes' practice to review customers carefully before entering into formal business relationships and to require credit reports from new customers. Customer credit risks are mitigated with advance payments, letters of credits, payment guarantees and credit insurance where applicable. With these actions and careful monitoring of the customer payments, credit risks can be mitigated.

The business units manage credit risks related to their commercial flows. There is currently no significant concentration of credit risk regarding the commercial activities, as the number of customers is high and their geographic distribution is wide. It is the Group's policy not to fund its customers beyond regular payment terms. See note 19 for a table of an aging analysis of accounts receivable. The theoretical maximum credit risk equals the carrying amount of all receivables.

Counterparty risk arises from the potential failure of a financial institution to meet its payment obligations regarding financial instruments. All credit risks related to other financial instruments than the regular accounts receivable are managed by Konecranes Group Treasury. There is no substantial concentration of credit risk regarding the financial instruments, since investments are rare and hedging instruments are done with a number of banks. Additionally, counterparties for financial instruments are limited to the core banks of the Group. These are all major banks with good credit ratings. The majority of all financial instruments are of short-term nature, with maturity of less than one year. There are no significant deposits or loans granted with external counterparties.

The Group has a counterparty risk in the form of cash holdings in several banks around the world. Despite the active cash management structures the Group has in place, cash holdings globally with several banks are needed to ensure the liquidity of Group companies. The Group Treasury follows closely the exposure in the Group according to principles set out in the Treasury Policy and takes necessary actions for reducing the risk.

A credit risk is run on the financial assets of the Group, which consist of cash and cash equivalents, receivables and certain derivatives arising from default of the other party, with a maximum risk equal to the carrying amount of these instruments.

33.3. Liquidity risks

Liquidity risks concern the availability of liquid assets or funding. Lack of funding might jeopardize normal business operations and eventually might endanger the ability to fulfill daily payment obligations.

For managing the liquidity risks, the Group has established a EUR 350 million committed revolving credit facility with an international loan syndication (2023-2029). At the end of 2024 the facility was unutilized. To cover the short-term funding needs, Konecranes Finance Corporation can borrow from institutional investors through a domestic commercial paper program (totaling EUR 500 million). In addition, business units around the world have working capital facilities totaling some EUR 300 million to cover the day-to-day funding needs. Cash and cash equivalents totaled EUR 710.0 million at the end of 2024 (EUR 586.6 million in 2023).

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See note 27.3 for the maturity profile of the Group's financial liabilities.

33.4. Capital structure management

The primary objective of the Group's capital structure management is to ensure that it maintains a good credit status and a healthy capital ratio to support its business operations. At the same time, the Group also aims to maximize shareholder value by effective use of capital.

The Group manages its capital structure and fine-tunes it to adjust to probable changes in economic conditions. These actions may include adjusting the dividend payment to shareholders, buying back own shares or issuing new shares.

The Group monitors its capital structure using gearing ratio. This is calculated as a ratio of interest-bearing liabilities less liquid assets less loans receivable to total equity. At the end of 2024, the gearing ratio was 9.9% (22.9% in 2023).

The Group has a quantitative target for the capital structure in which the interest-bearing net debt to equity ratio (gearing) should be below 80%.

The Group decides on the split between long-term and short-term debt in relation to the gearing ratio level. The following table shows the rough guidelines for the portion of long-term debt of total debt under different gearing ratio levels:

Gearing ratio level	Portion of long-term of total debt
Under 50%	Under 1/3
Between 50-80%	Between 1/3 and 2/3
Over 80%	Over 2/3

The Group monitors the gearing ratio level on a weekly basis. The target of the Group's capital management has been met in recent years.

34. Hedge activities and derivatives

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income. When the derivative is designated as a cash-flow hedge (hedge accounting), the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income. The foreign exchange forward contracts are measured based on the closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on the present value of the cash flows, which are discounted based on the quoted yield curves.

34.1. Nominal and fair values of derivative financial instruments

	2024 Nominal value	2024 Fair value	2023 Nominal value	2023 Fair value
Foreign exchange forward contracts	1,201.3	-15.6	1,737.3	11.9
Interest rate derivatives	300.0	-0.3	300.0	0.6
Commodity derivatives	2.6	-0.1	4.5	-0.2
Total	**1,503.9**	**-15.9**	**2,041.8**	**12.2**

See note 32.3 for the fair values of the derivatives recognized in assets and liabilities.

Derivatives not designated as hedging instruments

The Group also enters into other derivatives, foreign exchange or currency options with the intention of reducing the risk in expected sales and purchases. These other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Cash flow hedges

Foreign currency and interest risk

Foreign exchange forward contracts and interest rate swaps measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales and purchases in US dollar and interest expenses. These forecast transactions are highly probable, and they comprise about 38.5% of the Group's total hedged transaction flows. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

At the inception of these deals the Group assesses whether the critical terms of the foreign currency forward contracts and interest rate swaps match the terms of the expected highly probable forecast transactions. On a quarterly basis the Group performs a qualitative effectiveness test by checking that the hedging instrument is linked to the relevant assets and liabilities, projected business transactions or binding contracts according to the hedging strategy and that there are no related credit risks. Hedge ineffectiveness is recognized through profit or loss.

The cash flow hedges of the expected future sales, purchases and interest expenses in 2024 and 2023 were assessed to be highly effective and a net unrealized gain or loss, with a deferred tax asset relating to the hedging instruments, is included in OCI. The amounts recognized in OCI are shown in the table below and the reclassifications to profit or loss during the year are shown in the consolidated statement of income.

34.2. Fair value reserve of cash flow hedges

	2024	2023
Balance as of January 1	8.8	-1.2
Gains and losses deferred to equity (fair value reserve)	-15.7	12.5
Change in deferred taxes	3.1	-2.5
Balance as of December 31	**-3.8**	**8.8**

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35. Company list

Subsidiaries owned by the parent company		(EUR 1,000) Book value of shares	Parent company's share, %	Group's share, %
Finland:	Konecranes Finance Oy	46,448	100	100
	Konecranes Finland Oy	17,163	26.02	100
	Konecranes Global Oy	102,391	100	100

Subsidiaries owned by the group		Book value of shares	Group's share, %
Australia:	Konecranes and Demag Pty Ltd	21,730	100
	MHE-Demag Australia Pty Ltd	1,633	100
Austria:	Konecranes and Demag Ges.m.b.H.	29,775	100
Bangladesh:	Konecranes and Demag (Bangladesh) Ltd.	109	100
Belgium:	S.A. Konecranes N.V.	6,150	100
Brazil:	Konecranes Demag Brasil Ltda.	32,688	100
Canada:	Konecranes Canada Inc.	893	100
Chile:	Konecranes Chile SpA	1	100
China:	Dalian Konecranes Company Ltd.	2,196	100
	Demag Cranes & Components (Shanghai) Co., Ltd.	14,349	100
	Konecranes (Shanghai) Co. Ltd.	0	100
	Konecranes (Shanghai) Company Ltd.	4,409	100
	Konecranes Manufacturing (Jiangsu) Co., Ltd.	28,627	100
	Konecranes Port Machinery (Shanghai) Co., Ltd.	7,239	100
	SWF Krantechnik Co., Ltd.	817	100
Czech Republic:	Konecranes and Demag s.r.o.	2,823	100
Denmark:	Konecranes Demag A/S	12,561	100
Estonia:	Konecranes Oü	0	100
Finland:	Nosturiexpertit Oy	10	100
France:	KCI Holding France SAS	40,500	100
	Konecranes and Demag France SAS	27,460	100
	Verlinde SAS	5,360	100
Germany:	Demag Cranes & Components GmbH	524,384	100
	Eurofactory GmbH *	1,239	100
	Kocks Kranbau GmbH	1,000	100
	Konecranes GmbH	673,804	100
	Konecranes Holding GmbH	505,262	100
	Konecranes Noell GmbH	37,501	100
	Konecranes Real Estate GmbH Co. & KG	36,364	100
	Konecranes Real Estate Verwaltungs GmbH	28	100
	Kranservice Rheinberg GmbH *	1,492	100
	SWF Krantechnik GmbH *	15,500	100

* Exemption according to § 264, 3 HGB for Eurofactory GmbH (registered office in Remptendorf), Kranservice Rheinberg GmbH (registered office in Duisburg) and SWF Krantechnik GmbH (registered office in Mannheim).

Subsidiaries owned by the group		(EUR 1,000) Book value of shares	Group's share, %
Greece:	Konecranes Hellas Lifting Equipment and Services S.A.	60	100
Hong Kong:	Konecranes Hong Kong Limited	0	100
Hungary:	Konecranes Kft.	809	100
India:	Konecranes and Demag Private Limited	19,520	100
	Voima Cranes & Components Pvt. Ltd.	0	99.99
Indonesia:	PT. Konecranes	240	100
	PT Konecranes Material Handling Indonesia	3,528	100
	PT Konecranes Technology Indonesia	439	100
Ireland:	Konecranes and Demag Limited	900	100
Israel:	Konecranes Israel Ltd	0	100
Italy:	Donati Sollevamenti S.r.l.	2,561	100
	Konecranes & Demag S.r.l.	13,997	100
	Konecranes Port Solutions Italy S.r.l.	0	100
Japan:	Konecranes Company, Ltd.	0	100
Latvia:	SIA Konecranes Latvija	2	100
Lithuania:	UAB Konecranes	139	100
Luxembourg:	Materials Handling International S.A.	300	100
Malaysia:	Konecranes Sdn. Bhd.	523	100
	Mechanical Handling Engineering (M) Sdn Bhd	0	100
	MHE-Demag Logistics Malaysia Sdn Bhd	1,756	100
	Konecranes Material Handling (Malaysia) Sdn. Bhd.	6,864	100
	Rainfields Estate Sdn Bhd	1,202	100
Mexico:	Konecranes Mexico S.A. de C.V.	2,188	100
Morocco:	Konecranes Maghreb S.a.r.l.	50	100
The Netherlands:	Konecranes B.V.	4,201	100
	Konecranes Container Handling B.V.	32,901	100
	Konecranes Holding B.V.	503,851	100
	Konecranes Port Services B.V.	14,967	100
	Konecranes Software B.V.	3,678	100
	Port Software Solutions B.V.	37,412	100
Norway:	Konecranes AS	3,588	100
Peru:	Konecranes Peru S.R.L.	0	100
Philippines:	Konecranes (PH), Inc.	2,439	100
Poland:	Konecranes and Demag Sp. z o.o.	1,359	100
Portugal:	Konecranes and Demag, Lda.	3,293	100
Romania:	S.C. Konecranes S.A.	98	100
	S.C. TBA RO S.r.l.	10	100
Russia:	AO "Konecranes Demag Rus"	0	100
Saudi Arabia:	Saudi Cranes & Steel Works Factory Co. Ltd.	9,820	100

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(EUR 1,000)

Subsidiaries owned by the group		Book value of shares	Group's share, %
Singapore:	KCI Cranes Holding (Singapore) Pte. Ltd.	114,764	100
	Konecranes (Singapore) Pte. Ltd.	196,500	100
Slovakia:	Konecranes Slovakia s.r.o.	200	100
Slovenia:	Konecranes, d.o.o.	200	100
South Africa:	Konecranes and Demag (Pty) Ltd.	0	100
Spain:	Konecranes and Demag Ibérica, S.L.U.	31,799	100
Sweden:	Konecranes AB	1,232	100
	Konecranes Lifttrucks AB	20,941	100
	Konecranes Sweden Holding AB	1,682	100
	Ulvaryd Fastighets AB	1,171	100
Switzerland:	Konecranes and Demag AG	17,205	100
Taiwan:	Konecranes Taiwan Company Limited	1,776	100
Thailand:	Katrolin Enterprise (T) Ltd	84	100
	Katrolin Holding (T) Ltd	96	100
	Konecranes (Thailand) Ltd.	192	100
	Mahakorn (T) Ltd	82	100
	Konecranes Material Handling (Thailand) Ltd.	3,761	100
	MHE-Demag Technology (T) Ltd	252	100
	Scenic Wealth (T) Ltd	140	100
Turkey:	Konecranes Ticaret Ve Servis Limited Sirketi	0	100
Ukraine:	Konecranes Ukraine JSC	2,049	100
	PJSC "Zaporozhje Kran Holding"	0	100
	JSC "Zaporozhcran"	0	90.43
United Arab Emirates:	Demag Cranes & Components Holding Ltd.	0	100
	Demag Cranes & Components (Middle East) FZE	14,398	100
	Konecranes Middle East FZE	1,774	100
United Kingdom:	KCI Holding UK Ltd.	13,656	100
	Konecranes Demag UK Limited	6,519	100
	Lloyds Konecranes Pension Trustees Ltd.	0	100
	Morris Material Handling Ltd.	575	100
	TBA Doncaster Limited	2,011	100
	TBA Leicester Limited	19,841	100
	UKMHPS Limited	40,005	100
United States:	Demag Cranes & Components Corp.	61,295	100
	KCI Holding USA Inc.	53,901	100
	Konecranes, Inc.	48,226	100
	Konecranes Nuclear Equipment & Services, LLC	0	100
	MMH Americas, LLC	0	100
	Morris Material Handling, Inc.	64,651	100
	R&M Materials Handling, Inc.	7,421	100
Vietnam:	Konecranes Material Handling (Vietnam) Company Ltd	0	100
	Konecranes Vietnam Co., Ltd.	0	100

Other shares and joint operations		Assets value	Group's share, %
Estonia:	AS Konesko	4,448	49.46
Finland:	Kiinteistöosakeyhtiö Kuikantorppa	261	50

Investments accounted for using the equity method		Assets value	Group's share, %
China:	Shanghai High Tech Industrial Crane Company, Ltd.	3,015	28
Finland:	Fantuzzi Noell Baltic Oy	134	25
France:	Boutonnier Adt Levage S.A.	487	25
	Levelec S.A.	209	20
	Manulec S.A.	283	25
	Manelec S.A.R.L.	84	25
	S.E.R.E. Maintenance S.A.	318	25
Germany:	AQZ Ausbildungs- und Qualifizierungszentrum Düsseldorf GmbH	0	30
The Netherlands:	Portwise B.V.	858	49
Switzerland:	Demag IP Holdings GmbH	200	50
United Arab Emirates:	Crane Industrial Services LLC	1,461	49

Available-for-sale investments		Book value of shares	Group's share, %
Finland:	East Office of Finnish Industries Oy	50	5.26
	Dimecc Oy	120	5.69
	Kiinteistö Oy Pärjä	26	46.67
	Vierumäen Kuntorinne Oy	326	3.3
France:	Heripret Holding SAS	53	19
Malaysia:	Kone Products & Engineering Sdn. Bhd.	0	10
Venezuela:	Gruas Konecranes CA	20	10
Others:		250	
Total:		**845**	

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Parent company statement of income – FAS

(EUR 1,000)		Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Note:			
2	Depreciation and impairments	-106	-119
3	Other operating expenses	-8,432	-7,059
	Operating profit	**-8,538**	**-7,178**
4	Financial income and expenses	131,948	54,811
	Income before appropriations and taxes	**123,410**	**47,633**
5	Appropriations	100,250	64,250
6	Income taxes	-23,574	-16,890
	Net income	**200,086**	**94,993**

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Parent company balance sheet – FAS

(EUR 1,000)		Dec 31, 2024	Dec 31, 2023
Note:			
	ASSETS		
	NON-CURRENT ASSETS		
	Tangible assets		
7	Machinery and equipment	122	228
		122	**228**
8	**Investments**		
	Investments in Group companies	153,040	153,040
	Other shares and similar rights of ownership	171	171
		153,211	**153,211**
	Total non-current assets	**153,333**	**153,439**
	CURRENT ASSETS		
	Long-term receivables		
	Loans receivable from Group companies	812,143	806,958
		812,143	**806,958**
	Short-term receivables		
	Accounts receivable	2	11
	Amounts owed by Group companies		
	Accounts receivable	6,106	5,622
10	Deferred assets	159,061	74,517
	Other receivables	338	249
10	Deferred assets	60	181
		165,566	**80,580**
	Cash in hand and at banks	**3**	**3**
	Total current assets	**977,712**	**887,542**
	TOTAL ASSETS	**1,131,046**	**1,040,981**

(EUR 1,000)		Dec 31, 2024	Dec 31, 2023
Note:			
	SHAREHOLDERS' EQUITY AND LIABILITIES		
11	**EQUITY**		
	Share capital	30,073	30,073
	Share premium account	39,307	39,307
	Paid in capital	776,239	776,239
	Retained earnings	70,750	82,689
	Net income for the period	200,086	94,993
		1,116,455	**1,023,301**
	LIABILITIES		
	Current liabilities		
	Accounts payable	2,880	2,864
	Liabilities owed to Group companies		
	Accounts payable	470	143
12	Accruals	0	37
	Other short-term liabilities	7,788	11,941
12	Accruals	3,453	2,695
		14,591	**17,679**
	Total liabilities	**14,591**	**17,679**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,131,046**	**1,040,981**

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Parent company cash flow – FAS

(EUR 1,000)	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Cash flow from operating activities		
Operating income	**-8,538**	**-7,178**
Adjustments to operating profit		
Depreciation and impairments	106	119
Group contributions from subsidiaries	64,250	39,380
Operating income before changes in net working capital	**55,818**	**32,321**
Change in interest-free short-term receivables	979	52,365
Change in interest-free short-term liabilities	1,119	3,193
Change in net working capital	**2,098**	**55,558**
Cash flow from operations before financing items and taxes	**57,916**	**87,879**
Interest received	30,679	27,097
Interest paid	-36	0
Other financial income and expenses	-43	7
Income taxes paid	-27,747	-1,581
Financing items and taxes	**2,852**	**25,522**
NET CASH FROM OPERATING ACTIVITIES	**60,768**	**113,401**

(EUR 1,000)	Jan 1–Dec 31, 2024	Jan 1–Dec 31, 2023
Cash flow from investing activities		
Capital expenditure and advance payments to tangible assets	0	17
Dividends received	51,350	27,700
NET CASH USED IN INVESTING ACTIVITIES	**51,350**	**27,717**
Cash flow before financing activities	**112,118**	**141,118**
Cash flow from financing activities		
Proceeds from share based payments and share issues	0	1,063
Repayments of long-term receivables	-5,185	-43,178
Dividends paid	-106,932	-99,003
NET CASH USED IN FINANCING ACTIVITIES	**-112,118**	**-141,118**
Cash and cash equivalents at beginning of period	3	3
Cash and cash equivalents at end of period	3	3
CHANGE OF CASH AND CASH EQUIVALENTS	**0**	**0**

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Notes to the parent company's Financial Statement

1. Accounting principles

The financial statements of the company have been prepared in euro and in accordance with accounting principles generally accepted in Finland.

STATEMENT OF INCOME

(EUR 1,000,000)

2. Depreciation and impairments

	2024	2023
Machinery and equipment	0.1	0.1
Total	**0.1**	**0.1**

The values of fixed assets are based on original acquisition values. Depreciation periods, which are based on estimated financial operating times, are as follows:

- Immaterial rights 5–10 years
- Machines and inventory 4–10 years

3. Other operating expenses and personnel

Costs and expenses in the Statement of Income were as follows:

	2024	2023
Wages and salaries	6.2	4.8
Pension costs	0.8	0.5
Other personnel expenses	0.1	0.1
Other operating expenses	0.8	1.5
Total	**7.9**	**6.8**

Wages and salaries in accordance with the Statement of Income:

	2024	2023
Remuneration to Board	0.8	1.0
Other wages and salaries	5.4	3.8
Total	**6.2**	**4.8**
The average number of personnel	**7**	**5**
Auditors fees		
Audit	0.8	0.6
Other services	0.2	0.1
Total	**1.0**	**0.6**

4. Financial income and expenses

	2024	2023
Financial income from long-term investments:		
Dividend income from Group companies	101.4	27.7
Dividend income total	**101.4**	**27.7**
Interest income from long-term receivables:		
From Group companies	30.7	27.1
Interest income from long-term receivables total	**30.7**	**27.1**
Financial income from long-term investments total	**132.0**	**54.8**
Interest and other financial income	0.0	0.0
Interest and other financial income total	**0.0**	**0.0**
Interest expenses and other financial expenses:		
Other financial expenses	0.1	0.0
Interest expenses and other financial expenses total	**0.1**	**0.0**
Financial income and expenses total	**131.9**	**54.8**

5. Appropriations

	2024	2023
Group contributions received from subsidiaries	100.3	64.3
Total	**100.3**	**64.3**

6. Income taxes

	2024	2023
Taxes on appropriations	20.1	12.9
Taxes on ordinary operations	4.5	4.0
Taxes from previous years	-1.0	0.0
Total	**23.6**	**16.9**

BALANCE SHEET

7. Machinery and equipment

	2024	2023
Acquisition costs as of January 1	1.2	1.2
Acquisition costs as of December 31	1.2	1.2
Accumulated depreciation January 1	-1.0	-0.9
Depreciation for financial year	-0.1	-0.1
Total as of December 31	**0.1**	**0.2**

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8. Investments

	2024	2023
Acquisition costs as of January 1	153.2	153.2
Total as of December 31	**153.2**	**153.2**

Investments in Group companies

	Domicile	2024 Carrying amount	2023 Carrying amount
Konecranes Finance Corp.	Hyvinkää	46.4	46.4
Konecranes Finland Corp.	Hyvinkää	4.2	4.2
Konecranes Global Corp.	Hyvinkää	102.4	102.4
Total		**153.0**	**153.0**

Other shares and similar rights of ownership

	2024	2023
East Office of Finnish Industries Oy	0.1	0.1
Dimecc Oy	0.1	0.1
China Office of Finnish Industries	0.0	0.0
Total	**0.2**	**0.2**

9. Treasury shares

	2024	2023
Number of shares as of January 1	19,656	55,307
Decrease	-6,868	-35,651
Number of shares as of December 31	**12,788**	**19,656**

10. Deferred assets

	2024	2023
Group contributions	100.3	64.3
Payments which will be realized during the next financial year	56.7	6.6
Interest	2.5	4.1
Total	**159.5**	**74.9**

11. Equity

	2024	2023
Share capital as of January 1	30.1	30.1
Share capital as of December 31	**30.1**	**30.1**
Share premium account January 1	39.3	39.3
Share premium account as of December 31	**39.3**	**39.3**
Paid in capital as of January 1	776.2	775.2
Increase	0.0	1.1
Paid in capital as of December 31	**776.2**	**776.2**
Retained earnings as of January 1	177.7	181.7
Dividend paid	-106.9	-99.0
Retained earnings as of December 31	**70.8**	**82.7**
Net income for the period	**200.1**	**95.0**
Shareholders' equity as of December 31	**1,116.5**	**1,023.3**
Distributable equity		
Paid in capital as of December 31	776.2	776.2
Retained earnings as of December 31	70.8	82.7
Net income for the period	200.1	95.0
Total	**1,047.1**	**953.9**

12. Accruals

	2024	2023
Wages, salaries and other personnel expenses	3.2	2.6
Other items	0.3	0.1
Total	**3.5**	**2.7**

13. Contingent liabilities and pledged assets

	2024	2023
For obligations of subsidiaries		
Group guarantees	1,116.2	1,121.4
Leasing liabilities		
Next year	0.2	0.1
Later on	0.2	0.2
Total	**0.3**	**0.3**

Leasing contracts mainly have a maturity of three years and they have no terms of redemption.

	2024	2023
Total by category		
Guarantees	1,116.2	1,121.4
Other liabilities	0.3	0.3
Total	**1,116.6**	**1,121.7**

14. Nominal and fair values of derivative financial instruments

	2024 Fair value	2024 Nominal value	2023 Fair value	2023 Nominal value
Foreign exchange forward contracts	0.0	2.1	0.0	1.9

Derivatives are used for currency rate hedging only.

The derivative financial instruments are recognized according to KPL 5:2a at fair value in the parent company financial statements and the company does not apply hedge accounting for these derivatives.

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The parent company's non-restricted equity is EUR 1,047,075,358.95 of which the net income for the year is EUR 200,085,532.18.

The Group's non-restricted equity is EUR 1,792,124,000.

According to the Finnish Companies Act, the distributable funds of the company are calculated based on the parent company's non-restricted equity. For the purpose of determining the amount of the dividend, the Board of Directors has assessed the liquidity of the parent company and the economic circumstances subsequent to the financial year-end.

Based on such assessments, the Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.65 will be paid on each share and that the remaining non-restricted equity is retained in shareholders' equity.

The financial statements, prepared in accordance with applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position, and profit or loss of both the company and the group of companies included in its consolidated financial statements.

The management report contains a truthful description of the development and result of the business operations of both the company and the group of companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition.

The sustainability report included in the management report has been prepared in accordance with the reporting standards referred to in accordance with the reporting standards referred to in Chapter 7 of the Finnish Accounting Act and Article 8 of the Taxonomy Regulation.

Espoo, February 6, 2025

Pasi Laine
Chair of the Board

Pauli Anttila
Board member

Ulf Liljedahl
Board member

Gun Nilsson
Board member

Sami Piittisjärvi
Board member

Päivi Rekonen
Board member

Thomas Schulz
Board member

Birgit Seeger
Board member

Anders Svensson
CEO

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Auditor's report
(Translation of the Finnish original)

To the Annual General Meeting of Konecranes Plc

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Konecranes Plc (business identity code 0942718-2) for the year ended December 31, 2024. The financial statements comprise the consolidated balance sheet, statement of income, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 7.1 to the consolidated financial statements and note 3 to the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

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Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of long-term contracts and related provisions *Refer to note 2.2 Use of estimates and judgments, note 2.3 Summary of significant accounting policies, note 5, note 6 and note 24.*	
In accordance with its accounting principles, Konecranes applies the percentage of completion (PoC) method (performance obligations satisfied over time) for recognizing revenue from long-term crane projects. The percentage of completion is based on the cost-to-cost method. The percentage of completion method of accounting involves the use of significant management assumptions, estimates and projections, principally relating to future material, labor and project-related overhead costs and the estimated stage of completion. In year 2024, approximately 15% percent of the sales of 4.2 billion euros were recognized under the PoC method. Revenue recognition of long-term contracts is a key audit matter and a significant risk of misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).	Our audit procedures to address the risk of material misstatement in respect of the long-term contracts included among others: • Assessing the Group's accounting policies over revenue recognition of long-term contracts; • Gaining an understanding of the PoC revenue recognition process; • Examination of the project documentation and testing the PoC calculations and inputs of estimates in the calculations and comparing the estimates to actuals; • Analytical procedures; • Assessing significant judgments made by management based on an examination of the associated project documentation and discussion on the status of projects under construction with finance and project managers of the Company; and • Assessing the Group's disclosures in respect of revenue recognition.
Konecranes makes several types of provisions related to risks associated with long-term project contracts and PoC accounting. These PoC related provisions require high level of management judgment and are a key audit matter due to that reason.	We have designed our audit procedures to be responsive to this specific audit area and our procedures included among others: • Gaining an understanding of the PoC related provisions process; • Testing the provision calculations and the inputs of estimates in these calculations and comparing estimates to actuals; and • Performing inquiries with management with regards to any significant events or legal matters that could affect the provisions.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition *Refer to note 2.3 Summary of significant accounting policies and note 5.*	
According to the Group's accounting policies revenue is recognized at an amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. Goods and services are generally considered to be transferred when the customer obtains control. The terms and conditions of sales contracts vary by market and, in addition, the local management might feel pressure to achieve the revenue targets set. Revenue recognition is a key audit matter and a significant risk of material misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2) due to the significant risk relating to an incorrect timing of recognition of revenue.	Our audit procedures to address the risk of material misstatement in respect of correct timing of revenue recognition included among others: • Analytical procedures; • Assessing the Group's accounting policies over revenue recognition compared to applicable accounting standards; • Assessing the revenue recognition process and methodologies and testing controls; • Testing revenue with substantive analytical procedures and by testing sales transactions; • Assessing the Group's disclosures in respect of revenues.
Valuation of goodwill *Refer to note 2.2 Use of estimates and judgments, note 2.3 Summary of significant accounting policies and note 13.*	
The value of goodwill at the date of the financial statements amounted to 1.1 billion euros representing 22% of total assets and 57% of equity (2023:1.0 billion euros, 23% of the total assets and 65% of equity). Valuation of goodwill is tested annually through goodwill impairment test. Konecranes has allocated goodwill to cash generating units (CGUs) which is the level for goodwill impairment test. The recoverable amount of a cash generating unit is based on value in use calculations, the outcome of which could vary significantly if different assumptions were applied. There are a number of assumptions used to determine the value in use of the cash generating units, including revenue growth, profitability and the discount rate applied. Changes in the above-mentioned assumptions may result in an impairment of goodwill.	Our audit procedures to address the risk of material misstatement relating to goodwill valuation included among others, involving our valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group, in particular those relating to the discount rate. We specifically focused on the cash generating units for which reasonably possible changes in assumptions could cause the carrying value to exceed its recoverable amount. We also assessed the historical accuracy of managements' estimates. We assessed the Group's disclosures in note 13 in the financial statements about the assumptions to which the outcome of the impairment tests were more sensitive.

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Key Audit Matter	How our audit addressed the Key Audit Matter
The annual impairment test is a key audit matter because • The assessment process is complex and is based on numerous judgmental estimates; • It is based on assumptions relating to market or economic conditions; and • Of the significance of the goodwill to the balance sheet total. Valuation of goodwill is a significant risk of misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).	

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting on March 8, 2006, and our appointment represents a total period of uninterrupted engagement of 19 years.

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report , but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions based on assignment of the Audit Committee

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the distributable equity shown in the balance sheet for the parent company is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Espoo, February 6, 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

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Assurance report on the Sustainability Statement

(Translation of the Finnish original)

To the Annual General Meeting of Konecranes Plc

We have performed a limited assurance engagement on the group sustainability statement of Konecranes Plc (0942718-2) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the financial year January 1–December 31, 2024.

Opinion

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 group sustainability statement does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Konecranes Plc has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment) and the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act.

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that provision in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information.*

Our responsibilities under this standard are further described in the *Responsibilities of the Group Sustainability Auditor* section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability statement of Konecranes Plc that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year January 1–December 31, 2024. Our opinion covers the comparative information that has been presented in the group sustainability statement for January 1–December 31, 2023, but not any other comparative information. Our opinion is not modified in respect of this matter.

Group sustainability auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The group sustainability auditor applies International Standard on Quality Management ISQM 1, which requires the sustainability audit firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Konecranes Plc are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified as well as the tagging of information as referred to in Chapter 7, Section 22 of the Accounting Act and

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- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group Sustainability reporting is also characterized by estimates and assumptions, as well as measurement and estimation uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.

In addition, when reporting forward-looking information, the company must make assumptions about possible future events and disclose the company's possible future actions in relation to these events. The actual outcome may be different because predicted events do not always occur as expected.

Responsibilities of the Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included e.g. the following:

- We have interviewed the key persons responsible for collecting and reporting the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process against the requirements of ESRS standards and the compliance of the information provided for the double materiality assessment with ESRS standards.
- We assessed whether the group sustainability statement in material respect meets the requirements of ESRS standards for material sustainability topics:
  - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis with supporting company documentation.
  - We have on a sample basis performed analytical assurance procedures and related inquiries, recalculation and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- We gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities and evaluated the regulatory compliance of the information provided.

Helsinki, February 6, 2025

Ernst & Young Oy
Authorized Sustainability Audit Firm

Toni Halonen
Authorized Sustainability Auditor

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Independent Auditor's Report on the ESEF Consolidated Financial Statements of Konecranes Plc

(Translation of the Finnish original)

To the Board of Directors of Konecranes Plc

We have performed a reasonable assurance engagement on the financial statements 549300EFOCDEQZBMA096-2024-12-31-fi.zip of Konecranes Plc (y-identifier: 0942718-2) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended December 31, 2024.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of the Commission's regulatory technical standard.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

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The nature, timing and extent of the selected procedures depend on the auditor's judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission's technical regulatory standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of Konecranes Plc 549300EF0CDEQZBMA096-2024-12-31-fi.zip for the financial year ended December 31, 2024, have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of Konecranes Plc for the financial year ended December 31, 2024, has been expressed in our auditor's report on February 6, 2025. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki, February 26, 2025

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

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Company information for ESEF reporting

Name of reporting entity or other means of identification	Konecranes Oyj
Domicile of entity	Finland
Legal form of entity	Oyj
Country of incorporation	Finland
Address of entity's registered office	Koneenkatu 8, 05830 Hyvinkää, Finland
Principal place of business	Hyvinkää
Description of nature of entity's operations and principal activities	Konecranes is a world-leading manufacturer and servicer of cranes, lifting and material handling equipment and machine tools, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes operates internationally, with its products being manufactured in North and South America, Europe, Africa, the Middle East, and Asia and sold worldwide. Konecranes has three reportable segments: Service, Industrial Equipment and Port Solutions.
Name of parent entity	Konecranes Oyj
Name of ultimate parent of group	Konecranes Oyj

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Shares and shareholders

According to the register of Konecranes Plc's shareholders kept by Euroclear Finland Oy, there were 45,504 (2023: 53,043) shareholders at the end of 2024.

Largest shareholders according to the share register on December 31, 2024

		Number of shares and votes	% of shares and votes
1	Solidium Oy	8,793,123	11.1%
2	Varma Mutual Pension Insurance Company	2,542,201	3.2%
3	Gustavson Stig and family*	2,366,157	3.0%
4	Ilmarinen Mutual Pension Insurance Company	2,327,049	2.9%
5	Elo Mutual Pension Insurance Company	1,203,000	1.5%
6	Oras Invest Ltd	1,129,000	1.4%
7	Evli Funds	1,007,815	1.3%
8	OP Funds	963,911	1.2%
9	Nordea Funds	751,966	0.9%
10	The State Pension Fund	730,000	0.9%
	Ten largest registered shareholders' total ownership	**21,814,222**	**27.5%**
	Nominee registered shares	39,151,540	49.4%
	Other shareholders	18,243,356	23.0%
	Shares held by Konecranes Plc	12,788	0.0%
	Total	**79,221,906**	**100.0%**

* Konecranes Plc has on December 28, 2011, received information according to which the Chairman of the company's Board of Directors Stig Gustavson has donated all of his shares in Konecranes Plc to his near relatives retaining himself for life the voting rights and right to dividend attached to the donated shares. The donation encompassed in total 2,069,778 shares.

Shares owned by the members of the Board and of Directors and of the Group Executive Board on December 31, 2024

	Change in share-holding in 2024	Number of shares owned	% of shares and votes
Board of Directors	-13,914	20,374	0.0%
Group Executive Board	8,626	164,987	0.2%
Total	**-5,288**	**185,361**	**0.2%**

Breakdown of share ownership by number of shares owned on December 31, 2024

Shares	Number of shareholders	% of shareholders	Number of shares and votes	% of shares and votes
1–100	28,097	61.7%	1,079,259	1.4%
101–1,000	15,346	33.7%	5,038,381	6.4%
1,001–10,000	1,885	4.1%	4,822,175	6.1%
10,001–100,000	131	0.3%	3,429,994	4.3%
100,001–1,000,000	27	0.1%	7,636,406	9.6%
1,000,001–	7	0.0%	18,064,151	22.8%
Registered shareholders total	**45,493**	**100.0%**	**40,070,366**	**50.6%**
Nominee registered shares	11	0.0%	39,151,540	49.4%
Total	**45,504**	**100.0%**	**79,221,906**	**100.0%**

Breakdown of share ownership by shareholder category on December 31, 2024

	% of shares and votes
Public sector organizations	20.1%
Households	16.4%
Financial and insurance institutions	5.4%
Non-profit organizations	4.2%
Private companies	3.9%
Foreigners	0.7%
Nominee registered shares	49.4%
Total	**100.0%**

Source: Euroclear Finland Oy, December 31, 2024.

Corporate Headquarters

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Finance
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Chief Financial Officer
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Regional Headquarters

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Europe, Middle East and Africa
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Tel. +358 20 427 11

Asia-Pacific
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Tel. +65 6 861 2233

Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries. We consistently set the industry benchmark, from everyday improvements to the breakthroughs at moments that matter most, because we know we can always find a safer, more productive and sustainable way. That's why, with around 16,800 professionals in over 50 countries, Konecranes is trusted every day to lift, handle and move what the world needs. In 2024, Group sales totalled EUR 4.2 billion. Konecranes shares are listed on Nasdaq Helsinki (symbol: KCR).