

**KONECRANES**  
CORPORATE GOVERNANCE  
STATEMENT **2022**



## CORPORATE GOVERNANCE STATEMENT 2022

### 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 decisionmaking and administration.

Konecranes complies with the Finnish Corporate Governance Code 2020 (the “Code”), which came into force on January 1, 2020, and was approved by the board of the Securities Market Association. The Code can be found at [www.cgfinland.fi](http://www.cgfinland.fi). Konecranes complies with the recommendations of the Code with no exceptions. Konecranes has issued Corporate Governance Statement and Remuneration Report based on the Code. Read more at [www.konecranes.com](http://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.

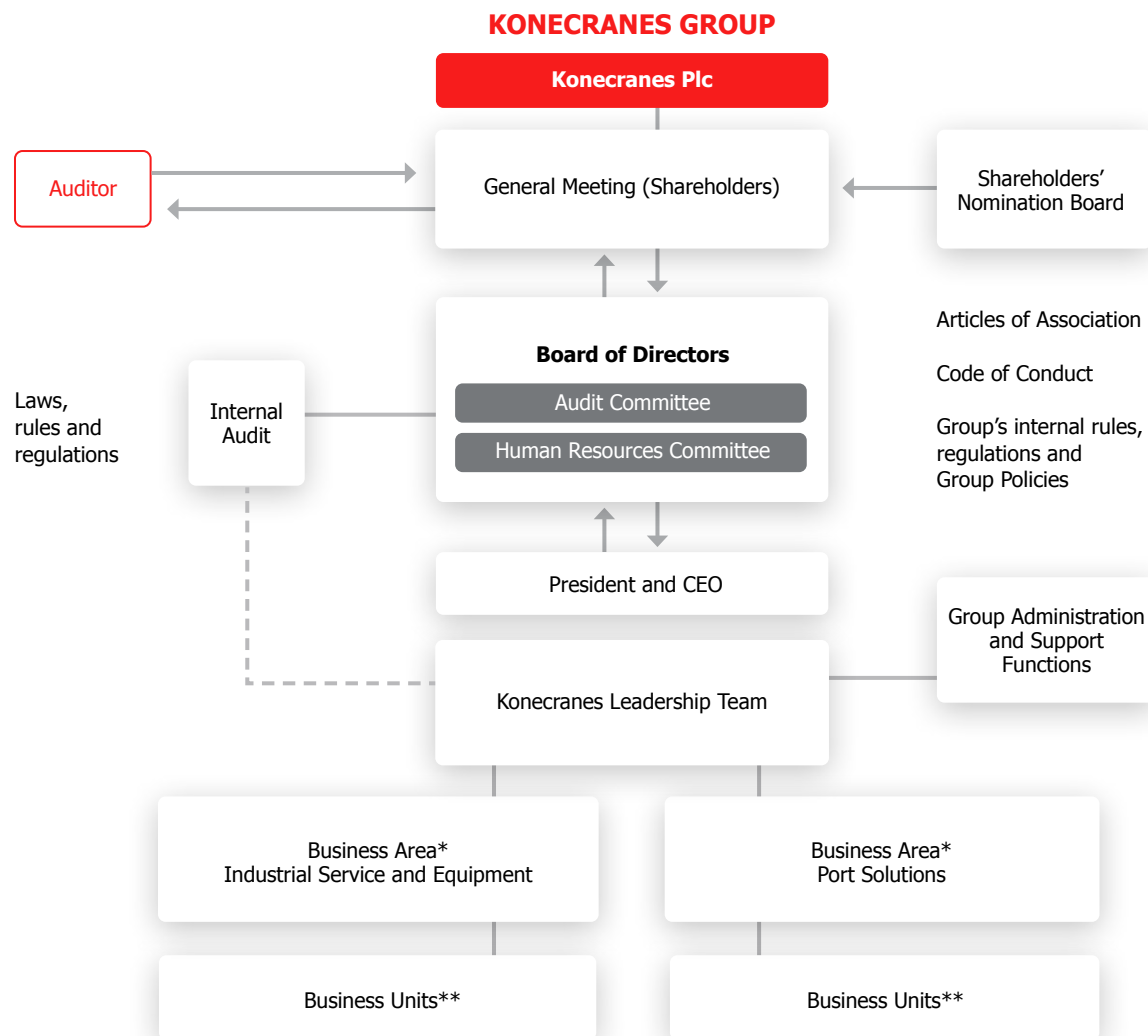
The Annual General Meeting (AGM) must be held within six months after the end of a financial year. Konecranes Plc’s Annual General Meeting 2022 was held in Hyvinkää on June 15, 2022.

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 2022, 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 the Konecranes Group in 2022



\* 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.

# Shareholders' Nomination Board

## Composition of the Shareholders' Nomination Board

### Mr. Reima Rytsölä

b. 1969

Finnish citizen

Appointed by Solidium Oy

**Education:** M.Soc.Sc.

**Principal occupation:** CEO of Solidium Oy

### Mr. Peter Therman

b. 1968

Finnish citizen

Appointed by HC Holding Oy Ab (Hartwall Capital)

**Education:** M.Sc. (Econ.)

**Principal occupation:** Deputy Chairman of the Board of Directors of Hartwall Capital

### 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

### Mr. Stig Gustavson

b. 1945

Finnish citizen

Appointed by Stig Gustavson and family

**Education:** M.Sc. (Tech.)

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 Charter of the Shareholder's Nomination Board is available on the Company's website at **[www.konecranes.com](http://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.

## Board of Directors



### Christoph Vitzthum

b. 1969

Finnish citizen

**Chairman of the Board since 2016**

**Board Member since 2015**

Independent of the Company and its significant shareholders

**Education:** M.Sc. (Econ.)

**Principal occupation:**

President and CEO, Fazer Group

**Shares:** 10,648



### Pasi Laine

b. 1963

Finnish citizen

**Vice Chairman of the Board since 2022**

**Board Member since 2022**

Independent of the Company and its significant shareholders

**Education:** M.Sc. (El.Eng.)

**Principal occupation:**

President and CEO, Valmet Oyj

**Shares:** 1,037



### 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 current position as Investment Director and Member of the Management team, Solidium Oy

**Education:** M.Sc. (Econ.)

**Principal occupation:**

Investment Director and Member of the Management Team, Solidium Oy

**Shares:** 1,225



### Janina Kugel

b. 1970

German citizen

**Board Member since 2016**

Independent of the Company and its significant shareholders

**Education:** M.Sc. (Econ.)

**Principal occupation:**

Board professional and independent strategic advisor

**Shares:** 4,961



### 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:** 4,961

## Board of Directors



### Niko Morkkila

b. 1979

Finnish citizen

#### Board Member since 2020

Independent of the Company but deemed to be dependent of a significant shareholder of the Company based on his current position as Managing Director of Hartwall Capital Oy Ab

**Education:** M.Sc. (Tech.), M.Sc. (Econ.)

#### Principal occupation:

Managing Director, Head of Investment Operations, Hartwall Capital Oy Ab

**Shares:** 2,498



### Per Vegard Nerseeth

b. 1964

Norwegian citizen

#### Board Member since 2018

Independent of the Company and its significant shareholders

**Education:** B.Sc. (Econ.), MBA

#### Principal occupation:

Chief Executive Officer, CMR Surgical

**Shares:** 4,270



### 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:** 4,270



### Helene Svahn

b. 1974

Swedish citizen

#### Board Member since 2022

Independent of the Company and its significant shareholders

**Education:** Ph.D. (El. Eng)

#### Principal occupation:

Professor in Nanobiotechnology, Royal Institute of Technology (KTH), Sweden

**Shares:** 725



### 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, portfolio management, Business Unit Port Services

**Shares:** 36

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.

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. The managing director may be a member of the Board of Directors, but (s)he cannot be elected the Chair of the Board. In 2022, 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 2020.

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.

### Diversity of the Board of Directors

The Board has a diversity policy which was approved in 2016. 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.

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 2022, out of ten Board members, three were female, representing almost one third of the total. The Board had four different nationalities and consisted of different educational backgrounds from the fields of engineering, economics, social science and human resource management.

In 2022, Konecranes' Board convened 22 times. The attendance of the Board members at meetings was 99 percent. The attendance of the members to the Board and committee meetings is presented in the table on the following page:

**Board meetings 2022**

Member	Board meetings	
	Attendance	Percentage
<b>Chairman</b>		
Christoph Vitzthum	22/22	100%
<b>Vice Chairman</b>		
Pasi Laine	5/5	100%
<b>Other Board Members</b>		
Janina Kugel	21/22	95%
Helene Svahn	5/5	100%
Niko Mokkila	22/22	100%
Päivi Rekonen	22/22	100%
Pauli Anttila	5/5	100%
Per Vegard Nerseth	22/22	100%
Sami Piittisjärvi	5/5	100%
Ulf Liljedahl	22/22	100%

**Committee meetings 2022**

Member	Audit Committee meetings		Human Resources Committee meetings	
	Attendance	Percentage	Attendance	Percentage
<b>Chairman</b>				
Christoph Vitzthum			7/7	100%
<b>Vice Chairman</b>				
Pasi Laine				
<b>Other Board Members</b>				
Janina Kugel			7/7	100%
Helene Svahn				
Niko Mokkila	9/9	100%		
Päivi Rekonen	9/9	100%		
Pauli Anttila				
Per Vegard Nerseth			7/7	100%
Sami Piittisjärvi				
Ulf Liljedahl	9/9	100%		

Pasi Laine, Helene Svahn, Pauli Anttila and Sami Piittisjärvi Board members since the AGM 2022 on June 15.



# 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 2022, the Board's Audit Committee was comprised of the following members:

- Mr. Ulf Liljedahl (Chair)
- Mr. Niko Mokkila
- Ms. Päivi Rekonen

At the end of 2022, all members of the Audit Committee were deemed to be independent of the Company, but Niko Mokkila was deemed to be dependent of a significant shareholder of the Company. All members have sufficient expertise on corporate management. In addition, all members have a degree in business administration and/or economics and one of the members has 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 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.

### Main tasks

The tasks and responsibilities are defined in the Charter of the Audit Committee, which is based on a Board resolution as part of the Company's corporate governance principles and includes the following:

- Monitoring the reporting process of financial statements;
- Supervising the financial reporting process;
- Monitoring the financial position of the Company by reviewing Annual Financial Statements and, to the extent appropriate, Interim Financial Statements;
- Overseeing the quality and integrity of the Financial Statements and related Disclosures;
- Monitoring the efficiency and adequacy of the Company's internal control, internal audit and risk management systems;
- Monitoring the adequacy and development of the Company's information and cyber security;
- Reviewing the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the Company's corporate governance statement;
- Reviewing and monitoring plans and reports of the Internal Audit function;

- Approving the annual plan, issuing instructions and reviewing the operations of the Internal Audit function;
- Overseeing development and quality of the Company's compliance and ethics processes and reviewing regular summaries of significant investigations
- Evaluating the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company to be audited;
- Preparing the proposal for resolution on the election of external auditors;
- Reviewing the external audit plan;
- Monitoring the statutory audit of the financial statements and consolidated financial statements and reviewing all material reports from the auditor addressed to Konecranes Plc and its subsidiary companies; and
- Preparing and making recommendations and proposals for action to the Board resulting from listed tasks to the extent Audit Committee finds necessary.

In 2022, 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.

## The Human Resources Committee

In 2022, the Board's Human Resources Committee was comprised of the following members:

- Ms. Janina Kugel (Chair)
- Mr. Per Vegard Nerseth
- Mr. Christoph Vitzthum

All members of the Human Resources Committee are deemed to be independent of the Company and its 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.

### Main tasks

The tasks and responsibilities are defined in the Charter of the Human Resources Committee, which is based on a Board resolution as part of the Company's corporate governance principles and includes the following:

- Reviewing the organizational structure of the Company and making related recommendations or proposals to the Board, when needed. The Committee considers the principles for selecting senior management and prepares proposals to the Board concerning the approval of the appointments, transfers and terminations for Konecranes Leadership Team (KLT) positions.
- Reviewing and monitoring Konecranes' Talent Management and Succession Planning process and reviewing potential successor candidates for KLT positions. In addition, the Committee evaluates, together with the President and CEO, any special retention needs for senior management.
- Reviewing development plans for the KLT members and executive development programs, including training and competence development programs for senior management members.
- Reviewing the President and CEO's authority and responsibilities and making related recommendations or proposals to the Board, when needed. On an annual basis, the Committee makes a recommendation to the Board on the President and CEO's compensation based on an evaluation of the Company's performance, compensation benchmark of chief executive officers in comparable global organizations, information on the competitive market for persons with similar skills and competences, and the Human Resources Committee's assessment of the President and CEO's current and expected contribution to the Company's success. Based upon a recommendation by the President and CEO, the

Committee makes proposals to the Board concerning the approval of the base compensation review and incentive levels for KLT members.

- Evaluating and making recommendations to the Board concerning Konecranes' general compensation principles. The Human Resources Committee reviews incentive compensation plans and share-based plans to assess whether they provide an appropriate balance of risk and reward in relation to the Company's overall business strategy and expected performance, shareholder value creation and alignment of shareholder and senior management interests, without encouraging senior management to take unnecessary or excessive risks. The Human Resources Committee makes recommendations to the Board concerning the President and CEO's variable compensation and the adoption and amendment of long- and short-term incentive compensation plans and share-based plans which are subject to shareholder or Board approval. The Committee prepares proposals to the Board concerning the approval of the performance targets for the President and CEO, annual grants and the achievement against targets for the KLT members. The Committee monitors compliance with share ownership guidelines for the President and CEO and the KLT members.
- Reviewing reports on the Company's human resources, sustainability, ESG and safety strategies and performance against the set targets, business strategy and Konecranes' values. The Committee receives reports on the Company's practices for supporting diversity and inclusion, workplace safety activities and performance, and the actual performance against Konecranes' fair labor frame.

In 2022, Konecranes' Human Resources Committee convened 7 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.

## President and CEO



**Anders Svensson**, from October 19, 2022

b. 1975

Swedish citizen

**President and CEO since October 19, 2022**

Member of the Konecranes Leadership Team since 2022

Employed since 2022

**Education:** M.Sc. (Eng.)

**Shares:** 0

**Teo Ottola**, Interim CEO until October 18, 2022

b. 1968

Finnish citizen

**Chief Financial Officer and Deputy CEO,  
Interim CEO between January 1, 2022 and  
October 18, 2022**

Member of the Konecranes Leadership Team since 2007

Employed since 2007

**Education:** M.Sc. (Econ.)

**Shares:** 45,220

### 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.

## Konecranes Leadership Team

In addition to the President and CEO, the following persons belong to the Konecranes Leadership Team (KLT):



**Teo Ottola**

b. 1968

Finnish citizen

**Chief Financial Officer, Deputy CEO**

Member of the Konecranes Leadership Team since 2007

Employed by Konecranes since 2007

**Education:** M.Sc. (Econ.)

**Shares:** 45,220



**Fabio Fiorino**

b. 1967

Canadian citizen

**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:** 33,588



**Anneli Karkovirta**

b. 1963

Finnish citizen

**Senior Vice President, People and Culture**

Member of the Konecranes Leadership Team since 2021

Employed by Konecranes since 2014

**Education:** M.Sc. (Econ.)

**Shares:** 1,975



**Mika Mahlberg**

b. 1963

Finnish citizen

**Executive Vice President, Port Solutions**

Member of the Konecranes Leadership Team since 2017

Employed by Konecranes since 1997

**Education:** M.Sc. (Eng.)

**Shares:** 18,603

## Konecranes Leadership Team



### Juha Pankakoski

b. 1967

Finnish citizen

#### **Executive Vice President, Technologies**

Member of the Konecranes Leadership Team since 2015

Employed by Konecranes since 2004

**Education:** M.Sc. (Eng.), eMBA

**Shares:** 16,080



### Sirpa Poitsalo

b. 1963

Finnish citizen

#### **Senior Vice President, General Counsel**

Member of the Konecranes Leadership Team since 2016

Employed by Konecranes since 1988

**Education:** LL.M.

**Shares:** 38,282



### Topi Tiitola

b. 1969

Finnish citizen

#### **Senior Vice President, Integration and Project Management Office**

Member of the Konecranes Leadership Team since 2020

Employed by Konecranes since 1995

**Education:** M.Sc. (Econ.)

**Shares:** 9,048



### Carolin Paulus

b. 1969

German citizen

#### **Executive Vice President, Business Area Industrial Equipment**

Member of the Konecranes Leadership Team since 2020

Employed by Konecranes since 1988

**Education:** B. Econ, Business Management

KLT Member until May 31, 2022

### 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 decisionmaking. The Konecranes Leadership Team convenes on a monthly basis.



## 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. 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 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 2022.

### 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 three core values: trust in people, total service commitment and sustained profitability. 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 the 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.

Konecranes has 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 2022, Business Segments Service and Industrial Equipment were focused under the same leadership.

Business Segment Service has four business units: Industrial Service, Modernizations, Component spare parts and Parts supply. Business Unit Industrial Service and Business Unit Modernizations are 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 units are managed as line organizations globally. Business Segment Industrial Equipment has six business units: Configured to Order Cranes, Industrial Products, Engineered to Order Cranes, Nuclear Cranes, Components and Supply. Four first listed business units are managed and reported as a line organization through same three regions as Industrial Service and Modernizations. Business Unit Components and Business Unit Supply are managed as global line organizations. Business Area Port Solutions is operated as line organizations further divided into business units, and under business units further into product lines. These segments have clear product line profit responsibilities, ensuring a flawless order delivery process and enabling effective decision making. Support functions, such as Finance, Legal, People and Culture, IT and Marketing and Communications are 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 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 the 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 Components, Industrial Cranes and Products, and Process and Nuclear Cranes units, which are divided into business/product lines. 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 the 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 and order book, monthly financial performance, 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. In 2022, two Ukrainian entities did not complete the assessment due to the ongoing war, and one new recently established entity will complete its first assessment in 2023. 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 2022, Internal Audit visits covered approximately 30 percent of the operational legal entities and around 74 percent of Group revenues. 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 41 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 2022

Konecranes acquired MHE-Demag in the beginning of 2020, and the legal entity consolidation was completed in late 2021. In 2022, Konecranes continued MHE-Demag integration, for example, in oneKonecranes processes, tools and control framework.

In 2022, 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 2022, oneKonecranes SAP coverage was 77 percent of Konecranes entities, increasing from 2021 (71 percent).

Konecranes also continued the implementation and development of the Shared Service Center concept to offer mainly transaction handling services, master data maintenance and 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.





## Other information

### 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 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 2022, the Internal Audit Team conducted 33 planned audits according to an approved annual audit plan. As part of ongoing risk assessment process, the plan was specified during the year. Internal audits in 2022 generally covered 50 key controls, and the risk-based part 43 operational controls. Also, sample sizes varied from limited to wide based on the analyzed risk level. The internal audit annual plan covered 30 percent of active operational legal entities, both Financial Service Centers (FSSC) in

Tallinn and Xiamen, and centralized functions, such as Global IT Services, and HR Services in the U.S., Germany, China, SEA Countries and Finland. Additionally, Internal Audit conducted or participated in 5 audits based on the compliance and ethics risk assessment.

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 the 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's 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 2022, 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 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 2022 and has been in this position since 2021. Ernst & Young Oy and its affiliated audit companies received EUR 4.1 million in fees for auditing Konecranes Group companies in 2022 and EUR 0.2 million of fees for non-audit services. In 2021, the corresponding fees were EUR 3.8 million and EUR 0.3 million.