

Sustainability Report 2023

KONECRANES Moves what matters.



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Information about Konecranes' Annual Report 2023

Konecranes' Annual Report 2023 consists of three separate reports: Annual Review, Governance and Financial Review, and the Sustainability Report. All documents are downloadable on our Annual Report website at https://investors.konecranes.com/annual_report_2023.

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Introduction

This Sustainability Report provides information about our major environmental, social and governance related impacts, areas of improvement, risk mitigation activities and how we maximize our positive sustainability contributions. The report covers in detail how sustainability is woven into our business strategy, practices and daily decisions, as well as our role in the surrounding society's ability to prosper.

Our sustainability work is driven by the expectations of our key stakeholders, their ambitions and needs, and by business opportunities that can be gained from driving our sustainability agenda and mitigating potential risks. This report explains the strategic link between our ambitious sustainability targets and

customer benefits and discloses data about our performance and progress in reaching our targets.

In climate-related topics, our commitment to science-based targets sets a clear direction to where our business is heading and what capabilities we need to get there. We believe that the recommendations of the Task Force on Climate-Related Disclosures (TCFD) provide a useful framework for analyzing climate-related risks and opportunities. Konecranes has done comprehensive climate-related risk and scenario analyses, in line with the TCFD recommendations. More information can be found from [Konecranes.com](https://www.konecranes.com) as well as in the **Statement of Non-Financial Information** in the **Governance and Financial Review**.

Year 2023 in brief

3,966.3

MEUR (+17.9%)
Net sales

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 of doing things. That is why, with approximately 16,600 professionals in more than 50 countries, Konecranes is trusted every day to lift, handle and move what the world needs.

11.4%

Comparable
EBITA margin

The solutions provided by our three business segments – Service, Industrial Equipment and Port Solutions – complement each other and enable our customers to meet their lifting and material handling needs. Konecranes Service offers specialized maintenance services and spare parts for all types and makes of industrial cranes and hoists. Konecranes Industrial Equipment provides an extensive range of industrial cranes, from components and light duty applications to demanding process use and solutions. Konecranes Port Solutions provides

16,600

Numbers of employees
(At the end of year)

equipment, software and service for the container handling industry.

With our knowledge, products, services and solutions we seek to maximize the positive contributions to our different stakeholders and the surrounding society. We create value for our stakeholders on multiple fronts: through circular economy, digitalization and our deeply rooted safety culture.

~50

Countries where we
have employees



2023 sustainability highlights

Sustainability is at the core of Konecranes' strategy and operations. We deliver safe and secure material handling solutions and enable a decarbonized, circular world. We are committed to limiting global warming to 1.5 °C and making our own operations carbon neutral. We hold ourselves to the highest ethical standards and take ownership of our actions.

Konecranes' achievements have also been externally recognized. EcoVadis, a leading business sustainability rating agency, awarded Konecranes with a Gold rating in 2023 for the third year running. Konecranes was placed in the top 4 percent of all companies rated and in the top 1 percent among general-purpose machinery peers.

Limiting global warming to 1.5 °C compared to pre-industrial levels is crucial. Konecranes is committed to doing its part and leading these efforts in the industry. In 2023, we announced a new target of having carbon neutral own operations by 2030. This follows our successes in 2022, when we managed to power all our factories with 100 percent renewable electricity and reached the science-based targets for Scope 1 and 2 emissions. In 2023, Konecranes accomplished a milestone in its carbon-neutrality work, as the Hämeenlinna factory became the company's first certified carbon-neutral site.

The CarbonNeutral® building certification in Hämeenlinna was reached by reducing greenhouse gas emissions, using renewable energy and improving energy efficiency. Carbon credits have been purchased to compensate emissions that cannot yet be eliminated.

In addition to its own operations, Konecranes places a focus on its steel purchases and the usage of its products, which account for most emissions. 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 2026. Our industry-leading service operations have circular business models at their core, extending the lifecycles of products through maintenance and modernizations. These efforts support both our customers' low-carbon targets as well as our aims to reduce emissions throughout our value chain.

Dedication to safety, ethics and human rights

In addition to environmental aspects, social responsibility has a central role in Konecranes' sustainability work. Our operations are based on an uncompromised dedication to safety, high ethics as well as diversity, equity and inclusion.

Safety at Konecranes is based on the ambition that everyone gets to go home safe, every day. Our safety work starts with our employees and extends to suppliers, subcontractors as well as everyone else engaged with our products. In design and development, we place a focus on safety and quality throughout the product's lifecycle.

In 2023, Konecranes renewed its Code of Conduct, which guides the behavior of each employee, manager, officer and director at Konecranes. The renewed Code of Conduct provides more detailed guidance and concrete examples and summarizes key aspects of crucial policies in one document. Everyone at Konecranes is expected to understand and follow the Code and to take part in mandatory trainings related to it.

Konecranes focuses on safeguarding human rights in its global supply chains. Our human rights policy, launched in 2022, guides our work in this field. In 2023, we conducted a more extensive human rights risk assessment in the supply chain, identifying key risks based on the type of products we procure and the countries in which we operate. This approach allows us to focus on the most high-risk operations and complements our recurring supplier auditing processes.

Diversity as a driver of future success

A diverse and inclusive workplace underpins our winning culture. We firmly believe that a workforce representing the communities where we operate can best serve our customers and create new solutions. In 2023, we focused on further embedding diversity, equity and inclusion into our talent and recruitment processes. Diversity has been introduced to our successor planning, alongside fast-track programs for underrepresented groups. Mentoring possibilities, also through outside networks, have been made available for more employees.



The strategic role of sustainability

Advancing responsible business is a strategic enabler for Konecranes. We work for a decarbonized and circular world together with our customers and partners, substituting existing technology with lower-emission alternatives. We are driven by uncompromised safety, high ethics and inclusiveness.

Sustainability is at the core of Konecranes' strategy and operations. In 2023 we launched in conjunction with our updated strategy Konecranes' purpose: Shaping next generation material handling for a smarter, safer and better world and ambition to become the world leader in material handling solutions, creating value for everyone. We outlined five strategic enablers that will make our

ambition a reality. Sustainability is embedded in one of our five strategic enablers 'Advancing responsible business'.

Konecranes' knowledge and innovative technologies, solutions and services within material handling constitute a key link in enabling the flow of material while sustaining the well-being of people, businesses and societal

functions. We maximize lifecycle value and eliminate waste of resources, energy and time throughout the whole value chain.

Future-proofing Konecranes' business means systematically embedding sustainability in everything we do. The role of sustainability work has changed and is now on everyone's agenda. The regulatory landscape is rapidly evolving, which forces Konecranes and other companies to further develop their processes. The Global Risk Report 2023 of the World Economic Forum again predicts that six out of ten long-term risks are related to the environment. From the perspective of cybersecurity, the risk landscape shows that industrial manufacturing continues to be the most attacked industry, for a second year in a row. While sustainability risks remain quite similar from year to year, Konecranes sees advancing sustainable business as a business opportunity.

Konecranes is actively pushing forward new solutions focusing on providing safe, uninterrupted and secure material handling with advanced low-carbon and energy-efficient technology that enables our customers to transition to a decarbonized future. In addition to tangible decarbonizing benefits, we create value through enhanced circularity by extending the lifecycle of the equipment and enabling material handling solutions that improve safety. We do not compromise on safety, whether it is in our own operations or in the supply chain. We strive to create a culture based on diversity, equity and inclusion. The importance of sustainability is growing not only among our customers, but also among investors and employees. Having a clear purpose and understanding the impact we can make throughout our value chain are clear engagement factors for our current and future employees.

Materiality

We follow the expectations of our key stakeholders and map the megatrends impacting our business annually. We reassessed our sustainability priorities in 2022. We analyzed Konecranes' and our stakeholders' interests towards relevant topics and used the regulatory landscape as an additional tool for conducting the analysis.

First, we defined a list of potential sustainability topics that we call the sustainability universe. We then analyzed the relevance of each topic to our stakeholders. We used investor ratings, customer requests, customer and competitor benchmarks, internal employee surveys as well as the expertise of our sustainability, compliance and ethics specialists as input for the analysis and to determine the relevance of the topics. These topics were then scored based on the regulatory landscape. More importantly, we analyzed the environmental, social and governance (ESG) impact of the topics through the lenses of Konecranes' business and of the society. As a result of this process, we identified the most material sustainability topics for Konecranes. More information on how we engage with stakeholders is presented in the section **Engaging stakeholders**.

The prioritized material sustainability aspects for Konecranes are responsible business conduct including data privacy and anti-competitive behavior; anti-corruption; safety of employees; product-related safety and security; respect of human rights; diversity, equity and inclusion; greenhouse gas emissions; circular economy including materials and waste; and fair sourcing.

During 2023, we have been preparing for the Corporate Sustainability Reporting Directive (CSRD) (EU) 2022/2464 in many ways. These efforts include, for example working on the double materiality assessment guided by the EU draft guidance. These assessment results will be used in the 2024 report following the CSRD and the European Sustainability Reporting Standards (ESRS).

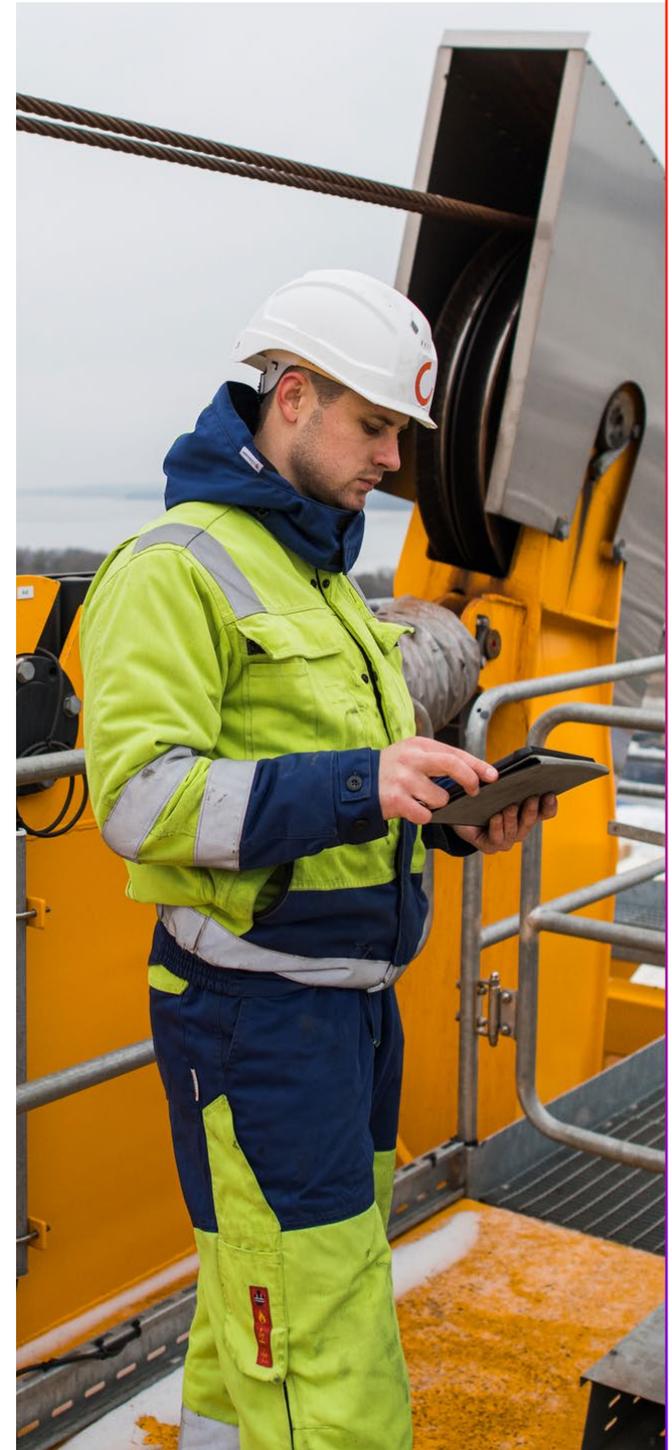
Konecranes' sustainability commitments

Konecranes' sustainability strategy focuses on managing areas where we can make the biggest impact: Our wide value chain and our own operations. We see that we can make the biggest positive impact in our value chain, by offering our customers a safe, secure and low-carbon offering while building a sustainable supply chain.

Konecranes' sustainability strategy is built around our four sustainability commitments: the targets set for those commitments as well as for programs that ensure the implementation of the needed actions.

Aligned with central frameworks

As a United Nations Global Compact participant since 2010, Konecranes is committed to the ten principles of the UN Global Compact. Konecranes is committed to aligning its strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and to taking actions that advance societal goals. Our sustainability approach and targets are aligned with the following UN Sustainable Development Goals (SDGs): Good health and well-being; gender equality; affordable and clean energy; decent work and economic



growth; industry, innovation and infrastructure; reduced inequalities; responsible consumption and production; climate action; peace, justice and strong institutions. Read more about our sustainability approach in the section **Our sustainability agenda**.

The latest climate research continuously highlights an urgent need to cut emissions to limit global warming. Konecranes wants to be a part of the solution and has set ambitious climate targets validated by the Science Based Targets initiative (SBTi). These targets are aligned

with the Paris Agreement on climate change to limit global warming to 1.5 °C. More information on our climate targets is provided in the section **We enable a decarbonized and circular world**.

Konecranes' sustainability commitments



We deliver safe and secure material handling solutions

- Providing solutions for safe, uninterrupted and secure material handling
- Ensuring uncompromised safety in our own operations and supply chain



We enable a decarbonized and circular world

- Supporting our customers in reaching their low-carbon targets with our offering
- Maximizing lifecycle value and eliminating waste with circular solutions throughout the whole value chain
- Working towards carbon neutral own operations



We create a fair, inclusive, diverse and engaging working environment

- Supporting human rights in our value chain
- Ensuring a fair and engaging workplace
- Representing the multicultural communities where we operate

We expect high ethical standards of ourselves and our business partners

- Embedding sustainability, compliance and ethical requirements in our business processes
- Following strong governance on sustainability, compliance and ethics

Konecranes respects human rights and promotes the principles set in the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). We are also committed to adhering to the OECD Guidelines for Multinational Enterprises.

Governance and management

Conducting responsible leadership practices means responsibility for the societies and communities in which we work, since they have expectations of us. To succeed in this, we need to follow solid governance practices.

The sustainability agenda at Konecranes is embedded into our governance processes at several levels. The Board of Directors' HR Committee is the official supervisory Board Committee following climate monitoring sustainability performance and activities annually. The Board of Directors approves the long-term focus, ambition level and targets. The Board of Directors' HR Committee reviews performance and activities annually. In 2023 the Board of Directors' Human Resources Committee reviewed the overall sustainability performance once. Safety, diversity, equity and inclusion topics were covered once, as well. The Board of Directors' Audit Committee is the official supervisory body for overseeing the corporate sustainability reporting requirements. In 2023 the Board of Directors received training on the Corporate Sustainability Reporting Directive, and the Audit Committee reviewed Konecranes' progress in two of their meetings.

The Konecranes Leadership Team (KLT) plays a significant role in our 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. Sustainability is integrated into Konecranes' strategy. The KLT reviews the sustainability strategy as well as action plans and targets annually. It follows the defined

sustainability metrics on a monthly basis and reviews the specific themes multiple times per year. During 2023, Executive Vice President People & Culture (EVP People and Culture), a member of the KLT, was responsible for the sustainability topics and participated in HR Committee meetings. The Sustainability Council, which is nominated by the KLT, sponsored by the EVP People and Culture and chaired by the Head of Sustainability, defines, guides and reviews the overall sustainability strategy, short-term targets and action plans. The Sustainability Council meetings also function as a forum for increasing the knowledge level of the participants about sustainable development. In 2023, the council convened ten times. The Head of Sustainability was responsible for taking actions and decisions at the operative level, and for building and coordinating sustainability agenda, proposing activities and targets, and following the progress of activities. The operative implementation of the sustainability agenda is managed by Konecranes' Global Sustainability team, led by the Head of Sustainability.

The governance of other topics such as Compliance & Ethics is explained in the respective sections of this report.

In 2023, the short-term incentive targets of the President and CEO, the Deputy CEO and other senior management had a 10 percent weighting on ESG performance.

We execute our sustainability activities through projects, programs and holistic processes. Our operations and ways of working are guided by Konecranes' Code of Conduct and other related policies. Standards for suppliers are defined in the Supplier Code of Conduct. In practical terms, this means conducting business with high ethical standards and extending these principles also down the supply chain.

For each Konecranes sustainability commitment we have reviewed the main opportunities and risks, and

have allocated corrective or maintaining actions. Identified sustainability risks are managed by several Group functions and business teams. We review key sustainability risks on an annual basis to ensure that our mitigation activities throughout the Group are effective. In prioritizing risks, we use a scale of probability and estimate the impact of those risks on the business. The Group's risk management principles provide a general framework, and each segment and operating unit is responsible for its own risk management. This approach guarantees the best possible knowledge of local conditions, experience and relevance. Read more about our risk mitigation activities in the table **Sustainability management approaches** in the section **Data and indices**. Further information on Konecranes' climate risks and opportunities management can be found on **Konecranes.com** as well as in the **Konecranes CDP questionnaire answer**.

Value creation

Konecranes' ambition is to become the world leader in material handling solutions creating value for everyone. We aim to create value for society by pushing the industry's sustainability standards further as we promote and support the change towards a low-carbon future. Our business aims to deliver optimal productivity while improving safety and mitigating environmental impacts by manufacturing intelligent and connected equipment, adopting new technologies and optimizing customers' material handling capabilities. With our knowledge, products, services and solutions Konecranes seeks to maximize the positive contributions to our different stakeholders and the society around us. We are shaping next generation material handling for a smarter, safer and better world.





With our products and solutions, we provide monetary value with sustained profitability and stability. We enable 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. Safety and security are an integral part of our business. By prioritizing safety in all areas of our operations, Konecranes can improve it throughout the value chain.

Konecranes' solutions enable customers to transition to a low-carbon future. We help our customers cut their carbon footprint with our eco-optimized offering. We apply circular economy principles in our processes for improving our 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.

Our innovation work concentrates on adopting new technologies and optimizing material handling flows with our products, services, and digital solutions. A major factor in securing cross-border innovation is adopting new ways of working and leveraging workforce diversity. Our employees, with their expertise and motivation, are

central to our success and bring our strategy to life. In our view, varied skill sets are a key driver of creativity and value creation. To ensure that we continue to deliver value, we focus on maintaining close ties with our key stakeholders to understand their evolving needs and expectations; engaging and developing the best talent; implementing smart technologies in our product and service offering; innovating new business models; and developing our product design and reliability. Read more about how we create an impact in our **Annual Review**.

Safety culture

Safe and reliable products as well as on-site safety are values we provide to our customers. Our safety culture is based on the principle that there is no work so urgent or important that cannot be done safely. We strive for a culture where workplace injuries and illnesses are prevented, where people drive safety by leading by example, and where everyone plays a part in building a safe and healthy working environment. Konecranes' employees benefit from a strong safety culture as the operational work involves many safety risks.

We provide our customers with services and equipment that enable them to work efficiently and safely throughout

the product's lifespan. We incorporate safety into the design, manufacturing, maintenance and service of our products. We create value for crane operators by providing applications 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. This also increases safety in the factories, as people are further away from the machines. Konecranes' Smart Features (such as sway control and target positioning) also help crane operators operate the crane more smoothly. Read more about safety in the section **Providing solutions for safe, uninterrupted and secure material handling**.

Value for operation with secure and innovative technology

Konecranes brings cutting-edge technology to the market to advance sustainable material handling. We understand how different technologies are developing and ensure that our low-carbon solutions and selected technologies are attractive to our clients. Substituting existing technology with lower-emission alternatives is a big opportunity for us and for our customers.

On the service side, our Lifecycle Care in Real Time solution is a comprehensive, systematic approach to lifting equipment maintenance. Konecranes offers IoT-based products and services to help drive consistent performance. Our vast service and spare part offerings and systematic approach to maintenance are supported by digital tools that allow real-time visibility and insight. Preventive and predictive maintenance through Lifecycle Care, enabled by sensors and data analysis, minimizes the cost of downtime. We create value for crane operators by providing applications that increase safety, usability and efficiency. Fleet analysis gives customers a unified overview of how all of their equipment are performing.

Digitalization improves predictive maintenance by harnessing the industrial internet to connect data, machines and people to provide the right service at the

right time, being a key enabler for circular economy. Our service technicians also use different Konecranes mobile applications, such as CheckApp, that support executing service programs and assessing possible safety risks while guaranteeing authorized service. Big data analysis allows the development of new predictive services which help in enabling uninterrupted operations and therefore improve the efficiency of our customers' businesses.

As our offering relies on software and often also on connectivity, it must be secure by design and take into account cybersecurity risks and requirements. In addition to complying with cybersecurity-related legal requirements and our responsibility for business and personal data of our customers, we want to follow the industry best practices, such as ISO 27001 and IEC 62443. This applies to both the security of the products and services offered to customers, and to the way Konecranes manages information security in general. We protect our information assets and by doing that we ensure the confidentiality, integrity and availability – and enhance the safety and reliability – of Konecranes products and services. Read more about our approach to information security in the section **Providing solutions for safe, uninterrupted and secure material handling.**

Circular economy

Maximizing the product lifecycle offers clear benefits by saving natural resources and reducing emissions. Our customers gain benefits by investing in durable equipment that can be repaired and modernized, and get added value from uninterrupted production. We re-engineer obsolete crane parts and perform complete overhauls, contributing to the reduction of CO₂ emissions. Enhancing existing steel structures rather than replacing them can also create significant emissions reductions. Collaborating across the value chain promotes efficient raw material use, increased energy efficiency, and mutual value creation.

Significant savings can be obtained through renting, repairing, modernizing and purchasing used, fully serviced

equipment. Modernizations and retrofits also improve energy efficiency and performance of the equipment. In addition, they enable saving a great deal of raw materials, cutting logistics emissions, and reducing manufacturing energy consumption. Furthermore, modernizations enhance safety, productivity, reliability and usability while decreasing the need for repairs and unscheduled maintenance. Read more about circular economy in the section **Maximizing lifecycle value and eliminating waste with circular solutions throughout the value chain.**

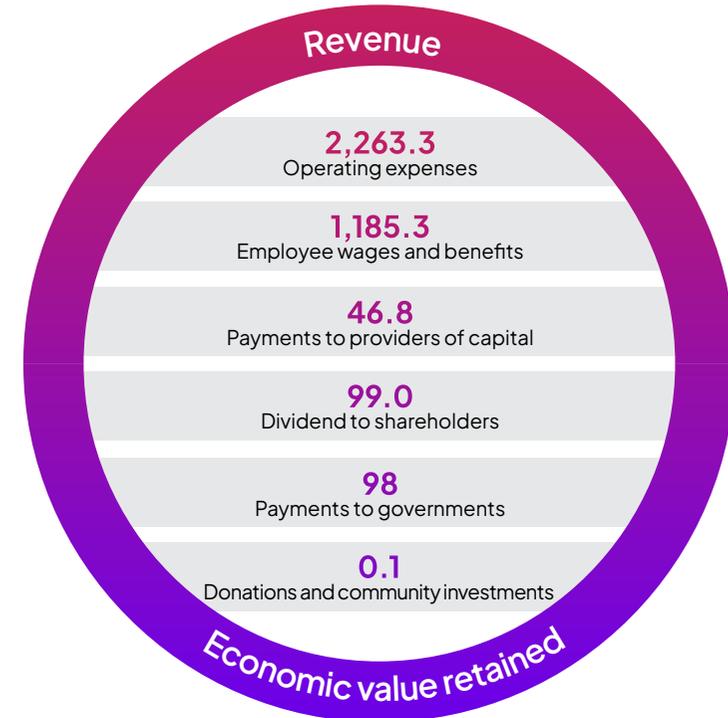
Long-term stakeholder value

Sustainable business practices and risk management are crucial for creating long-term shareholder value. Meeting the non-financial expectations of our stakeholders helps Konecranes manage risks, protect its reputation, attract and retain talent, grow its markets and improve its financial performance. Being a preferred partner creates stability for our whole value chain, which gives us greater confidence in longer-term planning.

We strive to have a positive impact on the societies in which we operate and to remain a key player as well as an attractive employer within our local communities. We achieve this by providing rewarding jobs and competitive salaries for employees, boosting local economies as an employer, supporting non-profit organizations, providing and buying local goods and services, and being a significant taxpayer in many countries where we operate. Having considerable purchasing power, we can impact the whole value chain with our supplier requirements. We also create shared value by maintaining close and mutually beneficial relationships with educational institutions and top universities in Finland and other countries where we operate, including financial endowments. We see that we have a clear purpose in society, one that goes beyond just the generation of financial value.

Direct economic value generated and distributed

3,987.7
MEUR



295.5
MEUR

Operating costs and employee wages and benefits exclude payments to government.

Tax footprint

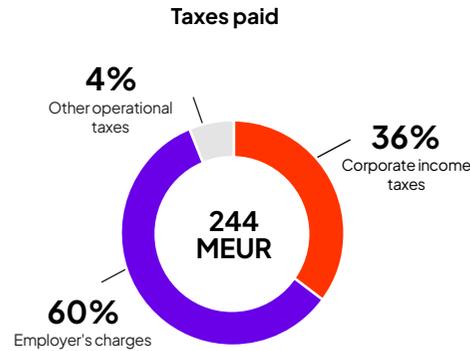
Konecranes aims to be transparent with respect to economic value creation. We are committed to paying taxes and tax-like fees in the countries where we operate. We pay and collect different taxes and other compulsory tax-like payments at different points of our value chain.

A total of EUR 524 million (458 million in 2022) in taxes and other compulsory tax-like payments were paid and collected in countries where the Group operates, implying an effective tax rate of 25.0 percent (27.4 percent). A total of EUR 244 million (207 million) was paid (taxes paid) directly by the Group itself, while EUR 280 million (251 million) was collected (taxes collected).

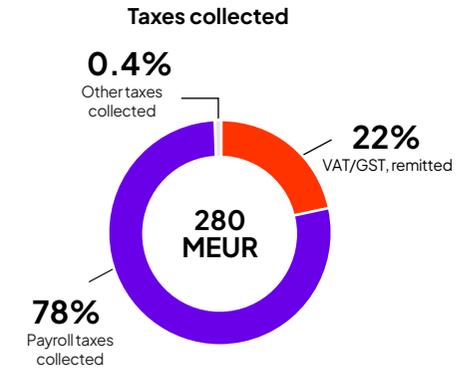
The Group follows the framework of legislation and legal practice in planning the taxable profit of Group companies. Our data on the payment of taxes in 2023 has been compiled while taking materiality, confidentiality, business reasons and cost-effectiveness into account. The data presented in this report is based on information collected from the Group's reporting systems. Additional information on taxes can be found in the **Governance and Financial Review**.

Konecranes' approach to tax

Konecranes is present in many countries where it contributes to society through various taxes and charges such as corporate income taxes, indirect taxes, customs duties, payroll taxes, social security contributions and property taxes. We are committed to a tax strategy which is both open and compliant, and we manage taxes according to the principles, roles and responsibilities set out in our **Group Tax Policy**. Konecranes' Group Tax Policy can be found at www.konecranes.com/about/sustainability/policies-and-principles. The KLT and the

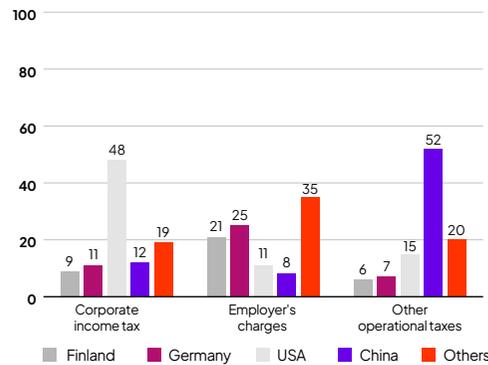


Taxes paid include all tax and tax-like payments that Konecranes has paid as its own taxes. Tax-like payments include, among other things, compulsory payments of social-security contributions.

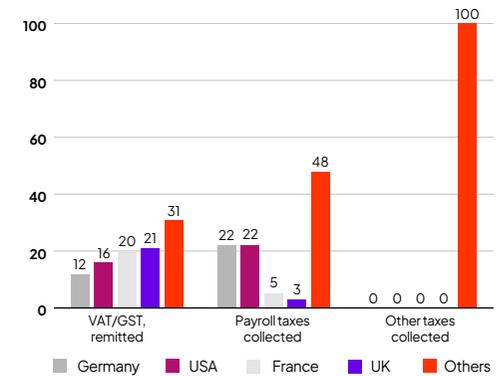


Taxes collected include tax and tax-like payments that Konecranes has collected on the behalf of the government such as VAT and similar turnover related taxes paid, payroll taxes and other taxes. The economic burden for such taxes end up with the buyer or final consumer.

Taxes paid by country, %



Taxes collected by country, %



Board of Directors' Audit Committee review the Group Tax Policy and tax strategy annually.

We are committed to conducting our business in compliance with all applicable tax laws, rules and regulations; to complying with all reporting requirements; and to filing all tax returns and fulfilling all tax obligations according to high ethical standards within the time

requirements of local regulations. We are committed to meeting all statutory compliance obligations in each jurisdiction. We apply the OECD standards in cross-border transactions, and we ensure that our transfer pricing is in accordance with the "arm's length principle". We also meet the transfer pricing and Country-by-Country ("CbC") reporting requirements in each jurisdiction as required.

Konecranes is a responsible taxpayer. According to our assessment, taxes mostly support the following UN Development Goals: Decent work and economic growth, and Peace, justice and strong institutions. We are witnessing a regulatory change, for example, in the European Union, which moves towards punishing polluters via taxes. New taxes are collected related to, for example, packaging and the development on the EU's Carbon Border Adjustment Mechanism (CBAM). All these are slightly impacting our tax overall.

Konecranes does not practice aggressive tax planning that aims to decrease the Group's taxable income artificially by, for example, exploiting differences and mismatches in the architecture of the international tax system to shift profits to places with little to no economic activity or taxation, nor use tax havens, low tax jurisdictions, which are ambiguous or against the spirit of the law, for the purpose of avoiding taxes. We use structures and arrangements that are driven by commercial considerations, are generally acknowledged by the law and court practice and have genuine substance. We do not seek abusive tax and tax treaty benefits.

Tax governance, control, and risk management

Konecranes applies the EU Taxonomy and the Minimum Safeguards with regards to taxation. The management and monitoring of tax-related matters is centralized in the Group's Finance department, headed by the Group's Chief Financial Officer. The Chief Financial Officer is accountable for tax governance and strategy. The Group Tax Department manages and implements tax policy and is responsible for ensuring that those principles and procedures that are in place, maintained and implemented in the same manner across all countries.

Our Global Tax Department is divided into the tax team at Corporate Head Office in Finland and the regional and country organizations outside Finland. The day-

to-day tax affairs are managed by the Global Tax Department together with the relevant local finance team. Local finance teams are responsible for ensuring local tax compliance, including the correct and timely filing and payment of taxes. The Group Tax Department controls and monitors the tax compliance processes. Each Group company shall properly document and retain all information required to determine the taxable amount and related taxation, such as accounting workbooks and sheets, files and other documentation during legal retention period as required by applicable tax legislations.

The Global Tax Department manages tax audit processes, especially relating to cross-border transactions. Due to the Group's significant international operations, it is involved in a number of tax audits at any given time. Tax matters are included in the Group's internal controls and audit framework. Local finance teams are obliged to report tax audit notifications, audit findings and reassessments to the Global Tax Department.

Tax risk management is conducted and monitored by the Global Tax Department in cooperation with the respective business areas, units and supporting functions. Global tax team carries out reviews in order to identify key risks and to set mitigating controls in place. Tax-related issues are reported to Group external auditors for review on a quarterly basis. The Group's Chief Financial Officer reports regularly to the Group's Audit Committee on tax-related issues, and there is an open and continuous dialogue between the parties and individuals tasked with the operation of our finance function regarding the way our business manages its tax risk. The key target of the management of tax-related issues is to safeguard that all Group companies comply with the regulations of tax legislation in all countries of operation as well as manage both financial and non-financial tax risks. Tax-fraud actions are strictly prohibited. Konecranes has a Whistleblowing Channel to help alert Konecranes of

serious risks, unethical or unlawful behavior – also relating to taxes – affecting individuals, the company, the society or the environment.

Stakeholder engagement related to tax

Konecranes promotes collaboration and open communication with tax authorities and other public institutions and seeks to get certainty of tax impacts in advance when needed and when it is possible. Information provided to tax authorities and other public institutions shall be complete, transparent, accurate and timely, and delivered in the format required. The Group does not actively participate in any public tax debates.

Professional independent advisors are used to seek expert advice on specific tax matters or where the tax treatment is unclear. The advisors selected must be committed to following all applicable regulations, good code of conduct, ethics and compliance standards. Therefore, appropriate due diligence and background checks shall be carried out before engaging such partners. In addition, we actively monitor the conduct of such partners. Engagements with tax advisors are guided not to include success fees based on ambiguous tax benefits or specific non-disclosure clauses related to tax benefits.

Our sustainability agenda

We have combined Konecranes' impacts, the most relevant stakeholder expectations and value creation element topics into four sustainability commitments, which form our sustainability strategy. Each commitment contains targets and activities – and together they form our sustainability agenda.

Konecranes' sustainability commitments

- We enable a decarbonized and circular world.
- We deliver safe and secure material handling solutions.
- We create a fair, inclusive, diverse and engaging working environment.
- We expect the highest ethical standards of ourselves and our business partners. This encompasses all of the three first commitments and acts as a foundation.

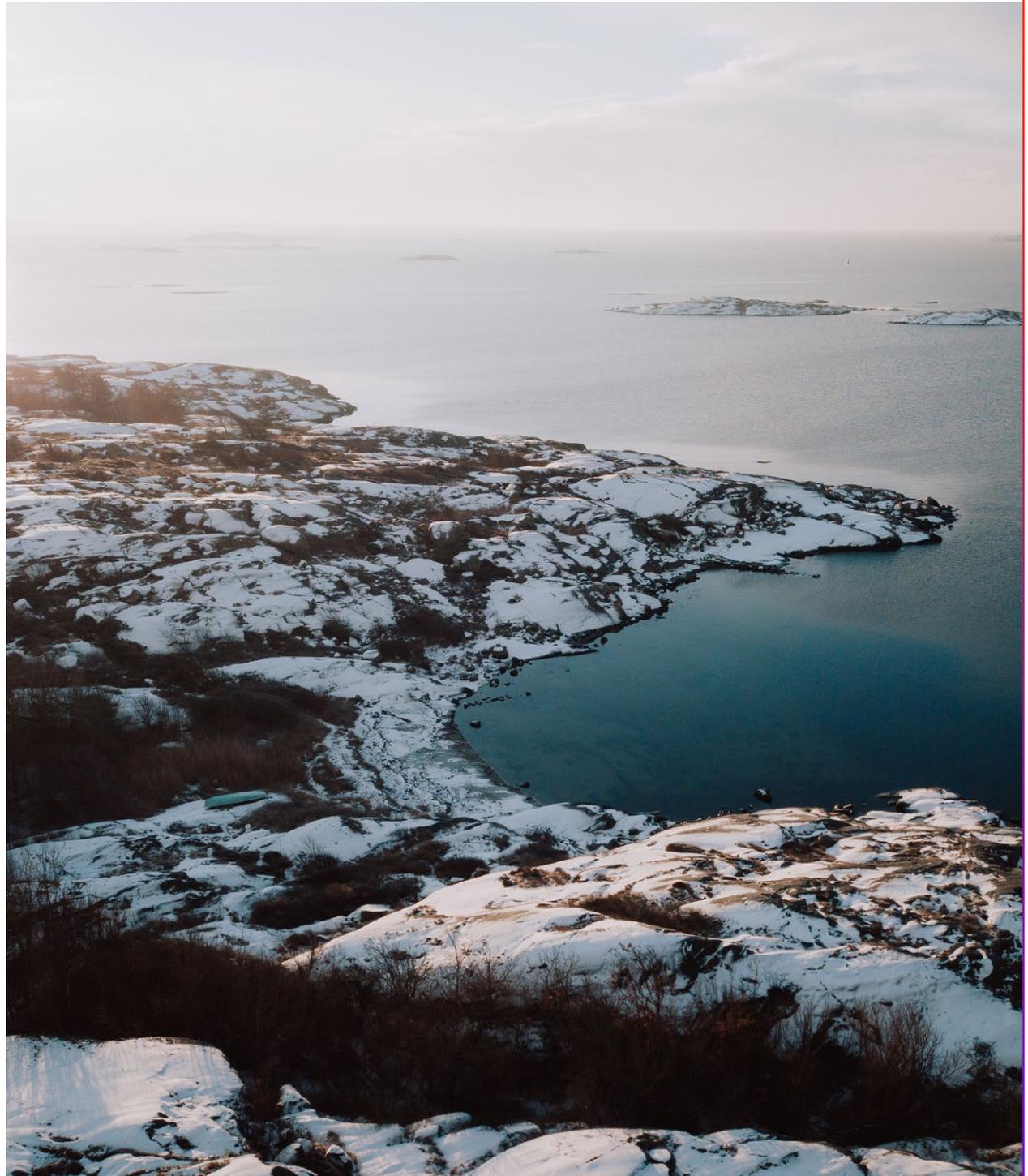
CLIMATE ACTION AND CIRCULARITY

We enable a decarbonized and circular world

The ongoing climate change poses a significant existential threat to humanity, and urgent action is needed. During 2023, COP28 achieved a historic consensus on the importance of accelerating climate action and phasing out fossil fuels. Businesses need to do their part in mitigating climate change and Konecranes wants to lead the way forward.

In 2022, we already reached the science-based target of halving our Scope 1 & 2 emissions by 2030. Therefore, in May 2023 we set a new, more ambitious target for carbon neutral own operations by 2030. Carbon neutrality means having a balance between emitting carbon and absorbing carbon from the atmosphere. For Konecranes this means minimizing emissions from its own operations, maximizing the share of renewables and offsetting the unavoidable emissions.

Our efforts in cutting emissions, managing and mitigating climate risks as well as developing a low-carbon offering were recognized with an A- rating for a second consecutive year in CDP's annual climate program, elevating keeping us the company into in the Leadership ranking. We acknowledge the fact that reaching our ambitious targets requires strong collaboration and teamwork, and therefore we continuously



engage with our employees through different trainings and events and increase their awareness and knowledge about the topic.

Science-based targets aligned with the goal of limiting global warming to 1.5 °C

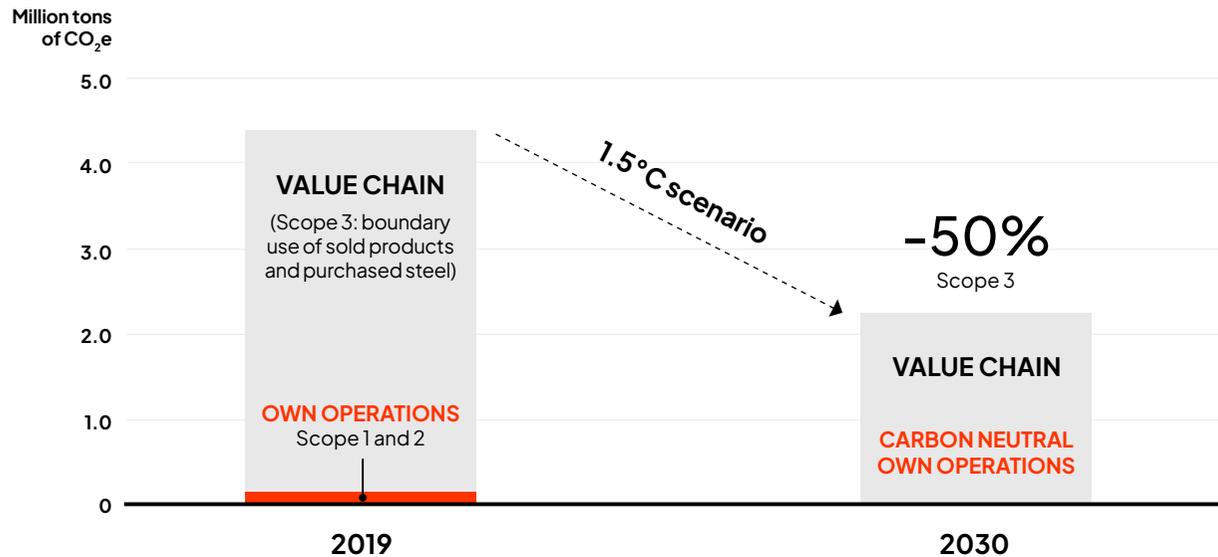
The climate crisis demands actions now, and we are fully committed to being a part of the solution. Konecranes has set ambitious targets for our own operations and for our value chain that are in line with the goal of the Paris Agreement of limiting global warming to 1.5 °C. These targets have been validated by the Science Based Targets initiative (SBTi) in 2022.

Konecranes is committed to reducing its absolute Scope 1 and 2 greenhouse gas emissions by 50 percent and Scope 3 emissions encompassing the use of sold products and steel-related 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 we have made great progress with Scope 1 and 2 emissions reductions, we set a new target in 2023: Konecranes is aiming at carbon neutral own operations by 2030.

The potential impacts of climate change are far-reaching, from the natural disasters that could affect our supply

chain to increased local regulation and the cost of energy and materials, which could impact production in our manufacturing sites and the servicing of equipment. We are in a unique position to provide solutions that help industries, such as ports, transition to a low-carbon future. Konecranes has done a comprehensive climate-related risk and scenario analysis, in line with the Task Force of Climate Related Disclosures (TCFD) recommendations. Read more about our detailed climate risks and opportunities on [Konecranes.com](https://www.konecranes.com) as well as in the **Statement of Non-Financial Information** in our **Governance and Financial Review**.

Konecranes' climate targets



KEY FOCUS AREAS

- Electrification of diesel-powered equipment
- Smart product design focusing on energy efficiency, durability and maintainability
- Optimizing material handling with automation and digital solutions
- Purchasing steel with minimum emissions
- Focusing on energy efficiency and renewable energy, and offsetting the unavoidable emissions of own operations.

The focus of our climate work covers both our own operations as well as the most significant value chain impacts. Konecranes will concentrate on minimizing the largest impacts of its footprint. We have concluded that committing to ambitious climate targets and working towards limiting global warming to 1.5 °C compared to pre-industrial era levels is a significant opportunity for Konecranes. Reaching science-based targets means that we must focus on our product portfolio and the changes to low-carbon offering as well as leading the decarbonization of our supply chain. To meet our customers' increasing demand for low-carbon products, we will focus on providing eco-efficient solutions and prolonging product lifecycles with our solutions and service concepts. Read more about how we help customers reduce their environmental impacts in the section **Supporting our customers in reaching their low-carbon targets with our offering.**

To make the transition happen, we need all our employees onboard. To increase the awareness of our employees and to engage them in climate action and to collaborate around the topic, we continued to organize various internal activities in 2023. For example, we started hosting Environmental Sustainability Info Cafés open for all employees, covering topics such as the Design for Environment concept in product design and insights on the green steel market. During the year, we also ran several internal trainings and created an updated training plan for key internal stakeholder groups. A total of 1,620 employees attended these events, and the implementation of the training plan as well as the Environmental Info Café events continue in 2024.

The progress of our climate agenda

Konecranes' climate impact in 2023 totaled 5,285,900 tonnes of CO₂e. Our total emissions have decreased by approximately 8 percent compared to 2019.

Our own operations (Scope 1 & 2) cover less than one percent of our total emissions and about 99 percent of

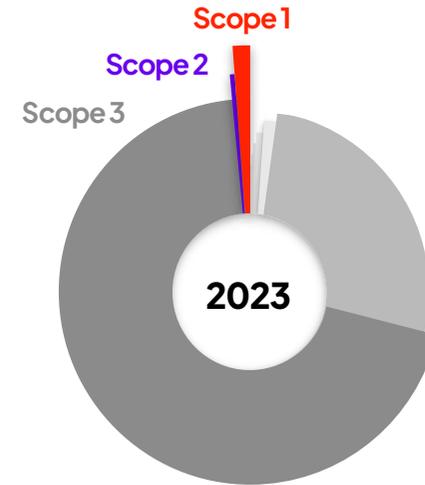
our emissions originate from the value chain. Most of the emissions are generated in two emission categories: use of sold products and purchased goods and services. The highest contribution from the category Purchased goods and services comes from steel. In the category Use of sold products, diesel variants contribute the most. Diesel-driven products dominate the Group-level emissions. Detailed emissions data can be found in the **Environmental Data 2023** table in the **Data and indices** section.

In 2022, Konecranes achieved the science-based target of reducing the emissions of our own operations (Scope 1 & 2) by 50 percent from 2019. The main contributor was the shift to renewable electricity in all of our manufacturing locations. In 2023, emissions from our own operations further decreased by 6 percent compared to 2022, and by 53 percent compared to the base year 2019.

In 2023 we continued to implement energy efficiency improvement activities that reduced energy consumption and emissions. Of those activities, the biggest overall emission savings were gained by improving heating, ventilation and insulation at factories, replacing old machinery with more energy-efficient ones and upgrading to LED lighting. Gas consumption remained on a level below normal also in 2023 due to the energy crisis. We will continue to invest in energy efficiency to further reduce our emissions in order to reach our new target of carbon neutral own operations by 2030. In 2023, approximately 70 percent of the Konecranes' Scope 1 & 2 emissions came from the fuel consumption of the company's vehicle fleet. This includes both employee benefit cars and the service fleet. The rest of the emissions were caused by the energy consumption of the factories, offices as well as refrigerants.

For the Scope 3 science-based target, Konecranes aims to reduce its absolute carbon emissions by 50 percent by 2030. Our Scope 3 emissions within the science-based target boundary, limited to the use of sold products and steel purchases, decreased by 19 percent compared to

Emissions in 2023 (CO₂e tons)



● Scope 1	37,300	0.7%
● Scope 2	3,300	0.1%
● Total Scope 3	5,245,400	99.2%
● Use of sold products	3,330,400	63.0%
● Purchased goods and services	1,670,500	31.6%
● Upstream transportation and distribution	160,200	3.0%
● Investments	20,700	0.4%
● Downstream transportation and distribution	16,000	0.3%
● Employee commuting	13,000	0.2%
● Fuel and energy related activities	12,700	0.2%
● Business travel	12,500	0.2%
● End-of-life treatment of sold products	5,200	0.1%
● Capital goods	4,000	0.1%
● Waste generated in own operations	200	0.0%

the 2019 baseline (2022: 26 percent) and increased by 9 percent compared to 2022. The increase in 2023 versus 2022 results from higher sales volumes in 2023. The Scope 3 emissions are affected by product mix and the type of the sold products (fully electrified, hybrid or diesel). Overall, we expect acceleration in Scope 3 emission reduction after the whole Konecranes' product offering has been electrified. Currently, the target year for a fully electrified product portfolio is 2026.

We will reach our Scope 3 target by electrifying our offering in the Port Solutions segment, by developing more energy-efficient hoists for the Industrial Equipment and Service segments, and by reducing value chain emissions from steel purchases in cooperation with our suppliers. As our biggest climate impact relates to our diesel-powered offering, we will seek new technological innovations to reduce dependency on fossil fuels and increase energy efficiency. The electrification of our customers' industries is a prerequisite for Konecranes to reach its climate ambition. We also need to cooperate with our steel suppliers to reduce the overall emissions related to steel, as it is a carbon-intensive material. We have investigated the maturity level of the climate targets our suppliers have set and their capabilities to provide emissions calculations. We expect that their data capabilities will increase in the coming years and we will challenge our suppliers to move to low-carbon production. We also aim to increase the share of recycled steel in our products.

In addition, we will focus on advancing digitalization to make material handling more productive while minimizing emissions. To limit any excess waste, we design our products to be maintainable, durable and optimized for overall weight.

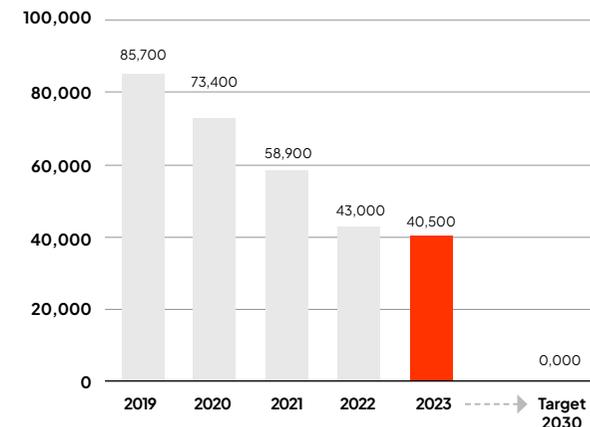
As supportive actions, Konecranes has been fully offsetting business flight emissions since 2020.

Scope 1 and 2 emissions data is collected monthly for progress monitoring. Scope 3 data is currently collected at least on an annual basis.



Emissions from Konecranes' own operations (Scope 1 & 2, tCO₂e)

Target:
**Carbon neutral
own operations
by 2030**





Working towards carbon neutral own operations

Konecranes targets for carbon neutral own operations by 2030. We are continuously looking for solutions to further improve the energy efficiency of our manufacturing and service operations. We continue to invest in energy efficiency and the development of our service fleet. Our factories are powered by renewable electricity, and we seek to increase the share of our own on-site electricity production.

Konecranes' way to carbon neutrality by 2030 is divided into different steps. Firstly, all electricity used in our manufacturing operations has been renewable already since 2022. Secondly, we aim for a carbon neutral manufacturing network by 2027. To achieve this, we will need to continue investing in energy efficiency such as factory modernization or machinery renewals, improving insulation, heating and cooling, introducing heat recovery and training employees to save energy. We are also searching for and adopting suitable

renewable energy sources such as renewable district heat, geothermal energy and biogas. For example, our factory in Hämeenlinna, Finland has already switched to renewable district heating. Konecranes also aims to use less emission-intensive refrigerants. And finally, as the last alternative, where there are no feasible renewable options available, we offset the remaining, unavoidable emissions.

The final step in our way to carbon neutral own operations by 2030 is to address our vehicle fleet and offices.

To reduce their emissions, Konecranes will focus on optimizing vehicle sizes and routes, electrifying the fleet where feasible, and continuing training economical driving practices. In addition, the company will purchase renewable electricity for offices. The ultimate goal is to minimize emissions so that there would be nothing left to offset. If any emissions are left after the implementation of all these activities, they will be offset. As a result, Konecranes' own operations will be carbon neutral.

Environmental work driven by HSE Excellence

Konecranes' environmental work is driven by the HSE Excellence program that focuses on certifying our operations with ISO 14001 Environmental Management System (EMS), implementing rules for environmental behavior as well as defining minimum requirements for environmental management.

To continuously improve our performance, we aim to certify all manufacturing sites with ISO 14001:2015 by the end of 2024. This target has been postponed by a year. In 2023 the share of the company's factories holding an

ISO 14001 environmental management system certificate increased to 86 percent (2022: 83 percent). As part of the ISO 14001 EMS, each of our units is responsible for evaluating, prioritizing, and mitigating their environmental risks at a local level and for ensuring continuous improvements.

In 2023, we launched Global HSE standards for environmental management, which set the minimum requirements and standardize our ways of working by defining common rules for all operations. For energy management as well as for chemical handling and waste management those set a minimum level for environmental

management. We have 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. We follow waste data on a quarterly basis, including the treatment method, to follow our progress in waste management. Environmental incidents and near-miss cases are reported through our global HSE reporting tool, and the investigations of the root causes and corrective actions are conducted accordingly.

In 2023, we launched Planet-Saving Behaviors, our internal requirements and guidance to ensure that all of our employees understand the environmental consequences of our actions and the possibilities for improvement. The first behaviors introduced are: Energy efficiency and emission savings, and Resource efficiency to minimize waste. We have communicated on

the behaviors during the year and have organized local promotion campaigns.

We prioritize energy efficiency in our environmental work related to our own operations. On top of our climate commitment, we have signed national voluntary agreements on energy efficiency. To reach our targets, we invest in energy efficiency actions such as heat recovery, LED lighting and by improving the fuel efficiency of our service vehicle fleet. We systematically evaluate potential energy efficiency investments and calculate which are the most impactful ones considering the amount of emission cuts and monetary value. During the year, we continued conducting energy efficiency activities at our manufacturing sites.

We deployed the first electric service vehicles during 2022 and continued this work in 2023. The pace of

FIRST CARBON NEUTRAL FACTORY IN HÄMEENLINNA, FINLAND

In 2023, Konecranes received its first CarbonNeutral® building certification for the factory in Hämeenlinna, Finland, in accordance with The CarbonNeutral Protocol, the leading global framework for carbon neutrality. The Hämeenlinna certification is the result of Konecranes' actions in reducing the factory's greenhouse gas emissions by 50 percent compared to 2019 by using renewable energy and improving energy efficiency. To reach carbon neutrality, Konecranes purchases carbon credits to compensate the emissions that cannot be eliminated yet. The work continues in Hämeenlinna to further reduce the remaining emissions, and the activities for the next two years will further decrease the emissions to the level of -70 percent from the 2019 level.



the electrification of our service vehicle fleet varies from country to country as the maturity of the local infrastructure, offering and other circumstances also vary.

We have a systematic way to follow the development of our energy efficiency management. Local energy efficiency plans and activities are reviewed globally at least annually and best practices are shared between sites. This follow-up covers the majority of the sites and more than 80 percent of energy consumption. Two best practice examples in energy efficiency are the Konecranes Hyvinkää and Hämeenlinna manufacturing facilities in Finland, which introduced an Energy Management System in 2019. It follows the national energy efficiency system's (ETJ+) standard rules and fulfills the requirements of the EU Energy Efficiency Directive together with the certified ISO 14001 EMS. These sites have a strong governance, deviations control and follow-up system in place, as well as an annual communications plan and audits. The most important tool for managing energy use is the energy data system, which enables following real-time consumption of electricity, water and heat in each building on the site – making it easy to identify potential improvements.

Our impact on biodiversity

Biodiversity is essential to our planet and humankind, as it provides functioning ecosystems that supply oxygen, clean air, water and food. Biodiversity has been declining globally for decades, and more action is required to stop and reverse this development. According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), the five direct drivers of biodiversity loss are climate change, pollution, changing use of sea and land, direct exploitation of organisms and invasive non-native species.

In 2023, we continued to investigate the biodiversity impacts of our own operations. The manufacturing of our products does not reserve large areas of land or have a significant effect on biodiversity in the surrounding natural

environment. We analyzed our impact using the ENCORE tool and WWF Biodiversity Risk Filter. After comparing the results to our own operations' environmental inputs and outputs we concluded that our biggest impact on biodiversity is related to climate change through emissions.

In the coming years, we will seek to strengthen our understanding of our biodiversity impacts in the value chain. For example, natural rubber has been recognized as a critical raw material by the EU. As some of our products contain rubber, we have investigated its environmental impacts. The use of rubber can have an impact on biodiversity, and one of the biggest threats is deforestation due to changes in land use. We will continue to investigate the biodiversity impacts of rubber and follow the development of sustainable synthetic alternatives.

Konecranes has started numerous local biodiversity conservation projects, which provide us with valuable insight into what can be done in this field. We also want to cherish and encourage such projects in order to support the biodiversity of local nature.

Mitigating risks related to water use

We collect water consumption data quarterly from our manufacturing units and report our overall annual consumption. Based on our analysis, our water consumption is not significant since our processes

use very little or no water at all. Therefore, water has not been identified as a material topic for us. However, we acknowledge water stress as a global problem and therefore, in 2023, we collaborated with Aalto University to study the topic further.

Previously, we have investigated whether our factories are located in areas of water stress using the WWF's Water Risk Filter tool for assessing basin and operational water risks. The results of the analysis indicated that Konecranes has no manufacturing sites in "Extremely High" water stress areas. Five of our sites (16 percent of all manufacturing locations) are located in "High" and the rest of the sites in "Medium" or "Low" water risk areas. The tool also provided us with scenarios on water risks based on climate and socioeconomic changes by 2030 and 2050, giving us an insight into our future water risks.

Only two of our manufacturing sites in high-risk areas use water in their production processes. The site in Jejuri, India, has implemented a closed-loop system for the water used in the production process and has installed a sewage treatment plant, reusing the water for gardening. Investigations to improve water management will be continued during 2024. In addition to the actions at our manufacturing sites, we have provided guidelines for our factory workers to reduce water consumption. In the coming years, we will focus more on the sites in high-risk areas.

Our factories are not located in biodiversity-sensitive areas such as UNESCO World Heritage sites, Ramsar sites or UNESCO biosphere reserves. However, our Thailand factory 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, as well as pollution. The factory is in an established industrial area and no factory expansions are planned. We do our share by securing that we have an efficient environmental management system in place including pollution control and waste management practices, as well as all other necessary precautionary procedures.



Supporting our customers in reaching their low-carbon targets with our offering

As the most significant share of our emissions are generated through the use of sold products, it is essential for us to promote and support the change towards a low-carbon future and push the industry's sustainability standards further. We actively support our customers in achieving their low-carbon targets. We do this by offering eco-efficient and low-carbon solutions, extending product lifecycles, and applying smart design principles focused on energy efficiency, durability, and maintainability.

A product's environmental impact is largely determined in the early design stages. Our products are designed with their entire lifecycle in mind and the lifecycle of our products can last for decades. Investing in data-driven, eco- and resource-efficient, and repairable products allows customers to preserve equipment value and reduce costs and environmental impact.

To support customers' decision-making, we provide accurate environmental impact data through calculations of our products' energy consumption and CO₂ emissions, which are critically assessed by a third party (as part of our Environmental Product Declarations, EPDs).

Enabling a low-carbon transition

Konecranes' Industrial Equipment offering is fully electric, whereas in Port Solutions we have steadily expanded our 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. Our eco-optimized product portfolio offers improved resource and energy efficiency, a variety of low-carbon power options, performance and safety with optimized maintenance, upgrades and modernizations. Intelligent power sources are promoted, including hybrid and full-electric options, with features such as generative braking. In the case of power trains, we focus on operational efficiency without compromising equipment performance.

For diesel-electric equipment, we offer a variable speed diesel generator, the Konecranes "Fuel Saver", which utilizes advanced control technology, saving fuel by up to 35 percent compared to a conventional fixed speed diesel generator. The Fuel Saver feature ensures that the diesel engine is running at optimal speed according to

the operating power need, without high-speed idling. Fuel efficiency is optimized for every equipment type according to the use profile, and in addition, we offer many technical solutions to reduce fuel consumption even further. Read more about our fuel-saving technology Flow Drive for Lift Trucks at <https://www.kcliftrucks.com/products/konecranes-ecolifting/flow-drive>.

Furthermore, Konecranes' Generation C lift trucks are suitable for HVO100 diesel quality. HVO100 is a renewable and fossil-free chemical copy of a regular diesel fuel, and it is made mostly of vegetable oils as well as suitable waste and residue fat. By shifting to HVO100, fossil-based CO₂ emissions can be reduced by up to 90 percent.

Hybrid power systems provide a further reduction in fuel consumption. A hybrid power system changes the conventional diesel-generator power train to a battery-charged power supply. Braking energy is recuperated to the battery, and the diesel generator is used to recharge the battery only when needed. Therefore, a significantly smaller diesel generator fulfils the energy consumption of the crane and provides sufficient charging power for the battery. With optimized diesel generator size, we can achieve the best application-specific fuel consumption and can enable the diesel engine to run on its best fuel and emissions efficiency. Read more about the hybrid power system Hybrid Power Pack for Konecranes Rubber Tired Gantry cranes with reverse braking at <https://www.konecranes.com/en-us/port-equipment-services/container-handling-equipment/power-options-for-rtgs/hybrid-power-pack>.

Third-party verified lifecycle assessments highlight the substantial emission savings achieved by electric equipment compared to their diesel counterparts. As an example, our fully electric Generation 6 mobile harbor

ZERO4 – UNLOCKING INDUSTRIAL PRODUCTIVITY THROUGH SUSTAINABLE IMPROVEMENT OF MATERIAL FLOWS

In the beginning of 2023, Konecranes launched the Zero4 research and innovation program. Zero4 aims to tackle two major challenges: the climate change impact of material flows and the declining productivity of industrial companies in developed countries. To achieve this mission, the Zero4 program aims to minimize the four main deficiencies of industrial systems: information barriers, GHG emissions, wasted energy and accidents. 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. In addition to the grant from Business Finland, Konecranes plans to invest 40 million euros into Zero4 during the next five years to continue executing on its technology vision and sustainability ambitions, and to generate productivity growth.

Zero4 is a Konecranes-led ecosystem of partners, universities, research institutes, and customers working towards the vision of a unified material flow platform. The ecosystem is expected to consist of more than 70 partners by 2027.

crane and our electric E-VER Lift Trucks significantly reduce energy consumption compared to standard diesel engines. In addition to lower emissions, the design of the mobile harbor crane takes circularity into account through a more durable design: its robust construction doubles the crane's service life in container operation compared to earlier generations, and more powerful lifting capacity curves and high working speeds ensure greater efficiency and faster cargo turnaround times. The long-lasting design also supports resale value when customers choose to renew their fleet. The recent product launches in 2022 include fully battery-driven Rubber-Tired Gantry Crane (RTG) and Straddle Carriers (SC).

Further information about Konecranes' activities that qualify as environmentally sustainable according to EU

Taxonomy Regulation (EU) 2020/852 in the **Statement of Non-Financial Information: EU Taxonomy**.

Diesel motor standards

Diesel motor exhaust treatment is based on European and US legislation on motors. In the US market, we comply with the Tier 4F diesel engine standards, applicable to new and remanufactured engines since 2014. In the European region, we adhere to the Stage V diesel engine standards. This technology is accessible to customers worldwide, provided they can source the right quality of fuel with near-zero sulfur content.

Emission regulations for non-road diesel engines vary worldwide. The most stringent standards, the US EPA Tier 4 final and EU Stage V, are effective in specific market

areas and adopted by certain countries. Compliance with these regulations involves employing an advanced exhaust gas aftertreatment system (EATS), featuring catalytic particulate filters and NOx reducers. This system is sensitive to sulfur content in diesel fuel, necessitating high-quality fuel. Market areas with lower quality fuel and

Tier 3 or lower emission regulations employ alternative emissions control technologies, such as exhaust gas recirculation. While EATS-equipped power units can be used outside Tier 4 final and Stage V areas, this requires ultra-low sulfur diesel fuel and consideration of the practical maintenance aspects.

New solutions to be more sustainable than the previous generation

We are aiming for all new solutions to be more sustainable than the previous generation. During 2023, we promoted the Design for Environment concept and introduced new tools for product development teams, aiming to strengthen the knowledge about environmentally conscious design that enables minimizing climate impact throughout the whole product lifecycle.

Our Port Solutions' diesel-powered offering is the biggest contributor to Konecranes' climate impact, and therefore we aim to reduce our dependency on fossil fuels and increase the energy efficiency of our offering. Third-party verified lifecycle assessments highlight the substantial emission savings achieved by electric equipment compared to their diesel counterparts. During 2023, the focus in Port Solutions has been to develop and strengthen our capabilities in introducing new electrified models to the market in addition to the ones already in the portfolio.

In 2023, on top of sustainable material selections and weight optimization, one of the sustainability focus areas for Industrial Equipment offering involved actions related to energy efficiency. We have, for example, investigated standby power reduction possibilities and offering 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. Additionally, we improved our product development processes and tools to ensure that our environmental sustainability objectives are embedded in them.

Looking ahead to 2024, our commitment to supporting our customers in reaching their low-carbon targets with our offering remains robust with ongoing efforts to follow the environmental improvements in more detail.

DESIGN FOR ENVIRONMENT

Konecranes' Design for Environment (DfE) approach aims to improve a product's environmental performance. It is generally known that approximately 70–80 percent of the environmental impacts of a product are determined already at the design phase. Therefore, to minimize the impacts, it is essential to take environmental aspects into consideration already when the product is being designed. DfE serves as an important tool when translating our environmental commitments into tangible design actions, considering climate impacts, circularity, and other environmental aspects across the product lifecycle.

LIFECYCLE ASSESSMENT

Lifecycle assessment (LCA) is a method that supports product development and provides fact-based information on the product's environmental impact during its different lifecycle phases from cradle to grave. LCAs guide product development by identifying high-impact processes and components, facilitating informed choices on materials, designs, technologies, and logistics. By doing this, we can implement measures to reduce our CO₂ emissions. Our commitment to minimizing environmental impacts is underscored by the extensive application of LCAs, conducted at corporate, product, and component levels. Adhering primarily to ISO 14040-44 standards, we leverage professional LCA tools and emission databases to ensure the accuracy and reliability of our assessments. We have invested in-house expertise dedicated to LCA activities. To enhance transparency and credibility, the majority of our LCAs undergo third-party reviews.



Maximizing lifecycle value and eliminating waste with circular solutions throughout the value chain

Our commitment to accelerate circularity aims to optimize asset lifecycles and keep materials in the loop. It spans from portfolio management to business models and waste management in our own operations. We continuously innovate new opportunities and study their business potential. Konecranes' service operations extend the lifecycle of equipment through maintenance and repairs, remanufacturing of parts, modernization, and retrofitting.

Konecranes' circular strategies are related to smart design, sharing and re-using resources as well as services for lifecycle extensions.

Circularity is identified as one of the enablers to curb climate change, as greenhouse gas emissions can be reduced by improving resource efficiency, designing out waste and pollution, and keeping materials and products in use longer. We continuously investigate end-to-end circularity, for

example, by extending product lifecycles and enhancing material efficiency in both Konecranes' and our customers' operations. Utilizing circular economy principles and several circular business models can also generate new business opportunities while creating value for the customer. We focus on circular business models that extend the product's lifespan and offer products as a service. To follow our innovativeness and progress on accelerating circularity, we established measurable circularity KPIs in 2022.

We are committed to assessing at least three new circular economy business opportunities each year. In 2023, we have been further studying packaging materials used in Konecranes products. Our aim is to adopt more ecological and circular packaging, minimizing the use of single-use packaging materials. We have already made improvements and, for example, shifted to using recycled and recyclable materials in some applications. We are further increasing our understanding of innovative concepts and materials in packaging, driven by our ambition to continuously improve their environmental performance. We also focused on investigating our remanufacturing capabilities with the aim of extending the application of remanufacturing to other components. As a third study, we participated a cross-industrial remanufacturing project where the focus was on remanufacturing technologies and their integration into circular value chains. This work will continue in 2024. We continued the research project Carbon Neutrality Empowered by Handprint (2021-2024). The goal of the project is to develop a new methodology for quantifying climate benefits of circular solutions. We have successfully assessed handprint case examples

for predictive maintenance and for repurposing of steel components. Our goal is to expand and apply the handprint calculations in methodology development during 2024.

Smart design

Konecranes' products are designed to be modular, repairable, upgradable and recyclable, and built to last. This enables our customers to get long-term value for their investment. Modularity ensures the possibility for performance upgrades during the product's lifetime. The Design for Environment concept supports advancing circularity, as it prioritizes selecting repairable and recyclable materials, and designing our equipment for reuse and recycling.

Our products consist primarily of different types of metals (e.g. steel, aluminum, cast iron), plastics, elastomers and concrete, and the majority of them are recyclable. In a typical RTG crane, about 95 percent of the materials are metals, whereas the rubber tires form approximately 4 percent. The remaining 1 percent includes, e.g., electrical and electromechanical components, plastic, glass, lubricants and chipboards. This means that nearly all components used in the crane are recyclable at the end of their life.

We advise our customers on how to recycle our products correctly after use, but we also encourage them to reuse their used equipment.

Sharing and re-using resources

We continue to focus on digitalization, which we believe is a key enabler in the low-carbon and circular economy transformation. Our significant investments in digital solutions and state-of-the-art technology advance, for example, reducing and optimizing the need to move goods (e.g. parts) and people (e.g. service personnel) by using real-time data to predict maintenance needs. Connected devices and online platforms provide data on the state of components in real time, showing when to maintain, replace or repair them, resulting in smarter use



MEASURING CIRCULARITY

As we want to measure our innovativeness and progress on accelerating circularity, we have defined three KPIs that help us follow our progress.

Share of recycled steel used in our products

In 2023, our aim was to get more data from our suppliers. We have estimated that the share of recycled steel from our annual steel purchases is more than 40 percent, based on global averages.

Recycling rate of waste generated in manufacturing operations

In 2023 the recycling rate related to waste generated in our own manufacturing operations including waste directed to recycling or reuse was 88 percent (78 percent in 2022).

Revenue linked to modernizations or retrofits

In 2023 the share of modernizations and retrofits of the Konecranes Group total revenue was 8 percent (2022: 7 percent). The revenue related to modernizations and retrofits increased by 23 percent from EUR 243 million in 2022 to EUR 300 million in 2023.



CASE EXAMPLE: REMANUFACTURING

In 2023, Konecranes identified remanufacturing as one of three new circular business opportunities, aligning with the company's commitment to accelerating circularity and reducing environmental impacts. Remanufacturing involves repairing products or components in Konecranes service centers to be as good as new, extending their lifetime and minimizing downtime for customers. This service concept is integral to Konecranes' sustainability agenda, combining efforts to apply circular principles and reduce the carbon footprint of its products.

An illustrative case involves remanufacturing a rope drum used in heavy-duty cranes. Instead of replacing the entire component, Konecranes service centers repair it to function as good as new, saving customers weeks of downtime. The remanufacturing process involves precision pre-machining and filler welding, ensuring a comparable lifetime and durability for new components. Beyond the immediate customer benefits of reduced downtime, remanufacturing significantly decreases the carbon footprint, with initial calculations indicating nearly a one-third reduction in the case of the rope drum.

Remanufacturing emerges as a prominent example of Konecranes' commitment to circular economy principles, promoting efficient raw material use, energy savings, and emissions reduction. Remanufacturing is identified as one opportunity to achieve these sustainability ambitions. During 2024, we aim to extend the feasibility studies of remanufacturing to other components.

of resources and longer product lifecycles. Having real-time performance data on digital platforms helps us start conversations about improving the overall process, be it larger overhauls, retrofits or making suggestions about taking the first steps towards automation.

An example of sharing resources is our automated storage system Agilon®, which can be taken into use on a rental basis. Agilon® is a modular system that helps optimize the use of space in the warehouse and agile development. As Agilon® provides exact information on the stock levels and minimizes unnecessary handling time in warehouse storage and handling, it reduces the risk of undesired extra stocking. This, in turn, can support reaching targets related to circular economy as materials and resources are being utilized more effectively.

Konecranes Lift Trucks machines can be restored and sold as used machines. For example, Konecranes Lift Trucks in Markaryd (Sweden), some of its dealers, and third-party workshops offer this kind of restoration service.

Services for lifecycle extension

We have one of the largest service networks using modern technical solutions to enable unique circular economy opportunities, providing benefits also for our customers. Our service operations extend the lifecycle of equipment through maintenance and repairs, remanufacturing of parts, modernization, and retrofitting. Modernization and retrofitting solutions help customers update their technology to current standards and thus enables them to prolong the lifetime of the equipment, increase fuel efficiency and productivity, and decrease material usage while reducing emissions.

Our extensive service and spare parts offerings, coupled with a systematic maintenance approach, are supported by digital tools. These tools play an essential role in predicting potential failures, optimizing maintenance and spare part requirements, and significantly extending the overall lifetime of equipment. Our TRUCONNECT predictive maintenance system is a key player in

supporting customers' efforts to reduce emissions by harnessing data to optimize maintenance activities. In May 2023, we unveiled the new Predictive Maintenance engine. Developed by the Konecranes Data Science Lab, this sophisticated data analytics and processing system autonomously generates predictive maintenance sales cases within Siebel. This innovative engine leverages the

wealth of data collected from cranes under our service agreement, showcasing our dedication to staying at the forefront of technology.

Repairing and remanufacturing equipment extends their lifecycle and helps reduce emissions. For example, our repair centers in Finland, Germany and the US provide

repair services with advanced expertise and special tools and equipment. All repaired equipment are tested to ensure that they perform according to customer needs and industry standards. The repair centers work with equipment such as overhauled wire rope hoists, machined mechanical rope drums and remanufactured inverters, which can be re-used.

TARGETS AND PROGRESS: CLIMATE ACTION & CIRCULARITY

Our commitment: We enable a decarbonized and circular world

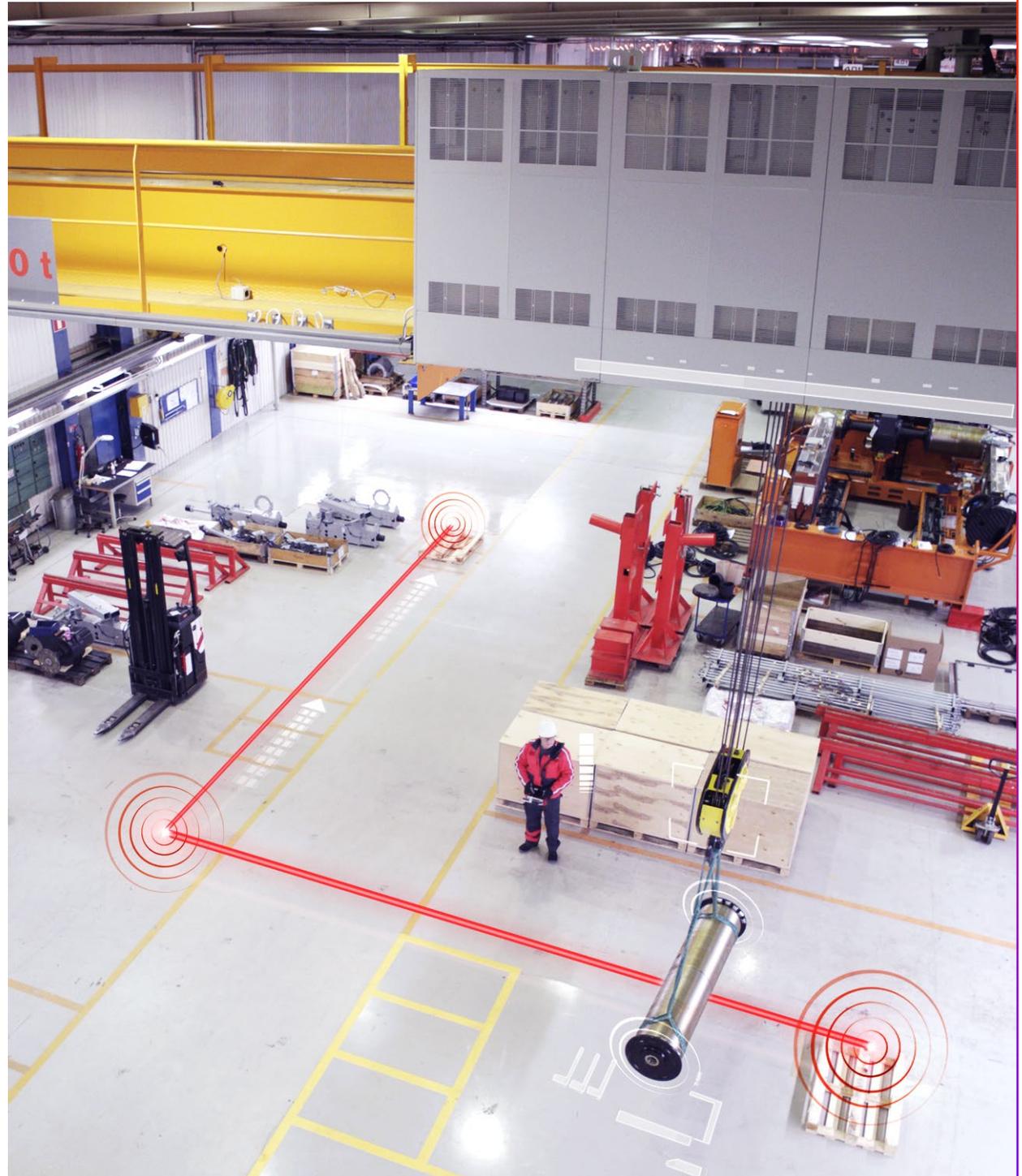
Topic	Target	Progress	UN Sustainable Development Goals
<p>Working to decarbonize our own operations</p>	<p>Certified ISO 14001 EMS in all factories</p> <hr/> <p>Reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030 from base year 2019.</p> <hr/> <p>By the end of 2022, power all our factories with 100% renewable electricity.</p> <hr/> <p>Carbon neutral own operations by 2030.</p>	<p>86%</p> <hr/> <p>53% reduction from 2019</p> <hr/> <p>100%</p> <hr/> <p>New target as of 2023.</p>	   
<p>Maximizing lifecycle value and eliminating waste with circular solutions throughout the whole value chain</p>	<p>Number of assessed new circular economy business opportunities</p>	<p>In 2023, we initiated studies of three circular economy business opportunities related to remanufacturing and packaging development</p>	
<p>Supporting our customers in reaching their low-carbon targets with our offering</p>	<p>All new products and services are more sustainable than the previous generation.</p>	<p>In 2023 our activities advanced sustainability. More on page 24.</p> <p>Share of eco-portfolio sales was 56% (2022: 52%).</p>	
	<p>Reduce absolute Scope 3 GHG emissions from purchased goods and services and use of sold products by 50% by 2030 from base year 2019.</p>	<p>19% reduction from 2019</p>	

SAFE SOLUTIONS AND OPERATIONS

We deliver safe and secure material handling solutions

In 2023, our safety performance showed year-on-year improvement and our ISO 45001 certification continued, covering now a total of 79 percent of all manufacturing units. We also extended our ISO 27001 security management certification coverage from digital services offered to customers to global business applications and IT infrastructure.

Safety and security are at the core of who we are – we prioritize them in all areas of our operations and throughout our value chain. Thanks to our offering, our customers can not only enhance the safety and security of their businesses, but also improve the efficiency and productivity of their operations.





Providing solutions for safe, uninterrupted and secure material handling

We provide our customers with services, equipment and solutions that help them work safely and increase the usability of their equipment and the efficiency of their operations. We manage product and information security systematically and protect our information assets. Prioritizing safety and security in all areas of our activities gives us a competitive advantage.

Managing product safety for safe and efficient material handling

There are considerable inherent occupational health and safety risks in industrial material handling. We want to provide solutions that make our customers' operations more efficient, secure, and safe. Our offering includes technologically advanced equipment with innovative safety features, as well as efficient preventive and predictive maintenance that enables our customers to

keep the equipment in good working order throughout its lifespan.

Our target is to provide unrivalled safety, quality and reliability. Therefore, we include safety in our design requirements and product development processes, and develop product safety and quality during its whole lifecycle. Our product compliance management ensures that our products comply with safety and environmental

regulations, among others. This includes comprehensive risk analysis and mitigation actions.

Internal guidelines, processes and instructions ensure that our products meet the needed safety requirements, achieved through design, verification, functional testing, documentation and trainings. We actively contribute to global standardization work, which benefits the safety of the whole industry. We define our own global engineering guidelines, requirements and recommendations for design work. For example, to implement safety-related control functions, our requirements meet both our 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, our products are thoroughly tested against applicable standards and known real-life operating conditions in our Reliability Centers. Functionalities, including safety features, are verified and validated in



various steps during development process. In production and during commissioning, defined inspections and tests are performed to ensure the conformity of the product. Failsafe 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. We monitor the defect rates of final product inspections, record the types of defects found, and aim to continuously reduce the most commonly occurring defects.

We encourage our 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 our product safety management process called Accident Investigation Reporting (AIR), which includes technical experts thoroughly investigating each incident. During 2023, we received and investigated around 214 AIR incidents (2022: 215) across the company.

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 customer sites or future deliveries. Additionally, by sharing the findings internally, we enable continuous safety improvement of the products and services we design and supply worldwide. If a systematic issue is identified, a project is started to address it with all affected customers. A similar project

can also be started if we internally identify, or our suppliers inform us about, a systematic issue that affects the safety of our past deliveries.

Our approach to training employees on product and service safety is explained in the section **Ensuring uncompromised safety in our own operations and supply chain.**

Digital ecosystem and safety features improve the safety and productivity of customers' operations

Konecranes' digital ecosystem includes the yourKONECRANES customer portal, Konecranes STORE for spare parts, global enterprise platforms and productivity-enhancing apps. Our comprehensive and systematic approach to crane maintenance is based on managing customers' assets with the help of digital solutions. We connect data, machines and people to improve the safety and productivity of our customers' operations, helping our customers reduce the likelihood of failures that result in unplanned downtime or pose a safety risk. Read more about our service approach in the section **Value for operation with secure and innovative technology.**

Our cranes can be equipped with a wide variety of our existing 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. Remote operation (using the Remote Operating Station) enables the crane operator to work in safe areas with better ergonomics. This also increases safety and efficiency in customer facilities, as people are further away from the machines and all facility operators can be in same operating room, enhancing communication. 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. Our Live Channel, an online virtual crane demonstration tool, enables us to showcase our 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.

Security requirements for enterprise resilience and product quality have changed fundamentally

The risk landscape shows that industrial manufacturing continues to be the most attacked industry, for a second year in a row. Upcoming cybersecurity regulation, 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 new cybersecurity strategy, ambition, governance and objectives with a detailed roadmap for the upcoming years. Konecranes is a supporter of the Paris Call, which brings governments and the private sector together to promote trust and security in cyberspace.

Our strategic security objectives are to deliver safe and secure material handling solutions, improve cyber preparedness and enterprise resilience, and ensure people are empowered with the right knowledge, skills, and tools to make cyber-aware decisions.

Konecranes' Information Security Management System (ISMS) is based on the industry best practices of the ISO 27001 standard. 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 Konecranes ISMS Handbook. Information security topics are regularly reported to the Konecranes Audit Committee, and further to Konecranes' Board of Directors, when needed.

Our systematic approach to managing information security aims to ensure that we identify and mitigate all relevant information security risks. We have implemented a set of security controls to protect our information assets and to ensure the confidentiality, integrity and availability of our 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. We monitor devices and networks and use Security Information and Event Management (SIEM) 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 ICT suppliers also follow incident, problem and change management processes to ensure the availability, stability and security of our IT environment. In 2023, we resolved 30 security incidents requiring advanced investigation. More information on our security controls is available on [Konecranes.com](https://www.konecranes.com).

During 2023, Konecranes updated its Information Security Management System from ISO 27001:2013 version to ISO 27001:2022. The scope covers all Konecranes, including Information Technology, Operational Technology and Konecranes products and services. We also continued the ISO/IEC 27001 management system certification process that was started in 2020. Development and delivery of the yourKONECRANES and TRUCONNECT digital services achieved certification in 2021, and TBA and ECSS (Equipment Control Systems & Services) software products in 2022. To continue the Konecranes ISO 27001 journey, and to enable the certification of other businesses and services, the ISO 27001 certification scope now covers also the global business applications and IT infrastructure. This is a major milestone that increases cyber preparedness and enterprise resilience.

During 2023, Konecranes started its first IEC 62443 certification project. The certification will provide assurance to customers on our offering being built according to industry best practices, fulfilling the regulatory compliance requirements and being protected against the cyber threats.

Konecranes Demag UK Ltd was awarded the Cyber Essentials certification in December 2023 for the third year in a row – a mandatory requirement for companies working with certain UK government contract types, including the Ministry of Defense, and other regulated industries.

To enable our cybersecurity performance and to secure our own and our customers' information, it is essential that we work hard to increase our employees' awareness and level of knowledge on information security topics. Our Information Security Policy defines the expectations for every employee. We have a mandatory cybersecurity training for all employees, which must be completed during the employee onboarding, and after that every time the training module has been updated. Additionally, trainings tailored to different employee groups' needs have been created. These cover the various aspects of information security to increase our employees' ability to recognize cyber threats. We also have comprehensive guidelines available to our employees and we regularly implement awareness activities on our internal forums and channels. During 2023 these campaigns mainly focused on secure use of Generative AI and how to combat phishing and vishing.

Konecranes has set information security awareness KPIs, which are followed up monthly. Our mandatory cybersecurity e-learning has been completed by 90 percent of our employees and the onboarding rate of our continuously ongoing training program for recognizing and reporting cyberattacks is 72 percent of our employees.



Ensuring uncompromised safety in our own operations and supply chain

We want to make sure everyone gets to go home safely, every day. Our work in managing safety starts from our own employees but extends beyond the company's boundaries to our suppliers, subcontractors, everyone engaged with our products and everyone we work with. We integrate safety and security in all our operations, including manufacturing, installations and maintenance, office and remote work as well as travel.

Safety is vital in everything we do; our overall approach and commitment to health and safety is outlined in our Health and Safety Policy statement. At Konecranes, health and safety are driven by the Health, Safety and Environmental (HSE) Excellence program that focuses on three areas: Life-Saving Behaviors, Global HSE standards, and Certified Management Systems.

We aim to create and maintain a culture where everyone takes responsibility for health and safety and embraces

the mindset "If you see it, you own it". This mindset is based on a principle that anyone who sees a deviation in safety, must challenge the situation, stop the unsafe action, rectify or remove the hazard, and finally, report it through our HSE reporting tool for proper corrective measures to be taken. We should never walk by when seeing a safety issue. Hence, in 2023 we continued to embed safety into everyone's daily job by supporting our employees in recognizing hazards, making HSE observations and promoting the company-wide Life-

Saving Behaviors. They are a collection of behavioral requirements that we expect everyone to follow, grouped around the main hazards and risks in all our operations be it in our own premises, enroute or at our customer sites. The campaign enhances our safety culture and advocates safe and environmentally responsible ways of working across the whole organization. Our work with Life-Saving Behaviors continues in 2024.

Konecranes' Global HSE Standards define what procedures, practices and actions we expect from our operations to ensure a safe and environmentally friendly workplace. The standards are structured around Basic, Advanced and World Class levels, guiding us to a path of continuous improvement. All Konecranes work processes are expected to fulfil the Basic level requirements and move gradually towards the Advanced and World Class levels as the HSE culture develops. During 2023 we launched six Global HSE Standards. For 2024, we will work, further develop and launch more standards.

During 2023, we continued the ISO 45001 certification of our manufacturing operations. A total of 79 percent of

all manufacturing units (2022: 69 percent) were certified against the ISO 45001 standards at the end of 2023. Our safety management systems also include robust engagement mechanisms with our employees.

Our Serious Injury or Fatality (SIF) Exposure program continued in 2023, focusing on activities to prevent incidents that caused, or had a potential to cause, serious injury. Each incident with SIF Exposure is reviewed thoroughly by the management to ensure that root causes have been identified and the corrective actions are effective. We communicate these incidents across

the organization to make sure that similar incidents are prevented from reoccurring elsewhere. We also classify actual and potential SIF Exposures based on the causes to understand better which hazards are the most common for us and to target our actions accordingly.

Building a strong safety culture through training

One of the cornerstones of our safety culture is training. We have 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. The

most significant safety risks in our own activities are related to factory work, vehicle incidents, crane and equipment installation, and our service business, where the working conditions of our technicians vary from job to job. All Konecranes employees receive trainings to perform their tasks safely and correctly; everyone is entitled to a proper work induction, and they should not work if they do not feel safe and confident to do their job safely.

The general introductory e-learning, Safety at Konecranes, is available in multiple languages on our learning platform. The course is targeted at all employees at Konecranes Group regardless of the employee's location, position, or brand. More detailed, role-based safety trainings (extent, topics, etc.) are dependent on the work and tasks involved in the job role. For example, specific training is required for working at heights, handling chemicals, carrying out electrical work, and operating machines. Safety training needs and requirements are defined locally, based on risk assessments, applicable laws, and other compliance obligations. The Global HSE excellence program outlines the overall requirements, but where local rules or regulations exceed these requirements, the latter always prevail.

By providing the necessary training we aim to ensure that people are competent to do their work correctly and safely and have all the formal qualifications and certifications. This includes the needed skills and knowledge about the procedures, risk assessment, and people emergency recovery. And when working at any site, we always start the work with hazard mapping and ensuring all necessary controls are in place, utilizing our Point-of-Work Risk Assessment (PoWRA) tool.

Safety performance

We report the Total Recordable Incident (TRI) rate as our main lagging KPI. The objective is to reach a TRI rate below three by 2025. We follow incidents, near misses, and observations through management systems, the

CASE: WEST CHESTER SERVICE BRANCH SHOWS THE TRUE MEANING OF EVERYONE BEING RESPONSIBLE OF SAFETY

A planner for the West Chester Service branch in Ohio, US, was performing their daily routine when they noticed some risks in a job that was going to be started in the coming days. The planner searched for more details and decided to contact the safety department to help assess the risks.

The technicians were tasked with wiring cranes/hoists following an installation completed by a contractor. To access the hoists, the technicians were going to have to work from a somewhat challenging area, including a pit with a gradual slope. The Planner reviewing the task was immediately worried about the safety of the employees.

When the concerns were brought to the safety team, they began working together with the service and equipment teams to address the concerns and to find a safe way to conduct the task. When reviewing the job, multiple other safety hazards were identified by the technicians and the safety team.

While the job posed quite a challenge due to the configuration of the building, the cross-functional team was nevertheless able to find safe access to each crane/hoist in the facility and come up with safe ways of working. And the task was conducted in a safe manner without putting anyone in harm's way.

The collaboration demonstrates how at Konecranes, we all take responsibility for safety and embrace the mindset "If you see it, you own it". This means that anyone who observes a safety risk must challenge the situation, stop the unsafe action, rectify, or remove the hazard or make sure someone takes action. And despite the risks our line of business has, every task can be carried out safely and correctly.

HSE reporting tool and the AIR product compliance management system, as well as through customer feedback.

In general, our safety performance showed significant year-on-year improvement during 2023. The TRI rate for the year was 4.6 (2022: 5.6), an improvement of 18 percent compared to 2022. We continued to focus on learning from incidents through an increased emphasis on investigation and corrective actions, supported in part by the HSE reporting tool. The reporting tool allows us to better track the quality of incident investigations and the completion of corrective actions, including the classification of corrective actions according to the hierarchy of controls. The main types of injuries were superficial such as abrasions and scratches (33 percent); sprains and strains (25 percent); and cuts and lacerations (17 percent). Injuries occurred mostly during manual

handling of materials (20 percent), working with hand-held tools (16 percent), and movement of people (12 percent). The overall corrective action closing rate during 2023 was 91 percent.

In 2023, we maintained a strong focus on reporting and following up both actual and potential Serious Injury and Fatality (SIF) cases. We had a total of 2 (2022: 4) non-fatal SIF injuries among our own employees. The overall SIF Exposure rate decreased by 26 percent compared to 2022, with the total number of reported incidents or near misses with Actual or Potential SIF consequences down to 32 from 43 in the previous year. In 2023, a total of 1.6 percent of all incidents reported were classified as SIF Exposure compared to 1.8 percent in 2022. The main causes for SIF Exposures were contact with live electricity (27 percent), being in line of fire (19 percent) and fall from heights (16 percent).

The total number of reported near misses was 1,341, which decreased compared to the previous year (1,490). Meanwhile, the reporting of safety observations increased greatly in 2023. We significantly exceeded our target of over 3 observations per person by reporting a total of 5.81 per person in 2023 (2022: 4.31), with a total of 95,686 observations reported globally. This was an improvement of 34 percent compared to 2022 (71,382). While there were differences in the level of reporting between the different countries and units, all areas of operations showed significant improvement in reporting safety observations. Improving incident investigations and the quality of corrective actions, promoting near miss and observation reporting, and following up on actual and potential SIF incidents will remain key activities in 2024. Safety performance is regularly monitored and discussed in the monthly Konecranes Leadership Team meetings as well as in the Board of Directors' meetings.

TARGETS AND PROGRESS: SAFE SOLUTIONS AND OPERATIONS

Our commitment: We deliver safe and secure material handling solutions

Topic	Target	Progress	UN Sustainable Development Goals
<p>Ensuring uncompromised safety in our own operations and the supply chain</p>	<p>TRI-rate <3 by the end of 2025.</p> <hr/> <p>20% year-on-year reduction of SIF exposure for own and contractor employees by end of 2025.</p> <hr/> <p>Observations per year by the end of 2025: 5 per person. Target for 2023 >4 per per-son.</p>	<p>TRI rate for the whole company was 4.6. Several Group-wide initiatives were launched to improve safety.</p> <hr/> <p>Serious Injury and Fatality (SIF) incidents totaled 32 (43). SIF potential reduction of 26% from 2022. Improvements were made in SIF incident review and follow-up, especially in SIF management reviews.</p> <hr/> <p>Total number of recorded HSE observations was 95,686, or 5.81 per person.</p>	  
<p>Providing solutions for safe, uninterrupted and secure material handling</p>	<p>Improving information and product security certification coverage.</p>	<p>ISO 27001 certification project completion rate for global business applications and IT infrastructure (95%)</p> <hr/> <p>IEC 62443 certification project completion rate in Business Segment Port Solutions (10%)</p>	 

INCLUSIVE AND FAIR WORKING CONDITIONS

We create a fair, inclusive, diverse and engaging working environment

In 2023 we launched Konecranes' new values that were co-created with nearly 8,000 colleagues around the world. We also conducted our global Employee Engagement Survey that assesses the satisfaction, motivation, and commitment of Konecranes employees globally.

Following the Human Rights Policy published in 2022, we embedded the topic also in the renewed Code of Conduct training targeted at all employees. We published a new Konecranes Diversity, Equity and Inclusion (DEI) Policy Statement to raise our ambition level on the topic further, and continued driving the personal and professional growth and well-being of our employees.

Our commitment to creating a fair, inclusive, diverse and engaging working environment is all about people. We address human rights risks and support fair practices in our policies and set requirements for our suppliers and distributors. We foster a working environment where people enjoy their work, feel respected and trusted, and are provided with challenging and interesting responsibilities and career opportunities. At Konecranes, we believe that diverse teams create the best results, and that everyone should feel they can be themselves.





Supporting human rights in our value chain

We include the basic principles of human rights in our Code of Conduct. Our Human Rights Policy gives guidance on the human rights due diligence process as well as summarizes our key commitments. Additionally, human rights are addressed in several other policies and processes, also those guiding the cooperation with our business partners.

We are 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 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. We are also

committed to the United Nations Guiding Principles on Business and Human Rights and the ten principles of the United Nations Global Compact.

Konecranes' commitment to human rights is evident in multiple internal policies. For several years, we have included the basic principles of human rights, such as zero tolerance of the use of forced or child labor in any form, in our Code of Conduct. In 2022 we published our

Human Rights Policy, which gives more detailed guidance, for example, on the human rights due diligence process. Konecranes also has a corporate policy, the Fair Labor Frame, which sets a standard and ambition to workforce-related activities, such as working hours and freedom of association. Additionally, particular human rights are addressed in our Health and Safety and Diversity, Equity and Inclusion Policy Statements, as well as in our Data Protection Policy. To ensure that different business partners also respect human rights, we have included our basic requirements in the Konecranes Supplier Code of Conduct and Distributor Code of Conduct and in our Know Your Counterparty process.

Human rights due diligence

As part of our human rights due diligence process, we regularly assess human rights risks and impacts, engage with affected stakeholders and develop and implement procedures for preventing, mitigating and monitoring

potential and actual adverse human rights impacts in our own operations and business relationships. Our global Sustainability team is driving the due diligence process forward together with different operational topic owners, and we aim to improve our activities continuously.

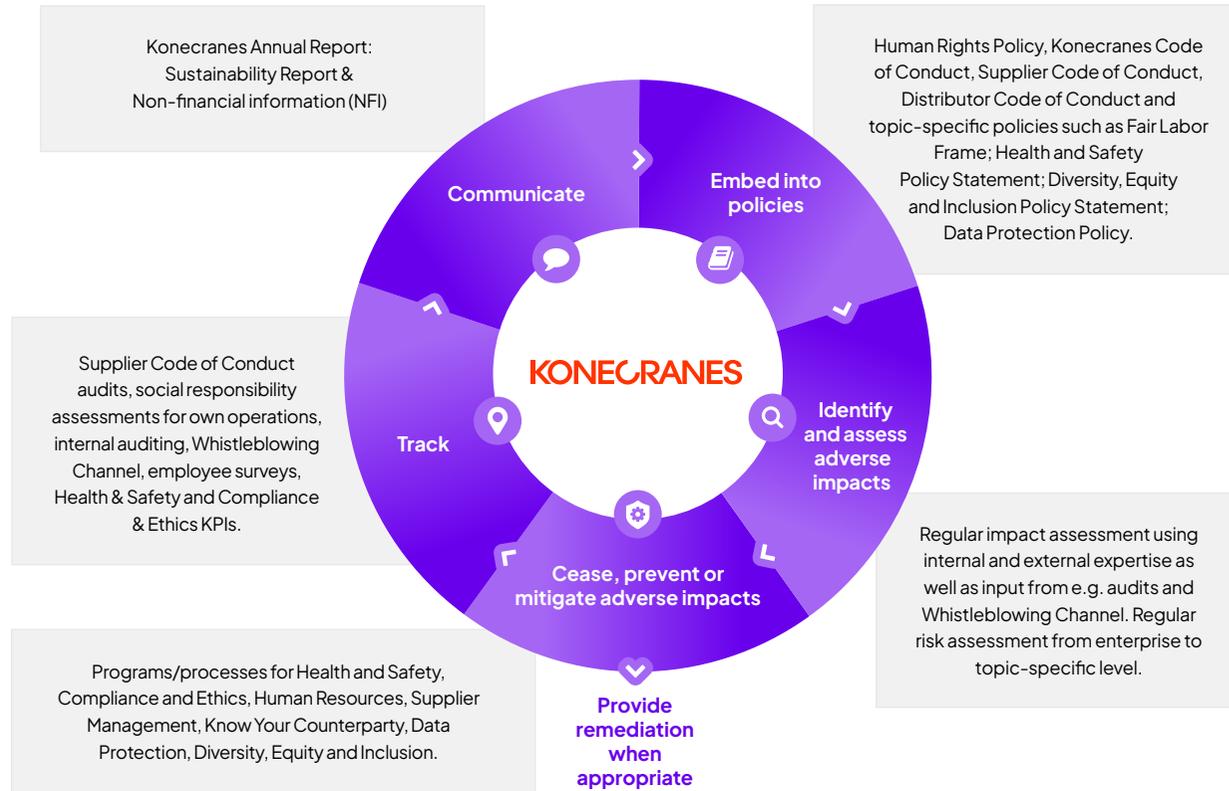
Our human rights risks and impacts identification is done with a cross-functional internal team and includes input from external human rights experts. Severity of the risks is defined based on the scale, scope and the irremediability and likelihood of each individual risk is estimated based on country context, information from our monitoring channels and on expert knowledge. We are annually reviewing this analysis, taking into account changes in our business and the results we get from our monitoring channels, such as from our Whistleblowing Channel and from social responsibility assessments and supplier audits. We seek to collect input for the analysis from affected people through different means, such as with employee surveys and discussions with employee representatives. Human rights due diligence process is feeding input also for the enterprise risk management (ERM). With ERM Konecranes reviews key risks on an annual basis to ensure that our mitigation activities throughout the Group are effective.

In 2023, we analyzed especially the human rights risks of the supply chain, which enables us to focus our due diligence activities on high-risk purchase categories and countries. For country-level risk analysis, we used the Global Risk map tool, where human rights risk ratings are based on five international indexes, such as Fundamental Human Rights Index & Global Slavery Index.

The relevant potential human rights risks in our own or in our value chain's operations are occupational safety and health, working conditions, non-discrimination and harassment, slavery and forced labor, privacy and environmental degradation.

We have several programs in place to prevent and mitigate the typical negative human rights impacts. Read

Elements of human rights due diligence



more about our work to reduce health and safety risks, both related to our products and in our own operations, in the section **We deliver safe and secure material handling solutions**. We also take privacy seriously and place a high priority on personal data protection. We have a dedicated data protection organization and defined processes, guidelines, requirements and procedures covering all personal data in our control, regardless of whether or not it concerns our own employees, customers, suppliers or subcontractors. In all cases, personal data shall be processed fairly and carefully. Konecranes has

implemented appropriate organizational and technical measures and has set up contractual arrangements, where necessary, to ensure individuals' right to data protection and privacy.

To proactively prevent discrimination, we have a strong Diversity, Equity and Inclusion program, which is explained in the section **Representing the multicultural communities where we operate**. Furthermore, we have dedicated human resources management processes to provide fair working conditions and protect labor rights

such as freedom of association and collective bargaining. Human rights are embedded in new managers' training and in 2023 the topic was highlighted in company's annual Code of Conduct training.

In case of possible situations where our businesses would need to optimize their operations, including reorganization, we are committed to managing such situations responsibly and to utilizing all relevant and available preventive means applicable to the specific case, such as the reduction of working time or early retirement. We actively engage with employee representatives, and possible decisions and actions are made according to applicable social and legal processes, as well as local requirements.

We want to address human rights related impacts in our value chain. In situations where we cannot tackle the challenges ourselves, we collaborate with peers on industry-level impacts, such as on the sourcing of responsible minerals. More information on human rights management with suppliers is provided in the section **We expect high ethical standards of ourselves and our business partners.**

We encourage our employees and any external stakeholders to report all human rights concerns relating to Konecranes, without fear of retaliation. Our main human rights grievance channel is the Whistleblowing Channel, which is also used to report all other kinds of compliance and ethics concerns. Read more about the Whistleblowing Channel in the section **We expect high ethical standards of ourselves and our business partners.** If Konecranes causes or contributes to negative human rights impacts, we seek to provide access to remedy for the affected people either by ourselves or by cooperating in remediation through legitimate processes. In 2023 we reviewed our investigation process from a remedy angle to develop a more systematic approach to providing remedy. We get stakeholder feedback on the effectiveness of the grievance mechanisms through our 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 we have, for example, increased our local communication on the process of reporting concerns.

We are tracking our human rights risk management performance in several ways, for example, by conducting compliance and ethics risk surveys, supplier audits and via whistleblowing channels and employee engagement surveys. Konecranes' internal audit function is also checking selected fair labor topics relating to, for example, working hours and forced labor prevention. Additionally, since 2021 a third party has conducted

social responsibility assessments against our updated Fair Labor Frame. In 2023 there were assessments at four Konecranes' manufacturing or service operation sites, located in typical high-risk countries, such as Mexico and the Philippines. Assessors paid special attention to issues identified in the risk screening, including working hours and the management of external labor. The sites are taking action to close the non-conformities and we have embedded the follow-up of fair labor topics to the standard agenda of local companies' Board meetings.

All the above-mentioned tracking channels provide us input on how to improve our global human rights approach, and we are coordinating the work in a cross-functional Social Responsibility Network established in 2021.



Ensuring a fair and engaging workplace

Engaged employees are the foundation of Konecranes' success. Therefore, we want to foster an environment where people enjoy their work, feel respected and trusted, and are provided with challenging and interesting responsibilities together with extensive career advancement possibilities. We also want to ensure fair treatment across our operations.

For example, the Fair Labor Frame sets a standard and ambition for workforce-related activities, such as working hours and freedom of association, and our remuneration schemes and practices aim to drive equal and fair pay. We value the sense of belonging and support our employees' health and well-being in many different ways and provide learning opportunities and other activities for fostering engagement.

Konecranes' people strategy focuses on enhancing our winning culture and growth mindset – leading by

example with inspiring, inclusive leaders, and enabling everyone to succeed in delivering profitable and sustainable growth. Our talented, diverse, and engaged employees help our customers improve safety and productivity every day. Konecranes' people strategy supports this by ensuring that we are attracting the best talent, building a culture of continuous learning where people are supported and encouraged to develop and grow every day, and that employees are engaged and capable of meeting future business requirements. Together, we foster and advocate an inclusive culture,

where fair treatment and ethical ways of working are part of our everyday lives.

New values launched

At the beginning of 2023, we invited everyone at Konecranes to take part in renewing Konecranes' values. The previous set of values had served us for 28 years, and we wanted to involve everyone in creating new values to serve the Konecranes of today and tomorrow.

Nearly 8,000 colleagues participated in the collaborative, bottom-up co-creation work and after 27 global workshops with 150 discussion groups the inputs were crystallized into our four new values: Putting customers first; Doing the right thing; Driving for better; and Winning together.

Our values summarize core aspects of how we want to behave at Konecranes. We build trusted customer relationships and deliver solutions that work every day. We do business in a responsible and sustainable manner,

taking responsibility for our actions. We never want to stop learning and improving. Finally, we do everything as one team. We are a truly diverse and global company. We trust and support each other and win together. Living up to and acting according to our values will guide us towards becoming the world leader in providing material handling solutions and creating value for everyone.

From attracting to developing talents

Konecranes has multiple talent recruitment initiatives to ensure we can hire and retain a diverse workforce in the markets we operate in. Having various continuous and target-group focused initiatives enables us to build a solid network, reputation, and pipeline of talent to meet our business objectives and future customer expectations. Initiatives include, for example, university collaboration with career days, as well as student projects and mentoring to allow future talent to gain practical experience in a global environment and to build our employer brand as the preferred employer of choice for defined talent pools. We collaborate with student associations and guilds and hire hundreds of summer employees every year. Many students continue as full- or part-time workers after the summer period. We offer apprenticeship programs to equip and train young talent for key roles such as service technicians, and use different training programs of 6–12 months to build and reskill external talent to be able to take on new roles at Konecranes. These training programs have been focusing on reskilling talent for service technician roles or, for example, technology or IT roles.

Konecranes offers its employees various development 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 from peers or joining mentoring and coaching programs and communities. We have several internal career and mobility programs: we are actively promoting our internal opportunities through our internal career



pages, development discussions, social platforms, and newsletters – to ensure our people can take further steps in their career and develop their professional expertise.

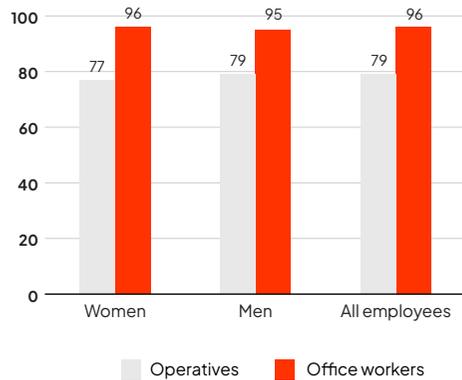
In 2023, we continued to offer all Konecranes employees the opportunity to have frequent manager-employee discussions through our Trust, People, Performance (TPP) process. In 2023, 88 percent (96 percent in 2022) of employees had completed either a performance or a development review. The process is documented in a centralized, global system, and all employees are in scope. These discussions focus on target setting, feedback, development and ethical behavior. By having continuous dialogue with their manager, employees can achieve their targets faster and accelerate their professional growth. For managers, the process offers opportunities to engage with team members by providing positive and constructive feedback as well as continuous support.

Our talent process enhances a culture of talent management through cohesive and interrelated processes of development discussions, talent identification, succession planning and talent development. It is adapting to the business needs and valuing the experiences of employees, managers, business leaders and identified talents, aiming to accelerate, for example, diversity as well as career development.

Konecranes people managers are evaluated on their performance regularly by the TPP discussions. We also measure the managerial index via our employee engagement surveys.

Konecranes' remuneration schemes and practices aim to drive equal and fair pay. We regularly review the compensation of our employees globally following a transparent and data driven process. Additionally, we

Percentage of employees who received a performance or career development review (GRI 404-3)



conducted in-depth pay equity reviews in five countries within EMEA in 2023, together with an external vendor. These reviews will be rolled out to other countries globally. If unexplainable gaps are identified, we are committed to putting actions in place to close those gaps. Additionally, in 2023 we made a living wage analysis against the WageIndicator typical family methodology for all our employees and are committed to meeting the living wage requirements.

Konecranes offers all employees the opportunity to become company shareholders. The Employee Share Savings Plan (ESSP) is a voluntary share purchase plan and it is greatly appreciated for bringing additional benefits and potential savings.

Supporting employees’ well-being

For us, well-being means that we all get to work in a safe and healthy manner. We believe that well-being affects all aspects of working life, not just physical safety and health, but also mental. It is about how we feel at work and how we perceive our work environment and culture. We recognize that workplace well-being is an individual



experience, and therefore we want to provide our employees with a variety of well-being-related programs and activities such as sports or activity groups outside of work, occupational health services, and multiple free courses related to resilience and well-being.

In 2023, we added ‘Health and well-being’ as one of our Life-Saving Behaviors. Read more about our Life-Saving Behaviors in the section **Ensuring uncompromised safety in our own operations and supply chain**. The ‘Health and well-being’ behavior underlines that the well-being of the individual is the basis of everything else in life, and we should take care of ourselves. By practicing self-care, we model this behavior around us. Furthermore, we all should have the courage to demand and speak up for all employees’ well-being. Our organization’s strength lies not only in our professional abilities but also in our collective well-being. Everyone’s dedication contributes to our success, and our mental health is a vital part of that. We want to create a workplace where everyone feels

valued, supported, and cared for. Together, we can make a positive impact on each other’s lives and contribute to a healthy, compassionate working environment. In 2023, Konecranes continued with learning solutions on the global level to aid employees through different changes and challenges. These initiatives provided help for managing stress, well-being and resilience.

On a country-level, Konecranes Finland, for example, utilizes an Early Support model, which aims to support employees’ well-being and detect any challenges early on. Konecranes Finland also offers its employees tools that support physical, mental, and psychosocial well-being by providing occupational psychology services, job guidance and webinars on mental well-being and work-life balance. An Employee Assistance Program (EAP) is also available in several other countries, including Germany, the US and the UK. The EAP is a confidential support service to help an employee and immediate family members solve a wide range of challenges, at no cost.

To ensure we keep up with the current and future labor market trends, and support the needs of working in a global company, we have launched a hybrid working model globally in all Konecranes countries for employees whose work is not tied to a specific location. By the end of Q1 2023, the policy was launched in all countries with over 10 employees. Countries have established their local hybrid work policies allowing employees to work remotely at least 20 percent of their work time. In some countries, where hybrid working is already a more established working model, employees may be allowed to work remotely for up to 60 percent of their work time.

Learning journeys and other development opportunities

Konecranes offers a variety of training courses and development activities on different topics ranging from technology to leadership and specific development programs on commercial excellence, project management and lean operations to boost our core competencies.

In 2023, the average total time spent on learning per employee was 16.8 hours (2022: 11 hours). Our formal learning offering covered, for example, new learning solutions to support employees and managers in developing their communications skills. Overall, 72 percent of all employees received career- or skills-related training in 2023 (2022: 65 percent). Furthermore, 86 percent of our managers received career- or skills-related training in 2023, with an average total time spent on learning per manager being 15.8 hours. For managers, we offered a global leadership development portfolio in 2023, which aimed to enhance the psychosocial well-being of managers and their teams. The topics included, for example, communication skills, coaching skills, resilience, situational leadership and self-leadership.

We are continuously further developing our learning offerings. The focus is on leadership development and strengthening a culture of continuous learning and growth: Our flagship leadership program KC Leader

has been run successfully since 2015, with a total of 16 cohorts and 511 participants. This program is currently being renewed and a new program is expected to be piloted in 2024.

The new People Leadership Onboarding Tour aimed at supporting new people managers at Konecranes was successfully piloted in six countries in 2023. We plan to roll out the program globally as a mandatory program for all new people managers in 2024. The program is a task-based learning program supplemented by external coaching and manager support.

In 2023 we continued our global mentoring program for all employees with 57 participants. In this program, everyone has an opportunity to get support, learn about different cultures and ways of working, and share knowledge and experiences. Mentoring develops our employees in their roles and boosts cross-function communication and learning culture within Konecranes.

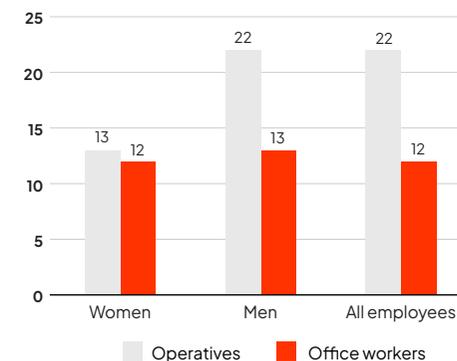
We also piloted an external learning library in 2023 to support our employees' continuous learning and growth. The pilot was a success, with good feedback and utilization from the participants, and as a result, the external learning library will be incorporated into our learning offerings during 2024.

Voice of the employee

Konecranes embraces a company culture where people feel a sense of inclusion and can openly share opinions and act to make Konecranes an even better place to work. This concept, called "My Voice", also includes employee engagement surveys. In the first half of 2023, we conducted a pulse survey to measure the sentiment on inclusion among our employees. The inclusion index was formed by taking into account three important aspects of inclusion: belonging, authenticity, and equity. In Konecranes, the inclusion index was 81 percent, which indicates that we are doing well in terms of inclusion. We will continue with the pulse surveys in 2024.

Employee experience and engagement are extremely important for Konecranes. The annual Employee Engagement Survey (EES) assesses the satisfaction, motivation, and commitment of Konecranes employees globally. It is an important tool 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. In the EES 2023, with a response rate of 72 percent, a wide range of topics was covered related to employee experience and engagement, such as leadership, work processes, values, recognition, customer focus, diversity and inclusion, communication, and so on. Based on the results, we are performing very well in the following areas: 92 percent feel safe at work, 89 percent feel that they are treated with respect at work, and 86 percent would recommend Konecranes' products and/or services to people they know. Our commitment to safety can be seen in our excellent results. Employee engagement surveys are valuable tools for understanding how people feel about their work and for identifying ways to improve employee satisfaction. By continuously listening to employee feedback – capturing their voice – we can improve employee experience as well as customer satisfaction.

Average hours of training per year per employee (GRI 404-1)





Representing the multicultural communities where we operate

We strongly believe that diverse teams, which represent the multicultural communities we operate in, create the best results, and that a working environment where everyone can be themselves is an essential part of Konecranes' mission of consistently delivering a world-class customer experience. We consider the variety of talents and backgrounds to be one of the key assets to drive our success as a company. The different skill sets nourish creativity and value creation, and help deliver results.

Diversity, Equity and Inclusion

Konecranes' Diversity, Equity and Inclusion (DEI) strategy raises our ambition level even further, and the three-year roadmap supports our long-term targets. At the core of our DEI strategy are the four "Ts": 1) Transforming: Learn from each other; 2) Talented: Work with leading and most diverse talents; 3) Trusted: Be trusted and feel proud to

work at Konecranes; 4) Together: As one team, embrace equality, strive for inclusion and advance our customers' material flow.

Raising awareness and making a difference

DEI is an important component of our culture and strategy. Working in an inclusive environment that

provides space for diverse ideas and builds on that opportunity is helping us be a better partner for our customers and increasing our performance as a company.

In 2023, we focused on further embedding inclusion and equity in our processes, and continued to develop our diversity agenda for example on LGBTQI+ and disability inclusion, in addition to our already solid foundations in gender diversity and multiculturality. We renewed our Diversity, Equity and Inclusion Policy Statement that highlights our intention to go beyond equality and pursue equity.

During 2023 we also expanded our DEI learning offering and continued our Coffee and Culture webinars to educate and engage our employees on DEI topics. Additionally, our Employee Resource Groups (ERGs) actively continued their work on increasing our organization's awareness.

We organized internal and external campaigns, with one of them focusing on International Women's Day. In that

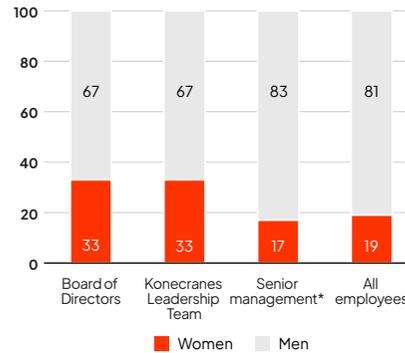
campaign, our leaders expressed their engagement in being an ally and advancing gender equality. We celebrated Pride month by highlighting how we represent the multicultural communities we operate in. We also highlighted the importance of increasing women in STEM (Science, Technology, Engineering and Mathematics). Our President and CEO publicly shared his views on advancing gender equality.

We continued to localize DEI activities on the country level with many local initiatives on increasing inclusion, and engaged with our local Managing Directors and Boards to reflect how we are progressing. In addition, we continued to engage with our stakeholders and to involve the communities where we operate to share learnings and to further advance DEI topics. For example, we attended expert panels and actively collaborated with various organizations devoted to accelerating gender parity, including Catalyst and European Women on Boards.

With the updated DEI Policy Statement and Talent Acquisition and Recruitment Policy we want to reflect our ambition to have a diverse talent funnel. We measure diversity and inclusiveness of the talent funnel in our talent management and succession processes, and for that reason, we have further developed our data and analytics capabilities. Konecranes strives for gender balance and welcomes all aspects of diversity in the organization, including in the leadership, and the progress is periodically followed up. In 2023, our share of women in leadership positions increased by more than 2 percentage points.

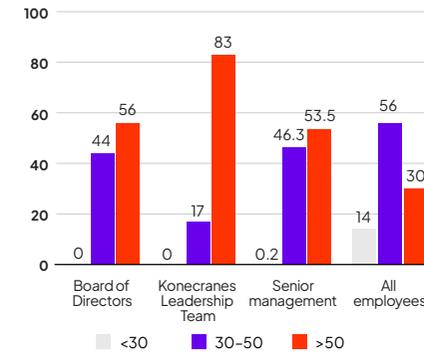
Inclusion means that the strengths of differences are welcomed and leveraged so that people feel valued for their contribution, and Konecranes' actions to promote inclusion resulted in an inclusion index rating of 81 percent in 2023, which indicates a strong feeling of inclusion among our employees.

Gender structure of governance bodies and all employees, % (GRI 405-1)



* Senior Management = everyone on job level 11 and above

Age structure of governance bodies and all employees, % (GRI 405-1)



Developing diverse talents

We implement initiatives to attract more diverse talents and to be the company of choice for the applicants. We work on inclusive recruitment and employer branding practices and as part of this work have, for example, implemented pilot projects on blind recruitment. Based on the pilot project, we, for example, standardized our interview guides, updated our managers' handbook on inclusive hiring and launched learning practices on unconscious bias. Our actions resulted in an increase of more than 40 percent in the number of applicants for Service Technicians and Operatives positions when compared to the previous year.

In 2023, we continued our actions to further support gender balance in the organization. By ensuring our succession plans include a proper diversity balance, we aim to meet the future requirement set by the new EU directive on gender balance. We have established a fast-track program for accelerating and boosting leadership

competencies for women approaching managerial positions. In addition, we have further promoted our mentoring programs for the entire organization, including multigenerational mentoring, intercultural mentoring, and women mentoring through our renewed internal mentoring program. To improve gender balance, we cooperate with European Women on Boards. Ten of our employees attended European Women on Boards mentoring, and seven of our employees are actively networking and participating in the initiatives of European Women on Boards.

TARGETS AND PROGRESS: INCLUSIVE AND FAIR WORKING CONDITIONS

Our commitment: We create a fair, inclusive, diverse and engaging working environment.

Topic	Target	Progress	UN Sustainable Development Goals
Supporting human rights in value chain	Execute at least 30 supplier sustainability audits per year with internal and external resources.	33 external on-site sustainability audits (i.e. Supplier Code of Conduct audits) were conducted.	
Ensuring a fair and engaging workplace	Conduct at least 3 on-site social responsibility assessments in our own operations.	4 on-site social responsibility assessments were conducted (2022: 7).	
Representing the multicultural communities where we operate	Increase gender balance and all aspects of diversity in the total organization as well as in the leadership.	Female gender share of total organization 18.6% (2022: 18.2%). Female gender share of leadership positions 17.0% (2022: 14.3%) Female gender share in STEM area 16.1% (2022: 15.3%).	
	Composition of global management teams in business segments and functions reflects the variety of nationalities and geographies of customers and employees.	On average, 61% of global business segment and management teams are comprised of one prevalent nationality (2022: 65%).	
	In countries, share of minority groups in organizations reflects local demographic by 2025.	15 key countries have established local targets and actions (2022: 8).	
	Improve Inclusion Index result.	Inclusion Index 81% with favorable result (previous survey in 2021: 69%).	

RESPONSIBLE BUSINESS CONDUCT

We expect high ethical standards of ourselves and our business partners

Strong focus on responsible business practices continued in 2023. We reviewed and updated our Code of Conduct, Supplier Code of Conduct and data protection policy. We also executed multiple trainings and awareness-raising activities during the year, with the main focus being on compliance trainings in the APAC region, targeted data protection trainings and the yearly Code of Conduct training.

Responsible business conduct is the foundation of our sustainability strategy. We are committed to conducting our business with integrity and high ethical standards beyond mere legal compliance requirements. We have a holistic approach to managing risks, mitigating negative and maximizing positive impacts. We address our own and our supply chain's ethics, compliance and human rights risks.

Konecranes' Code of Conduct and Corporate Governance Framework guide the everyday activities of the company by clearly describing our internal standards and ethical values as



well as our legal obligations. The Code of Conduct is complemented by several Group-wide policies regarding quality, safety, environment, supplier requirements, anti-corruption, data protection, competition law and equal treatment and diversity, among others. Our main compliance policies and our yearly Code of Conduct training are available in 35 languages. All employees are expected to understand and abide by our Code of Conduct, and local measures are taken to ensure the enforceability of the Code, for example, by including the Code in our employees' employment contracts or in employee handbooks.

Compliance & Ethics

Our global Compliance & Ethics program is managed by the Group's Compliance & Ethics team. The development and quality of the program are overseen by an executive-level Compliance and Ethics Committee and the Audit Committee of the Konecranes' Board of Directors. The Head of the Compliance and Ethics team regularly reports directly to the Audit Committee of the Board on investigations and other critical concerns.

We have an annual Compliance & Ethics risk assessment process supported by biennial risk assessment surveys to get insights throughout our organization. In 2023 our risk assessment web survey was answered by nearly 900 respondents globally. The insights gathered from the risk assessments, together with our global employee engagement surveys, facilitate the evaluation of our responsible business conduct KPIs and overall compliance and ethics program. In the 2023 global employee engagement survey we saw a 2–3 percentage point increase in the share of positive replies to ethics questions. We have internal controls in place regarding selected key compliance and ethics requirements, which are regularly audited by our internal audit function and by targeted, risk-based monitoring activities by the Compliance & Ethics team.



One element of our Compliance & Ethics program is our data protection program where we have a structured governance model as well as defined roles and responsibilities in place. These were further defined and clarified in our new data protection policy published in October 2023. Our data protection program is designed to take into account relevant risks and risk levels. Periodic data protection training is required for persons managing personal data.

We promote a healthy “Speak Up” culture where people can feel safe reporting compliance and ethics concerns. We offer multiple ways of raising concerns internally – through the management, HR or Legal and Compliance & Ethics teams or through our externally hosted Whistleblowing Channel, which also enables anonymous reporting when allowed by local laws. Additionally, we have local reporting channels in place where required

by local laws. Our Whistleblowing Channels are also open to anyone externally. We have a clear policy of no retaliation and confidentiality established in our global Whistleblowing Instruction, which is available in 35 languages and promoted in our Code of Conduct training. Our Whistleblowing Instruction offers wider protection for whistleblowers as it extends to topics not benefiting from the protection set forth in the applicable laws. During 2023 we put continued focus on our whistleblowing and investigation processes and related guidance to ensure compliance with the new whistleblowing law requirements in the EU.

All reports made are reviewed and investigated as appropriate in line with defined investigation process, which ensures the protection of whistleblowers irrespective of the method of reporting used. The Compliance & Ethics team, as a dedicated and impartial

team, is responsible for the investigation process, which starts with determining if an investigation is to be opened concerning a report received. Investigations are carried out with strict confidentiality and decisions on substantiated cases are done in line with a defined decision-making matrix. Appropriate remediation measures and proper corrective and preventative actions and follow-up are considered and taken as a consequence in each case, including disciplinary actions, process improvements, training and coaching for employees. During 2023, 54 compliance investigations were initiated as a result of reports made through different channels. The topics of the investigations included, for example, conflicts of interest, people-related matters, anti-corruption and fraud, and Supplier or Distributor Code of Conduct violations.

We executed several trainings and awareness raising activities during 2023, with the main focus being on

compliance trainings in the APAC region, targeted data protection trainings, and the yearly Code of Conduct training. The 2023 Code of Conduct training focusing on human rights, data protection and whistleblowing was mandatory for all staff employees globally. In connection with the training, employees are required to acknowledge their awareness of the Code. Overall, we conducted more than 70 trainings during the year, covering various compliance topics such as ethical leadership, anti-corruption, competition law, conflict of interest and whistleblowing. Our internal trainings are also available to our contingent workers. During 2023 we also continued to execute our annual compliance statement signoff process for targeted positions.

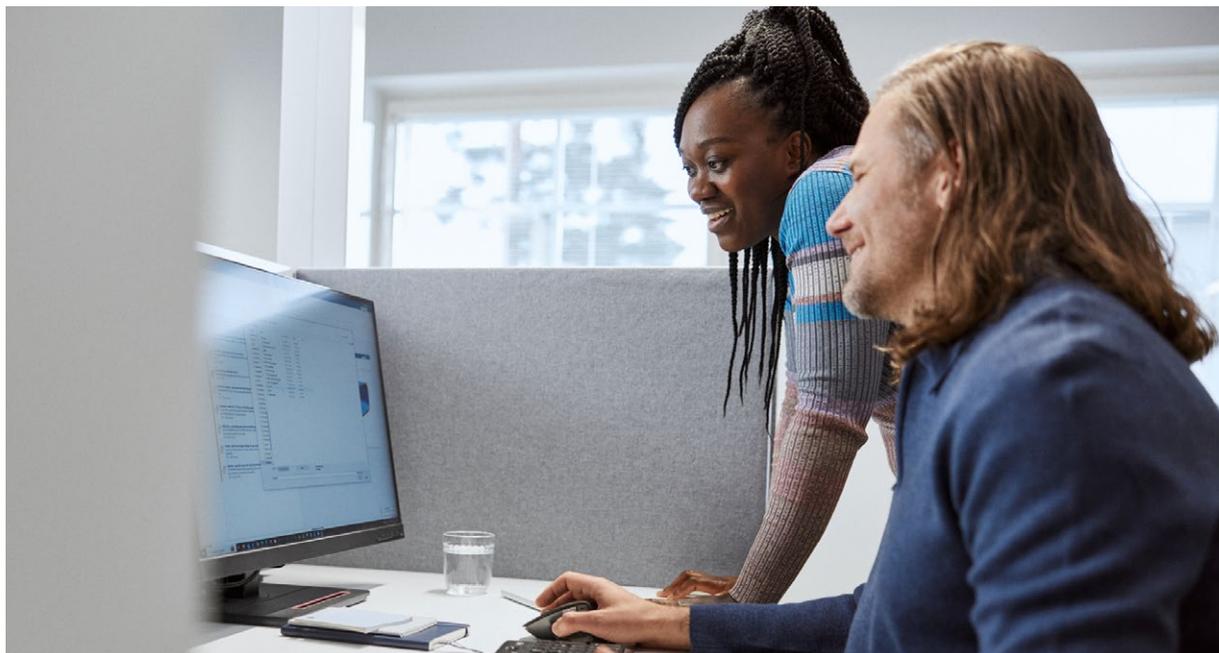
Anti-corruption and bribery prevention

Our Anti-Corruption Policy and Code of Conduct demonstrate our commitment to working against corruption in all forms, including extortion and bribery,

and set the foundation for our anti-corruption program. Our Anti-Corruption Policy has compliance protocols and guidelines in place to detect and address corruption risks, embedding our zero tolerance of corrupt practices into our monitoring and follow-up processes. It includes, for example, detailed instructions on gifts and hospitality, including monetary limits for reporting and pre-approvals, and a review and approval process for sales intermediaries. Several actions and processes are set up to mitigate corruption and fraud risks including internal controls, a sponsorships and donations approval process, a Conflict of Interest Portal and a Gifts and Hospitality Portal, which is the central location for employees to report and gain pre-approval for offering and receiving gifts and hospitality. Our employees are trained in anti-corruption matters as part of our Code of Conduct training. In addition to this, we organize more advanced anti-corruption trainings for selected groups.

We expect our business partners to conduct their business in compliance and alignment with our high legal, ethical, environmental and employee-related principles. We promote our responsible ways of working and zero tolerance of corruption and bribery to our business partners in our Supplier Manual, our Supplier Code of Conduct and our Distributor Code of Conduct. All our new sales agents and distributors are required to commit to the relevant Code of Conduct.

We use a risk-based Know Your Counterparty process to conduct due diligence and background screenings, identify red flags and carry out risk assessments on third parties we work with, also addressing relevant trade sanctions and export control risks, which are managed by our dedicated Trade Compliance team. The level of scrutiny and the required approval process and monitoring activities are determined by considering, for example, the risks associated with the business in question, country risks and business partner risks. Selected business partners and suppliers are also audited for their anti-corruption work.



Responsibility in our supply chain

Konecranes offers a wide range of products and service solutions globally, which means that we also have an extensive global supplier base. In total, we have approximately 22,000 Tier 1 suppliers and our top five countries by the number of suppliers are Germany, Finland, the US, France and Sweden. With regard to materials, Konecranes mainly procures steel and mechanical and electrical components. We also procure, for example, logistics services and subcontracting of steel structures and installations, assemblies and other services. In this section, the term 'supplier' covers all the different actors in our supply chain, except where a subcontractor is mentioned separately. While an extensive supplier base is an advantage, a global supply chain also creates sustainability-related risks such as the possible effects of climate change impacting Konecranes or our supply chain directly or indirectly. We minimize these possible impacts by focusing on, for example, dual purchasing options, demand planning and forecasting, supply chain disruption screening, our own inventory management and securing our regional supply base, all fostering better supply chain resilience.

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. To reinforce our internal capabilities in regard to sustainable procurement, we launched a new internal information site on sustainable supply chain management in 2023.

Konecranes applies a category management procurement model to optimize our global supplier base, strengthen



relationships and set requirements for all our suppliers. During 2023, we started to define a structured process on how to better embed sustainability aspects into our category strategies, prioritizing categories where we identify the biggest impact. With this, we aim to set more specific category-related sustainability targets based on the identified impacts and opportunities.

Key requirements for our suppliers

Konecranes expects its suppliers and subcontractors to conduct their business in compliance with the legal and ethical requirements and principles that Konecranes has set in its Code of Conduct. These principles are of the utmost importance when establishing and conducting business relationships. Konecranes' Supplier Code of Conduct ("SCoC") sets the minimum legal and ethical requirements and principles of conduct which Konecranes requires from its suppliers and subcontractors on topics such as human rights, health and safety, environmental management, anti-corruption and trade compliance. The principles and requirements of the SCoC form a key part of the agreements made with key suppliers and subcontractors. During 2023 the SCoC was reviewed and updated to meet the current and

upcoming legal and compliance needs and the updated SCoC will become effective as of February 2024. By the end of 2023, globally approximately 2,300 suppliers (2022: 1,700), representing approximately 58 percent (2022: 52 percent) of our total procurement spend, have signed to commit to the principles and requirements of our Supplier Code of Conduct. We will continue to increase the share in 2024.

In our supplier selection process, we ensure that Konecranes' requirements are being met by the potential supplier and assess if additional measures are needed before the final supplier approval. The anticipated spending with a supplier has an impact on the checks done during the selection process. We will do a basic background check for all proposed new suppliers unless the anticipated spending is very low. With this check we verify, for example, that the company in question pays taxes, has all necessary insurances in place and agrees to comply with our key environmental and social requirements. A larger self-assessment is required for proposed suppliers with anticipated spending exceeding a certain threshold and for all subcontractors irrespective of anticipated spending. This self-assessment includes

questions on finance, production, quality, information security, data protection, ethics, social responsibility, health and safety, and environment.

Managing sustainability during the business relationship with suppliers

Our sustainability management focus is mainly on our Tier 1 suppliers. Konecranes' Supplier Code of Conduct (SCoC) nevertheless requires suppliers to push similar requirements for their suppliers. In our Conflict Minerals program we collect standard information across the tiers up to the smelter or refinery level. To define and guide how we want to work with our suppliers, Konecranes has a supplier relationship management framework in use. We also utilize supplier segmentation and classification to manage our supplier base, and environmental and social aspects are among the factors influencing the assessment.

From 2021 onwards we have required our subcontractors and large suppliers to complete our larger self-assessment every three years. We conduct two types of on-site audits mainly for existing suppliers, even though sometimes audits are done already in the selection phase. We conduct annually approximately 100 on-site process audits based on identified risks – 120 such audits were conducted in 2023. As part of our on-site process audits, about 20 percent of the standard points checked in these audits are sustainability-related, ranging from working hours to collective bargaining, and from waste management to safety rules.

We have also conducted on-site supplier sustainability audits since 2020, which concentrate particularly on our SCoC requirements and local regulations on the SCoC themes. These audits are done by a third party specializing in sustainability audits and they include employee and management interviews, site tours and document reviews. Auditee selection is done based on country and category risks, utilizing, for example, a human rights risk assessment, and also taking into account category strategies and supplier segmentation. In 2023,

altogether 33 audits were conducted in nine countries: China, India, Thailand, Turkey, Indonesia, Malaysia, South Africa, Chile and Poland.

In total, there were approximately 490 findings related to, for example, working hours, use of personal protective equipment, missing environmental targets and incomplete assessment of relevant anti-corruption risks. We require audited suppliers to provide a corrective action plan after the audit and we work together with the suppliers to resolve the findings in a timely manner. We have also defined subject-matter experts who approve the closure actions in relation to critical findings. Should a supplier be unwilling to correct such findings, Konecranes may take actions against the supplier, including, but not limited to, suspending orders or terminating any agreement with the supplier. In order to increase awareness and knowledge about the realized sustainability risks, we share the lessons learned in the audits with our procurement teams. With that, the identified risks can be better mitigated also in other supplier management processes.

In the steel category, we have put more emphasis on ensuring that we focus on working with suppliers who share our climate ambition. We have been focusing on collecting emissions data from our existing suppliers as well as understanding how the carbon-reduced steel market is evolving. In 2023, we started a project to further develop Scope 3 Purchased goods and services emissions data collection. The project continues in 2024.

Substance management

There is an increasing amount of legislation related to the use of harmful substances in products. Our key requirements, which apply to both our own operations and purchased components, are described in the Konecranes Restricted Substances List, which is updated annually. Substances on the list are harmful either to human beings or to the environment. In 2023 we continued working with the European Waste

Framework Directive, which requires companies to report their products to the European Chemicals Agency's public database (SCIP), if the products include certain substances listed in the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation. The most common reportable substance in our products remains to be lead, which exists in small amounts, for example, in some electrical control parts and in some brass components. Regulations still allow the use of lead in these kinds of applications, but we already encourage suppliers to find alternative materials. In 2023 we managed to substitute a few alternative articles with no substances of very high concern.

No EU or US conflict mineral regulations are applicable to Konecranes. Nevertheless, in the Konecranes Responsible Minerals Statement we commit to conducting due diligence across the supply chain to clarify where so-called conflict minerals (tin, tantalum, tungsten, and gold) originate from. We aim 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 particular 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). In addition to conflict minerals, we expect our suppliers to ensure that cobalt, lithium, nickel and manganese used in batteries are sourced without any human rights abuses. We started the battery-related due diligence efforts from the cobalt supply chain in 2021.

As conflict and battery minerals are essential in the manufacture of a variety of devices, including electronics, we are not trying to solve the issue alone, but are utilizing an industry-level approach and are members of Responsible Minerals Initiative (RMI). For example, in 2023 we participated in RMI's lithium working group to improve due diligence relating to this mineral.

We started our conflict minerals work with suppliers providing “Konecranes designed electronics” and have enlarged the scope year by year. In 2023 the scope covered additionally, for example, inverter, battery and radio suppliers, of which 52 percent (2022: 53 percent) provided us with the requested detailed information.

Altogether, our suppliers were identified to source materials from 342 tin, tantalum, tungsten or gold smelters or refineries, out of which 65 percent were already verified or were in the middle of the verification process to be declared conflict-free by independent third-party auditors. With our continuous program,

we encourage our suppliers to use minerals only from audited sources, and through RMI, we are supporting additional smelters to go through auditing. We offer training materials for suppliers targeted for our conflict minerals due diligence.

TARGETS AND PROGRESS: RESPONSIBLE BUSINESS CONDUCT

Our commitment: We expect high ethical standards of ourselves and our business partners

Topic	Target	Progress	UN Sustainable Development Goals
<p>Embedding sustainability, compliance and ethical requirements in our business processes</p>	<p>Mandatory Code of Conduct training completed by all employees.*</p> <hr/> <p>Competition Compliance training completed by 100% of defined target audience.</p> <hr/> <p>100% positive response 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”</p> <hr/> <p>Continue to roll out Supplier Code of Conduct (SCoC) for existing and new suppliers and subcontractors based on identified risks and spending.</p>	<p>Our Code of Conduct basic training has been completed by 96% of all employees.* Also, during 2023 over 9,500 staff employees representing 97% of all staff employees* completed our Code of Conduct 2023 training (EMEA 97%, APAC 97%, Americas 96%).</p> <hr/> <p>By the end of 2023, 98% of the target audience had completed the Competition Compliance training.</p> <hr/> <p>In 2023 the average percentages of employees responding positively (with a score 7–10 out of 10): Question 1) 87% positive (2021: 84%) responses on “Management of my unit is committed to integrity and ethical business practices”, Question 2) 84% positive (2021: 82%) responses on “I would feel comfortable reporting unethical behavior if I saw it in Konecranes”.</p> <hr/> <p>Globally approximately 2,300 suppliers (35% more than in 2022), representing approximately 58% of our total procurement spend**, have committed to our Supplier Code of Conduct or equivalent requirements. Among the top 1,000 suppliers by spending, the coverage was 73% (2022: 66%).</p>	 <hr/>  <hr/>  <hr/> 

* Excluding recent new hires and people on leave of absence as well as employees in Ukraine.

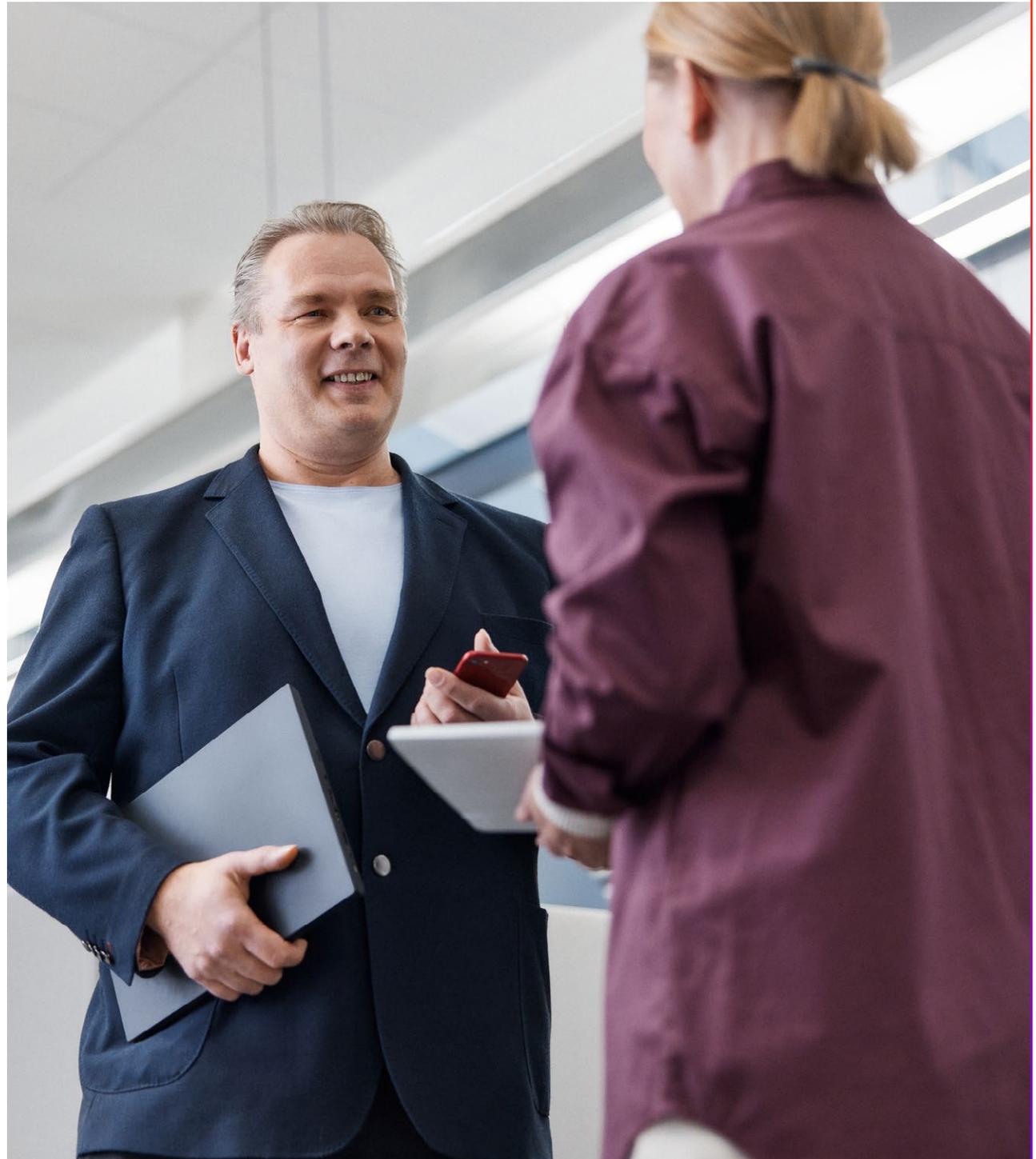
** Calculated against suppliers and spend covered in a central procurement tool, which includes around 98% of total Group spend.

Engaging stakeholders

We place a great deal of importance on public disclosure of our performance and our role in addressing sustainability opportunities and challenges. In addition to being responsible, we must also be responsive to society's fast-changing expectations by engaging in regular and close dialogue with our key stakeholders – including our employees, customers, business partners and investors – to understand their evolving needs and expectations.

In addition to our key stakeholders, we have identified other relevant stakeholder groups that are increasingly important to Konecranes, including local communities and authorities, associations, universities and research institutes, trade unions, non-profit organizations (NGOs), rating agencies, analysts and the media.

Transparency is key for one simple, yet critical reason: it builds trust. It is important that both the frequency and content of communications are consistent. Strategic dialogue helps us ascertain that our sustainability strategy supports market demands and that the information we provide is relevant and transparent. The feedback we gather from our Voice of Customer (VoC) surveys





and continuous stakeholder dialogue is essential when reviewing our sustainability strategy.

Keeping stakeholders around the globe engaged entails communicating in multiple languages, using different channels, and cultivating and maintaining ongoing discussions. We employ Konecranes' intranet and several other online tools as engagement platforms for our internal stakeholders. We interact with external stakeholders in a number of ways. We communicate with the broader external community through content delivered via channels such as Konecranes.com and through social media platforms like LinkedIn, Facebook, Twitter and Instagram.

Community involvement and donations

Konecranes has a long history of community involvement done independently in different locations and business

units. Activities include different fund-raising events, employees collecting goods for those in need, for example, during holiday seasons or after disasters, and employees volunteering for the benefit of local schools, elderly houses or alike. Konecranes is also making donations to good causes. Our Donations, Sponsorships and Marketing Cooperations Policy guides the global approval and reporting process.

In 2023, the total sum of donations made was EUR 0.1 million, and beneficiaries ranged from International Red Cross' Disaster Relief Fund to a Chinese charity youth development center, a German charity supporting women subject to domestic violence and a project focusing on the conservation of the Ganges River in India. In addition to donations, some of our sponsorships support the communities near our sites, relating typically to sports or cultural events.

RECOGNITIONS FROM STAKEHOLDERS



A- rating from CDP

In 2023 Konecranes received an A- rating for a second consecutive year from CDP for our ambitious climate work, keeping us in the Leadership ranking. The rating is based on our disclosures about our actions in cutting emissions, managing and mitigating climate risks and developing our low-carbon offering. The rating of A- is higher than the Europe regional average of B, and higher than the industry average of C, meaning that we are amongst the 21% percent of companies implementing current best practices in climate issues.



EcoVadis Gold Medal

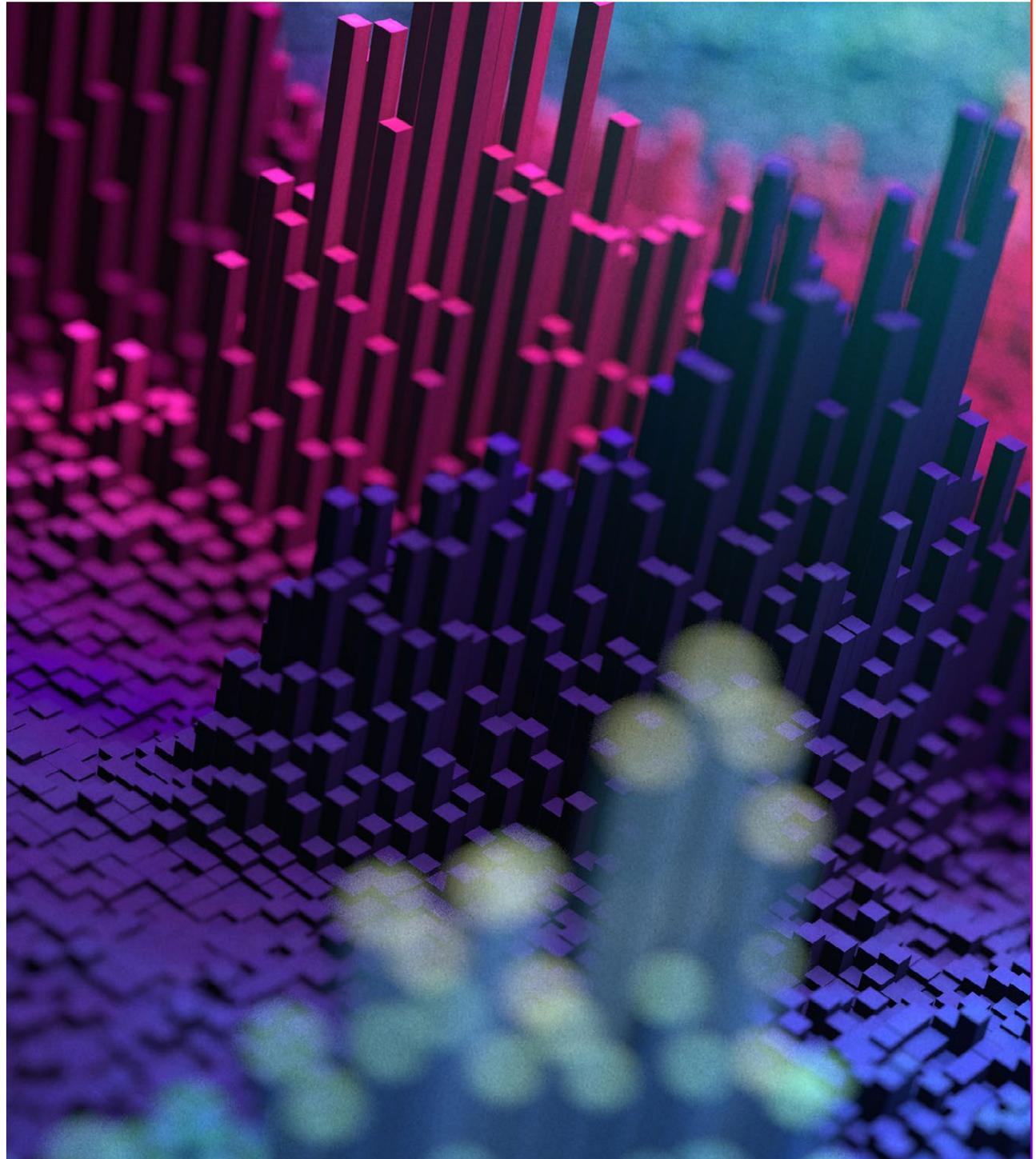
Konecranes received a Gold rating for a third straight year from the supplier sustainability assessment of EcoVadis. According to EcoVadis, Konecranes' overall sustainability performance is on an advanced level in activities related to the environment as well as labor and human rights, and on a good level in activities related to ethics and sustainable procurement. The company's actions, policies and reporting put us in the top 4 percent of all rated companies globally, and within the top 1 percent of our general-purpose machinery peers.

Interaction with stakeholders

STAKEHOLDERS	TOPICS	CHANNEL	FREQUENCY OF ENGAGEMENT
Employees	<p>Safety of employees and our products</p> <p>Responsible business conduct, respecting human rights</p> <p>Employee engagement, diversity, equity and inclusion</p> <p>Climate Action and Circularity</p>	<p>Engagement through internal communications (email, Konecranes' intranet, Yammer), employee engagement survey (EES), idea.konecranes.com, pulse checks, e-learnings, Whistleblowing Channel and compliance email, internal team meetings and internal training and development.</p>	<p>Weekly/monthly.</p>
Customers	<p>Safety of employees and our products</p> <p>Low-carbon and circular solutions</p> <p>Substance management</p> <p>Responsible business conduct, respecting human rights</p> <p>Employee engagement, diversity and inclusion</p> <p>Responsibility of the supply chain</p>	<p>Engagement mainly with our sales department, their key account managers and service technicians. We also use surveys and the Voice of Customer (VoC) feedback tool after every delivery or installation. In addition, we annually reply to a significant number of data requests by our stakeholders.</p>	<p>Based on customer's size and needs. Contact is made at least annually.</p>
Shareholders, investors	<p>Safety of employees and our products</p> <p>Climate Action and Circularity</p> <p>Responsible business conduct, respecting human rights</p> <p>Responsibility of the supply chain</p> <p>Employee engagement, diversity and inclusion</p>	<p>Engagement through investor briefings and meetings, Annual General Meetings, Annual Report and sustainability reporting, and by replying to investor questionnaires.</p>	<p>Based on stakeholders' size and needs. At least annually through public reporting and meetings.</p>
Suppliers, subcontractors	<p>Responsible business conduct, respecting human rights</p> <p>Responsibility of the supply chain</p> <p>Safety of people and products</p> <p>Climate Action and Circularity</p>	<p>Engagement through procurement personnel, supplier assessments and negotiations, and ongoing contract management.</p>	<p>Based on stakeholders' nature and category, segment, size and needs, varies from weekly to ad-hoc.</p>

Data and indices

This section provides information on our reporting principles as well as data charts and tables. Also, GRI and SASB indices are presented.



Reporting principles

Disclosing information on how we manage our economic, environmental, and social impacts is an integral part of Konecranes' Annual Report and Financial Statements. The disclosures aim to fulfil the requirements of the European Union's Non-Financial Information Directive (NFRD) and to communicate information on diversity while using the Global Reporting Initiative (GRI) framework. The reporting scope includes business over which the Group has operational control, and reporting is aligned with reporting on the financial year (calendar year 2023).

The official base year for Konecranes' science-based targets and emissions data is 2019. We have commissioned a limited third-party assurance for safety, gender balance, energy and emissions data. For more information, see the external assurance statement by Ernst & Young Oy. More information on the sustainability data calculation methodology and the statement are available at <https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability>.

This sustainability report has been prepared in accordance with the GRI Universal Standards 2021. We have applied the Reporting Principles for defining report content by identifying our material economic, environmental and social topics by conducting a

materiality assessment, and have employed the topic-specific standards in reporting. The topic-specific standards are year 2016 versions unless otherwise stated next to the standard number.

Unless otherwise stated, the report covers all Konecranes operations in all the countries where we operate, focusing on our core business, excluding joint ventures and subsidiaries. This report discloses significant material aspects and describes our core impacts and how we manage them. A list of key reported items can be found in the GRI Index Table. We believe that the reported disclosures provide appropriate information on our performance.

Along with our GRI Index, we are disclosing Sustainability Accounting Standards Board (SASB) indicators deemed material for our company. In accordance with our industry, we are using the standard tailored for Industrial machinery and goods, version 2018-10.

We also follow guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) to share Konecranes' approach in a transparent manner. The most relevant climate opportunities reside in Konecranes' offering, enabling decarbonization for customers by providing

equipment and solutions that reduce emissions and advance electrification. Read more about this from the **Statement of Non-Financial Information** in the **Governance and Financial Review** available at <https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability>.

During 2023, Konecranes put efforts in preparing for the Corporate Sustainability Reporting Directive (CSRD) (EU) 2022/2464 coming into force in 2024 in many ways, including planning the implementation, educating internal stakeholders about the topic, working on the double materiality assessment, analyzing readiness to comply with the disclosure requirements defined in the European Sustainability Reporting Standards (ESRS) as well as planning actions to fulfil the requirements. This work continues and the 2024 report will meet the CSRD reporting requirements and follow the European Sustainability Reporting Standards (ESRS).

Sustainability management approaches

Specific sustainability actions and outcome of those are described under commitments and stakeholder sections of this report.

MATERIAL TOPIC	IMPACTS	POLICIES, PRINCIPLES, COMMITMENTS AND GOVERNANCE	MITIGATING AND ADDRESSING IMPACTS
	Actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights. In our own operations and/or in business relations.	Our commitment/ambition to the topic. Formal commitment and internal policies.	Tools and processes for mitigation and addressing the impacts.
Anti-competitive behavior	When managed well leads to compliance with rules and regulations, and therefore ensures being a trustworthy business partner. Well-functioning competition landscape. Potential negative implication would be violation of competition laws and regulations, which could lead to fines and punishments and negative impact on the market dynamics.	Setting a common standard for responsible business conduct Code of Conduct, Competition policy and other competition related guidance and instructions Compliance & Ethics Committee	Global Compliance & Ethics program including specific processes to address competition law risks Code of Conduct and Competition Law trainings Various ways to report including a group Whistleblowing Channel and local channels, which are available internally and externally Internal controls in place which are audited by the internal audit committee
Data privacy	Being a trustworthy company for our business partners and to the individuals whose personal data is processed. Violation of data privacy could have a negative impact on the individuals whose data is processed. Also, our employees and partners might potentially lose trust in Konecranes, which could lead to difficulties for our businesses.	Conducting business with integrity and high ethical standards Code of conduct, Konecranes Data Protection Policy Data protection governance: Data Protection Steering Group, Data Protection team; IT implementation and data security as part of Konecranes Information Security Management system	Compliance & Ethics program including data protection program Prevention and mitigation of risks by detailed instructions and periodic data protection training that are required from persons managing personal data IT risks mitigated through ISMS covering software development processes and security controls Various ways to report including a group Whistleblowing Channel and local channels, which are available internally and externally

MATERIAL TOPIC	IMPACTS	POLICIES, PRINCIPLES, COMMITMENTS AND GOVERNANCE	MITIGATING AND ADDRESSING IMPACTS
Human rights, including fair labor	<p>Ensuring fair working conditions.</p> <p>Potential negative impacts in own operations and business relations on occupational safety and health, working conditions, non-discrimination and harassment, elimination of slavery and forced labor, privacy, avoidance of environmental degradation.</p>	<p>Respecting human rights including labor rights</p> <p>Code of Conduct, Human Rights Policy, Fair Labor Frame, Supplier Code of Conduct, Distributor Code of Conduct, Credit Policy</p> <p>Sustainability governance, Compliance & Ethics Committee</p>	<p>Human rights due diligence process, including risk and impact identification and assessment</p> <p>Prevention and mitigation e.g. through health and safety management system, fair labor practices, Know Your Counterparty, supplier management and Code of Conduct training</p> <p>Monitoring e.g. via social responsibility assessments, Supplier Code of Conduct audits, employee surveys, and internal audit</p> <p>Various ways to report grievances and seek remedy including through the whistleblowing process</p>
Anti-corruption	<p>When managed well leads to compliance with rules and regulations, and therefore ensures being a trustworthy business partner.</p> <p>Potential negative impact would be corrupted practices, which could lead to legal implications, fines and punishments for the company and individuals involved and could have negative impact on the economies and societies at large.</p> <p>With our approach we strive to create positive impact for the society.</p>	<p>Setting a common standard for responsible business conduct, working against corruption in all its forms, including extortion and bribery</p> <p>Code of Conduct, Anti-Corruption Policy, Rules on Agents, Distributors and Other Sales Intermediaries and Gifts, Hospitality Travel and Expenses, Sponsorships, donations and marketing cooperations policy, Conflict of Interest Instruction, Credit Policy</p> <p>Compliance & Ethics Committee and Audit Committee of the Board of Directors of Konecranes plc</p>	<p>Global Compliance & Ethics program, including anti-corruption program</p> <p>Anti-Corruption training</p> <p>Various ways to report including a Whistleblowing Channel, which is available internally and externally</p> <p>Internal controls in place which are audited by the internal audit and by monitoring activities by the Compliance & Ethics team</p> <p>Gifts & Hospitality Portal</p> <p>Conflict of Interest Portal</p> <p>Donations and sponsorships approval process</p> <p>KYC process including sales intermediary specific processes</p>

MATERIAL TOPIC	IMPACTS	POLICIES, PRINCIPLES, COMMITMENTS AND GOVERNANCE	MITIGATING AND ADDRESSING IMPACTS
Fair sourcing	<p>Providing income for a significant number of suppliers and subcontractors globally.</p> <p>Striving to have positive, instead of negative impacts e.g. on human rights and environment.</p> <p>Advancing ethical behavior.</p>	<p>Expecting high ethical standards from our suppliers</p> <p>Supplier Code of Conduct, Supplier Manual, Konecranes Restricted Substances List</p> <p>Procurement governance, including Strategic Sourcing Council</p>	<p>Selection and onboarding process including background checks, pre-assessment</p> <p>Management of existing suppliers including supplier segmentation and classification, self-assessment, audits, data collection, escalation</p> <p>Risk management processes</p>
Diversity, Equity & Inclusion	<p>Supporting fair labor including non-discrimination. Increased diversity, equity and inclusion.</p> <p>Potential negative impact could lead to unequal treatment of people.</p>	<p>Representing the multicultural communities where we operate</p> <p>Diversity and Inclusion Policy, Recruitment policy</p>	<p>Talent Management process, trainings, management meetings, webinars and workshops, dedicated DEI champions per Region, Employee Resource Groups</p> <p>Measuring Inclusion index, and our diversity maturity level</p>
Health and Safety	<p>Potential worst case could lead to death or severe injury.</p> <p>Positive impact in ensuring safe and healthy workplace.</p>	<p>Ambition level to get everyone safe home every day; key target being TRI rate 3 by 2025</p> <p>Safety Policy</p> <p>Follow-up in Konecranes Leadership Team</p>	<p>Behaving safely always and having zero tolerance towards unsafe acts and safety violations</p> <p>Own operation safety management based on certified ISO 45001, global HSE Standards and Life-Saving Behaviors</p> <p>Measuring TRIF rate and observations; external verification for TRI and number of work-related fatalities</p>
Product safety and security	<p>Enhanced safety and security of customers' business. Improved efficiency and productivity of their operations.</p> <p>Potential harm to people and customer's operations, bad reputation that causes problems for our business.</p>	<p>Delivering safe and secure material handling solutions</p> <p>Quality policy, Konecranes Information Security Policy, Konecranes Personal Data Protection Instructions</p> <p>Product safety managed in respective business management teams as well as product platform development teams</p> <p>Information Security Management System</p>	<p>Product development process and quality system focusing on Accident Investigation Report (AIR) instructions, field quality inspection instructions; non-conformity handling process</p> <p>Offering including e.g. safety features, preventive and predictive maintenance, Service Technicians' mobile applications, for daily inspection data</p> <p>Konecranes ISMS covering IT, factory technology and Konecranes products and services, including ISO 27001/ IEC 62443 certifications, process for responding to security incidents and security controls</p>

MATERIAL TOPIC	IMPACTS	POLICIES, PRINCIPLES, COMMITMENTS AND GOVERNANCE	MITIGATING AND ADDRESSING IMPACTS
Green House Gas (GHG) emissions	<p>Minimizing GHG emissions and supporting our customers in reaching their targets. Advancing industry standards.</p> <p>GHG emissions accelerating climate change with its adverse effects.</p>	<p>1.5 °C Science Based Targets.</p> <p>Environmental policy</p> <p>Code of Conduct, Supplier Code of Conduct, HSE excellence</p> <p>Governance model for climate in the Statement of Non-Financial Information</p>	<p>Climate risks analysis based on scenario work conducted annually</p> <p>Own operation environmental management based on certified ISO 14001 EMS and global HSE Standards</p> <p>Product development according to Design for Environment and supplier management lead with Supplier Code of Conduct</p> <p>Monitoring progress monthly; emissions data with third-party assurance</p>
Circular Economy – materials and waste	<p>Avoiding raw material scarcity due to efficient material utilization by ensuring long lifetime and remanufacturing opportunities as well as effective recycling possibilities.</p> <p>Resource consumption leading to resource (water, materials & energy) scarcity and loss of biodiversity. Excess waste generation with harmful effects on the environment.</p>	<p>Committed to innovate new circular business opportunities</p> <p>Environmental policy</p> <p>Followed in Business Area management teams and by the Sustainability Council</p>	<p>Own operation environmental management based on certified ISO 14001 EMS and global HSE Standards; processes to collect and monitor waste-related data</p> <p>Product development according to Design for Environment and supplier management lead with Supplier Code of Conduct</p>

Environmental data 2023 (GRI 302-1, 305-1, 305-2, 305-3, 305-4, 306-3. SASB RT-IG-130a.1)

KPIs		2023	2022	2021	
Energy and emissions (Scope 1, Scope 2)	Total energy consumption (MWh)	236,000	251,400	275,000	
	Fuel consumption ¹⁾ (MWh)	123,900	133,500	129,600	
	Natural gas and LPG consumption (MWh)	43,900	45,900	63,400	
	Electricity consumption (MWh)	57,500	60,800	68,900	
	District heat consumption (MWh)	10,600	11,300	13,000	
	Total energy consumption per sales (MWh/M€) ²⁾	58	73	85	
	Grid electricity percentage (%) ³⁾	24%	24%	25%	
	Renewable energy (MWh)	52,800	55,700	55,300	
	Renewable energy percentage (%) ⁴⁾	22%	22%	20%	
	Renewable electricity percentage (%) ⁵⁾	100%	100%	67%	
	Scope 1 and Scope 2, Total emissions ⁶⁾ (tCO ₂ e)	40,500	43,000	58,900	
	Scope 1, direct emissions ⁷⁾ (tCO ₂ e)	37,300	40,100	44,500	
	Scope 2, indirect emissions tCO ₂ e ⁷⁾	Location-based method	19,800	20,200	23,800
		Market-based method	3,300	2,900	14,400
	Total emissions ^{6,9)} per sales (tCO ₂ e/M€)	9	12	17	
	Total emissions ⁶⁾ per energy unit (tCO ₂ e/MWh)	0.16	0.16	0.20	
	Emissions Scope 3	Purchased goods and services (tCO ₂ e)	1,670,500	1,450,000	1,515,600
Capital goods (tCO ₂ e)		4,000	3,900	3,400	
Fuel- and energy-related activities (tCO ₂ e)		12,700	10,600	14,000	
Upstream transportation and distribution ¹⁰⁾ (tCO ₂ e)		160,200	116,000	53,800	
Waste generated in operations (tCO ₂ e)		200	200	300	
Business travel without flights (tCO ₂ e)		2,000	1,200	500	
Business flights (tCO ₂ e)		10,500	4,400	1,900	
Employee commuting (tCO ₂ e)		13,000	18,500	18,600	
Total Scope 3 Upstream emissions		1,873,100	1,604,800	1,608,100	
Downstream transportation and distribution (tCO ₂ e)		16,000	11,600	5,400	
Use of sold products (tCO ₂ e)		3,330,400	3,012,500	3,470,500	
End-of-life treatment of sold products (tCO ₂ e)		5,200	4,300	5,000	
Investments (tCO ₂ e)		20,700	17,700	18,000	
Total Scope 3 Downstream emissions		3,372,300	3,046,100	3,498,900	
Scope 3, Total emissions ¹¹⁾ (tCO ₂ e)		5,245,400	4,650,700	5,106,900	
Waste		Metal scrap ¹²⁾ (tons)	15,200	12,000	13,900
		Cardboard, paper and wood ¹³⁾ (tons)	2,700	2,400	2,400
	Hazardous and electronic and electrical waste ¹⁴⁾ (tons)	1,300	1,300	1,400	
	Other waste ¹⁵⁾ (tons)	1,500	1,300	1,800	
	Total weight of non-hazardous waste (tons)	19,400	15,700	18,100	
	Total weight of waste recovered (tons) ¹⁶⁾	17,900	14,400	16,300	
	Recycling rate % ¹⁷⁾	88%	78%	69%	
Water consumption (m ³)	144,000	152,300	163,000		

1 MWh = 3.6 GJ. M€ = million euros.

The table covers all forms of energy used in our manufacturing locations and service operations and full scope 1, 2 and 3 emission inventories. Potential renewable shares are not considered for fuels. The use of natural gas, LPG and district heat from our service operations' figures are excluded as the consumption amounts are estimated to be very marginal.

- 1) Fuel consumption consists of diesel, petrol, ethanol and HVO100.
- 2) Office energy consumption excluded from total energy consumption due to data comparability. Calculation method will be re-evaluated in 2024.
- 3) Amount of grid electricity consumption divided by total energy consumption.
- 4) Amount of renewable energy divided by total energy consumption.
- 5) Amount of renewable electricity divided by total electricity consumption. Limited to manufacturing operations.
- 6) Total emissions include scope 1 and scope 2 (market-based method). CO₂, CH₄ and N₂O included. GWP: 2007 IPCC Fourth Assessment Report AR4.
- 7) Scope 1 includes emissions from fuel, natural gas and LPG consumption and fugitive emissions (refrigerants).
- 8) Scope 2 includes emissions from electricity and district heat consumption. Scope 2 indirect emissions are calculated according to the GHG Protocol Scope 2 Guidance dual reporting requirement: location-based and market-based method.
- 9) Emissions from refrigerants and office energy consumption excluded from total emissions due to data comparability. Method will be re-evaluated in 2024.
- 10) In 2023 we were able to enhance our calculation by obtaining more detailed data from the suppliers.
- 11) Total scope 3 emissions include all scope 3 emissions applicable to Konecranes.
- 12) Waste streams are directed to recycling.
- 13) Waste stream handling split into recycling, incineration and other adequate treatments depending on location.
- 14) Waste streams handling split into recycling, incineration and other adequate treatments depending on location.
- 15) Other waste includes plastic, organic, mixed and energy waste. Waste stream handling split into recycling, incineration, composting, and landfill depending on location.
- 16) The weight of waste directed to recycling or reuse.
- 17) The recycling rate represents the share of waste directed to recycling or reuse from the total waste.

Information on employees and other workers (GRI 2-7)

Konecranes employees at year end	2023	2022	2021
Industrial Equipment	5,253	5,529	5,516
Port Solutions	3,222	3,102	3,083
Service	8,010	7,802	7,890
Group staff	101	89	84
Total	16,586	16,522	16,573
Male	13,445	13,490	13,641
Female	3,090	3,013	2,928
Doesn't want to specify gender	51	19	4
Number of nationalities	101	99	94
Permanent employees (%)	96%	95%	95%
Full-time employees (%)	98%	98%	98%

Employees by employment contract and gender	2023	%	Of which share of female (%)
Permanent employees	15,866	96%	18%
Temporary employees	720	4%	22%

Employees by employment type and gender	2023	%	Of which share of female (%)
Full-time employees	16,200	98%	18%
Part-time employees	386	2%	57%

Information on employees by region (2023)	AME	APAC	EMEA	Total
Number of employees	3,335	3,466	9,785	16,586
Permanent employees	3,332	3,145	9,389	15,866
Temporary employees	3	321	396	720
Full-time employees	3,318	3,458	9,424	16,200
Part-time employees	17	8	361	386

Data is compiled from the central HR system (SuccessFactors Employee Central), visualized with Power BI and showing status of December 31, 2023. Headcount is including active employees (i.e. excluding employees on parental leaves etc). Until end of January 2023, data was excluding employees with <6 months employment and <50% weekly working hours. Trainees are excluded from the data from February 2023 onwards. There are no "non-guaranteed hours employees". Typical reason for temporary contracts are replacements during long leaves, such as maternal leave and long-term illness.

GRI 2-8: In addition to employees, in the end of 2023 Konecranes total workforce included around 5% workers who are not employees. Around 50% of agency workers (called also as contingent workers or rental workers) worked as operatives and 50% in different staff roles. We are working in 2024 to be able to disclose more exact data on workers who are not employees.

New employee hires and employee turnover in 2023 (GRI 401-1)

Rate of new employee hires and employee turnover*	Number of employees	Rate (%)
New employee hires	2,221	13%
Employee turnover	2,224	14%

Employee hires by age group, gender and region	Number of employees	% total	Hire rate (%)
By age group			
<30	783	35%	34%
30-50	1,126	51%	12%
>50	312	14%	6%
By gender			
Male	1,749	79%	13%
Female	412	18%	14%
Doesn't want to specify gender	60	3%	130%
By region			
AME	890	40%	27%
APAC	339	15%	10%
EMEA	992	45%	10%

Employee turnover by age group, gender and region	Number of employees	% total	Turnover rate (%)
By age group			
<30	465	21%	20%
30-50	1,272	57%	14%
>50	487	22%	10%
By gender			
Male	1,814	82%	14%
Female	386	17%	13%
Doesn't want to specify gender	24	1%	52%
By region			
AME	713	32%	22%
APAC	702	32%	20%
EMEA	809	36%	8%

* Turnover includes all reasons to leave a company. Rates are calculated against the annual average of month-end headcounts of each of the split (e.g. EMEA hires against the annual average of month-end EMEA headcount).

Headcount is including active employees, i.e. excluding employees on long leaves, such as parental leaves. As the active/on-leave status of an employee may vary between two following years, it has an impact on the headcount difference between those years, on top of the change caused by hires and leavers.

Health and Safety Data 2023 (GRI 403-9, SASB RT-IG-320a.1)

		2023	2022	2021
Near-miss frequency rate (NM) ¹⁾	Konecranes total	44.42	48.84	48.11
Lost-time injury frequency rate (LTI) ²⁾	Konecranes total	3.61	4.29	4.95
Total Recordable Incident frequency rate (TRI) ³⁾	Konecranes total	4.6	5.6	6.65
Fatalities	Konecranes total	0	0	0

The rates cover our own personnel. We also report and follow up on contractor incidents in our reporting system, but those are not included in our incident rates.

1) NM = Number of work related near-misses / working hours performed over the reference period x 1,000,000 hours.

2) LTI = Number of work-related lost-time incidents / working hours performed over the reference period x 1,000,000 hours.

3) TRI = Number of work-related incidents causing medical treatment or lost-time / working hours performed over the reference period x 1,000,000 hours.

ISO management system coverage in Konecranes factories

Management system		2023	2022	2021
Environmental Management	ISO 14001:2015	86%	83%	80%
Occupational Health and Safety	ISO 45001:2018	79%	69%	73%
Quality Management	ISO 9001:2015	100%	100%	93%

GRI and SASB Index 2023

GRI STANDARD	SASB CODE	TOPIC	PAGE/LINK	ADDITIONAL INFORMATION
GENERAL DISCLOSURES				
The organization and its reporting practices				
2-1		Organizational details	Governance and Financial Review	Name of the organization: Konecranes Plc. Location of headquarters: Hyvinkää, Finland Location of operations: See Financial review Legal Form: Public Company Changes in ownership updated every quarter (www.konecranes.com)
2-2		Entities included in the organization's sustainability reporting	Governance and Financial Review	See Financial Statement
2-3		Reporting period, frequency and contact point		The reporting period for this Sustainability Report is the financial reporting period of January 1 to December 31, 2023. Konecranes publishes economic, social and environmental information annually. The publication date of this report is February 28, 2023. Contact Konecranes' Sustainability Team at sustainability(at)konecranes.com
2-4		Restatements of information		None
2-5		External assurance	p. 8, 57	The Sustainability Council has agreed on the assurance scope to include the full coverage of our science-based targets. See Governance and Management. The assurance statement including additional information about the assurance can be found at https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability
Activities and workers				
2-6		Activities, value chain and other business relationships	Annual review, www.konecranes.com, Supply chain p. 50-52	In 2023, we launched our refreshed purpose, ambition and financial targets along with the updated company strategy. We also launched Konecranes' new values. See the Annual Review. There were no significant changes to the supply chain in 2023.
2-7		Employees	p. 63	Status of December 31, 2023
	RT-IG-000.B	Number of employees	p. 63	
2-8		Workers who are not employees	p. 63	Status of December 31, 2023
Governance				
2-9		Governance structure and composition	p. 8 Governance and Financial Review	Governance and management More information about Corporate Governance: https://investors.konecranes.com/corporate-governance

GRI STANDARD	SASB CODE	TOPIC	PAGE/LINK	ADDITIONAL INFORMATION
2-10		Nomination and selection of the highest governance body	Governance and Financial Review	
2-11		Chair of the highest governance body	Governance and Financial Review	
2-12		Role of the highest governance body in overseeing the management of impacts	p. 8	Governance and management
2-13		Delegation of responsibility for managing impacts	p. 8	Governance and management
2-14		Role of the highest governance body in sustainability reporting	p. 8	Governance and management
2-15		Conflicts of interest	p. 48	See the Corporate Governance pages https://investors.konecranes.com/corporate-governance and Corporate Governance statement for information on Board members' election, independence, their other board memberships and related party transactions.
2-16		Communication of critical concerns	p. 48	Responsible business conduct
2-17		Collective knowledge of the highest governance body	p. 8	Governance and management
2-18		Evaluation of the performance of the highest governance body	Governance and Financial Review p. 8	The HR Committee has discussed sustainability topics in one of their meetings as per our governance structure. See Governance and management. The Board of Directors evaluates its performance annually. Information on the Board composition, tasks and duties and meeting attendance is available in Konecranes' Corporate Governance statement.
2-19		Remuneration policies	Investor pages Governance and Financial Review	Remuneration Policy at https://investors.konecranes.com/remuneration-policy Remuneration Report
2-20		Process to determine remuneration	Investor pages Governance and Financial Review	Remuneration Policy at https://investors.konecranes.com/remuneration-policy Remuneration report
2-21		Annual total compensation ratio	Governance and Financial Review	Remuneration report
Strategy, policies and practices				
2-22		Statement on sustainable development strategy	Annual review Governance and Financial Review	Annual Review, CEO letter & Strategy See the Statement of Non-Financial Information in the Governance and Financial Review.
2-23		Policy commitments	p. 8, 58-59	Governance and management Sustainability management approaches
2-24		Embedding policy commitments	p. 37-39, 47-52	Supporting human rights in our value chain Responsible business conduct
2-25		Processes to remediate negative impacts	p. 37-39	
2-26		Mechanisms for seeking advice and raising concerns	p. 48-49	
2-27		Compliance with laws and regulations		Omission: Not reported due to confidentiality reasons. However, Konecranes follows the applicable rules and regulations concerning publicly listed companies in reporting of such matters.

GRI STANDARD	SASB CODE	TOPIC	PAGE/LINK	ADDITIONAL INFORMATION
2-28		Membership associations		Konecranes holds positions on the boards of the European Materials Handling Federation (FEM), East Office of Finnish Industries Ltd, Federation of Finnish Technology Industries, Finnish Metals and Engineering Competence Cluster, Digital, Internet, Materials & Engineering Co-Creation (DIMECC), Forum for Intelligent Machines ry (FIMA) and The Mechanical Engineering Industry Association (VDMA - Materials Handling and Intra-logistics). In addition, Konecranes participates in committees of the European Committee for Standardization (CEN), Port Equipment Manufacturers Association (PEMA), International Organization for Standardization (ISO), Terminal Industry Committee (TIC 4.0) and in committees of OPC Unified Architecture (OPC-UA).
Stakeholder engagement				
2-29		Approach to stakeholder engagement	p. 53-54	Engaging stakeholders
2-30		Collective bargaining agreements		The number of collective bargaining agreements is based on local legislation. In the end of 2023, 37% of employees were covered by collective bargaining agreements and the pay scale of 34% of employees was defined on Konecranes level. The database is missing information from the rest (29%) of employees. Even though we report covered/not covered numbers, the situation is not totally straightforward, as in some countries we apply some of the rules from the collective bargaining agreements also for employees who are not part of the agreement: This can apply to, for example, vacation entitlements.
MANAGEMENT APPROACH				
3-1		Process to determine material topics	p. 6	Materiality
3-2		List of material topics	p. 5-7	The strategic role of sustainability Materiality
3-3		Management of material topics	p. 5-7, 55, 58-59	The strategic role of sustainability Sustainability management approaches table Interaction with stakeholders table
TOPIC-SPECIFIC DISCLOSURES				
Economic standards				
Economic performance				
201-1		Direct economic value generated and distributed	p. 11	Value creation
	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	p. 26	EUR 300 million in 2023 from modernizations and retrofits. See Maximizing lifecycle value and eliminating waste with circular solutions throughout the value chain.
Anti-corruption				
205-2		Communication and training about anti-corruption policies and procedures	p. 49, 52	Omission: We have broken down the training coverage by region, not on all combinations listed by GRI.
Tax				
207-1 (2019)		Approach to tax	p. 12-13	Tax footprint Konecranes Group Tax Policy at www.konecranes.com/about/sustainability/policies-and-principles

GRI STANDARD	SASB CODE	TOPIC	PAGE/LINK	ADDITIONAL INFORMATION
207-2 (2019)		Tax governance, control, and risk management	p. 13	Tax footprint Financial review at https://investors.konecranes.com/annual_review_2023 Konecranes Group Tax Policy at www.konecranes.com/about/sustainability/policies-and-principles
207-3 (2019)		Stakeholder engagement and management of concerns related to tax	p. 13	Konecranes Group Tax Policy at www.konecranes.com/about/sustainability/policies-and-principles
Procurement practices				
	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	p. 51-52	Responsibility in our supply chain, Substance management
Environmental standards				
Energy				
302-1		Energy consumption within the organization	p. 62	District heat, natural gas and LPG figures for service locations are not included as information is not available. Source of the conversion factors used IEA energy statistics manual 2005.
	RT-IG-130a.1	Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	p. 62	Environmental data table
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	p. 22-24	Fuel efficiency is a material topic for Konecranes, but the exact SASB metric (gallons per hour) is not meaningful as we sell a wide range of non-road equipment. In addition, there are no industry standards to define a standard working period, and therefore we do not calculate sales-weighted fuel efficiency or emissions in this way. Read more about fuel saving technology for Lift Trucks (flowdrive) and hybrid power systems for RTGs with reverse braking.
Emissions				
305-1		Direct (Scope 1) GHG emissions	p. 62	Natural gas, LPG and district heat figures for service locations are not included as information is not available. Detailed information about emission factors and emission calculations can be found from the Assurance statement in https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability .
305-2		Energy indirect (Scope 2) GHG emissions	p. 62	Natural gas, LPG and district heat figures for service locations are not included as information is not available.
305-3		Other indirect (Scope 3) GHG emissions	p. 62	Detailed information about emission calculations can be found from the Assurance statement in https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability .
305-4		GHG emissions intensity	p. 62	District heat, natural gas and LPG figures for service locations are not included as information is not available.
Waste				
306-1 (2020)		Waste generation and significant waste-related impacts	p. 58-59	Sustainability management approaches table
306-2 (2020)		Management of significant waste-related impacts	p. 19-21, 25-28, 58-59	Sustainability management approaches table Working towards carbon neutral own operations Maximizing lifecycle value and eliminating waste Konecranes suppliers comply with the Supplier Code of Conduct Omission: Waste from service locations is not included as information is not available. Detailed information can be found from the Sustainability Data Calculation Methodology in https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability .

GRI STANDARD	SASB CODE	TOPIC	PAGE/LINK	ADDITIONAL INFORMATION
306-3 (2020)		Waste generated	p. 62	Omission: Waste from service locations is not included as information is not available.
Supplier environmental assessment				
308-1		New suppliers that were screened using environmental criteria	p. 50-51	89% of new suppliers were screened against basic environmental criteria (process is excluding suppliers with very low spend).
Social standards				
Employment				
401-1		New employee hires and employee turnover	p. 63	
Occupational health and safety				
403-2 (2018)		Hazard identification, risk assessment, and incident investigation	p. 34	Ensuring uncompromised safety in our own operations: Building a strong safety culture through training The corrective actions are taken into account in the ISO 45000 management system by documenting them in our online HSE reporting tool (ARMOR) and tracking the corrective actions and communicating them in weekly meetings on site level. See our Health and Safety policy available at: https://www.konecranes.com/about/sustainability/policies-and-principles .
403-5 (2018)		Worker training on occupational health and safety	p. 34	Ensuring uncompromised safety in our own operations: Building a strong safety culture through training
403-9 (2018)		Work-related injuries	p. 33-35, 64	Omission: Our reporting covers only our own employees. We negotiate and train our subcontractors in safety but do not include them in our safety reports.
	RT-IG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatalities, and (3) near miss frequency rate (NMFR)	p. 64	TRIR and NMFR are found in the Safety data table. The number of work-related fatalities for 2023 is 0.
Training and education				
404-1		Average hours of training per year per employee	p. 43	
404-3		Percentage of employees receiving regular performance and career development reviews	p. 42	
Diversity and equal opportunity				
405-1		Diversity of governance bodies and employees	p. 45	
Supplier social assessment				
414-1		New suppliers that were screened using social criteria	p. 50-51	89% of new suppliers were screened against basic social criteria (process is excluding suppliers with very low spend).
Customer health and safety				
416-1		Assessment of the Health and Safety of product and service categories	p. 29-32	In the product development process, we have check points such as initial requirements for product safety and FMEA evaluation for safety and reliability risks. For example, there are different crane safety standards guiding the minimum requirements for products. For individual deliveries we have separate factory acceptance and site acceptance to ensure each product is functioning properly. We are not able to disclose the percentage of assessments per category as information is not available.

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KONECRANES Moves what matters.

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 16,600 professionals in over 50 countries, Konecranes is trusted every day to lift, handle and move what the world needs. In 2023, Group sales totaled EUR 4.0 billion. Konecranes shares are listed on Nasdaq Helsinki (symbol: KCR).