



# Annual Review 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 Sustainability Report. All documents are downloadable on our Annual Report website at [https://investors.konecranes.com/annual\\_report\\_2023](https://investors.konecranes.com/annual_report_2023).

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## Shaping next generation material handling for a smarter, safer and better world

The world faces the challenge of providing materials and goods that are essential for people, while preserving scarce resources and limiting emissions. As an industry leader, Konecranes is perfectly placed to meet this challenge: We support our customers' operations with innovative solutions that enhance their productivity, lower their emissions and drive their business forward. Our ambition is to become the world leader in material handling solutions creating value for everyone.

In 2023 we continued to take meaningful steps to make this ambition a reality. We partnered with customers across the globe to provide solutions that enhance

productivity and sustainability. Our unrelenting research and development work continued both in-house and with partners, shaping the material handling solutions of tomorrow.

The financial performance in 2023 was solid. Sales reached an all-time high of EUR 3,966.3 million, increasing 17.9 percent from 2022. The comparable EBITA margin was record high at 11.4 percent. Order intake remained on the same level as in 2022, and we ended the year with an order book of EUR 3,040.8 million, 4.8 percent higher compared to the previous year.

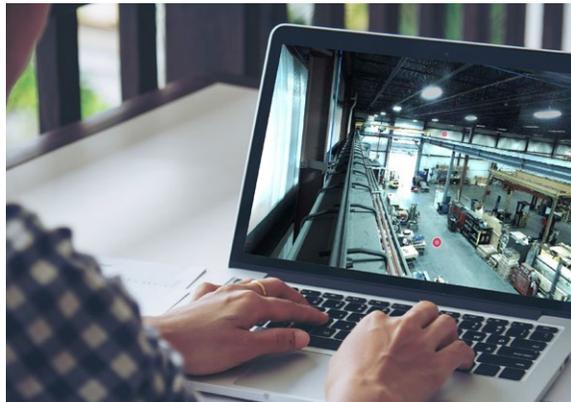
# Konecranes in 2023

## KONECRANES UPDATED ITS STRATEGY.

Our ambition is to become the world leader in material handling solutions creating value for everyone, with our purpose summarized as shaping next generation material handling for a smarter, safer and better world. Our new brand promise is *Moves what matters* and it crystallizes our dedication to our customers and the world.



**WE AGAIN TOOK STRIDES WITHIN SUSTAINABILITY.** We published our new target of having carbon neutral own operations by 2030, which follows our 2022 accomplishment of powering our factories with 100% renewable electricity. In 2023, we reached a carbon neutrality milestone as our Hämeenlinna, Finland, site became the first factory to receive a CarbonNeutral® building certification.



**WE ANNOUNCED THE LAUNCH OF OUR ZERO4 RESEARCH AND INNOVATION PROGRAM,** aiming to increase industrial productivity in Finland and create hundreds of new jobs in the next five years. The program aims to bring together more than 70 partners into a research ecosystem, exemplifying Konecranes' focus on research and development both in-house and together with partners.



**NEARLY 8,000 KONECRANES EMPLOYEES** took part in a collaborative process to renew the company's values, which were in place for nearly 30 years. The work was crystallized in four new values that guide our behaviors and support our future success.

# The year 2023 in numbers

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4,161.4

MEUR (-1.6%)  
Order intake

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3,966.3

MEUR (+17.9%)  
Net sales

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11.4%

Comparable EBITA margin

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3,040.8

MEUR (+4.8%)  
Order book

---

2,100

Number of active and  
pending patents

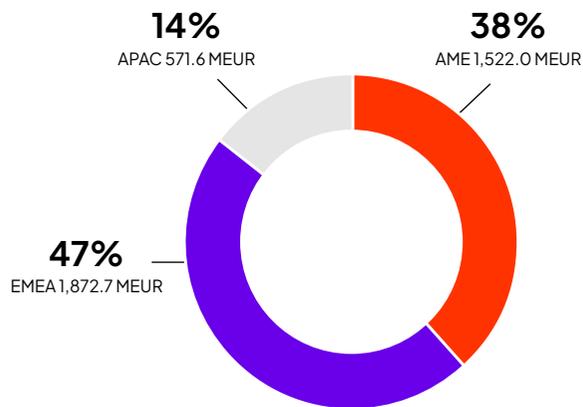
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22.9%

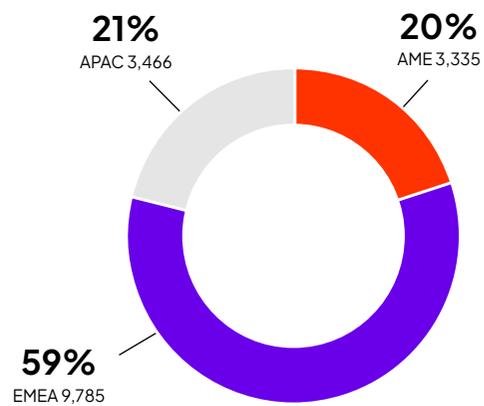
Gearing



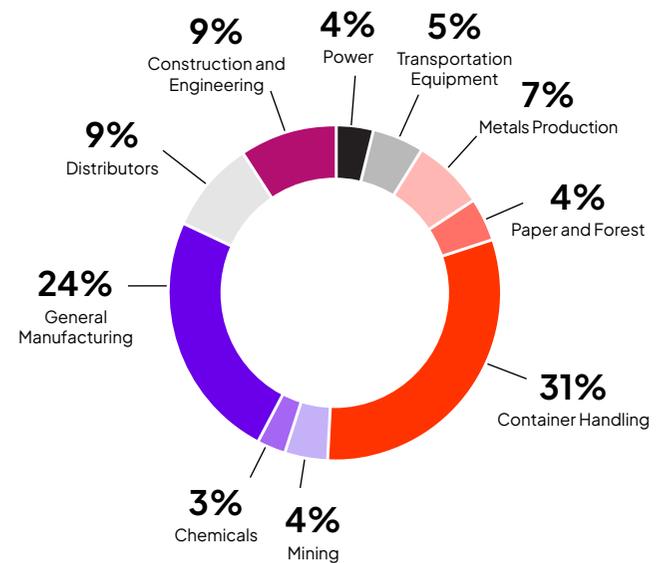
Net sales per region, 2023



Personnel by region, 2023



Orders by customer segments, 2023



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



# CEO's review

Dear shareholders,



2023 was a significant year for Konecranes, establishing solid foundations for the years to come. We unveiled an updated strategy and new financial targets, announced an inspirational purpose and ambition, renewed

our company values and revamped the Konecranes brand for a launch in early 2024. Financially, we reported strong results amid challenging market conditions. It was a truly remarkable year, and my warm thanks go

to our employees, customers and suppliers for their commitment and cooperation from start to finish.

It was also my first full year as President & CEO, and I had the pleasure to meet employees, customers, investors and other stakeholders across the world. These meetings were meaningful and insightful. I remain impressed by the engagement shown by our employees, the value customers see in our solutions and the wide interest in our positive impact on the world of material handling and beyond.

We certainly had a lot of good news to share. In May, we announced our updated strategy alongside new financial targets for the coming years. As an industry leader we aim high, and our ambition is no less than to become the world leader in material handling solutions creating value for everyone. We identified five strategic enablers that will be key to our success, based on the expertise that we have built during more than a

century in the industry: Deepening customer focus; accelerating efficiency; scaling technology innovation; advancing responsible business; and enhancing our winning culture.

This winning culture is based on our values, and during the year we co-created Konecranes' four new company values, with thousands of colleagues taking the opportunity to participate. This was the first comprehensive rethink of our values, which had served us well, for close to 30 years. The co-creation was crystallized into our four new values: putting customers first, doing the right thing, driving for better and winning together.

Our updated strategy also necessitated an assessment of our brand. In 2023 we prepared our most extensive brand update in almost twenty years, published in January 2024. The new brand is visible in all our interactions with customers and stakeholders, as well as in this report on your screen or in your hands.

I am proud of the work our Konecranes team has done. Our new brand promise *Moves What Matters* crystallizes the value we create for customers and stakeholders. We have the ambition to make a significant impact throughout the material handling industry and the world. Konecranes' purpose is summarized as *shaping next generation material handling for a smarter, safer and better world*.

### Excellent 2023 performance

Also financially, 2023 was a strong year for Konecranes from start to finish. Despite the macro-concerns around us, our order intake remained on the same level as the previous year. Our 2023 sales reached an all-time high of EUR 3,966.3 and the comparable EBITA margin was record high at 11.4 percent.

In conjunction with our financial statement release 2023, we updated our demand outlook. We expect the demand environment within our industrial customers to remain healthy, although market uncertainty is not over. Regarding our port customers, container throughput continues to be on a high level, and long-term prospects related to container handling remain good. Our Port Solutions sales pipeline includes projects of all sizes, but quarterly order intake fluctuation is normal for the business, as the booking of orders depends on the timing of customer decision-making.

### Enabling a decarbonized, circular world

We want to lead sustainability work in our industry, and in 2023 we once again raised the bar to hit new milestones. In conjunction with our strategy update, we announced our target to have carbon neutral own operations by 2030.

Following the 2022 achievement of using only renewable electricity in all our manufacturing operations, we celebrated our first carbon-neutral manufacturing location

when Hämeenlinna in Finland received a CarbonNeutral® building certification. This was achieved by using renewable energy and improving energy efficiency, as well as compensating emissions that cannot be eliminated yet through carbon credits. Hämeenlinna acts as a great example as similar energy efficiency initiatives continue throughout Konecranes. Our work received further recognition as EcoVadis, a leading business sustainability rating agency, awarded Konecranes with a Gold rating in 2023 for the third year running.

**“It was a truly remarkable year, and my warm thanks go to our employees, customers and suppliers for their commitment and cooperation from start to finish.”**

In recent years, we have been steadily expanding our electric offering, with the last remaining diesel-fueled product lines within the lift truck business to be made available electrically by 2026.

### Safety and diversity drive success

At Konecranes we recognize that lifting and material handling can be hazardous. That is why we place an unrelenting focus on safety, with the goal that our people and customers can get home safely every day. Thanks to focus and dedication from the team, our safety performance, as measured by the Total Recordable

Incident (TRI) rate, showed significant year-on-year improvement during 2023.

Safety has also unfortunately remained topical for Konecranes due to the war in Ukraine. The safety of our Ukrainian colleagues remains Konecranes' top priority as we condemn Russia's aggression.

We also firmly believe that diverse, inclusive and equitable teams are key for highly performing companies. In 2023, we focused on further embedding diversity, equity and inclusion into our talent and recruitment processes, as well as embedding diversity into our successor planning, alongside fast-track programs for underrepresented groups. All this guides us towards our goal of representing the multicultural communities where we operate.

### 30 years as an independent company

Our strong performance in 2023, sharpened strategic direction and refreshed values and brand provide an excellent basis for continued success in 2024. This year marks 30 years for Konecranes as an independent company, an achievement that required the support of our great people, customers, shareholders, investors and suppliers. I want to thank all stakeholders for the excellent collaboration in 2023 as I look forward to continuing this tradition of success also in 2024.

Warm regards,

**Anders Svensson**  
President and CEO



# Strategy

**Konecranes is shaping the next generation of material handling for a smarter, safer and better world.**

Konecranes introduced its updated strategy in May 2023. We also established new, ambitious financial targets. We aim for sales growth faster than the market<sup>1)</sup> and to reach a comparable EBITA margin of 12-15% as soon as possible, but no later than in 2027<sup>2)</sup>.

As the world faces the challenge of providing materials and goods that are essential for people – while preserving scarce resources and limiting emissions – business has a central role to play.

As an industry leader, Konecranes is perfectly placed to meet this challenge: we support our customers' operations with innovative solutions that enhance their productivity, lower their emissions and drive their business forward.

We start from a position of unique strength, with a track record of success and innovation that stretches back over 100 years. Our equipment has a unique combination of world-leading engineering, purpose-built componentry, and intelligent, integrated systems at its core. With our unrivalled global service network, we are working together with our customers through the lifecycle to optimize uptime, enhance productivity and advance circularity. Konecranes also owns the largest patent portfolio in its industry.

This is why we're trusted every day to lift, handle and move what the world needs across factories, ports, and beyond.

As we move forward, we are determined to harness innovation to redefine industry standards, solving the

material handling challenges of today and tomorrow, and contributing positively to the global community we operate within.

Our ambition is to become the world leader in material handling solutions creating value for everyone.

## **Our strategy in action**

We have outlined five strategic enablers that will make this ambition a reality.

- **Deepening customer focus** – We're placing the needs and expectations of our customers at the heart of our decision-making every day.
- **Accelerating efficiency** – We're continuously optimizing our operations and go-to-market model, building resilience, driving efficiency and enhancing productivity.

1) Nominal world GDP growth, IMF World Economic Outlook

2) Profitability range, depending on the cycle

- **Scaling technology innovation** – We're a technology leader in material handling, developing smart, connected products and autonomous solutions, leveraging the advantages of our purpose-built componentry, technical knowledge and digitalization.

- **Advancing responsible business** – We're enabling a decarbonized and circular world by embedding sustainability across our business, and supporting our customers in reaching their targets. We're creating a fair, inclusive and diverse working environment where we treat each other with respect and expect the highest ethical standards of ourselves and our business partners. Our Code of Conduct was renewed in 2023.

- **Enhancing our winning culture** – We're creating an organization where working together comes naturally and we inspire each other to be the best we can be.

**Konecranes' new values, created by our employees**

In 2023 close to 8,000 Konecranes employees took part in a collaborative process to renew the company's values after nearly 30 years. The new values were defined through a process of online brainstorming and dozens of global workshops. The values summarize what we expect from ourselves and others; they guide our behaviors and support our future success.

- **Putting customers first** – We build trusted customer relationships and deliver solutions that work every day.

- **Doing the right thing** – We hold ourselves to the highest ethical standards and take ownership of our actions.

- **Driving for better** – We never stop moving, learning and improving. We are inspired and driven to always find a better way.

- **Winning together** – We are a diverse, global team, all contributing to our shared success. We are more than the sum of our parts - we work together, win together and always support each other.

**Our purpose**

Shaping next generation material handling for a smarter, safer, and better world

**Our ambition**

The world leader in material handling solutions creating value for everyone

**Our strategic enablers**

- Deepening customer focus
- Accelerating efficiency
- Scaling technology innovation
- Advancing responsible business
- Enhancing our winning culture

**Our values**

- Putting customers first
- Doing the right thing
- Driving for better
- Winning together

**Our brand promise**

**KONECRANES** Moves what matters.

# Business Area Reviews

## Industrial Service and Equipment

Service provides industry-leading maintenance services for all types and makes of industrial cranes and hoists, improving the safety, productivity and sustainability of customer operations. Service connects data, machines and people to deliver a digitally-enabled customer experience in real time. Industrial Equipment offers hoists, cranes and material handling solutions for a wide range of customers: from General Manufacturing to various kinds of process industries like Waste-to-Energy, Paper and Forest, Automotive and Metals Production. Products are marketed through a multi-brand portfolio. Service and Industrial Equipment are unified in one Business Area, but they continue as separate business segments in our financial reporting.

## Port Solutions

Within Port Solutions, Konecranes is the leading Western supplier with the widest and deepest offering. Port Solutions offers a full range of manned and fully automated container cranes, mobile harbor cranes, manned and fully automated straddle carriers, heavy-duty lift trucks, and automated guided vehicles. It also provides a complete array of shipyard cranes and Terminal Operating System (TOS) and Equipment Control System (ECS) software, optimizing the operations of entire container terminals.

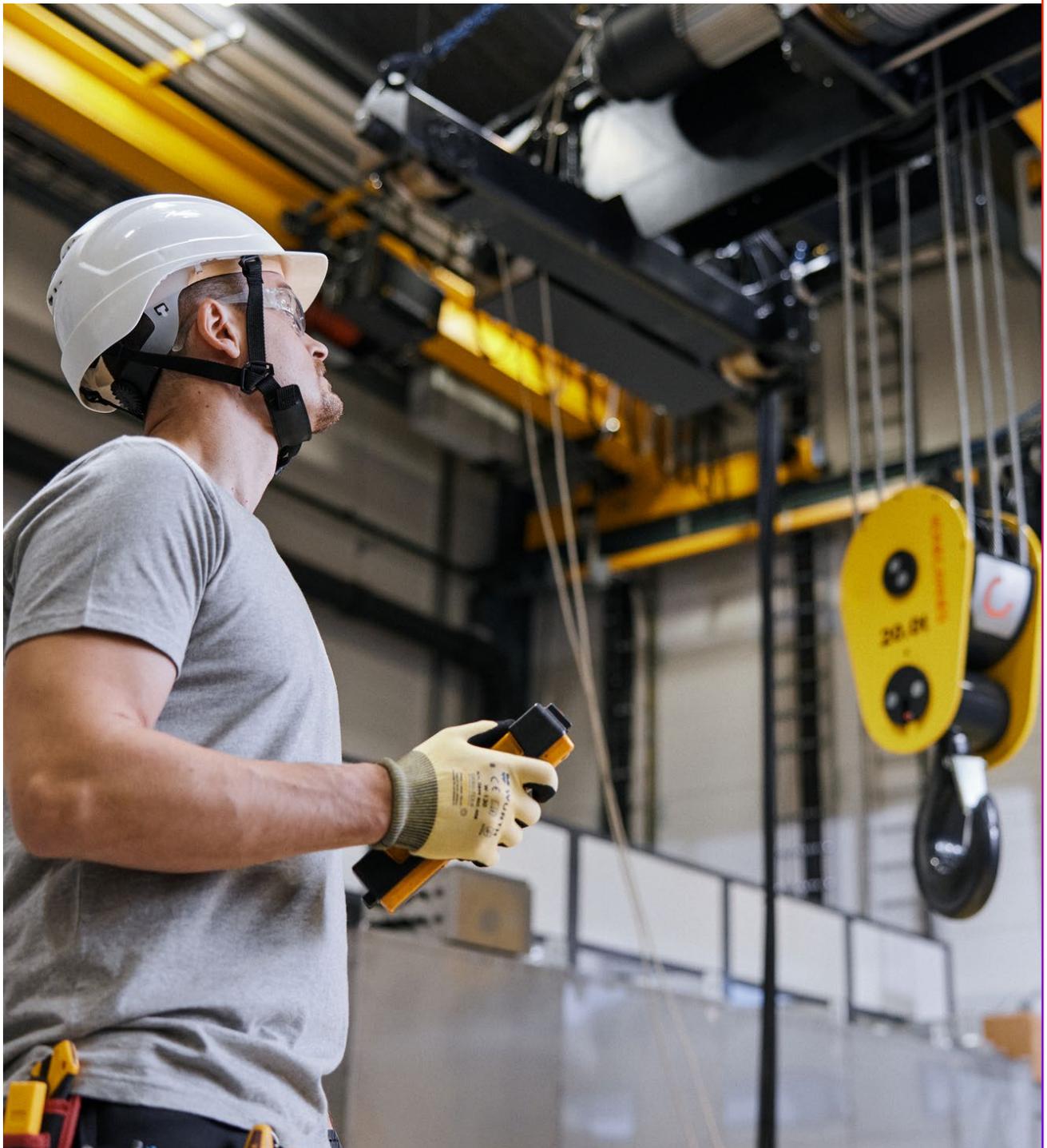
## INDUSTRIAL SERVICE & EQUIPMENT

# A year of positive transformation

2023 was the first full year of Industrial Service & Equipment operating as one Business Area, although the two continue as separate business segments in our financial reporting. The new organization has allowed the utilization of the best from both business segments, with a single interface towards customers, a unified customer service and dedicated product teams, as well as new sales opportunities. The new setup has allowed for better strategic alignment and simplified decision-making.

The benefits of the new Business Area model yielded results in 2023 and the two business segments performed well. In Service, net sales reached MEUR 1,490.4, an increase of 10.9 percent compared to the previous year. The comparable EBITA margin was 19.9 percent, up from 18.6 percent in 2022. Within Industrial Equipment, net sales increased 12.4 percent to MEUR 1,355.3 and the comparable EBITA margin was 6.5 percent compared to last year's 2.7%. Service ended the year with a MEUR 443.5 order book, down 0.4 percent from last year. Industrial Equipment's order book was MEUR 892.3, up 4.1 percent compared to 2022.

Operationally, Industrial Service & Equipment focused on simplification and customer centricity. The go-to market model was simplified, with Konecranes remaining the sole brand for industrial cranes sold directly to end-users. The brand offering for crane builders, distributors and component integrators continues in a multi-brand portfolio of market-specific brands. In addition, the offering of product platforms has been harmonized and the manufacturing footprint optimized.





In Service, the team has focused on evolving operations to enable the renewed strategy. Konecranes has deepened its customer focus by offering improved digital journeys to customers. Konecranes brought in new service technicians through acquisitions such as Whiting Corporation's industrial and nuclear crane and crane service businesses in North America, and Munck Cranes AS in Norway.

In Industrial Equipment, the offering was further simplified by the divestment of the MHE-Demag Industrial Products business, allowing for a stronger focus on the core business.

Following the 2022 achievement of 100% renewable electricity at our factories, sustainability strides continued by renewing the vehicle fleet, utilizing electrification where feasible. We have applied Design for Environment principles in the development of new products and solutions, elevating positive environmental impacts as a core part of design.

## FIRST CARBON-NEUTRAL CERTIFIED FACTORY

In its renewed strategy, Konecranes has outlined to have carbon neutral own operations by the year 2030. A milestone in this work was reached in 2023 as Konecranes' Hämeenlinna site in Finland became the company's first factory to receive a CarbonNeutral® building certification. The certificate is in accordance with the CarbonNeutral Protocol, a leading global framework for carbon neutrality.

The carbon-neutral certification was reached through reducing greenhouse gas emissions by using renewable energy and improving energy

efficiency. Carbon credits have been purchased to compensate the emissions that cannot be eliminated yet. Efforts in Hämeenlinna continue to further reduce the remaining emissions, for example, through factory modernization and electrifying diesel lift trucks.

The initiatives are not limited to Hämeenlinna. Similar energy efficiency improvements continue in other factories worldwide, and in 2022, Konecranes reached our target of powering our factories with 100 percent renewable electricity.

## Service in numbers

443.5

Order book at the end of 2023, MEUR

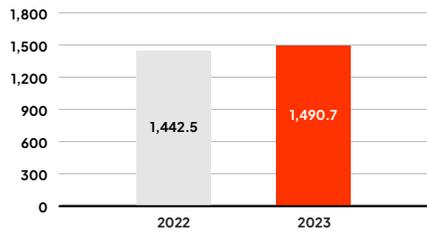
19.9

Comparable EBITA 2023, %

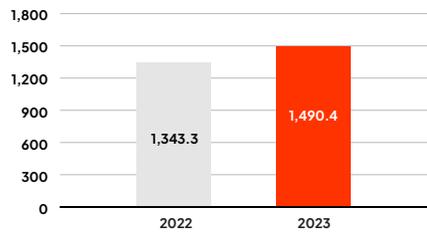
8,010

Number of employees at the end of 2023

Orders received, MEUR



Net Sales, MEUR



## Industrial Equipment in numbers

892.3

Order book at the end of 2023, MEUR

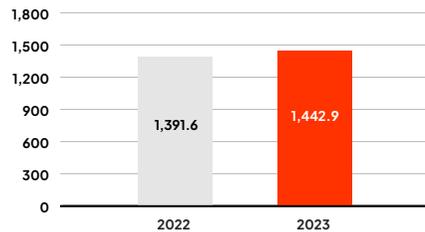
6.5

Comparable EBITA 2023, %

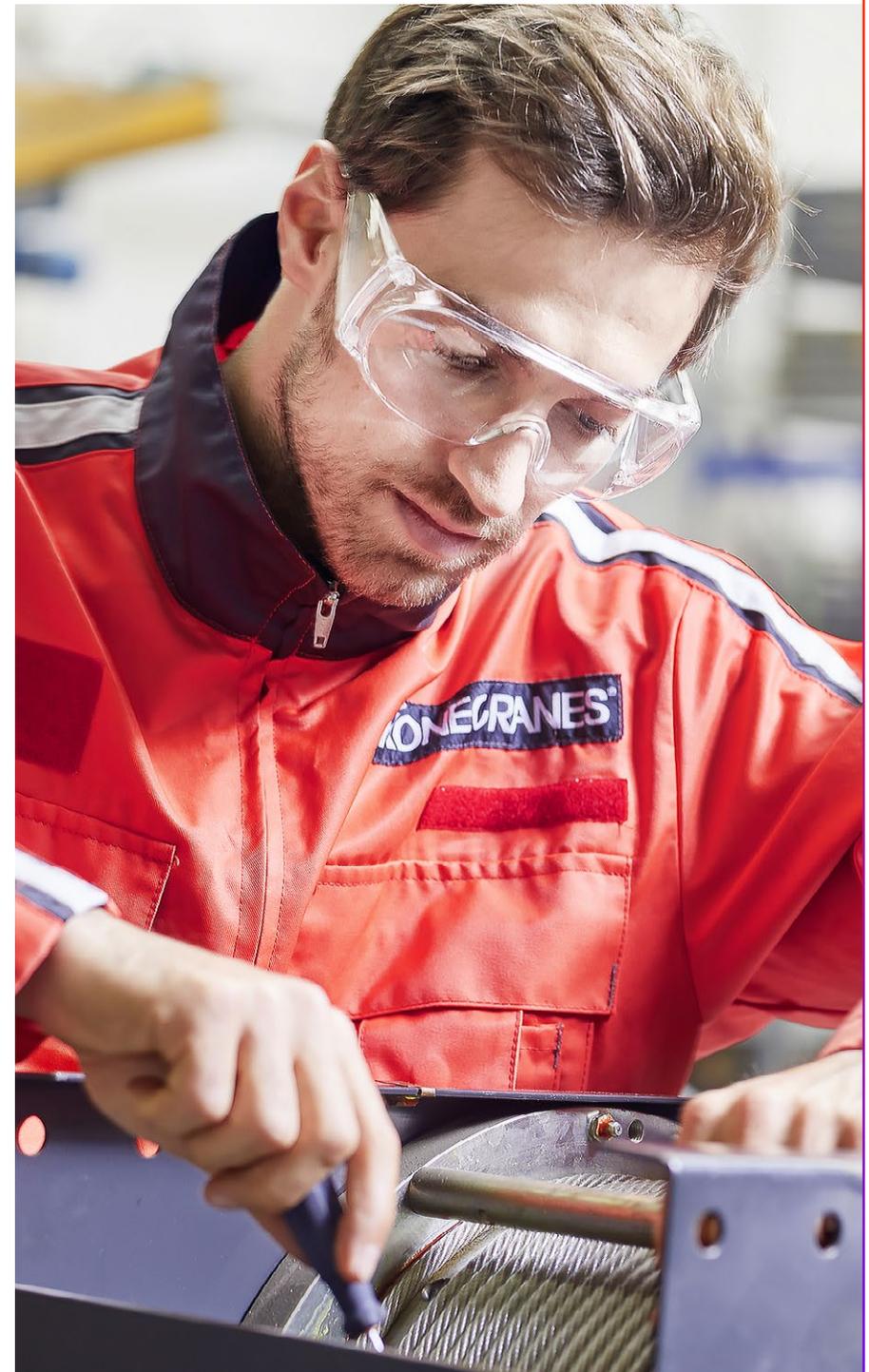
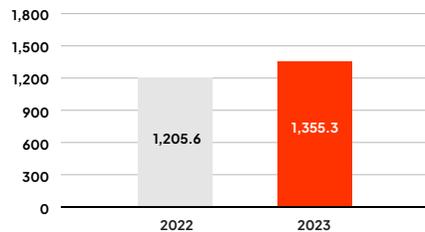
5,253

Number of employees at the end of 2023

Orders received, MEUR



Net Sales, MEUR



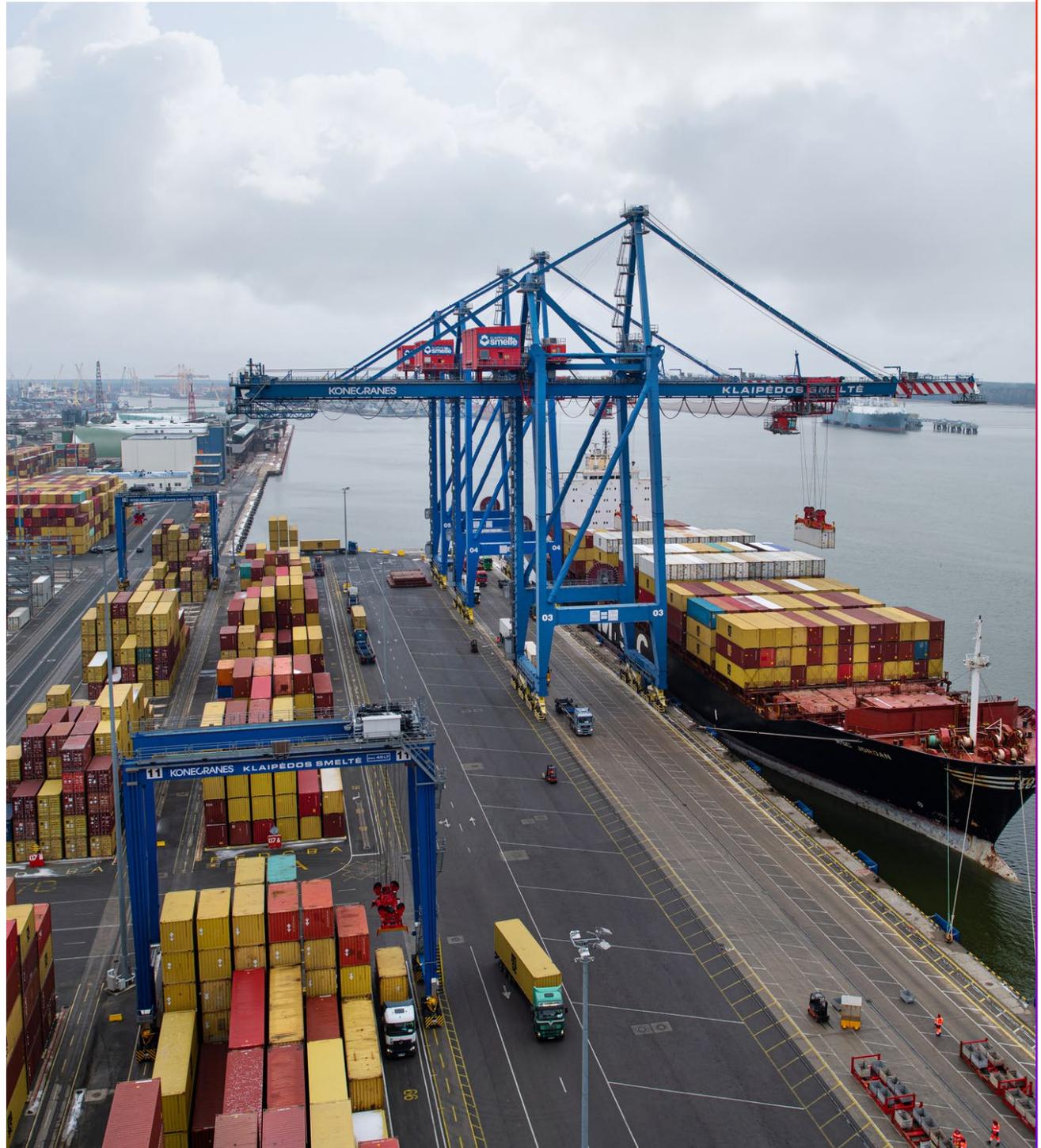
## PORT SOLUTIONS

# The widest and deepest offering

In Port Solutions, 2023 sales increased 35.0 percent to EUR 1,370.8 million. The comparable EBITA margin reached 7.5 percent, up from last year's 6.3 percent. The order book was MEUR 1,705.0 at the year-end, up 6.6 percent compared to 2022.

Konecranes is the leading western supplier of material handling solutions, lifting equipment and services for ports and shipyards, with an offering ranging from large cranes to smaller and mobile equipment. The equipment and service offering is complemented by our cutting-edge operational software and digital services.

Konecranes advances responsible business by enabling a decarbonized and circular world. This priority was visible also in Port Solutions' operations in 2023 through the concept of Ecolifting, the continuous work to decrease the carbon footprint of our customers. In 2022 we pioneered battery power options for large mobile equipment by introducing them to RTGs and straddle carriers, which was appreciated by customers and drew in orders in 2023. The hybrid and fully electric offering for new equipment continues to steadily grow, supported by our retrofit services that convert diesel-driven variants already in operation.



## Port Solutions in numbers

# 1,705.0

Order book at the end of 2023, MEUR

# 7.5

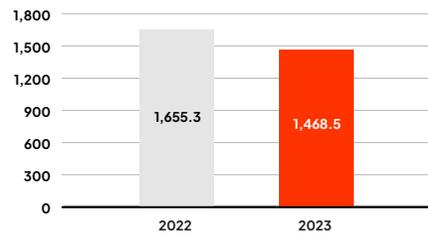
Comparable EBITA 2023, %

# 3,222

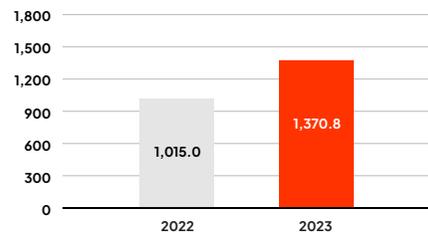
Number of employees at the end of 2023



Orders received, MEUR



Net Sales, MEUR



A complete fully electrified offering will be available in 2026 as these power options will be introduced to the last remaining product lines in our lift trucks business. Deepening our hybrid and electric offering answers to the ever-growing demand from customers for sustainability-enhancing solutions, and also supports Konecranes in reaching its own ambitious climate targets.

The offering including TRUCONNECT, Konecranes' remote monitoring system for cranes, was expanded within Port Solutions in 2023. Ports and terminals increasingly want to have equipment data visible in their own systems. As a response to this, the newly launched Application Programmable Interface (API) provides a standard and secure way for different applications to connect and work with each other, delivering the requested information without user intervention. The API adds transparency to customers monitoring their fleet through TRUCONNECT. This makes it possible to automatically alert on the need for service requests or work orders. It also reliably automates the gathering of asset data, giving improved visibility to the fleet without the need for additional manual inputs.

## LEADING SOLUTIONS FOR CUSTOMERS ACROSS THE GLOBE

Konecranes won significant orders with container, intermodal and bulk terminals as well as shipyards across the globe in 2023. These included Konecranes' largest-ever deal for rubber-tired gantry cranes, with the Georgia Port Authority ordering 55 hybrid cranes for its Ocean Terminal facility. The order was booked in Q1 2023.

Also in Q1, Konecranes won a contract to provide its first-ever mobile harbor cranes to Cambodia, as Sihanoukville Autonomous Port ordered two all-electric Generation 6 mobile harbor cranes.

Konecranes also won a tender to supply container handling equipment for the Copenhagen Malmö Port (CMP), with the order comprising eight straddle carriers and two ship-to-shore cranes.



## Research and technology development

Scaling technology innovation is one of the five enablers for our strategy. This builds on Konecranes' track record of industry-shaping breakthroughs for over a century. With its technological leadership, Konecranes is able to offer cutting-edge solutions to its customers as well as create a positive impact within critical fields such as sustainability.

### Unlocking industrial productivity

In 2023, Konecranes announced the launch of its Zero4 research and innovation program. The program is in part funded by Business Finland, a governmental financier for research and technology development. The program aims to increase industrial productivity in Finland and create hundreds of new jobs in the next five years, alongside new business opportunities for Konecranes and ecosystem partners.

The potential here is significant. Material flows, meaning any value-adding industrial activity involved in the transportation of raw materials and products, account for approximately 5.5% of the world's greenhouse gas

emissions and 40% of injuries in the manufacturing industry. The program will focus on reducing four major deficiencies from material flows: information barriers, greenhouse gas emissions, energy consumption and accidents.

Zero4 intends to create an ecosystem consisting of more than 70 partners by the end of 2027. Today, many manufacturing processes and equipment contain automation technology. What is often lacking, however, is the connection, coordination and communication between these independently operating automation islands. Zero4 has the ambition to solve this by building a holistic platform that optimizes material flows.



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

#### **Harnessing artificial intelligence and data**

In addition to Zero4, Konecranes conducts regular research and innovation activities, both in-house and with partners. In its activities, Konecranes proactively develops state-of-the-art solutions to stay ahead of the competition. We actively harness the latest technology such as artificial intelligence (AI), which is increasingly being implemented into our operations.

In sales, artificial intelligence has been deployed to process requests for quotes from customers. AI is used to solve simple requests e.g., within spare parts, and to help sales teams in prioritizing the most urgent cases. Utilization such as this increases productivity in the sales teams and supports faster lead times towards customers.

Also within sales, we continued a pilot from 2022 utilizing robotics, where pricing data on components sold in the industry is automatically analyzed. The results allow for a dynamic pricing model, ensuring competitiveness within our components offering.

AI is also being implemented to help our customers keep their equipment reliable and compliant. In spring 2023 Konecranes launched a predictive maintenance engine that foresees the maintenance needs of equipment based on the asset information, condition and historical maintenance data. Forecasts of potential faults and replacement needs are routed to Konecranes sales, who contact customers to recommend corresponding actions. This supports Konecranes' efforts to move from preventive maintenance to predictive maintenance, utilizing data-driven sensors, apps and workflows.

Konecranes' organizational setup also supports implementing these new technologies throughout the company. Since 2019 we have operated a dedicated Data

Science Lab in Lyon, France. The lab supports businesses by developing solutions with tangible benefits for both customers and our operations in general. The Data Science Lab has become an integrated part of Konecranes' development efforts, especially within data-intensive and rapidly developing fields such as artificial intelligence.

#### **Core of Lifting and cybersecure solutions**

Our offering builds on Konecranes' Core of Lifting, which is a purpose-built, integrated package of hardware, controls and connectivity specifically made for cranes and lifting motion. Designing and creating the core in-house provides cranes with a maximized lifetime, optimal performance, and increased safety, productivity and sustainability.

In 2023, our Core of Lifting offering was expanded as the componentry was deployed in new equipment lines. Our straddle carriers and automated guided vehicles now also utilize the proprietary componentry, bringing the benefits of Core of Lifting to even more customers.

Cybersecurity is an ever-increasing priority for our customers and stakeholders, and our focus on it yielded results also in 2023. Konecranes' ISO 27001 certificate, a standard for information security management, was expanded to encompass all of our IT services. This follows the certification of our digital services in 2021 and is crucial for business, as customer demand for cybersecure digital solutions grows.



# Sustainability

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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.

In its science-based climate targets, Konecranes has committed to reducing emissions by 50% within Scope 1, 2 and 3 by 2030. Scope 3 encompasses the use of sold products and steel-related purchases.



### **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.

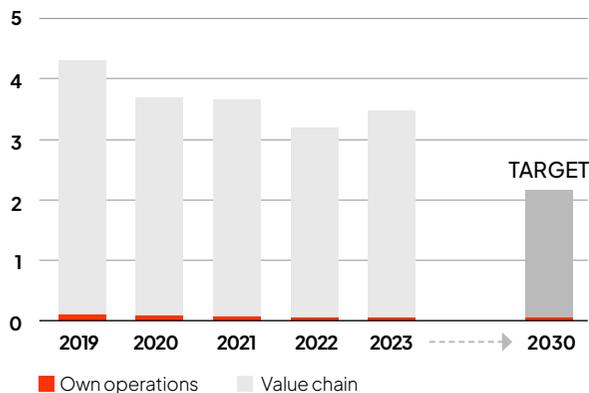
### **Diversity as a driver of future success**

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.

# Science-based climate targets and progress

## PROGRESS

Emissions (CO<sub>2</sub>e tons, million)



### OWN OPERATIONS:

- 50% absolute GHG emission reduction<sup>1)</sup> by 2030
- Progress: -53% in 2019-2023
- Target achieved already in 2022

### VALUE CHAIN:

- 50% absolute GHG emission reduction by 2030<sup>1)</sup>, encompassing use of sold products and steel related purchases<sup>2)</sup>
- Progress: -19% in 2019-2023

1) From 2019 base year

2) The Scope 3 target covers more than 70% of the value chain emissions

We have raised our ambition and aim at carbon neutral own operations by 2030<sup>3)</sup>



3) Konecranes aims to reach its target mainly through energy efficiency improvements and the usage of renewable energy. Finally, Konecranes offsets the remaining, unavoidable emissions.



# Konecranes as an investment

Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries.

With many innovative solutions and a solid patent portfolio, we are a technology leader in our industry. 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.

Our service activities represent over 40 percent of total net sales, providing a good base for long-term profitable growth and moving us towards our profitability target. The large service share of business also makes us less cyclical as service sales are more resistant to economic cycles.

For investors, Konecranes aims to generate growth and profitability while remaining competitive in a constantly

changing marketplace. The company has done a good job managing its overall profitability through economic cycles and giving back to shareholders.

For other stakeholders and society at large, Konecranes aims to create value, for example, by using resources efficiently, delivering consistent lifting performance to our customers, improving safety at all levels, operating in a responsible and transparent manner and supporting an inclusive society. To demonstrate Konecranes' strong long-term commitment to sustainability, we have set climate targets in line with limiting global warming to 1.5°C for our operations. The targets have been validated by the Science Based Targets initiative (SBTi).

# Shaping next generation material handling for a smarter, safer and better world.

## Earnings & dividend per share, EUR



### 1. LEADER IN TECHNOLOGY

- Own key componentry: gears, motor and controls enable optimized design, smarter features and better reliability.
- Digitalized product offering for improved safety and productivity.
- Access to massive data streams and real-time connectivity enables preventive and predictive maintenance solutions for the highest lifecycle value.

### 4. PROFITABILITY TARGET FOR 12–15%<sup>2)</sup> GROUP COMPARABLE EBITA MARGIN

- To be reached as soon as possible, but no later than in 2027.
- Margin improvement mainly driven by sales growth in Service and Port Solutions.
- Margin improvement mainly driven by simplification of go-to-market model and product platform harmonization in Industrial Equipment.

2) Profitability range, depending on the cycle

### 2. STRONG MARKET POSITION IN ALL BUSINESS SEGMENTS

- In Service, we are the market leader with our unique global service branch network and unmatched offering. There is only limited global or regional competition in industrial crane maintenance.
- Our family of leading brands secures our position as the global market leader in industrial cranes.
- We rank #1–3 in the market in all product categories for ports and container terminals.

### 5. SOLID FINANCIAL POSITION AND DIVIDEND

- Healthy balance sheet, providing a good base for long-term development and growth.
- Konecranes aims to pay a stable to increasing dividend per share, over the cycle.
- For the 2008–2023 period (including the 2023 proposal), the average dividend pay-out ratio was 88 percent of earnings.

### 3. ATTRACTIVE OPPORTUNITIES FOR GROWTH

- We aim to grow our sales faster than the market<sup>1)</sup>
- Significant growth potential in Service with the expansion of Konecranes' unparalleled service offering to our own as well as third-party installed base.
- Automation and customers' commitments to sustainability, as well as our widest and deepest offering provide good opportunities for growth in Port Solutions.

1) Nominal world GDP growth, IMF World Economic Outlook

### 6. LONG-TERM COMMITMENT TO SUSTAINABILITY

- 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.
- Konecranes aims to have carbon neutral own operations by 2030 and continues the work to reach its science-based targets, in line with limiting global warming to 1.5°C.

## Corporate Headquarters

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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).