Annual Review 2025

Dedicated to
People Flow™

Contents

KONE in brief

We are a global leader in the elevator and escalator industry, making people's journeys safe, convenient, and reliable with smart and sustainable People Flow®.

Founded in Finland in 1910, we have been in business for more than a century

Sales approximately EUR 11.2 billion in 2025

We move 2 billion people every day

~154,000 new elevators and escalators ordered in 2025

~1,800,000 equipment in KONE's service base

>60,000 employees representing 158 different nationalities

~600,000 customers

Operations in close to 70 countries, and authorized distributors and agents in close to 60 countries

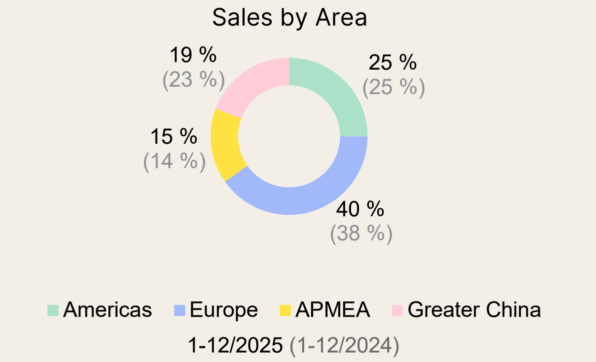
10 manufacturing units and 7 R&D units in seven countries

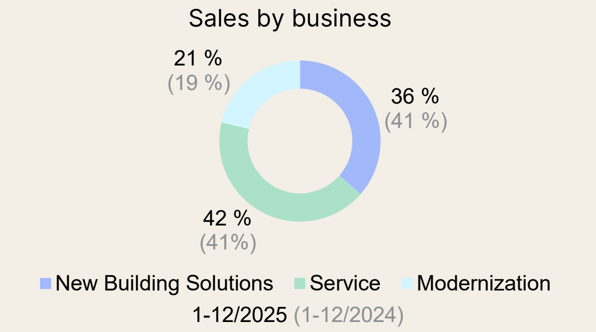
We work with >40,000 suppliers

Key figures

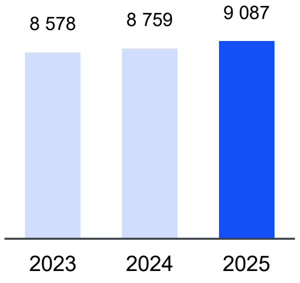
		1–12/2025	1–12/2024	Change	Change at comparable exchange rates
Orders received	MEUR	9,087.4	8,758.9	3.8%	6.8%
Order book	MEUR	8,804.3	9,058.6	-2.8%	4.5%
Sales	MEUR	11,245.2	11,098.4	1.3%	4.0%
Operating income	MEUR	1,336.2	1,249.0	7.0%	
Operating income margin	%	11.9	11.3		
Adjusted EBIT [1]	MEUR	1,369.3	1,303.0	5.1%	
Adjusted EBIT margin [1]	%	12.2	11.7		
Income before tax	MEUR	1,326.8	1,254.1	5.8%	
Net income	MEUR	991.9	961.0	3.2%	
Basic earnings per share	EUR	1.89	1.84	3.0%	
Cash flow from operations (before financing items and taxes)	MEUR	1,761.3	1,589.3		
Interest-bearing net debt	MEUR	-699.8	-831.2		
Equity ratio	%	39.9	39.8		
Return on equity	%	34.7	33.8		
Net working capital (including financing items and taxes)	MEUR	-797.6	-827.2		
Gearing	%	-24.8	-28.7		

[1] KONE presents adjusted EBIT as an alternative performance measure to enhance comparability of business performance between reporting periods. In 2025, items affecting comparability amounted to EUR 33 million consisting of costs related to the separation of KONE Door Business under its own legal and operative structure and restructuring costs. In the comparison period, items affecting comparability amounted to EUR 54 million including EUR 36 million restructuring costs and EUR 18 million expensed development costs as a result of redirecting development activities in alignment with KONE's new strategy.



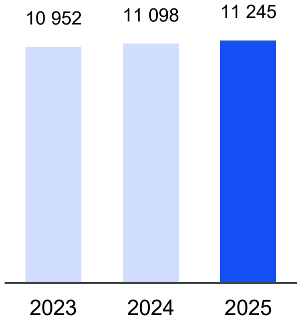


Orders received[1] (MEUR)

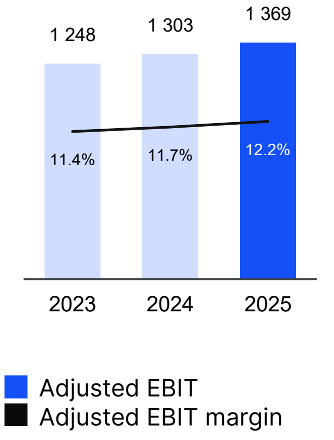


[1] Orders received do not include Service contracts

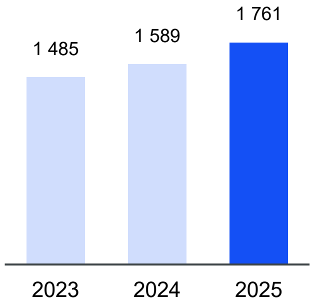
Sales (MEUR)



Adjusted EBIT (MEUR, %)

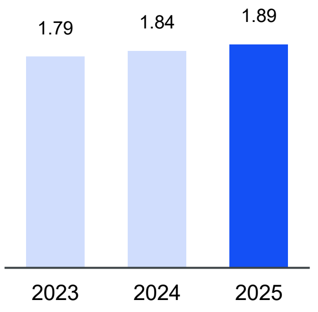


Cash flow[2] (MEUR)

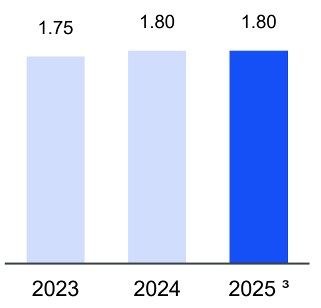


[2] Cash flow from operations before financing items and taxes

Earnings per share (EUR)



Dividend per class B share (EUR)



[3] Board’s proposal

KONE's strategy and business model

In a world where cities are constantly evolving and more and more people choose to live in them, we at KONE stand with one clear aim: to shape the future of cities. We make urban life more vibrant and livable. And we do it by enabling safe, sustainable, and effortless people flow for all. We help cities leave a positive mark on the planet - for the next century and beyond. We shape the future of cities.

KONE's business model

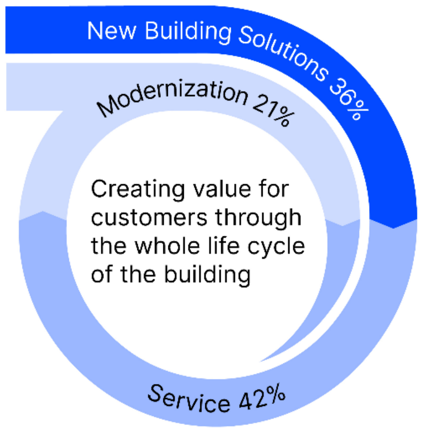
KONE provides value for customers during the whole life cycle of the building.

In New Building Solutions, KONE offers innovative, intelligent and sustainable elevators, escalators, automatic building doors and integrated access control solutions to deliver the best people flow experience. In Service, we ensure the safety and availability of the equipment in operation. In Modernization we offer solutions for aging equipment ranging from the replacement of components to full replacements.

The key growth drivers of New Building Solutions are urbanization and changing demographics. New Building Solutions deliveries are the main growth driver of Service business as the majority of units delivered will end up in KONE's service base. Digitalization also contributes to Service by increasing customer stickiness. In addition, KONE also maintains other manufacturers' equipment.

The main growth drivers for Modernization are the aging installed base and increased requirements for efficient people flow, safety, energy efficiency and sustainability. Having a strong service base is crucial for the growth in Modernization, and modernizing equipment outside the service base also contributes to the growth in Service.

KONE's business model is capital light in nature. Our working capital is negative and we operate with advance payments in all of our businesses and across all areas. We work extensively with component suppliers to complement our own manufacturing capacity. Service business is very stable due to high requirements for safety and reliability. Customer relationships are also typically long and stable (~90% annual retention rate). New Building Solutions follows construction cycles, while Modernization needs are stable by nature but decision-making can be influenced by sentiment.



KONE's strategy for 2025–2030: 'Rise'

KONE's ambition is to lead the industry. This means we want to be the #1 choice for our employees and customers, lead in innovation and sustainability, and lead in growth and profitability. To reach this ambition, KONE will focus on four strategic shifts:

Accelerate Digital

We will fundamentally transform how we do service. With this, we will provide our customers the best experience with real-time information, immediate responses, and full transparency leading to less call-outs, less entrapments and better uptime.

Achievements in 2025: We reached over 40% connectivity in our service base and accelerated the deployment of digital tools in field service operations, marking important progress to transform the way we do service.

Drive Modernization

With close to 10 million aging elevators and escalators globally, we will drive modernization to help customers update and upgrade their equipment for better sustainability, user experience, safety and accessibility.

Achievements in 2025: We delivered double-digit growth in Modernization, making especially good progress in end-to-end process industrialization and driving partial modernization forward.

Win Residential

We will win in residential, the industry's largest segment, by developing an affordable, fit-for-purpose offering with the right service capability to meet the specific needs of residential customers, and by selling and delivering efficiently.

Achievements in 2025: We advanced in our strategy by enhancing offering development and improving its cost competitiveness, resulting in expanding the addressed markets and driving market share gains.

Cut Carbon

We reduce carbon emissions across the full lifecycle of our solutions by improving material efficiency and enhancing energy performance. These measures enable our customers to lower both embodied and operational carbon in their projects.

Achievements in 2025: Nearly two thirds of our deliveries were equipped with regenerative drive technology, resulting in measurable reductions in energy consumption during use and supporting customers in progressing toward their climate targets.

Strengthening our core

In addition to these four strategic shifts, we are strengthening our core, where our people have a crucial role in how we work together with our customers. With improved processes and courage, speed, and simplicity, we want to be the easiest company to work for and work with.

Achievements in 2025: We strengthened customer focus, leadership enablement and business performance at the company's regional levels through full-potential plans, weekly performance routines, analytics-driven process simplification and best practice sharing.

Financial targets

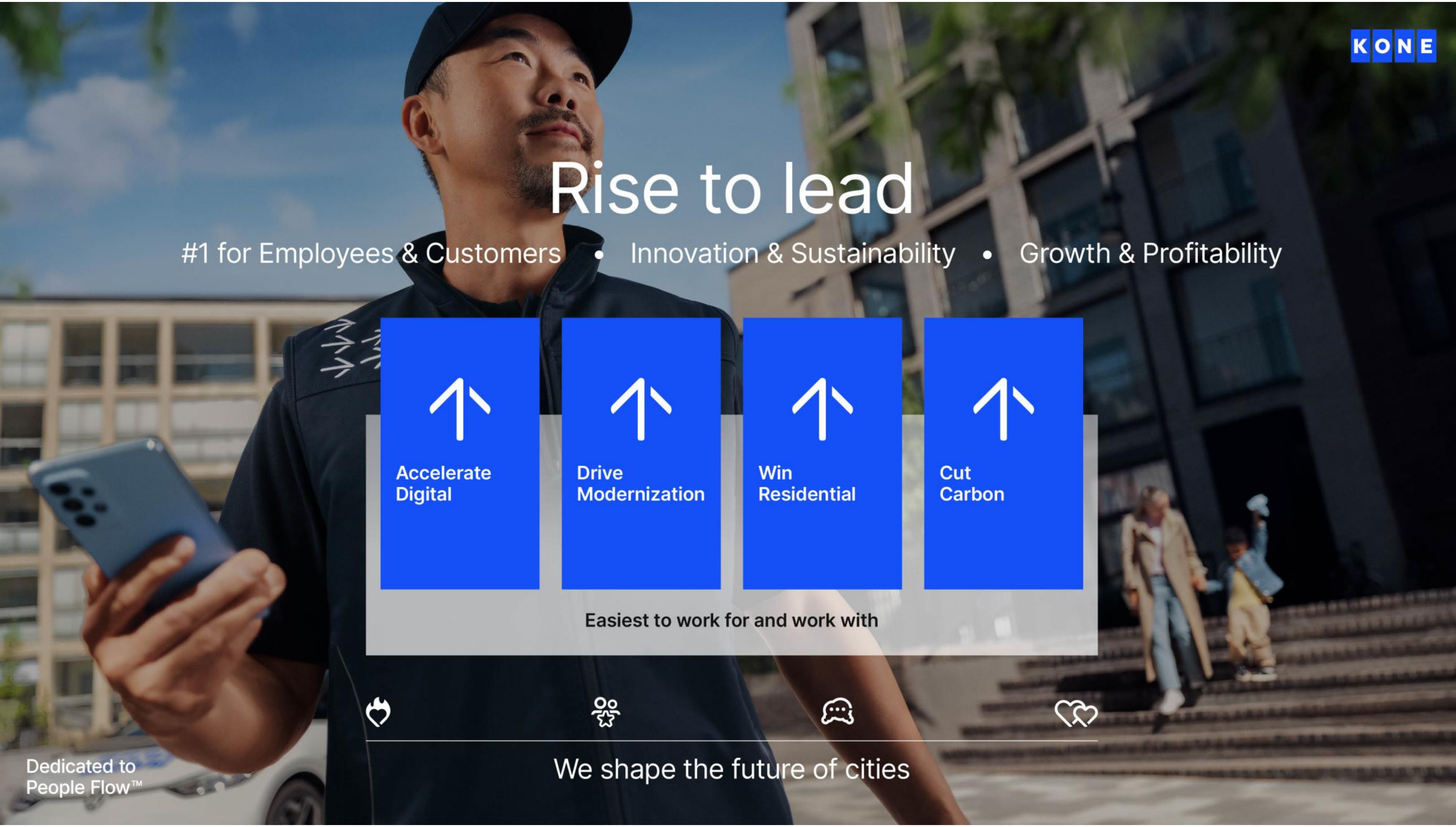
KONE has set the following mid-term financial targets to be achieved by the end of 2027:

- Growth: Mid-single-digit annual sales growth
- Profitability: Adjusted EBIT margin of 13–14%

In 2025, KONE's sales grew by 4.0% at comparable exchange rates. The adjusted EBIT margin was 12.2%, reflecting an improvement of 45 basis points from 2024.

KONE's long-term financial targets are:

- Growth: Faster than the market
- Profitability: To reach an EBIT margin of 16%
- Cash flow: Improved working capital rotation


KONE
Rise to lead
#1 for Employees & Customers • Innovation & Sustainability • Growth & Profitability
Accelerate Digital
Drive Modernization
Win Residential
Cut Carbon
Easiest to work for and work with
We shape the future of cities
Dedicated to People Flow™

Board of Directors’ Report

KONE’s operating environment

Regional differences in demand trends were visible in the global **New Building Solutions** market during 2025. **In North America**, trade policy impacts were visible early in the year, but activity rebounded towards the summer and continued on a healthy level throughout the rest of the year. **In Europe**, the market grew slightly. Weak activity in the Nordics was offset by growth elsewhere, particularly in Southern Europe. **In Asia-Pacific, Middle East and Africa**, activity grew clearly, supported by strong growth in India and in the Middle East. **In China**, activity declined significantly due to the property market downturn.

The **Service** market developed positively with growth across all regions. **Modernization** growth was strong globally, supported by the aging of equipment and the demand for improved energy efficiency.

Intense competition impacted the New Building Solutions **pricing environment** in China, while elsewhere pricing was more stable. In the Service and Modernization markets, the pricing environment was more favorable.

	New Building Solutions market in units 1–12/2025	Service market in units 1–12/2025	Modernization market in monetary value 1–12/2025
Total Market	--	+	+++
North America	+	+	++
Europe	+	+	++
Asia-Pacific, Middle East and Africa	++	++	+++
Greater China	---	+	+++

The table represents the development of the operating environment compared to the corresponding period last year.

--- Significant decline (>10%), -- Clear decline (5–10%), - Slight decline (<5%), Stable,
+ Slight growth (<5%), ++ Clear growth (5–10%), +++ Significant growth (>10%)

Orders received and order book

Orders received grew by 3.8% as compared to January–December 2024 and totaled EUR 9,087.4 million. At comparable exchange rates, KONE's orders received grew by 6.8%.

At comparable rates, orders received in New Building Solutions grew slightly with stable development in the volume business and significant growth in major projects. In Modernization, orders received grew significantly. Orders grew significantly in the volume business and grew significantly in major projects.

In the first quarter, the margin of orders received was slightly down driven by China, with more stable development elsewhere. From the second quarter onwards, the order margin was stable year-on-year.

KONE's orders received in New Building Solutions in elevator and escalator units amounted to approximately 154,000 units (2024: approximately 159,000).

Orders received in the Americas Area grew significantly at comparable rates as compared to January–December 2024. New Building Solutions orders grew significantly and Modernization orders grew clearly in the Area.

Orders received in the Europe Area grew clearly at comparable exchange rates as compared to January–December 2024. New Building Solutions orders grew slightly and Modernization orders grew clearly in the Area.

Orders received in the Asia-Pacific, Middle East and Africa (APMEA) Area grew significantly at comparable rates as compared to January–December 2024. New Building Solutions orders grew significantly and Modernization orders grew significantly in the Area.

Orders received in Greater China Area declined significantly at comparable rates as compared to January–December 2024. New Building Solutions orders declined clearly in units and declined significantly in monetary value. Modernization orders grew significantly in the Area.

The order book declined by 2.8% compared to the end of December 2024 and stood at a strong level of EUR 8,804.3 million at the end of the reporting period. At comparable rates, the order book grew by 4.5%.

MEUR	1–12/2025	1–12/2024	Change	Change at comparable exchange rates
Orders received	9,087.4	8,758.9	3.8%	6.8%
Order book	8,804.3	9,058.6	-2.8%	4.5%

Orders received consist predominantly of New Building Solutions and Modernization orders. Service contracts are not included in orders received, but the figure includes orders related to the Service business, such as repairs.

	New Building Solutions orders	Modernization orders	Total orders
Americas	+++	++	+++
Europe	+	++	++
Asia-Pacific, Middle East and Africa	+++	+++	+++
Greater China	---	+++	---

In monetary value at comparable exchange rates

– – – Significant decline (>10%), – – Clear decline (5–10%), – Slight decline (<5%), Stable,
+ Slight growth (<5%) , ++ Clear growth (5–10%), +++ Significant growth (>10%)

The order book margin continued to be at a healthy level. Customer cancellations were at a very low level.

Sales

KONE's sales grew by 1.3% as compared to January–December 2024, and totaled EUR 11,245.2 million. At comparable exchange rates, KONE's sales grew by 4.0%. Growth (at comparable exchange rates) in Service and Modernization more than compensated for the decline in New Building Solutions.

New Building Solutions sales declined by 5.9% at comparable exchange rates. Service sales grew by 7.6% at comparable exchange rates, thanks to service base growth (including some inorganic growth), growth in service repairs, improved pricing and continued momentum in value-added services. Modernization sales grew by 17.4% at comparable exchange rates, with double-digit growth in all areas.

KONE's elevator and escalator service base continued to grow and consisted of approximately 1.8 million units at the end of 2025 (well over 1.7 million units at the end of 2024).

The growth of the service base was driven, in particular, by a continued good level of conversions of new equipment deliveries to the service base. Bolt-on acquisitions contributed positively to the growth. In 2025, the balance of service contracts that were won from or lost to competition was slightly negative outside China. In China, competition balance was adversely affected by actions taken to drive Service business performance.

The largest individual countries in terms of sales were the United States (21%), China (18%), Germany (8%) and France (6%).

In the Americas Area, sales grew by 3.1% and totaled EUR 2,812.1 million. At comparable exchange rates, sales grew by 7.5%. New Building Solutions sales declined slightly, Service sales grew significantly and Modernization sales grew significantly in the Area.

Sales in the Europe Area grew by 6.9% and totaled EUR 4,524.4 million. At comparable exchange rates, sales grew by 6.6%. New Building Solutions sales were stable, Service sales grew clearly and Modernization sales grew significantly in the Area.

In the Asia-Pacific, Middle East and Africa (APMEA) Area, sales grew by 8.3% and totaled EUR 1,742.7 million. At comparable exchange rates, sales grew by 15.0%. New Building Solutions sales grew significantly. Service sales grew significantly and Modernization sales grew significantly in the Area.

Sales in the Greater China Area declined by 14.3% and totaled EUR 2,166.0 million. At comparable exchange rates, sales declined by 11.1%. New Building Solutions sales declined significantly, Service sales were stable and Modernization sales grew significantly in the Area.

Sales by Area, MEUR	1–12/2025	1–12/2024	Change	Change at comparable exchange rates
Americas	2,812.1	2,727.1	3.1%	7.5%
Europe	4,524.4	4,233.8	6.9%	6.6%
APMEA	1,742.7	1,609.3	8.3%	15.0 %
Greater China	2,166.0	2,528.2	-14.3%	-11.1 %
Total	**11,245.2**	**11,098.4**	**1.3 %**	**4.0 %**

Sales by business, MEUR	1–12/2025	1–12/2024	Change	Change at comparable exchange rates
New Building Solutions	4,097.7	4,506.9	-9.1%	-5.9 %
Service	4,753.6	4,503.6	5.6%	7.6 %
Modernization	2,394.0	2,088.0	14.7%	17.4 %
Total	**11,245.2**	**11,098.4**	**1.3 %**	**4.0 %**

	New Building Solutions sales	Service sales	Modernization sales
Americas	–	+++	+++
Europe	stable	++	+++
Asia-Pacific, Middle East and Africa	+++	+++	+++
Greater China	– – –	stable	+++

In monetary value at comparable exchange rates.

– – – Significant decline (>10%), – – Clear decline (5–10%), – Slight decline (<5%), Stable, + Slight growth (<5%), ++ Clear growth (5–10%), +++ Significant growth (>10%)

Financial result

		1–12/2025	1–12/2024
Operating income	MEUR	1,336.2	1,249.0
Operating income margin	%	11.9	11.3
Adjusted EBIT	MEUR	1,369.3	1,303.0
Adjusted EBIT margin	%	12.2	11.7
Income before taxes	MEUR	1,326.8	1,254.1
Net income	MEUR	991.9	961.0
Basic earnings per share	EUR	1.89	1.84

KONE's operating income (EBIT) was EUR 1,336.2 million or 11.9% of sales. Adjusted EBIT was EUR 1,369.3 million or 12.2% of sales. Profitability improved thanks to a favorable business mix. This offset the continued margin pressure in the Chinese new equipment market and increased investments into R&D and strategic growth areas.

In January–December 2025, items affecting comparability amounted to EUR 33 million consisting of costs related to the separation of KONE Door Business under its own legal and operative structure and restructuring costs.

In the comparison period, items affecting comparability amounted to EUR 54 million including EUR 36 million restructuring costs and EUR 18 million expensed development costs as a result of redirecting development activities in alignment with KONE's new strategy.

With comparable exchange rates, the translation impact on operating income for the comparison period was EUR -23.0 million.

KONE's income before taxes was EUR 1,326.8 million. Taxes totaled EUR 334.8 (293.1) million. This represents an effective tax rate of 25.2% for the full financial year. The effective tax rate from the operations for the financial year 2025 was 23.4% excluding one-off items related to legal entity restructurings. Net income for the period was EUR 991.9 million.

Basic earnings per share was EUR 1.89.

Cash flow and financial position

		1–12/2025	1–12/2024
Cash flow from operations (before financing items and taxes)	MEUR	1,761.3	1,589.3
Net working capital (including financing items and taxes)	MEUR	-797.6	-827.2
Interest-bearing net debt	MEUR	-699.8	-831.2
Gearing	%	-24.8	-28.7
Equity ratio	%	39.9	39.8
Equity per share	EUR	5.40	5.54

KONE's financial position was strong at the end of December 2025.

In January–December 2025 cash flow from operations (before financing items and taxes) increased to EUR 1,761.3 million.

Net working capital (including financing items and taxes) was EUR -797.6 million at the end of December 2025. Net working capital increased moderately compared to the beginning of the year. Foreign exchange rates had an approximately EUR 60 million negative impact on the net working capital. At comparable exchange rates, net working capital improved moderately.

Interest-bearing net debt was EUR -699.8 million at the end of December 2025. KONE's cash and cash equivalents together with current deposits and loan receivables were EUR 1,708.9 (Dec 31, 2024: 1,799.0) million at the end of the reporting period. Interest-bearing liabilities were EUR 1,028.3 (Dec 31, 2024: 987.1) million, including a pension liability of EUR 158.7 (Dec 31, 2024: 141.4) million and lease liabilities of EUR 455.5 (Dec 31, 2024: 432.6) million. Additionally, KONE had an asset on employee benefits amounting to EUR 13.9 (Dec 31, 2024: 15.0) million. Gearing was -24.8% and the equity ratio was 39.9% at the end of December 2025.

Equity per share was EUR 5.40

Capital expenditure and acquisitions

KONE's capital expenditure and acquisitions totaled EUR 495.8 million in January–December 2025. Capital expenditure excluding acquisitions is mainly related to manufacturing and R&D facilities, IT licenses, connectivity devices, as well as tools and equipment in R&D. Capital expenditure on leases consists mainly of maintenance vehicles and office facilities.

Acquisitions totaled EUR 117.7 million in January–December 2025. KONE completed several service-related acquisitions predominantly in Europe.

MEUR	1–12/2025	1–12/2024
On fixed assets	153.9	164.3
On lease agreements	224.1	232.7
On acquisitions	117.7	125.6
Total	**495.8**	**522.5**

Research and development

		1–12/2025	1–12/2024
R&D expenditure	MEUR	233.9	203.6
As percentage of sales	%	2.1	1.8

KONE's R&D activities focus on developing smart and sustainable solutions that respond to future needs. KONE supports its customers in achieving their sustainability goals throughout the building lifecycle and develops a variety of partnerships to further enhance its customer-focused solutions. Research and development expenditure totaled EUR 233.9 million, representing 2.1% of sales in January–December 2025. R&D expenditure includes the development of new products and service concepts as well as further development of existing solutions and services.

During 2025, KONE launched the next-generation elevator MonoSpace 4, which features fewer and lighter components. KONE also continued the roll-out of KONE MonoSpace 100 DX, a cost-competitive solution for the low-rise market. At the end of December, the share of connected elevators in KONE's service base amounted to 40%. The company also continued the rapid roll out of Dynamic Maintenance Planning to increase field productivity, with almost 30 countries onboarded during 2025.

KONE supports sustainable and green buildings through an energy-efficient and innovative offering, the use of functional and sustainable materials, as well as a transparent documentation of the environmental impact of its products. KONE has a wide range of best-in-class energy performance references for its products in various building types, market areas, and product specifications. Currently, KONE has a total of 41 best-in-class energy efficiency references for elevator and escalator platforms according to the international ISO 25745 standard for the energy performance of lifts, escalators and moving walks.

During 2025, KONE published five externally verified Environmental Product Declarations (EPDs) (2024: six), bringing the total to 24 (2024: 27). KONE also released three Health Product Declarations (HPDs), increasing the total to eight (2024: six), and had a total of four Product Environmental Passports (PEPs) (2024: six). Further information on KONEs certification can be found on kone.com.

KONE has, during 2025, been recognized with the design awards presented in the table.

Award	KONE's solution	
Red Dot Award winner for Brands and Communication Design 2025	KONE Flow Design System, Ecosystem of interactions	A unique, multi-platform framework that unifies the brand experience across physical and digital touchpoints into one cohesive journey, considering every step as people navigate urban landscapes
Red Dot Award winner for Brands and Communication Design 2025	The Beat of KONE	A dashboard showcasing real-time data from KONE-connected equipment in a dynamic and engaging format tailored for lobbies, showrooms, and keynote presentations
ICONIC Award Winner and Red Dot winner for Interior Design Elements Category	KONE Entrance	Programmable guiding light for elevator doorways, using animated colors to support intuitive wayfinding and smooth people flow in tall buildings
Red Dot winner for Sustainable Design	KONE Interact 30	Destination operating panel that produces significantly less CO2 emissions compared to comparative models
American Architecture Award 2025, Best Tall Building Americas CTBUH Award of Excellence 2025 and 2025 Green Good Design Award-Chicago Athenaeum	KONE Lane	KONE supported the award-winning 1900 Lawrence building in Denver with its KONE Lane entrance system, which uses 90% less material than conventional solutions, significantly reducing environmental impact

Sustainability recognitions

One of KONE's key strategic ambitions is to lead the industry in sustainability. To reach this ambition, KONE has defined Cut Carbon as one of its four strategic shifts to drive customer value and differentiation.

KONE has received external recognition for its efforts to conduct business in a sustainable way.

Sustainability recognitions in 2025	KONE's score	Industry performance
Corporate Knights' 2026 Global 100 Most Sustainable Companies list	54th place	Recognition of KONE's strong global leadership in sustainability and its portfolio of high-performing solutions and products
CDP 2025 Climate change list	A	13th consecutive year, KONE is among the few companies that have achieved an 'A' out of nearly 25,000 companies scored
EcoVadis 2025	Gold	Top 2% of all assessed companies
World Business Council for Sustainable Development (WBCSD)	Updated membership criteria	Featured as best practice example in WBCSD's Reporting Matters 2025 for clear CSRD and DMA disclosure alignment
Sustainalytics ESG Risk Rating Report	20.1	Improved medium risk rating (23.9 in previous full update in 2024)
China Green Spot Award	Award	Recognition of KONE innovations and technology pioneering of Regenerative Drive Technology
UN Global Compact Communication on Progress (CoP)	Updated membership criteria	KONE continues to support the UN's Sustainable Development Goals (SDGs) through the update CoP
CDP Supplier Engagement Assessment 2024	A	Among the leading companies in Supply Chain engagement on climate issues
Clean200 list (by Corporate Knights and California-based shareholder advocates As You Sow)	80th place	Only elevator and escalator company on the list
MSCI	AA	KONE is a leader in the industrial machinery industry
ISS	B-	Prime status in the industry
Financial Times' Europe's best employers 2025' list	426th place	Highest ranking of all elevator and escalator companies on the list
Fortune China ESG Impact List	On list	Only elevator and escalator company on the list
Financial Times' and Statista's Europe's Climate Leaders list	70.6 points	Highest scoring elevator and escalator company
TIME & Statista World's Most Sustainable Companies 2025	180th place	Highest scoring elevator and escalator company

Personnel

Personnel total turnover rate was 12.2% (11,5%) during 2025. Employee costs for the reporting period totaled EUR 4,091 (3,907) million. The geographical distribution of KONE employees was 12% (12%) in the Americas, 34% (33%) in Europe, 20% (19%) in Asia-Pacific, Middle East and Africa, and 33% (36%) in Greater China. The number of employees is presented as full-time equivalents.

	1–12/2025	1–12/2024
Average number of employees	64,294	64,072
Number of employees at the end of period	**64,978**	**64,663**
Americas	8,021	7,970
Europe	22,119	21,346
APMEA	13,138	12,383
Greater China	21,701	22,964

Changes in the Executive Board

On February 5, 2025, KONE announced two appointments to the Executive Board.

Nicolas Alchal was appointed Executive Vice President, Commercial & Operations as of April 1, 2025. He continues to be part of the KONE Executive Board, reporting to Philippe Delorme, President and CEO. Nicolas succeeds Axel Berkling who decided to step down from his position as Executive Vice President. Axel continued to serve the company as an Executive Advisor until the end of August 2025.

Kaori Uehigashi was appointed Executive Vice President, Strategy & Transformation as of early May 2025. She continues to be a member of the Executive Board, reporting to Philippe Delorme, having served as the interim leader for the Strategy & Transformation organization since January 2024.

On June 3, 2025, KONE announced the appointment of Michelle Wen as Executive Vice President, Purchasing and member of the Executive Board as of August 1, 2025.

Other events

In 2007, a decision was issued by the European Commission concerning alleged local anticompetitive practices before early 2004 in Germany, Luxembourg, Belgium and the Netherlands by leading elevator and escalator companies, including KONE’s local subsidiaries. As previously announced by KONE, a number of civil damage claims by certain companies and public entities relating to the 2007 decision are pending in related countries. The claims have been made against various companies concerned by the decision, including certain KONE companies. All claims are independent and are progressing procedurally at different stages. The total capital amount claimed jointly and severally from all of the defendants together was EUR 30.5 million at the end of December 2025 (December 31,2024: EUR 55 million). KONE’s position is that the claims are without merit. No provision has been made.

As part of the strategic review announced in 2024, the separation of its Door Business into its own legal and operative structure has been largely completed during 2025. The strategic review is ongoing, and any related actions are subject to local legal requirements and consultation of employee representatives. In 2025, the KONE Door Business accounted for approximately 2% of KONE’s revenue.

Shares and share capital

Share capital and market capitalization	Dec 31, 2025	Dec 31, 2024
Number of class B shares	453,187,148	453,187,148
Number of class A shares	76,208,712	76,208,712
Total shares	**529,395,860**	**529,395,860**
Treasury shares	11,537,238	11,867,752
Share capital, EUR	66,174,483	66,174,483
Market capitalization, MEUR [1]	31,362	24,324

[1] Market capitalization is calculated on the basis of both the listed B shares and the unlisted A shares excluding treasury shares. Class A shares are valued at the closing price of the class B shares at the end of the reporting period.

KONE has two classes of shares: A and B. Only B-class shares are listed on the Nasdaq Helsinki Ltd. Trading of the KONE class B shares started on January 2, 1967.

Each KONE class A share is assigned one vote, as is each block of 10 class B shares, with the provision that each shareholder is entitled to at least one vote.

Treasury shares	1–12/2025
Treasury shares at the beginning of the period	11,867,752
Changes in treasury shares during the period	-330,514
Treasury shares at the end of the period	**11,537,238**

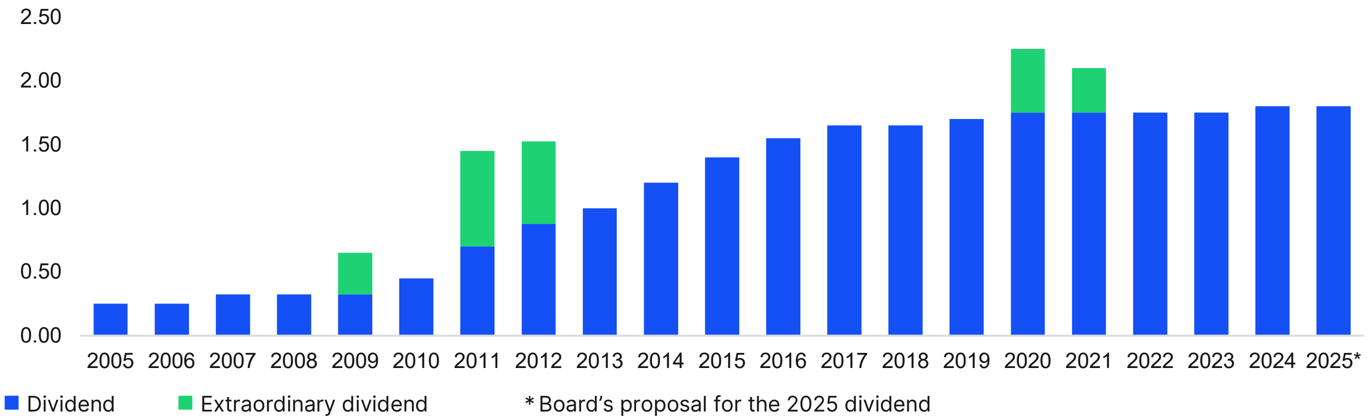
At the end of December 2025, the Group had 11,537,238 class B treasury shares. The treasury shares represent 2.5 % of the total number of class B shares. This corresponds to 0.9 % of the total voting rights.

Shares traded on Nasdaq Helsinki		1–12/2025	1–12/2024
Shares traded on the Nasdaq Helsinki Ltd., millions		128.6	139.4
Average daily trading volume		514,342	555,351
Volume-weighted average share price	EUR	54.36	47.16
Highest share notation	EUR	60.82	54.78
Lowest share notation	EUR	45.42	41.33
Share notation at the end of the period	EUR	60.56	47.00

In addition to the Nasdaq Helsinki Ltd., KONE's class B share is traded also on various alternative trading platforms.

The trading code of KONE class B share on Nasdaq Helsinki Ltd. is KNEBV and the ISIN code is FI0009013403.

KONE class B dividend per share, EUR

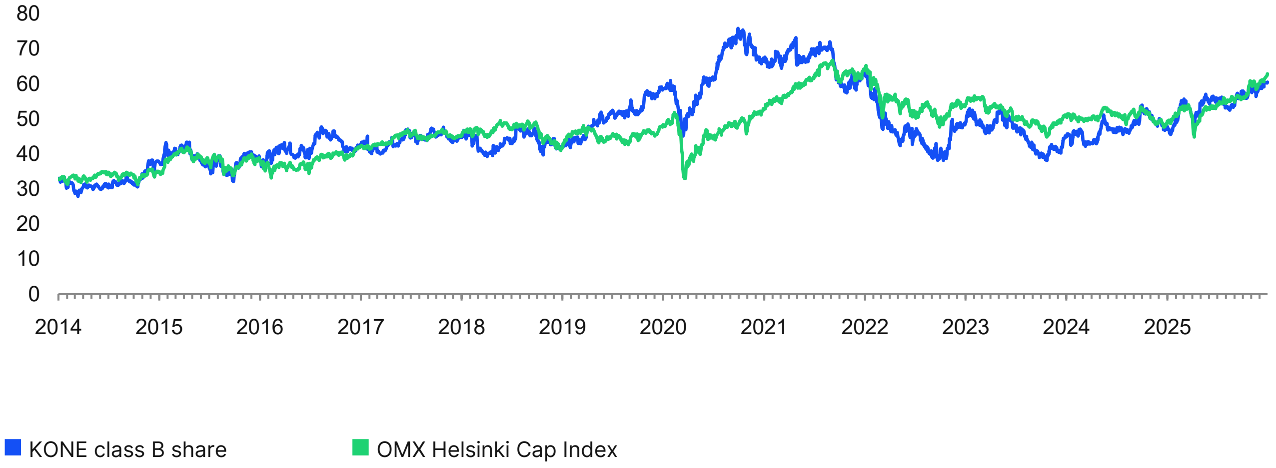


Dividend policy

KONE has not adopted a specific dividend policy. In the case of a dividend distribution, the dividend paid on the class B share is higher than that on the class A share.

The difference between the dividends is at minimum one (1) percent and at maximum two-and-a-half (2.5) percent, calculated from the accounting par value of the share. The accounting par value of the share is EUR 0.125.

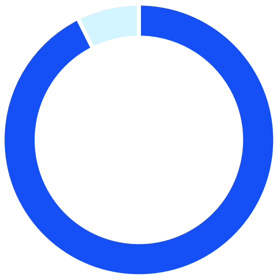
KONE class B share price development, EUR



Shareholders

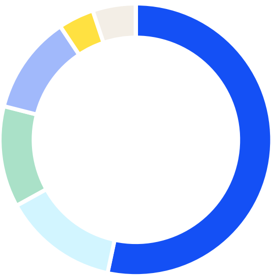
Number of shares	Number of owners	Percentage of owners	Number of shares	Percentage of shares
1–10	24,150	23.0 %	127,902	0.0 %
11–100	46,370	44.2 %	2,063,589	0.4 %
101–1,000	27,744	26.5 %	9,364,698	1.8 %
1,001–10,000	5,913	5.6 %	15,714,501	3.0 %
10,001–100,000	602	0.6 %	15,184,455	2.9 %
100,001–	87	0.1 %	486,898,451	92.0 %
Total	**104,866**	**100.0 %**	**529,353,596**	**100.0 %**
Shares which have not been transferred to the paperless book entry system			42,264	0.0 %
Total			**529,395,860**	**100.0 %**

Class A shares, %



- 92.6% Companies
- 7.4% Non-profit organizations

Class B shares, %



- 53.3% Foreign / nominee registered shareholders
- 13.6% Companies
- 12.0% Financial institutions and insurance companies
- 11.7% Individuals
- 4.2% Public institutions
- 5.1% Non-profit organizations

The number of registered shareholders was 106,659 at the beginning of the review period and 104,866 at its end. The number of private households holding shares totaled 100,306 at the end of the period, which corresponds to approximately 11.7% of the listed B shares. At the end of December 2025, a total of 53.3% of the B shares were owned by nominee-registered and non-Finnish investors.

Major shareholders on December 31, 2025

		A-series	B-series	Total	% of shares	% of votes
1	**Herlin Antti**	70,561,608	53,063,850	123,625,458	23.4 %	62.4 %
	Holding Manutas Oy [1]	54,284,592	42,805,254	97,089,846	18.3 %	48.2 %
	Security Trading Oy [2]	16,277,016	8,560,303	24,837,319	4.7 %	14.1 %
	Herlin Antti	0	1,698,293	1,698,293	0.3 %	0.1 %
2	**Polttina Oy**	0	17,271,928	17,271,928	3.3 %	1.4 %
3	**KONE Foundation**	5,647,104	9,859,632	15,506,736	2.9 %	5.5 %
4	**Wipunen Varainhallinta Oy**	0	14,000,000	14,000,000	2.6 %	1.2 %
5	**Torpanmaa Oy**	0	10,000,000	10,000,000	1.9 %	0.8 %
6	**Ilmarinen Mutual Pension Insurance Company**	0	6,905,091	6,905,091	1.3 %	0.6 %
7	**Varma Mutual Pension Insurance Company**	0	6,605,394	6,605,394	1.2 %	0.5 %
8	**Blåberg Olli Edvard**	0	5,520,000	5,520,000	1.0 %	0.5 %
9	**Riikantorppa Oy**	0	4,900,000	4,900,000	0.9 %	0.4 %
10	**Elo Mutual Pension Insurance Company**	0	3,200,000	3,200,000	0.6 %	0.3 %
	10 largest shareholders total	**76,208,712**	**131,325,895**	**207,534,607**	**39.2 %**	**73.5 %**
	Foreign / nominee registered shareholders [3]	0	241,718,312	241,718,312	45.7 %	19.9 %
	Repurchased own shares	0	11,537,238	11,537,238	2.2 %	0.9 %
	Others	0	68,605,703	68,605,703	13.0 %	5.6 %
Total		**76,208,712**	**453,187,148**	**529,395,860**	**100.0 %**	**100.0 %**

The list of ten major shareholders includes the major shareholders with a Finnish book-entry account.
1 Antti Herlin's ownership of Holding Manutas Oy represents 1.1% of the shares and 12.8% of the voting rights. Together with the ownership of Security Trading Oy in which he exercises controlling power, his ownership represents 51.0% of the shares and 62.7% of the voting rights.
2 Antti Herlin's ownership of Security Trading Oy represents 56.4% of the shares and 57.5% of the voting rights. Together with the ownership of his children, Antti Herlin's ownership in Security Trading Oy represents 99.9% of the shares and 99.8% of the voting rights.
3 Foreign ownership including foreign-owned shares registered by Finnish nominees.

More information on the shareholdings of KONE's Board of Directors and Executive Board on December 31, 2025 and changes in shareholding during January 1–December 31, 2025 are available in the Corporate Governance Statement.

Key figures per share

Share-related key figures		2025	2024	2023	2022	2021
Basic earnings per share	EUR	1.89	1.84	1.79	1.50	1.96
Diluted earnings per share	EUR	1.89	1.84	1.79	1.49	1.96
Equity per share	EUR	5.40	5.54	5.32	5.49	6.13
Dividend per class B share [1]	EUR	1.80	1.80	1.75	1.75	2.10
Dividend per class A share [1]	EUR	1.7975	1.7975	1.7475	1.7475	2.0950
Dividend per earnings, class B share [1]	%	95.1	97.9	97.8	117.0	107.3
Dividend per earnings, class A share [1]	%	95.0	97.8	97.6	116.8	107.0
Effective dividend yield, class B share [1]	%	2.97	3.8	3.9	3.6	3.3
Price per earnings, class B share	EUR	32.00	25.57	25.23	32.29	32.20
Market value of class B share, average	EUR	54.34	47.16	45.79	46.56	65.44
Market value of class B share at end of period	EUR	60.56	47.00	45.16	48.30	63.04
Market capitalization at the end of period [2]	MEUR	31,362	24,324	23,358	24,975	32,652
Number of class A shares at the end of period, (1,000s)		76,209	76,209	76,209	76,209	76,209
Weighted average number of class A shares, (1,000s)		76,209	76,209	76,209	76,209	76,209
Number of class B shares at the end of period, (1,000s) [2]		441,650	441,319	441,028	440,881	441,754
Weighted average number of class B shares, (1,000s) [3]		441,601	441,292	441,008	441,632	441,847
Weighted average number of shares, (1,000s) [3]		519,087	518,014	517,595	517,841	518,055

[1] Board's proposal of dividends.
[2] Reduced by the number of repurchased own shares. Class A shares are valued at the closing price of the class B shares.
[3] Adjusted for share issue and share option and share-based incentive plan dilution, and reduced by the number of repurchased own shares

Flagging notifications

During January–December 2025, BlackRock, Inc. announced nine notices in accordance with the Finnish Securities Market Act Chapter 9, Section 5. The notices have been released as stock exchange releases and are available on KONE Corporation's internet pages at www.kone.com. According to the latest notification, the total number of KONE Corporation shares owned by BlackRock, Inc. and its funds amounted to 5.57% of the total number of shares of KONE Corporation on July 1, 2025.

Transaction date	Shareholder	Threshold
January 29, 2025	BlackRock, Inc.	Below 5%
January 30, 2025	BlackRock, Inc.	Above 5%
January 31, 2025	BlackRock, Inc.	Below 5%
February 24, 2025	BlackRock, Inc.	Above 5%
February 27, 2025	BlackRock, Inc.	Above 5%
February 28, 2025	BlackRock, Inc.	Below 5%
March 10, 2025	BlackRock, Inc.	Above 5%
March 12, 2025	BlackRock, Inc.	Above 5%
July 1, 2025	BlackRock, Inc.	Above 5%

Share-based incentive plans

KONE has two separate share-based incentive structures, a performance-based long-term incentive plan structure and a restricted share plan structure.

The performance-based long-term incentive plan structure emphasizes profitable growth and sustainability. It consists of annually commencing individual share plans, each with a three-year rolling performance period. The plans vest and are delivered in one portion after the three years, based on accumulated outcomes of each performance year. If the participant's employment or service relationship with KONE Group terminates before the end of the performance period, the participant, as a rule, forfeits the share award without compensation.

The target group and targets for each annually commencing long-term incentive plan as well as the rewards are decided upon annually by the Board. As a part of the long-term incentive plan for the top management, a long-term target for their ownership has been set. For the Executive Board members, the long-term ownership target is that the members have an ownership of KONE shares corresponding to at least five years’ annual base salary. For other selected top management positions, the ownership target is at least two years’ base salary.

For the performance period 2025-2027, the plan includes approximately 600 top leaders and selected key employees, including the President and CEO and members of the Executive Board. The performance criteria applied to the year 2025 are based on adjusted EBIT margin, sales growth (jointly 80%) and a sustainability index (20%), which measures progress in diversity, carbon emission reduction, safety performance and cybersecurity.

The restricted share plan structure serves as a complementary incentive structure used as a commitment instrument for retention and recruitment purposes for top management (excluding the President and CEO) and other selected key employees. The restricted share plan structure does not have a performance condition. Each annually commencing plan has a commitment period of up to three years, after which the potential share awards will be paid to the participant, provided that their employment or service relationship with KONE Group is in force at the time of payment.

Pursuant to the share-based incentive plan rules, the potential rewards are settled as a combination of KONE class B shares and/or cash when the criteria set in the terms and conditions for the plan are met. The number of shares earned by participants under the share-based incentive plans are determined on a gross basis with a deduction for taxes made when applicable before the delivery of the shares to the participants. Share-based incentive plans are classified as equity settled transactions.

Decisions of the Annual General Meeting

KONE Corporation's Annual General Meeting was held in Helsinki on March 5, 2025.

The meeting approved the financial statements and the Remuneration Report and discharged the Members of the Board and the President and CEO from liability for the financial period January 1-December 31, 2024.

The number of Members of the Board of Directors was confirmed as nine. Matti Alahuhta, Susan Duinhoven, Marika Fredriksson, Antti Herlin, Iiris Herlin, Jussi Herlin, Timo Ihamuotila and Krishna Mikkilineni were re-elected as Members of the Board. Banmali Agrawala was elected as a new Member of the Board.

At its meeting held after the Annual General Meeting, on March 5, 2025, the Board of Directors of KONE Corporation elected from among its members Antti Herlin as its Chairman and Jussi Herlin as Vice Chair.

Marika Fredriksson was elected as Chair of the Audit Committee and Susan Duinhoven, Jussi Herlin and Timo Ihamuotila as members of the Audit Committee. Marika Fredriksson, Susan Duinhoven and Timo Ihamuotila are independent of both the company and of significant shareholders.

Jussi Herlin was elected as Chair of the Nomination and Compensation Committee and Matti Alahuhta, Susan Duinhoven and Antti Herlin as members of the Nomination and Compensation Committee. Matti Alahuhta and Susan Duinhoven are independent of both the company and of significant shareholders.

The General Meeting confirmed an annual compensation of EUR 220,000 for the Chairman of the Board, EUR 125,000 for the Vice Chairman and EUR 110,000 for Board Members. Of the annual compensation 40 percent will be paid in class B shares of KONE Corporation and the rest in cash. In addition, the General Meeting confirmed a separate annual compensation to the members of the board committees: Chairman of the Audit Committee: EUR 20,000 and members of the Audit Committee: EUR 10,000, and Chairman of the Nomination and Compensation Committee: EUR 20,000 and members of the Nomination and Compensation Committee: EUR 10,000. The annual compensation of the members of the board committees is paid in cash. In addition, it was resolved that annual compensation is not paid to a Board Member who is employed by the company.

The General Meeting approved the authorization of the Board of Directors to repurchase KONE's own shares. Altogether no more than 52,930,000 shares may be repurchased, of which no more than 7,620,000 may be class A shares and 45,310,000 class B shares. The authorization will be valid until the conclusion of the following Annual General Meeting, however, at the latest until 30 June 2026.

Furthermore, the General Meeting authorized the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares referred to in Chapter 10, Section 1 of the Limited Liability Companies Act. The number of shares to be issued based on this authorization shall not exceed 7,620,000 class A shares and 45,310,000 class B shares. The Board of Directors was authorized to decide on all the conditions of the issuance of shares and of special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares either for consideration or without consideration. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue), if there is a weighty financial reason for the company, such as using shares as consideration in potential corporate acquisitions or other arrangements related to the company's business, financing investments, developing the company's capital structure, or implementing the company's incentive schemes. The authorization will be valid until the conclusion of the following Annual General Meeting, however, at the latest until 30 June 2026.

Audit firm Ernst & Young Oy was re-elected as the auditor for the term 2025. Ernst & Young Oy was also elected as the company's sustainability reporting assurer for the term 2025.

Most significant risks

KONE is exposed to risks that may arise from its operations or changes in the operating environment. The most significant risk factors described below can potentially have an adverse effect on KONE's business operations and financial position and, as a result, on the value of the company. Other risks, which are currently either unknown or considered immaterial to KONE may, however, become material in the future. Further information on KONE's risk management is available in KONE's Annual Review.

Strategic risks

The demand for KONE's products and services and the competitive environment are impacted by the general economic cycles and especially the level of activity within the construction industry. The uncertain economic outlook, and its impacts on construction markets, represents a risk to KONE's business and profitability. This applies especially to China, where market activity remains subdued. In 2025, KONE's New Building Solutions sales in China continued to decline.

Geopolitical risks and tensions, export restrictions and tariffs, business environment unpredictability and disruptions in global supply chains may impact KONE's main markets and expose KONE to business disruptions and profitability risks. In addition to the level of market demand, the competitiveness of KONE's offering is a key driver for growth and profitability. A failure to anticipate or address changes in customer requirements and in competitors' offerings, ecosystems and business models or in the regulatory environment could result in a deterioration of the competitiveness of KONE's offering. Furthermore, structural changes in the competitive landscape of the elevator and escalator industry, such as increased competition and customer consolidation, could affect market dynamics and KONE's market share.

Operational risks

With business models and ways of working changing in the elevator and escalator industry, KONE needs new organizational capabilities, as well as new competencies and talent on the individual employee level in different fields, such as in digitalization. At the same time, labor scarcity and competition over talent, such as skilled field workforce, is increasing. Securing the needed resources and their competence management is critical. A failure to develop, retain and attract the required capabilities could have an adverse impact on KONE's growth and profitability.

The majority of components used in KONE's supply chain are sourced from external suppliers, a significant number of which are located in China. KONE also subcontracts a significant amount of installation activity, outsources certain business support processes and works with partners in e.g. digital services and logistics. This may expose KONE to supply chain and logistics constraints, risks related to component and subcontracted labor availability and cost as well as to continuity risk in partnerships. During 2025, tariffs and export restrictions imposed on specific materials and components had some negative impacts on KONE's operations and financial result. A failure to secure the needed materials, components or resources, or quality issues within these, could cause business disruptions, rescheduling of orders and cost increases. Labor availability constraints may also impact progress at construction sites and performance of maintenance and repair services.

As one of the leading companies in the industry, KONE has a strong brand and reputation. Issues that impact the company's reputation or brand could affect KONE's business and financial performance. Such reputational risks could materialize in the case of e.g. safety, cybersecurity or ethical and regulatory non-compliance incidents, major delivery issues or product or service quality issues.

Hazard, security and incidental risks

The operations of KONE, its suppliers and customers, utilize information technology extensively and KONE's business is dependent on the quality, integrity, availability and confidentiality of information. Thus, KONE is exposed to IT disruption and cybersecurity risks, as operational information systems and products may be vulnerable to interruption, loss or manipulation of data, or malfunctions which can result in disruptions in processes and equipment availability. Continued geopolitical tensions and escalations may lead to cyber, hybrid and even conventional attacks causing local and global disturbances that may impact KONE, our customers and our suppliers. A breach of sensitive employee or customer data may result in significant penalties as well as reputational damage. Such incidents could be caused by, including but not limited to, cyber-crime, cyber-attacks, ransomware, information theft, fraud, or inadvertent actions from our employees and vendors. Physical damage caused by fire, extreme weather conditions, natural catastrophes or terrorism, among other things, could also cause business interruption for KONE or its suppliers. KONE places very strong emphasis on employee safety. Certain worker groups, especially those working on construction or maintenance sites, face elevated exposure to occupational hazards due to the nature of their work.

Financial risks

The majority of KONE's sales and financial results are denominated in currencies other than the euro, which exposes KONE to risks arising from foreign exchange rate fluctuations. KONE is also exposed to counterparty risks related to financial institutions, through the significant amounts of liquid funds deposited with financial institutions, in the form of financial investments and in derivatives. Additionally, KONE is exposed to risks related to liquidity and payment discipline of its customers, which may impact cash flow or lead to credit losses, especially in China. Significant changes in local financial or taxation regulation could also have an impact on KONE’s financial performance, liquidity, and cash flow. For further information on financial risks, please refer to the notes to the consolidated financial statements.

Risk management

Risks	Mitigation actions
Weakening of the global economic environment	KONE strives to continuously develop its competitiveness in all regions and businesses, maintaining its resilient business model. KONE has a wide geographic presence, global manufacturing capabilities and supply network, as well as a balanced business mix with a high share of Service and Modernization business.
Escalation of geopolitical conflicts and trade disruptions impacting the competitiveness of KONE's supply chain, leading to increased costs or causing potential disruptions	KONE is continuously working on mitigating any potential delays of its products and critical components. KONE actively monitors the development of the applicable and relevant regulations, policies and trade rules, prepares for alternative scenarios and evaluates the competitiveness and viability of KONE's supply chain and sourcing channels. KONE is taking actions to mitigate the impact of tariffs, for example by applying for tariff exemptions when applicable and reflecting tariff impacts into pricing. KONE also applies increased scrutiny over business operations that may be affected by international trade restrictions or other geopolitical actions.
Changes in the competitive landscape, customer requirements or competitors' offerings impacting KONE's competitiveness	KONE aims to be the industry leader with its competitive offering by investing in research and development and by taking an open innovation approach. KONE also closely follows emerging industry and market trends and actively monitors opportunities for industry consolidation.
Non-compliance concerns related to KONE´s business conduct	KONE's Code of Conduct forms an integral part of KONE's company culture and is the foundation of its ethical business practices. Development of comprehensive anti-bribery and corruption measures, compliance risk assessments and localized programs, compliance trainings and extended compliance screening capabilities are examples of KONE´s preventative measures related to compliance risks.
A failure to secure and develop the needed organizational capabilities and competencies	KONE continuously evaluates the skills and competences required for the execution of the selected strategy and develops and/or acquires these from internal talent pools or externally. KONE also has extensive training programs in place to develop and retain critical talents.
Risks related to component and subcontracted labor availability	KONE's purchasing processes aim to identify critical suppliers and supply categories and implement alternative sources, long-term agreements, last-buy options and other measures to ensure availability of the supply. Component and rare-earth element markets are closely monitored, and the situations managed with detailed planning of delivery execution and active involvement of supply chain partners, among other actions. KONE has also developed multinational subcontractor pools to ensure subcontractor capacity on a regional level. Subcontractors' competences and capabilities are monitored and developed continuously.
Product integrity, safety or quality issues as well as issues with reputation	To mitigate product risks, KONE has strict quality control processes for product design, supply, manufacturing, installation and maintenance. In addition, KONE aims for transparent and reliable communication, to prevent reputational risks and to manage potential incidents. KONE also has stringent corporate governance principles in place.
Interruptions to KONE's or its suppliers' operations	KONE actively develops business continuity management capabilities to reduce the impact and likelihood of disruptions within its supply chain. Furthermore, KONE monitors the operations, business continuity management capabilities, financial strength and cybersecurity of its key suppliers. In addition, KONE aims to secure the availability of alternative sourcing channels for critical components and services. KONE also has a global property damage and business interruption insurance program in place. KONE's global supply chain helps mitigate the risk of interruptions. KONE has ten manufacturing facilities in seven countries, multiple distribution centers and a large supplier network across the globe, which helps to mitigate the impacts from potential disruptions in individual locations or countries.
IT disruptions and cybersecurity risks	KONE's security policies define controls to safeguard premises, information and information systems which are both in development and in operation. KONE works with third-party security service providers and trusted, well-known technology partners to manage the risks through the control framework. KONE has implemented a range of mitigation measures, such as resilient architectures, advanced security monitoring and incident response, supplier risk management and a global cybersecurity awareness program. KONE holds ISO 27001 and IEC 62443 certifications and also has a global cyber insurance program in place.
Financial risks	KONE applies centralized risk management in accordance with the KONE Treasury Policy. More information on financial risk management can be found in notes 2.4, 3.2 and 5.3 of KONE's financial statements 2025

Market outlook 2026

	North America	Europe	Asia-Pacific, Middle East and Africa	China
New Building Solutions in units	+	+	++	--
Service in units	+	+	++	+
Modernization in monetary value	+++	++	+++	+++

--- Significant decline (>10%), -- Clear decline (5–10%), - Slight decline (<5%), Stable, + Slight growth (<5%), ++ Clear growth (5–10%), +++ Significant growth (>10%)

Market outlook 2026

Activity in the New Building Solutions market is expected to vary regionally in 2026. The market is expected to grow slightly in North America and in Europe. In Asia-Pacific, Middle East and Africa, activity is expected to grow clearly. In China, the market is expected to decline clearly.

Modernization markets are expected to grow in all regions supported by an aging equipment base as well as the focus on sustainability and adaptability of buildings. Service markets are expected to grow clearly in Asia-Pacific, Middle East and Africa and grow slightly in other regions.

Business outlook 2026

KONE expects its sales to grow 2-6% at comparable exchange rates in 2026 and its adjusted EBIT margin to be in the range of 12.3-13.0%.

The negative impact of foreign exchange rates on the adjusted EBIT margin is expected to be approximately 10 basis points, assuming rates remain at the January 2026 level.

Key drivers for sales growth are the positive outlook for Service and Modernization and the solid order book. The declining New Building Solutions market in China is a headwind.

The key drivers of EBIT margin expansion are sales growth in Service and Modernization, an increased contribution from performance initiatives and good progress in product cost reductions. The challenging New Building Solutions market in China and continued inflationary pressure on wages are expected to impact profitability negatively.

The Board's proposal for the distribution of profit

The parent company's distributable profit on December 31, 2025 is EUR 3,655,182,389.87 of which the net income for the financial year is EUR 1,376,397,495.16.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.7975 be paid on the outstanding 76,208,712 class A shares and EUR 1.80 on the outstanding 441,649,910 class B shares, resulting in a total amount of proposed dividend of EUR 931,954,997.82. The Board of Directors further proposes that the distributable profits, EUR 2,723,227,392.05, be retained and carried forward.

The Board proposes that the dividends be payable from March 16, 2026. All the shares existing on the dividend record date are entitled to dividend for the year 2025 except for the treasury shares held by the parent company.

Annual General Meeting 2026

KONE Corporation's Annual General Meeting will be held on Thursday March 5, 2026, at 11.00 a.m. at Finlandia Hall, Mannerheimintie 13 E, in Helsinki, Finland.

Key figures and financial development

Consolidated statement of income		2025	2024	2023	2022	2021
Sales	MEUR	11,245	11,098	10,952	10,907	10,514
Sales outside Finland	MEUR	11,024	10,889	10,736	10,698	10,342
Operating income	MEUR	1,336	1,249	1,200	1,031	1,295
As percentage of sales	%	11.9	11.3	11.0	9.5	12.3
Adjusted EBIT [1]	MEUR	1,369	1,303	1,248	1,077	1,310
As percentage of sales [1]	%	12.2	11.7	11.4	9.9	12.5
Income before taxes	MEUR	1,327	1,254	1,206	1,028	1,321
As percentage of sales	%	11.8	11.3	11.0	9.4	12.6
Net income	MEUR	992	961	932	784	1,023

[1] Items included are presented on section Definitions and calculation of key figures.

Alternative performance measure		2025	2024	2023	2022	2021
Operating income (EBIT)	MEUR	1,336	1,249	1,200	1,031	1,295
Operating income margin (EBIT margin)	%	11.9	11.3	11.0	9.5	12.3
Items impacting comparability	MEUR	33	54	48	45	15
Adjusted EBIT	MEUR	1,369	1,303	1,248	1,077	1,310
Adjusted EBIT margin	%	12.2	11.7	11.4	9.9	12.5

Alternative performance measure

KONE reports an alternative performance measure, adjusted EBIT, to enhance the comparability of business performance between reporting periods. Adjusted EBIT is calculated by excluding from EBIT items affecting comparability such as significant restructuring costs and income and expenses incurred outside the ordinary course of business of KONE.

In 2025, items affecting comparability amounted to EUR 33 million consisting of costs related to the separation of KONE Door Business under its own legal and operative structure and restructuring costs.

In 2024, items affecting comparability amounted to EUR 54 million including EUR 36 million restructuring costs and EUR 18 million expensed development costs as a result of redirecting development activities in alignment with KONE's new strategy.

In 2023, items affecting comparability included restructuring costs and a positive effect recognized on completion of the sale of operations in Russia.

In 2022, the comparison period, items affecting comparability included a charge for the impairment of assets and recognition of provisions for commitments in Russia and Ukraine as well as restructuring costs.

In 2021 items affecting comparability related to restructuring measures.

Consolidated statement of financial position, MEUR	Dec 31, 2025	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Non-current assets	3,371	3,321	2,967	2,781	2,798
Current assets	5,681	5,963	5,764	6,309	6,922
Total equity	2,827	2,893	2,786	2,867	3,199
Non-current liabilities	776	929	658	643	717
Provisions	176	186	197	177	152
Current liabilities	5,273	5,276	5,090	5,404	5,652
Total assets	9,052	9,284	8,731	9,090	9,720
Interest-bearing net debt	-700	-831	-1,013	-1,309	-2,164
Assets employed	2,127	2,062	1,773	1,557	1,035
Net working capital	-798	-827	-861	-904	-1,468

Other information		2025	2024	2023	2022	2021
Orders received	MEUR	9,087	8,759	8,578	9,131	8,853
Order book	MEUR	8,804	9,059	8,716	9,026	8,564
Cash flow from operations before financing items and taxes	MEUR	1,761	1,589	1,485	755	1,829
Capital expenditure excl. acquisitions	MEUR	378	397	322	209	217
As percentage of sales	%	3.4	3.6	2.9	1.9	2.1
Expenditure on research and development	MEUR	234	204	185	188	189
As percentage of sales	%	2.1	1.8	1.7	1.7	1.8
Average number of employees		64,294	64,072	63,164	63,186	61,698
Number of employees at end of reporting period		64,978	64,663	63,536	63,277	62,720
Employee costs	MEUR	4,091	3,907	3,656	3,533	3,222

Key ratios, %	2025	2024	2023	2022	2021
Return on equity	34.7	33.8	33.0	25.9	32.0
Return on capital employed	26.9	27.2	27.8	22.4	26.8
Equity ratio	39.9	39.8	40.9	40.3	41.2
Gearing	-24.8	-28.7	-36.4	-45.7	-67.6

Definitions and calculation of key figures

Basic earnings/share $= \dfrac{\text{Net income attributable to the shareholders of the parent company}}{\text{Share issue and conversion-adjusted weighted average number of outstanding shares}}$

Equity/share $= \dfrac{\text{Total shareholders’ equity}}{\text{Number of outstanding shares (issue adjusted)}}$

Dividend/share $= \dfrac{\text{Dividend payable for the reporting period}}{\text{Share issue and conversion-adjusted weighted average number of outstanding shares}}$

Dividend/earnings (%) $= 100 \times \dfrac{\text{Dividend/share}}{\text{Earnings/share}}$

Effective dividend yield (%) $= 100 \times \dfrac{\text{Dividend/share}}{\text{Price of class B shares at end of reporting period}}$

Price/earnings $= \dfrac{\text{Price of class B shares at end of reporting period}}{\text{Earnings/share}}$

Average price $= \dfrac{\text{Total EUR value of all class B shares traded}}{\text{Average number of class B shares traded during the reporting period}}$

Market value of all outstanding shares = The number of outstanding shares (A + B)[1] at end of reporting period x the price of class B share at end of reporting period

[1] Class A shares are valued at the closing price of the class B shares.

Shares traded = Number of class B shares traded during the reporting period

Shares traded (%) $= 100 \times \dfrac{\text{Number of class B shares traded}}{\text{Weighted average number of class B shares}}$

Average number of employees = The average employee count at the end of each calendar month during the reporting period

Return on equity (%) $= 100 \times \dfrac{\text{Net income}}{\text{Total equity (average during the reporting period)}}$

Return on capital employed (%) $= 100 \times \dfrac{\text{Net income + financing expenses}}{\text{Equity + interest-bearing-debt (average during the reporting period)}}$

Equity ratio (%) $= 100 \times \dfrac{\text{Total equity}}{\text{Total assets – advances received and deferred revenue}}$

Gearing (%) $= 100 \times \dfrac{\text{Interest-bearing net debt}}{\text{Total equity}}$

Assets employed = Net working capital + goodwill + intangible assets + tangible assets + investments in associated companies + shares and other non-current financial assets

Sustainability Statement

1. General information

1.2 Sustainability reporting principles

1.2.1 Basis of preparation

This Sustainability Statement is the cornerstone of KONE's annual sustainability reporting. It has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and structured around the European Sustainability Reporting Standards (ESRS), with the aim of providing transparent and harmonized information on sustainability topics material to KONE.

The reporting scope is aligned with KONE's consolidated financial statements unless otherwise specified in connection with the disclosed information. In addition to this Sustainability Statement, KONE publishes a separate Sustainability Supplement that provides additional information on specific sustainability matters, beyond the scope of KONE's material topics covered by ESRS, but still relevant to stakeholders.

The sustainability information presented in this Statement is based on KONE's double materiality assessment (DMA), conducted in alignment with ESRS. Through this assessment, KONE has identified material sustainability-related impacts, risks, and opportunities most relevant to its business and stakeholders. KONE's value chain encompasses upstream activities from raw material extraction to component production, its own operations, and downstream activities related to the use, disposal, and recycling of its products. As this is KONE's second year of reporting in accordance with the CSRD, certain sustainability information from the comparison period may not yet be fully comprehensive. Where comparative information is presented, the same reporting and calculation methodology have been consistently applied. Certain material restatements have been made to previously disclosed sustainability information concerning climate emissions (E1), reported number of days lost to work-related injuries (S1) and reported share of KONE employees working in an ISO certified unit (S1). For comprehensive information on the scope and impact of these restatements, see sections 2.2.8 (E1), footnote 7 of table 35, and section 3.1.2. For detailed information on emission data, see section 2.2.7.

KONE has mapped its activities against the Sustainability Accounting Standards Board (SASB) framework for Electrical and Electronic Equipment, identifying relevant industry-specific sustainability metrics. Further details on KONE's SASB disclosures, as well as details on climate-related risks and opportunities in line with the Task Force on Climate-related Financial Disclosures (TCFD), are available at kone.com.

1.2.2 Sustainability data, management judgment and uncertainty

KONE's internal data systems serve as the primary source for the sustainability data presented in this Statement. Sustainability data is collected from KONE's subsidiaries and operative units, with internal controls in place to ensure completeness and accuracy. In the absence of accurate data, the reporting relies on assumptions, estimates, projections, and management judgment, which all inherently involve uncertainty. Additional details regarding uncertainties are provided alongside the disclosed information.

All financial data is sourced from KONE's enterprise resource planning and financial reporting systems, and, unless otherwise stated is based on the company's consolidated and audited financial statements. KONE follows the time horizons defined by ESRS 1.

1.3 Sustainability governance

1.3.1 Sustainability governance structure and roles

KONE's sustainability governance model is structured to ensure that environmental, social, and ethical business conduct considerations are embedded into decision-making, accountability and performance management at all organizational levels, from strategic oversight to daily operations. The key governance bodies for sustainability at KONE include the Board of Directors, the Audit Committee, the President and CEO and the Executive Board, as well as the Sustainability Disclosure Board, and the Safety, Quality and Sustainability Board. Cross-functional forums further support alignment by bringing together representatives from business lines and global functions to share best practices, address challenges, and coordinate global sustainability priorities.

The Board of Directors holds the overall responsibility for overseeing the company's sustainability strategy and are regularly reviewing sustainability performance, progress towards targets, regulatory compliance and the management of sustainability impacts, risks, and opportunities. The Board members' strong conviction in the strategic importance of sustainability, together with the Board's robust annual review cycle, ensures that sustainability continues to be prioritized and integrated into KONE's business. The Board is well-informed and has long experience of managing key sustainability matters relevant to the industry, including climate change mitigation, health and safety. Furthermore, the Board also has access to subject matter experts who provide performance reviews and briefings, including experts within the Audit Committee and Sustainability Disclosure Board.

The Board of Directors consists of nine non-executive members with a gender ratio of 67% male and 33% female. The Vice Chair of the Board, Jussi Herlin, has a separate employment contract for his role as Executive Vice Chair of the Board at KONE. There are no other separate employment contracts for the members of the Board of Directors. Of the Board members, 78% are independent of the Corporation and 67% are independent from significant shareholders.

The President and CEO is responsible for integrating the sustainability strategy into the company's daily operations. The Executive Board drives the implementation of the sustainability strategy across all business units, with each member accountable for embedding sustainability within their area and ensuring alignment with company-wide objectives.

KONE's Global Compliance Committee, comprising of four Executive Board members, the Corporate Controller and VP of Global Compliance, supports the Executive Board in maintaining an effective compliance and ethical business conduct program, through regular reports and briefings to the Executive Board, and the Audit Committee. The Audit Committee monitors compliance matters, which are reviewed by the Board of Directors at least annually.

1.3.2 Risk management and internal controls

KONE's sustainability reporting is anchored in group-level principles of risk management and internal control. The primary objective of risk management is to systematically identify and evaluate risks and opportunities that may affect the achievement of sustainability objectives. This includes assessing the likelihood and potential impact of these risks and opportunities and determining appropriate actions to effectively manage them. Internal controls are designed to ensure the reliability of sustainability reporting, and controls activities are primarily embedded within the processes that generate sustainability information.

KONE acknowledges that manual data collection and estimations introduce inherent uncertainty into its sustainability reporting. To mitigate these risks, KONE applies standardized reporting procedures, supported by internal controls, detailed guidelines, training, and validation processes to ensure the completeness and accuracy of reported information.

KONE's Global Risk Management function oversees that comprehensive risk assessments are conducted throughout the organization, maintaining the integrity and effectiveness of risk identification, evaluation, and mitigation processes. These assessments also include the double materiality assessment (DMA), and are conducted in collaboration with relevant functions to ensure systematic identification, prioritization, and treatment of sustainability-related impacts, risks, and opportunities (IROs). Prioritization of IROs follows the guidelines set out in KONE's Risk Management Policy.

The internal control framework for sustainability reporting is facilitated by KONE's Internal Control function. The internal control framework is rooted in KONE's values, the Code of Conduct, and a culture of integrity and high ethical standards. It is reinforced by committed leadership, targeted training programs, a positive and diligent working environment, and the recruitment and development of competent personnel. Global and local policies and principles form an integral part of this framework.

The internal control framework covers relevant controls including reviews, reconciliations and system controls. It is embedded into operational processes, employee responsibilities, and systems. These controls manage risks associated with the accuracy, completeness, and timeliness of sustainability reporting. The framework is continuously updated to reflect changes in business operations and information systems. Identified risks, opportunities and control needs are addressed through KONE's governance models for sustainability, risk management, and internal control.

The Executive Board reviews risk assessment outcomes at least twice a year and agrees on actions and priorities for risk management. The Executive Board members are responsible for specific areas and global functions, owning the key risks and opportunities relevant to their domains. They are accountable for ensuring effective risk management, allocating resources, and delegating responsibilities as needed. Oversight of sustainability impacts, risks, and opportunities is the ultimate responsibility of the Board of Directors, with the President and CEO accountable for implementation and day-to-day management. This responsibility is further delegated to specialized committees focused on safety, quality, sustainability, and global compliance. Updates on material IROs and other relevant assessments are presented bi-annually to the Executive Board and the President and CEO.

The Board of Directors monitors and evaluates the effectiveness of KONE's risk management systems as defined in the Risk Management Policy. The Board reviews annual updates on material IROs received from the General Counsel. The Audit Committee oversees the effectiveness of the internal control environment and reviews annual updates on internal control findings and developments.

1.3.3 Sustainability-related performance in incentive plans

Sustainability performance is embedded in KONE's long-term incentive structures. The company's long-term incentive plan, annually approved by the Board of Directors, combines sustainability performance criteria with profitable growth to reinforce KONE's sustainability commitment. Sustainability accounts for 20% of the total weighting in the plan, with 10% linked to targets for reducing Scope 1, 2, and 3 carbon emissions, and 10% linked to diversity and inclusion, safety improvement and cybersecurity.

1.3.4 Sustainability due diligence

KONE integrates sustainability due diligence into its governance and strategic framework by aligning to the Finnish Corporate Governance Code and embedding sustainability principles across its operations. This integration is supported by the KONE Global Management System and group-wide policies, including the Environmental Policy Statement, Health and Safety Policy Statement, Human Rights Policy, Code of Conduct, and the Supplier and Distributor Codes of Conduct. These policies are detailed under the material sustainability topics, see sections 2.2.3, 2.3.2, 3.1.2, 3.2.2, 3.3.2, 4.1.2, and tables 13 and 31.

Stakeholder engagement is a cornerstone of KONE's approach, encompassing employees, suppliers, and local communities. For further details on stakeholder engagement, see section 1.4.3.

KONE's sustainability due diligence, is embedded into the company's business processes and policies, and reinforced by continuous assessment and identification of impacts, risks, and opportunities. These assessments are reflected throughout this Sustainability Statement in sections on Material impacts, risks and opportunities, Policies, Engaging with the affected stakeholders, Remediating negative impacts, Actions, and Metrics.

Beyond compliance with applicable laws and regulations, KONE has established internal standards to uphold high environmental and social performance across its global operations and value chain. For comprehensive insights into KONE's human rights and supplier due diligence processes, see section 3.2.3.

1.4 Sustainability in operations

1.4.1 Strategy

In 2024, KONE launched its new strategy Rise for 2025–2030, with sustainability as a core strategic ambition and a key driver of profitable growth and differentiation. KONE is strongly committed to delivering the most sustainable and safe solutions, which enable decarbonization across building life-cycles and enhance overall sustainability performance.

Progress toward KONE's sustainability-related strategic ambitions is tracked through an internal Sustainability Index, which includes key performance indicators relating to climate emission reductions, diversity and inclusion, safety improvement and cybersecurity-related performance.

Cut Carbon, one of KONE's four strategic shifts, focuses on accelerating emissions reduction across KONE operations and value chain, while supporting customers in achieving their climate goals. Through clear strategic objectives, KONE drives measurable environmental impact, fosters innovation, and empowers stakeholders. KONE aims to radically cut emissions by developing energy-efficient technologies, adopting new low-carbon materials, co-innovating with suppliers and partners, and advancing circularity through strategic initiatives. Digitalization plays a key role in enabling decarbonization by e.g. reducing unnecessary callouts, introducing remote services, and enhancing strategic planning of service operations. Accelerating data automation across operations and customer interfaces enables timely access to reliable sustainability data and transparent impact reporting. The progress of the Cut Carbon strategic shift is monitored with metrics including value chain emission reductions, revenue generated from sustainable solutions and the win rate of sustainable business opportunities. Other key strategic objectives include:

- Optimizing material and resource use, and enabling circularity in KONE's solutions and operations
- Extending product lifetime through service, modernization, digital and connected solutions
- Prioritizing safety in all operations
- Providing accessible, safe, and convenient solutions for all end-users

These objectives underpin KONE's commitment to sustainable value creation and position KONE to lead in a dynamic regulatory and market environment.

1.4.2 Business model and value chain

KONE operates a life-cycle business model, delivering elevators, escalators, building doors, and related smart solutions and services for buildings and urban environments throughout their entire lifespan. KONE creates value by designing, manufacturing, installing, maintaining, and modernizing equipment to ensure longevity, safety and efficient operations, thereby reducing environmental impact, improving people flow and supporting sustainable urban development. The offering includes energy-efficient and low-carbon solutions with high level of digitalization. Digital and connected solutions, such as KONE 24/7 Connected Services, enable extended product life-cycles and improve user experience, safety and uptime. See the notes to the financial statements for a description of KONE's key products and most significant markets.

During 2025, no materials, products or services have been banned.

KONE's sustainability efforts are embedded into the value chain, from responsible sourcing of raw material to end-of-life. To ensure responsible operations, KONE requires its supply chain partners to meet strict sustainability criteria, including ethical sourcing and negative environmental impact reduction. Collaboration with customers, partners, and suppliers is central to KONE's value creation. Key customer groups include construction companies, building owners, developers, facility management companies, and housing associations, with architects, authorities, and consultants having a key influence on decision-making.

KONE strategic inputs that are crucial in creating value for customers, shareholders and society include:

- Competent and engaged people and strong leadership
- Innovative, sustainable offering
- Global processes and systems
- Strategic partnerships and efficient manufacturing and delivery chain
- A strong life-cycle business model with a robust maintenance base
- A solid financial position
- Environmentally and socially sustainable operations
- High safety standards and record, and strong brand reputation

KONE secures these inputs e.g. through strategic investments and sourcing, supplier management, and risk mitigation while fostering a culture of innovation and inclusion to retain and develop talent.

KONE creates value for shareholders through its capital-light, sustainable business model, which creates strong and stable cash flow supported by efficient operations and a solid financial position. Internally, KONE invests in and strives to ensure employee health and safety through high standards and practices, a supportive and innovative culture, diversity and inclusion, and continuous learning, ensuring access to key talent and fostering a resilient workforce. For metrics relating to KONE's headcount of employees per geographical area, see section 3.1.

1.4.3 Interests and views of stakeholders

KONE actively engages with key stakeholders including, but not limited to, customers, shareholders, employees, suppliers and equipment users, to understand their needs and expectations, including those related to human rights. KONE's key stakeholders, their interests, and KONE's engagement with them are summarized in table 02.

The purpose of the engagement and dialogue is to create a predictable and sustainable business environment for everyone.

Applicable administrative, management and supervisory bodies are informed about the insights and outcomes from stakeholder interactions by the responsible topic owners and subject matter experts. Appropriate actions are taken to address material impacts, including improvements of planning and management systems. Stakeholder interests are also taken into account in KONE's strategy setting process.

Employees and their representatives are involved through e.g., local safety forums and councils where health and safety matters are addressed. KONE actively involves employees in shaping the company, with the annual Pulse Employee Engagement Survey serving as a key tool for gathering insights and driving development. KONE also gathers input from employees, value chain workers and equipment users through its management system, which standardizes safety practices across the company and sets minimum requirements to protect the health and safety of all individuals interacting with KONE equipment and operations.

The interests and rights of value chain workers are considered in strategy and business model primarily through structured management level discussions.

1.5 Sustainability-related impacts, risks, and opportunities

1.5.1 Identification and assessment

KONE's double materiality assessment (DMA) follows a structured four-phase process: value chain mapping, impact assessment, financial assessment, and materiality determination. This process identifies material sustainability topics and supports strategic decision-making.

The results are reviewed by the Sustainability Disclosure Board, consisting of KONE Executive Board members and other senior leaders. Outcomes are reported to the Audit Committee of the KONE Board of Directors. Internal control is ensured through a systematic assessment methodology and regular reviews by responsible topic owners and subject matter experts.

KONE completed its first DMA in 2024. In the initial phase, the company mapped its value chain and identified key business activities across upstream, own operations, downstream, and cross-cutting activities. This was done through interviews with key internal stakeholders. Geographic locations and external stakeholders affected by these activities were also identified with special attention to high-risk regions and functions.

In 2025, KONE conducted a comprehensive review of its previous double materiality assessment. This included updates to the impact assessment, financial assessment, and materiality determination, reflecting strategic developments and stakeholder feedback. The process was supported by KONE's risk management tool, enabling a systematic and integrated evaluation of sustainability impacts, risk, and opportunities (IRO) alongside other business IROs.

KONE's sustainability IROs were identified and assessed by a cross-functional group of subject matter experts. External perspectives were gathered through a stakeholder materiality survey distributed to customers, suppliers, investors, analysts, distributors and media.

IROs were assessed using a scale from 1 to 5. Impact Assessment considered scale, scope, likelihood, and irremediability (for negative impacts). For potential human rights impacts, severity was prioritized over likelihood. Financial Assessment included evaluation of magnitude, likelihood, and timeframe. See table 01. highlighting the used scale and rating.

Table 01. Used scale and rating

Likelihood of occurrence	Magnitude of Financial Impact	Timeframe
1. Highly unlikely (>0–1%)	1. Nominal	
2. Unlikely (>1–10%)	2. Moderate	Short (<1 yr)
3. Possible (>10–30%)	3. High	Medium (1–5 yrs
4. Likely (>30–60%)	4. Significant	Long (>5 yrs)
5. Highly likely (>60–100%)	5. Critical	

The connections between impacts, dependencies, risks, and opportunities, were considered during the identification of IROs, primarily at the subtopic level and in relation to geographical locations. However, a systematic cross-referencing of all connections and dependencies was not conducted. Each prioritized IRO has been assigned to a risk owner, who delegates responsibility to relevant individuals. These individuals implement appropriate actions and report progress back to the risk owner.

KONE's DMA provided a comprehensive overview of the company's IROs across sustainability topics and value chain. Topics exceeding defined thresholds were confirmed as material and prioritized to support KONE's strategic sustainability objectives and align with stakeholder expectations. All mandatory disclosures have been made in accordance with ESRS. No material entity-specific IROs were identified.

1.5.2 Material ESRS topics

KONE's material impacts, risks and opportunities are illustrated in table 03 and illustration 02 and summarized in a table at the beginning of each material topic disclosure section. Each summary includes relevant information on time-horizons, value chain information and the management actions taken to address the IRO.

Illustration 01.

Value creation throughout the value chain

Business activities across the value chain

Upstream		Own operations						Downstream	
Tier 2+ Suppliers' Raw Material Sourcing	Tier 1 Component & Raw Material Production	Technology & R&D	Engineering	Purchasing	Manufacturing /Assembly	Installation & DIsmantling	Maintenance, Services & Modernization	Product Use	End-of-life

Sales, Marketing and Customer Relationship Management | Logistics, Mobility & Warehousing - Air, Land & Sea Freight | Quality Assurance, Safety & Reliability | IT – Hardware, Infrastructure & Services, Cloud & Mobile solution

KONE creates value to:

Society
By enabling sustainable urban development through safe, energy-efficient, and circular solutions, reducing environmental impact while improving accessibility and mobility for billions of people globally.

Natural environment
By driving climate change mitigation and resource efficiency within the industry, minimizing environmental impact across the value chain in close collaboration with stakeholders.

Suppliers
By fostering long-term partnerships through co-innovation programs, and collaborative sustainability initiatives that drive resource efficiency, reduce emissions, strengthen respect for human rights and open new business opportunities in sustainable urban mobility.

Employees
KONE invests in and strives to ensure employee health and safety through high standards and practices, a supportive and innovative culture, diversity and inclusion, and continuous learning, ensuring access to key talent and fostering a resilient workforce.

Shareholders
By operating a capital-light, cash-generative and sustainable business model, driving profitable growth supported by a high share of resilient Service and Modernization revenue.

Customers
By delivering high-quality, safe, sustainable, and digitally connected services and solutions that extend equipment lifetime and optimize people flow, resulting in reduced environmental impact, improved building sustainability, and enhanced user experience.

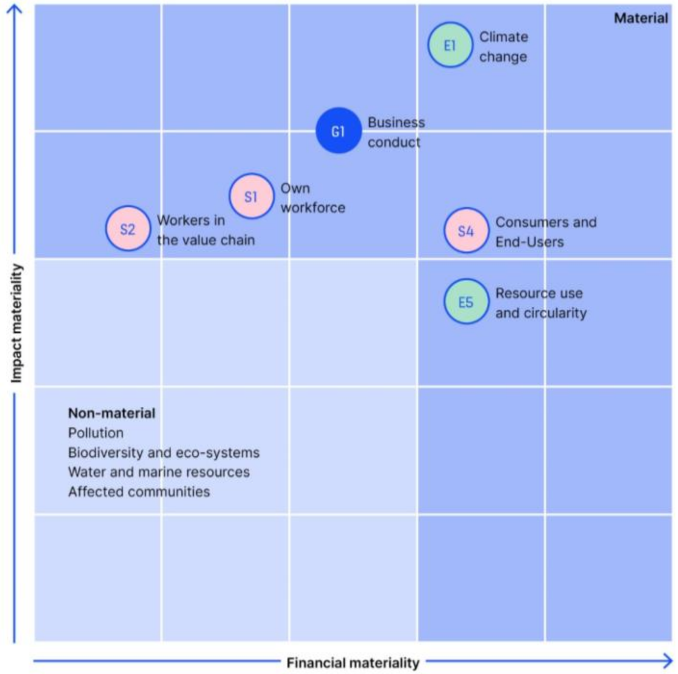
Consumers and end-users
By delivering safe, accessible, and digitally connected services and solutions that improve people flow, and extend equipment lifetime, resulting in greater reliability, reduced downtime, and a more sustainable urban experience.

By strengthening human rights, protecting whistleblowers and preventing bribery and corruption.

KONE's material IROs do not currently have significant impact on its financial position, performance, or cash flows. Furthermore, there are no identified material risks or opportunities that would result in a material adjustment to the carrying amounts of assets or liabilities within the next annual reporting period.

In 2025, KONE's strategy and business models demonstrated resilience in addressing material risks and impacts, while also capturing the material opportunities outlined in this report. This resilience was supported by a well-balanced geographic and business line mix, as well as a robust supply chain. The conclusion is based on a qualitative assessment and further validated by KONE's achievement of its financial and strategic targets during the reporting period.

Illustration 02. Identified material topics



The Board of Directors, which holds overall responsibility for KONE's sustainability strategy, also oversees the management of sustainability impacts, risks and opportunities. For more information on how opportunity management is integrated into KONE´s strategy and management process, see sections 1.4.1 and 1.4.2. KONE's climate change resilience is further described in section 2.2.2.

In 2025, material IRO's were thoroughly considered throughout strategy implementation by the relevant operational teams and overseen by the Executive Board and Board of Directors.

Assessment of Climate Change (E1)

KONE has conducted a comprehensive assessment of its key greenhouse gas (GHG) emission sources across its own operations, product portfolio, and value chain, covering all relevant business activities. The findings confirm that the majority of emissions originate from the value chain, primarily due to the long operational lifetime of KONE's products. This trend is expected to remain consistent over time.

To deepen the understanding of climate-related physical and transition risks and opportunities, KONE's climate scenario assessment has drawn on multiple authoritative sources, including the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report – Working Group I, Swiss Re CatNet, and integrated SSP-RCP scenarios (Shared Socioeconomic Pathways informed by Representative Concentration Pathways). This forward-looking analysis supports strategic planning and risk management by evaluating potential climate futures and their implications for KONE's business. Further details on the scenario analysis, see section 2.2.2.

KONE has assessed climate-related physical hazards under three different scenarios, using geospatial mapping of its own and key suppliers' manufacturing sites and logistics hubs. Hazards were evaluated based on likelihood, magnitude, and duration. Risks and opportunities were analyzed across short (<1 year), medium (2–5 years), and long-term (>5 years) horizons. The short-term horizon is aligned with KONE's annual target setting and budgeting, whereas the medium-term links to mid-term financial planning, and the long-term horizon to the strategic planning period and beyond.

The assessment shows that severe weather events may pose physical risks to operations and supply chains and consequently cause business interruptions. While short-term impacts are low and non-material, risks increase over time, especially under high-emission scenarios.

Transition risks and opportunities were identified through interviews with KONE's subject matter experts, considering various climate scenarios, including a Paris-aligned 1.5°C scenario.

KONE supports its customers in emission reduction by offering them sustainable solutions that extend equipment life, are energy efficient, durable, and easy to disassemble and recycle. Demand is driven by regulation, technology, and climate goals as well as by technological advancements in renewable energy, energy efficiency and materials. KONE's reputation as a sustainability leader depends on its ability to offer customers solutions that meet their needs to mitigate climate change.

Assessment of Resource Use and Circular Economy (E5)

The identification of IROs related to resource use and circular economy has been carried out through internal assessments, supplier audits, and automated tracking of material flows and waste at a component level. A significant part of KONE's business contributes to resource use and circular economy. Based on the 2025 DMA, this topic has emerged as a new material opportunity driven by increased use of recycled materials, modular product design, and extended product life-cycle through KONE's modernization offerings. These efforts support both environmental performance and long-term business resilience.

Although KONE's manufacturing units support resource efficiency and circularity through energy saving measures, material efficiency, regular waste monitoring, and reduced landfill waste via recycling and incineration, they have not been assessed as contributing materially to this opportunity.

While separate consultations with affected communities have not been conducted, KONE engages with relevant stakeholders, such as local authorities, as part of environmental risk assessments. For further details on resource use and circular economy, see section 2.3 and KONE's Supplement Report, which includes sustainability disclosures beyond the scope of ESRS.

Table 02. Stakeholder engagement

Stakeholder	Interest	Channels of dialogue	Assessment method
Customers, consumers and end-users	• Reliable and safe solutions, as well as service and modernization • Competitive pricing, value	• Meetings, events, seminars and conferences • Dialogue through solution support • Information shared through company reports, marketing materials, website, and social media channels • Continuous dialogue through daily interactions, digital solutions, user feedback, social media channels	• Net promoter score • Customer surveys • KONE Compliance Line and Safety Solution • Monitoring feedback
Own workforce (Employees and non-employees)	• Safe working environment • Well-being • Career development • Fair compensation	• Daily interactions • Regular employee performance discussions • Internal channels and forums for company-wide discussions • Training opportunities and innovation tools	• Employee engagement survey • Employee performance discussions • Idea management system, innovation tool • KONE Compliance Line and Safety Solution
Investors and analysts	• Sustainable financial performance and growth • Transparency	• Financial and other company reports, stock exchange releases, company website • Events, such as annual general meetings and capital markets days • Investor and analyst meetings	• Direct feedback from financial market representatives • Feedback from the financial community also through surveys
Suppliers and subcontractors (Workers in the value chain)	• Long-term partnerships • Fair business practices • Safe working environment	• Continuous one-to-one dialogue with suppliers • Trade fairs, steering group meetings, supplier workshops and an annual supplier day for selected strategic suppliers • Supplier assessments including audit and an annual supplier excellence certification program	• Annual supplier survey • Supplier quality audit and performance assessment with the Supplier Maturity Certification Program • Monitoring of high-risk suppliers • KONE Compliance Line and Safety Solution
Distributors and agents (Workers in the value chain)	• Market reach • Efficiency • Logistical expertise • Risk mitigation	• Daily interactions, account planning, regular country visits and distributors' meetings • KONE tools • Reward programs and business development initiatives	• Monitoring of sales-related activities and direct feedback from distributors • KONE Compliance Line and Safety Solution
Partners	• Collaboration • Resource sharing • Innovation	• Continuous one-to-one dialogue • Developer portal for application programming and interface building • Engaging in co-innovation programs • Industry and innovation events and competitions, such as hackathons	• Bi-annual partner information review • Annual partner feedback survey • Feedback from 1-to-1 partner discussions
Media	• Content • Engagement • Transparency	• Press releases and events, interviews, background briefings and visits • Publications, as well as the company website and social media channels • Monitoring and analyzing media coverage about KONE	• Surveys and media analysis
Educational and research institutions	• Research opportunities • Internships • Knowledge sharing • Partnerships	• KONE's apprentice programs and summer traineeships • KONE is a member of the CEMS global alliance of academic and corporate institutions • Collaborations to provide information about KONE in schools, universities, and other relevant institutions • Thesis opportunities, recruitment fairs, projects, guest lectures, and research programs	• Most attractive workplace surveys, online tracking • School collaboration and social media visibility in order to enhance KONE's brand as an employer and to attract talent
Countries KONE operates in	• Environmental impact • Contribution to local development	• Company website and social media channels • Sustainability surveys and reputation studies • Volunteer work through the KONE Centennial Foundation	• Sustainability surveys and reputation studies • KONE Compliance Line and Safety Solution

Assessment of Business Conduct (G1)

KONE identified IROs related to corporate culture and governance through a comprehensive set of processes, including third-party due diligence, supplier screenings and audits, internal assessments and surveys, and local compliance risk assessments. In addition, reports received via the Compliance Line contribute to identifying potential concerns.

Specific functions within the operations as well as regions, such as Asia-Pacific, the Middle East and Africa, and Greater China, have been considered in global anti-bribery and corruption risk assessments due to elevated risk profiles. These assessments help ensure that governance-related risks are proactively managed and that opportunities to strengthen ethical business practices are identified and acted upon.

For further details on business conduct prevention, see section 4.1.

1.5.3 Monitoring of non-material environmental topics

Based on KONE's DMA, certain sustainability IROs fall outside the scope of materiality and are therefore not covered in this sustainability statement.

However, this reporting scope does not limit KONE's sustainability ambitions or responsibilities. KONE continuously monitors and manages relevant IROs to ensure that emerging issues are identified and addressed as part of its ongoing commitment to sustainability.

KONE monitors and manages also non-material environmental impacts through its ISO 14001-certified environmental management system, as described in section 2.2.2.

In addition to managing risks within its own operations, KONE actively monitors environmental risks across its supply and value chain. These risks are tracked in real time using automated systems enhanced with geolocation data, improving visibility and responsiveness.

While KONE has not conducted separate consultations with affected communities on these topics, it regularly collaborates with relevant stakeholders, such as local authorities and NGOs, as part of its environmental risk

Table 03. Results of the Double Materiality Assessment

ESRS Topics		Sub-topic	Material	IRO	Stage in Value Chain
E-Environment	E1 Climate change	E1 Climate change adaptation	Yes	R	■■■
		E1 Climate change mitigation	Yes	IR	■□■
		E1 Energy	Yes	I	□□■
	E2 Pollution	E2 Pollution of air	No		
		E2 Pollution of water	No		
		E2 Pollution of soil	No		
		E2 Pollution of living organisms and food resources	No		
		E2 Substances of concern	No		
		E2 Substances of very high concern	No		
		E2 Microplastics	No		
	E3 Water and marine resources	E3 Water	No		
		E3 Marine resources	No		
	E4 Biodiversity and eco-systems	E4 Direct impact drivers of biodiversity loss	No		
		E4 Impacts on the state of species	No		
		E4 Impacts on the extent and condition of ecosystems	No		
		E4 Impacts and dependencies on eco-system services	No		
	E5 Resource use and circular economy	E5 Resources inflows, including resource use	No		
		E5 Resource outflows related to products and services	Yes	O	□■□
		E5 Waste	No		
S-Social	S1 Own workforce	S1 Working conditions	Yes	I	□■□
		S1 Equal treatment and opportunities for all	No		
		S1 Other work-related rights	No		
	S2 Workers in the value chain	S2 Working conditions	Yes	I	□■■
		S2 Equal treatment and opportunities for all	No		
		S2 Other work-related rights	No		
	S3 Affected communities	S3 Communities' economic, social and cultural rights	No		
		S3 Communities' civil and political rights	No		
		S3 Rights of indigenous peoples	No		
	S4 Consumers and end-users	S4 Information-related impacts for consumers and/or end-users	No		
		S4 Personal safety of consumers and/or end-users	Yes	IR	□□■
		S4 Social inclusion of consumers and/or end-users	No		
G-Governance	G1 Business conduct	G1 Corporate culture	Yes	I	□■□
		G1 Protection of whistleblowers	Yes	I	□■□
		G1 Animal welfare	No		
		G1 Political engagement and lobbying activities	No		
		G1 Management of relationships with suppliers including payment practices	No		
		G1 Corruption and bribery	Yes	I	□■□

assessments to identify any material IROs. See table 02, for more on stakeholder engagement.

Assessment of Pollution (E2)

KONE's highly automated manufacturing systems and assembly lines do not produce material pollutants into water or soil. Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and volatile organic compounds (VOCs) is minimal and have not been identified as material within KONE's own operations. Similarly, the Service and Modernization businesses focus on extending equipment life and reducing embodied carbon through circular practices and do not generate pollution at material levels. Pollutants are continuously monitored in accordance with local environmental permits and regulations.

KONE acknowledges its indirect impact on pollution through the value chain. While the topic was not deemed material in the DMA, KONE continues to monitor related risks, impacts, and opportunities to ensure emerging developments and stakeholder expectations are appropriately addressed.

For further details on pollution prevention, see section 2.1.4. and KONE's Supplement Report, which includes sustainability disclosures beyond the scope of ESRS.

Assessment of Water and Marine Resources (E3)

Impacts, risks, and opportunities related to water and marine resources have not been assessed as material for KONE. Based on water risk assessments, four out of ten KONE manufacturing units are in regions identified as having high water stress. However, the impact at these sites is considered minor, as KONE's manufacturing processes require minimal water usage.

KONE acknowledges its indirect impact on water and marine resources through the value chain and continues to monitor related risks, impacts, and opportunities to ensure emerging developments and stakeholder expectations are appropriately addressed.

For further details, see section 2.1.4 and KONE's Supplement Report, which includes sustainability disclosures beyond the scope of ESRS

Assessment of Biodiversity and Ecosystems (E4)

IROs relating to biodiversity and ecosystems have not been deemed material for KONE. The company's own operations have minimal direct impact, with manufacturing units located away from biodiversity-sensitive areas such as UNESCO World Heritage Sites, Natura 2000 areas or conservation parks.

KONE acknowledges its indirect impact through the value chain and continues to monitor related risks, impacts, and opportunities to ensure emerging developments and stakeholder expectations are appropriately addressed.

For further details, see section 2.1.4 and KONE's Supplement Report, which includes sustainability disclosures beyond the scope of ESRS.

1.6 Appendices

Table 04. Data points that derive from other EU legislation

Disclosure requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in the Statement
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		1.3.1
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		1.3.1
ESRS 2 GOV-4	30	Statement on due diligence	x				1.3.4
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		Not material
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Not material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		Not material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		Not material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	2.2.4 Emission reduction roadmap
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		2.2.8 EU Paris-aligned Benchmark
ESRS E1-4	34	GHG emission reduction targets	x	x	x		2.2.4
ESRS E1-5	37	Energy consumption and mix	x				2.2.7
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				2.2.7
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				2.2.7
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		2.2.7
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		2.2.7
ESRS E1-7	56	GHG removals and carbon credits				x	2.2.5
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Phase-in used
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		x			Phase-in used
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Phase-in used
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Phase-in used
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	x				Not material
ESRS E3-1	9	Water and marine resources	x				Not material
ESRS E3-1	13	Dedicated policy	x				Not material
ESRS E3-1	14	Sustainable oceans and seas	x				Not material
ESRS E3-4	28 (c)	Total water recycled and reused	x				Not material
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	x				Not material

Disclosure requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in the Statement
ESRS 2- SBM 3 - E4	16 (a) i	Activities negatively affecting biodiversity sensitive areas	x				Not material
ESRS 2- SBM 3 - E4	16 (b)	Material negative impacts with regards to land degradation, desertification or soil sealing	x				Not material
ESRS 2- SBM 3 - E4	16 (c)	Operations that affect threatened species	x				Not material
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				Not material
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				Not material
ESRS E4-2	24 (d)	Policies to address deforestation	x				Not material
ESRS E5-5	37 (d)	Non-recycled waste	x				Not material
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Not material
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	x				Not material
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	x				Not material
ESRS S1-1	20	Human rights policy commitments	x				3.1.2
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		3.2.3 KONE Human rights due diligence process
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				3.1.3, 3.1.4, 3.2.2
ESRS S1-1	23	Workplace accident prevention policy or management system	x				3.1.2
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				3.1.3
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	x		x		3.1.4
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				Phase-in used
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		Not material
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				Not material
ESRS S1-17	103 (a)	Incidents of discrimination	x				3.1.4
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	x		x		3.1.4
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				3.2.1
ESRS S2-1	17	Human rights policy commitments	x				3.2.2
ESRS S2-1	18	Policies related to value chain workers	x				3.2.2
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		3.2.3
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		3.2.3
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				3.2.4
ESRS S3-1	16	Human rights policy commitments	x				Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	x		x		Not material
ESRS S3-4	36	Human rights issues and incidents	x				Not material
ESRS S4-1	16	Policies related to consumers and end-users	x				3.3.2

Disclosure requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section in the Statement
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		3.3.2
ESRS S4-4	35	Human rights issues and incidents	x				3.3.2
ESRS G1-1	10 (b)	United Nations Convention against Corruption	x				4.1.2, 4.1.3
ESRS G1-1	10 (d)	Protection of whistle-blowers	x				Not material
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		Not material
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	x				Not material

Table 05. Disclosure requirements incorporated by reference

Disclosure requirement	Description	Reference
DP 40 a ii	Information on KONE's significant markets and customer groups	Annual Review: Financial Statements: 2.1 Sales
DP 40 f	Information on the significant products and services	Annual Review: Financial Statements: 2.1 Sales
DP 29 c i	Information on KONE's total research and development costs	Annual Review: Financial Statements: 2.2 Costs and Expenses

Table 06. Content index

ESRS 2 General disclosures		Section
BP-1	General basis for preparation of sustainability statements	1.2.1
BP-2	Disclosures in relation to specific circumstances	1.2.1, 1.2.2, 2.2.8, Table 32 fn. 1, Table 35 fn. 7
GOV-1	The role of the administrative, management and supervisory bodies	1.3.1
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.3.1
GOV-3	Integration of sustainability-related performance in incentive schemes	1.3.3
GOV-4	Statement on due diligence	1.3.4
GOV-5	Risk management and internal controls over sustainability reporting	1.3.2
SBM-1	Strategy, business model and value chain	1.4.1, 1.4.2, illustration 01
SBM-2	Interests and views of stakeholders	1.4.3, table 02
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.5
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.5.1
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	1.5, 1.6
E1 Climate change		**Section**
E1-1	Transition plan for climate change mitigation	2.2.4
E1-2	Policies related to climate change mitigation and adaptation	2.2.3, table 13
E1-3	Actions and resources in relation to climate change policies	2.2.4
E1-4	Targets related to climate change mitigation and adaptation	2.2.4
E1-5	Energy consumption and mix	2.2.7
E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	2.2.7
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	2.2.5
E1-8	Internal carbon pricing	2.2.6
GOV-3	Integration of sustainability-related performance in incentive schemes	1.3.3
IRO-1	Description of the processes to identify and address material IROs	1.5.1, 2.2.1, 2.2.2
SBM-3	Material IRO and their interaction with strategy and business model(s)	1.4.1, 2.2.1, 2.2.2

E5 Resource use and Circularity		Section
E5-1	Policies related to resource use and circular economy	2.3.2, table 13
E5-2	Actions and resources related to resource use and circular economy	2.3.3
E5-3	Targets related to resource use and circular economy	2.3.4
E5-5	Resource outflows	2.3
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	2.3.4
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	1.5.1, 2.3.1

S1 Own Workforce		Section
S1-1	Policies related to own workforce	3.1.2. table 31
S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1.3
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1.3
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.3
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.4
S1-6	Characteristics of the undertaking's employees	3.1.1, tables 26-30
S1-14	Health and safety metrics	3.1.3, tables 34-35, 3.1.4
S1-17	Incidents, complaints and severe human rights impacts	3.1.4, tables 35-36
SBM-2	Interests and views of stakeholders	1.4.3, table 02, 3.1.3
SBM-3	Material impacts, risks and opportunities and their interaction of with strategy and business model	1.5.1, 3.1.3
S2 Workers in the value chain		**Section**
S2-1	Policies related to value chain workers	3.2.2, table 31
S2-2	Processes for engaging with value chain workers about impacts	1.4.3, table 02, 3.2.3
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2.3
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	3.2.3
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.4
SBM-2	Interests and views of stakeholders	1.4.3, table 02, 3.2.3
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.5.1, 3.2.1
S4 Consumers and end-users		**Section**
S4-1	Policies related to consumers and end-users	3.3.2, table 31
S4-2	Processes for engaging with consumers and end-users about impacts	1.4.3, table 02, 3.3.3
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.3.3
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	3.3.3
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3.4
SBM-2	Interests and views of stakeholders	1.4.3, table 02, 3.3.3
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.5.1, 3.3.1

G1 Business conduct		Section
G1-1	Business conduct policies and corporate culture	table 31, 4.1.2
G1-3	Prevention and detection of corruption and bribery	4.1.3
GOV-1	The role of the administrative, supervisory and management bodies	1.3.1
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.5.1, 4.1.1

2. Environmental information

2.1 EU Taxonomy disclosure

The EU Taxonomy is a classification system designed to translate the EU's climate and environmental objectives into criteria for environmentally sustainable economic activities. It identifies activities that make a substantial contribution to at least one environmental objective, does no significant harm to others, and meet minimum social safeguards. Its purpose is to guide investors toward sustainable investments and support the transition to a climate-neutral economy aligned with the Paris Agreement.

Although the elevator and escalator industry is not currently within the direct scope of the Taxonomy due to its relatively low emissions profile, KONE has identified certain Taxonomy-eligible and aligned activities within its operations. As the Taxonomy framework continues to evolve and is subject to interpretation, KONE regularly reassesses its activities to evaluate their contribution to the EU's environmental objectives.

2.1.1 Assessment of Taxonomy-eligible activities

An eligible activity under the EU Taxonomy is an economic activity defined in Annex I of the Climate Delegated Act, with specific technical screening criteria for assessing its environmental sustainability. In 2025, KONE identified Taxonomy-eligible activities contributing to climate change mitigation and circular economy.

Activity 5.2 Sale of spare parts relates to products and spare parts that are used in products manufactured by economic activities classified under the NACE code C28.22 Manufacture of lifting and handling equipment and is therefore applicable to KONE's business. As part of KONE's Service business, spare parts are sold to maintenance companies that are maintaining products manufactured by KONE. This activity fits into the description of activity 5.2.

KONE's DX Class elevators are manufactured with built-in 24/7 Connected Services connectivity, and maintenance of these elevators fits into the description of the activity **4.1 Provision of IT/OT data-driven solutions**.

In addition to elevators and escalators, KONE's offering includes automatic building doors. The description of the economic activity **3.5 Manufacture of energy efficiency equipment for buildings** includes NACE code C25.12, comprising manufacture of metal doors, windows and their frames, shutters and gates as well as metal room partitions for floor attachment. KONE's revenue related to manufacture of different types of doors and gates falls within this scope. The installation, service, and repair of these door and gate solutions is also considered Taxonomy-eligible based on the description of activity **7.3 Installation, maintenance and repair of energy efficiency equipment**.

KONE's vehicle fleet consists of about 19,000 vehicles. Based on the description of activity **6.5 Transport by motorbikes, passenger cars and commercial vehicles**, KONE has concluded that the capital expenditure on leasing costs of KONE's entire vehicle fleet are Taxonomy-eligible as related to category C Purchase of output from other companies' Taxonomy-eligible economic activities. KONE did not identify any capital expenditure related to categories A or B.

Taxonomy-alignment has not been pursued at this stage for the above-mentioned activities.

2.1.2 Assessment of Taxonomy-aligned activities

An activity is considered Taxonomy-aligned if it makes a substantial contribution to at least one of the six environmental objectives, does not significantly harm any of the other objectives, and meets minimum human rights and labor standards. In 2025, KONE identified Taxonomy-aligned activities under climate change mitigation and circular economy, and is reporting alignment for the following activities:

3.6 Manufacture of other low carbon technologies: One of KONE's pioneering eco-efficient solutions is the regenerative drive. When descending with a heavily loaded car or ascending with a lightly loaded car, elevators equipped with a regenerative drive can recover energy by converting the stored mechanical energy into electrical energy in the motor, which acts as a generator. This regenerated energy is then fed back into the building's electrical system, where it can be reused by other systems such as lighting or HVAC. The manufacturing of elevators with a regenerative drive fits under the EU Taxonomy economic activity 3.6 Manufacture of other low carbon technologies.

4.1 Provision of IT/OT data-driven solutions: KONE 24/7 Connected Services offers intelligent predictive maintenance through cloud connectivity. By continuously collecting data from connected equipment, the system enables real-time analysis and proactive decision-making to address potential problems before they cause disruptions. Advanced analytics assess the urgency of each issue, determining whether immediate action is needed or if it can be resolved during the next scheduled maintenance visit, resulting in more efficient and reliable service. Any elevator or escalator can be connected to 24/7 Connected Services by installing a connectivity device, while KONE's DX Class elevators come with built-in connectivity as standard. These connectivity-related activities fit into the EU Taxonomy economic activity 4.1 Provision of IT/OT data-driven solutions.

Activity 4.1 includes revenue from manufacturing DX Class elevators without a regenerative drive; other elevators and DX Class elevators equipped with a regenerative drive are included in activity 3.6.

5.1 Repair, refurbishment and remanufacturing: Elevators and escalators typically have long lifespans, which can be further extended through regular maintenance and modernization. KONE's Modernization solutions support the extension of product life-cycles by upgrading equipment in key areas such as energy efficiency, safety, and aesthetics. These upgrades not only enhance performance and user experience but also contribute to more sustainable building operations by reducing the need for full replacements. The description of the economic activity 5.1 Repair, refurbishment and remanufacturing entails repair and refurbishment of goods that have been used for their intended purpose before by a customer, and KONE's partial modernization business for elevators and escalators fits into the activity description. Activity 5.1 relates to products that are manufactured by economic activities classified under the

NACE code C28.22 Manufacture of lifting and handling equipment and is thus applicable to KONE's business.

2.1.3 Substantial contribution criteria

KONE has reviewed the substantial contribution criteria for economic activities 3.6, 4.1 and 5.1 and assessed its activities to be aligned.

Per the substantial contribution criteria set out in Annex I to regulation 2020/852 for activity 3.6, elevators equipped with regenerative drive demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative solutions available on the market, such as a modern elevator drive technology without the ability to feed electricity back to the building network. The amount of energy regenerated by the regenerative drive depends on the building type and elevator configuration, enabling potential energy savings of approximately 30–65%. Elevators equipped with regenerative drives make a significant contribution to climate change mitigation by improving energy efficiency.

In terms of circular economy, KONE 24/7 Connected Services meets the criteria of activity 4.1. The service identifies maintenance need and potential issues before they cause problems, enhancing safety, accessibility and extending equipment lifetime through data-driven recommendations.

Under activity 5.1, KONE's partial modernization solutions contribute to circularity by repairing and refurbishing existing equipment, thereby extending product life and reducing material use.

2.1.4 Do No Significant Harm assessment

A Do No Significant Harm (DNSH) assessment was conducted for the activities for which KONE meets the substantial contribution criteria, as listed above. KONE has a total of seven global R&D units and ten manufacturing units in the US, Mexico, EU, China, and India, with 200 most strategic material suppliers located near KONE's supply units. Elevators with regenerative drives, DX Class elevators, the connectivity devices for 24/7 Connected Services as well as partial modernization components are manufactured or assembled at KONE's factories, thus the same manufacturing operations-related DNSH assessments apply for all the Taxonomy-aligned activities.

Climate change adaptation

KONE has performed physical climate risk and vulnerability assessment as part of KONE's annual risk assessment process. KONE's risk and opportunity assessment includes a Climate Change Scenario Analysis based on International Panel for Climate Change RCP scenarios to help ensure that KONE's strategy is resilient to climate change in a range of possible future states. The risk assessment focused on the qualitative implications of climate-related risks and opportunities in key strategic performance areas of KONE's operations: direct material purchases, manufacturing operations, logistics and product and service design.

Based on the assessment, physical climate risks are not considered material. KONE has taken mitigating actions to ensure continued operations globally and actively develops business continuity management capabilities to reduce the impact and likelihood of disruptions within its supply chain.

Sustainable use and protection of water resources

Across KONE's global manufacturing operations, water is mainly used for sanitary purposes. The company sources water mainly from municipal water supplies, and wastewater is discharged into municipal wastewater treatment systems that comply with local regulations. Three of KONE's manufacturing units use minor quantities of water in their industrial processes, for example, in painting and coating processes with closed loop water circulation, and for cooling purposes. These manufacturing units monitor their water consumption and wastewater discharge parameters, perform the necessary sampling, and report to the local authorities according to the local regulation. Two out of KONE's ten manufacturing units have their own wastewater treatment systems, with regular third-party monitoring and permits in place.

Based on water risk assessment, four of KONE's manufacturing units are located in areas recognized with high levels of water stress. However, the impact at these sites is considered minor, as KONE's manufacturing processes require minimal water usage.

Environmental impact assessments as part of ISO 14001 certification including water impact assessment have been performed for all of KONE's manufacturing units.

Pollution prevention and control

KONE has assessed its aligned activities against the DNSH criteria for pollution prevention and control and confirms that it meets the criteria. These criteria prohibit the manufacture, marketing, or use of substances listed in several EU regulations governing chemical safety.

KONE applies systematic practices and a Supplier Code of Conduct and a Code of Conduct for own operations, with an environmental annex, requiring that substances, materials, components, and products, whether used in manufacturing or included in final products, comply with applicable EU legislation. The company continuously works to minimize the use of restricted substances and prioritizes materials that are environmentally, technically, and economically sustainable.

Some components in KONE's products contain substances addressed in the DNSH criteria, with lead being the most significant. KONE's product design and R&D sustainability experts have conducted a feasibility assessment to identify potential alternatives. Based on current market availability, no technically and/or economically feasible substitutes for lead have been identified.

Transition to a circular economy

KONE's main contribution to the circular economy focuses on the growth opportunity within the Modernization business. KONE's Modernization business offers modular, durable and energy efficient life-cycle solutions, that significantly reduce the use of primary raw material and improve equipment energy efficiency by up to 70%. Elevators typically have a lifespan of around 25 years and escalators around 15 years. With KONE's maintenance and modernization solutions, their lifetime can be extended significantly, reducing the need for premature replacements and supporting more sustainable building

Table 07. Nuclear and fossil gas related activities

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

operations. Modernization solutions enhance repairability and enable component-level upgrades, which can be recycled or reused. This approach significantly reduces life-cycle emissions. KONE is developing circularity further by reducing the use of materials, energy, and other resources across its solutions and operations. This includes optimizing material use through robotics, automation, and product design, as well as recycling waste and reusing packaging wherever possible.

KONE aims to maximize positive environmental impacts and minimize adverse ones throughout the entire product life-cycle, from raw material sourcing to end-of-life treatment. Up to 90% of the materials in KONE's solutions can be recovered, and products are designed for disassembly, reuse, and recycling. Modernization solutions also support circularity by enabling the renovation and repurposing of buildings.

While the current share of recycled content in KONE's products is relatively low, the company actively collaborates with suppliers to increase recycled metal content without compromising safety or quality.

Protection and restoration of biodiversity

All KONE's manufacturing units have undergone environmental impact assessments as part of their ISO 14001 certification. Mitigation and compensation measures are implemented in accordance with local regulations and integrated into KONE's environmental management and auditing processes.

In 2025, KONE confirmed that none of its manufacturing units are located in or near biodiversity-sensitive areas. KONE has both annual and long-term biodiversity targets (2030), which require that its manufacturing sites are not situated within or adjacent to UNESCO World Heritage sites, Natura 2000 areas, or other protected or ecologically sensitive zones.

2.1.5 Minimum social safeguards

Based on the assessment of the Minimum Safeguards criteria on human rights, bribery and corruption, taxation and fair competition, which are laid out by the EU Platform on Sustainable Finance, KONE has found its activities to be aligned.

KONE's Code of Conduct, Human Rights Policy, Anti-Bribery and Corruption Policy, Competition Compliance Policy and other related policies set out the principles and standards expected from KONE employees, KONE companies, suppliers, distributors and other business partners. KONE is committed to respecting and endorsing internationally recognized labor and human rights standards in its operations and across the value chain. KONE has a human rights due diligence process, consisting of impact assessments, third party due diligence, supplier screenings and internal assessments and surveys. To prevent bribery and corruption, KONE has developed a comprehensive anti-bribery and corruption program which includes thorough risk assessments, clear policies, mandatory training, and proactive measures.

2.1.6 Nuclear and fossil gas related activities

KONE does not engage in nuclear or fossil fuel gas related activities. For more details, see table 07.

2.1.7 OpEx

For operational expenditure (OpEx), KONE has defined its total OpEx (denominator) as EUR 310 million, based on the methodology specified in the Taxonomy Regulation. This figure includes research and development expenses, as well as costs related to the maintenance and repair of facilities and buildings, as well as short-term lease payments.

KONE did not identify any turnover-related or standalone Taxonomy-eligible or aligned operational expenditure.

2.1.8 Changes in KONE's Taxonomy reporting since 2024

Since 2024, there have been no adjustments to the scope of KONE's EU Taxonomy reporting. No new activities have been added, nor have any eligible or aligned activities been removed.

Table 08. Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

	2025			Substantial contribution criteria						DNSH criteria									
Economic activities	**Code**	**Turnover**	**Proportion of turnover, year N**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of taxonomy aligned (A.1) or eligible (A.2) turnover, year N-1**	**Category enabling activity**	**Category transitional activity**
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	2,372	21.1 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	16.7 %	E	
Provision of IT/OT data-driven solutions	4.1	1,990	17.7 %	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	17.8 %	E	
Repair, refurbishment and remanufacturing	5.1	1,265	11.2 %	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	9.9 %		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**5,627**	**50.0 %**	**42.2 %**	**0.0 %**	**0.0 %**	**0.0 %**	**57.8 %**	**0.0 %**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**44.4 %**		
Of which Enabling		4,362	38.8 %	21.1 %	0.0 %	0.0 %	0.0 %	17.7 %	0.0 %	Y	Y	Y	Y	Y	Y	Y	34.5 %	E	
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Manufacture of energy efficiency equipment for buildings	3.5	17	0.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1 %		
Provision of IT/OT data-driven solutions	4.1	53	0.5 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.5 %		
Sale of spare parts	5.2	9	0.1 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1 %		
Installation, maintenance and repair of energy efficiency equipment	7.3	90	0.8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**169**	**1.5 %**	**63.2 %**	**0.0 %**	**0.0 %**	**0.0 %**	**36.8 %**	**0.0 %**								**1.4 %**		
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		**5,796**	**51.5 %**	**42.8 %**	**0.0 %**	**0.0 %**	**0.0 %**	**57.2 %**	**0.0 %**								**45.8 %**		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		5,449	48.5 %																
TOTAL		**11,245**	**100.0 %**																

EL = Eligible; N/EL = Non-eligible

Total turnover as per KONE group reported figures. KONE's principles for defining turnover and capital expenditure can be found in notes 2.1. and 4 in the financial statements.

Table 09. Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

	2025			Substantial contribution criteria						DNSH criteria									
Economic activities	**Code**	**CapEx**	**Proportion of CapEx, year N**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Circular economy**	**Pollution**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1**	**Category enabling activity**	**Category transitional activity**
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Transport by motorbikes, passenger cars and commercial vehicles	6.5	153	30.8 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								30.6 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**153**	**30.8 %**	**100.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**								**30.6 %**		
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		**153**	**30.8 %**	**100.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**								**30.6 %**		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		343	69.2 %																
TOTAL		**496**	**100.0 %**																

EL = Eligible; N/EL = Non-eligible

Total CapEx as per KONE group reported figures. KONE's principles for defining turnover and capital expenditure can be found in sections 2.1., 4.3 and 4.4. in the financial statements.

Table 10. Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

	2025			Substantial contribution criteria						DNSH									
Economic activities	**Code**	**OpEx**	**Proportion of OpEx, year N**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Biodiversity**	**Minimum safeguards**	**Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year N-1**	**Category enabling activity**	**Category transitional activity**
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	**0.0 %**																
A. OpEx of Taxonomy eligible activities (A.1+ A.2)		**0**	**0.0 %**																
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		310	100.0 %																
TOTAL		**310**	**100.0 %**																

EL = Eligible; N/EL = Non-eligible

2.2 Climate Change (E1)

2.2.1 Material impacts, risks, and opportunities

Climate-related IROs are a strategic priority for KONE. These were identified through KONE's DMA, which builds on prior climate assessments and a deep understanding of the company's key climate impacts. Climate change adaptation and mitigation, along with energy, were confirmed as material topics for KONE.

Table 11 summarizes material climate-related IROs including information on time-horizons, value chain and management actions. For the process used to identify and assess material IROs, see section 1.5.

Table 11. Material impacts, risks, and opportunities related to climate change

Material topic (time horizon)	Material impacts, risks and opportunities[1]	Management response
Climate change adaptation in own operations and up- and downstream value chain (long-term)	↓ Physical risk Severe weather events may interrupt operations and increase the cost of doing business in KONE's factories or in the upstream supply chain or downstream delivery chain, including logistics routes.	• KONE develops business continuity management capabilities and harmonizes its products to increase resilience in case of disruptive events • KONE develops services helping customers with prior weather event loss prevention, stand-by maintenance during events and post-event status check and repairs
Climate change mitigation in up- and downstream value chain (long-term/ continuous)	↑ Positive impact KONE's solutions are designed for life cycle use with a long lifetime aiming for circularity, with professional maintenance and modernization, enabling lower lifetime energy consumption and GHG emissions. ↓ Negative impact Product-related emissions – lifetime energy consumption and materials – account for the majority of KONE's emissions ↓ Transition risk Reputational damage if KONE fails to meet its promised sustainability/climate-related targets in time	• KONE continues to develop low carbon offering to meet customer expectations and support them to meet their climate targets • KONE actively engages with its suppliers on climate topics
Energy in downstream value chain (long-term/ continuous)	↓ Negative impact KONE solutions are designed to last long (25 years for the elevators and 15 years for escalators). During their lifetime KONE solutions consume electricity.	• KONE continues to develop its energy efficient low carbon offering

[1] The table includes impacts, risks and opportunities with the further division of climate-related risks into physical or transition.

2.2.2 Scenario analysis

KONE completed its first climate change scenario analysis in 2023. As part of this analysis a resilience assessment was conducted to evaluate the organization's ability to maintain critical operations in the face of climate-related risks. This analysis is now embedded in KONE's broader risk assessment framework and is reviewed annually, with updates made on a regular basis. For details on the time horizons applied, see section 1.5.2. Key assumptions, inputs, and scenario drivers, including those related to the transition toward a low-carbon economy, are summarized in table 12.

In the initial phase, KONE focused on the qualitative impacts of climate-related risks and opportunities across strategic performance areas. These assessments considered both inherent and residual risks after existing mitigation measures. KONE is enhancing its capabilities for quantifying the financial impacts of material physical and transition climate risks, with the understanding that such efforts are subject to methodological and data limitations.

The scenario analysis covered all identified climate-related risks and opportunities in strategic performance areas of KONE's own operations such as:

- Direct material purchases (upstream value chain)
- Logistics (cross-cutting value chain activity)
- All manufacturing operations (own operations)
- Product and service design (own operations)

Although the downstream value chain was not directly included, product and service design are closely linked to downstream impacts. The analysis also explored how KONE can support the downstream value chain (customers) in mitigating damage during extreme weather events, such as hurricanes and floods, when their facilities and KONE equipment are at risk.

KONE also uses the ISO 14001 environmental assessment to enhance environmental performance by identifying, assessing, prioritizing and communicating potential risks and opportunities. This system sets common requirements for all KONE units to assess and mitigate material environmental risks related to their activities, products, and services, including life-cycle impacts. Risk identification and mitigation are further supported by regular internal and external audits. These activities cover corporate units, including all R&D and manufacturing units, as well as 33 major country organizations.

Climate scenarios

KONE's climate scenario assessment has drawn on multiple authoritative sources, including the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report – Working Group I, Swiss Re CatNet, and integrated SSP-RCP scenarios (Shared Socioeconomic Pathways, SSPs, informed by Representative Concentration Pathways). It is acknowledged that real-world political and societal developments may diverge from the assumptions embedded in SSP-RCP scenarios, particularly regarding the degree of global cooperation, which could influence the feasibility of mitigation and adaptation strategies. Additional uncertainties relate to assumptions about natural resource availability, the pace and practicality of technological advancements, and the effectiveness and implementation of policy measures.

The selected scenarios were considered representative of KONE's risk landscape, as they encompass a range of plausible warming pathways and socio-economic developments. These factors may shape global megatrends that align with KONE's strategic direction and directly affect its operational environment.

KONE's resilience under the scenarios

KONE evaluates both current and future risks associated with acute and chronic physical climate change impacts when deciding on new manufacturing or distribution center locations, as well as when expanding existing facilities. However, KONE has limited influence over suppliers or customers in the selection of their operating locations. Due to KONE's global footprint, the company can diversify its supply and delivery chain, reducing dependency on particularly exposed locations at any given time. Furthermore, KONE employs specialized, location-based software tools to continuously monitor its supply chain locations, including supplier manufacturing sites and physical risks related to climate change. This enhances KONE's ability to swiftly transition to predefined alternative supply chains when necessary.

KONE's strategy, Rise, emphasizes actions to cut carbon emissions in alignment with the Paris Agreement and the '1.5°C low carbon' scenario. Sustainability is integrated into the strategy as a key driver for profitable growth and differentiation. For more on the strategy, see section 1.4.1.

When conducting the scenario assessment, KONE has not identified any assets or business activities that are incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy.

Table 12. Scenario comparison and KONE's resilience under the scenarios

	SSP1	SSP2	SSP4
Reference temperature scenario from IPCC	"Low carbon" scenario 1.5°C warming pathway	"Middle of the road" scenario 2.7°C warming pathway	"High carbon" scenario 4°C warming pathway
Key inputs	Tightening regulation, severe weather events	Tightening regulation, supply chain interruptions, extreme weather events	Projected temperature and precipitation changes, expected severity of climate related weather events
Key drivers	Policies/regulations, technological change	Policies/regulations, technological change, resource use, extreme weather events	Extreme weather events, demographic changes, social and economic development, resource use
Scenario description (risks (-) and opportunities (+))	+ Ambitious, globally consistent regulations aiming at low-carbon economy + Moderate but less material- and energy-intensive economic growth + Increased demand for sustainable and climate resilient solutions already in short-term creating opportunities for KONE + Full transformation to renewable energy and electrification and focus on energy efficiency in medium and long term + High rates of technological progress in renewable energy, energy efficiency, digitalization and smart infrastructure + GHG emissions significantly reduced by 2050 + Limited business interruptions and material losses due to KONE efforts to enhance ability to anticipate, prepare for, respond to, and adapt to business disruptions - Physical changes cause occasional disruptions to KONE factories and supply chain.	- Current socio-economic development patterns continue. Economic growth is moderate but uneven between regions. - Energy intensity declines, but fossil fuels retain a substantial share of the energy mix -/+ Technological progress is steady but not transformative -/+ Tighter policies promote demand for KONE's energy efficient product offering in markets committed to the Paris Agreement -/+ Resilience challenge in short to medium term: less policy incentive to innovate leads to slower advancement in material efficiency, recycling infrastructure and new materials. May accelerate in the long term, when regulators recognize the need to take actions. - Disruptions in the availability of raw materials and increased price volatility in the long term - Global supply chains and logistic routes may face notable changes, affecting KONE's business - GHG emissions moderately increase until stabilizing around 2035 and turning to decrease around 2050	- Disorganized transition to low-carbon economy. Economic growth in wealthy regions only. Overconsumption of resources continues over the medium to long term. -/+ Growing energy demand in wealthy regions, met by renewables. Poorer regions rely on fossil fuels -/+ Advanced low-carbon technologies are concentrated in high-income regions - Non-integrated carbon markets, and increased carbon leakage due to differences in carbon regulations between countries -/+ Severe resilience risks to strategy: the demand for sustainable and climate resilient solutions grows in advanced economies, whereas in developing markets customers are not willing to pay for such solutions - Disruptions in supply chains and logistic routes due to extreme weather can lead to significant logistic cost increase for KONE - In the medium term, changes may be required in KONE's product design for the equipment to bear extreme heat and humidity to operate under such conditions - GHG emissions continue to rise but at a slightly reduced rate

Furthermore, there are no critical climate-related assumptions in KONE's financial statements.

2.2.3 Policies

Climate change adaptation

Key policies related to climate change adaptation are presented in table 13. These policies outline KONE's strategic approach to managing climate-related risks and opportunities.

KONE's Business Continuity Management Standard defines company-wide minimum requirements for crisis preparedness, disruption response, and business recovery, which are the core elements that underpin the company's resilience and ability to adapt to climate change. The standard provides structured guidance for identifying critical activities, evaluating potential impacts and risks, and establishing mitigation measures to prevent disruptions or enable timely recovery within defined timeframes.

Business continuity plans document high-impact disruption scenarios, including those related to physical climate risks. These plans specify roles and responsibilities for prevention, preparedness, emergency response, crisis management, and recovery for each scenario. The adequacy and effectiveness of these plans and associated mitigation measures are reviewed at least annually, typically in connection with crisis management exercises and audits.

Climate change mitigation and energy

KONE's commitment to the ten principles of the United Nations (UN) Global Compact initiative are embedded in its strategy, policies, and procedures, including KONE's Environmental Policy Statement which emphasizes KONE's pledge to reduce GHG emissions and minimize the environmental impacts of its solutions by promoting longevity, repairability, upgradability, digital connectivity, and energy-efficient offerings. Progress against the environmental targets is reviewed quarterly by KONE's Executive Board and annually by the Board of Directors. KONE's business processes are aligned with internationally recognized ISO standards. Among these,

Table 13. Key policies related to climate change

Management system	Material topics addressed	Scope	Management bodies	Last updated
Business Continuity Management Standard	E1 Climate change adaptation	All KONE units	Supply Chain leadership team	2025
Business continuity plans	E1 Climate change adaptation	All KONE units	Head of unit/function	2025
Environmental Policy Statement	E1, E5 Climate change mitigation, energy efficiency, circularity & resource use	All KONE units and global operations	President and CEO	2024
ISO 14001 integrated in KONE Management System	E1 Climate change mitigation, energy efficiency	All KONE units and key suppliers	EVP Supply Chain	2025
ISO 50001 Energy Management System	E1 Climate change mitigation, energy efficiency	Four local units	Local leadership teams and assigned function	location dependent
Global Facilities Policy	E1 Renewable energy	All KONE units	Executive Board, CFO	2021
Global Vehicle Policy	E1 Renewable Energy	All KONE units	Executive Board, EVP People& Communications	2024

ISO 14001 (Environmental Management System) and ISO 50001 (Energy Management System) are particularly relevant to enhancing KONE's sustainability performance. These standards support climate change mitigation efforts across KONE's own operations and those of its partners, fostering a culture of environmental responsibility in line with the UN Sustainable Development Agenda, the Paris Pledge for Action, and KONE's science-based targets.
While KONE's material topics primarily address the impact of greenhouse gas (GHG) emissions and energy use across the value chain, the company is also committed to reducing emissions and energy consumption within its own operations. The Global Vehicle Policy ensures the vehicle fleet is run and operated in line with KONE's environmental ambitions and objectives. The KONE Global Facilities Policy reflects this commitment by setting a target to transition all facilities worldwide to 100% renewable electricity by 2030. Progress toward this goal is tracked through quarterly reporting by all KONE units. For further details on data collection and monitoring, see section 2.2.7 and 2.2.8.

KONE's daily operations are governed by the KONE Code of Conduct and other internal policies and guidelines. The Code of Conduct mandates compliance with applicable laws and regulations and promotes high environmental standards across KONE's operations, suppliers, and customer interactions. The KONE Supplier and Distributor Codes of Conduct require business partners to comply with relevant environmental legislation, obtain necessary permits, and manage materials, energy, and emissions responsibly. For more information on these policies and their implementation, see sections 2.2.3, 2.3.2, 3.1.2, 3.2.2, 3.3.2, 4.1.2, and tables 13 and 31. All policies are accessible via KONE's internal systems, such as the intranet, and many are also publicly available.

2.2.4 Actions and targets

Climate change adaptation

To enhance resilience against the physical impacts of climate change, KONE is increasing the compatibility and interchangeability of components and assemblies in its existing and future products. This approach supports business continuity by enabling rapid adaptation when disruptions occur in the delivery chain or logistics routes such as the need to replace material or component suppliers, KONE factories, distribution centers, or shipment pathways with viable alternatives.

In 2024, KONE launched the first phase of its product harmonization initiative. This was followed in 2025 by targeted harmonization of selected components across operations in Europe and the Americas.

KONE conducts simulated crisis and business continuity management exercises at its manufacturing facilities to strengthen organizational preparedness and reduce the likelihood and impact of disruptions across its full delivery chain. These exercises form part of KONE's broader resilience strategy, which includes ten manufacturing facilities across seven countries, multiple distribution centers, and a globally distributed supplier network. This diversified footprint helps mitigate the effects of localized disruptions.

To further safeguard supply availability, KONE employs a range of proactive measures including alternative sourcing channels, long-term supplier agreements, and last-buy options for critical components and services. Additionally, KONE maintains a global property damage and business interruption insurance program to support recovery in the event of significant disruptions.

In terms of downstream adaptation, KONE continuously develops services, which help its customers with weather event loss prevention, stand-by maintenance during events and post-event status check and repairs.

Climate change mitigation and energy

The majority of KONE's GHG emissions originate from the lifetime energy consumption of its products (62%) and the materials used in production (35%) (scope 3, cat 11 and 1). In contrast, emissions from logistics (scope 3, cat 4) and internal operations (scope 1), such as the vehicle fleet and facilities, are minimal, each accounting for just 1%.

Target setting principles

KONE's science-based targets for Scope 1 and 2 as well as Scope 3 were set in 2020, validated by the Executive Board and approved by the Board of Directors, with the aim of aligning KONE's emission reduction activities with the overall business strategy and financial planning. In line

Table 14. Breakdown of KONE's main GHG Emissions by Source

Source	% of GHG emissions
Scope 3 Use of sold products (lifetime energy consumption of products)	62%
Scope 3 Purchased goods and services (Materials used in products)	35%
Scope 1 Direct emissions from fuel combustion and stationary sources (Vehicle fleet and facilities)	1%
Scope 3 Upstream Transportation and Distribution (logistics)	1%

with the SBTi's requirement for companies to review and update their targets at least every five years, KONE is currently undertaking a comprehensive review of its existing science-based targets. This process aims to ensure continued alignment with the latest SBTi criteria and standards.

The science-based targets cover 100% of KONE's Scope 1 and market-based Scope 2 emissions and almost 99% of KONE's Scope 3 emissions (category 1: purchased goods and services and category 11: use of sold products).

The science-based targets coupled with annual renewable electricity and carbon neutral operation targets form the basis for KONE's emission reduction plan and its global Climate Pledge to drive the needed emission reduction activities in KONE's own operations and related to its products and value chain. KONE's strategy and business model are compatible with the transition to a sustainable economy, and with the limiting of global warming to 1.5 °C in line with the Paris Agreement.

The science-based targets were set in collaboration with relevant internal stakeholders and global business units including the R&D, Innovation and Purchasing functions. In addition, Science Based Target initiative (SBTi) standards and criteria were followed in line with a cross-sector emission pathway compatible with limiting global warming to 1.5°C accounting for business growth in different geographical areas and business lines. The 2018 baseline was chosen in line with SBTi guidelines and criteria for a representative year which covered the most recent period for which the data was available at the time. SBTi has assessed and approved the targets, and the progress against the targets is externally assured annually. The emission reduction roadmap and business growth estimations are also reviewed annually to align with KONE's overall business outlook.

In order to reach the 2030 SBTi targets, KONE has set annual targets for scope 1 and 2. KONE also follows the progress of scope 3 regenerative drive penetration in deliveries.

Emission reduction roadmap

As a strategic framework, KONE's emission reduction roadmap outlines the company's approach to mitigating GHG emissions across its operations and value chain. Built on science-based targets, the roadmap serves as a long-term plan to guide decarbonization efforts. It defines key levers, near-term (2030) actions, and long-term (2050) vision across Scope 1, 2, and 3 emissions. The roadmap also supports transparency and sustainable growth throughout the organization and aligns with the strategic priorities of KONE's Rise strategy.

KONE's climate transition plan is planned to be published during 2026 and will be built upon KONE's existing emission reduction roadmap and will align with the ESRS requirements and latest SBTi framework. The climate transition plan will outline a comprehensive strategy for lowering greenhouse gas emissions and set a clear pathway toward achieving KONE's long-term 2050 climate goals.

Emission Reduction Targets by 2030

KONE has committed to reducing its Scope 1 and 2 emissions from its own operations by 50% by 2030, using 2018 as the baseline. This target is in line with limiting global warming to 1.5°C, which is currently the most ambitious criteria for setting science-based targets. Additionally, KONE targets a 40% reduction in the emissions related to its products' materials and lifetime energy use (Scope 3 emissions) over the same period, relative to orders received. KONE's emission reduction targets (Scope 1, 2 and 3), renewable energy target, and action plans are in line with its global environmental policies and standards. As part of KONE's annual budgeting process, all emission reduction targets are reviewed by the global sustainability team and validated

Table 15. Main components of the Emission Reduction Roadmap

Scope	Strategic Focus	Key Levers	Near-Term Targets (by 2030)	Actions (by 2030)	Long-Term Vision (by 2050)
Scope 1 & 2	Decarbonize own operations	• Transition to a low-emission vehicle fleet or no fleet (scope 1) • Increase share of renewable energy sources (scope 1) • Increase the share of renewable electricity and heat (scope 2) • Improve energy efficiency (scope 1&2)	• 50% Scope 1&2 GHG reduction from 2018 • 100% renewable electricity in facilities • Further electrification of vehicle fleet and energy efficiency upgrades • Carbon neutral manufacturing units	• Transition to low-emission vehicle fleet or no fleet • Optimize maintenance routes and activities • Utilize predictive maintenance to avoid unplanned visits • Upgrade facilities for energy efficiency • Switch to renewable electricity suppliers	**Industry leadership in sustainability and decarbonization** • KONE is actively evaluating the scope and implications of a future Net Zero commitment • Establish global leadership in sustainability and decarbonization across operations and value chain and accelerate decarbonization throughout the value chain via partnerships and innovation • Scale circular business models to reduce environmental impact and maximize resource efficiency • Advance KONE's Climate & Environmental Program and deepen sustainability expertise across the organization
Scope 3	Decarbonize value chain & products	• Improve the energy efficiency of products • Increase the use of low-carbon materials and components • Advance low carbon solutions • Enhance supplier collaboration, product innovation and strategic partnerships to enable low-carbon transformation	• 40% reduction in emissions per product ordered	• Expand predictive maintenance with 24/7 Connected Services • Increase use of energy-efficient electrification, smart technologies systems and regenerative drives • Improve material efficiency and circularity • Engage supply chain partners and in joint decarbonization efforts	
ESG integration	Governance, circularity, and innovation	• Promote circularity via a clear strategy and multiple pilot projects • Innovate and adopt lower-carbon materials, such as low-carbon steel and other sustainable alternatives • Accelerate data automation, accuracy and visibility across own operations and customer interfaces • Executive Incentives tied to sustainability KPIs (20%)	• Meeting KONE's science-based targets • Growth of revenue from sustainable solutions • Increased ability to capture sustainable opportunities • Sustainability trainings across key employee groups	• Build on circular business opportunities • Increase offerings that meet KONE's sustainability criteria and support climate change mitigation under the Cut Carbon shift	

by Executive Board members. Through this process KONE ensures both annual progress and that near-term 2030 goals are met.

KONE is dedicated to reducing electricity consumption within its own operations and has established a goal to raise the proportion of renewable electricity to 100% by 2030. By 2025, KONE attained a 99.6% share of renewable electricity.

KONE's Rise strategy places significant focus on emission reduction. For additional information on KONE's updated strategic approach see section 1.4.1. To support the strategy implementation, KONE has updated its Climate and Environmental Program at the end of 2025. Additionally, KONE provides targeted sustainability training for different employee groups. Starting in 2025, all employees are invited to participate in the "How to Talk Carbon" training, focusing on carbon reduction and KONE's climate goals. Leadership teams attend Sustainability Leadership Trainings on key sustainability topics. Personnel involved in sustainability efforts join info calls covering updates on Cut Carbon progress. Additionally, KONE actively supports climate and environmental initiatives internally, such as sustainability-themed days. Through these efforts, KONE enhances the level of internal sustainability knowledge while responding to increasing customer demand for sustainable products and services.

In 2025, KONE effectively advanced its emission reduction efforts by investing in the energy efficiency of its solutions and collaborating with suppliers to enhance material efficiency. These initiatives will continue into 2026 and beyond to support KONE's commitment to its 2030 targets. All emission reduction measures implemented in 2025 align with the company's climate change scenario analysis, ensuring long-term alignment with the Paris Agreement's 1.5°C goal. For more details, see section 2.2.2. KONE remains dedicated to achieving actual emission reductions across its operations, products, and value chain. Nonetheless, to achieve carbon-neutral operations by 2030, KONE plans to offset any remaining emissions.

KONE has identified key decarbonization levers to support its science-based targets by 2030 across Scope 1, 2, and 3 emissions. These include transitioning the fleet to electric vehicles, increasing the use of renewable energy and electricity, enhancing energy and material efficiency, and driving innovation through supplier engagement and product development. For a detailed overview, see table 16 and 17.

Scope 1 and 2 emissions

The environmental data includes both net and gross emissions for Scope 1 data. In addition to the mandatory gross emissions, KONE reports the net emissions achieved through verified renewable natural gas certificate offsets. Gross emissions are detailed in table 22, and net emissions can be found in the table's footnote.

KONE's scope 1&2 decarbonization path focuses on two key levers:

Vehicle fleet decarbonization: KONE focuses on decreasing Scope 1 emissions mainly by shifting towards a zero or low-emission vehicle fleet, or by eliminating the fleet altogether. KONE's vehicle fleet accounts for approximately 96% (2024: 92%) of its Scope 1 and 2 GHG emissions. The total carbon footprint of KONE's vehicle fleet decreased by 2% compared to 2024 and decreased by 5% compared to its 2018 emissions (109,000 tCO_2e).

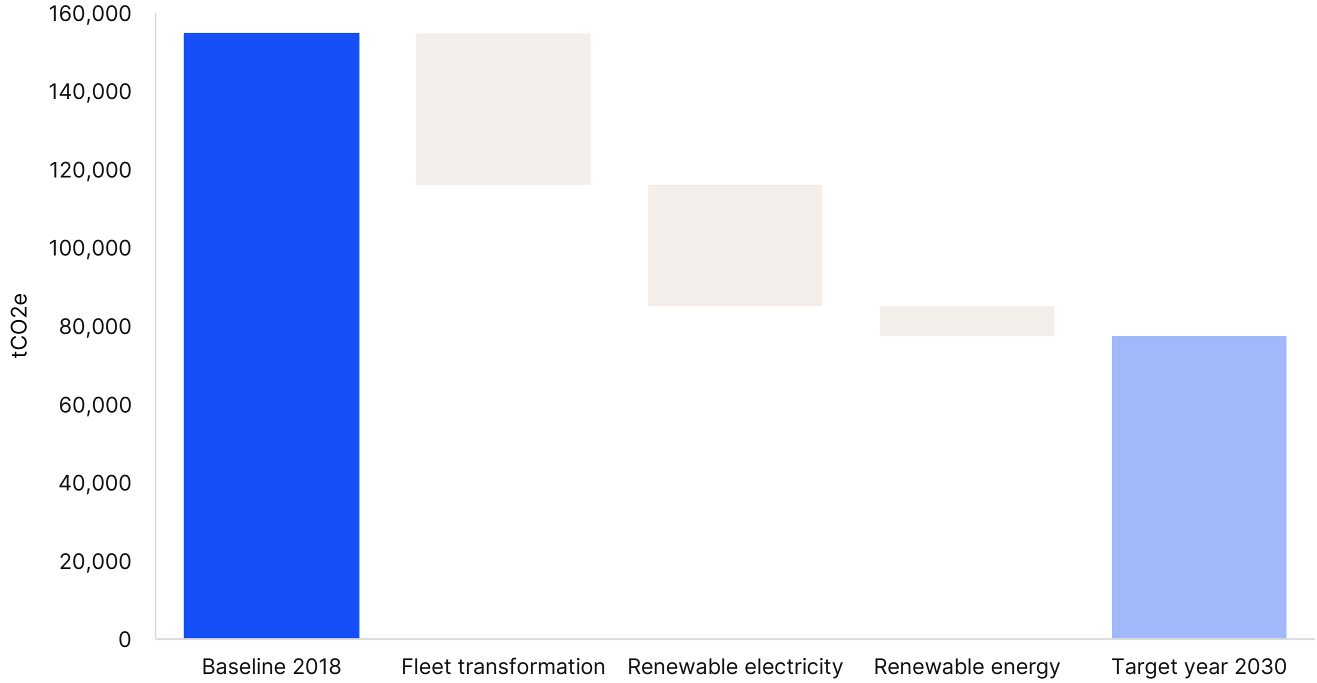
In 2024, KONE launched a strategy to reduce vehicle emissions in collaboration with its partners. The strategy included identifying technicians who could switch to electric vehicles (EVs), integrating EVs into subsidiary car policies, encouraging employees to choose low-emission vehicles, and installing EV charging stations. At the end of Q3 2025, 16% of KONE's global vehicle fleet was electrified. Accelerating the shift to electric vehicles is crucial for KONE to meet its 2030 emission reduction goals.

Facilities decarbonization: KONE is also focusing on reducing emissions through renewable energy and energy efficiency efforts at its manufacturing facilities. By the end of 2025, KONE's ten global manufacturing facilities achieved an 86% (2024: 82%) reduction in net Scope 1 and 2 emissions compared to the 2018 baseline. Solar panels were used at six of the ten sites, and two facilities continued to utilize green district heating in 2025. Since early 2023, all units have sourced 100% renewable electricity.

Additionally, in 2025 KONE reinforced its commitment to low-emission operations, e.g. through the transition from diesel and LPG forklifts to e-forklifts, and continued to optimize energy consumption in heating, ventilation, air conditioning, and lighting systems across its manufacturing operations. Investments in robotics and automation have further enhanced material and energy efficiency within the production process.

Furthermore, KONE has actively reduced market-based Scope 2 emissions by systematically improving energy efficiency and increasing renewable electricity usage throughout its operations. Total energy consumption in 2025 decreased by 4% compared to 2024, and increased by 4% compared to 2018 (507,900 MWh).

Table 16. Levers to reach Scope 1 & 2 emission reduction target by 2030



Scope 3 emissions

KONE has identified relevant scope 3 emissions in the following categories: 1. Purchased goods and services, 4. Upstream transportation and distribution, 5. Waste generated in operations, 6. Business traveling, and 11. Use of sold products.

KONE has conducted a screening of its major emission sources and recognized potential locked-in GHG emissions associated with the use of sold products (scope 3, category 11) when operated with non-renewable electricity by customers. KONE has not identified any locked-in GHG emissions that pose a risk of achieving its emissions reduction targets. The calculation methodology is described in section 2.2.8.

KONE's scope 3 decarbonization path focuses on three key levers:

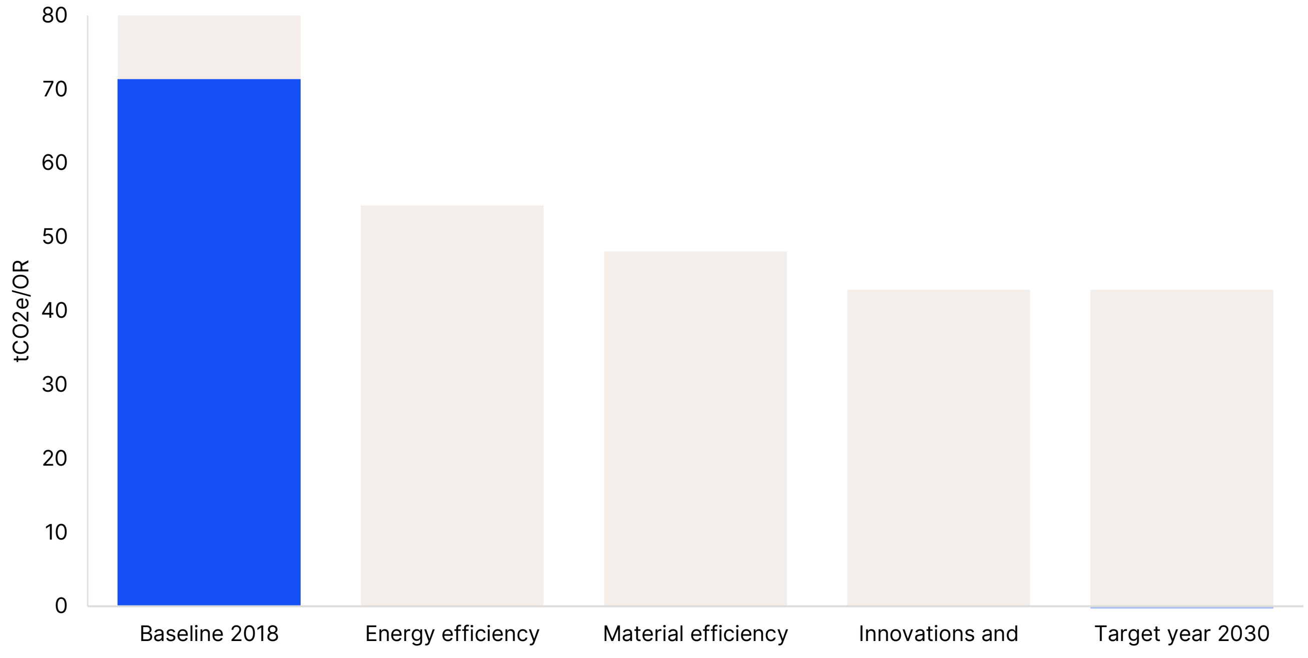
Energy-efficient solutions: KONE continuously advances its commitment to sustainability by designing and offering energy-efficient solutions across its product portfolio. This includes regenerative drives that recover energy during elevator operation, LED lighting to reduce power consumption, standby modes that minimize power demand when equipment not in active use, and group control systems that optimize traffic flow. During 2025, the improved energy-efficiency was achieved through an increased share of energy-efficient systems and regenerative drives in sold elevators. KONE has reached an important milestone in this journey in 2025, with over 60% of deliveries equipped with regenerative drives. In the future, KONE aims to increase the number of elevators with regenerative drive-in line with the company's ambitious emission reduction targets, thus also increasing the Taxonomy-aligned share of revenue. More on Taxonomy, see section 2.1.

Decarbonization of the energy market plays a vital role in reducing global GHG emissions. The increasing use of renewable energy and low-carbon grids helps lower the carbon footprint of energy consumed. This market shift also supports decarbonization across KONE's value chain.

Material efficienct in solutions: KONE continuously designs its solutions to maximize material efficiency. During 2025, KONE MonoSpace 4 DX was launched with optimized material efficiency. It leverages high-friction, high-tensile ropes that are approximately 70% lighter than traditional ones, significantly reducing material usage while extending rope longevity. The space-efficient machinery, including a smaller counterweight, compresses the system footprint by up to 50%, optimizing building space and lowering structural material demand.

Steel accounts for the majority of Scope 3 emissions associated with purchased goods and services in KONE's value chain. The global steel industry is currently entering a transition toward decarbonization, driven by regional regulations and innovation in low-carbon steelmaking technologies (such as hydrogen-based direct reduction).

Table 17. Levers to reach Scope 3 emission reduction target by 2030

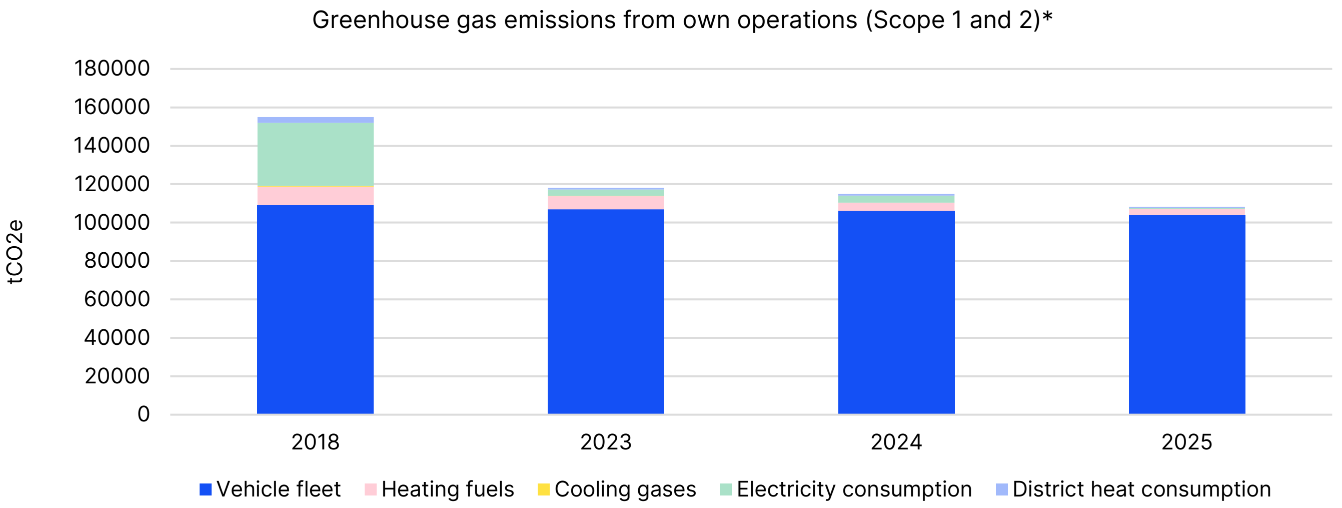


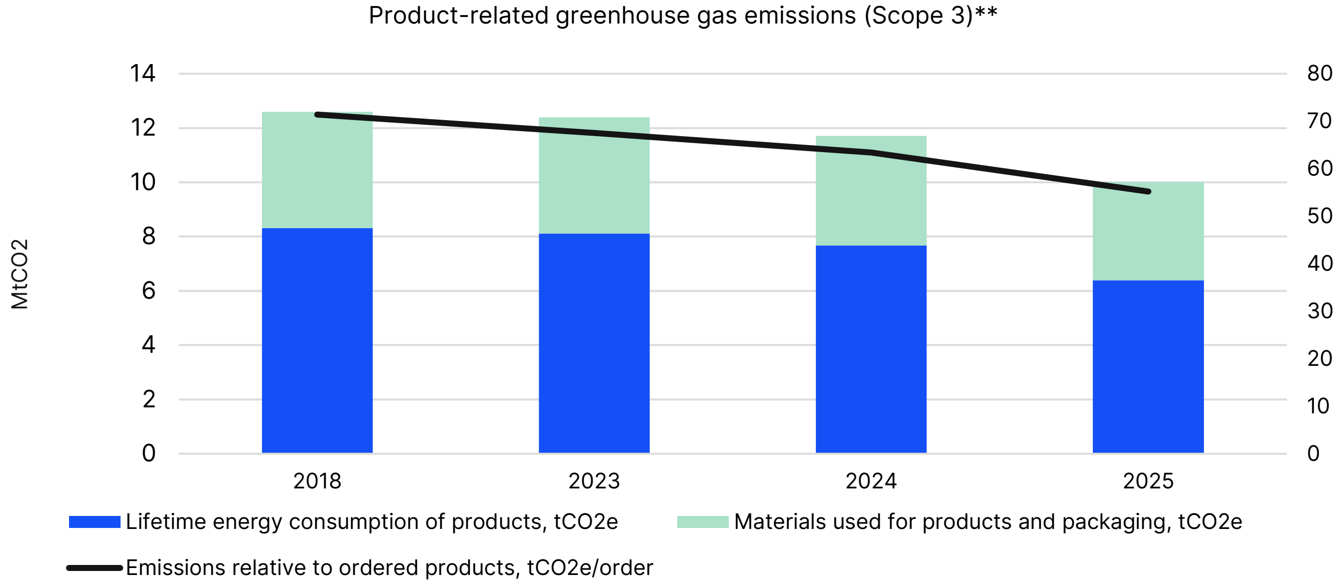
These market developments are expected to offer more options for decarbonizing Scope 3 emissions related to purchased goods.

Innovation and partnerships: KONE's R&D expenditure in 2025 continued to support the development of both new sustainable innovations and the enhancement of existing solutions and services. During the year, sustainability-linked R&D investments totaled EUR 45,5 million (2024: EUR 43.1 million), with key initiatives including the advancement of KONE's next-generation regenerative drive technologies. In parallel, KONE maintained ongoing investments in digital systems and operational tools aimed at improving resource efficiency, manufacturing sustainability, and overall value chain performance.

In 2025, KONE continued to engage closely with its key suppliers responsible for the majority of the company's Scope 3 emissions related to purchased goods. Building on the foundation laid in previous years, KONE actively collaborates with these suppliers through ongoing dialogue, supplier sustainability training programs, the development of emissions reporting, setting clear emission reduction targets and close follow-up on reduction actions and progress. During 2025, KONE updated the supplier sustainability scorecard focusing on reducing carbon, environmental data submission & compliance and human rights due diligence. This strengthens transparency and accountability throughout the value chain. KONE actively looks for new partners and ways of working to find alternative materials with lower embodied carbon emissions and to develop processes to reuse and recycle materials more effectively.

Table 18. KONE’s progress on science-based targets





* KONE’s environmental reporting covers over 90% of our Scope 1 and 2 emissions. The remaining emissions are extrapolated to cover 100% of KONE’s operations.
** The product-related Scope 3 calculations are based on latest life cycle assessment data and products ordered from KONE during the reporting year.

KONE’s Veturi program called The Flow of Urban Life, co-funded by Business Finland, fostered collaboration across a broad ecosystem, involving over 200 partners including companies, universities, and research institutions. While the program officially concluded in 2024, its outcomes materialized in 2025 through a range of innovative solutions. It established a corporate foresight network to strengthen Finland’s competitiveness and concentrated expertise in smart urban development. The program also enabled agile experimentation and piloting opportunities for small and medium-sized enterprises.

In the area of smart construction, KONE developed SiteFlow, a digital solution that streamlined elevator logistics on construction sites. This innovation allowed elevators to be used during construction, significantly improving efficiency and reducing delays. Pilots demonstrated substantial time and cost savings.

For smart buildings, the initiative advanced digital twin technologies to simulate and optimize people flow in urban environments. In field services, KONE introduced remote elevator maintenance and 24/7 service capabilities through cloud-connected equipment. Artificial intelligence and data analytics were used to predict faults and optimize service visits, resulting in lower emissions and improved technician experiences.

Sustainability was a core focus, with tools developed to predict energy consumption and carbon emissions across product life-cycles. The initiative promoted sustainable construction logistics and smart maintenance practices.

Performance against SBTi targets

KONE’s progress on science-based targets for scope 1, 2 and 3 are summarized table 18.

KONE’s annual and near-term (2030) emission reduction targets and base year information are detailed in table 22. Greenhouse Gas Emissions intensity. The metrics for KONE’s energy consumption and mix are presented in tables 19 and 20 and the energy intensity of KONE’s own operations in table 21. KONE’s GHG intensity per net revenue is introduced in table 23.

2.2.5 Carbon credits

KONE continues to commit to delivering actual emission reductions throughout its operations, product offerings, and entire value chain and has not included compensation in its science-based GHG emission reduction targets. Compensation is used only as a final measure to assist customers in achieving carbon neutrality. KONE compensates for both direct and indirect CO2 emissions associated with service activities under KONE Care DX service contracts. Additionally, KONE provided customers with the option to compensate embodied CO2 emissions up to the handover of selected KONE DX elevators. Following proactive emission reduction efforts across KONE's manufacturing facilities, the remaining emissions are compensated to maintain carbon-neutral manufacturing operations worldwide.

KONE partners with a third-party organization to offset emissions through carbon credits, selecting projects across various continents that deliver diverse climate benefits, including reforestation in Colombia, solar and biogas energy in Thailand, hydropower in China and Laos, wind and hydropower in Vietnam, and clean cookstove initiatives in Mali that prevent deforestation. All projects are conducted outside the EU and hold Gold Standard® certification. Beyond their positive climate impact, these initiatives also contribute to multiple United Nations Sustainable Development Goals (UNSDG), delivering social and environmental advantages to local communities.

A total of 32,500 tCO2e (2024: 28,900 tCO2e) equivalent outside of KONE's value chain was cancelled in the reporting period covering emissions in 2024 and 2025.

2.2.6 Internal carbon pricing

In 2025, KONE continued its pilot program for an internal carbon cost (initially launched in 2021) to drive the change and motivate all units to reduce their carbon emissions. The internal carbon cost functions as a shadow expense within KONE's operational profit and loss statement, meaning it is utilized solely for internal reporting purposes and does not result in actual cash transactions either within or outside the company.

The internal carbon cost covers KONE's total Scope 1 emissions (107,300 tCO2e in 2025) and market-based Scope 2 emissions (1,100 tCO2e in 2025), representing approximately 1% and 0.01% of KONE's overall GHG emissions. The price applied is EUR 100 per metric ton of CO2e, reviewed annually. This figure is based on the cost of emissions allowances (EUA) traded under the EU Emissions Trading Scheme (ETS), commonly used in the industry as a shadow price. KONE's carbon pricing framework is not aligned with the EU Taxonomy's screening criteria

2.2.7 Metrics

Table 19. Energy consumption

MWh	2025	2024	2023
Fuel from coal and coal products	0	0	0
Fuel from crude oil and petroleum products (of which 99% from vehicle fuels) [1]	415,000	424,500	421,700
Fuel from natural gas	10,900	15,900	28,700
Fuel from other fossil sources	0	0	0
Purchased or acquired electricity, heat, steam, and cooling from fossil sources	8,800	11,500	14,700
Total fossil energy consumption	434,700	451,900	465,100
Consumption from nuclear sources	0	0	0
Fuel consumption from renewable sources, including biomass	900	500	700
Renewable natural gas [2]	14,300	15,800	0
Purchased or acquired electricity, heat, steam, and cooling from renewable sources	67,800	69,700	65,100
The consumption of self-generated non-fuel renewable energy	9,200	8,600	6,200
Total renewable energy consumption	92,200	94,600	72,000
Total energy consumption	**526,900**	**546,500**	**537,100**

[1] Majority of crude oil and petroleum products comprise of vehicle fuels (410,900 MWh)
[2] Natural gas RECs/GOs

Table 20. Energy consumption by energy sources

%	2025	2024	2023
Fossil	83%	83%	87%
Nuclear	0%	0%	0%
Renewable	17%	17%	13%

Table 21. Energy intensity

Energy intensity [1]	2025	2024	2023
Energy intensity in KONE's own operations (MWh/MEUR)	47	49	49

[1] Energy intensity in own operations is not an operational target for KONE, but an ESRS reporting requirement. However, KONE constantly improves the energy efficiency of its products. Pursuant to EU regulation (EC) No 1893/2006, all KONE's revenue stems from operations in high climate impact sector including the manufacture of elevators, escalators and doors (NACE code C28.22 'Manufacture of lifting and handling equipment'). However, a substantial share (64%) of the total revenue in 2025 can be attributed to the non-high climate impact sectors, such as our Service and Modernization business. The energy intensity is calculated based on total energy consumption per the net sales from the consolidated activities. Refer to Section 2.1 in the Notes of the consolidated financial statement for information on the net sales.

Table 22. Greenhouse gas emissions

	Retrospective [2]					Milestones and targets [3,4,5]	
	Base year 2018	2023	2024	2025	% change between 2024 and 2025	2030, %	Annual % target/base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO2eq)	119,600	114,000	113,800[6]	110,200	-3%	-50%	-8%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)[1]	0	0	0	0	0	0	0
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO2eq)	36,900	32,000	31,500	29,800	-5%		
Gross market-based Scope 2 GHG emissions (tCO2eq)[8]	35,100	4,900	4,400	1,100	-75%	-50%	-97%
Significant Scope 3 emissions							
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)		12,530,600	11,837,500	10,181,000			
1. Purchased goods and services	4,285,300	4,288,100	4,026,700	3,614,600		-40% (per product order)	
4. Upstream transportation and distribution[7]		108,600	107,400	149,300			
5. Waste generated in operations		2,600	2,200	1,800	-18%		
6. Business traveling		18,000	20,500	21,400	4%		
11. Use of sold products							
Lifetime (included in total Scope 3)	8,308,800	8,113,300	7,680,700	6,393,900		-40% (per product order)	
Annual (excluded from total Scope 3)	387,600	364,000	352,200	292,500			
Total GHG emissions							
Total GHG emissions (location-based) (tCO2eq)		12,676,600	11,982,800	10,321,000			
Total GHG emissions (market-based) (tCO2eq)		12,649,500	11,955,700	10,292,300			

[1] KONE is not regulated under emission trading schemes.
[2] Biogenic emissions, not accounted for in the table, totaled 2,700 tons of CO2e.
[3] KONE has a combined target for Scope 1 and 2 emissions and an intensity target for the Scope 3 categories (1 & 11).
[4] KONE's Scope 3 intensity target (set in 2020) results in absolute emission reductions by 2030 based on Science-Based Target initiative's guidelines.
[5] KONE has reduced its net Scope 1 emissions by 30% compared to the 2018 baseline.
[6] Net Scope 1 emissions 107,300 tCO2 includes natural gas RECs/GOs certificates, gross emissions without certificates 110,200 tCO2. Total gross GHG emissions (location-based) were 10,304,800 tCO2e and total gross GHG emissions (market-based) were 10,276,100 tCO2e.
[7] The 2025 logistics calculation method has been updated, and therefore logistics figures from 2023 and 2024 are not comparable with 2025
[8] KONE's Scope 2 market-based emissions for 2023 and 2024 have been restated due to the adoption of more accurate emission factors in 2025

Table 23. Greenhouse gas emissions intensity

GHG intensity per net revenue [1]	2025	2024	2023
Total GHG emissions (location-based) per net sales (tCO2eq/MEUR)	916.6	1,079.7	1,168.6
Total GHG emissions (market-based) per net sales (tCO2eq/MEUR)	914.1	1,077.2	1,165.9

[1] The GHG emission intensity is calculated based on gross total location-based or market-based GHG emissions divided by the net sales from the consolidated activities. For more on net sales, see section 2.1 in the Notes to the consolidated financial statements.

2.2.8 Reporting principles

KONE employs an operational control methodology to consolidate energy consumption and GHG emission data. Initially, data is gathered at the subsidiary or manufacturing facility level and inserted into the environmental performance system, before being aggregated on a global scale. Manual data collection, estimations, and emission factors introduce some uncertainty into the environmental metrics. To mitigate this, KONE has implemented standardized emission reporting procedures over time, including detailed reporting guidelines, comprehensive training, and internal reviews and validations.

KONE follows the three standards provided by the Greenhouse Gas Protocol of the World Resource Institute and the World Business Council for Sustainable Development in its GHG accounting: the GHG Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance, and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The energy data collection accounts for 99% of KONE's Scope 1 and 2 emissions. Reporting principles and scope cover countries globally, including all KONE manufacturing sites.

Calculation principles for Scope 1 and 2 emissions

Energy consumption covers both direct and indirect Energy consumption covers both direct and indirect use of renewable and non-renewable electricity, liquefied petroleum gas (LPG), natural gas, district heating and self-generated electricity (such as solar power). Data is obtained from invoices and reports provided by third-party service providers. Activity data is gathered quarterly from the manufacturing facilities.

Scope 1 emissions have been calculated based on energy consumption data and national emission factors from the UK Department for Environment, Food and Rural Affairs (DEFRA) along with certain supplier-specific factors, such as biofuels used in Finland. Scope 1 net emissions presented in this statement include renewable natural gas RECs/GOs whereas the gross emissions (as shown in the GHG emissions table 22, footnote 6) are calculated excluding these. This approach aligns with the evolving reporting guidelines, concerning the purchase of biomethane certificates, which currently cannot be calculated into gross Scope 1 emissions. KONE acquires renewable natural gas in Canada through biomethane RECs and in France through Biomethane Guarantees of Origin.

Scope 2 emissions have been calculated using both market- and location-based methods. Renewable energy guarantees of origin subject to European Energy Certificate System (EECS) and Energy Attribute certificates (e.g., Renewable Energy Certificates (RECs), International Renewable Energy Certificates (I-RECs), Tradable Instruments for Global Renewables (TiGRs), have been acquired for the purchased renewable electricity. In 2025, KONE's purchased renewable electricity consumption consisted of close to 100% of contractual instruments, of which approximately 23% were used for the sale and purchase of energy bundled with attributes about energy generation and about 77% for the sale and purchase of unbundled energy attribute claims. Over 99% of KONE's Scope 2 energy use constitutes renewable electricity. In 2025, market-based Scope 2 emissions were 1,100 tCO2, with half from non-renewable electricity and half from district heating.

In the market-based approach, supplier-specific emission factors are applied for Finland and the Czech Republic, alongside data from the Association of Issuing Bodies (AIB) European Residual Mix Report and Reporting principles, as well as International Energy Agency (IEA) emission factors for untracked purchased electricity. KONE's Scope 2 market-based emissions for 2023 and 2024 have been restated due to the adoption of more accurate emission factors. This update resulted in an increase in reported emissions for 2023 and 2024; however, the figures are now aligned and comparable with the 2025 data. For the location-based method, emission factors from both AIB and IEA are utilized.

The direct biogenic carbon emissions are calculated by multiplying the energy in TJ (2025: 49TJ) of used biofuels with emission factors from Statistics Finland.

Calculation principles for Scope 3 emissions

KONE has reported all significant and relevant Scope 3 categories based on GHG Protocol Scope 3 Inventory guidelines. Annually, KONE assesses the relevance and magnitude of all Scope 3 categories and updates the inventory when needed. Emissions from Scope 3 category 1 purchased goods and services are calculated for KONE's two main product types, elevators and escalators, for new construction, and for those modernization projects where new elevator units are delivered to the customer. The total emissions are based on the most sold products in each region multiplied by the number of all products ordered during the reporting year and the life-cycle assessments for representative products in each region, which are lined with KONE's third-party verified Environmental Product Declarations (EPDs). Scope 3 emissions, which include product and value chain emissions, stem from activities outside KONE's direct control. The pace of decarbonization in related industries may influence KONE's ability to reduce these emissions.

To address this, KONE actively collaborates with key suppliers and customers to reduce emissions associated with materials and to explore innovative energy solutions in the countries where its products are deployed.

The emission factors are from the Ecoinvent V3.4 database or EPDs from the material manufacturers.

Scope 3 category 4 Upstream Transportation and Distribution (logistics) data covers the transportation of products from KONE's manufacturing units to distribution centers. Transportation to local warehouses or installation sites is included for cases where KONE's manufacturing units are responsible for transportation. Spare part deliveries are also within the reporting scope. Due to data availability constraints, limited inbound logistics of materials to KONE's manufacturing sites are included. Product and spare parts logistics data has been calculated using an in-house logistics emission calculation tool and emission factors from DEFRA.

Scope 3 category 5 Emissions for waste in own operations are calculated by multiplying the collected waste data with the emission factors retrieved from DEFRA for each waste type and treatment method. The calculation does not cover waste from KONE's installation sites, which is normally treated according to KONE customers' waste management processes and applicable laws and requirements.

Scope 3 category 6 Business air travel data has been collected from KONE's biggest travel agency and some local travel agencies. The emission calculations are aligned with DEFRA's methodology.

The Scope 3 category 11 operational carbon emissions of sold equipment are calculated based on lifetime energy consumptions and emission factors from the latest publication of the IEA. The average annual energy consumption is calculated from KONE's delivered products according to the ISO 25745 standards for the most sold configurations and expected usage profiles in each geographical region. The average annual energy use of products is multiplied by the expected lifetimes of 25 years for elevators and 15 years for escalators. These lifetimes reflect typical industry standards as defined in the Product Category Rules (PCR) for Lift Products and the complementary PCR for escalators and moving walks.

The emission factors represent the order quantity-weighted average emission factor for each region. The total global operational carbon emissions are calculated by multiplying the average operational carbon emissions of each region with the region-specific order quantities and then aggregating the results. KONE is constantly improving data quality by working with suppliers and partners for more transparent and efficient data.

Data estimation methods and outcome uncertainty

As energy consumption and waste data are not consistently available in real time or immediately after the close of each reporting quarter, KONE has estimated its fourth quarter (Q4) figures. To improve data quality and accuracy energy and waste consumption, as well as Scope 1, Scope 2, and Scope 3 (category 6) emissions for Q4, have been calculated based on the average of actual data from Q1–Q3/2025. For consistency, Scope 3 (categories 4 and 5) are extrapolated in a similar manner.

Similarly, KONE estimates the yearly order quantities required for Scope 3 category 1 and 11 calculations for Q4 based on previously known data.

These estimation techniques introduce an inherent level of outcome uncertainty, as actual Q4 values may deviate from averages or estimates applied.

Changes in 2025

In 2025, KONE's Scope 3 category 1 purchased goods and services figures have been calculated to ensure geographic consistency with the baseline year and improve comparability. As a result of this update, Scope 3 category 1 figures for 2023 and 2024 have been restated, resulting in a 3% decrease for 2023 and a 2% decrease for 2024.

KONE's Scope 3 cat 4 greenhouse gas emissions related to logistics (transportation and distribution) amounted to 149,300 tCO_2e, representing a 39% increase from 2024 (107,400 tCO_2e). This deviation is primarily attributable to a methodological refinement: emission factors for freight transport were updated to reflect more accurate values. As a result, the reported emissions more accurately reflect the environmental impact of logistics operations, even though the underlying transport volumes remained relatively stable year-on-year. In addition, the 2024 Scope 1, Scope 2, and Scope 3 (categories 5 and 11) emissions have been restated following the receipt of the actual values for Q4 2024.

EU Paris-aligned Benchmarks

Considering the exclusion criteria stated in the Article 12 of the Commission Delegated Regulation (EU) 2020/1818, KONE is not excluded from the EU Paris-aligned Benchmarks.

2.3 E5 Resource use and circularity

2.3.1 Material impacts, risks, and opportunities

KONE has identified resource use and circularity as a material financial opportunity, with its Modernization business positioned as a key growth driver, supported by a global market of over 10 million units ready to be modernized. Modernization and Service business lines represent over 60% of KONE's sales, signaling the shift towards a circular business approach. As part of the Rise Strategy, the Cut Carbon and Drive Modernization shifts both accelerate sustainable and circular growth, through innovative, energy efficient solutions and material resource optimization.

The material opportunity is described in table 24, which includes relevant information on time-horizon, value chain information and the management actions taken to address the IRO. For the process used to identify and assess material IROs, see section 1.5.

KONE's solutions are designed to help customers extend the lifetime of their buildings by safely prolonging the lifespan of elevators and escalators, while simultaneously reducing the carbon footprint of both the equipment and buildings. Elevators and escalators typically have a lifespan of around 25 years for elevators and 15 years for escalators. With KONE's maintenance and modernization solutions, the lifetime can be extended even further for both escalators and elevators, significantly reducing the need for premature replacements and supporting more sustainable building operations. By integrating connectivity into equipment modernization, KONE enables intelligent maintenance capabilities and enhance KONE's ability to proactively identify future modernization needs. Furthermore, by growing KONE's service base and addressing opportunities outside it, the company can capture additional modernization opportunities.

Table 24. Material impacts, risks, and opportunities related to resource use and circularity

Material topic (time horizon)	Material impacts, risks and opportunities[1]	Management response
Resource use and circularity in own operations (long-term)	↑ Opportunity Modernization business minimizes primary raw material use, improves energy efficiency, and contributes to lower life cycle emissions.	• KONE develops the modernization offering with principles of durability, modularity, upgradability, digital connectivity and disassembly to build long term capabilities in line with a life cycle business model

2.3.2 Policies

KONE's Environmental Policy Statement outlines the company's purpose of shaping the future of cities to be more sustainable and circular by improving the life-cycle impacts of its solutions through circular design. This policy also supports the prevention of waste generation by extending the lifetime of products and equipment and waste minimization through circular approaches. See the table 13 for key policies related to resource use and circularity.

Beyond policy commitments, KONE's solutions are developed based on core design principles of durability and modularity, ensuring long-lasting and sustainable performance. For example, the Design for Disassembly guidelines enable easy deconstruction of products, encouraging modernization, resource efficiency and material recovery throughout the life-cycle. KONE Design for Reliability guidelines ensure that product designs are tested to for performance in diverse environments, ensuring long life-cycles across varying climates. Together, these design frameworks support the implementation of KONE's circularity ambitions outlined in the Environmental Policy Statement.

2.3.3 Actions

KONE's Modernization business offers modular, durable and energy efficient life-cycle solutions, that significantly reduce the use of primary raw material and improve equipment energy efficiency by up to 70%. Modernization solutions enhance repairability and enable component-level upgrades, which can be recycled or reused. This approach significantly reduces life-cycle emissions, as verified by KONE's Life-cycle Assessments (LCAs), conducted in accordance with internationally recognized ISO 14040 and ISO 14044 standards.

Depending on the stage of the equipment life-cycle and the needs of the building, there are different types of KONE modernization packages available for customers, with options for both KONE equipment and non-KONE equipment. With KONE Replace, a new solution is installed to replace an old one, through which the life-cycle of the building is improved with new technology. KONE AddNew modernizes and extends the life of old buildings and improves future accessibility by retrofitting a new solution into existing buildings. KONE Upgrade offers circular benefits for customers, by strategically upgrading and improving specific components of the solution within the building. KONE Upgrade aligns with activity 5.1 Repair, refurbishment and remanufacturing in the EU Taxonomy, representing 11,2% of KONE's Taxonomy aligned revenue in 2025. The KONE 24/7 Connected Services predictive maintenance supports all modernization efforts by enabling condition-based upgrades to extend the life span of the equipment while reducing unnecessary maintenance calls and downtime.

KONE is actively developing its Circularity Strategy to further support the strategic targets of the Rise Strategy, aiming to create long-term customer value and enhance KONE's global circularity offering through various pilots, projects and partnerships.

During 2025, KONE launched the KONE Renaissance Program, a five-year global research, development, and innovation initiative co-funded by Business Finland. The initiative brings together key industry stakeholders to drive new sustainable innovations and business models. The focus lies on transforming existing buildings to low emission living and working by 2030. The program supports KONE in meeting customer needs globally and supports the company's ambition to transform urban renewal through digital and sustainable modernization.

2.3.4 Targets

KONE has defined a voluntary target related to resource use and circular economy opportunities within KONE's modernization business as a part of the Rise Strategy. KONE has a mid-term target of double-digit growth for its global Modernization business. In 2025, KONE achieved close to 15% growth in Modernization business compared to 2024.

The target was set in alignment with key stakeholders of the strategy development process. The target aligns with KONE's long-term circularity objectives established in the Environmental Policy Statement that outlines KONE's commitment to the circular and sustainable transformation of cities.

The data used for the target has been assured in the financial assurance process and progress against the targets will be reported annually. See the Annual Review for detailed financial information. KONE's circularity initiatives and targets will continue to be developed in 2026.

3. Social information

3.1 Own Workforce (S1)

3.1.1 Material topics, risks, and opportunities

Working conditions in own operations, relating to health and safety, are identified as a material topic for KONE. For details on the process used to identify and assess material IROs, see section 1.5. Material IROs related to own workforce are described in table 25, which includes relevant information on time-horizon, value chain information and the management actions taken to address the IRO.

Given KONE's global footprint in new building, modernization and service activities, the company has recognized various potential health and safety impacts for its own workforce. Inadequate safety measures can result in increased incident rates, serious injuries or even fatalities.

All people in KONE's own workforce who could be materially impacted by KONE are included in the scope of this disclosure. Certain worker groups, especially those working on construction or maintenance sites face elevated exposure to occupational hazards due to the nature of their work. Data from KONE Safety Solution (KSS), KONE's global web-based safety reporting platform, show that some worker group, especially those involved in installation and maintenance activities are exposed to the highest safety risks. KONE has identified contact with moving objects and falls from height as the primary scenarios leading to serious injuries. The most common types of work-related injuries include cuts, strains, bruises, and contusions.

KONE recognizes that it operates in countries where there is a higher risk of human rights violations, including risks of child and forced labor. Within its own operations, elevated risks of forced labor have been identified in outsourced facility services such as cleaning, catering, and security. In South-East Asia, the risk of child labor is notably higher. KONE's highest risks, however, are found in its supply and delivery chains, particularly in Africa, Asia, and China. Although human rights are not considered material for KONE based on the DMA, KONE continuously monitors risks and impacts relating to human rights. More on human rights policy and management, see sections 3.1.2, 3.1.3 and 3.1.4.

By embedding KONE's core principles of safety, quality and sustainability into KONE's operations and strategy, KONE ensures that it addresses material impacts on its workforce effectively. This commitment is supported by KONE's integrated management system, described in section 3.1.2., and the establishment of specialized boards and committees that provide strategic oversight and drive continuous improvement in management practices.

Table 25. Material impacts, risks, and opportunities related to own workforce

Material topic (time horizon)	Material impacts, risks and opportunities	Management response
Health and safety in own operations (medium-long-term)	↓ Negative impact KONE operates in an industry that poses multiple safety risks. With installation and service operations conducted worldwide, we have identified several potential health and safety impacts on our workforce, particularly those involved in tasks on the mentioned sectors. A failure in safety measures can result in increased incident rates, and individual serious injuries, or even fatalities.	• Integrated management system, including health and safety, as well as risk management framework, applicable to the full scope of own workforce • Inclusive approach to health and safety practices, involving non-employees into company safety initiatives such as safety campaigns, and setting requirements for their competency, methods and tools

KONE's workforce characteristics and numbers

KONE's own workforce is composed of three main groups: KONE employees, agency workers, and self-employed contractors, of which KONE employees represent the majority. KONE employees include permanent employees, fixed-term employees and trainees. The workforce operates across 68 countries globally, working in KONE offices and manufacturing facilities, as well as at customer sites.

Employee numbers are reported as headcount, with demographic data sourced from KONE's Human Resources system at the end of each reporting period. Some recently acquired KONE units are excluded if detailed personnel data is not yet available. In other sections of the Board of Directors' Report, employee figures are presented as full-time equivalents (FTEs), which include staff from recent acquisitions. As a result, employee total figures may vary slightly across sections of the Annual review. These variances are not considered significant. For detailed information on employee FTE headcount, see tables 26-30.

Table 26. Employee headcount in top 10 countries

Country	Number of employees 2025 (headcount)	Number of employees 2024 (headcount)
China [1]	20,441	21,783
India	6,149	5,731
United States of America	5,698	5,721
France	3,397	3,287
Germany	2,965	2,922
Finland	2,809	2,643
Italy	2,184	2,097
United Kingdom	1,837	1,800
Australia	1,208	1,169
Mexico	1,175	1,147

[1] China is the only country that falls under the ESRS disclosure requirement, all other countries are voluntarily disclosed.

Table 27. Employee headcount by contract type and region

Headcount	Americas	APMEA	Europe	Greater China	Total
Number of employees	8,036 (7,961)	13,160 (12,407)	21,874 (21,070)	21,701 (22,964)	64,771 (64,402)
Number of permanent employees	8,030 (7,955)	12,856 (12,146)	20,965 (20,266)	21,363 (22,821)	63,214 (63,188)
Number of temporary employees [1]	6 (6)	304 (261)	909 (804)	338 (143)	1,557 (1,214)
Number of non-guaranteed hours employees [2]	3 (n/a)	8 (n/a)	15 (n/a)	18 (n/a)	44 (n/a)
Number of full-time employees [3]	8,034 (7,959)	13,143 (12,376)	21,087 (20,311)	21,700 (22,964)	63,964 (63,610)
Number of part-time employees [3]	2 (2)	17 (31)	787 (759)	1 (0)	807 (792)

Figures in brackets are values for year 2024
[1] Includes students and trainees
[2] In 2024 non-guaranteed hours for employees could not be reported because the data was not collected in HR systems.
[3] Voluntary disclosure

Table 28. Employee headcount by gender

Gender	Number of employees 2025 (headcount)	Number of employees 2024 (headcount)
Male	55,363	56,269
Female	7,879	7,631
Other [1]	12	13
Not reported [2]	517	489
Total employees	64,771	64,402

[1] In some countries it is possible for persons to legally register themselves as having a third, often neutral, gender, which is categorized as 'other' in the table above.
[2] Employees migrated from other system without recorded gender or recent hires who have not yet recorded their gender data in KONE HR system.

Table 29. Employee headcount by contract type and gender

Headcount	Female	Male	Other [1]	Not reported	Total
Number of employees	7,879 (7,631)	56,363 (56,269)	12 (13)	517 (489)	64,771 (64,402)
Number of permanent employees	7,642 (7,435)	55,137 (55,353)	11 (12)	424 (388)	63,214 (63,188)
Number of temporary employees [2]	237 (196)	1226 (916)	1 (1)	93 (101)	1,557 (1,214)
Number of non-guaranteed hours employees [3]	5 (n/a)	39 (n/a)	0 (n/a)	0 (n/a)	44 (n/a)
Number of full-time employees [4]	7,494 (7,263)	55,946 (55,855)	12 (13)	512 (479)	63,964 (63,610)
Number of part-time employees [4]	385 (368)	417 (414)	0 (0)	5 (10)	807 (792)

Figures in brackets are values for year 2024
[1] Gender as specified by the employees themselves
[2] Includes students and trainees
[3] In 2024 non-guaranteed hours for employees could not be reported because the data was not collected in HR systems.
[4] Voluntary disclosures

Table 30. Number of employees who have left KONE during the reporting period

	2025	2024
Employees that have left KONE	7,632	7,793
Total rolling 12-month turnover rate [1]	12.2%	11,5%

[1] Total turnover 2025 (12.2%) = Permanent employee + Expatriate leavers (7,632) divided by average headcount in last 12 months (62,665). Fixed term and Trainee employees (530) are not counted in the turnover.

3.1.2. Policies

Health and safety commitment policies

Recognizing that health and safety management is a cross-functional responsibility, KONE has implemented several policies addressing health and safety impacts on its own workforce. These policies are summarized in table 31.

Adherence to KONE policies, rules, and established working methods is assessed through the KONE management system audit scheme, which covers 100% of the company's business units. The results from the audit scheme are systematically used to improve safety performance by developing corrective plans and following up on implementation. Potential conflicts between efforts to prevent or mitigate negative health and safety impacts and competing business demands are managed by utilizing a cross-functional safety governance model. For details on KONE's governing bodies for health and safety, responsible for aligning policies with strategic objectives, se section 3.1.3. For information on KONE's cross-functional sustainability governance, including safety, see section 1.3.1.

Human rights policy commitment

Health and safety is one of KONE's salient human rights, and one of KONE's non-negotiable core principles, forming an integral part of the company's broader commitment to respecting human rights. KONE is committed to respecting and endorsing human rights including those set out in:

- The International Bill of Human Rights
- The United Nations Guiding Principles on Business and Human Rights
- The basic labor rights as defined by the International Labour Organization (ILO) including the ILO Declaration on Fundamental Principles and Rights at Work
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises

KONE's publicly available Human Rights Policy details KONE's role, objectives, and responsibilities in fulfilling its commitment. The policy is reviewed annually as part of KONE's policy review process. In line with ILO standards, KONE strictly prohibits all forms of child labor. The policy states that KONE does not employ workers under the age of 15 or below local mandatory schooling age, whichever is higher, and has set the minimum age for hazardous work at 18. The Human Rights policy also prohibits all forms of modern slavery, including forced labor across KONE's operations and value chains. KONE ensures timely compensation for employees, including contractors, temporary workers, and part-time staff, with no unlawful deductions or withdrawals or practices that may indicate forced or exploitative labor.

KONE adheres to all applicable local laws, relevant ILO conventions and industry standards regarding working hours, wages, benefits, and overtime.

In cases where local legislation conflicts with ILO or other relevant standards, such issues are escalated to the Sustainability Disclosure Board, which is accountable for human rights governance at KONE. As a committed participant in the UN Global Compact, KONE has integrated its principles, including those related to human rights, into the company's policies and procedures.

Global Management Systems

KONE Global Management System integrates quality, environmental, health and safety management to support strategic initiatives, and drive consistent, high-standard practices across all operations. It encompasses all global activities, offerings, and services, aiming to deliver customer value, while ensuring safe and sustainable business performance. The system provides, for example, directives for workplace accident prevention and occupational health and safety management in addition to local laws.

The integrated management system adheres to Quality management (ISO 9001), Environmental management (ISO 14001) and Occupational Health and Safety management (ISO 45001) standards, covering 100% of its own workforce, including contractors.

To drive continuous improvement, business units are certified to reinforce KONE's commitment to safety, quality, and environment. In addition to KONE's global management system, many KONE units are covered under the KONE group-wide certification OneISO', while others maintain individual certificates, issued by local accredited bodies. Some units have additional local or international certificates including Information Security management (ISO 27001), Energy Efficiency Management (ISO 50001) and/or the Lifts Directive 2014/33/EU, that all further enhance the health and safety of both workers as well as consumers and end-users.

KONE is actively working to expand the scope of its group certificates and gradually integrate local certifications into the unified OneISO framework. The onboarding of additional KONE units under the group certificates supports the harmonization of global management practices and ensures compliance with both international standards and KONE operating model (KONE Way).

The table 32 shows the proportion of employees covered by ISO certifications, either local or OneISO certificates, relative to KONE's global headcount.

Table 32. Share of KONE employees working in an ISO certified unit

ISO standard	Share of employees 2025	Share of employees 2024 [1]
ISO 9001	87%	87%
ISO 14001	77%	78%
ISO 45001	67%	58%

[1] The 2024 figures were restated following the identification of a calculation error

3.1.3 Actions

Engaging with own workforce

KONE is committed to being a great place to work for, empowering employees and actively involving them in shaping their workplace experience. The company's annual global engagement survey, Pulse, plays a central

Table 31. Key policies related to health and safety management, human rights and business conduct

Policy	Topics	Scope	Short description of content	Management bodies	Published/Updated
Global Management System	S1, S2, S4	All KONE entities and units, own workforce, contractors and partners	Global management system designed to ensure high and consistent health and safety standards across all operations worldwide.	Executive Board	02/2025
Health and Safety Policy Statement	S1, S2, S4	Own workforce, partners and users of KONE equipment	KONE's commitment to the applicable safety requirements. Provides a framework for safety objectives and responsibilities.	President and CEO	12/2024
Risk Management Policy	S1	All KONE entities	All KONE processes, procedures, facilities and premises shall be safe without compromising the health of employees and are designed and maintained in accordance with established safety standards.	Executive Board	10/2023
Global Facilities Policy	S1, S2	All KONE units, offices and warehouse spaces for KONE operations	Harmonized selection and management of KONE facilities, with the objective of providing safe and secure workplace for every user of the facility.	EVP Supply Chain, Global Category Manager Facilities, Local Owners	01/2022
Premises Security Policy	S1, S2	All new or significantly renovated KONE facilities	Outlines physical security measures for KONE-operated premises, whether owned or leased. Facilities must have documented, executed, and tested emergency procedures and, annual evacuation and rescue drills.	Executive Board	10/2023
Installation Policy	S1, S2	All KONE entities and units; own workforce, installation subcontractors	Requirements on KONE's installation works ensuring correct and safe installation, including the usage of KONE approved installation methods and tools or risk assessment requirements.	Head of Delivery Operations Development	01/2022
Travel Policy	S1	Own workforce	Guidance for work-related travel, including risk assessments and security advice as well as guidance on employee well-being during travel.	Executive Board	06/2022. Available in >30 languages at kone.com
Human Rights Policy	S1, S2	All KONE entities; own workforce and value chain workers	KONE's role, objectives, and responsibilities with respect to its human rights commitment.	Executive Board	11/2022. Available in >10 languages.
KONE Code of Conduct	S1, S2, S4, G1	Own workforce and all KONE companies	The responsible and ethical conduct expected of KONE employees and companies.	Executive Board	08/2025 Available in 7 languages
Supplier Code of Conduct	S2	All suppliers, including suppliers' own workforce, suppliers, and third parties	The ethical business practice requirements expected from suppliers, covering health and safety, bribery and corruption, labor and human rights, and environmental issues.	VP Global Compliance	01/2020
Distributor Code of Conduct	S2	All distributors, including distributors' own workforce, customers, suppliers, and third parties	The ethical business practice requirements expected from distributors, covering health and safety, bribery and corruption, labor and human rights, and environmental issues.	VP Global Compliance	09/2021
Third party due diligence policy	S1, S2, G1	All KONE entities and employees and extends across the value chain to suppliers, subcontractors, distributors, agents, joint venture partners, acquisition targets, and other third parties	KONE's zero tolerance for bribery, corruption, and other illicit activities, and defines how business partners are identified, assessed, and monitored from a compliance perspective.	Executive Board	2025
Codes and Standards Policy	S4	All KONE units	KONE's expectations for its business units and employees to adhere to all relevant codes, standards, and regulations in the provision of KONE solutions and services.	Executive Board	10/2023. Available in >30 languages at kone.com
Customer Solutions Engineering Policy	S4	All KONE units	Key principles for delivering safe, high-quality engineering work that meets all relevant laws, codes, and standards.	Executive Board	02/2019
Anti-Bribery and Corruption (ABC) Policy	G1	Own workforce	KONE's zero tolerance for bribery and corruption, covering risk-based prevention approach, and compliance and reporting guidance for employees	Executive Board	09/2023
Global Delegation of Authority Policy	G1	Own workforce	Defines when matters need to be escalated to Executive Board Members, CEO or Board of Directors.	Executive Board	08/2025

role in fostering transparency and gaining insights into the employee experience at KONE.

Survey results are made available each year to people leaders and people partners in each business unit through an online dashboard. Leaders develop action plans, communicate results to their teams, and focus on turning survey findings into concrete improvements that enhance their work environment.

The 2025 Pulse Survey results show continued strength in the Engagement Index, reflecting a stable and positive trend. The survey also highlights growing momentum in employees' sense of inclusivity and well-being. With a 92% participation rate, the results reflect strong engagement and trust in the process, reinforcing the belief that employee voices are heard and acted upon.

KONE's dedication to fostering an inclusive and supportive workplace is reflected in the way it considers the perspectives of employees who may be particularly vulnerable. KONE has established three Employee Resource Groups (ERGs), which are independently led by volunteer employees. Each ERG is sponsored by a member of the Executive Board. These ERGs receive organizational support and dedicated budgets, serving as important channels for engaging vulnerable employees and encouraging open dialogue.

KONE's people leaders maintain ongoing communication with their teams, including regular performance discussions. All individuals, including non-employees with internal communication platform access, are invited to participate in company-wide events, such as the quarterly live CEO Q&A session.

To foster employee involvement and ensure meaningful input on health and safety matters, KONE organizes local safety forums enabling participation of employees and their representatives. These forums are supported by active involvement from local management teams, with agendas, decisions and actions managed at a local level to reflect site-specific needs. KONE also works closely with Workers' Councils, adapting their structure to meet legal and cultural requirements of each operating country.

Another example of efforts to engage with KONE's workforce, the annual European Employee Forum gathers KONE employee representatives and senior management to address topics such as safety, business growth, and strategy. This forum plays a vital role in promoting open dialogue between council members and KONE leadership, supporting the company's ambition to be a great workplace.

Methods for workers to express concerns

KONE provides multiple forums and internal reporting channels for employees to raise work-related concerns. These include options to report issues directly to a supervisor, Human Resources, Legal, Safety, or Compliance functions. For detailed information about KONE's confidential reporting channel, KONE Compliance Line, see section 4.1.3.

KONE has a global web-based platform for health and safety specific issues, KONE Safety Solution (KSS), which enables the reporting and management of near-misses and incidents involving KONE's own workforce, subcontractors, third parties, consumers and end-users. Access to KSS is provided to all KONE employees and non-employees within KONE's own workforce, with few exceptions. Independent contractors and agency workers without a KONE account are required to report to KONE supervisors, who then enter the information into KSS. To ensure access to KSS, the application is deployed on all KONE mobile phones globally, except in regions where local legislation restricts direct access. In such cases, KONE provides alternative local reporting channels.

KONE actively promotes the reporting of near-misses and incidents through global campaigns, internal publications, and safety network meetings. The company also provides Incident and Near Miss Reporting training, translated into most local languages. To monitor awareness and usage of KSS, KONE tracks the number of reports submitted, completion rates of safety reporting eLearning, and local safety passport trainings.

KONE assesses awareness, trust, and development needs in its reporting through multiple methods including the Pulse Employee Survey. More information on assessment methods, see section 4.1.3.

As outlined in KONE's Management System, the company recognizes that mistakes and errors causing near-misses or incidents may occur unintentionally. In such cases, individuals are not blamed, however, deliberate violations are not tolerated. KONE's Supplier and Distributor Codes of Conduct, which complement the KONE Code of Conduct, reinforce the company's non-retaliation policy for concerns reported in good faith. For more on the Codes, see sections 3.2.2 and 4.1.2.

Table 33. Engagement channels – Own workforce

Employee engagement channel	Management bodies/ Responsible
Pulse engagement survey	Talent and Culture Center of Expertise, which reports to the Senior Vice President, Talent and Culture
European Employee Forum	Executive Vice President, People and Communications
Safety Forums	Depending on local practices
Workers' Councils	Depending on local practices
CEO Q&A sessions	Communications Center of Expertise, which reports to the Senior Vice President, Communications
Employee Resource Groups (ERGs)	Employee led with EXB sponsor for each ERG

Mitigating negative health and safety impacts

KONE is dedicated to addressing situations where its actions might negatively impact its workforce by refining KONE's processes, services, and products, and driving safety awareness. KONE policies and work methods, as well as every workplace, are evaluated for business and workplace risks, including health and safety. Risk management processes are covered in section 1.3.2, and key health and safety policies in section 3.1.2.

KONE's global, cross-functional safety and quality leadership team plays a vital role in ensuring alignment between policies, safety initiatives and strategic objectives. It fosters open dialogue across functions and stakeholders to build support for, evaluate, and maintain the effectiveness of safety measures. The team conducts monthly reviews of safety performance, achievements, and upcoming plans, focusing on identifying risks and opportunities, assessing internal support needs, and agreeing on short- and long-term actions.

To further strengthen health and safety performance and drive strategic safety initiatives, KONE's Global Safety Development Team, operating under the Global Safety and Quality Development Function, provides guidance and support across KONE’s operations encompassing the company’s own workforce, value chain workers, consumers, and users of KONE equipment.

Based on ambitions, safety performance and lessons learned, KONE establishes a detailed health and safety priority action plan for each year with global objectives, while allowing some flexibility for areas and business units to specify their specific needs. KONE’s 2025 Safety Budget Instructions for units addressed the following high-level objectives:

- Driving and establishing practices for proactive safety management
- Major improvement in subcontractor safety performance
- Enabling safety management based on data
- Effective and efficient safety communication

Safety is also embedded in the product development process, where potential hazards affecting the full product life-cycle are systematically identified. While some hazards cannot be completely eliminated, they are minimized to acceptable levels or addressed through maintenance requirements to replace parts before they become safety risks, ensuring product safety before market introduction. Existing products are continuously developed to further improve their safety and functionality for all relevant parties.

Determining the actions involves a collaborative, cross-functional effort, following KONE’s health and safety governance model which is described in section 1.3.1 and 3.1.2. KONE’s Global safety development team coordinates company level actions to address actual and potential impacts, described further in section 3.1.2.

A summary of key company level actions to mitigate negative health and safety impacts on KONE’s own workforce is presented in the table 34. See section 3.1.4 for information on how KONE evaluates its health and safety related initiatives by setting targets and monitoring the progress against them.

Remediating negative health and safety impacts

Despite KONE’s efforts, its workforce still occasionally faces negative work-related health and safety impacts. If an accident occurs, KONE offers health services to its own workforce to facilitate speedy and complete recovery. KONE’s priority is to offer immediate crisis support and ensure the safety of everyone involved, followed by an internal investigation to determine root causes and implement remedial actions.

KONE’s safety incident management process and implementation of remedial actions for health and safety impacts to own workforce, as well as to any impacted party such as an end-user, subcontractor or distributor, follows a standard workflow. Incidents and actions are recorded into KSS except for some end-user related cases in the US described under section 3.3.3. For every accident, root causes are identified and resolved with corrective actions. High or moderate risk near misses and incidents are investigated and analyzed by local safety personnel with support from global functions. The process includes an evaluation of current risk assessments and implements targeted corrective actions for negative health and safety impacts. Remedial actions address root causes with plans specifying timeframes and responsibilities. Actions can encompass, for instance, tool redesign or implementation of a training program.

The success of corrective measures is regularly evaluated within the context of safety performance review processes and routine meetings, where safety managers address issues and share best practices. To enhance KONE's commitment to being a learning organization, a collaborative entity, the Incident Review Board (IRB), was established in the reporting year. The IRB consists of business and safety leaders from the business units involved in recent incidents. Should any corrective action prove ineffective, it will undergo reassessment for additional measures until the risk level is acceptable. Lessons learned are shared globally within KONE and with relevant partners, and incidents are reported monthly to global functions. The safety governance model and safety meeting cadence is described in section 3.1.2 and 3.1.4. KONE’s internal audit program also serves as a structured evaluation framework designed to identify and evaluate the effectiveness of preventive and remedial actions with a robust follow-up process in case of any non-conformity.

Supporting well-being

KONE has a global benefits and well-being strategy that provides overall direction for developing local initiatives, services, and benefits. The well-being framework, Elevate Your Health and related global resources, are available to all employees and to non-employees with intranet access. Leaders are supported with e-learning modules, toolkits, and concise guides to help them foster well-being within their teams.

To further embed well-being into the company culture, KONE has a Well-being Champions program. This initiative engages volunteer employees from across countries to raise awareness and promote participation in well-being activities and services. KONE also has a global mental health Employee Resource Group called Thrive, led by employees who actively work to create a culture where everyone can thrive, stay healthy, and feel comfortable to seek and receive support for mental health.

KONE wants to ensure certain benefits for all employees to re-enforce the care for employees’ well-being. To support financial well-being and to help protect employees and their family from potential financial loss, KONE provides access to life insurance to all employees. KONE also wants all employees to have access to Employee Assistance Program (EAP) or similar service, to ensure employees always have low threshold support available when they are struggling or have worries regardless of the local health care services. Currently EAP is in place in forty-seven KONE countries.

Healthcare services are managed locally in accordance with local practices and regulations. KONE has a global occupational health principle within its management system, establishing minimum requirements for occupational health across all units. Medical insurance data is reviewed annually to enable preventive actions.

KONE supports flexible working and offers a range of arrangements available to employees. These include remote and hybrid work, flexible working time, job sharing, compressed workweeks, and part-time work. To further support work-life balance, many local units offer family-related benefits, including childcare, eldercare, and family leave.

Managing Human Rights impacts

KONE has a Human Rights Working Group, consisting of members from all areas of KONE, that monitors national and international policy developments to ensure compliance with regulatory requirements and The United Nations Guiding Principles on Business and Human Rights (UNGPs) standards. The group covers health, safety and human rights issues.

KONE conducts regular human rights impact assessments that consider a wide range of stakeholders, including the company's own workforce. In 2025, KONE continued to follow up on the outcomes of the 2023 human rights impact assessment, implementing actions to mitigate the risks identified. KONE identifies, assesses, and prioritizes human rights impacts throughout its business, aiming to prevent and mitigate these impacts continuously. For own employees, these assessments are complemented by regular internal surveys to help ensure compliance and uphold standards within operations. Anonymous surveys are also used to identify issues of discrimination, bullying, and harassment within KONE units. For more information on KONE's human rights due diligence process, see section 3.2.3.

In cases where a compliance incident investigation establishes that a Code of Conduct violation has occurred, relevant functions and stakeholders agree on remedial steps based on the facts of the case and local law, following a standardized process.

3.1.4. Targets

Driving continual improvement in safety

KONE monitors and analyzes various leading and lagging indicators to evaluate material occupational safety IROs for its own workforce, workers in the value chain, customers, consumers and end users, as well as the effectiveness of its health and safety measures. Continual improvement of safety performance is pursued through target setting. Targets related to own workforce are presented in table 35.

Industrial Injury Frequency Rate (IIFR) has been used for target setting at KONE for years, while Total Recordable Incident Rate (TRIR) has been monitored since 2023. Since IIFR is KONE's main health and safety management indicator, a specific short or long term TRIR target has not yet been set. KONE's objective is to eliminate all work-related fatalities and severe injuries.

Each year's targets are set by the Safety, Quality and Sustainability Board (SQS) at the beginning of the year, reflecting the progress from the previous year. Establishing health and safety targets is a collaborative process that relies on various factors, including safety performance, external requirements, identified opportunities, and the strategic direction of KONE as a company. KONE collects feedback from its own workforce through global safety and quality networks and communities encompassing all KONE operations. Additionally, results from the Pulse survey, Subcontractor Human Rights Impact Assessment, Compliance Line, and KONE Supply Chain's safety maturity assessment provide valuable input both from the internal and external workforce. KONE also uses insights from industry forums such as the European Lift Association (ELA) and other public data sources to ensure targets are relevant also in a broader context.

Table 34. KONE's global Health and Safety actions, outcomes and contributions

Summary of global actions in 2025 to improve H&S	Expected global outcomes	Contribution to the achievement of policy objectives and targets
Subcontractor safety development program 2024–	• Improved subcontractor safety performance in the 13 countries currently participating • Global standardized approach on subcontractor management	Improvement in partner safety performance – objective 1
Incident investigation development program 2024–2026	• Improved incident investigation methods to better understand root causes and how incidents can be prevented, aimed at all employees involved in incident investigations • Investigation competency development program	Improvement in employee and partner safety performance – objective 1
Two global safety awareness campaigns – Safety Week and Year-end safety campaign	• Enhanced safety awareness and competencies – own workforce and workers in the value chain, customers and partners • Local and global activities covering all KONE businesses and areas	Continually improve our health and safety performance – objective 2
Global general safety training implementation in local languages	• Raised employee risk awareness, safety reporting competency and electrical safety method awareness e-learnings	Continually improve our health and safety performance – objective 2
Data and innovation development	• KSS improvements and piloting AI to enhance data analysis internally • Safety reporting app pushed to all KONE mobiles	Be the benchmark for health and safety in our industry – objective 3
Reforming global Health and Safety management practices	• Alignment with the new strategy • To pursue identified opportunities emerging from the ESRS requirements, work to continue in 2026	Be the benchmark for health and safety in our industry – objective 3
Global KONE Installation Safety and Method Passport update 2024-	• Improved installer competency in applying KONE methods and safety requirements, own workforce (S1) and installer workers in the value chain (S2) • The development continued based on 2024 pilot phase: to be followed by a gradual global expansion	Be the benchmark for health and safety in our industry – objective 3
Look-Across 2023 -	• Prevention of similar type of incidents across supply chain proactively by evaluating exposure to similar risk scenarios in all units following a near miss or incident in one.	Be the benchmark for health and safety in our industry – objective 3

Tracking the progress of health and safety performance and ensuring the effectiveness of preventative and remedial actions takes place in several ways and forums. KONE carries out, e.g., monthly cross-functional safety performance follow-ups in each area, in monthly global safety meetings, and within the Executive Board. The Safety Core Team, comprising of leadership representatives from each area, major business lines and global functions, evaluates performance monthly. Progress is also reviewed in quarterly meetings, together with all safety professionals, as well as in collaborative discussions in global Safety and Quality Network meetings.

Global Safety Development function monitors safety performance and the status of corrective actions continuously, ensuring that relevant data is available to all stakeholders.

Workers are engaged to identify any lessons or improvements as a result of KONE's safety performance in various ways, see section 3.1.3.

KONE's progress towards the health and safety targets

The progress of KONE's health and safety performance has been positive over the years. Nonetheless, KONE understands that the implementation of innovative strategies is essential to achieve further reductions in the already relatively low lagging indicator figures. Key safety metrics are presented in table 35. Due to the current configuration of KSS, only own employees are included in these figures. KONE was not subject to any material fines, penalties or compensation associated with the 4 work-related fatalities within KONE's own employees.

As described in section 3.1.3, the management of occupational health within KONE is structured at the unit level in adherence with national regulations. There are often legal restrictions on the collection of data, which sets challenges to consolidate meaningful data on a group level. Therefore, the figures exclude cases of work-related ill health.

Table 35. Global key performance indicators for health and safety – Own workforce

Key Performance Indicator - H&S	Target	2025	2024	2023
The coverage of KONE's integrated health and safety management system [1]	• 2025 target: 100% • 2026 target: 100% • 2030 target: 100%	100%	100%	100%
The number of employee fatalities as a result of work-related injuries [2]	• 2025 target: 0 • 2026 target: 0 • 2030 target: 0	4	2	0
The number of employee recordable work-related accidents [3]		325	351	-
Total Recordable Incident Rate (TRIR), employees [4]	• 2025 target: -11% from 2024 • 2026 target: -7% • 2030 target: n/a	2,7	3.0	2.8
Industrial Injury Frequency Rate (IIFR), employees [5,6] (KONE's main H&S KPI)	• 2025 target: -11% from 2024 • 2026 target: -7% • 2030 target: 0.6	0,8 [6]	1.3	1.1
The number of days lost to work-related injuries, employees [7]		3,305	4,135	-

[1] The percentage of people in own workforce covered by KONE's integrated health and safety management system, based on legal requirements and ISO 45001 Occupational Health and Safety Management standard. The system is audited both internally and by an external party.
[2] Does not include fatalities resulting from work-related ill health.
[3] The number of work-related accidents (injuries) that result in any of the following: death, days away from work, restricted work or job transfer to another job, medical treatment beyond first aid, loss of consciousness; or significant injury diagnosed by a physician or other licensed healthcare professional. Does not include cases of work-related ill health due to restrictions on collecting the data. KONE has not seen it meaningful to set targets based on the number of accidents but instead, for the injury rates such as IIFR and TRIR.
[4] Total number of recordable work-related employee accidents (injuries) divided by the number of total employee theoretical hours worked, multiplied by 1,000,000.
[5] Voluntary KPI: Number of severe and moderate work-related employee incidents divided by the number of total employee theoretical hours worked, multiplied by 1 000 000.
[6] KONE credits its notable improvement to moving from reactive safety approach to proactive measures.
[7] Lost days are counted as total calendar days lost from work due to a work-related injury, including injuries that occurred in the previous year but contributed lost days in the reporting year, counted up to maximum of 180 days per injury. Does not include cases of work-related ill health due to restrictions on collecting the data. The total number of days lost in 2025 due to work-related injuries is determined by incident status updates recorded in KSS as of Thursday, January 15, 2026. The 2024 number of days lost to work-related injuries for employees in 2024 has been updated due to incident status changes after the 2024 Sustainability Statement was published, resulting in a 5.8% increase from the previously reported figure.

Compliance reports and incidents related to human rights

Reports on compliance concerns and human rights incidents are presented in table 36.

KONE follows internationally recognized human rights standards, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, and defines severe human rights incidents to include child and forced labor and human trafficking. For child and forced labor and human trafficking, KONE has set a target of zero incidents. In 2025, no such cases were reported through its Compliance Line or other compliance reporting channels. The company's target is to maintain zero incidents going forward.

During 2025 KONE was not subject to any material fines, penalties or compensation for damages resulting from discrimination and harassment incidents.

Table 36. Compliance reports and incidents related to human rights – Own workforce

	2023	2024	2025
Total number of compliance reports[1]	190	261	386
Reports via Compliance Line (%)[2]	29%	33%	30%
Harassment/Discrimination reports[3]	58	84	118
Fraud/Corruption reports[4]	52	63	82
Conflicts of Interest reports[5]	29	31	60
Reports under other categories[6]	51	83	126
Cases Closed[7]	195	239	336
Substantiated/Partially Substantiated Cases	70	98	155
Dismissed/Resigned Employees[8]	35	92	117
Human Rights Related Reports[9]	0	1	0
Child/Forced Labor/Human Trafficking Incidents[10]	0	0	0
Incidents Resulting in Court/Fines[11]	0	0	0

[1]The number considers total number of compliance reports received during the year.
[2]The percentage of all reports that were submitted through the KONE Compliance Line, KONE's confidential 24/7 reporting channel available worldwide to employees, suppliers, distributors, and the public.
[3]The number of compliance reports of discrimination and harassment out of the total number of reports received.
[4]The number of compliance reports of fraud and corruption out of the total number of reports received.
[5]The number of compliance reports related to conflicts of interest out of the total number of reports received.
[6]The number of compliance reports that fell under various other categories out of the total reports received.
[7]The number of closed cases during the reporting year. Some of these closed cases might have been reported in previous years.
[8]The number of employees that were dismissed or resigned as a result of the investigations. Overall, The disciplinary actions in relation to substantiated/partially substantiated cases ranged from coaching discussions to termination of employment.
[9]The number of compliance reports that were human rights related out of the total reports received.
[10]The number of child and forced labor and human trafficking incidents connected to KONE's workforce reported through its compliance reporting channels.
[11]The number of incidents that resulted in court proceedings or fines or concerned the use of child or forced labor or human trafficking incidents.

3.2 Workers in the Value Chain (S2)

3.2.1 Material impacts, risks, and opportunities

Working conditions of workers in the value chain, specifically relating to health and safety, is identified as a material topic. For details on the process used to identify and assess material IROs, see section 1.5. Material impacts are described in table 37, which includes relevant information on time-horizon, value chain information and management actions taken to address the IRO.

Value chain workers likely to be materially impacted, and therefore within the scope of this statement, can be grouped into four categories:

- Upstream manufacturing workers: Individuals employed by KONE's first-tier component suppliers who are engaged in manufacturing activities
- Downstream subcontractor workers: Individuals working for a subcontractor involved in dismantling, installation or maintenance activities (e.g., subcontractors installing KONE elevators)
- On-site service provider workers: Individuals employed by service providers performing tasks at KONE sites, such as consulting, IT services, facility management, and cleaning services.
- Distributor installation workers: Individuals working for KONE's distributors engaged in installation activities for KONE products

KONE directly contracts downstream subcontractors for installation and modernization work. It also collaborates with distributors who sell and install KONE products. These distributor workers operate independently, outside KONE's supervision and sites. While KONE promotes safe and ethical practices through monitoring and engagement, compliance with occupational health and safety requirements, labor laws, and ethical standards remain the responsibility of the distributors.

Table 37. Material impacts, risks, and opportunities related to workers in the value chain

Material topic (time horizon)	Material impacts, risks and opportunities	Management response
Health and safety in own operations and downstream value chain (short- and long-term)	↓ Negative impact KONE is performing installation and service operations globally. There are risks related to value chain workers' health and safety especially in the installation and maintenance operations. Safety hazards related to installation operations might cause accidents leading to short-term absences due to injuries, long-term permanent disabilities or even fatalities, if neglecting appropriate health and safety measures. ↓ Negative impact Distributors' employees and outsourced labor may not work in a safe or clean environment and/or may not respect KONE's quality and safety requirements or equivalent. Serious injuries or deaths may occur.	• Inclusive approach to health and safety practices such as involving value chain workers into company safety initiatives, setting requirements for their competency, and applying methods and tools • Identifying gaps, development areas and best practices, for example through the Subcontractor Safety Development Program, to further develop KONE processes and collaboration with its value chain workers for improved health & safety in the work environment • Conducting Supplier Human Rights Assessments

Certain categories of value chain workers face elevated risks when performing KONE-related tasks. Health and safety data indicate that subcontractors involved in New Building Solutions and Modernization projects are at highest risk for injuries. A significant portion of these downstream suppliers are located in China. Negative impacts on subcontractor workers include individual incidents related to hazardous working environment during equipment installation or dismantling. The most severe injuries among subcontractors are related to falls from heights, fall of material or object, and handling tools.

To mitigate potential negative health and safety impacts, and support subcontractors and distributors in maintaining safe working conditions and obtaining the required skills, KONE sets minimum standards for health and safety. More on the methods KONE uses to establish and monitor these standards and address negative impacts on value chain workers, see section 3.2.3 and 3.2.4.

Locations with the highest risk of child and forced labor are outlined under sections 3.1.1. The management of supplier risks is described under section 3.2.3.

3.2.2 Policies

Health and safety policies related to workers in the value chain

KONE requires all its suppliers and distributors to sign the Codes of Conduct and monitors the policy acceptance systematically. Contracts may be terminated in cases of Code violations. The Codes are reviewed annually and are publicly available at kone.com. Key policies related to workers in the value chain are described in section 3.1.2 and table 31.

Managing health and safety of value chain workers

KONE's safety management framework, which is aligned with ISO 45001 for occupational health and safety, applies to value chain workers. Integrated into KONE's Global Management System, it supports ongoing improvement in safety practices. For additional information about the management system, please see section 3.1.2., which contains details on ISO certifications.

Human rights policy commitment

KONE is a committed participant of the UN Global Compact and continuously strengthens its understanding of human rights impacts, taking proactive steps to prevent and remediate impacts when identified. The Supplier and Distributor Codes of Conduct set KONE's expectations for its business partners to uphold the same internationally recognized human rights standards that KONE is committed to respecting. The codes include clauses in line with the ILO Core Conventions.

These Codes explicitly prohibit use of forced labor, child labor and modern slavery under any circumstances, including trafficked, indentured, or bonded labor, human trafficking and involuntary servitude, as well as engagement with subcontractors or suppliers involved in child labor, coercion, forced labor, slavery or human trafficking. The Supplier Code of Conduct was updated in 2025.

To monitor adherence, KONE conducts annual distributor due diligence questionnaire and supplier online human rights assessments, both which include questions on how the ethical principles in the Codes are communicated to employees. Furthermore, the Codes require that suppliers provide a safe and healthy working environment in compliance with all applicable laws and regulations. Suppliers must ensure their employees receive proper health and safety training, information, and personal protective equipment (PPE).

3.2.3. Actions

Engaging with value chain workers

KONE offers multiple channels for value chain workers to collaborate and raise concerns about ethics or health and safety. These include local meetings, safety initiatives, and daily interactions with KONE representatives across purchasing, sales, operations, and local entities. These interactions provide guidance for KONE's program and process design and implementation decisions. See section 3.1.3, for more information on KONE's health and safety initiatives.

KONE management and supervisors regularly collaborate and share safety information with subcontractors. Subcontractor workers are encouraged to participate in health and safety discussions through 'toolbox talk' briefings, regular meetings, and KONE events, with engagement monitored via safety KPIs, audits, and ongoing dialogue.

In alignment with KONE's continual improvement principles, all employees and subcontractors are responsible for suggesting and identifying ways to improve workplace safety. Subcontractors are required to report all KONE related near misses and incidents to KONE. Downstream subcontractor workers do not have direct access to KSS, instead, they report incidents to their supervisors, who then process these reports into KSS. Issues may also be communicated through local channels. Similarly, safety representatives from distributors compile and provide reports that are reviewed monthly with KONE. All workers working in KONE premises have either direct access to KSS or report to their KONE contact. For more information on KONE incident management process, see section 3.1.3.
The KONE Compliance Line is available to the public, including value chain workers, for reporting concerns and human rights grievances. See section 4.1.3 for more on reporting mechanisms.

KONE's non-retaliation policy, highlighted in KONE's Supplier and Distributor Codes of Conduct, requires suppliers and distributors to provide accessible channels for raising concerns. Any person making such a report in good faith is be protected from retaliation. KONE's supplier human rights assessment questionnaire asks whether suppliers have effective grievance mechanisms and are aware of the KONE Compliance Line. Similar questions are included in the annual distributor due diligence questionnaire to assess the accessibility and trustworthiness of reporting channels.

Engaging with distributors

KONE engages with distributors through regular forums to improve working methods, operational collaboration, and safety performance. While KONE is not directly responsible for distributor installation workers' health and safety, it monitors and works together with distributors to promote safe and ethical practices. KONE also supports distributors' business growth by providing commercial, technical, and training support, fostering partnership and synergy.

Monthly meetings with distributors at various tiers facilitate ongoing engagement and collaboration. Distributors communicate KONE's guidance and requirements to their employees and subcontractors and share best practices related to health, safety, and quality. Annual distributor meetings with top management focus on safety, quality, operations, and business alignment, facilitating shared decision-making related to the design and implementation of programs or processes, and driving continual improvement. To evaluate each distributor's performance, maturity, and growth opportunities, KONE conducts Field Operations assessments periodically in different countries.

Addressing negative health and safety impacts on value chain workers

KONE proactively addresses negative impacts on value chain workers by integrating robust risk management, pre-planning, and competency development into management systems. KONE also aims to deliver positive impacts, inviting value chain partners to participate in health and safety initiatives and campaigns.

Based on comprehensive risk assessments, KONE provides detailed installation and maintenance instructions for its products to mitigate health and safety risks. To further develop KONE products and installation methods, KONE seeks feedback from its value chain workers and companies.

In addition to KONE's Supplier and Distributor Codes of Conduct, KONE sets operation-specific minimum requirements for subcontractor training, tools, and personal protective equipment (PPE) mainly for projects in New Building Solutions and Modernization. Mandatory health and safety training requirements are related to the safe working methods for installing and maintaining KONE products. Depending on the local practices and legislation, KONE provides e-learning, hands-on and project or product specific training for subcontractors.

Close collaboration with subcontractors and distributors enables effective mitigating actions.

Along with own employees, local KONE line organizations are accountable for health and safety of workers in the value chain working under KONE supervision at KONE sites. The local line organization possesses the resources and competencies to support value chain workers in adhering to safe working methods. Local KONE entities and areas also have health and safety experts to support this goal. KONE's Global safety development team leads and partially resources global health and safety initiatives, programs, tools, and campaigns, which also support value chain workers. The team and KONE's safety governance model is described in section 1.3.1. and 3.1.2.

Since 2024, KONE has driven a targeted program to address potential negative health and safety impacts on workers throughout its value chain. The Global Subcontractor Safety Development Program aims also to foster positive health and safety outcomes by establishing a structured framework for effective collaboration with subcontractors and standardizing their safety management practices. This initiative prioritizes worker groups and operational areas most susceptible to adverse impacts from KONE's activities. Mitigation strategies, such as increasing risk awareness and enhancing site supervision, are identified based on consolidated safety data, including incidents, near misses, and root cause analyses to avoid work injuries among value chain workers. In 2025, the program continued to systematically evaluate subcontractor management practices in selected regions and business units to determine necessary actions for collaborative safety performance improvement. The effectiveness of these initiatives is continually monitored to ensure optimal results. In the coming year, the program will be extended to all KONE operating countries, with program management shifting from a global to a local focus through an updated facilitation plan.

In addition to the mentioned actions, KONE participates actively in global industry forums, such as the Global Elevator Safety Forum, to influence improvement of health and safety in the elevator and escalator industry throughout the value chain.

See section 3.2.4. for details on how the impact of the actions is monitored and their planning guided through health and safety reporting, trend monitoring and target setting.

Remediating actual health and safety impacts on workers in the value chain

KONE's incident management process and integrated safety management system also cover value chain workers. If a value chain worker experiences a health or safety incident, KONE promptly assists partners in arranging immediate medical and crisis support and supports or conducts investigations to determine root causes and implement corrective actions. Incident data is used to identify improvement areas in KONE's products and processes and help value chain partners enhance their safety performance. See section 3.1.3, for more information about KONE's incident management process and the establishment of remedial actions.

KONE shares relevant near misses and incidents with subcontractors and distributors as lessons learned to help prevent recurrence. The effectiveness of remedial actions is verified through systematic data monitoring, further described in section 3.2.4.

KONE Human rights due diligence process

KONE's human rights due diligence program is based on international standards such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. KONE continuously develops and monitors its human rights due diligence program to identify and address potential risks in KONE's own operations and value chain, ensuring that the program aligns with international human rights standards. The processes within the program are discussed in KONE's Human Rights Working Group regularly. KONE identifies human rights risks within the program through human rights impact assessments, internal assessments and surveys, third-party due diligence and screening, and supplier due diligence process.

KONE carries out regular company-wide human rights impact assessments to identify risks within its organization and across its value chain. The latest global human rights impact assessment, conducted in 2023, found that KONE's salient human rights issues remain consistent with those identified in 2019, namely the respect for labor rights and, health and safety of employees and workers in the value chain

The scope of these assessments considers risks in the value chain, both in upstream and downstream, also covering end-users, customers and local communities. Prioritization of potential human rights impacts is based on the severity of the impact on potentially affected individuals and groups, the associated risks to the business and the likelihood of such impacts occurring. Findings from human rights and annual risk assessments are taken into account in relevant business processes, with responsibilities defined for carrying out preventive and corrective actions and for preparing measures to address identified risks. These actions are regularly reported back to the Sustainability Disclosure Board.

KONE uses internal surveys to assess human rights compliance in its own operations, as well as anonymous surveys to identify discrimination, bullying and/or harassment issues within a unit. Additionally, KONE carries out periodic on-site assessments of KONE-provided accommodation to identify and address any impacts on human rights and on employee safety. During 2025, KONE assessed its factory in India for human rights risks.

To manage risks related to business partners, KONE uses a compliance tool that screens and monitors suppliers, customers, distributors and other third parties against international adverse media, sanctions, and watch lists. The tool supports risk-based checks and flags red indicators for further review. Enhanced scrutiny is applied to high-risk partners, and practical onboarding guidance is available for KONE's highest risk partners. Employees are encouraged to escalate concerns, ensuring risks are addressed promptly and responsibly. Adverse findings on human rights are flagged to the relevant KONE contract owner or category manager for follow-up.

KONE is committed to taking appropriate action to remediate situations where its activities have caused or contributed to an adverse human rights impact. Any human rights issues can be escalated to the Human Rights Working Group, reporting to the Sustainability disclosure board. Employees, suppliers, and external stakeholders may also raise concerns through the KONE Compliance Line. If Code of Conduct violations are uncovered through compliance investigations, the relevant functions and stakeholders, such as management, Compliance, Legal, and Human Resources, collaborate to agree on corrective measures based on the facts of the case and applicable local laws. When necessary, specific individuals are designated to oversee the implementation of the corrective actions to ensure these are carried out.

Supplier due diligence

Given that KONE's highest human rights risks are found within its value chain, a dedicated Supplier Sustainability

Team is responsible for continuously developing and implementing KONE's supplier human rights due diligence program. This program is aligned with international standards and aims to prevent, mitigate, and remedy adverse impacts across the supply chain.

Suppliers with potential high risks are identified based on factors such as geographic location, category of goods or services provided, and the use of materials linked to high-risk supply chains. Prioritization of supplier human rights risk considers, after severity and likelihood of risks, KONE's leverage and other relevant factors to ensure focus on the most salient risks.

Suppliers with potential high human rights risks undergo online or third-party on-site human rights assessments to identify potential and actual impacts. The assessments cover all salient human rights risks, including health and safety, conditions of employment, discrimination, harassment, freedom of association and collective bargaining, child labor, forced labor, and the right to a safe environment. Based on the findings, KONE collaborates with suppliers and relevant stakeholders to develop corrective action plans with measurable targets and timelines.

Implementation is monitored through a structured tracking and follow-up process with designated resources to ensure the effectiveness of mitigation efforts. Where adverse impacts occur, KONE seeks to provide for or cooperate in remediation. KONE also has a disengagement process in place for suppliers that are unresponsive or refuse to address human rights concerns, which includes termination of contract and notification to local authorities.

In 2025, KONE strengthened supplier engagement in high-risk regions, particularly in India, by organizing a face-to-face human rights workshop for its largest material suppliers. KONE also strengthened collaboration with external partners, including partnering up with UNIDO (United Nations Industrial Development Organization) and conducting tailored trainings for KONE's supplier companies.

Table 38. Global metrics for compliance – Workers in the value chain

Key performance indicator	Target	2025	2024	2023
The coverage of KONE's Distributor Code of Conduct [1]	• 100% by 2025 • 100% by 2026 • 100% by 2030	100%	97%	92%
The coverage of KONE's Supplier Code of Conduct[2]	• 87% by 2025 • 89% by 2026 • 90% by 2030	89%	87%	86%
Compliance screening coverage by spend [3]		95%	78%	78%

[1] KONE's distributors who have signed KONE's Distributor Code of Conduct.
[2] KONE's total spend with regular trade suppliers and installation subcontractors with parties who have signed KONE's Supplier Code of Conduct or equivalent.
[3] Percentage of total supplier spend covered by KONE's compliance screening solution.

3.2.4 Targets and metrics

Key compliance metrics for workers in the value chain

KONE expects its business partners to uphold the same standards as KONE regarding health and safety, zero tolerance for bribery and corruption, internationally recognized labor and human rights, and environmental responsibility. To support this, KONE has set targets for signatories of the Distributor and Supplier Codes of Conduct, using 2020 and 2021 as base years, respectively. These targets are established through a strategic and systematic process. While stakeholders are not directly involved in target setting, KONE considers how the stakeholders may be affected.

All distributors are required to sign the Distributor Code of Conduct. Similarly, according to KONE purchasing policy, all suppliers must agree to and sign the Supplier Code of Conduct and demonstrate compliance with KONE's requirements. Exceptions can be made if supplier's own Code of Conduct is verified to align with KONE's standards, subject to approval by KONE's legal department. Requiring all suppliers to sign the Supplier Code of Conduct, that includes the Environmental Annex, ensures suppliers adhere to KONE's environmental, labor and human rights requirements. Supplier Code of Conduct compliance targets are reviewed annually based on supplier performance and adherence.

KONE screens suppliers and business partners and regularly monitors both the process and the share of suppliers and other business partners included in the screening solution. Although there is no specific target set for the coverage of business partners in the tool, KONE continuously works towards expanding the scope of entities in the tool. The tool manages third parties through five key stages: onboarding, risk assessment, due diligence, risk mitigation and monitoring.

Global metrics for compliance can be found in table 38.

KONE has also set human rights related compliance targets that are described in section 3.1.4. In 2025, KONE received no reports on severe human rights issues or incidents connected to workers within the material scope of its upstream or downstream value chain through the Compliance Line or other compliance reporting channels. KONE has not become aware of any cases reported through the compliance reporting channels involving non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises within its upstream or downstream value chain.

KONE recognizes that human rights risks are present in global supply chains, and that the absence of reported cases does not mean the absence of risks. KONE is committed to proactively uncovering and addressing human rights risks across the value chain.

Health and Safety metrics and performance monitoring for workers in the value chain

KONE tracks health and safety trends among value chain workers and monitors channels for reporting issues to monitor the effectiveness of its actions. Value chain worker related health and safety data in KSS, internal and external management system audit findings, Human Rights Impact Assessment results, and concerns arising from KONE's close collaboration with value chain companies, help KONE to identify and prioritize actions needed to mitigate potential negative impacts in its value chain. Regular meetings and forums are held to assess mitigation efforts, and processes are adjusted as needed for continual improvement. The certified Health and Safety Management System ensures external evaluation of risk mitigation processes.

KONE has prioritized health and safety monitoring of downstream subcontractors involved in installation and dismantling, upstream first-tier component suppliers in manufacturing, and service providers working at KONE sites. KONE actively enhances its processes to monitor safety of all its value chain worker groups, including distributor installation personnel.

Subcontractor safety performance is monitored daily via KSS, in line with local laws and contract terms. Reports on near misses, injuries, and fatalities are included in monthly global reporting to the Executive Board and reviewed regularly at both global and local health and safety meetings. For more information on KSS, see section 3.1.3.

KONE aims to decrease both the number and severity of injuries among subcontractors involved in dismantling and installation activities for New Building Solutions and Modernization projects by 2030. While a specific quantitative target has not yet been set due to challenges in collecting and verifying data, such as limited access to working hours and other confidential information, KONE closely monitors injury numbers and trends to improve safety across its value chain.

Target setting for occupational health and safety is a collaborative process and the process is described in section 3.1.4.

Based on findings from the human rights impact assessment, DMA, Subcontractor Safety Development Program, and KSS reports, KONE has identified a need to further support partners in improving health and safety management and fostering a proactive safety culture. KONE is confident that enhancing Code of Conduct compliance monitoring and continuing the Subcontractor Safety Development Program will effectively reduce material negative health and safety impacts and promote positive outcomes for value chain workers.

3.3 Consumers and End-Users (S4)

3.3.1 Material impacts, risks, and opportunities

Personal health and safety of consumers and end-users is identified as a material topic for KONE. For details on the process used to identify and assess material IROs, see section 1.5. The material impact and risk are described in table 39, which includes relevant information on the time-horizon, value chain information and the management actions taken to address the IRO.

Recognized as a fundamental human right, safety is a core principle and top priority in KONE's Rise strategy. With billions of people using KONE elevators, escalators, and automatic doors every day, end-user safety is central to our business approach and embedded in everything we do.

KONE's products are designed to meet the needs of varied range of users, including the elderly, people with disabilities, children, and those transporting heavy or bulky items. KONE's solutions are widely used in high-traffic environments such as hospitals, shopping centers, and public transport hubs, where safety and reliability are critical.

Based on incident data in KSS, most consumer and end-user safety incidents are linked to misuse or inappropriate behavior around equipment, with children and young adults being particularly at risk. Additionally, incidents involving KONE products are often influenced by factors beyond KONE's control, such as property maintenance, building conditions and supervision.

All consumers and end-users who are likely to be materially impacted by KONE operations, value chain, products, and services, are included within the scope of KONE's disclosures.

Table 39. Material impacts, risks, and opportunities related to consumers and end-users

Material topic (time horizon)	Material impacts, risks and opportunities	Management response
Health and safety in downstream value chain (medium-term)	↓ Negative impact Misuse of KONE equipment, neglecting maintenance instructions or other unforeseen events may lead to equipment failures and cause severe incidents or fatalities to end-users. ↓ Risk Equipment malfunctions related injuries due to error in design or maintenance. Inadequate maintenance level, including by subcontractors. Postponement of modernization by the building owner.	• Safety is embedded in the product development process • Retrofit of identified safety hazards in KONE products. • Modular Based Maintenance (MBM) using preventive maintenance methods • Regular training of KONE's maintenance technicians • Safety promotion campaigns for customers and end-users • Develop modernization solutions for upgrading or replacing existing equipment with new solutions that meet or exceed the latest safety standard

3.3.2 Policies

Key policies related to consumers and end-users

Codes, standards and regulations set technical and operational requirements for KONE's solutions and services throughout their entire life-cycle from design, manufacturing and installation to service, modernization, and dismantling.

In addition to meeting local codes and regulatory requirements, KONE has established a series of health and safety management related policies, many of which also apply to end-users. For example, risk management is an integral part of KONE's business processes associated with the safety of solutions and services throughout their life-cycle, addressed with the Risk Management Policy. For details on the policies, please see section 3.1.2. Key policies that are particularly relevant to consumers and end-users are presented in table 31.

KONE's Quality, Health and Safety Policy Statements set the ambition and objectives applicable to all KONE units. See further information in section 3.1.2.

Policy for and KONE approach to consumer and end-user human rights

The KONE Human Rights Policy outlines the company's role, objectives, and responsibilities regarding its human rights commitments, and recognizes that safety is a shared responsibility involving all stakeholders, including end-users. KONE's human rights impact assessment considers end-users and customers from a health and safety perspective to identify any related risks. No specific groups of end-users or customers were identified as having high risk for human rights impacts in the assessment. In addition, KONE has not become aware of severe human rights incidents connected to its consumers or end-users during the reporting period. For more information on KONE's Human Rights Policy, due diligence process, alignment with internationally recognized standards and details about remediation processes, see section 3.1.2., 3.1.3., 3.2.3. and 4.1.

Management systems for policy implementation and monitoring

KONE's integrated management system supports consumer and end-user safety by embedding safety into all stages of operations, from product design and installation to maintenance and continuous improvement. By combining quality, safety, environmental, and compliance management into a single framework, KONE ensures consistent risk assessments, clear accountability, and standardized processes across our business. This approach enables identifying and addressing potential hazards early, meeting regulatory and customer requirements, and driving corrective and preventive actions. In doing so, KONE provides consumers and end-users with safe, reliable products and services that are continuously monitored and improved. For more information on KONE's Global Management Systems, see section 3.1.2.

3.3.3 Actions

Engaging with consumers and end-users

At KONE, consumer and end-user perspectives are integrated into decision-making through structured feedback mechanisms, including surveys, incident management, and direct customer engagement. Insights inform product design, service development and safety improvements. The Global Safety and Quality Function oversees these efforts, with the Senior Vice President of Safety and Quality responsible for the communication to the Executive Board and shaping organizational strategy.

KONE gathers additional insights through its annual customer loyalty survey, which includes over 13,000 interviews each year. Local teams review these results and incorporate actions into their plans.

Furthermore, KONE has launched an updated Customer Transaction Survey (CTS) enabling regional teams to act faster on feedback and implement service improvements more efficiently. Customers benefit directly from a more responsive organization, making service quality more reliable no matter where the customer is located. The CTS ensures consistent tracking and improvement of customer experience. By simplifying feedback processes and using digital tools, KONE makes it easier for customers to share their opinions and see tangible results. The program, initially implemented in specific regions, was extended to more than forty-five countries in 2025.

For any compliance-related concerns, the KONE Compliance Line reporting channel is publicly available at kone.com, to all KONE stakeholders, including customers, consumers, and end-users. See more under section 4.1.3. KONE highlights the Compliance Line in customer contract templates, ensuring an easily accessible and confidential channel for reporting concerns or potential misconduct.

KONE actively participates in trade associations, standardization forums, and organizations dedicated to shaping industry standards and best practices.

KONE is a member of the European Lift Association (ELA), which collects and analyzes incident data from various original equipment manufacturers (OEMs) and industry associations to support safety improvements. In the Americas, KONE also supports the Elevator and Escalator Safety Foundation through its involvement in industry trade associations.

Safety communications

Safety is a shared responsibility that also involves the owners and users of elevators, escalators, and automatic building doors. KONE collaborates closely with its customers to help them operate KONE equipment safely, identify potential safety hazards, and address situations that may pose safety risks.

KONE equipment are safe by design when instructions for operation, daily inspections, and maintenance programs are followed. At the completion of installation, KONE provides product owner documentation, hazard warning signs and instructions for correct product use. To further support safety, KONE offers training and educational materials to help customers prevent or mitigate risks, including product safety training for their employees. Building owners and maintenance service providers are responsible for the equipment being professionally maintained and kept in good condition. Owners are expected to promptly inform maintenance service providers of any identified hazards, such as unusual noises or debris on or around the equipment. KONE also organizes safety awareness campaigns in cooperation with customers, to encourage safe behavior among equipment users. Through active communication, training, and public engagement, KONE helps ensure safe use of its equipment. Special attention is given to children, recognized as one of the most vulnerable user groups. KONE's safety mascots, Bob and Max, have visited shopping centers, daycare centers, lower schools and customer sites globally to promote safety in a fun and engaging way. Educational materials for both children and adults, such as safety videos and a downloadable safety playbook, are available on kone.com.

Mitigating negative impacts on consumers and end-users

KONE is committed to effectively managing the material negative impacts to consumers and end-users associated with its operations, products, services, and value chain. To ensure the safety, reliability, and sustainability of its elevators, escalators, and building doors, KONE has allocated resources across various functions within the organization and is closely monitoring safety occurrences related to KONE products. KONE identifies actions to address potential negative impacts on consumers and end-users by conducting risk assessments, gathering stakeholder feedback, and analyzing incident data from KSS and other sources. KONE tracks and monitors the effectiveness of its actions in mitigating material risks and impacts through ongoing safety performance tracking, discussed in 3.1.4 and further in 3.3.4. All KONE's methods for installation, service and modernization are defined and risk assessed with user and third-party risks considered. Furthermore, end-user safety is carefully considered in the product development process. For more information about the process, see section 3.1.3.

Through continuous engagement with customers over the whole life-cycle of their building, KONE can address potential safety risks and actual material impacts and provide solutions that may exceed the locally required safety standards.

To address issues proactively, various product development and continual improvement initiatives applying Lean Six Sigma or similar methodology are initiated to improve KONE processes, services and products. Inputs for continual improvement are e.g., collected from KONE front lines using the Quality Issue Management (QIM) system or in some areas, equivalent local process.

KONE provides several digital and connected solutions that enhance safety and reliability for end-users and consumers.

KONE 24/7 Connected Services enhances KONE's service and modernization business by enabling predictive maintenance and data-driven equipment upgrades, as well as reducing equipment downtime and extending their life-cycle. For consumers and end-users, this translates into safer, more reliable, and uninterrupted equipment use, with issues often prevented before they occur. Aligned with KONE’s Rise strategy and focus on digital transition, the share of connected equipment in the maintenance base increased notably to over 40% at the end of 2025.

In line with its strategy, KONE focuses on improving user safety by modernizing existing equipment with solutions that meet or exceed the latest safety standards, ensuring safer, more reliable equipment performance.

At KONE, Dynamic Maintenance Planning (DMP) is being progressively deployed across multiple regions as part of the company’s digital transformation efforts. DMP uses real-time equipment data to optimize route planning, maintenance visits and tasks performed at site. DMP contributes to sustainability by improving equipment reliability, safety and operational efficiency through timely, targeted interventions.

KONE has also piloted a new API-based solution in the UK, integrating customer portals with KONE systems to provide real-time updates on issue resolution and service visits. By giving facility managers and building owners instant access to equipment status, technician notes, and service progress directly in their own platforms, potential issues can be identified and addressed faster. This reduces downtime, lowers the risk of equipment being used while faulty, and ensures maintenance is carried out on time. To expand the benefits, KONE’s global Service and Digital Offering team is collaborating with multiple frontlines to enable similar integrations, with the aim of scaling the solution globally and enhancing service transparency across markets.

Following the escalator video monitoring system pilot in 2024, KONE has piloted similar system for elevators to automatically detect unsafe passenger behavior or other pre-defined scenarios that could potentially lead to user incidents. In case of a recognized incident, the passengers can be guided towards safer behavior by audio-visual responses. The system records each observation and provides insights, enabling a targeted approach to further improve the safety of end-users.

Remediating negative impacts on consumers and end-users

In the rare event of a safety incident involving a user of KONE equipment, KONE's global incident management process is implemented consistently across all KONE units, except for incidents involving consumers or end-users in the United States, which, due to legal requirements, are not documented in KONE’s global database (KSS). These incidents are still thoroughly investigated locally to identify and implement corrective and preventive actions with the same level of diligence. For comprehensive information regarding KONE’s established safety reporting workflow, see section 3.1.3.

KONE maintains a retrofit process to address identified or potential safety risks. Information sources include, but are not limited to, actual user incidents, near misses, quality or warranty claims, QIM tickets, audits, third party inspections and technical callouts. When necessary, KONE proactively notifies customers, and/or respective authorities, as well as construction, elevator, and escalator industries of known defects that would require product recalls and repairs. KONE works closely with local authorities to mitigate potential negative impact for users of its equipment or in remediating actual negative impact.

To ensure the effectiveness and consistency of its incident management and reporting processes, KONE conducts regular internal and external audits of its management system. For more details on KONE’s auditing practices, see section 3.1.2.

3.3.4 Targets

Health and safety targets, related to consumers and end-users, are set through a collaborative, data-driven process that incorporates safety performance metrics, regulatory requirements, improvement opportunities, and KONE’s strategic objectives and policies. Feedback from customers, collected via loyalty surveys and KONE’s global safety and quality networks, shape these targets, ensuring they meet the safety need of consumers and end-users throughout all KONE operations.

KONE monitors incidents involving consumers and end-users to identify common causes, assess which end-users may be at increased health and safety risk, and evaluate both the effectiveness of actions taken and overall performance. Incident data is recorded in KSS. Although no specific quantitative injury reduction target has been set due to data collection challenges, KONE tracks and analyses near misses, allowing potential hazards to be identified and mitigated before incidents occur.

Maintaining equipment in optimal technical condition is a key factor in ensuring consumer and end-user safety. KONE has established 'Field operational enablers' with progressively ambitious targets for all frontlines since 2020 to uphold high standards in equipment maintenance. These targets include, among other things, maintenance visit completion rates and the frequency of supervisor audits.

To strengthen consumer and end-user safety at every level, KONE has set a global target of one safety promotion event or meeting per 2,000 units in service. These actions are designed to raise awareness and reinforce compliance, supporting KONE’s commitment to a zero-injury goal. Progress toward these targets is closely monitored in unit-level management meetings to ensure alignment with KONE’s broader safety objectives and policies.

Annual budget plans for each business unit align financial and non-financial targets with stakeholder needs, risks, and opportunities, including impacts on consumers and end-users. For more on KONE’s approach to establishing health and safety targets and performance tracking, see section 3.1.4. For more on how targeted actions are defined based on annual global safety budget instructions, see section 3.1.3.

4 Governance information

4.1 Business Conduct (G1)

4.1.1 Material impacts, risks, and opportunities

Corporate culture, the protection of whistleblowers and the prevention and detection of bribery and corruption, are identified as material topics for KONE. For details on the process used to identify and assess material IROs, see section 1.5. The material impacts are summarized in table 40, which includes relevant information on time-horizon, value chain information and the management actions taken to address the IRO.

At KONE, business conduct means acting with integrity, ensuring transparent and ethical practices, and complying with laws and regulations to foster trust among stakeholders. A strong corporate culture promotes fairness, accountability, and responsible decision-making; protecting whistleblowers strengthens transparency, consumer trust, and societal perceptions; and effective anti-bribery and anti-corruption measures enhance public confidence and support sustainable business practices. While the complete elimination of negative impacts may not be fully achievable, preventive measures are in place to mitigate risks and strengthen accountability across operations.

Table 40. Material impacts, risks, and opportunities related to business conduct

Material topic (time horizon)	Material impacts, risks and opportunities	Management response
Corporate culture in own operations (medium-term)	↑ Positive impact A positive corporate culture promotes ethical, sustainable practices and supports responsible decision-making, creating benefits for society.	• KONE's culture, built on the core principles and values, is the foundation of everything at KONE • Corporate culture related KPI's are included in KONE's Sustainability program monitoring, such as values, ethics, and compliance • In 2025, KONE assigned an annual, mandatory Code of Conduct e-learning for all employees
Protection of whistle-blowers in own operations (medium-term)	↑ Positive impact Whistleblower protection empowers people to speak up, promoting transparency, accountability, and trust in society.	• The KONE Compliance Line is available for employees, suppliers, distributors, and the public at all times • KONE's Code of conduct emphasizes KONE's non-retaliation policy: no form of retaliation is tolerated against anyone who has made a compliance report in good faith
Corruption and bribery in own operations (medium-term)	↑ Positive impact Preventing and detecting corruption ensures fair business practices, builds public trust, and supports sustainable societal cooperation.	• Global Compliance works closely with KONE's Assurance, Internal Controls and Risk Management teams to identify ABC risks and track the effectiveness of KONE's ABC program • Anti-Bribery and Corruption training was reassigned to staff and supervisors in 2025

4.1.2 Policies

The KONE Code of Conduct is a key element of the company's culture and business practices. It sets out the responsible and ethical conduct expected of KONE employees and companies. The Code addresses a range of topics such as conflicts of interest, corruption, competition compliance, third-party due diligence, human rights, fraud and theft, and how to report violations of the Code. The Code also emphasizes KONE's non-retaliation policy: KONE does not tolerate any form of retaliation against anyone who has made a compliance report in good faith. As a committed participant of the United Nations Global Compact, KONE upholds its ten principles on human rights, labor, environment, and anti-corruption. The Code is available in over thirty languages on kone.com. KONE's general Code of Conduct is complemented by KONE Supplier and Distributor Codes of Conduct. For more on the Codes, see section 3.2.2 and table 31.

As a part of ongoing efforts to prevent bribery and corruption, KONE has a standalone Anti-Bribery and Corruption (ABC) Policy. The ABC Policy builds on the Code of Conduct to provide guidance to employees on how to deal with risky situations. The Policy is internally and externally available in more than thirty languages and aligned with the United Nations Convention against corruption, reinforcing KONE's dedication to ethical standards. The policy states KONE's zero tolerance towards bribery and corruption, explains prohibited arrangements (including direct and indirect bribery, facilitation payments, excessive gifts and hospitality, and inappropriate donations and sponsorships), outlines third-party risks, describes KONE's risk-based approach towards the prevention of bribery and corruption, gives examples of practical risk situations that employees should look out for, and provides guidance on how to report any suspected violations.

In 2025, KONE launched a global Third-Party Due Diligence Policy that sets out the company's zero tolerance for bribery, corruption, and other illicit activities, and defines how business partners are identified, assessed, and monitored from a compliance perspective. The policy applies to all KONE entities and employees and extends across the value chain to suppliers, subcontractors, distributors, agents, joint venture partners, acquisition targets, and other third parties. It is based on a risk-based approach to due diligence, with enhanced procedures for higher-risk categories such as agents and distributors. The policy complements other compliance policies and forms part of the company's broader compliance framework. Policies are summarized in table 31.

4.1.3 Actions and targets

KONE culture

KONE's culture is grounded in its core principles of safety, quality and sustainability, which are never compromised, as well as in its core values of courage, customer, care and collaboration. These principles and values shape how KONE employees work together, both internally and externally, and bring the company's culture to life every day.

Culture is about how people connect, interact and work together. The way KONE culture is embedded into people and management processes supports the global consistency in the organization as well as aligning all employees with KONE values.

Annual people processes are essential tools for cultivating and strengthening KONE's culture, where regular feedback sessions play a vital role. The annual employee engagement survey, Pulse, is a key process that helps shape and develop KONE's culture by gathering feedback from all employees. KONE aims to build an even stronger feedback culture going forward.

All people leads are encouraged to carry out meaningful conversations and activities including recognizing and celebrating success at every level of the organization. Employee Resource Groups (ERGs), promote and bring KONE values to life through actions and collaboration across the organization. In addition, KONE's structured leadership approach serves as a framework creating consistency and alignment across all Areas.

KONE's Rise strategy encourages employees to focus on elements of the company culture that support successful strategy implementation. KONE leaders are expected to lead with courage, speed and simplicity, and to collaborate effectively across the organization. KONE's strategic ambition is to be the number one choice for employees and customers, and KONE's culture continues to be a crucial part of the journey and experience.

Inclusivity is embedded in KONE's culture and values. The development of inclusive teams, communities, and networks is seen as essential to KONE's long-term success. KONE's values are also reflected in annual performance evaluations, which are indirectly linked to the global short-term incentive program.

Mechanisms for identifying, reporting and investigating concerns

All KONE employees are expected to understand and comply with the Code of Conduct and to report any violations through the available channels. Internal channels include reporting to management, Human Resources, Legal, or Compliance functions. In addition, the KONE Compliance Line offers a confidential 24/7 reporting channel for employees, suppliers, distributors, and the public (including consumers and end-users) globally. The Compliance Line is highlighted in e.g., employee trainings, awareness materials, and in the Supplier and Distributor Codes of Conduct and intranet. More information and clear reporting instructions are available at kone.com. KONE conducts periodic surveys and assessments to test the awareness level of its reporting channels and the willingness of employees to report such concerns. For more details on incidents and complaints, see section 3.1.3 and 3.1.4.

The Compliance Line is operated by an independent third party and is accessible via phone and/or web in over 30 languages. Reports can be made in the reporter's native language and can be anonymous where permitted under data protection laws. Reports can be submitted on a range of topics related to the Code of Conduct violations and other topics relevant to the Code, such as fraud, theft, corruption, harassment, conflicts of interest, human rights, environment, and safety.

KONE has implemented the requirements set forth by the local implementations of the EU Whistleblowers Directive (EU 2019/1937) in KONE's operating locations. Where required by local whistleblower laws, KONE subsidiaries have local reporting lines and processes allowing for the local reporting of compliance concerns. The local staff have been given virtual training on how to handle reports coming through the local reporting lines covering the background requirement of the reporting line, how the process works, what to do if they receive a report, and the basics of compliance investigations.

KONE investigates reported concerns independently, objectively and in a timely and professional manner by a dedicated, impartial KONE Compliance Team, free from any conflicts of interest. Corrective actions are taken when necessary, including disciplinary action (including termination of employment or business relationships), process improvements, and further training. In cases where a compliance investigation establishes that a Code of Conduct violation has occurred, relevant functions and stakeholders, e.g. Compliance, Management, Legal and Human Resource functions, agree on remedial steps based on the facts of the case and local law. When appropriate, individuals are assigned to follow up on specific remedial actions to ensure that they have taken place. KONE's case management system integrates the web, phone, and other reporting channels to allow for a secure and confidential system for managing reports and follow-up. KONE consistently monitors such reports by area, type, country, and other criteria, looking for any trends or other meaningful information.

Key compliance cases and statistics on all compliance cases are reported to the Global Compliance Committee on a quarterly basis. Individual compliance cases are also discussed as necessary with the Committee, KONE's President and CEO and/or the Executive Board. A summary of key compliance cases and statistics is provided to the Audit Committee and external auditors annually.

KONE clearly communicates in its Code of Conduct, the Supplier and Distributor Codes of Conduct and other policies, training materials and Compliance Line Speak up Guidelines, that it prohibits retaliation against any individual who reports a Code of Conduct violation in good faith. A report is made in good faith when the reporting person has reasonable grounds to believe that the information provided was true at the time of reporting. In addition, to the extent allowed by local law, KONE maintains the confidentiality of reporters' identities to further reduce the risk of retaliation. In countries where anonymous reporting is not allowed, all other reporting channels are available. All the reports are kept confidential on a strict need to know basis, while maintaining KONE's prohibition against retaliation. Access to the reporting system is limited to dedicated trained individuals tasked with handling compliance reports

At risk functions for bribery and corruption

KONE's operations are divided into eight global functions: Commercial and Operations, Technology and Innovation, Supply Chain, Purchasing, Strategy and Transformation, People and Communications, Finance and Legal and four geographical areas: Americas, Europe, Greater China, and Asia-Pacific, Middle East and Africa. To enhance its efforts in preventing and detecting bribery and corruption, KONE conducted a comprehensive global anti-bribery and corruption risk assessment in 2021. In the assessment KONE identified purchasing, sales, and marketing to have an elevated risk for bribery and corruption. These high-risk functions are categorized under Purchasing, Supply Chain and Commercial and Operations. In addition, some geographical areas pose a greater risk for bribery and corruption namely Asia-Pacific, Middle East and Africa and Greater China. These risks are evaluated internally on a continuous basis. KONE reports metrics at a global function level to ensure consistent coverage of all relevant roles with elevated risk for corruption and bribery. This approach accounts for variations in role names and descriptions, which may not always capture all at-risk positions. In addition, when KONE reports training completions of these functions, only active KONE employees are included. Those on leave are assigned the course upon return to work.

Code of conduct, anti-bribery and corruption training

Compliance training is a core element of KONE's ethics and compliance program. Key e-learnings, including the Code of Conduct, Competition Compliance, and Anti-Bribery and Corruption, are refreshed and assigned regularly, with at least one mandatory training rolled out each year for all employees, including Executive Board members.

In 2025, the Code of Conduct e-learning was updated and re-issued globally to all employees, including the Board of Directors. The course provides an overview of the Code and includes real-life scenarios employees may encounter in their daily work. Topics covered by the e-learning include corruption and bribery, related KONE policies, procedures for handling suspicion and detection as well as fraud, conflicts of interest, modern slavery, gifts and hospitality, how to apply the Code, and how to report actual or potential misconducts. The training includes clear confirmation from employees that they agree to comply with the Code of Conduct. All new joiners at KONE are required to complete the most recent Code of Conduct e-learning, and the Competition Compliance e-learning (updated in 2022) is also mandatory for all new staff and supervisors.

In addition to the Code of Conduct training, KONE reinforced its commitment to ethical business practices through targeted anti-bribery and corruption (ABC) training. The ABC Policy, introduced in 2023, was accompanied by a mandatory e-learning course for all employees, including Executive Management. The same course was re-issued in 2025 to all office-based staff and supervisors. It covers the definition of corruption and bribery, KONE's zero-tolerance policy, and provides guidance on preventing, detecting, and responding to corrupt business practices. Additionally, employees are instructed on how to report misconduct. The training includes clear confirmation from employees that they agree to comply with the ABC Policy. Respectively 98% of all active KONE employees in the target group (24,527) had completed the training by year end 2025. 98% of employees in functions with higher risk for bribery and corruption had completed the training. The ABC e-learning is part of onboarding and assigned to all new employees. For more information on business conduct policies and Code of Conduct training see section 4.1.2.

Preventive measures and actions

To prevent bribery and corruption, KONE has developed comprehensive anti-bribery and corruption measures. KONE continues to implement frontline compliance risk assessments and localized programs with a strong focus on addressing bribery and corruption. In 2025, KONE expanded its organization by adding new resources in key areas, including those identified as higher risk from a compliance perspective. The additional personnel strengthen KONE's ability to monitor, prevent, and address compliance risks across regions and functions, ensuring that expertise is available closer to the business. KONE also initiated local risk assessments in new 10 countries with a strong focus on anti-bribery and corruption among other compliance topics. Separate targeted compliance training to frontlines and corporate functions on topics including anti-bribery and corruption as well as gifts and corporate hospitality continued during 2025. See table 41 for the training completion rates.

KONE actively seeks reliable and fair relations with suppliers, distributors, and other partners for mutual benefit. To ensure transparency and compliance, KONE has a third-party due diligence process in place for distributors and centralized information on global distributor management. For details on the process, see section 3.2.3. Additionally, KONE conducts annual distributor training sessions in selected geographical areas, covering essential topics such as sanctions, bribery, corruption, and human rights. These trainings were conducted also during 2025. KONE ensures that the latest version of the distributor Code of Conduct has been signed by active KONE distributors. An annual distributor due diligence questionnaire is sent to all distributors and includes detailed questions on bribery and corruption, as well as on working conditions. KONE holds its suppliers to the same high standards regarding anti-bribery and corruption. KONE Supplier Code of Conduct includes an extensive chapter dedicated to these critical issues, emphasizing KONE's shared commitment to ethical business practices. For more information on KONE Distributor and Supplier Codes of Conduct, see section 3.2.2 and table 31.

KONE has incorporated anti-bribery and corruption clauses in global contract templates to better align business relationships with customers with KONE's stringent anti-corruption policies. In addition, Global Ethics and Compliance systematically screens target entities during mergers and acquisitions as part of KONE's risk management strategy. The compliance screening of customers was extended and automated during 2025. The screening process helps KONE maintain its commitment to ethical conduct and compliance with anti-bribery regulations.

KONE launched a new conflict of interest declaration tool integrated into KONE’s Human Resources system in 2024. During 2025, KONE continued implementing the tool across all operations. Employees can disclose any potential conflicts of interest to their manager through the tool, in which all relevant information is documented including any necessary resolutions. The tool also provides the capability for requiring employees to “self-affirm” that they do not have any conflicts. The tool serves as a risk mitigation mechanism to detect and prevent situations where employees’ personal interests may conflict with those of the company. In addition, all employees are encouraged to speak up if they suspect or become aware of a violation of the Code of Conduct, including those related to corruption and bribery.

Table 41. Completion rate of Code of conduct trainings [1]

Target group	2025 Target group	Completed (Target)	2024 Target group	Completed (Target)	2023 Target group	Completed (Target)
Own employees	66,494	97% (97%)	65,673	95% (95%)	54,000	85% (92%)
Employees in at-risk functions	38,394	98%	37,464	98%	36,622	86%
The Board of Directors and Executive management	22	100%	21	100%	9[2]	100%

[1]All mandatory compliance training courses are monitored through KONE’s learning management system, which records completion rates for each training module. In China, operatives are trained on a separate China Learning Management system (China LMS). The Greater China Compliance team monitors and tracks completions through the China LMS and reports these to Global Compliance function periodically.
[2]In 2023 the Code of Conduct training was not assigned to the Borad of Directors. The number includes only Executive management.

Consolidated financial statements

Consolidated statement of income

MEUR	Note	Jan 1–Dec 31, 2025	%	Jan 1–Dec 31, 2024	%
Sales	2.1	**11,245.2**		**11,098.4**	
Costs, expenses and depreciation	2.2, 2.3	-9,909.1		-9,849.5	
Operating income		**1,336.2**	**11.9**	**1,249.0**	**11.3**
Financing income	2.5	41.5		48.3	
Financing expenses	2.5	-49.7		-43.1	
Share of result of associated companies	5.4	-1.2		-	
Income before taxes		**1,326.8**	**11.8**	**1,254.1**	**11.3**
Taxes	2.6	-334.8		-293.1	
Net income		**991.9**	**8.8**	**961.0**	**8.7**
Net income attributable to:					
Shareholders of the parent company		980.1		951.3	
Non-controlling interests		11.9		9.7	
Total		**991.9**		**961.0**	
Earnings per share for profit attributable to the shareholders of the parent company, EUR	2.7				
Basic earnings per share, EUR		1.89		1.84	
Diluted earnings per share, EUR		1.89		1.84	

Consolidated statement of comprehensive income

MEUR	Note	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Net income		**991.9**	**961.0**
Other comprehensive income, net of tax:	2.8		
Translation differences		-184.3	78.4
Hedging of foreign subsidiaries		28.8	-12.8
Cash flow hedges		9.1	-3.7
Items that may be subsequently reclassified to statement of income		**-146.5**	**61.9**
Changes in fair value		-14.8	-1.6
Remeasurements of employee benefits		14.0	-8.7
Items that will not be reclassified to statement of income		**-0.8**	**-10.3**
Total other comprehensive income, net of tax		**-147.3**	**51.6**
Total comprehensive income		**844.7**	**1,012.6**
Total comprehensive income attributable to:			
Shareholders of the parent company		832.8	1,002.9
Non-controlling interests		11.9	9.7
Total		**844.7**	**1,012.6**

Consolidated statement of financial position

Assets, MEUR		Note	Dec 31, 2025	Dec 31, 2024
Non-current assets				
Goodwill		4.2	1,552.9	1,558.4
Other intangible assets		4.3	336.7	333.3
Tangible assets		4.4	942.5	898.5
Employee benefit assets	I	5.6	13.9	15.0
Deferred tax assets	II	3.6	365.7	365.7
Shares and other non-current assets	I/II	5.4	158.9	150.3
Total non-current assets			**3,370.6**	**3,321.2**
Current assets				
Inventories	II	3.1	843.1	856.7
Accounts receivable	II	3.2, 5.3	2,350.7	2,494.8
Deferred assets	II	3.3, 5.3	675.8	693.6
Income tax receivables	II		102.9	119.0
Deposits and other current assets	I	5.4	1,268.4	1,223.0
Cash and cash equivalents	I	5.3	440.5	576.0
Total current assets			**5,681.4**	**5,963.1**
Total assets			**9,052.0**	**9,284.3**

Equity and liabilities, MEUR		Note	Dec 31, 2025	Dec 31, 2024
Equity attributable to the equity holders of the parent				
Share capital		5.2	66.2	66.2
Share premium account			100.3	100.3
Paid-up unrestricted equity reserve			245.7	245.7
Fair value and hedge reserves			-31.1	-25.3
Translation differences			-20.2	135.3
Remeasurements of employee benefits			-91.2	-105.2
Retained earnings			2,527.6	2,449.7
Total shareholders' equity			**2,797.4**	**2,866.8**
Non-controlling interests			29.4	26.3
Total equity			**2,826.8**	**2,893.1**
Non-current liabilities				
Loans and other interest-bearing liabilities	I	5.3	514.6	700.5
Employee benefit liabilities	I	5.6	158.7	141.4
Deferred tax liabilities	II	3.6	102.4	87.3
Total non-current liabilities			**775.6**	**929.3**
Provisions	II	3.5	**176.4**	**185.9**
Current liabilities				
Loans and other interest-bearing liabilities	I	5.3	355.1	145.1
Advances received and deferred revenue	II	3.2	1,965.2	2,016.9
Accounts payable	II	5.3	967.6	982.9
Accruals	II	3.4, 5.3	1,846.5	1,986.6
Income tax payables	II		138.8	144.4
Total current liabilities			**5,273.1**	**5,275.9**
Total equity and liabilities			**9,052.0**	**9,284.3**

Items designated " I " comprise interest-bearing net debt.
Items designated " II " comprise net working capital.

Consolidated statement of changes in equity

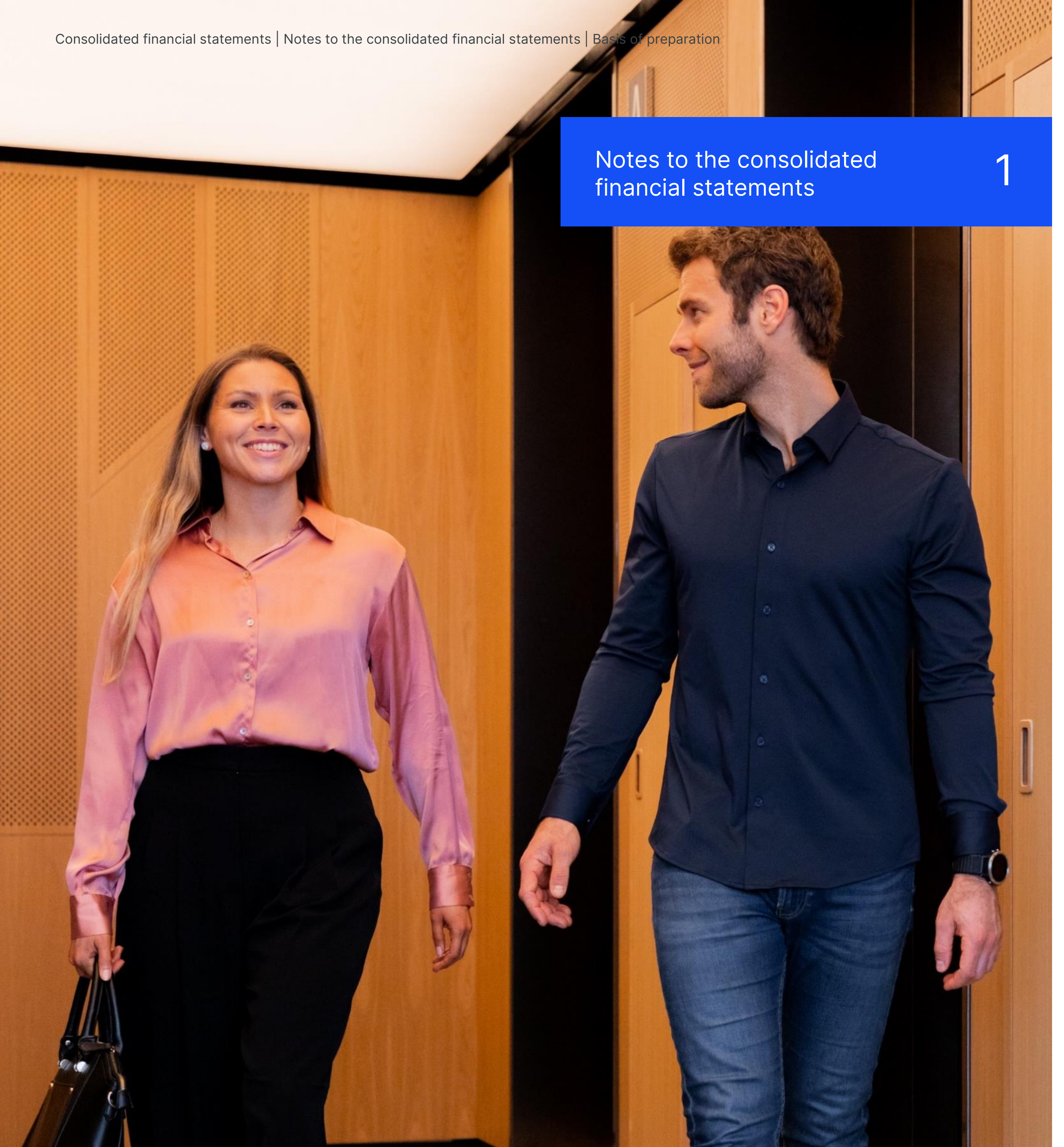
		Attributable to the equity holders of the parent								
MEUR	Note	Share capital	Share premium account	Paid-up unrestricted equity reserve	Fair value and other reserves	Translation differences	Remeasurements of employee benefits	Retained earnings	Non-controlling interests	Total equity
Jan 1, 2025		**66.2**	**100.3**	**245.7**	**-25.3**	**135.3**	**-105.2**	**2,449.7**	**26.3**	**2,893.1**
Net income for the period		-	-	-	-	-	-	980.1	11.9	991.9
Other comprehensive income:	2.8									
Translation differences		-	-	-	-	-184.3	-	-	-	-184.3
Hedging of foreign subsidiaries		-	-	-	-	28.8	-	-	-	28.8
Cash flow hedges		-	-	-	9.1	-	-	-	-	9.1
Changes in fair value		-	-	-	-14.8	-	-	-	-	-14.8
Remeasurements of employee benefits		-	-	-	-	-	14.0	-	-	14.0
Transactions with shareholders and non-controlling interests:	5.2									
Profit distribution		-	-	-	-	-	-	-931.9	-	-931.9
Change in non-controlling interests		-	-	-	-	-	-	-1.8	-8.8	-10.6
Share-based compensation		-	-	-	-	-	-	31.6	-	31.6
Dec 31, 2025		**66.2**	**100.3**	**245.7**	**-31.1**	**-20.2**	**-91.2**	**2,527.6**	**29.4**	**2,826.8**
Jan 1, 2024		**66.2**	**100.3**	**245.7**	**-20.0**	**69.7**	**-96.5**	**2,386.6**	**33.9**	**2,786.0**
Net income for the period		-	-	-	-	-	-	951.3	9.7	961.0
Other comprehensive income:	2.8									
Translation differences		-	-	-	-	78.4	-	-	-	78.4
Hedging of foreign subsidiaries		-	-	-	-	-12.8	-	-	-	-12.8
Cash flow hedges		-	-	-	-3.7	-	-	-	-	-3.7
Changes in fair value		-	-	-	-1.6	-	-	-	-	-1.6
Remeasurements of employee benefits		-	-	-	-	-	-8.7	-	-	-8.7
Transactions with shareholders and non-controlling interests:	5.2									
Profit distribution		-	-	-	-	-	-	-905.5	-	-905.5
Change in non-controlling interests		-	-	-	-	-	-	-8.4	-17.3	-25.7
Share-based compensation		-	-	-	-	-	-	25.6	-	25.6
Dec 31, 2024		**66.2**	**100.3**	**245.7**	**-25.3**	**135.3**	**-105.2**	**2,449.7**	**26.3**	**2,893.1**

Consolidated statement of cash flows

MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Cash receipts from customers	11,294.1	11,233.1
Cash paid to suppliers and employees	-9,532.8	-9,643.8
Cash flow from operations before financing items and taxes	**1,761.3**	**1,589.3**
Interest received	15.1	16.2
Interest paid	-35.7	-25.2
Dividends received and capital repayments	3.2	0.0
Other financing items	-73.4	-1.1
Income taxes paid	-354.6	-329.9
Cash flow from operating activities	**1,316.0**	**1,249.3**
Capital expenditure	-153.9	-168.4
Proceeds from sales of fixed assets	0.2	0.2
Acquisitions, net of cash	-130.2	-119.2
Cash flow from investing activities	**-284.0**	**-287.4**
Cash flow after investing activities	**1,032.0**	**962.0**
Profit distribution	-931.9	-905.5
Change in deposits and loan receivables, net	-51.6	72.4
Change of current creditors	-150.6	-149.7
Change in non-current liabilities	0.6	189.3
Change in non-controlling interests	-6.0	-19.5
Cash flow from financing activities	**-1,139.5**	**-813.0**
Change in cash and cash equivalents	**-107.5**	**149.0**
Cash and cash equivalents at beginning of period	576.0	424.5
Translation difference	-28.0	2.5
Cash and cash equivalents at end of period	**440.5**	**576.0**

The impact of changes in exchange rates has been eliminated in the statement of cash flows by translating the opening balance sheet with the closing rates of the period.

Reconciliation of operating income to cash flow from operations before financing items and taxes, MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Operating income	1,336.2	1,249.0
Change in working capital before financing items and taxes	105.3	48.1
Depreciation and amortization	319.9	292.2
Cash flow from operations before financing items and taxes	**1,761.3**	**1,589.3**



Notes to the consolidated financial statements 1

Basis of preparation

In this section

This section comprises following information about the basis of preparation of KONE's consolidated financial statements:

- Basis of preparation
- Consolidation principles
- Hyperinflation
- Segment information
- Accounting estimates and management judgements
- Effects of climate-related matters in financial statements

Accounting principles are presented in connection with notes in sections 2–6.

Basis of preparation

KONE Corporation is a Finnish, public limited company domiciled in Helsinki, Finland. KONE Corporation and its subsidiaries together form the KONE Group ("KONE" or "the Group"). KONE is a global leader in the elevator and escalator industry with a purpose to shape the future of cities. KONE provides elevators, escalators and automatic building doors, as well as solutions for maintenance and modernization to add value to buildings throughout their life cycle. KONE moves two billion people every day, making their journeys safe, convenient, and reliable with smart and sustainable People Flow®. KONE operates in close to 70 countries around the world, serving close to 600,000 customers. Headquartered in Helsinki, Finland, we have seven global R&D units and 10 manufacturing units in seven countries, as well as a worldwide network of agents and authorized distributors.

The consolidated financial statements of KONE Corporation have been prepared in accordance with the IFRS (International Financial Reporting Standards) Accounting Standards as adopted by the EU, observing the standards and interpretations effective on December 31, 2025.

KONE has adopted the new standards and interpretations that took effect during the accounting period and are relevant to its operations. The IFRS standards and amendments thereto that took effect in 2025 did not have a material impact on the Group's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements, effective for reporting periods beginning on or after January 1, 2027, will replace IAS 1 Presentation of Financial Statements standard. The new standard carries forward many of the requirements of IAS 1 unchanged but also introduces new and enhanced requirements related to presentation of the statement of profit or loss, grouping of information, and presentation of management-defined performance measures. Based on initial assessment, KONE expects IFRS 18 to primarily affect the presentation and disaggregation of information in the consolidated statement of income and in the notes, including the introduction of new defined subtotals. More detailed quantitative impact assessment will be completed during 2026.

The consolidated financial statements have been prepared for the reporting period of 12 months from January 1 to December 31, 2025 and on the basis that the Group will continue to operate as going concern. The financial statements have been authorized for issue by the Board of Directors of KONE Corporation on February 5, 2026. According to the Finnish Companies' Act the Annual General Meeting has the right to approve, reject or make changes to the financial statements after the publication.

The consolidated financial statements are presented in millions of euros and prepared under the historical cost convention except as disclosed in the accounting principles. Further, trade date accounting has been applied to all financial assets and liabilities. Amounts presented in these financial statements have been rounded from exact values and therefore the sum of amounts presented individually can deviate from the presented sum amount calculated based on the exact values. Key figures have been calculated using exact values.

Consolidation principles

The consolidated accounts include the parent company and those companies in which the parent company held, directly or indirectly, more than 50 percent of the voting power or had control through management agreements with shareholders holding the majority of the voting power at the end of the reporting period. In addition to these holdings, the consolidated accounts include possible holdings that are of a controlling-right nature (units/companies established for a specific reason).

Subsidiaries acquired during the period were included in the consolidated financial statements from the date of acquiring the control, and divested subsidiaries up to the date of loss of control. The acquisition consideration, including deferred and contingent consideration, as well as the identifiable assets acquired and liabilities assumed, are measured at the acquisition date fair values. The acquisition-related costs are recognized as expenses in the period in which they are incurred.

At the acquisition date, the non-controlling interests are valued either at the acquisition date fair values or at non-controlling interests' proportionate share in the recognized amounts of the identifiable net assets. Consolidated statement of income includes an allocation of net income between the shareholders of the parent company and the non-controlling interest. The allocation of the comprehensive income to the shareholders of the parent company and non-controlling interests is presented in the statement of comprehensive income. Non-controlling interests' share of total equity is presented separately under total consolidated equity.

All inter-corporate transactions, receivables, liabilities and unrealized profits, as well as the distribution of profits within the Group have been eliminated in the consolidated financial statements. Inter-corporate shareholdings have been eliminated using the acquisition method.

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the Group, have been translated into the presentation currency as follows: assets and liabilities at the statement of financial position date closing rate, and income and expenses at average exchange rates of the reporting period. The resulting exchange rate differences have been recognized in other comprehensive income.

Associated companies are companies where KONE exercises significant influence but not control. Associated companies are accounted using the equity method, where the carrying amount of the associate in the statement of financial position reflects the Group's share of the net assets of the associated company, together with any goodwill. The Group's share of the associated companies' profit or loss is recognized in the consolidated income statement after the operating profit.

Hyperinflation

Following continued growth in inflation rate, the accounting firms and regulatory authorities have based on criteria set-out in IAS 29 classified Türkiye as a hyperinflationary economy for reporting periods ending on or after June 30, 2022. KONE is active in both New Building Solutions as well as service business in Türkiye through its local subsidiary. KONE has assessed the impact of applying hyperinflationary accounting and concluded that the impact would be immaterial for the Group. Consequently, the consolidated statement of income or statement of financial position does not reflect the impact arising from remeasurement of operations in Türkiye for hyperinflation.

Segment reporting

The profitability of KONE is presented as a single entity. KONE's business concept is to serve its customers by providing solutions throughout the entire life cycle of the equipment, beginning from the installation of new building solutions to the maintenance and modernization during their life cycle and the full replacement of the equipment. Most of the equipment that are delivered are converted into service base. Material operative decisions are made by the Board of Directors of KONE. Such decisions are prepared and presented by the Chairman of the Board and the President and Chief Executive Officer. Due to the business model of KONE, the nature of its operations and its governance structure, the Group as a whole is considered the relevant operating segment to be reported.

Accounting estimates and management judgements

The preparation of the financial statements in accordance with the IFRS requires management to make judgements, estimates and assumptions that affect the measurement of the reported assets and liabilities and other information, such as contingent assets and liabilities and the recognition of income and expenses in the consolidated statement of income. Although these estimates and assumptions are based on the management’s best knowledge of current events, actual results may differ from the estimates.

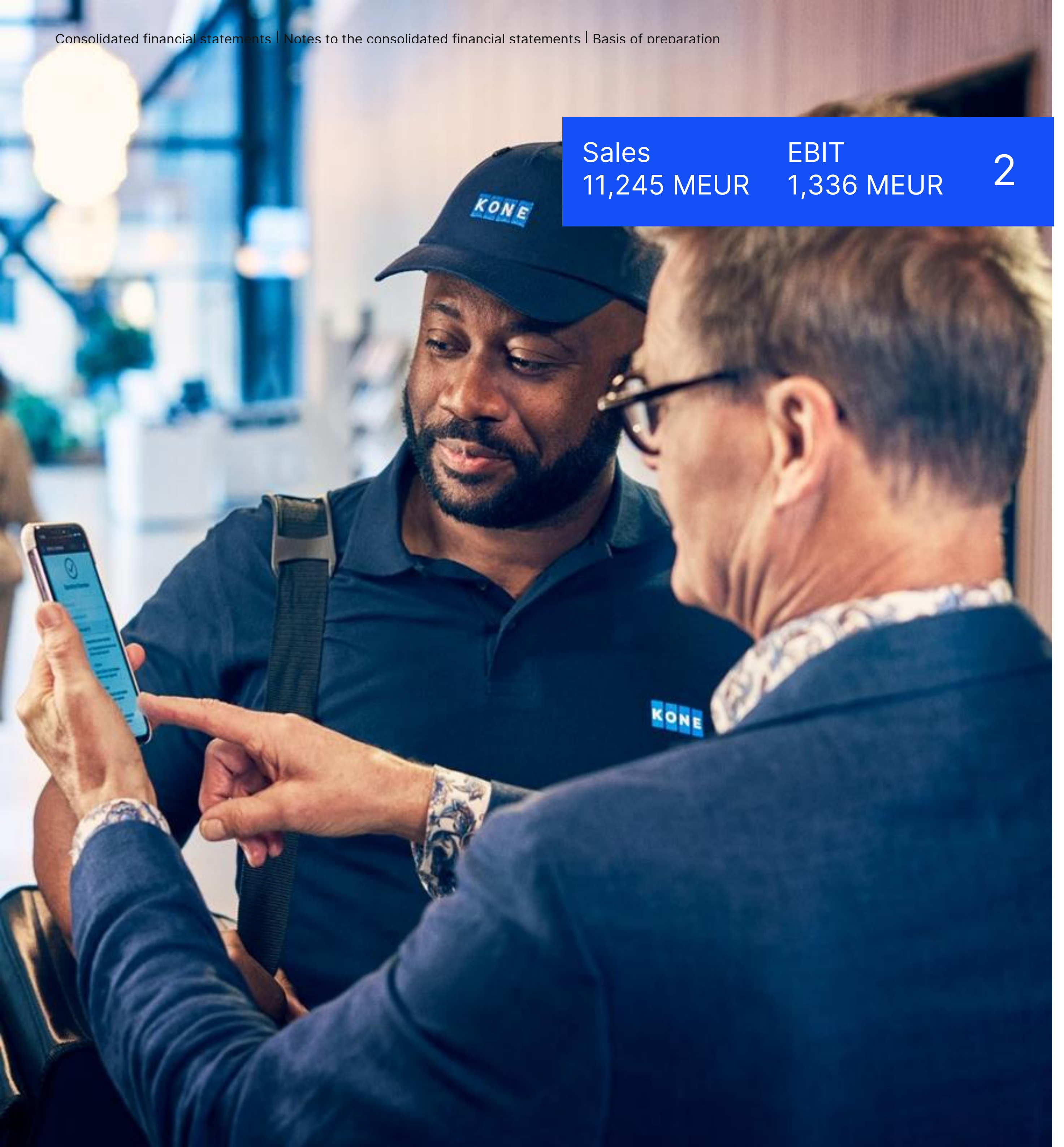
For KONE the most significant judgements, estimates and assumptions made by the management relate to revenue recognition, especially to defining and determining principles for revenue recognition in project business, to project estimates for long-term major projects, assumptions used in impairment testing, valuation of accounts receivables and inventories, determining the lease term applied in the lease accounting and recognition of provisions and evaluation of uncertain tax positions.

Effects of climate-related matters in financial statements

Climate-related matters have limited direct and indirect impacts in the following areas of KONE's consolidated financial statements in 2025:

- KONE has a sustainability-linked undrawn revolving credit facility of EUR 850.0 (850.0) million. The climate-related target impacting the fees of the facility is linked to the reduction of KONE’s Scope 1, 2 and 3 greenhouse gas emissions.
- KONE's long-term incentive plans include a target related to reducing KONE’s carbon footprint from Scope 1, 2 and 3 greenhouse gas emissions, and it has an impact on the share-based payment amounts.
- KONE’s investments in low-emission vehicle fleet have increased the amount of right-of-use assets and lease liabilities as well as related depreciation and interest expenses.
- The climate-related risks and opportunities impact the cash flow estimates, terminal growth rate and discount rates used in the goodwill impairment testing.
- The general transition towards a low-carbon economy impact KONE’s revenues, expenses, and cash flows. Such impact arises particularly through the demand for energy efficient equipment and the related cost of sales and R&D expenditure.

Potential future impacts of climate change on the consolidated financial statements may include, for example, revenues and cash inflows from increased demand for sustainable offering, costs and cash flows related to climate change and transition towards low-carbon economy, capital expenditure in energy-efficient assets and related depreciation; impairment of assets due to physical damage from severe weather conditions and changes in the value of certain financial instruments due to climate risks. The nature and magnitude of potential future financial impacts of climate change are difficult to estimate. None of the separately identifiable financial impacts is assessed to be material to KONE as of the date of these financial statements. KONE continues to evaluate its exposure to climate-related impacts, risks and opportunities, and these matters will be reflected in consolidated financial statements, as appropriate.



Sales
11,245 MEUR

EBIT
1,336 MEUR

2

Financial Performance

In this section

This section comprises the following notes providing insights into KONE's financial performance:

2.1 Sales

Due to KONE's business model, the nature of its operations and its governance structure, KONE has one operating segment.

KONE's customer base consists of a large number of customers in several market areas with no significant customer concentration. In 2025, the single biggest customer, residing in USA, generated 0.3% of total revenue.

Sales by business, MEUR	Jan 1–Dec 31, 2025	%	Jan 1–Dec 31, 2024	%
New Building Solutions	4,097.7	36	4,506.9	41
Service	4,753.6	42	4,503.6	41
Modernization	2,394.0	21	2,088.0	19
Total	**11,245.2**		**11,098.4**	

Sales by Area, MEUR	Jan 1–Dec 31, 2025	%	Jan 1–Dec 31, 2024	%
Americas	2,812.1	25	2,727.1	25
Europe	4,524.4	40	4,233.8	38
APMEA	1,742.7	15	1,609.3	14
Greater China	2,166.0	19	2,528.2	23
Total	**11,245.2**		**11,098.4**	

Top 10 countries by sales, %

Country	2025	2024
USA	21%	21%
China	18%	21%
Germany	8%	7%
France	6%	6%
Great Britain	4%	4%
Italy	4%	3%
India	4%	3%
Australia	3%	3%
Canada	3%	3%
Netherlands	2%	2%

Accounting principles

Revenue recognition

Revenue from contracts with KONE's customers is recognized at an amount that reflects the consideration to which KONE expects to be entitled to in exchange for delivering promised goods or services to a customer.

KONE recognizes revenue when or as it satisfies a performance obligation by transferring control on the promised goods or services (performance obligation) to a customer.

A performance obligation is a distinct good or service within a contract that a customer can benefit from on a stand-alone basis. For KONE's New Building Solutions and Modernization contracts, a performance obligation typically means delivery and installation of a single unit, i.e. an elevator, an escalator or other People Flow solution. For KONE's maintenance contracts, maintenance of a single unit is considered as a distinct performance obligation and for repairs business, typically a service order is a performance obligation for KONE.

In New Building Solutions and Modernization contracts, KONE transfers the control of a single unit to a customer over time and, therefore, satisfies the performance obligation and recognizes revenue over time.

The transfer of control is initiated when ordered equipment is delivered to a customer site as then the customer has the ability to direct the use of, and obtain substantially all of the remaining benefits from, a unit constructed by KONE. Upon this milestone and onwards up to the project handover, revenue is recognized under the percentage of completion method using a cost-to-cost input method. Based on KONE's assessment it best depicts the transfer of control on the deliverable to the customer. Percentage of completion is defined as the proportion of an individual performance obligation's cost incurred to date from the total estimated costs for that particular performance obligation.

The percentage of completion method requires accurate estimates of future revenues and costs over the full term of the contracts. These significant estimates form the basis for the amount of revenue to be recognized and include the latest updated estimate of total revenue and costs, adjusted with risks based on historical experience on typical estimation revisions for similar types of contracts. These estimates may materially change due to the stage of completion of the contract, changes in the contract scope, cost estimates and customer's plans and other factors. Revenues from the rendering of maintenance services and repairs are recognized when the Services have been rendered or over the contract term when the work is being carried out.

For maintenance contracts the performance obligation is satisfied over time because the customer simultaneously receives and consumes the benefits provided as KONE performs the Services.

Most of KONE's revenue is derived from fixed-price contracts and, therefore, the amount of revenue to be earned from each contract is determined by reference to those fixed prices. KONE's customer contracts do not typically contain any significant financing components. In New Building Solutions and Modernization contracts payment terms are typically based on either specific contractual milestones or progress of work performed. In maintenance contracts customers generally pay based on fixed payment schedules.

When customer contracts contain multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling prices. Where these are not directly observable, they are estimated based on estimated costs plus margin approach.

2.2 Costs and expenses

Cost and expenses, MEUR	Note	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Direct materials, supplies and subcontracting		3,877.9	3,947.5
Wages, salaries, and other employment expenses including pensions	5.6	4,090.7	3,907.0
Other production costs		879.2	882.4
Selling, administrative and other expenses		782.8	860.0
Depreciation and amortization	2.3	319.9	292.2
Costs, expenses, depreciation and amortization		**9,950.5**	**9,889.1**
Other income		41.4	39.6
Total costs, expenses, depreciation and amortization		**9,909.1**	**9,849.5**

Research and development costs, MEUR or as indicated		Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
R&D costs included in total costs		233.9	203.6
As percentage of sales	%	2.1	1.8

Auditors' fee, MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Audit (to member firms of Ernst & Young network)	4.3	4.0
Sustainability assurance	0.3	0.3
Auditors' statements	-	0.0
Tax services	0.1	0.4
Other services	0.2	1.7
Total	**4.9**	**6.3**

The majority of expenses of operations arise from direct materials and supplies, as well as cost of subcontracting. Other production costs comprise of logistics, tools and consumables, operative car fleet and traveling as well as other miscellaneous items of direct costs. Selling, administrative and other expenses include costs related to premises, consulting and external services, IT and traveling as well as other miscellaneous administrative costs. Expense arising from leases of low-value assets and short-term leases amounted to EUR 11.8 (13.0) million in 2025.

Selling, administrative and other expenses include EUR 33 million items affecting comparability consisting of costs related to the separation of KONE Door Business under its own legal and operative structure and restructuring costs. In the comparison period, items affecting comparability amounted to EUR 54 million including EUR 36 million restructuring costs and EUR 18 million expensed development costs as a result of redirecting development activities in alignment with KONE's new strategy.

Other income comprises rental income, received grants, interest on late payments including cancellation penalties, gains on sale of fixed assets and scrap as well as other miscellaneous income.

Accounting principles

Research and development costs

Research and development costs are typically expensed as they incur, because the future economic benefits of new products and development of existing products and services can only be proven after their successful introduction to the market.

2.3 Depreciation and amortization

Depreciation and amortization, MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Intangible assets:		
Customer-related intangibles	53.2	46.7
Other	10.7	11.5
Tangible assets:		
Buildings	83.4	81.6
Machinery and equipment	172.6	152.4
Total	**319.9**	**292.2**

Accounting principles

Depreciation and amortization

Depreciation and amortization are recorded on a straight-line basis over the economic useful lives of the assets, or over the lease contract periods, when applicable, if shorter.

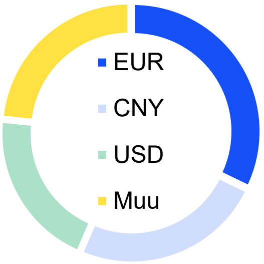
Economic useful lives:

Customer-related intangibles	10–15 years
Other intangible assets	3–10 years
Buildings	5–40 years
Machinery and equipment	2–15 years
Land	Infinite

2.4 Foreign exchange sensitivity

Foreign exchange risks

Sales by currency 1–12/2025



KONE operates internationally and is thus exposed to risks arising from fluctuations in foreign exchange rates related to currency flows of revenues and expenses (transaction risk) and from the translation of statement of income and statement of financial position of the foreign subsidiaries from respective functional currencies into euros (translation risk).

Transaction risks

A substantial part of KONE's operations is denominated in local functional currencies of the subsidiaries and do not therefore give rise to transaction risk. The sales of New Building Solutions and Modernization, including installation, typically take place in the local currency of the customer. Component and material expenses may occur in other currencies than the sales currency, which exposes KONE to transaction risks. KONE policy is to substantially hedge the foreign exchange exposure of firm commitments and other highly probable future sales and purchases with foreign exchange forward contracts. The business units are responsible for evaluating and hedging the transaction risks in their operations according to the KONE Treasury Policy. The most significant transaction risk exposures arising from business operations are in the Chinese yuan, United Arab Emirates dirham, Saudi riyal, Canadian dollar, and Australian dollar. The majority of the currency forward contracts expire within one year.

Hedge accounting is applied in business units where there are significant revenues or expenses in foreign currency. When hedge accounting is applied, the gains and losses from the hedges are recognized in the statement of income at the same time as the exchange rate gains and losses for the hedged items are recognized.

The financial assets and liabilities of KONE subsidiaries are in the local currencies of the subsidiaries whenever possible. In case a subsidiary company has a financial asset or liability in other than its local currency, these assets and liabilities are hedged with foreign exchange forward contracts whenever possible and required by the KONE Treasury Policy.

KONE's internal loans and deposits are primarily initiated in the local currencies of the subsidiaries in which case the possible foreign exchange risks are hedged, by the parent company, using foreign exchange swap contracts.

Foreign exchange risk sensitivity analysis of financial assets and liabilities

The foreign exchange risk sensitivity analysis for the most important currency pairs has been calculated for the KONE companies' foreign currency denominated financial assets and liabilities, including foreign exchange forward contracts outstanding at the statement of financial position date. The order book or forecasted cash flows are not included.

Foreign currency exposure related to foreign currency denominated balance sheet items and derivatives, MEUR

	Against EUR						Against USD			Against CNY			
	JPY	HKD	SEK	GBP	Others	**Total**	CAD	Others	**Total**	USD	SGD	Others	**Total**
Dec 31, 2025	78	2	-65	-65	-134	**-184**	-95	-12	**-107**	-342	-66	-161	**-570**
Dec 31, 2024	93	-331	-66	-80	-103	**-487**	-88	-4	**-93**	-303	-62	-128	**-493**

Accounting principles

Foreign currency transactions and translation

The items included in the financial statements are initially recognized in the functional currencies, which are defined for each group subsidiary based on their primary economic environment.

The presentation currency of the financial statements is the euro, which is also the functional currency of the parent company.

The initial recognition of transactions denominated in foreign currencies in the functional currency takes place at the rate of exchange prevailing at the date of the individual transaction.

Foreign currency denominated receivables and liabilities are translated using period end exchange rates.

Foreign exchange gains and losses related to business transactions are treated as adjustments within operating income. Foreign exchange gains and losses associated with financing transactions are included in financing income and expenses.

The statements of income of foreign subsidiaries, whose functional currency is not the euro, are translated into euros based on the average exchange rate of the accounting period. Items in the statement of financial position, with the exception of net income for the accounting period, are translated into euros at the closing date exchange rates. Exchange rate differences arising from net investments in non-euro currency subsidiaries, as well as the exchange rate differences resulting from translating income and expenses at the average rates and assets and liabilities at the closing rate, are recorded in translation differences within equity.

Respective changes during the period are presented in other comprehensive income. Exchange rate gains and losses resulting from financial instruments designated as hedges of net assets in foreign subsidiaries have been recognized as translation differences in other comprehensive income. The cumulative translation differences related to foreign operations are reclassified from equity to statement of income upon the disposal of the foreign operation.

A 10% change in the foreign exchange rates (strengthening of the euro, Chinese yuan and US dollar) at the statement of financial position date would have resulted in an impact of EUR -2.4 (-72.1) million on the net income and an impact of EUR 88.4 (164.1) million on equity. The foreign exchange risk sensitivity analysis presents the impact of a change in the foreign exchange rates of 10 percent on net income and on equity at the statement of financial position date. Changes in the equity are mainly caused by foreign exchange forwards designated in cash flow hedge accounting. The sensitivity analysis is calculated before taxes.

Translation risks

KONE's financial statements are presented in euros, and as approximately 72% of KONE's revenues occur in functional currencies other than euro, the translation risk can be significant for KONE. A change of 10% in the annual average foreign exchange rates would have caused a 7.2% (7.3%) change in 2025 consolidated sales in euros. Such a change would have had a higher impact on KONE's operating income and therefore also some impact on KONE's relative operating income. The translation of the subsidiaries' balance sheets into euros caused translation differences of EUR -184.3 (78.4) million in 2025. The translation risk is not hedged as a rule as KONE's business consists of continuous operations in various currency areas. However, in individual cases, KONE can also hedge translation risk related to net assets of subsidiaries. The most significant translation risk exposures arising from business operations are in the Chinese yuan, US dollar, British pound, Indian rupee and Australian dollar.

		Jan 1–Dec 31, 2025		Jan 1–Dec 31, 2024	
Key exchange rates		Average rate	End rate	Average rate	End rate
Chinese yuan	EUR/CNY	8.0693	8.2262	7.7793	7.5833
US dollar	EUR/USD	1.1243	1.1750	1.0826	1.0389
British pound	EUR/GBP	0.8546	0.8726	0.8469	0.8292
Indian rupee	EUR/INR	98.0741	105.5965	90.6243	88.9335
Australian dollar	EUR/AUD	1.7484	1.7581	1.6424	1.6772

2.5 Financing income and expenses

Financing income and expenses, MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Dividend income [1]	3.2	0.0
Interest income:		
Change in fair value of interest [2]	19.0	26.2
Interest income on foreign exchange rate derivatives	1.9	0.0
Interest income on loan receivables and financial assets	15.1	15.2
Other financing income	0.3	1.6
Exchange rate gains [3]	2.0	5.2
Financing income	**41.5**	**48.3**
Interest expenses:		
Change in fair value of interest	-0.3	-2.2
Interest expenses on lease liabilities	-27.5	-23.4
Interest expense on foreign exchange rate derivatives	-0.2	-2.9
Interest expenses on other financial liabilities	-12.4	-6.8
Other financing expenses [4]	-5.8	-5.2
Exchange rate losses [3]	-3.5	-2.5
Financing expenses	**-49.7**	**-43.1**
Total	**-8.2**	**5.2**

[1] Primarily consists of dividend received from Toshiba Elevator and Building Systems CO.,LTD. (TELC). More information about TELC is available in note 5.4 Shares, deposits and other assets.
[2] Change in fair value of interest includes EUR 17.2 (25.4) million relating to interest rate funds measured at fair value through the statement of income.
[3] Exchange rate gains and losses include exchange rate differences on loans and other receivables of EUR 113.5 (-38.9) million and fair value changes of foreign exchange derivatives of EUR -115.0 (41.6) million.
[4] Includes commitment fees for undrawn revolving credit facilities amounting to EUR -0.7 (-0.8) million and banking charges and other expenses amounting to EUR -5.2 (-4.3) million.

2.6 Income taxes

Taxes in the statement of income, MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Tax expense for current year	364.5	332.0
Change in deferred tax assets and liabilities	-22.1	-47.1
Tax expense for previous years	-7.6	8.2
Total	**334.8**	**293.1**

Reconciliation of income before taxes with total income taxes in the statement of income, MEUR or as indicated		Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Income before taxes		1,326.8	1,254.1
Tax calculated at the domestic corporation tax rate (20%)		265.4	250.8
Effect of different tax rates in foreign subsidiaries		27.7	17.0
Permanent differences		5.4	-3.7
Taxes from previous years and reassessment of deferred tax assets		-1.0	11.7
Deferred tax liability on undistributed earnings		7.0	13.6
Other		30.3	3.7
Total		**334.8**	**293.1**
Effective tax rate [1]	%	25.2	23.4
Tax rate of parent company	%	20.0	20.0

[1] The effective tax rate from the operations for the financial year 2025 was 23.4% excluding one-off items (reported in Other in reconciliation) related to legal entity restructurings.

Pillar 2 legislation entered into force in Finland on January 1, 2024. The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar 2 income taxes. KONE is in scope of this legislation and has performed an assessment of its potential Exposure of Pillar 2 income taxes taking into consideration the OECD “Transitional Safe Harbour and Penalty Relief” for Pillar 2 purposes. Based on the assessment, most of the jurisdictions in which the Group operates fall under the Safe Harbour rules. The main jurisdictions in which the potential exposure to top-up-tax exist are in the Middle East. The assessment indicates the impact in terms of top-up tax to be at the level of EUR 1.4 million (2024: 2.2 million).

Accounting principles

Income tax

The Group tax expense includes taxes of subsidiaries based on taxable income for the period, together with tax adjustments for previous periods and changes in deferred taxes. Deferred taxes are provided for temporary differences arising from difference between the tax bases of assets and liabilities and their carrying amounts in financial reporting and measured with enacted tax rates. Typical temporary differences arise from provisions, depreciation and amortization, inter-company inventory margins, defined benefit type post-retirement plans and tax losses carried forward. Deferred tax assets on unused tax losses and other temporary differences are recognized to the extent it is probable that taxable profit is available to offset losses in the future.

A deferred tax liability is recognized on the undistributed profits of subsidiaries where such tax is applicable, and it is expected to realize in the foreseeable future.

The positions taken in tax returns are evaluated periodically by the management to identify situations in which applicable tax regulation is subject to interpretation. Based on the evaluation, adjustments for the uncertain tax positions are recognized when it is considered more likely than not that certain tax positions will be challenged by the tax authorities. The amounts recorded are based upon the estimated final taxes to be paid to the tax authorities.

2.7 Earnings per share

Earnings per share		Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Net income attributable to the shareholders of the parent company	MEUR	980.1	951.3
Weighted average number of shares	1,000 shares	517,810	517,501
Basic earnings per share	EUR	**1.89**	**1.84**
Dilution effect of share-based incentive plans	1,000 shares	1,277	514
Weighted average number of shares, dilution adjusted	1,000 shares	519,087	518,014
Diluted earnings per share	EUR	**1.89**	**1.84**

Accounting principles

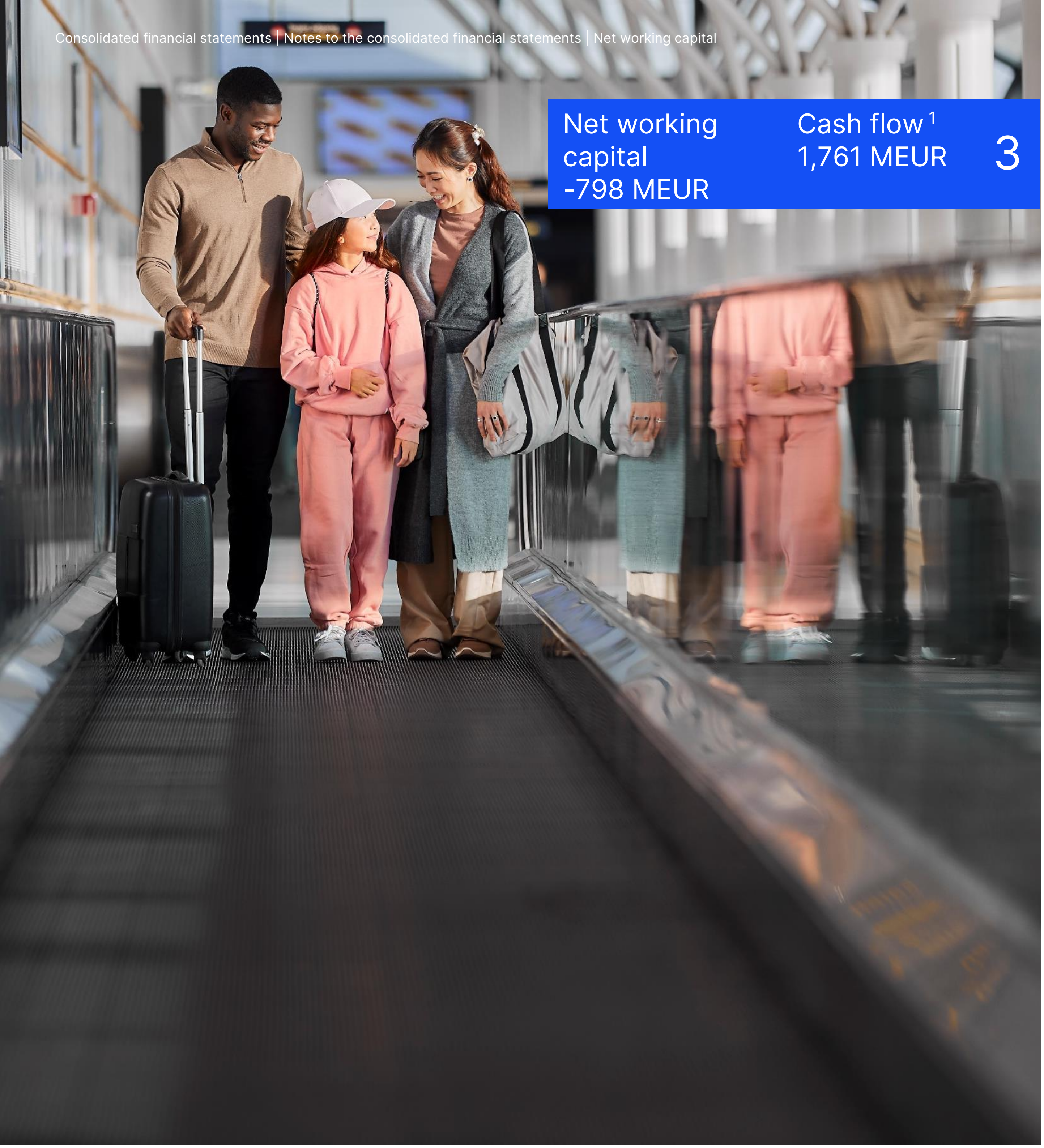
Earnings per share

The basic earnings per share figure is calculated by dividing the net income attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated by adjusting the weighted average number of shares by the effect of potential diluting shares due to share-based incentive plans of the Group. KONE has two classes of shares that are both included in the calculation of earnings per share.

2.8 Other comprehensive income

Components of other comprehensive income, MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Translation differences	-184.3	78.4
Hedging of foreign subsidiaries	28.8	-12.8
Changes in fair value	-14.8	-1.6
Remeasurements of employee benefits	15.7	-10.7
Cash flow hedges:		
Gains/losses incurred during the year	19.1	8.0
Reclassifications included in profit or loss	-9.6	-11.7
Cash flow hedges, net	**9.6**	**-3.8**
Income tax relating to components of other comprehensive income	-2.2	2.1
Total other comprehensive income, net of tax	**-147.3**	**51.6**

	Jan 1–Dec 31, 2025			Jan 1–Dec 31, 2024		
Tax effects relating to components of other comprehensive income, MEUR	Gross amount	Tax expense/ benefit	Net of tax amount	Gross amount	Tax expense/ benefit	Net of tax amount
Translation differences	-184.3	-	-184.3	78.4	-	78.4
Hedging of foreign subsidiaries	28.8	-	28.8	-12.8	-	-12.8
Cash flow hedges	9.6	-0.5	9.1	-3.8	0.1	-3.7
Items that may be subsequently reclassified to statement of income	**-146.0**	**-0.5**	**-146.5**	**61.8**	**0.1**	**61.9**
Changes in fair value	-14.8	-	-14.8	-1.6	-	-1.6
Remeasurements of employee benefits	15.7	-1.7	14.0	-10.7	2.0	-8.7
Items that will not be reclassified to statement of income	**0.9**	**-1.7**	**-0.8**	**-12.3**	**2.0**	**-10.3**
Total other comprehensive income, net of tax	**-145.1**	**-2.2**	**-147.3**	**49.5**	**2.1**	**51.6**



Net working capital -798 MEUR

Cash flow[1] 1,761 MEUR

3

Net working capital

In this section

This section comprises the following notes, describing components of KONE’s net working capital:

Net working capital, MEUR	Dec 31, 2025	Dec 31, 2024
Inventories	843.1	856.7
Advances received and deferred revenue	-1,965.2	-2,016.9
Accounts receivable	2,350.7	2,494.8
Deferred assets and income tax receivables	778.7	812.5
Accruals and income tax payables	-1,985.3	-2,131.0
Provisions	-176.4	-185.9
Accounts payable	-967.6	-982.9
Other non-current assets	60.9	47.0
Net deferred tax assets/liabilities	263.4	278.4
Total	**-797.6**	**-827.2**

[1] Cash flow from operations before financing items and taxes

3.1 Inventories

Inventories, MEUR	Dec 31, 2025	Dec 31, 2024
Raw materials, supplies and finished goods	371.9	364.2
Work in progress	454.8	476.7
Advance payments	16.4	15.9
Total	**843.1**	**856.7**

Accounting principles

Inventories

Inventories are valued at the lower of cost or net realizable value. Raw materials and supplies are valued based on weighted average cost method or at standard cost. Semi-manufactures are valued at production costs.

Work in progress includes direct labor and material costs as of the consolidated statement of financial position date with a proportion of indirect costs related to manufacturing and installation allocated to the firm customer order when control has not yet transferred to the customer. Firm customer orders are mainly fixed price contracts with customers for the sale of new equipment or for the modernization of old equipment.

An allowance is recorded for obsolete items based on management’s estimate of expected net realizable value.

3.2 Accounts receivable and contract assets and liabilities

Changes in contract assets and liabilities

The order book representing the unsatisfied performance obligations with respect to new equipment and modernization contracts stood at EUR 8,804.3 (9,058.6) million as at Dec 31, 2025. The majority of the order book is expected to be recognized as revenue within the next 12 months from the end of the reporting period. However, lead-times especially in the long-term major projects are somewhat longer depending on the size and complexity of the projects.

The changes in unbilled contract revenue, advances received and deferred revenue follow the developments in business but are also impacted by the normal fluctuation in project progress when applying percentage of completion method for recognition of revenue. Deferred income on maintenance contracts represents the unsatisfied part of transaction price invoiced for maintenance contracts. Typically, this will be recognized as revenue within the next 12 months from the end of the reporting period.

No material amounts of revenue were recognized during the reporting period due to changes in transaction prices or changes in estimates for performance obligations partially or fully satisfied in previous years. There were no significant impairment charges recognized during the reporting period for the contract assets.

Customer credit risk management

Customer credit risks relate to advance payments receivable from customers or to unbilled revenue and accounts receivable related to equipment deliveries or to services rendered. This risk is managed by defining the rules for tendering, payment terms, authorizations and credit control as well as project management controls. Advance payments, documentary credits and guarantees are used in payment terms to minimize customer credit risks. KONE proactively manages its accounts receivable in order to minimize the risk of customer defaults.

Accounting principles

Accounts receivable

Accounts receivable is recognized when the right to consideration becomes unconditional and are measured at amortized cost. For KONE's new equipment and modernization contracts, a receivable is typically recognized upon invoicing when the goods are delivered and for KONE maintenance contracts upon invoicing according to customer contract terms and conditions.

KONE applies the expected credit loss model to assess impairment loss for the doubtful accounts receivable since the accounts receivable does not contain a significant financing component. To measure the lifetime expected credit losses trade receivables have been grouped based on shared credit risk characteristics and aging category and measured based on historical loss rates adjusted by forward looking estimates and individual assessment. A final impairment loss is recognized when receivership or bankruptcy is confirmed or when it is otherwise obvious that the customer will be unable to meet its payment obligations. Changes in impairment loss for doubtful accounts receivable and final impairment losses are recognized under cost and expenses in the consolidated statement of income.

Unbilled contract revenue

Unbilled contract revenue relates to consideration for performance obligations satisfied over time in KONE's new equipment and modernization contracts. It is recognized when the revenue recognized exceeds the amounts billed to the customer and receipt of transaction price is considered to be conditional upon factors other than the passage of time.

Unbilled contract revenue is valued at net realizable value and is classified as contract asset and presented under deferred assets in the consolidated statement of financial position. An impairment loss for contract assets is estimated based on lifetime expected credit loss model and individual analysis.

Deferred and accrued income on maintenance contracts

When revenue recognized exceeds the amounts billed to the customer, an accrued income on maintenance contracts is recognized. It is stated at net realizable value and classified as contract assets and presented under deferred assets in the consolidated statement of financial position. When the amounts billed to the customer exceed the recognized revenue, deferred income on maintenance contracts is recognized. These balances are classified as contract liabilities and are presented under accruals in the consolidated statement of financial position.

Advances received and deferred revenue

Advances received and deferred revenue relates to payments received in advance of performance or billing in excess of revenue recognized under KONE's new equipment and modernization contracts. Advances received and deferred revenue are recognized as revenue as (or when) KONE performs under the contracts and are classified as contract liabilities.

Other contract assets

Other contract assets consist of capitalized costs required to fulfil future performance obligations under long-term maintenance contracts. Such assets include for example the capitalized cost of remote monitoring devices of equipment in KONE's service base. The assets are valued at amortized cost and depreciated over a period of three years or over the underlying contract period, if shorter.

KONE's customer base consists of a large number of customers in several market areas and the geographic split of receivables and contract assets well mirrors the distribution of sales. During the reporting period KONE management has followed particularly closely the credit risks related to Chinese developers.

The credit quality of advance payments receivable and accounts receivable is evaluated according to KONE's credit policy. According to this policy, the rules for credit quality evaluation are set separately for the new equipment business and the service business. The credit quality is evaluated both on the basis of the aging of the receivables as well as on the basis of individual case by case customer analysis in order to identify customers with a potentially higher credit risk due to individual customer specific reasons. The bad debt provision for the accounts receivable is recognized on the basis of this credit quality evaluation using the expected credit loss model.

As at December 31, 2025, the gross amount of accounts receivable totaled to EUR 2,795.0 (2,953.6) million. The amount of bad debt provision recorded to cover doubtful accounts was EUR 444.3 (458.8) million at the end of the financial period. The majority of the bad debt provision continues to stem from the oldest aging category of receivables. The bad debt provision related to receivables in China increased due to the ongoing uncertainties in the Chinese markets, however offset by the currency translation.

Assets and liabilities related to contracts with customer, MEUR	Note	Dec 31, 2025	Dec 31, 2024
Accounts receivable		2,350.7	2,494.8
Accrued income on maintenance contracts	3.3	51.3	45.5
Unbilled contract revenue	3.3	360.2	346.3
Other contract assets	3.3	7.0	3.5
Assets related to contracts with customers		**2,769.1**	**2,890.1**
Deferred income on maintenance contracts	3.4	372.5	418.1
Advances received and deferred revenue		1,965.2	2,016.9
Liabilities related to contracts with customers		**2,337.8**	**2,435.0**

Aging of accounts receivable, MEUR	Dec 31, 2025	Dec 31, 2024
Not past due and less than one month due receivables	1,648.8	1,772.1
Past due 1–3 months	328.1	313.6
Past due 3–6 months	187.9	194.3
Past due > 6 months	185.9	214.8
Total	**2,350.7**	**2,494.8**

3.3 Deferred assets

Deferred assets, MEUR	Note	Dec 31, 2025	Dec 31, 2024
Deferred interests		1.7	1.9
Accrued income on maintenance contracts	3.2	51.3	45.5
Unbilled contract revenue	3.2	360.2	346.3
Derivative assets	5.3	18.3	44.4
Value added tax assets		76.0	78.3
Prepaid expenses and other receivables		161.3	173.7
Other contract assets	3.2	7.0	3.5
Total		**675.8**	**693.6**

3.4 Accruals

Accruals, MEUR	Note	Dec 31, 2025	Dec 31, 2024
Accrued interests		2.7	2.6
Deferred income on maintenance contracts	3.2	372.5	418.1
Late cost accruals [1]		182.2	212.0
Accrued salaries, wages and employment costs		637.3	625.8
Derivative liabilities	5.3	18.8	44.5
Value added tax liabilities		80.7	75.1
Accruals on acquisitions		21.1	26.7
Other accruals		531.2	581.8
Total		**1,846.5**	**1,986.6**

[1] Includes accrual for invoices still pending to be received on completed New Building Solutions and Modernization contracts.

3.5 Provisions

Changes in provisions, MEUR	Jan 1–Dec 31, 2025					
	Provision for warranty	Provision for claims	Provision for business restructuring	Provision for loss contracts	Other provisions	Total
Total provisions at beginning of period	63.6	5.5	31.4	44.5	40.9	185.9
Translation differences	-2.5	0.0	-1.1	-2.7	-3.1	-9.4
Increase	13.8	4.8	6.9	51.1	31.8	108.4
Provisions used	-8.9	-2.0	-24.3	-32.5	-4.9	-72.6
Reversal of provisions	-3.7	-1.4	-5.0	-10.0	-17.3	-37.4
Companies acquired	0.1	0.3	-	0.1	0.9	1.4
Total provisions at end of period	**62.4**	**7.2**	**7.9**	**50.6**	**48.2**	**176.4**
of which non-current						34.9
of which current						141.5

Changes in provisions, MEUR	Jan 1–Dec 31, 2024					
	Provision for warranty	Provision for claims	Provision for business restructuring	Provision for loss contracts	Other provisions	Total
Total provisions at beginning of period	74.0	8.2	26.4	48.3	40.0	196.9
Translation differences	1.1	0.0	0.5	1.2	0.6	3.3
Increase	16.9	2.9	26.9	50.5	20.4	117.6
Provisions used	-14.3	-2.0	-16.4	-46.1	-8.9	-87.7
Reversal of provisions	-14.0	-3.7	-6.2	-9.3	-12.2	-45.5
Companies acquired	0.0	0.2	0.3	0.0	0.9	1.4
Total provisions at end of period	**63.6**	**5.5**	**31.4**	**44.5**	**40.9**	**185.9**
of which non-current						42.0
of which current						143.9

Accounting principles

Provisions

Provisions are recognized when KONE has a current legal or constructive obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Recognition and measurement of a provision generally employs managerial estimates on the probability and the amount of the liability.

Provisions for warranties cover the estimated liability to repair or replace products still under warranty at the statement of financial position date. This provision is calculated based on historical experience of levels of repairs and replacements.

Provision for claims is recognized when the claim has been received and it is probable that it will be settled, and the settlement amount can be estimated reliably.

A provision for business restructuring is recognized only when a detailed and formal plan has been established, there is a valid expectation that such a plan will be carried out and the plan has been communicated.

Provisions for onerous (loss) contracts are recognized when it is probable that the costs will exceed the estimated total revenue or other income arising from the contract. The probable loss is recognized as an expense immediately.

Other provisions include for example provisions for contractual and other obligations arising from disputes, labor relations or other regulatory matters.

3.6 Deferred tax assets and liabilities

Deferred tax assets by category, MEUR	Dec 31, 2025	Dec 31, 2024
Tax losses carried forward	0.4	2.5
Provisions and accruals	297.5	311.6
Post-retirement obligations	11.2	15.8
Inventory	35.8	32.5
Property, plant and equipment	23.5	14.0
Other temporary differences	107.3	103.3
Offset against deferred tax liabilities	-110.0	-114.0
Total	**365.7**	**365.7**

Changes in deferred tax assets during the period, MEUR	Dec 31, 2025	Dec 31, 2024
Total at beginning of period	365.7	320.2
Translation differences	-4.1	7.3
Change in statement of income	6.2	31.7
Charged or credited to equity	-2.2	2.1
Acquisitions, divestments and other	-	4.5
Total at end of period	**365.7**	**365.7**

Deferred tax liabilities by category, MEUR	Dec 31, 2025	Dec 31, 2024
Property, plant and equipment	30.7	12.5
Goodwill and intangible assets	90.1	87.1
Other temporary differences	91.6	101.7
Offset against deferred tax assets	-110.0	-114.0
Total	**102.4**	**87.3**

Changes in deferred tax liabilities during the period, MEUR	Dec 31, 2025	Dec 31, 2024
Total at beginning of period	87.3	86.3
Translation difference	19.0	4.8
Change in statement of income	-15.9	-15.4
Acquisitions, divestments and other	12.0	11.6
Total at end of period	**102.4**	**87.3**
Net deferred tax assets and liabilities	**263.3**	**278.4**

Accounting principles

Deferred taxes

Deferred taxes are provided for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial reporting and measured with enacted tax rates. Typical temporary differences arise from revenue recognition, provisions, depreciation and amortization, inter-company inventory margins, defined benefit type post-retirement plans, lease contracts and tax losses carried forward. Deferred tax assets on unused tax losses and other temporary differences are recognized to the extent it is probable that taxable profit is available to take advantage of the asset in the future.

A deferred tax liability is recognized on the undistributed profits of subsidiaries where such tax is applicable, and it is expected to realize in the foreseeable future. Deferred tax assets and liabilities are offset for presentation purposes when there is a legally enforceable right to offset income tax receivables against income tax payables and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Acquisitions and capex 496 MEUR

Number of acquisitions 33

4

Acquisitions and capital expenditure

In this section

This section comprises the following notes, which describe acquisitions and capital expenditure at KONE:

4.1 Acquisitions and divestments

Acquisitions

KONE completed 33 (29) acquisitions during 2025 for a total consideration of EUR 117.7 (125.6) million. The acquired businesses are specialized in the elevator and escalator businesses and are predominantly located in Europe. The acquisitions completed during the financial period were not material individually or as a whole to KONE's 2025 financial statements. The sales consolidated from the companies acquired during 2025 did not have a material impact on KONE's sales for the financial period. Of the total consideration, based on provisional assessments, EUR 72.0 million was allocated to customer-related intangibles in other intangible assets. Acquired customer-related intangibles are typically amortized over ten years. Note 4.3 provides more detail on other intangible assets.

The fair values of the acquired net assets, based on a provisional assessment, as well as the acquisition costs, are summarized in the following table. The considerations were paid for in cash, except for certain deferred considerations, expected to be paid later. For most of the completed acquisitions, the acquisition cost includes a contingent consideration, which is typically determined by the financial performance of the acquired business after the date of the acquisition. Changes in the fair value of the contingent consideration after the acquisition date are recognized in the profit or loss. However, contingent considerations are typically realized in the amount initially recognized. KONE acquired a 100% interest in all businesses acquired in 2025, with the exception of two acquisitions.

Accounting principles

Acquisitions

Businesses acquired during the period have been combined in the consolidated financial statements from the date when Group has obtained control of the business and divested businesses up to the date when control has ceased. The acquisition consideration, including deferred and contingent consideration, as well as the identifiable assets acquired, and liabilities assumed, are measured at the acquisition date fair values. The acquisition related costs are recognized as expenses for the period in which they are incurred.

At the acquisition date, any non-controlling interest is measured either at the acquisition date fair value or at non-controlling interest's proportionate share in the recognized amounts of the identifiable net assets.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Assets and liabilities of the acquired businesses, MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Customer-related intangibles	72.0	67.8
Other intangible assets	0.1	0.1
Tangible assets	1.5	3.4
Deferred tax assets	0.0	1.0
Inventories	1.6	5.0
Accounts receivables and other assets	8.8	18.3
Cash and cash equivalents	8.1	4.4
Total assets	**92.0**	**100.0**
Employee benefit liabilities	0.3	0.7
Interest-bearing loans	0.1	0.5
Provisions	1.1	1.4
Deferred tax liabilities	12.0	11.6
Other liabilities	13.5	15.1
Total liabilities	**27.0**	**29.3**
Net assets	**64.7**	**70.2**
Non-controlling interest	0.2	0.5
Acquisition cost paid in cash	104.8	106.7
Contingent and deferred consideration	12.9	18.8
Acquisition cost at date of acquisitions	**117.7**	**125.6**
Goodwill	52.9	55.4

Changes in the acquisition cost occurring after the acquisition date and recognized in the statement of income totaled EUR 1.7 (-0.2) million.

4.2 Goodwill

Goodwill allocation

For the purposes of impairment testing, goodwill is allocated to cash-generating units (CGUs). A cash generating unit is typically the country unit in which the acquired business operates in accordance with KONE's business model and organization structure. As at Dec 31, 2025 the carrying amount of goodwill tested for impairment is allocated to 20 different CGUs. The number of CGUs remained at the same level compared to 2024. The five largest CGUs carry 78% of the goodwill. The carrying amount of goodwill is below EUR 10 million for seven CGUs. The geographical allocation of goodwill and the weighted average discount rates are presented in the adjacent table.

Impairment testing

The value-in-use calculations have been prepared utilizing cash flow projections that are based on CGU specific financial estimates approved by the Group management. The explicit forecast period covers the following three years for each CGU.

Key parameters underlying the cash flow projections include assumptions on business growth, sales price and cost development. These assumptions embedded in the CGU specific cash flow projections are based on management assessment of the market demand and environment, which are examined against external information sources. The productivity and efficiency assumptions are based on internal targets, which are evaluated against actual performance. The cash flows for subsequent terminal year are assumed prudently without growth, except as stated below.

The discount rates are based on the risk-free interest rates, risk factors (beta coefficient) and market risk premiums available on financial markets. The value-in-use calculations are validated against KONE's market capitalization.

As a result of the annual impairment test, no goodwill impairment losses were recognized during the accounting period.

Accounting principles

Goodwill

Acquisitions are accounted for using the acquisition method. Goodwill is calculated as the excess of acquisition cost over the fair values of identified net assets acquired. Goodwill typically represents the value of the acquired market share, business knowledge and the synergies obtained in connection with the acquisition. The carrying amount of goodwill is not amortized but is annually tested for impairment.

Impairment testing

The Group assesses the carrying amount of goodwill annually or more frequently if any indication of impairment exists. Goodwill is allocated to the cash generating units (CGUs) of the Group, which are identified according to the country of operation and business area at the level at which goodwill is monitored for internal management purposes. The recoverable amount of a CGU is determined by value-in-use calculations. In assessing the recoverable amount, estimated future cash flows are discounted to their present value. Cash flow estimates are based on management's estimates. The discount rate is the weighted average cost of capital (WACC) for the main currency area in the location of the CGU (country or business area), which reflects the market assessment of the time value of money and the risks specific in KONE's business.

Any impairment loss of goodwill is recognized immediately as an expense and is not subsequently reversed.

Goodwill by Area, MEUR	Dec 31, 2025	%	Discount rates used (pre-tax), %	Dec 31, 2024	%	Discount rates used (pre-tax), %
Americas	343.1	22	11.03	383.4	25	11.23
Europe	977.0	63	9.59	924.1	59	8.90
APMEA	61.0	4	11.65	64.6	4	10.77
Greater China	171.8	11	9.14	186.2	12	8.60
Total	**1,552.9**			**1,558.4**		

Changes in goodwill, MEUR	Note	Dec 31, 2025	Dec 31, 2024
Opening net book value		1,558.4	1,469.0
Translation differences		-60.8	34.0
Increase		3.1	-
Decrease		-0.7	-
Companies acquired	4.1	52.9	55.4
Closing net book value		**1,552.9**	**1,558.4**

The impairment testing process includes a sensitivity analysis in which the CGU specific cash flow estimates were reduced by 10–40 percent and the discount rates were increased by 1–4 percentage points. With the terminal growth set at zero, the results are most sensitive for changes in the cash flows. Based on the sensitivity analysis, the probability of material impairment losses was very low in all CGUs. An immaterial impairment loss would take place in two CGUs if the CGU specific cash flow estimates were reduced by 20% and discount rates increased by +2 percentage points. Assumptions specific to China local second brand CGU have been kept on a revised level as per last year with the operating environment largely remaining the same. In the base scenario, the terminal growth for China local second brand CGU is determined as 2% and discount rate as 9.1%. Headroom between value in use and assets employed with the base scenario has decreased in this CGU but immaterial impairment would only be recognized in the most conservative sensitivity scenario.

Under the basic scenario for other CGUs, the value-in-use calculations were on average 7.4 times higher than the value of CGUs' assets employed. The respective ratio for the five largest CGUs was 6.3; for the five smallest 23.9 and respectively for the other CGUs 9.2.

4.3 Other intangible assets

Other intangible assets, MEUR	Note	Jan 1–Dec 31, 2025 Customer-related intangibles	Other	Total
Opening gross acquisition cost		682.8	308.4	991.2
Opening accumulated amortization and impairment		-419.0	-238.9	-657.9
Opening net book value		**263.8**	**69.5**	**333.3**
Changes during the period				
Translation differences		-4.0	-1.1	-5.1
Increase		0.3	11.3	11.7
Decrease		-0.1	-1.6	-1.7
Reclassifications		-	-9.7	-9.7
Companies acquired	4.1	72.0	0.1	72.0
Amortization		-53.2	-10.7	-63.9
Closing net book value		**278.9**	**57.8**	**336.7**
Closing gross acquisition cost		751.1	301.4	1,052.4
Closing accumulated amortization and impairment		-472.2	-243.5	-715.7
Closing net book value		**278.9**	**57.8**	**336.7**

Other intangible assets, MEUR	Note	Jan 1–Dec 31, 2024 Customer-related intangibles	Other	Total
Opening gross acquisition cost		612.9	279.1	892.0
Opening accumulated amortization and impairment		-372.3	-232.5	-604.8
Opening net book value		**240.6**	**46.6**	**287.2**
Changes during the period				
Translation differences		2.1	0.4	2.5
Increase		3.0	36.8	39.8
Decrease		-3.0	-2.8	-5.7
Reclassifications		-	-0.2	-0.2
Companies acquired	4.1	67.8	0.1	67.9
Amortization		-46.7	-11.5	-58.2
Closing net book value		**263.8**	**69.5**	**333.3**
Closing gross acquisition cost		682.8	308.4	991.2
Closing accumulated amortization and impairment		-419.0	-238.9	-657.9
Closing net book value		**263.8**	**69.5**	**333.3**

Accounting principles

Intangible assets

Intangible assets that are acquired separately are initially measured at cost. These assets are amortized on a straight-line basis over their expected useful lifetime, which does not usually exceed five years. The customer-related intangibles are recognized at acquisition date fair values and are amortized over their useful economic lives, typically ten years.

Impairment of assets

The carrying amounts of non-current intangible assets and tangible assets are reviewed for impairment at each reporting date or whenever there is indication of that the carrying value of the asset may not be recoverable. Impairment test involves estimating the recoverable amount of the asset, subject to testing. The recoverable amount is the higher of the asset's fair value less cost of disposal and the value in use. An impairment loss is recognized in the statement of income whenever the carrying amount exceeds the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a significant change in the estimates used to determine the recoverable amount, but not, however, to an amount higher than the carrying amount that would have been determined without the impairment loss recognized in prior years, deducted by accumulated depreciation.

KONE often acquires elevator, escalator, and door service companies, where the excess of consideration transferred over the net assets of the acquiree as at closing is allocated to the acquired customer-related intangibles, and consequently majority of intangible assets carried consist of these customer contract assets. Intangible assets also include expenditure on acquired patents, trademarks and licenses, development expenditure related to certain software as well as acquired software licenses.

4.4 Tangible assets

Tangible assets, MEUR	Note	Jan 1–Dec 31, 2025 Land	Buildings	Leased buildings	Machinery & equipment	Leased machinery & equipment	Fixed assets under construction	Advance payments	Total
Opening gross acquisition cost		5.9	402.4	486.1	806.4	376.4	46.1	2.1	2,125.4
Opening accumulated depreciation		-	-192.3	-290.8	-587.7	-156.1	-	-	-1,226.9
Opening net book value		**5.9**	**210.1**	**195.3**	**218.7**	**220.4**	**46.1**	**2.1**	**898.5**
Changes during the period									
Translation differences		0.0	-11.2	-11.1	-12.6	-11.7	-0.6	-0.2	-47.5
Increase		-	14.3	71.4	97.1	152.8	29.4	1.8	366.8
Decrease		-0.1	-0.5	-3.6	-6.3	-17.9	-1.3	-	-29.7
Reclassifications		-	24.7	0.0	39.4	0.0	-52.9	-1.5	9.6
Companies acquired	4.1	0.0	0.1	0.5	0.5	0.3	-	-	1.5
Depreciation		-	-19.1	-64.4	-77.3	-95.9	0.0	-	-256.7
Closing net book value		**5.8**	**218.4**	**188.2**	**259.5**	**247.9**	**20.7**	**2.1**	**942.5**
Closing gross acquisition cost		5.8	423.6	470.6	866.5	418.0	20.7	2.1	2,207.3
Closing accumulated depreciation		-	-205.2	-282.4	-607.0	-170.1	-	-	-1,264.7
Closing net book value		**5.8**	**218.4**	**188.2**	**259.5**	**247.9**	**20.7**	**2.1**	**942.5**

During the period of Jan 1–Dec 31, 2025, capital expenditure totaled to EUR 378.0 (397.0) million, consisting of investments into production facilities, installation equipment, R&D tools, patents and licenses and expenditure on connectivity devices. Capital expenditure on leases consists mainly of maintenance vehicles and office facilities.

Lease payments in cash flow totaled to EUR -150.5 (-138.3) million.

Accounting principles

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses, when applicable. Depreciation is recognized on a straight-line basis over the economic useful lives of the assets or over the lease contract period, if shorter. Economic useful lives are as follows:

Buildings	5–40 years
Machinery and equipment	2–15 years
Land	Infinite

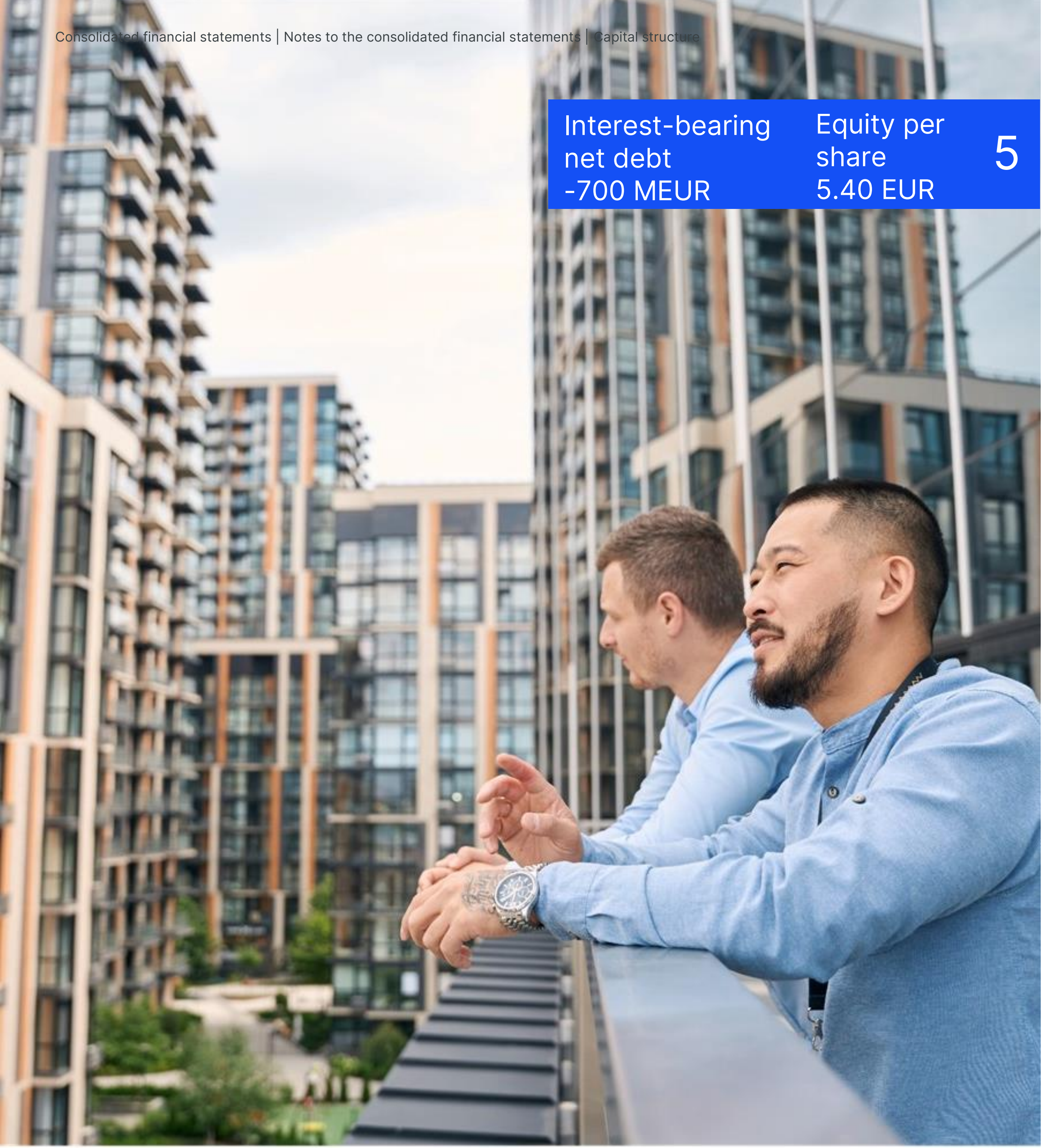
Expenditure on repairs and maintenance of property, plant and equipment is recognized as expense when incurred. The carrying amount of any tangible asset is impairment tested (see impairment of assets accounting principles) when an indication of impairment exists.

Leases

As a lessee, KONE recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments, amounting to the present value of the future lease payments. The value of right-of-use asset corresponds the value of future lease payments at the inception of the lease, discounted with the incremental borrowing rate.

Right-of-use assets are depreciated over the contract period or over the useful life of the asset, which is the shorter. An option to extend or terminate the lease contract is included to the lease period when exercising such option is considered highly probable. The cost arising from short-term leases and leases of low value assets are recognized as an expense on a straight-line basis over the contract period.

		Jan 1–Dec 31, 2024							
Tangible assets, MEUR	Note	Land	Buildings	Leased buildings	Machinery & equipment	Leased machinery & equipment	Fixed assets under construction	Advance payments	Total
Opening gross acquisition cost		5.9	350.9	435.6	750.8	280.4	50.5	3.6	1,877.8
Opening accumulated depreciation		-	-173.1	-243.3	-547.3	-134.3	-	-	-1,098.1
Opening net book value		**5.9**	**177.8**	**192.3**	**203.5**	**146.0**	**50.5**	**3.6**	**779.7**
Changes during the period									
Translation differences		0.0	3.3	4.1	4.1	4.0	-0.6	0.0	14.9
Increase		-	15.3	72.3	62.2	159.9	48.9	1.7	360.2
Decrease		0.0	-0.4	-9.8	-2.9	-6.5	-5.8	-0.4	-25.9
Reclassifications		-	30.7	0.5	18.7	0.0	-46.9	-2.8	0.2
Companies acquired	4.1	-	0.2	0.7	2.4	0.1	-	0.0	3.4
Depreciation		-	-16.7	-64.9	-69.3	-83.1	-	-	-234.0
Closing net book value		**5.9**	**210.1**	**195.3**	**218.7**	**220.4**	**46.1**	**2.1**	**898.5**
Closing gross acquisition cost		5.9	402.4	486.1	806.4	376.4	46.1	2.1	2,125.4
Closing accumulated depreciation		0.0	-192.3	-290.8	-587.7	-156.1	-	-	-1,226.9
Closing net book value		**5.9**	**210.1**	**195.3**	**218.7**	**220.4**	**46.1**	**2.1**	**898.5**



Interest-bearing net debt
-700 MEUR

Equity per share
5.40 EUR

5

Capital structure

In this section

This section comprises the following notes, which describe the capital structure of KONE:

5.1 Capital management
5.2 Shareholders' equity
5.3 Financial risks and instruments
5.4 Shares, deposits and other assets
5.5 Commitments
5.6 Employee benefits

5.1 Capital Management

KONE aims to manage its capital in a way that supports the profitable growth of operations by securing an adequate liquidity and capitalization of the Group at all times. The target is to maintain a capital structure that contributes to the creation of shareholder value.

The assets employed in KONE's business consist principally of net working capital, fixed assets, and financial investments which are funded by equity and net debt, as shown in the adjacent table. Due to the business model and the business processes of KONE, the level of total assets employed is relatively low. KONE aims to maintain a negative net working capital to ensure a healthy cash flow even when the business is growing and to maintain a high return on assets employed.

Cash flow from operations is the principal source of KONE's financing. External funding, as well as cash and financial investments, are managed centrally by KONE Treasury according to the KONE Treasury Policy. Financial investments are made only with counterparties with high creditworthiness and mainly in short term instruments to ensure continuous liquidity.

KONE has not defined a specific target for its capital structure, but the aim is to ensure strong credit quality to provide for ample access to external funding sources and to support the growth ambitions of the business. KONE considers its current capital structure to be a strength, as it allows for capturing potential value creating business opportunities, should such opportunities arise. If deemed necessary, KONE could also utilize its borrowing capacity, which could result in a higher level of debt and financial gearing for a period of time. At the end of 2025, the funding of KONE was secured through existing committed credit facilities, loan arrangements, cash, and financial investments.

KONE has not defined a specific target for dividends or share buy-backs. The dividend proposal by the Board of Directors is determined on the basis of the overall business outlook, business opportunities, as well as the present capital structure and the anticipated changes in it. In 2021–2025, the dividend payout ratio has been 95.1%–117.0% for class B shares (2025 proposal by the Board of Directors of KONE Corporation). At the end of December 2025, KONE had 11,537,238 class B shares in its possession.

To ensure an efficient internal allocation and utilization of its capital resources, KONE measures internally the financial results of its business activities after a capital allocation charge. The capital allocation charge is based on the assets employed in the business activity and the weighted average cost of capital (WACC).

The WACC is also used as a hurdle rate when evaluating the shareholder value creation potential of new acquisitions, major capital expenditure and other investments. The valuation methods used are payback time, discounted cash flow as well as earnings and cash flow multipliers.

Capital management, MEUR	2025	2024	2023	2022	2021
Assets employed					
Goodwill and shares	1,645.4	1,657.3	1,566.9	1,536.4	1,549.7
Tangible and other intangible assets	1,279.3	1,231.8	1,066.9	924.9	953.6
Net working capital	-797.6	-827.2	-861.2	-903.9	-1,468.2
Total assets employed	**2,127.0**	**2,061.9**	**1,772.6**	**1,557.5**	**1,035.0**
Capital employed					
Equity	2,826.8	2,893.1	2,786.0	2,866.5	3,199.2
Interest-bearing net debt	-699.8	-831.2	-1,013.4	-1,309.0	-2,164.1
Total capital employed	**2,127.0**	**2,061.9**	**1,772.6**	**1,557.5**	**1,035.1**
Gearing	-24.8%	-28.7%	-36.4%	-45.7%	-67.6%
Equity ratio	39.9%	39.8%	40.9%	40.3%	41.2%

Change in interest-bearing net debt, MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Interest-bearing net debt at beginning of period	-831.2	-1,013.4
Interest-bearing net debt at end of period	-699.8	-831.2
Change in interest-bearing net debt	**131.4**	**182.2**

Non-current assets by country, MEUR	Dec 31, 2025	Dec 31, 2024
USA	575.0	602.1
Germany	418.8	377.8
China	411.9	457.9
Spain	280.2	276.2
France	264.2	221.9
Italy	239.9	215.5
Finland	213.7	219.2
Other	967.0	950.7
Total	**3,370.6**	**3,321.2**

5.2 Shareholders' equity

Shares and share capital

At the end of the 2025 financial year, the number of shares outstanding was 529,395,860. The share capital was EUR 66.2 million and the total number of votes was 121,527,427. Each class A share is assigned one vote, as is each block of 10 class B shares, with the provision that each shareholder is entitled to at least one vote. The accounting par value of both classes of shares is EUR 0.125.

At the end of the financial year, the Board of Directors of KONE Corporation had a valid authorization granted by the Annual General Meeting in March 2025 to increase the share capital and to issue stock options. The authorization remains in effect until the conclusion of the following annual general meeting, however at the latest until June 30, 2026.

In accordance with the Articles of Association, class B shares are preferred for a dividend which is at least 1% and no more than 2.5% higher than the dividend paid to the holders of class A shares, calculated based on the amount obtained by dividing the share capital entered into the Trade Register by the number of shares entered into the Trade Register.

In 2025 or 2024 there were no changes in the share capital of KONE Corporation. For more information on share-based incentive payments, please refer to section 6.2.

Authority to buy own shares

KONE Corporation's Annual General Meeting held on March 5, 2025 authorized the Board of Directors to repurchase the company's own shares Altogether no more than 52,930,000 shares may be repurchased, of which no more than 7,620,000 may be class A shares and 45,310,000 class B shares. The authorization will be valid until the conclusion of the following annual general meeting, however, at the latest until 30 June 2026.

The minimum and maximum consideration for the shares to be purchased is determined for both class A and class B shares on the basis of the trading price for class B shares determined on the Nasdaq Helsinki Ltd. on the time of purchase.

All treasury shares at the end of the reporting period consisted of B class shares.

Accounting principles

Equity and profit distribution

The total shareholders' equity consists of the share capital, the share premium account, the fair value and other reserves, translation differences, the paid-up unrestricted equity reserve, remeasurements of employee benefits and retained earnings. The fair value and other reserves include changes in the fair value of cash flow hedges. Differences arising from the application of the acquisition method on the translation of the net investment in foreign subsidiaries and associated companies are recognized as translation differences. Exchange rate differences resulting from financial instruments intended as hedges of the net assets in foreign subsidiaries are also recognized as translation differences. Actuarial gains and losses arising from revaluation of employee benefits are recognized as remeasurements of employee benefits. The purchase price of own shares purchased by KONE Corporation is deducted from retained earnings. The net income for the accounting period is recognized directly in retained earnings.

When KONE Corporation purchases its own shares, the consideration paid and costs directly attributable to the purchase transaction are recognized as a deduction in equity. When such shares are sold, the consideration received, net of directly attributable transaction costs, is included in equity.

Profit distribution includes dividends and donations decided by the Shareholders' Meeting. The dividend and distribution of profits proposed by the Board of Directors of KONE Corporation for the financial year ended, is not deducted from the equity prior to acceptance by a Shareholders' Meeting.

Treasury shares	Number of shares	Purchase cost, MEUR
Jan 1, 2025	11,867,752	217.5
Distributed to the share-based incentive plan, January	-50,484	-2.3
Distributed to the share-based incentive plan, February	-253,248	-11.8
Distributed as the annual compensation of the Board, May	-7,605	-0.4
Distributed to the share-based incentive plan, August	-19,177	-0.9
Dec 31, 2025	**11,537,238**	**202.1**
Jan 1, 2024	12,159,159	230.2
Distributed to the share-based incentive plan, January	-280,902	-12.3
Distributed as the annual compensation of the Board, April	-9,027	-0.4
Distributed to the share-based incentive plan, June	-1,478	-0.1
Dec 31, 2024	**11,867,752**	**217.5**

Reconciliation of own shares	Quantity	Purchase cost, MEUR	Average price, EUR
December 31, 2024	11,867,752	217.5	18.32
January 31, 2025	-50,484	-2.3	45.19
February 13, 2025	-253,248	-11.8	46.44
May 2, 2025	-7,605	-0.4	49.13
August 28, 2025	-19,177	-0.9	49.13
December 31, 2025	**11,537,238**	**202.1**	**17.52**

5.3 Financial risks and instruments

KONE's business activities are exposed to financial risks such as foreign exchange risks, interest rate risks, liquidity risks and credit risks. These financial risks are managed as part of the total KONE risk portfolio. KONE Treasury is responsible for the centralized management of financial risks in accordance with the KONE Treasury Policy approved by the Executive Board. KONE business units manage their financial risks locally in accordance with the KONE Treasury Policy.

Financial credit risk

KONE has substantial amounts of cash and financial investments. In order to diversify the financial credit risk and manage liquidity risk, funds are invested into highly liquid interest rate funds and deposits with several banks. All open exposures such as cash on bank accounts, investments, deposits and other financial assets, for example derivatives contracts, are included when measuring the financial credit risk exposure. When selecting counterparty banks and other investment targets, only counterparties with high creditworthiness are approved. The size of each limit reflects the creditworthiness of the counterparty. Counterparty creditworthiness is evaluated constantly and the required actions are considered case by case if significant changes in the creditworthiness of a counterparty occur. The fair values of interest rate funds are measured based on market information (fair value hierarchy level 2).

Refinancing and liquidity risks

KONE's cash and cash equivalents was EUR 440.5 (576.0) million and financial investments EUR 1,258.4 (1,221.9) million on December 31, 2025.

Cash and financial investments are managed centrally by KONE Treasury. Due to local regulations, part of the funds resides in local investments and on decentralized bank accounts in a number of KONE countries. A substantial part of

Accounting principles

Derivative financial instruments and hedge accounting

Derivative financial instruments are initially and subsequently recognized at fair value in the statement of financial position. The fair values of foreign exchange forward contracts are calculated by discounting the future cash flows of the contracts with the relevant market interest rate yield curves on the valuation date and by calculating the difference between the discounted values as at the forward contract date and balance sheet date in euros. Currency options are valued as of each reporting date by using the Garman & Kohlhagen option valuation model.

At the contract date the derivatives are classified according to the foreign exchange policy as hedging instruments of a business transaction arising from a firm or highly probable purchase or sales contract. These are partly included in cash flow hedge accounting, hedges against fair value changes of assets or liabilities or hedges of net investments in foreign entities.

In cash flow hedge accounting KONE may use foreign currency forward contracts and options to hedge its exposure in foreign currency dominated cash flows which ensures economic relationship between the hedged item and the hedging instrument and full effectiveness as the value of the hedging instrument and the value of the hedged item move in the opposite direction because of the common underlying denominator. The full fair value of derivatives, including transaction related forward points, is designated in the hedging relationship.

The effective portion of changes in the fair values of the foreign exchange, where hedge accounting is applied, is recognized through the statement of comprehensive income to the hedge reserve within equity. The cumulative changes of fair values are transferred into the statement of income as adjustment items to costs and expenses simultaneously when the hedged sale or purchase realizes. When cash flow hedge accounting is applied, at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items is documented including whether the hedging instrument is expected to offset changes in cash flows of hedged items. Also, the risk management objective and strategy for undertaking various hedge transactions is documented at the inception of each hedge relationship. Hedge effectiveness is assessed before hedge accounting is applied and at least on a quarterly basis thereafter.

The gain or loss relating to the ineffective portion is recognized immediately as an adjustment to cost and expenses. In hedges of foreign currency transaction, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated. If a foreign exchange derivative included in the cash flow hedge accounting expires or is sold or when a hedge no longer meets the criteria for hedge accounting, the cumulative change in the fair value of the hedging instrument will remain in the hedge reserve and is recognized in the income statement at the same time with the hedged sale or purchase. The cumulative fair values of the hedging instruments are transferred from the hedge reserve to adjust cost and expenses immediately if the hedged cash flow is no longer expected to occur.

The changes in the fair values of derivatives that are designated as hedging instruments but are not accounted for according to the principles of cash flow hedge accounting are recognized based on their nature either in the operative income or costs, or as financial income or expenses: if the hedged risk arises from an operative transaction, the fair values of the hedging instruments are recognized in costs and expenses, and if the hedged item is a monetary item, the fair values are recognized in financing items.

Changes in the fair values of foreign exchange derivatives are recognized in financing income and expenses if the hedged item is a loan receivable, deposit or a financial asset or liability denominated in a foreign currency.

The effective portion of the change in the fair values of currency forward contracts hedging translation differences arising from net investments in foreign subsidiaries, are recognized through the statement of comprehensive income to the translation differences within equity and would be transferred to the income statement in case the net investment were disposed of partially or in its entirety. The hedged risk is designated as movements in the spot rate (excluding changes due to interest rates i.e. forward points). Changes in fair value of the hedging instrument due to the forward points (cost of hedging) are immediately recognized in the consolidated statement of income.

Fair values of derivative instruments are recognized under current assets and liabilities in the balance sheet.

the funds is nevertheless accessible to KONE Treasury. Changes in the local regulations can also in the future have an impact on the location of the cash and financial investments.

KONE has a fixed rate loan of EUR 200.0 (200.0) million and a floating rate loan of EUR 200.0 (200.0) million from the European Investment Bank (EIB) for R&D purposes. The fixed rate loan will mature in 2026 and floating rate loan will mature in 2031. The fair value of the loan is estimated based on discounted cash flow method using a current borrowing rate (level 2 fair value hierarchy) as the discount rate. KONE has also an uncommitted commercial paper program of EUR 500.0 (500.0) million and a sustainability-linked revolving credit facility of EUR 850.0 (850.0) million to ensure sufficient liquidity. The sustainability targets included in the facility relate to KONE's decarbonization and gender diversity commitments.

Interest rate risks

KONE's cash and short-term investments were EUR 1,698.9 (1,797.9) million at the statement of financial position date. At the same time, KONE's interest-bearing debt was EUR 1,028.3 (987.1) million and consisted of EUR 857.9 (834.2) million of financial debt including lease liabilities, EUR 11.8 (9.2) million of option liabilities from acquisitions, and EUR 158.7 (141.4) million of employee benefit liabilities. Additionally, KONE had an asset on employee benefits of EUR 13.9 (15.0) million.

As KONE's financial investments are mainly invested in tenors of less than one year, changes in the interest rates do not have any significant impact on their market values. Changes in the interest rates may however impact future interest income.

A one percentage point change in the interest rate level would mean a change of EUR -13.5 (-18.5) million in net interest income. The interest rate sensitivity is calculated before taxes. When calculating the interest rate sensitivity analysis, the interest-bearing net financial debt, excluding foreign exchange forward contracts, is assumed to remain on the level of the closing balance of 2025 during the following financial period. The sensitivity analysis presents the impact of a one percentage point change in the interest rate level on the net interest income for the financial period by taking into account the net financial debt tied to interest periods of less than one year, EUR -1,353.8 (-1,853.8) million.

A change in interest rates does not have a material impact on the net interest on employee benefits, on financial debt or option liabilities from acquisition.

Accounting principles

Loans

Loans payable are in the consolidated statement of financial position presented as part of loans and other interest-bearing receivables. They are measured initially at fair value net of directly attributable transaction costs and are subsequently carried at amortized cost using the effective interest rate method.

Lease liabilities

Lease liabilities are measured to the present value of future lease payments discounted with the incremental borrowing rate.

Financial assets

Financial assets are classified into three categories: measured at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss.

The classification is made at the time of the original acquisition based on the objective of the business model and the characteristics of contractual cash flows of the investment.

KONE assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

All of these financial assets are considered to have low credit risk, and thus the impairment provision assessment is based on 12 months expected losses.

Current deposits and loans receivable

Current deposits and loans receivable are initially recognized at fair value and thereafter at amortized cost using the effective interest rate method except for interest rate funds which are classified and measured as investments at fair value through profit or loss. Only substantial transaction costs are considered for when measuring the acquisition cost.

Investments in commercial papers, short-term bank deposits, interest rate funds and other money market instruments are included in deposits and loans receivable.

Cash and cash equivalents

Cash and cash equivalents include cash-in-hand and bank account balances. Bank overdrafts are included in other current liabilities.

Derivatives

Treasury policy for hedging purposes is applied to all derivative contracts. The majority of the foreign exchange derivatives and swaps mature within a year.

The fair values of foreign exchange derivatives and swaps are measured based on price information derived from active markets and commonly used valuation methods (fair value hierarchy level 2). Financial contracts are executed only with counterparties that have high credit ratings. The credit risk of the counterparties and KONE is considered when assessing the fair values of outstanding financial assets and liabilities.

The fair values of the derivatives are represented in the balance on a gross basis and can be set off on conditional terms such as breach of contract or bankruptcy. Derivative financial receivables from counterparties after set off would be EUR 5.3 (9.2) million and payables EUR 5.8 (9.4) million.

Loans and other interest-bearing liabilities

Loans and other interest-bearing liabilities in the consolidated statement of financial position consist of loans, lease liabilities, option liabilities from acquisitions and other liabilities. KONE's non-current lease liabilities were EUR 314.4 (299.8) million and current lease liabilities were EUR 141.1 (EUR 132.8) million at the statement of financial position date.

Maturity analysis of financial liabilities and interest payment, MEUR	Dec 31, 2025				Dec 31, 2024			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Interest-bearing debt								
Loans	-200.3	-0.2	-200.0	-400.4	-	-200.7	-200.0	-400.7
Lease liabilities	-141.1	-269.3	-45.2	-455.5	-132.8	-265.1	-34.7	-432.6
Current loans and other liabilities	0.0	-	-	0.0	-2.2	-	-	-2.2
Used bank overdraft limits	-1.9	-	-	-1.9	-0.9	-	-	-0.9
Option liabilities from acquisitions	-	-10.0	-1.8	-11.8	-	-9.2	-	-9.2
Non-interest-bearing debt								
Accounts payable	-967.6	-	-	-967.6	-982.9	-	-	-982.9
Derivatives								
Capital inflow	2,567.3	160.5	-	2,727.8	3,241.7	153.5	-	3,395.2
Capital outflow	-2,569.9	-163.1	-	-2,733.0	-3,245.2	-152.7	-	-3,397.9
Interest payments	-23.8	-48.0	-11.0	-82.7	-24.3	-50.3	-16.7	-91.3
Net outflow	**-1,337.1**	**-330.0**	**-257.9**	**-1,925.1**	**-1,146.5**	**-524.6**	**-392.9**	**-2,064.0**

Fair values of derivative financial instruments, MEUR	Dec 31, 2025			Dec 31, 2024
	Derivative assets	Derivative liabilities	Fair value, net	Fair value, net
Foreign exchange derivatives				
In cash flow hedge accounting	12.9	-16.7	-3.8	-13.5
In net investment hedge accounting	1.0	-	1.0	-13.3
Other foreign exchange hedges	4.5	-2.1	2.3	26.7
Total	**18.3**	**-18.8**	**-0.5**	**-0.1**

Nominal values of derivative financial instruments, MEUR	Dec 31, 2025	Dec 31, 2024
Foreign exchange derivatives		
In cash flow hedge accounting	1,334.7	1,313.5
In net investment hedge accounting	122.6	315.9
Other foreign exchange hedges	1,270.5	1,765.8
Total	**2,727.8**	**3,395.2**

Values of financial assets and liabilities by category, MEUR		Note	Dec 31, 2025 Measured at fair value through profit or loss	Measured at amortized cost	Measured at fair value through other comprehensive income	Total book value
Non-current assets						
Shares and other non-current financial assets[1]		5.4	-	-	86.7	86.7
Non-current loans receivable	I	5.4	-	5.4	-	5.4
Current assets						
Accounts receivable			-	2,350.7	-	2,350.7
Derivative assets			4.5	-	13.9	18.3
Current deposits and loans receivable	I	5.4	935.9	332.5	-	1,268.4
Cash and cash equivalents	I		-	440.5	-	440.5
Total financial assets			**940.4**	**3,129.1**	**100.5**	**4,170.0**
Non-current liabilities [2]						
Loans	I		-	200.2	-	200.2
Current liabilities						
Loans	I		-	200.3	-	200.3
Other interest-bearing liabilities [3]	I		-	1.9	-	1.9
Option liabilities from acquisitions	I		11.8	-	-	11.8
Accounts payable			-	967.6	-	967.6
Derivative liabilities			2.1	-	16.7	18.8
Total financial liabilities			**13.9**	**1,369.9**	**16.7**	**1,400.5**

[1] Excluding shares in associated companies.
[2] Excluding non-current lease liabilities of EUR 314.4 million.
[3] Excluding current lease liabilities of EUR 141.1 million.
The fair values of the financial assets and liabilities are not materially different from their book values.
Interest-bearing net debt comprises items marked with “ I ”.

Values of financial assets and liabilities by category, MEUR		Note	Dec 31, 2024 Measured at fair value through profit or loss	Measured at amortized cost	Measured at fair value through other comprehensive income	Total book value
Non-current assets						
Shares and other non-current financial assets		5.4	-	-	98.9	98.9
Non-current loans receivable	I	5.4	-	4.4	-	4.4
Current assets						
Accounts receivable			-	2,494.8	-	2,494.8
Derivative assets			31.2	-	13.3	44.4
Current deposits and loans receivable	I	5.4	909.1	313.9	-	1,223.0
Cash and cash equivalents	I		-	576.0	-	576.0
Total financial assets			**940.3**	**3,389.1**	**112.2**	**4,441.5**
Non-current liabilities [1]						
Loans	I		-	400.7	-	400.7
Current liabilities						
Other interest-bearing liabilities [2]	I		-	3.1	-	3.1
Option liabilities from acquisitions	I		9.2	-	-	9.2
Accounts payable			-	982.9	-	982.9
Derivative liabilities			4.5	-	40.0	44.5
Total financial liabilities			**13.7**	**1,386.7**	**40.0**	**1,440.5**

[1] Excluding non-current lease liabilities of EUR 299.8 million.
[2] Excluding current lease liabilities of EUR 132.8 million.
The fair values of the financial assets and liabilities are not materially different from their book values.
Interest-bearing net debt comprises items marked with “ I ”.

5.4 Shares, deposits and other assets

Shares include a 19.9% holding in Toshiba Elevator and Building Systems Corporation (TELC) which is an investment in equity instruments that does not have a quoted price in an active market. The fair value of TELC shares is determined using a discounted cash flow model with the key inputs to the model including forecasted future dividends and other cash inflows to KONE, and the discount rate. While the fair value of the investment is sensitive to changes in these two assumptions, there is no reasonably possible change to these assumptions that would result in material impact on the total assets or equity of KONE.

Shares also include the Group's holdings in associated companies, which are companies where KONE exercises significant influence, but not control. The associated companies are accounted using the equity method. The total share of the associated companies' result included in the income statement amounted to EUR -1.2 (-) million and the total carrying amount of the associated companies' shares in the balance sheet amounted to EUR 5.8 (-) million.

Other non-current financial assets include investments in smaller holdings in other companies without public quotation.

The fair values of deposits and loans receivable are not materially different from their carrying amounts. Current deposits mature within one year and consist of EUR 935.9 (909.1) million and EUR 322.5 (312.8) million of interest rate funds and short-term bank deposits, respectively.

5.5 Commitments

Banks and financial institutions have guaranteed obligations arising in the ordinary course of business of KONE companies up to a maximum of EUR 1,735.4 (1,891.8) million as of December 31, 2025.

Accounting principles

Shares and other non-current financial assets

Shares include long-term strategic investments in equity instruments that do not have a quoted price in an active market. They are classified as investments measured at fair value through other comprehensive income.

The fair value is measured using income or market approach valuation techniques under fair value hierarchy level 3. Upon disposal of these investments, any balance within the fair value and other reserves for these investments is reclassified to retained earnings and is not reclassified to the statement of income.

Also holdings in associated companies, measured using the equity method, are reported as part of shares. Other non-current financial assets are measured at cost.

Investment properties

Investment properties are measured using the cost model with the carrying value equaling to initial cost less accumulated depreciation and impairment losses.

KONE did not own any investment properties at the end of 2025.

Other non-current receivables

Other non-current receivables include credits obtained from residential sector customers in modernization projects. These credits are utilized by netting them against income tax and other related charges becoming payable through regular business activities in the following years and are accounted for under IAS 12. The receivables are subject to review for impairment in reporting periods subsequent to initial recognition. There were no impairment charges recognized during the reporting period. The receivables are not discounted.

Shares, deposits and other assets, MEUR		Dec 31, 2025	Dec 31, 2024
Shares and other non-current assets			
Shares		89.8	96.2
Other financial assets		2.7	2.7
Non-current loans receivable	I	5.4	4.4
Investment properties	II	-	0.4
Other non-current receivables	II	60.9	46.6
Total		**158.9**	**150.3**
Deposits and other current assets			
Current deposits	I	1,258.4	1,221.9
Current loans receivable	I	10.0	1.1
Total		**1,268.4**	**1,223.0**

Items designated " I " comprise interest-bearing net debt.

Items designated " II " comprise net working capital.

5.6 Employee benefits

KONE operates various employee benefit plans throughout its locations. These plans include both defined contribution and defined benefit schemes. The pension benefits provided by KONE to its employees are primarily organized through defined contribution plans.

KONE's most significant funded defined benefit plans are in the United Kingdom and in the United States. Defined benefit pension plans are funded by KONE to satisfy local statutory funding requirements. The assets are managed by external fund managers. The funds are allocated between equities and fixed income instruments in order to provide return at target level and limited risk profile. The valuations of the obligations are carried out by independent qualified actuaries. The discount rates used in actuarial calculations of the employee benefit liabilities are adjusted to market rates.

In the United Kingdom, the pension scheme is designed according to the Definitive Trust Deed and Rules and complies with the guidelines of the UK Pension Regulator. The pension scheme has been closed for new members as of March 2002 and is managed through KONE Pension Trustees Ltd. The UK subsidiary is reviewing their pension scheme to assess any potential impacts from Section 37 court ruling, including checking past amendments and necessary approvals.

In the United States, a part of KONE's employees are members of the Employees' Retirement Plan, which is a funded defined benefit plan. The plan is managed by KONE Inc.'s Pension Committee. In addition to this pension plan, KONE also provides post-employment medical and life insurance benefits. These predominantly unfunded other post-employment benefit plans qualify as defined benefit plans under IFRS. The plan has been frozen as of July 2024. KONE is also a participant in a multi-employer employee benefit plan in the United States. In this defined contribution plan KONE pays a contribution based on the hours worked by participating employees, KONE's obligation is limited to this payment.

KONE's main unfunded defined benefit plans are in Germany, Italy (TFR Trattamento di Fine Rapporto, termination indemnity plan) and in Sweden. The pension schemes in Germany and the TFR plan in Italy are closed from new entrants. In Sweden, the pension cover is organized through defined contribution as well as unfunded defined benefit plans (ITP system, Industrins och handelns tilläggspension).

KONE has defined contribution plans for pensions and other post-employment benefits in most countries. Under defined contribution plans KONE's contributions are recorded as an expense in the accounting period to which they relate. Recognition of a liability is not required because KONE's obligation is limited to the payment of the contributions into these plans or funds.

The defined contribution pension plan in Finland is the statutory Finnish employee pension scheme (Finnish Statutory Employment Pension Scheme "TyEL"), according to which the benefits are directly linked to the beneficiary's earnings. TyEL is arranged through pension insurance companies.

Defined benefit obligations expose KONE to various risks. Corporate bond yields are used as a reference in determining the discount rates used for calculation of defined benefit plan related obligations. A decrease in corporate bond yields hence will increase the present value of the defined benefit obligation. A plan deficit can occur if the performance of the plan assets is below the above-mentioned yield. These potential deficits may require further contributions to the plan assets by the Group.

Some of the Group's defined benefit obligations are linked to general inflation and salary level development. Higher level of inflation and salary level will result in a higher present value of the benefit obligation.

Some of the defined benefit plans obligate KONE to provide benefits to plan members for their lifetime. Therefore, any increase in life expectancy will increase defined benefit liability of these plans.

Accounting principles

Employee benefits

The Group operates various employee benefit plans in accordance with local conditions and practices. The plans are classified as either defined contribution plans or defined benefit plans. The pension plans are generally funded by payments from employees and by the relevant KONE companies. The assets of these plans are generally held in separate insurance companies or trustee-administered funds. Pension costs and liabilities are based on calculations by the local authorities or independent qualified actuaries. Contributions to the defined contribution plans are charged directly to the statement of income in the year to which these contributions relate. For defined benefit plans, pension cost is determined based on the advice of qualified actuaries who carry out a full valuation of the plan on a regular basis using the projected unit credit method. Under this method, the costs of providing pensions are charged to the statement of income so as to spread the regular costs over the working lives of employees. KONE presents the service cost relating to defined benefit obligations in employment expenses while the net interest is presented in financing expenses.

The liability arising from the defined benefit post-employment plans is the present value of the defined benefit obligation less the fair value of plan assets. The discount rates used in the actuarial calculations of employee benefits liabilities are adjusted to market rates. Obligations to pay long-term disability benefit, the level of which is dependent on the length of service of the employee, are measured to reflect the probability that payments will be required and the length of service for which it is expected to be made.

Changes in benefit plan assets and liabilities by category, MEUR	Defined benefit plan liability		Other post-employment benefit liability		Fair value of plan assets		Net defined benefit balance	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Balance at beginning of period [1]	**568.5**	**535.1**	**8.1**	**7.5**	**435.5**	**418.7**	**141.2**	**123.9**
Current service costs	11.2	18.0	0.2	0.2	-	-	11.4	18.2
Interest expense	24.1	23.5	0.3	0.3	-	-	24.4	23.8
Interest income	-	-	-	-	19.9	18.8	-19.9	-18.8
Other	7.4	-3.9	-	-	-3.8	-3.2	11.2	-0.7
Components of defined benefit costs recognized in the consolidated statements of income	**42.6**	**37.7**	**0.5**	**0.5**	**16.1**	**15.6**	**27.1**	**22.6**
Return on plan assets, excluding interest income	-	-	-	-	-2.9	-18.9	2.9	18.9
Remeasurements	-14.0	-11.7	-0.5	0.3	-	-	-14.5	-11.5
Remeasurements recognized in the consolidated statements of comprehensive income	**-14.0**	**-11.7**	**-0.5**	**0.3**	**-2.9**	**-18.9**	**-11.5**	**7.4**
Employer contributions	-	-	-	-	7.6	20.6	-7.6	-20.6
Plan participants' contributions	2.0	2.2	0.2	0.2	2.2	2.4	-	-
Benefits paid	-32.2	-27.2	-1.0	-0.8	-25.9	-21.3	-7.3	-6.7
Settlement payments	-3.8	-0.1	-	-	-3.8	-0.1	-	-
Business combinations, disposals and other	0.3	0.7	-	-	1.2	-	-0.9	0.7
Foreign currency translation effects	-24.1	17.3	-0.9	0.5	-28.9	18.5	3.9	-0.7
Other reconciling items	**-57.8**	**-7.2**	**-1.7**	**-0.1**	**-47.6**	**20.1**	**-11.9**	**-27.4**
Balance at end of period	**539.4**	**553.8**	**6.5**	**8.1**	**401.1**	**435.5**	**144.8**	**126.5**
Present value of unfunded obligations	137.0	97.9	6.5	8.1	-	-	143.5	106.1
Present value of funded obligations	402.4	455.9	-	-	-	-	402.4	455.9
Fair value of benefit plans' assets	-	-	-	-	401.1	435.5	-401.1	-435.5
Total	**539.4**	**553.8**	**6.5**	**8.1**	**401.1**	**435.5**	**144.8**	**126.5**

[1]Includes a reclassification of EUR 14.7 million from other liabilities to defined benefit plan liability.

As of December 31, 2025 employee benefit liabilities were EUR 545.8 (561.9) million. Employee benefit liabilities comprise EUR 526.4 (537.4) million with weighted average duration of over 5 years and EUR 19.5 (24.6) million with weighted average duration of 1–5 years.
The expected contributions to defined benefit type arrangements in 2025 are EUR 7.7 million.
The actual return on defined benefit plans' assets was EUR 16.9 (0.0) million.

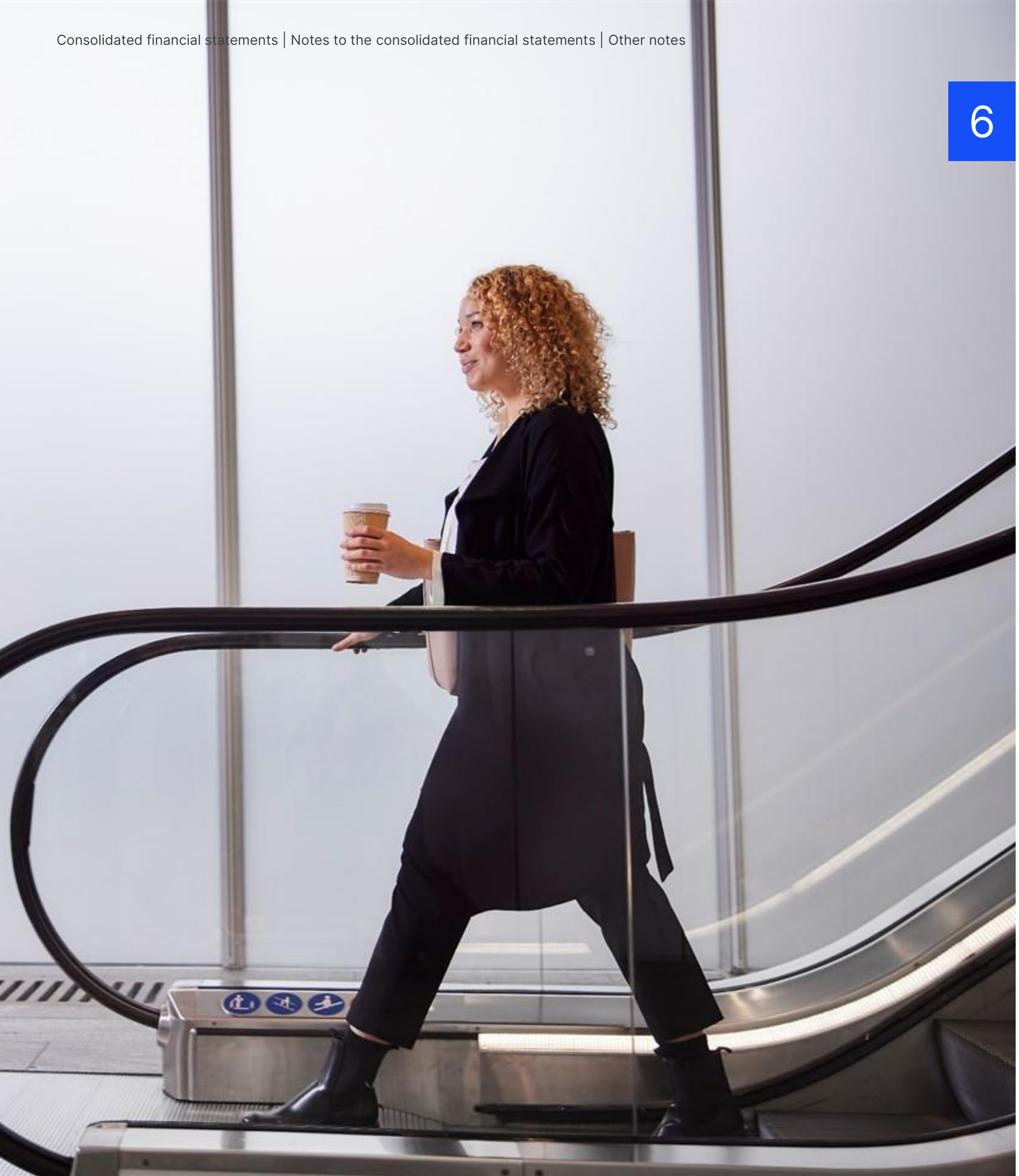
Fair values of major classes of plan assets, MEUR	Dec 31, 2025	Dec 31, 2024
Fair value of plan assets with a quoted market price	373.1	402.6
Other	27.9	32.9
Total	**401.1**	**435.5**

Amounts recognized in the statement of income, MEUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Defined contribution pension plans	348.8	341.9
Defined benefit pension plans	26.6	22.1
Other post-employment benefits	0.5	0.5
Total	**375.9**	**364.5**

Defined benefit plans: assumptions used in calculating benefit obligations	Dec 31, 2025		Dec 31, 2024	
	Europe	USA	Europe	USA
Discount rate	4.2%	5.3%	4.1%	5.5%
Future salary increase	2.3%	-	1.6%	-
Future pension increase	1.3%	-	4.6%	-

Sensitivity of the defined benefit obligation to changes in actuarial assumptions	Change in assumptions	Impact on defined benefit obligation	
		Dec 31, 2025	Dec 31, 2024
Discount rate	+0.25p.p.	-2.3%	-1.9%
Discount rate	-0.25p.p.	2.5%	3.0%
Future pension increase	+0.25p.p.	1.0%	1.1%
Future pension increase	-0.25p.p.	-1.0%	-1.0%

Sensitivities are calculated by changing one assumption at a time while keeping other variables constant.



6

Other notes

In this section

This section comprises the following notes concerning rewards and related parties to KONE:

6.1 Management remuneration
6.2 Share-based payments
6.3 Related party transactions
6.4 Events after the reporting period

6.1 Management remuneration

KONE's management remuneration covers the Board of Directors, President and CEO and the Executive Board. More information is available in KONE Remuneration Report.

Board of Directors

Decided by the Annual General Meeting, the annual compensation for the Board of Directors is paid 40% in KONE Corporation class B shares and 60% in cash. The annual compensation of the members of the board committees is paid in cash. Board fees are not paid to a board member who is employed by the company with a separate employment contract.

The Vice Chair of the Board, Jussi Herlin has a separate employment contract for his role as Executive Vice Chair of the Board at KONE. The employment-based compensation for Jussi Herlin consists of a base salary, benefits and an annual short-term incentive decided by the Board on the basis of the Group's financial result. The short-term incentive for 2024 could not exceed 100 percent of the recipient's annual base salary. The maximum earning opportunity for the short-term incentive was increased to 200% of the Executive Vice Chair's annual base salary as of 1 January 2025.

The Executive Vice Chair's retirement age and pension are determined in accordance with Finland's Pensions Act. Statutory pension cost for the year 2025 was EUR 39.2 thousand. No separate agreement regarding early retirement has been made.

The carrying value of the pension liability for Board Member Matti Alahuhta (served as President & CEO until March 31, 2014) included in the balance sheet is EUR 4,152.2 thousand at the end of 2025 and the yearly pension paid to him by KONE in 2025 was EUR 316.5 thousand.

Compensation paid to the Board of Directors, [1] [2] EUR, thousand	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Herlin Antti, Chairman of the Board	230.0	230.0
Herlin Jussi, Vice Chair of the Board [3]	229.4	241.3
Agrawala Banmali [4]	110.0	-
Alahuhta Matti	120.0	120.0
Duinhoven Susan	130.0	130.0
Fredriksson Marika	130.0	130.0
Herlin Iiris	110.0	110.0
Ihamuotila Timo	120.0	120.0
Mikkilineni Krishna	110.0	110.0
Kant Ravi [5]	-	110.0
Total	**1,289.4**	**1,301.3**

[1] Shareholdings are presented in the Corporate Governance Statement.
[2] Includes also the annual compensation of the Board which was performed by using shares of KONE Corporation decided by the Annual General Meeting held on March 5, 2025.
[3] Remuneration paid based on employment.
[4] Board member since March 5, 2025.
[5] Board member until March 5, 2025.

President and CEO

Philippe Delorme joined KONE as the President and CEO on January 1, 2024. The compensation for the President and CEO Philippe Delorme consists of an annual base salary, short-term incentive plan, long-term incentive plan, fringe benefits and contribution towards pension as determined by the Board. The performance criteria applied to the annual short-term incentive in 2024, paid in 2025, was based on KONE's financial and strategic performance as well as individual performance. The short-term incentive for 2024 could not exceed 150 percent of his annual salary. The maximum earning opportunity for the short-term incentive was increased from 150% to 200% of the CEO's annual base salary as of 1 January 2025. In addition, Philippe Delorme is included in the performance based long-term incentive plan 2025 for the Group's top management. Additional information concerning share-based incentives of the President and CEO is disclosed in note 6.2 Share-based payments. Philippe Delorme's retirement age and pension are determined in accordance with Finland's Pensions Act. Statutory pension cost for the year 2025 was EUR 332.8 thousand. In addition, he receives a contribution of EUR 80 thousand to maintain his French pension scheme. There is no separate agreement regarding early retirement. His employment contract includes a severance entitlement to an equivalent of 18 months' salary, which includes the salary for a six-month term of notice in case of termination before retirement.

Remuneration paid to the President and CEO and to the members of the Executive Board

	Jan 1–Dec 31, 2025		Jan 1–Dec 31, 2024	
EUR, thousand [1]	The President & CEO Philippe Delorme	Members of the Executive Board	The President & CEO Philippe Delorme	Members of the Executive Board
Base salary	844.1	4,261.0	819.4	3,880.2
Benefits	87.8	695.2	131.7	999.0
Annual short-term incentive	1,017.0	1,983.6	-	2,502.1
Long-term incentive plan	-	9,574.0	-	3,854.7
Pensions	80.0	21.0	80.0	18.3
Total compensation	**2,028.9**	**16,534.8**	**1,031.2**	**11,254.3**

Performance based long-term incentive plans for the President and CEO and the Executive Board as of December 31, 2025

Plan [2]	Performance Period	Vesting Year	President and CEO - Number of shares, maximum earning opportunity [3]	The President and CEO - Number of transferred shares for vested plans	Executive Board - Number of shares, maximum earning opportunity [3]	Executive Board - Number of transferred shares for vested plans
LTI 2022	Jan 2022 - Dec 2024	2025	-	-	250,445	72,870
LTI 2023	Jan 2023 - Dec 2025	2026	-	-	296,081	11,200
LTI 2024	Jan 2024 - Dec 2026	2027	85,247	-	332,465	7,977
LTI 2025	Jan 2025 - Dec 2027	2028	74,368	-	328,874	-

[1] Holdings of the shares are presented in the Corporate Governance Statement.
[2] LTI 2024 was granted to Philippe Delorme.
[3] The maximum number of KONE class B shares available for earning (gross before deduction for applicable taxes).

Executive Board

The compensation for the members of the Executive Board (excl. the President and CEO) comprises an annual base salary, short-term incentive plan, long-term incentive plan and fringe benefits. The short-term incentive is based on KONE's financial targets and strategic performance, as well as individual performance. The achievement for the pre-set targets for 2025 is determined by the Nomination and Compensation Committee and may not exceed 100 percent of the annual base salary. The members of the Executive Board are included in the performance based long-term incentive plans for the top management. Additional information concerning share-based incentives of the Executive Board is disclosed in note 6.2 Share-based payments. No separate agreement regarding early retirement has been made for the members of the Executive Board. The compensation for the termination of the employment contract prior to retirement is a maximum of 15 months' salary, which includes the salary for a six-month term of notice.

6.2 Share-based payments

KONE has two share-based incentive plan structures, a performance-based long-term incentive plan structure (LTI) and a restricted share plan structure (RSP).

Share-based payments recognized as an expense in the statements of income amounted to EUR 39.5 (38.0) million in 2025.

Performance based long-term incentive plan structure

The performance based long-term incentive plan structure (LTI) emphasizes profitable growth and sustainability. It consists of annually commencing individual share plans, each with a three-year rolling performance period. The performance criteria for each commencing performance year is determined on an annual basis. The plans vest and are delivered in one portion after the three-year performance period, based on accumulated outcomes of each performance year. If the participant's employment or service relationship with KONE Group terminates before the end of the performance period, the participant, as a rule, forfeits the share award without compensation.

The target group and targets for each annually commencing long-term incentive plan as well as possible rewards are decided upon annually by the Board. As part of the plan for the top management, a long-term share ownership target has been set. For the Executive Board members, the ownership target of KONE shares corresponds to a minimum of five years' annual base salary. For other selected top management positions, the ownership target corresponds a minimum of two years' base salary.

The performance based long-term incentive plan is targeted to approximately 600 top leaders annually, including the President and CEO, members of the Executive Board and selected key employees of KONE Group. The performance criteria applied to the 2022, 2023, 2024 and 2025 performance years are based on annual growth in sales, adjusted EBIT margin (jointly 80%) and improvements in sustainability performance. In 2025, sustainability performance is assessed through a Sustainability Index, which measures progress in carbon

Accounting principles

Share-based payments

KONE share-based incentive plan structures are targeted to the top management and other key employees of KONE. Pursuant to the plan rules, the potential rewards are settled as a combination of KONE class B shares and/or cash when the criteria set in the terms and conditions for the plan are met. The number of shares earned by participants under the share-based incentive plan structures are determined on gross basis with deduction for taxes made when applicable before delivery of the shares to the participants. The arrangements are equity settled only. The fair value of the share-based payments settled with KONE class B shares has been determined at the grant date and will be recognized as an expense over the vesting period. The total amount to be expensed over the vesting period is determined based on the Group's estimate of the number of the shares that are expected to be vested by the end of the vesting period. The impact of any non-market vesting conditions has been excluded, but they are included in assumptions about the number of shares that are expected to be distributed. At each statement of financial position date, the Group revises its estimates of the number of shares that are expected to be distributed. It recognizes the impact of the revision of original estimates in the statement of income. The fair value of the cash settled part of share-based payments reward has been determined so that it covers taxes and taxable benefit costs that are incurred. KONE recognizes the impact of the revision of original estimates, if any, in the statement of income.

Performance based long-term incentive plans as of December 31, 2025

Plan	LTI 2022	LTI 2023	LTI 2024	LTI 2025
Performance Period	Jan 2022 - Dec 2024	Jan 2023 - Dec 2025	Jan 2024 - Dec 2026	Jan 2025 - Dec 2027
Vesting year	2025	2026	2027	2028
Performance criteria	Adjusted EBIT Margin % and Sales Growth: 80%			
	Sustainability: 20%			
Maximum number of shares [1]	788,768	1,025,056	1,216,229	1,091,947
Number of shares outstanding as of Dec 31, 2025 [1]	-	570,884	861,080	856,810
Share price at initial grant date, EUR	56.80	52.48	44.73	48.41
Performance outcome for vested plans, %	78.0%	-	-	-
Number of transferred shares for vested plans	253,248	11,200	7,977	-

[1] Gross before deduction for applicable taxes

emission reduction, diversity, safety performance and cybersecurity.

Restricted share plan structure

The restricted share plan structure (RSP) serves as a complementary incentive structure used as a commitment instrument for retention and recruitment purposes for top management (excluding the President and CEO) and other selected key employees. The restricted share plan structure does not have a performance condition. Each annually commencing plan has a commitment period up to three years, after which the potentially granted share awards will be paid to the participant, provided that their employment or service relationship with KONE Group is in force at the time of payment.

Restricted share plans as of December 31, 2025

Plan	RSP 2022	RSP 2023	RSP 2024	RSP 2025
Plan Period	Jan 2022 - Dec 2024	Jan 2023 - Dec 2025	Jan 2024 - Dec 2026	Jan 2025 - Dec 2027
Maximum number of shares [1]	55,650	163,429	80,000	81,250
Number of shares outstanding as of Dec 31, 2025 [1]	-	80,091	67,442	55,950
Weighted average share price for outstanding shares, EUR	-	40.37	45.79	50.45
Number of transferred shares as of Dec 31, 2025	33,426	18,286	2,266	-

[1] Gross before deduction for applicable taxes

6.3 Related party transactions

KONE's related parties comprise its subsidiaries, associated companies, as well as the Board of Directors, the President & CEO, and the Executive Board including any companies controlled or significantly influenced by them. The Corporate Controlling function evaluates and monitors transactions between the Group and its related parties to ensure that any conflicts of interest are taken into account appropriately in KONE's decision making process.

Except for management remuneration there have not been any material transactions between KONE and its members of the Board of Directors, the President & CEO and the Executive Board including any companies controlled or significantly influenced by them. Information concerning management remuneration is disclosed in note 6.1 and shares held by the members of the Board of Directors, the President & CEO, the Executive Board is disclosed in the Corporate Governance Statement. KONE's subsidiaries are disclosed in the Subsidiaries section of the Annual Review.

6.4 Events after the reporting period

There were no significant events after the reporting period.

Parent company statement of income

EUR	Note	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Sales	1	**928,887,970.16**	**794,523,245.93**
Other operating income	2	231,282,601.23	33,694,001.11
Materials and services		-10,596,625.97	-5,135,986.94
Personnel expenses	3	-165,756,929.89	-152,081,083.45
Depreciation and amortization	4	-16,879,917.07	-15,605,945.04
Other operating expenses	5	-413,941,758.11	-426,162,175.92
Operating income		**552,995,340.35**	**229,232,055.69**
Financing income and expenses	6	855,812,138.84	919,570,764.94
Income before appropriations and taxes		**1,408,807,479.19**	**1,148,802,820.63**
Appropriations	7	78,478,603.55	1,112,864.03
Income taxes		-110,707,548.98	-31,404,547.07
Deferred taxes		-181,038.60	-6,728,537.55
Net income		**1,376,397,495.16**	**1,111,782,600.04**

Parent company statement of financial position

Assets, EUR	Note	Dec 31, 2025	Dec 31, 2024
Non-current assets			
Intangible assets	8	44,748,906.84	56,602,979.68
Tangible assets	9	56,138,872.99	42,771,760.94
Investments			
Subsidiary shares	10	3,977,300,740.19	3,897,726,022.62
Other shares	11	2,001,098.85	2,001,098.85
		3,979,301,839.04	3,899,727,121.47
Total non-current assets		**4,080,189,618.87**	**3,999,101,862.09**
Current assets			
Non-current receivables	12		
Loans receivable		285,688,092.06	322,413,317.64
		285,688,092.06	322,413,317.64
Current receivables	13		
Accounts receivable		186,781,557.00	93,731,442.23
Loans receivable		168,440,385.25	284,819,544.13
Deferred tax assets		857,768.05	1,038,806.65
Other receivables		5,888,253.39	8,236,355.19
Deferred assets		326,518,871.41	286,870,688.56
		688,486,835.10	674,696,836.76
Financial investments		1,053,300,027.73	999,417,433.67
Cash and cash equivalents		141,997,452.75	146,313,867.04
Total current assets		**2,169,472,407.64**	**2,142,841,455.11**
Total assets		**6,249,662,026.51**	**6,141,943,317.20**

Equity and liabilities, EUR	Note	Dec 31, 2025	Dec 31, 2024
Equity			
Share capital		66,174,482.53	66,174,482.53
Share premium account		100,328,064.58	100,328,064.58
Other reserves			
Paid-up unrestricted equity reserve		220,089,095.16	220,089,095.16
Retained earnings		2,073,511,220.38	1,893,221,113.77
Net income		1,376,397,495.16	1,111,782,600.04
Total equity	14	**3,836,500,357.81**	**3,391,595,356.08**
Cumulative accelerated depreciation		7,576,595.08	7,055,198.63
Appropriations		**7,576,595.08**	**7,055,198.63**
Provisions		**1,368,358.98**	**1,119,317.40**
Liabilities			
Non-current liabilities	15		
Loans		249,130,075.08	462,529,183.24
		249,130,075.08	462,529,183.24
Current liabilities	16		
Accounts payable		76,544,284.52	127,505,984.61
Loans		1,900,910,107.52	1,996,085,646.76
Other liabilities		3,885,048.18	3,343,225.47
Accruals		173,747,199.34	152,709,405.01
		2,155,086,639.56	2,279,644,261.85
Total liabilities		**2,404,216,714.64**	**2,742,173,445.09**
Total equity and liabilities		**6,249,662,026.51**	**6,141,943,317.20**

Parent company cash flow statement

EUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Cash receipts from customers	821,976,894.44	689,928,274.56
Cash receipts from other operative income	35,652,889.49	33,694,001.11
Cash paid to suppliers and employees	-635,321,104.54	-547,475,408.53
Financing items	729,814,113.26	939,048,863.65
Taxes paid	-49,891,834.90	-41,617,561.96
Other financing items	46,461,070.32	-36,819,846.54
Cash flow from operating activities	**948,692,028.07**	**1,036,758,322.29**
Capital expenditure	-18,668,722.89	-40,640,041.79
Proceeds from sales of fixed assets	44,000.00	-
Subsidiary investments	-660,000.00	-147,858,717.92
Proceeds from sales and decreases of subsidiary shares	207,413,994.17	-
Cash flow from investing activities	**188,129,271.28**	**-188,498,759.71**
Net change in short-term debt	-95,149,278.19	-201,920,690.65
Net change in long-term debt	-213,399,108.16	218,412,531.25
Profit distribution	-931,906,790.22	-905,465,283.47
Other financing items	99,317,462.93	73,844,178.52
Cash flow from financing activities	**-1,141,137,713.64**	**-815,129,264.35**
Change in cash and cash equivalents	**-4,316,414.29**	**33,130,298.23**
Cash and cash equivalents, Jan 1	146,313,867.04	113,183,568.81
Cash and cash equivalents, Dec 31	141,997,452.75	146,313,867.04
Change in cash and cash equivalents	**-4,316,414.29**	**33,130,298.23**

Reconciliation of net income to the cash flow from operating activities, EUR	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Net income	**1,376,397,495.16**	**1,111,782,600.04**
Depreciation and amortization	16,879,917.07	15,605,945.04
Other adjustments	-364,160,342.68	-709,817.03
Income before change in working capital	**1,029,117,069.55**	**1,126,678,728.05**
Change in receivables	-51,169,817.02	-132,349,668.75
Change in liabilities	-29,255,224.46	42,429,262.99
Cash flow from operating activities	**948,692,028.07**	**1,036,758,322.29**

Notes to the parent company financial statements

Accounting principles

The parent company financial statements have been prepared according to the Finnish Accounting Standards. Financial statements have been prepared for the period of 12 months between January 1 and December 31, 2025.

Foreign currency transactions and translation

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the individual transaction. Foreign currency denominated receivables and liabilities are translated using the period end exchange rates.

Foreign exchange gains and losses associated with loans, deposits and other statement of financial position items are included under financing income and expenses.

Loan receivables and financial investments

Loan receivables are initially recognized at nominal values and subsequently measured at amortized cost. Management estimates that the fair values of the loan receivables do not materially differ from the carrying values at the statement of financial position dates.

Financial investments in commercial papers, short-term bank deposits, interest rate funds and other money market instruments are initially recognized at fair value and thereafter at amortized cost using the effective interest rate method except for interest rate funds which are classified and measured as investments at fair value through profit or loss.

Derivative instruments

Derivative financial instruments are used to hedge currency and the interest rate risks. Derivatives are measured at fair value in accordance with Accounting Act 5:2a §. The fair values of foreign exchange forward contracts are estimated by discounting the future cash flows of the contracts with the relevant market interest rate yield curves on the valuation date and by calculating the difference between the discounted values as at the forward contract date and balance sheet date in euros. Currency options are valued as of each reporting date by using the Garman & Kohlhagen option valuation model. The fair values of derivative financial instruments are presented in note 18.

Changes in the fair values of foreign exchange derivatives are recognized in financing income and expenses if the hedged item is a loan receivable, deposit or a financial asset or liability denominated in a foreign currency.

Revenue recognition

Royalty revenue from the licensing of intellectual property rights is recognized over the contract period. The sales of services are recognized when the services have been rendered or when the work has been completed.

Research and development cost

Research and development costs are typically expensed as they incur, because the future economic benefits of new products and development of existing products and services can only be proven after their successful introduction to the market.

Pensions

An external pension insurance company manages the parent company statutory pension plan. Contributions to the pension plan are charged directly to the statement of income in the year to which these contributions relate.

Leases

Leasing payments are charged to the statement of income on a straight-line basis over the leasing term. Remaining future leasing liabilities from existing contracts are presented in note 17.

Taxes

Tax expense includes taxes based on taxable income for the period, together with tax adjustments for previous periods and changes in deferred taxes. Deferred taxes are provided for temporary differences arising between the tax basis of assets and liabilities and their book values in financial reporting and measured with enacted tax rates.

Deferred tax liabilities arising from temporary differences are fully recognized with prudency, whereas the deferred tax assets are recognized only to the extent of the probable future tax benefit.

Non-current assets

Intangible assets and property, plant and equipment are stated at the cost less accumulated depreciation and amortization. Depreciation and amortization are recorded on a straight-line basis over the economic useful lives of the assets as follows:

Buildings	5–40 years
Machinery and equipment	4–15 years
Other long-term expenditure	4–10 years
Land	Infinite

Investments in subsidiaries and other companies are measured at cost, or fair value in case the fair value is less than cost.

Provisions

Future outflows of cash, which the parent company has committed to that are not expected to contribute future revenues and unavoidable losses, which are probable, are recognized in provisions. Parent company provisions consist of warranty and restructuring provisions.

Financial risk management

Parent company business activities are exposed to financial risks such as foreign exchange risks, interest rate risks, liquidity risks and credit risks. These financial risks are managed in accordance with the KONE Treasury Policy. Parent company financials risks are not significantly different from the Group's financials risks, see notes 2.4 and 5.3 to the consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash-in-hand and bank account balances. Used bank overdrafts are included in other current liabilities.

Share-based payments

Share-based incentive plans of KONE consist of a performance based long-term incentive plan structure (LTI) and a restricted share plan structure (RSP). The performance based long-term incentive plan structure is targeted to the President and CEO, members of the Executive Board and selected key employees of KONE Group. The restricted share plan structure serves as a complementary incentive plan used as a commitment instrument for retention and recruitment purposes for top management (excluding the President and CEO) and other selected key employees. Pursuant to the plan rules, the potential rewards are settled as a combination of KONE class B shares and/or cash when the criteria set in the terms and conditions for the plan are met. The number of shares earned by participants under the share-based incentive plans are determined on gross basis with deduction for taxes made when applicable before delivery of the shares to the participants. The shares to be transferred as part of the plans are obtained in public trading. The acquisition of shares is recognized as an increase of treasury shares, reducing equity, and transfer of shares as decrease in treasury shares and retained earnings within equity.

Notes to the statement of income

1. Sales

Sales EUR 928,888.0 (794,523.2) thousand primarily consists of royalty income from the licensing of intellectual property rights to the subsidiaries of KONE Oyj.

2. Other operating income

EUR 1,000	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Subsidies received	4,038.2	3,800.5
Recharged energy	1,141.4	1,050.7
Service charges	606.9	716.2
Sales of subsidiary shares	195,629.7	-
Others	29,866.4	28,126.6
Total	**231,282.6**	**33,694.0**

3. Personnel expenses

EUR 1,000	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Wages and salaries	138,661.3	128,583.6
Pension costs	23,911.5	21,333.0
Other employment expenses	3,184.1	2,164.5
Total	**165,756.9**	**152,081.1**

The salaries and fees paid to the President & CEO and to the Board of Directors are presented in the note 6 of the consolidated financial statements. Average number of staff employed by the parent company was 1,336 during the financial year (1,254).

4. Depreciation and amortization

EUR 1,000	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Intangible rights	351.6	397.4
Other long-term expenditure	6,448.3	7,044.1
Buildings	1,550.4	1,510.2
Machinery and equipment	8,529.6	6,654.2
Total	**16,879.9**	**15,605.9**

5. Auditors' fees

EUR 1,000	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Audit	1,128.7	1,047.1
Sustainability assurance	302.0	280.0
Auditors´ statements	-	3.9
Tax services	20.6	25.1
Other services	243.1	1,068.9
Total	**1,694.4**	**2,425.0**

The breakdown of auditors' fees has been restated for the comparison period by adding information on the share of sustainability reporting assurance.

6. Financing income and expenses

EUR 1,000	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Dividend income from subsidiaries	846,561.3	975,711.8
Other dividends received	149.1	0.4
Interest income from subsidiaries	18,207.4	33,412.5
Interest income from others	25,176.3	31,374.6
Interest expenses to subsidiaries	-63,593.3	-96,869.0
Interest expenses to others	-6,337.9	-5,530.4
Other financing income and expenses	35,649.3	-18,529.1
Total	**855,812.1**	**919,570.8**

7. Appropriations

EUR 1,000	Jan 1–Dec 31, 2025	Jan 1–Dec 31, 2024
Cumulative accelerated depreciation charge	-521.4	1,112.9
Group contributions received	79,000.0	-
Total	**78,478.6**	**1,112.9**

Notes to the statement of financial position

8. Intangible assets

Jan 1–Dec 31, 2025, EUR 1, 000	Intangible rights	Other long-term expenditure	Advance payments	Total
Opening gross acquisition cost	6,391.7	134,760.4	39,136.4	180,288.5
Opening accumulated depreciation and impairment	-5,433.3	-118,040.1	-212.1	-123,685.5
Opening net book value	**958.4**	**16,720.4**	**38,924.2**	**56,603.0**
Opening net book value	**958.4**	**16,720.4**	**38,924.2**	**56,603.0**
Increase	363.3	4,591.3	-	4,954.6
Decrease	-	-	-231.4	-231.4
Reclassifications	-	-3,380.1	-6,397.3	-9,777.4
Amortization	-351.6	-6,448.3	-	-6,799.9
Closing net book value	**970.1**	**11,483.2**	**32,295.6**	**44,748.9**
Closing gross acquisition cost	6,755.0	135,971.6	32,507.7	175,234.3
Closing accumulated amortization and impairment	-5,784.9	-124,488.4	-212.1	-130,485.4
Closing net book value	**970.1**	**11,483.2**	**32,295.6**	**44,748.9**

Jan 1–Dec 31, 2024, EUR 1, 000	Intangible rights	Other long-term expenditure	Advance payments	Total
Opening gross acquisition cost	6,017.8	129,017.6	14,579.1	149,614.4
Opening accumulated depreciation and impairment	-5,035.9	-110,995.9	-212.1	-116,243.9
Opening net book value	**981.9**	**18,021.7**	**14,366.9**	**33,370.5**
Opening net book value	**981.9**	**18,021.7**	**14,366.9**	**33,370.5**
Increase	373.9	5,742.8	24,557.3	30,674.0
Decrease	-	-	-	-
Reclassifications	-	-	-	-
Amortization	-397.4	-7,044.1	-	-7,441.6
Closing net book value	**958.4**	**16,720.4**	**38,924.2**	**56,603.0**
Closing gross acquisition cost	6,391.7	134,760.4	39,136.4	180,288.5
Closing accumulated amortization and impairment	-5,433.3	-118,040.1	-212.1	-123,685.5
Closing net book value	**958.4**	**16,720.4**	**38,924.2**	**56,603.0**

9. Tangible assets

Jan 1–Dec 31, 2025, EUR 1, 000	Land	Buildings	Machinery & equipment	Fixed assets under construction	Total
Opening gross acquisition cost	182.3	33,515.7	71,381.3	9,566.4	114,645.7
Opening accumulated amortization and impairment	-	-16,600.5	-54,616.1	-656.4	-71,872.9
Opening net book value	**182.3**	**16,915.2**	**16,765.3**	**8,910.1**	**42,771.8**
Opening net book value	**182.3**	**16,915.2**	**16,765.3**	**8,910.1**	**42,771.8**
Increase	-	193.2	9,200.9	4,320.0	13,714.1
Decrease	-	-	-44.4	-	-44.4
Reclassifications	-	462.5	16,685.1	-7,370.1	9,777.4
Depreciation	-	-1,550.4	-8,529.6	-	-10,080.0
Closing net book value	**182.3**	**16,020.4**	**34,077.2**	**5,859.9**	**56,138.9**
Closing gross acquisition cost	182.3	34,171.4	97,222.9	6,516.3	138,092.9
Closing accumulated amortization and impairment	-	-18,150.9	-63,145.7	-656.4	-81,952.9
Closing net book value	**182.3**	**16,020.4**	**34,077.2**	**5,859.9**	**56,138.9**

Jan 1–Dec 31, 2024, EUR 1, 000	Land	Buildings	Machinery & equipment	Fixed assets under construction	Total
Opening gross acquisition cost	182.3	32,664.3	64,687.4	7,731.7	105,265.7
Opening accumulated amortization and impairment	-	-15,090.3	-48,545.3	-656.4	-64,292.0
Opening net book value	**182.3**	**17,574.0**	**16,142.0**	**7,075.3**	**40,973.6**
Opening net book value	**182.3**	**17,574.0**	**16,142.0**	**7,075.3**	**40,973.6**
Increase	-	814.7	3,666.9	6,305.5	10,787.0
Decrease	-	-	-2.4	-821.0	-823.4
Reclassifications	-	36.7	3,613.0	-3,649.7	-
Depreciation	-	-1,510.2	-6,654.2	-	-8,164.4
Closing net book value	**182.3**	**16,915.2**	**16,765.3**	**8,910.1**	**42,771.8**
Closing gross acquisition cost	182.3	33,515.7	71,381.3	9,566.4	114,645.7
Closing accumulated amortization and impairment	-	-16,600.5	-54,616.1	-656.4	-71,872.9
Closing net book value	**182.3**	**16,915.2**	**16,765.3**	**8,910.1**	**42,771.8**

10. Subsidiary shares

EUR 1,000	Dec 31, 2025	Dec 31, 2024
Acquisition cost, Jan 1	3,897,726.0	3,749,867.3
Increase	92,559.0	147,858.7
Decrease	-12,984.3	-
Net book value, Dec 31	**3,977,300.7**	**3,897,726.0**

11. Other shares

EUR 1,000	Dec 31, 2025	Dec 31, 2024
Acquisition cost, Jan 1	2,001.1	2,001.8
Decrease	-	-0.7
Net book value, Dec 31	**2,001.1**	**2,001.1**

12. Non-current receivables

EUR 1,000	Dec 31, 2025	Dec 31, 2024
Loans receivable from subsidiaries	283,621.7	320,247.9
Loans receivable from externals	2,066.4	2,165.5
Non-current receivables	**285,688.1**	**322,413.3**

13. Current receivables

Receivables from subsidiaries, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Accounts receivables	186,268.6	93,300.4
Loans receivable	168,440.4	284,819.5
Deferred assets	268,985.1	177,687.2
Total	**623,694.1**	**555,807.2**

Receivables from externals, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Accounts receivables	513.0	431.0
Others	5,888.3	8,236.4
Deferred assets	57,533.7	109,183.5
Total	**63,935.0**	**117,850.9**
Deferred tax assets	**857.8**	**1,038.8**
Total short-term receivables	**688,486.8**	**674,696.8**

Deferred assets, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Derivative assets	29,541.9	63,714.8
Deferred income taxes	1,318.4	25,804.7
Unbilled revenue	173,603.5	155,002.6
Group contributions	79,000.0	-
Others	43,055.1	42,348.6
Total	**326,518.9**	**286,870.7**

14. Equity and changes in equity

EUR 1,000	Share capital	Share premium account	Paid-up unrestricted equity reserve	Retained earnings	Net income for the period	Total
Book value Jan 1, 2025	66,174.5	100,328.1	220,089.1	3,005,003.7		3,391,595.4
Profit distribution				-931,906.8		-931,906.8
Purchase of own shares						-
Share-based compensation				414.3		414.3
Net income for the period					1,376,397.5	1,376,397.5
Net book value Dec 31, 2025	**66,174.5**	**100,328.1**	**220,089.1**	**2,073,511.2**	**1,376,397.5**	**3,836,500.4**

Non-restricted equity includes the paid-up unrestricted equity reserve, retained earnings deducted by own shares and the profit for the financial year. The non-restricted equity was EUR 3,669,997,810.70 (3,225,092,808.97) at the end of the period. Distributable profit deducted by capitalized development costs was EUR 3,655,182,389.87 (3,215,181,251.13).

EUR 1,000	Share capital	Share premium account	Paid-up unrestricted equity reserve	Retained earnings [1]	Net income for the period	Total
Book value Jan 1, 2024	66,174.5	100,328.1	220,089.1	2,798,288.5		3,184,880.2
Profit distribution				-905,465.3		-905,465.3
Purchase of own shares						
Share-based compensation				397.9		397.9
Net income for the period					1,111,782.6	1,111,782.6
Net book value Dec 31, 2024	**66,174.5**	**100,328.1**	**220,089.1**	**1,893,221.1**	**1,111,782.6**	**3,391,595.4**

[1] As at 1 January, 2024, the effect arising from recognition of share-based payment rewards has been reclassified from paid-up unrestricted equity to retained earnings to improve presentation.

From 2024 onwards, share-based compensation paid to board is shown in retained earnings.

15. Non-current liabilities

Liabilities to subsidiaries, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Liabilities falling due in 1–5 years	49,130.1	62,529.2
Total	**49,130.1**	**62,529.2**

Liabilities to externals, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Liabilities falling due in 1–5 years		200,000.0
Liabilities falling due in over 5 years	200,000.0	200,000.0
Total	**200,000.0**	**400,000.0**
Total non-current liabilities	**249,130.1**	**462,529.2**

The breakdown of Liabilities to externals within non-current liabilities has been restated for the comparison period. In the comparison period, an amount of EUR 400,000,000 previously presented as liabilities falling due in 1–5 years has been reclassified in the 2025 financial statements into liabilities falling due in over 5 years amounting to EUR 200,000,000 and liabilities falling due in 1–5 years amounting to EUR 200,000,000.

16. Current liabilities

Liabilities to subsidiaries, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Accounts payable	28,290.3	51,441.0
Loans	1,699,821.6	1,996,085.6
Accruals	51,426.5	50,347.3
Total	**1,779,538.4**	**2,097,873.9**

Liabilities to externals, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Accounts payable	48,254.0	76,065.0
Loans	201,088.5	-
Other liabilities	3,885.0	3,343.2
Accruals	122,320.7	102,362.1
Total	**375,548.3**	**181,770.4**
Total current liabilities	**2,155,086.6**	**2,279,644.3**

Accruals, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Accrued wages, salaries and employment costs	46,562.5	37,289.1
Derivative liabilities	26,312.7	49,673.9
Others	100,871.9	65,746.5
Total	**173,747.2**	**152,709.4**

17. Commitments

EUR 1,000	Dec 31, 2025	Dec 31, 2024
Guarantees		
For subsidiaries	3,892,414.4	3,946,166.8
Leasing commitments		
Due next year	9,087.0	8,189.8
Due over a year	10,953.4	13,724.8
Other commitments	1,270.7	818.4
Total	**3,913,725.4**	**3,968,899.9**

18. Derivatives

Fair values of derivative instruments, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Foreign exchange forward contracts with external parties	676.7	6,112.0
Foreign exchange forward contracts with subsidiaries	2,551.3	7,929.0
Total	**3,228.0**	**14,041.0**

Nominal values of derivative instruments, EUR 1,000	Dec 31, 2025	Dec 31, 2024
Foreign exchange forward contracts with external parties	2,522,291.5	3,124,729.9
Foreign exchange forward contracts with subsidiaries	1,158,864.5	1,067,642.2
Total	**3,681,156.0**	**4,192,372.1**

Derivative contracts are entered for hedging purposes in line with KONE Treasury policy and are recognized at fair value. Derivatives are classified as financial assets at fair value through profit or loss. The majority of the foreign exchange derivatives mature within a year. The fair values of the foreign exchange derivatives are measured based on the price information derived from the active markets and commonly used valuation methods.

More information about financial risks management is described in the notes 2.4 and 5.3 to the consolidated financial statements.

Subsidiaries

The following list includes companies where the parent company KONE Oyj has control as of December 31, 2025. Additional information is included in note 1 of the consolidated financial statements.

		Shareholding %	
Country/Region	Company	Group	Parent company
Andorra	Kone Ascensors i Escales, S.A.	100	-
Australia	KDB Australia Pty Ltd	100	-
	KONE Elevators Employee Benefits Pty Limited	100	-
	KONE Elevators Pty Ltd	100	-
	KONE Holdings (Australia) Limited	100	-
	Orbitz Elevators Services Pty Ltd	100	-
Austria	KONE AG	100	100
Bahrain	KONE Bahrain W.L.L.	0	-
	KONE Elevators W.L.L.	49	-
Belgium	KDB Belgium SRL	100	100
	KONE Belgium S.A.	100	100
	Liften Min	100	-
Bosnia and Herzegovina	KONE d.o.o. Sarajevo	100	-
Bulgaria	KONE EOOD	100	100
Canada	Cantech Elevators Inc.	100	-
	KONE Inc.	100	49
China mainland	Giant Kone Elevator Co., Ltd.	100	-
	KONE Elevator (Shanghai) Co., Ltd.	100	-
	KONE Elevators Co., Ltd.	100	-
	KONE Smart Supply Chain (Shenzhen) Co., Ltd	100	-
	Kunshan KONE Industrial Machinery Co., Ltd.	100	100
Croatia	KONE d.o.o.	100	100
Cyprus	KONE Elevators Cyprus Limited	100	100
Czech Republic	KONE Industrial - koncern s.r.o.	100	100
	KONE, a.s.	100	100
Denmark	KDB Denmark ApS	100	-
	KONE A/S	100	100
Egypt	KONE LLC	100	-
Estonia	AS KONE	100	100
Finland	Finescal Oy	100	100
	KDB Finland Oy	100	100
	KONE Digital Services Oy	100	100
	KONE Hissit Oy	100	100

		Shareholding %	
Country/Region	Company	Group	Parent company
	KONE Industrial Oy	100	100
France	2STP S.A.S.	100	-
	ALÉO Ascenseurs	100	-
	Ascenseurs Portes Automatiques Arnaud S.A.S.	100	-
	Ascenseurs Soulier S.N.C.	100	-
	ATPE S.A.S.	100	100
	ATS S.A.S.	100	-
	Automatismes du Mont Blanc S.A.S.	100	-
	Delta Ascenseurs S.A.S.	100	-
	KDB France S.A.S.	100	100
	KONE ATS S.A.S	100	-
	KONE Développement S.N.C.	100	-
	KONE Holding France S.A.S.	100	100
	KONE S.A.	99.99	-
	LIFTMAN S.A.S.	100	-
	MARS Maintenance Ascenseurs Region Sud	100	-
	MP2 Gestion Participation	100	-
	PACA Ascenseurs Services	100	-
	Prokodis S.A.S.	100	-
	R.M.D. S.A.S.	100	-
	RS Ascenseurs	100	-
	Technique & Mecanique Des Elevateurs S.A.S.	100	-
Germany	Alois Kasper GmbH	100	-
	ATB Aufzugtechnik Berlin GmbH	100	-
	ATH Aufzüge GmbH	100	-
	Aufzugstechnik Rhein Ruhr GmbH	100	-
	DANY Aufzüge GmbH	100	-
	KDB Automatiktüren GmbH	100	-
	KONE Escalator Supply Service Center Europe GmbH	100	100
	KONE Garant Aufzug GmbH	100	-
	KONE GmbH	100	100
	KONE Servicezentrale GmbH	100	-
	Matthias Schernikau GmbH	100	-

Country/Region	Company	Shareholding % Group	Shareholding % Parent company
	Trierer Aufzugbau Baasch & Didong GmbH	100	-
	Weymann Aufzüge GmbH & Co. KG	100	-
	Weymann Aufzüge Verwaltungs GmbH	100	-
Greece	KONE S.A.	100	-
Hong Kong SAR	KONE Elevator (HK) Limited	100	0
	Shan On Engineering Company Limited	100	-
Hungary	KONE Felvonó Kft.	100	100
Iceland	KONE ehf	100	100
India	KONE Elevator India Private Limited	100	99.99
Indonesia	PT KONE Indo Elevator	100	1.04
	PT KONE Indo Mitra	0	-
Ireland	Ennis Lifts Limited	100	-
	KONE (Ireland) Limited	100	-
Israel	KONE LTD	100	100
Italy	ACMA S.r.l.	60	-
	Ascensori & Ascensori S.r.l.	64	-
	ATA Ascensori S.r.l.	100	-
	Cerqueti Servizi S.r.l.	100	-
	CGM Elevators S.r.l.	100	-
	Cofam S.r.l.	100	-
	CRON.UP S.r.l.	80	-
	D.R. System S.r.l.	80	-
	De Mattia ascensori S.r.l.	100	-
	Elevant Servizi S.r.l.	70	-
	Elevatori Bari S.r.l.	89	-
	Elevators S.r.l.	60	-
	Eurolift Ascensori S.r.l.	70	-
	Euroservice Merano S.r.l.	90	-
	Ferrara Ascensori S.r.l.	66	-
	Gianfranceschi Ascensori S.r.l.	97	-
	GSB Ascensori S.r.l.	80	-
	KDB Italy S.r.l.	100	-
	KONE Industrial S.p.A.	100	100
	KONE S.p.A.	100	26.86
	L.A.M. Lombarda Ascensori Montacarichi S.r.l.	70	-
	MA.RI.VA. Due S.r.l.	100	-
	MARIBO-SIMA ascensori S.r.l.	70	-
	Nettuno S.r.l.	75	-
	Neulift S.p.A.	100	-

Country/Region	Company	Shareholding % Group	Shareholding % Parent company
	Neulift Service Molise S.r.l.	51	-
	Neulift Service Triveneto S.r.l.	100	-
	Rimma S.r.l.	60	-
	Slimpa S.p.A.	100	-
	Tecnocram S.r.l.	91.5	-
	Tosca Ascensori S.r.l.	66.67	-
	Unilift S.r.l.	89.97	-
Kazakhstan	KONE Kazakhstan LLP	100	-
Kenya	KONE Kenya Limited	49	-
Kuwait	Al-Sabriyah Elevators and Escalators Company, W.L.L.	49	-
Latvia	SIA KONE Lifti Latvija	100	0.5
Lithuania	UAB KONE	100	100
Luxembourg	KONE Luxembourg Sàrl	100	-
Macau SAR	KONE Elevator (Macau) Limited	100	-
Macedonia	KONE Makedonija Dooel Skopje	100	-
Malaysia	KONE Elevator (M) Sdn. Bhd.	29.88	29.88
Mexico	KONE Industrial, S.A. de C.V.	100	-
	KONE Mexico, S.A. De C.V.	100	0.1
Monaco	S.A.M. KONE	99.87	-
Montenegro	KONE d.o.o. Podgorica	100	-
Morocco	KONE Elevators and Escalators Sàrl AU	100	100
Netherlands	Hissi B.V.	100	-
	KDB Holding B.V.	100	-
	KDB Netherlands B.V.	100	-
	KONE B.V.	100	-
	KONE Deursystemen B.V.	100	-
	Kone Finance Holding B.V.	100	-
	KONE Holland B.V.	100	100
	KONE Nederland Holding B.V.	100	-
New Zealand	KONE Elevators (NZ) Limited	100	-
Norway	KDB Door AS	100	-
	KDB Norway AS	100	-
	KONE Aksjeselskap	100	100
Oman	KONE Assarain LLC	70	-
Philippines	Elevators Philippines Construction, Inc.	39.8	-
	KPI Elevators, Inc.	99.99	-
Poland	KONE Sp.z o.o.	100	100
Portugal	Kone Portugal - Elevadores, Lda.	100	1

		Shareholding %	
Country/Region	Company	Group	Parent company
Qatar	KONE Elevators W.L.L.	49	49
Romania	KONE Ascensorul S.A.	100	99.99
Saudi Arabia	KONE Areeco Limited	50	10
	KONE Regional Headquarters LLC	100	-
Serbia	KONE d.o.o. Beograd-Novi Beograd	100	-
Singapore	KONE Pte Ltd.	100	-
Slovak Republic	KONE Business Services, s.r.o.	100	100
	KONE s.r.o.	100	100
Slovenia	KONE d.o.o.	100	100
South Africa	Addo Private Equity Fund 2 (Pty) Ltd.	100	-
	KONE Elevators South Africa (Pty) Ltd	100	-
Spain	Ascensores Johima S.L.	65	-
	Ascensores Muguerza, S.A.U.	100	-
	Ascensores Satel, S.L.	100	-
	KDB Door Business Spain SL	100	-
	Kone Elevadores, S.A.	100	99.99
	Neulift, S.L.	100	-
	Serki Instalaciones Y Servicios S.l.	98	-
	Técnicas Autocontrol, S.L.U.	100	-
Sweden	KDB Sweden AB	100	-
	KONE AB	100	-
Switzerland	Kone (Schweiz) AG	100	100

		Shareholding %	
Country/Region	Company	Group	Parent company
Taiwan, China	Kang-En Taiwan Elevator Technology Service Co., Ltd	100	-
	KONE Elevators Taiwan Co. Ltd	100	-
Thailand	KONE Public Company Limited	84.08	-
	Thai Elevators and Escalators Company Limited	74	-
	Thai Elevators Holding Company Limited	49	-
Tunisia	KONE Elevators & Escalators Sarl	100	-
	KONE Elevators and Escalators Assembly	100	-
Türkiye	KONE Asansör Sanayi ve Ticaret A.Ş.	100	-
Uganda	KONE Uganda Limited	100	-
Ukraine	KONE Lifts LLC	100	-
United Arab Emirates	KONE (Middle East) LLC	100	49
United Kingdom	KDB Door Business UK Ltd	100	-
	KONE (NI) Limited	100	-
	KONE Pension Trustees Ltd.	100	-
	KONE Plc	100	100
USA	ENOK Electrical Company, LLC	100	-
	KONE Holdings, Inc.	100	-
	KONE Inc.	100	-
	Marine Elevators LLC	100	-
Vietnam	Kone Vietnam Limited Liability Company	100	-

Board of Directors' dividend proposal and signatures

Board of Directors' dividend proposal

The parent company's distributable profits on December 31, 2025 is EUR 3,655,182,389.87 of which the net income for the financial year is EUR 1,376,397,495.16.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.7975 be paid on the outstanding 76,208,712 class A shares and EUR 1.80 on the outstanding 441,649,910 class B shares, resulting in a total amount of proposed dividend of EUR 931,954,997.82. The Board of Directors further proposes that the remaining distributable profits, EUR. 2,723,227,392.05 be retained and carried forward.

The Board proposes that the dividend payment date is March 16, 2026.

Signatures to the Board of Directors' report and financial statements

The financial statements, prepared in accordance with applicable accounting regulations, give a true and fair view of the assets, liabilities, financial position, and profit or loss of both the company and the group of companies included in its consolidated financial statements.

The management report contains a fair review of the development and performance of the business operations of both the company and the group of companies included in its consolidated financial statements, as well as a description of the most significant risks and uncertainties and other aspects of the company's condition.

The sustainability report included in the management report has been prepared in accordance with the reporting standards referred to in Chapter 7 and Article 8 of the Taxonomy Regulation.

Helsinki, February 5, 2026

Antti Herlin

Jussi Herlin

Matti Alahuhta

Susan Duinhoven

Marika Fredriksson

Iiris Herlin

Timo Ihamuotila

Banmali Agrawala

Krishna Mikkilineni

Philippe Delorme,
President & CEO

The Auditor's Note

Our auditor's report has been issued today.

Helsinki, February 5, 2026

Ernst & Young Oy
Authorized Public Accountants

Heikki Ilkka
Authorized Public Accountant

Auditor's report

(Translation of the Finnish original)

To the Annual General Meeting of KONE Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KONE Corporation (business identity code 1927400-1) for the year ended 31 December, 2025. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 2.2 to the consolidated financial statements and note 5 to the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.
We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter

Revenue recognition of new equipment and modernization sales and related accruals
The accounting principles and disclosures about revenue recognition of new equipment and modernization sales and related accruals are included in consolidated financial statement notes 1 and 2.1.
 	
In accordance with its accounting principles KONE applies the percentage of completion (PoC) method for recognizing revenue over time from new equipment and modernization contracts. The percentage of completion is based on the cost-to-cost method. In year 2025, approximately 57 % percent of the KONE´s sales of 11,2 billion euros were recognized under the PoC method.
 	
The recognition of revenue by applying PoC method and the estimation of the outcome of projects require significant management judgement in estimating the cost-to-complete. We assessed the risk to mainly relate to the stage of completion of projects, which were incomplete at 31 December 2025.
 	
The Group makes several types of accruals related to risks associated with revenue recognition by applying PoC method. These accruals require high level of management judgment.
 	
Based on above, revenue recognition based on PoC method, including related accruals, was a key audit matter. Revenue recognition based on PoC method was also a significant risk of material misstatement referred to in EU Regulation No 537/2014, point (c) of Article 10(2).
	Our audit procedures to address the risk of material misstatement in respect of the revenue recognition from new equipment and modernization projects included, among others:
	
	• Assessment of the Group's accounting policies over revenue recognition over time and recognition of project related accruals.
	• Gaining an understanding of the revenue recognition process including related accruals.
	• Inspecting on a sample basis the project documentation such as contracts and other written communication.
	• Testing on a sample basis the percentage of completion and accrual calculations and the inputs of estimates in the calculations, as well as comparing the estimates to actuals.
	• Analytical procedures.
	• Evaluation of financial development and current status by
	  ○ analyzing the changes in assumptions relating to estimated revenues, costs, and related accruals and receipts of project payments, and
	  ○ discussions with different levels of the organization including project level and financial organization.
	• Performing inquiries with management with regards to any significant events or legal matters that could affect the project estimates and provisions.
	• Assessing the Group's disclosures in respect of revenue recognition and related accruals

Valuation of accounts receivable	

The accounting principles and disclosures relating to accounts receivable are included in notes 1 and 3.2. Valuation of accounts receivable was a key audit matter due to the significance of the account balance and because valuation requires management to make significant judgments especially due to uncertainties related to Chinese real estate market. Valuation of accounts receivable requires management to evaluate the probability of the recoverability of receivables and to record an impairment loss for doubtful accounts over the portion for which payment is unlikely. As of balance sheet date 31 December 2025, the carrying value of accounts receivable amounted to 2350,7 million euros. The carrying value of account receivable shown in the balance sheet as of 31 December 2025 is a result of gross receivables deducted by reserve of expected credit losses which is based on management's judgment and amounting to 444,3 million euros as of 31 December 2025.	We performed, among others, the following audit procedures: • We evaluated the valuation methods applied on valuation of accounts receivable as well as performed quarterly analyses of overdue and undue gross receivable balance development and corresponding movement in expected credit loss reserve during the year. • We sent receivable balance confirmation requests to counterparties and compared trade receivable balances to subsequent cash receipts. • We analysed management's estimates of expected credit losses of the most significant aged and overdue receivables considering historical payment patterns as well as recent communications with the counterparties and dunning procedures. • We considered the appropriateness of the Group's disclosures in respect of trade receivables.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting with effect from 2 March 2021, and our appointment represents a total period of uninterrupted engagement of 5 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor’s report, and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other statements based on law

Our responsibility is to, based on our audit, express an opinion on the registration and publication of the income tax report required in Chapter 7 b of the Accounting Act.

The Board of Directors and the Managing Director are responsible for the registration and the publication of the income tax report.

In our opinion, the company has not been obliged to register and publish an income tax report referred to in Chapter 7 b of the Accounting Act for the financial year immediately preceding the financial year.

Helsinki, 5.2.2026

Ernst & Young Oy
Authorized Public Accountant Firm

Heikki Ilkka
Authorized Public Accountant

Independent Auditor's Report on the ESEF Consolidated Financial Statements of KONE Oyj

(Translation of the Finnish original)

To the Board of Directors of KONE Corporation

We have performed a reasonable assurance engagement on the financial statements 2138001CNF45JP5XZK38-2025-12-31-fi.zip of KONE Corporation (y-identifier: 1927400-1) that have been prepared in accordance with the Commission's regulatory technical standard for the financial year ended 31.12.2025.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the company's report of Board of Directors and financial statements (the ESEF financial statements) in such a way that they comply with the requirements of the Commission's regulatory technical standard. This responsibility includes:

- preparing the ESEF financial statements in XHTML format in accordance with Article 3 of the Commission's regulatory technical standard
- tagging the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements with iXBRL tags in accordance with Article 4 of the Commission's regulatory technical standard and
- ensuring the consistency between the ESEF financial statements and the audited financial statements.

The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance the requirements of the Commission's regulatory technical standard.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

Our responsibility is to, in accordance with Chapter 7, Section 8 of the Securities Markets Act, provide assurance on the financial statements that have been prepared in accordance with the Commission's technical regulatory standard. We express an opinion on whether the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, in accordance with the requirements of Article 4 of the Commission's regulatory technical standard.

Our responsibility is to indicate in our opinion to what extent the assurance has been provided. We conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000.

The engagement includes procedures to obtain evidence on:

- whether the primary financial statements in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and

- whether the notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements have been tagged, in all material respects, with iXBRL tags in accordance with the requirements of Article 4 of the Commission's regulatory technical standard and
- whether there is consistency between the ESEF financial statements and the audited financial statements.

The nature, timing and extent of the selected procedures depend on the auditor’s judgement. This includes an assessment of the risk of material deviations due to fraud or error from the requirements of the Commission’s technical regulatory standard.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Our opinion pursuant to Chapter 7, Section 8 of the Securities Markets Act is that the primary financial statements, notes and company's identification data in the consolidated financial statements that are included in the ESEF financial statements of KONE Corporation 2138001CNF45JP5XZK38-2025-12-31-fi.zip for the financial year ended 31.12.2025 have been tagged, in all material respects, in accordance with the requirements of the Commission's regulatory technical standard.

Our opinion on the audit of the consolidated financial statements of KONE Corporation for the financial year ended 31.12.2025 has been expressed in our auditor's report dated 5.2.2026. With this report we do not express an opinion on the audit of the consolidated financial statements nor express another assurance conclusion.

Helsinki 5.2.2026

Ernst & Young Oy
Authorized Public Accountant Firm

Heikki Ilkka
Authorized Public Accountant

Assurance report on the sustainability statement

(Translation of the Finnish original)

To the Annual General Meeting of Kone Oyj

We have performed a limited assurance engagement on the group sustainability statement of KONE Oyj (business identity code 1927400-1) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2025.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability statement does not comply, in all material respects, with

1. the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS), and
2. the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which KONE Oyj has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability statement with digital XBRL sustainability tags in accordance with Chapter 7, Section 22, Subsection 1(2), of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of requirements for the tagging of sustainability information in the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability statement as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorized Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability statement of KONE Oyj that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the financial year January 1–December 31, 2024. Our opinion covers the comparative information that has been presented in the group sustainability statement for January 1–December 31, 2024, but not any other comparative information. Our opinion is not modified in respect of this matter.

Authorized Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The Authorized Group Sustainability Auditor applies International Standard on Quality Management ISQM 1, which requires the Authorized Sustainability Audit Firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Kone Oyj are responsible for:

- the group sustainability statement and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified,
- the compliance of the group sustainability statement with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, and for
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability statement that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Statement

The preparation of the group sustainability statement requires a materiality assessment from the company in order to identify relevant disclosures. This significantly involves management judgment and choices. Group Sustainability reporting is also characterized by the fact that reporting of this type of information involves estimates and assumptions, as well as measurement and assessment uncertainty.

The determination of greenhouse gases is subject to inherent uncertainty due to the incomplete scientific data used to determine the emission factors and the numerical values needed to combine emissions of different gases.
When reporting future-related information in accordance with the ESRS standards, the company's management must present assumptions regarding possible future events and disclose the company's potential future actions related to these events, as well as prepare future-related information based on these assumptions. The actual outcome is likely to differ, as predicted events often do not occur as expected.

Responsibilities of the Authorized Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability statement.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability statement, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
Our procedures included for ex. the following:

- We have interviewed the management of group as well as key personnel responsible for collecting and reporting of the information included in the group sustainability statement.
- Through interviews, we gained an understanding of the group's control environment related to the group sustainability reporting process.
- We evaluated the implementation of the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided from the double materiality assessment is in material respects in accordance with the ESRS standards.
- We assessed whether the group sustainability statement in material respects meets the requirements of the ESRS standards regarding material sustainability topics:
    - We have tested the accuracy of the information presented in the group sustainability statement by comparing the information on a sample basis to the documentation and records prepared by the company and assessed whether they support the information included in the group sustainability statement.
    - We have on a sample basis performed analytical assurance procedures and related inquiries, recalculations and inspected documentation, as well as tested data aggregation to assess the accuracy of the group sustainability statement.
- We conducted site visits at selected locations.
- Regarding EU Taxonomy data, we gained an understanding of the process by which a company has defined taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided.

Helsinki 5.2.2026

Ernst & Young Oy
Authorized Sustainability Audit Firm

Heikki Ilkka
Authorized Sustainability Auditor

Corporate Governance Statement

KONE's Corporate Governance Statement for the financial year 2025 has been prepared in accordance with the requirements of the Finnish Corporate Governance Code 2025. KONE Corporation complies with the Finnish Corporate Governance Code 2025 issued by the Securities Market Association, with the exception of recommendations 17 (Independence of the company of the members of the remuneration committee) and 18 (Independence of the company of the members of the nomination committee). These exceptions are due to the company's ownership structure. The company's largest shareholder, Antti Herlin, controls 62 percent of the company's voting rights and 23 percent of its shares. The significant entrepreneurial risk associated with ownership is considered to justify the main shareholder serving as the Chairman of the Board of Directors and a member of the Board's Nomination and Compensation Committee and, in this capacity, overseeing shareholders' interests.

The Corporate Governance Code in its entirety is available at the Securities Market Association website www.cgfinland.fi. This statement is available on the company's website at www.kone.com and it has been issued separately of the Board of Directors' Report.

Regulatory Framework

KONE follows, among others, the Finnish Limited Liability Companies Act, the Securities Markets Act and other laws and regulations applicable to publicly listed companies in Finland, its Articles of Association, the Rules of the Helsinki Stock Exchange, as well as the regulations and guidelines issued by the Finnish Financial Supervisory Authority.

Governing Bodies

KONE's governance bodies and officers with the greatest decision-making power are the General Meeting of Shareholders, the Board of Directors of KONE Corporation, the Chairman of the Board and the President and CEO. The Board of Directors is responsible for the administration of the company and the appropriate organization of its operations. The President and CEO, supported by the Executive Board, is responsible for operative management of the company.

Annual General Meeting

At the Annual General Meeting, the shareholders of the company exercise their decision-making power. The Annual General Meeting of Shareholders decides on the matters stipulated in the Finnish Companies Act and the Articles of Association, including the shareholders approve the consolidated financial statements, decide on the distribution of profits, elect the members of the Board of Directors and the auditors and determine their compensation.

KONE Corporation's Annual General Meeting is convened by the Board of Directors. According to the Articles of Association, the Annual General Meeting of Shareholders shall be held within three months of the closing of the financial year on a date decided by the Board of Directors.

Board of Directors

Duties and responsibilities

The Board of Directors' duties and responsibilities are defined primarily by the Articles of Association and the Finnish Limited Liability Companies' Act. The Board's duties include:

- ensuring appropriate arrangement of the control of the company accounts and finances
- approving the financial statements, the Board of Director's Report including the Sustainability Statement, the Corporate Governance Statement as well as the interim reports
- monitoring and evaluating the financial and sustainability reporting processes, the efficiency of the company's internal control, internal audit and risk management systems
- preparing issues to be presented to the shareholders' meeting
- appointing the President and CEO, and determining his/her remuneration
- approving the remuneration policy and remuneration report
- approving and confirming strategic guidelines and the principles of risk management
- approving annual budgets and plans
- decisions on the company's corporate structure
- decisions on major acquisitions and investments
- decisions on other matters falling under the Board's responsibility by law.

The Board has created rules of procedure stipulating the duties of the Board, its Chairman and its Committees. The Board of Directors holds seven regular meetings a year and additional meetings as required. The Board of Directors reviews its own performance and procedures once a year.

Members of the Board

The Annual General Meeting elects five to ten members and no more than three deputy members to the Board of Directors in accordance with KONE Corporation's Articles of Association. The term of the Board of Directors shall expire at the end of the next Annual General Meeting. The Board of Directors elects a Chairman and Vice Chair among its members. The proposals for Board members are prepared by the Nomination and Compensation Committee under the steering of the Chairman of the Board.

The Board has defined a Board diversity policy which gives guidance to the nomination of the Board of Directors. The objective is to have a Board composition that is diverse and balanced, fostering a dynamic and inclusive environment where members' backgrounds complement each other and create synergies that benefit KONE, its stakeholders and operations.

Board members are nominated and selected based on their merits, qualifications, competencies, skills, and integrity as well as their ability to dedicate time and contribute to the Board's overall effectiveness and the strategic direction of the company.

During the preparation and in the proposal to the General Meeting of Shareholders, attention is paid to the board candidates' broad and mutually complementary background, professional experience, expertise, cultural background, nationality, age, gender and views of both KONE's business and other industries. The Board members should have combined experience in different markets and geographies and in strategically important focus areas for KONE. The objective is to have balanced gender representation on the Board. The independence of the members of the Board is assessed in line with the independence criteria of the Finnish Corporate Governance Code.

Committees

The Board of Directors has appointed two committees consisting of its members: the Audit Committee and the Nomination and Compensation Committee. The Board has confirmed rules of procedure for both Committees. The Secretary to the Board acts as the Secretary of both Committees.

The Audit Committee monitors the Group's financial situation and monitors and evaluates reporting processes related to the financial statements and interim reports as well as the sustainability statement. The Audit Committee monitors and evaluates the adequacy and appropriateness of KONE's internal control and risk management, as well as the compliance with rules and regulations. It also deals with the Corporation's internal audit plans and reports. The Head of Assurance reports the internal audit results to the Committee. The Audit Committee also monitors and evaluates how agreements and other transactions between the company and its related parties meet the requirements relating to ordinary business operations and general market terms and monitors and oversees the financial statement and financial reporting process. In addition, the Audit Committee processes the description of the main features of the internal control and risk management systems pertaining to the financial reporting process included in the company's corporate governance statement.

The Audit Committee evaluates the auditing of the Group's companies and the appropriateness of the related arrangements and auditing services and reviews the auditors' reports. Furthermore, the Committee monitors and evaluates the independence of the external auditors, including particularly the provision of non-audit services to the company, and approves the principles of accepting fees for non-audit services. The Audit Committee prepares a proposal for the Annual General Meeting regarding the auditors to be elected for the Corporation. The Audit Committee also monitors the assurance of the sustainability reporting and prepares a proposal for the election of assurance service provider for sustainability reporting.

The Nomination and Compensation Committee prepares proposals to be made to the Annual General Meeting regarding the nomination of Board members and their compensation, makes decisions regarding senior management appointments and compensation and oversees the succession planning of senior management, including the President and CEO. The Committee also decides on the compensation systems to be used and prepares the remuneration policy and remuneration report for the company's governing bodies.

Management

Chairman of the Board, Executive Vice Chair of the Board and the President and CEO

KONE Corporation's Board of Directors appoints the Chairman of the Board, the possible executive Vice Chair of the Board and the President and CEO. The Board determines the terms and conditions of employment of the executive Vice Chair of the Board and the President and CEO, and these are defined in their respective written contracts. The Chairman of the Board and the Vice Chair of the Board prepare matters to be considered by the Board together with the President and CEO and their corporate staff. The executive Vice Chair supports the Chairman of the Board in fulfilling his duties as Chairman, observes the meetings of the Executive Board, monitors KONE's business performance via regular meetings and chairs the working committee of the Nomination and Compensation Committee.

The Chairman of the Board, the Vice Chair of the Board and the President and CEO are responsible for the execution of the targets, plans, strategies and goals set by the Board of Directors within the KONE Group. The President and CEO is responsible for operational leadership within the scope of the strategic plans, budgets, operational plans, guidelines and orders approved by KONE Corporation's Board of Directors. The President and CEO presents operational matters to the Board and is responsible for implementing the decisions of the Board.

Executive Board

The Executive Board supports the President and CEO in executing the corporate strategy. The Executive Board follows business developments, initiates actions and defines operating principles and methods in accordance with guidelines handed down by the Board of Directors and the President and CEO. The Executive Board holds regular monthly meetings and additional meetings as required.

Risk management, internal control, related party transactions and audit

KONE Corporation's Board of Directors has ratified the principles of risk management, internal control and internal auditing to be followed within the Group.

Risk management

The aim of risk management at KONE is to identify the risks and uncertainties related to the achievement of KONE's objectives, assess the likelihood and magnitude of the risks and opportunities and to identify necessary actions to mitigate the negative impacts of identified risks.

KONE's Global Risk Management function develops, coordinates and facilitates systematic risk management integrated into KONE's core business processes and decision-making. KONE's business units are responsible for identifying, assessing and managing risks that can threaten the achievement of their business objectives as part of KONE's strategic planning and budgeting processes.

Key risks are reported to the Global Risk Management function, which consolidates the risk information to the Executive Board. Executive Board members for Areas and global functions are owners of the key risks and opportunities relevant to the objectives of their organization. The Executive Board reviews and approves the Risk Management Policy and approves KONE's risk tolerance. KONE's Board of Directors approves the risk management principles of KONE and is responsible for monitoring and evaluating the effectiveness of KONE's risk management systems. The Board of Directors also reviews key risks and risk treatment action plans and acts, when necessary, on key risks reported to the Board.

Internal control

The aim of KONE's internal control environment is to ensure that the Group's operations are efficient and profitable, risks and opportunities are managed to an acceptable level, and that the financial and operational reporting is reliable and in compliance with the applicable regulations, policies and practices.

The Board's Audit Committee monitors the efficiency and functioning of the internal control environment. The management is responsible for establishing and maintaining adequate internal controls and for monitoring their effectiveness as part of operative management. The management is supported by a dedicated Internal Controls function, responsible for facilitating and coordinating the internal control design, implementation and monitoring across the organization.

KONE's internal control framework is built and based on corporate values, the KONE Code of Conduct, a culture of honesty and high ethical standards. The framework is supported by a dedicated leadership, training programs, a positive and diligent corporate culture and working environment as well as by attracting and promoting dedicated and competent employees. Global and local policies and principles are key parts of the internal control framework.

KONE's internal controls are designed to manage relevant operational, financial, and compliance risks as part of KONE's processes and employee job roles. Internal controls are supported by global and local policies and principles that are continuously maintained by incorporating changes and developments from business operations and information systems.

KONE's business units are responsible for implementing the control framework and for monitoring adherence to the globally and locally agreed policies and principles. KONE's Global Finance has the oversight responsibility for the overall framework.

Internal control procedures over financial reporting

Correct financial reporting in KONE's internal control framework means that its financial statements give a true and fair view of the financial performance of the operations and the financial position of the Group and that such statements do not include intentional or unintentional misstatements or omissions both in respect of the figures and level of disclosure.

Corporate-wide financial management and control of operations is coordinated by the Global Finance function and implemented by a network of subsidiary and business entity controllers within KONE.

KONE's monthly business planning and financial reporting process represents a key control procedure within KONE in ensuring the effectiveness and efficiency of operations. This process includes in-depth analyses of deviations between actual performance, budgets, prior year performance and latest forecasts for the business on multiple levels of the organization. The process covers financial information as well as other key performance indicators that measure the operational performance on a business unit and corporate level. The process is designed to ensure that any deviations from plans in terms of financial or operating performance and financial management policies are identified, communicated and reacted upon efficiently, in a harmonized and timely manner. KONE's financial statements are based on this management reporting process.

Financial control tasks are built into the business processes of KONE as well as into the management's ongoing business supervision and monitoring. KONE has established Financial Control Models for the New Building Solutions, Service and Modernization as well as for treasury and tax matters. The models have been defined to ensure that financial control covers the relevant tasks in an efficient and timely manner.

The interpretation, application and monitoring of the compliance of accounting standards is centralized in the Global Finance function, which maintains, under the supervision of the Audit Committee, the KONE Accounting Standards. Reporting and forecasting contents are defined in the KONE Accounting and Reporting Instructions. These standards and instructions are maintained and updated centrally by the Global Finance function and applied uniformly throughout KONE.

More information

The most significant risks and uncertainties related to KONE's business are described in the Board of Directors' Report. Financial risk management is described in notes 2.4 and 5.3 of the consolidated financial statements.

KONE has a global enterprise resource planning (ERP) system which is built to reflect the KONE Accounting Standards and the KONE Accounting and Reporting Instructions. KONE applies a controlled change management process ensuring that no changes to the financial reporting logic of the ERP system can be made without approval from the Global Finance function. Automatic interfaces between different systems are principally applied in the period-end financial reporting process of KONE. Transactional processing is increasingly automated and centralized in dedicated shared service centers.

Effective internal control over record-to-report processes, from business processes and systems to the financial statements, is important in ensuring the correctness of financial reporting. This is driven by the identification of key data elements of the business and the quality of the data to ensure correct financial reporting and forecasting ability.

Internal audit

The Corporation has an internal audit function, KONE Assurance, which operates separately from the management. The purpose, scope, authority, and principles of independence and objectivity of the Assurance function are outlined in the KONE Assurance Charter, approved by the Audit Committee. The KONE Assurance function is responsible for assessing the adequacy and effectiveness of risk management, governance, compliance and internal control systems, and providing recommendations to improve these processes. It reports its findings to the Audit Committee which also approves the risk-based assurance plan. The Head of Assurance, Kristian Snäll, reports to the Vice Chair of the Board.

Related party transactions

KONE evaluates and monitors related party transactions between the company and its related parties. KONE maintains a list of related parties. KONE’s related parties comprise its subsidiaries as well as the Board of Directors, the President and CEO, the Executive Board including any companies controlled or significantly influenced by them. KONE’s Board of Directors has approved guidelines for how to recognize, handle, approve, monitor and report related party transactions. According to the guidelines, the Corporate Controlling function follows and monitors related party transactions as part of KONE’s normal reporting and control procedures and reports related party transactions to the Audit Committee annually.

KONE’s Board of Directors decides on any related party transactions which are not considered normal business activities or differ from market terms. KONE reports relevant and material related party transactions annually in the notes of consolidated financial statements.

External audit and sustainability reporting assurance

The objective of a statutory audit is to express an opinion on whether the consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group, as well as whether the parent company’s financial statements give a true and fair view of the parent company’s financial performance and financial position. Statutory audit also encompasses the audit of the accounting and governance in the company. The auditor considers whether the information in the Board of Directors’ Report is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable legal requirements. The Sustainability Statement, included in the Board of Directors’ Report, is assured with limited assurance by a sustainability auditor.

According to the Articles of Association, the company must have a minimum of one and a maximum of three Auditors. The Auditors must be authorized public accountants or authorized public accounting firms. The Auditor and the Sustainability Auditor are elected at the Annual General Meeting for a term that ends at the conclusion of the next Annual General Meeting following the election

Insiders

KONE Corporation adheres to the insider guidelines of the Nasdaq Helsinki Ltd, which have been supplemented with internal insider guidelines approved by the Board of Directors. In compliance with the Market Abuse Regulation, the person discharging managerial responsibilities in KONE Corporation (managers) include the members and deputy members of the Board of Directors, the President and CEO and the members of the Executive Board. Managers are permitted to trade in KONE shares and other financial instruments of KONE during a six-week period starting on the next day after the publishing of annual and interim results.

KONE does not maintain a list of permanent insiders. The company maintains deal-specific insider lists for projects or events constituting insider information. Deal-specific insiders are prohibited from trading with financial instruments of KONE during the validity of the project. KONE maintains up-to-date information of the persons that participate in the preparation, drawing-up and disclosure of quarterly and year-end financial reports and who, therefore, are subject to the trading restriction during the closed period. The closed period starts six weeks following the publishing of the financial statements bulletin or interim report and ends at the end of the day of publication of the financial statements bulletin/interim report. The person in charge of KONE’s insider matters is the Secretary to the Board of Directors.

Corporate Governance in 2025

Annual General Meeting

The Annual General Meeting was held in Helsinki, Finland on March 5, 2025.

Board of Directors and committees

The Annual General Meeting elected nine members to KONE’s Board of Directors: Antti Herlin (Chairman), Jussi Herlin (Executive Vice Chair), Banmali Agrawala, Matti Alahuhta, Susan Duinhoven, Marika Fredriksson, Iiris Herlin, Timo Ihamuotila, and Krishna Mikkilineni.

A majority of the Board members have international professional experience in various types of positions, and they are, or have been, members of the Board of Directors in both listed and unlisted companies. Each board member has a university degree and three of them a doctorate. These degrees are from various fields, with technical fields and economics in the majority. The members represent five different nationalities. Of the Board members, six (67%) are male and three (33%) are female. Regarding age, 22% of the members are below 50 years of age, 44% between 51-65 and 33% over 65. Diversity of the Board is considered to be at a good level to ensure wide range of perspectives and experience and effective performance of the Board of Directors to support KONE's strategic goals.

Of the Board members, Banmali Agrawala, Matti Alahuhta, Susan Duinhoven, Marika Fredriksson, Iiris Herlin, Timo Ihamuotila, and Krishna Mikkilineni are independent of the Corporation. With the exception of Antti Herlin, Iiris Herlin and Jussi Herlin, the Board members are independent of the Corporation's significant shareholders.

The Board of Directors convened nine times in 2025. The average participation rate of the Board members in the meeting was 95%. Niina Vilske serves as Secretary to the Board and to its committees.

Audit committee

The Board of Directors' Audit Committee comprises Marika Fredriksson (Chair, independent member), Susan Duinhoven (independent member), Jussi Herlin and Timo Ihamuotila (independent member).

The Audit Committee held four meetings in 2025. The average participation rate of the Audit Committee members in the meetings was 94%.

Nomination and compensation committee

The Nomination and Compensation Committee comprises Jussi Herlin (Chair), Matti Alahuhta (independent member), Susan Duinhoven (independent member) and Antti Herlin.

The Nomination and Compensation Committee held three meetings in 2025. The average participation rate of

Number of Board and Committee meetings in 2025 and participant attendance:

	Board	Audit Committee	Nomination and Compensation Committee
Antti Herlin	9/9		3/3
Jussi Herlin	9/9	4/4	3/3
Banmali Agrawala*	6/7		
Matti Alahuhta	9/9		3/3
Susan Duinhoven	9/9	4/4	3/3
Marika Fredriksson	8/9	4/4	
Iiris Herlin	8/9		
Timo Ihamuotila	8/9	3/4	
Krishna Mikkilineni	9/9		
Ravi Kant*	2/2		

* Ravi Kant served as Board member until March 5, 2025. Banmali Agrawala was elected to the Board on March 5, 2025.

Shareholdings of KONE Board on Dec 31, 2025 and changes in shareholding during the period Jan 1–Dec 31, 2025

	Position	Born	Gender	Nationality	Education	Class A shares	Change	Class B shares	Change
Antti Herlin	Chair	1956	Male	Finnish	D.Sc. (Econ.) h.c., D.Arts h.c., D.Sc. (Tech.) h.c.	70,561,608	-	53,063,850	+1,690
Jussi Herlin	Vice Chair	1984	Male	Finnish	M.Sc. (Econ.)			105,467	-
Banmali Agrawala	Member	1963	Male	Indian	B. Engineering (Mech.)			845	+845
Matti Alahuhta	Member	1952	Male	Finnish	D.Sc. (Tech.), D.Sc. (Tech.) h.c.			758,602	+845
Susan Duinhoven	Member	1965	Female	Dutch	Ph.D. (Physical Chemistry), B.Sc. (Physical Chemistry)			5,489	+845
Marika Fredriksson	Member	1963	Female	Swedish	M.Sc. (Econ.)			2,727	+845
Iiris Herlin	Member	1989	Female	Finnish	M.Soc.Sc., Bachelor of Natural Resources			139,649	+845
Timo Ihamuotila	Member	1966	Male	Finnish	Lic. Sc. (Finance)			13,848	+845
Krishna Mikkilineni	Member	1959	Male	American	Ph.D. (Electrical and Computer Engineering), B.Tech. (Electronics and Communications Engineering)			3,685	+845

the Nomination and Compensation Committee members in the meetings was 100%.

President and CEO

Philippe Delorme has served as KONE Corporation's President and CEO since January 1, 2024.

Philippe Delorme's holdings of shares are presented in the adjacent table.

Executive Board

At the end of 2025, KONE's Executive Board consisted of the President and CEO and twelve members. Philippe Delorme serves as KONE Corporation's President and CEO. The other members of the Executive Board are Nicolas Alchal (EVP, Commercial & Operations), Joe Bao (EVP, Greater China), Kaija Bridger (EVP, People & Communications), Johannes Frände (General Counsel), Samer Halabi (EVP, Asia-Pacific, Middle East and Africa), Ilkka Hara (Chief Financial Officer), Mikko Korte (EVP, Supply Chain), Karla Lindahl (EVP, Europe), Tomio Pihkala (EVP, Chief Technology Officer), Ken Schmid (EVP, Americas), Kaori Uehigashi (EVP, Strategy & Transformation), and Michelle Wen (EVP, Purchasing).

The Executive Board members' holdings of shares are presented in the adjacent table.

Auditing

KONE Corporation's Auditor and Sustainability Auditor is audit firm Ernst & Young Oy. The Auditor-in-charge and responsible Sustainability Auditor is Heikki Ilkka. The fees paid to Ernst & Young Oy during 2025 were EUR 1.1 million for auditing, 0.3 million for sustainability reporting assurance and EUR 0.3 million for tax and other services

Insiders

The shareholding of the members of the Board of Directors, the Management of KONE and the corporations under their control amounted to 125,071,514 shares on December 31, 2025, which represents 23.6% of total shares and 62.5% of voting rights. Antti Herlin's ownership is 123,625,458 shares and 75,867,992 votes.

Shareholdings of KONE Management on Dec 31, 2025 and changes in shareholding during the period Jan 1–Dec 31, 2025

	Position	Born	Gender	Nationality	Education	Class B shares	Change
Philippe Delorme	President and CEO	1971	Male	French	M.Sc. (Manufacturing), MBA (International Business)	0	-
Nicolas Alchal	Executive Vice President, Commercial & Operations	1981	Male	Greek	M.Sc. (Electrical Engineering), MBA (Business Administration)	7,948	+2,175
Joe Bao	Executive Vice President, Greater China	1982	Male	American	B.A. (Management Information Systems)	22,285	+22,285
Kaija Bridger	Executive Vice President, People & Communications	1972	Female	Finnish	M.Sc. (Psychology)	2,600	+2,505
Johannes Frände	General Counsel	1979	Male	Finnish	LL.M., M.Sc. (Computer Science)	10,467	+4,973
Samer Halabi	Executive Vice President, Asia-Pacific, Middle East and Africa	1970	Male	Dominican	M.Sc. (Mechanical Engineering)	50,085	+9,945
Ilkka Hara	Chief Financial Officer	1975	Male	Finnish	M. Sc. (Finance and Accounting)	68,746	+7,435
Mikko Korte	Executive Vice President, Supply Chain	1968	Male	Finnish	M.Sc. (Eng)	74,238	+7,460
Karla Lindahl	Executive Vice President, Europe	1981	Female	Finnish	LL.M., M.A. (EC Competition Law)	16,417	+4,973
Tomio Pihkala	Chief Technology Officer	1975	Male	Finnish	M.Sc. (Mechanical Engineering)	127,140	+7,460
Ken Schmid	Executive Vice President, Americas	1963	Male	American	MBA (Business Administration)	35,818	+6,254
Kaori Uehigashi	Executive Vice President, Strategy & Transformation	1979	Female	Finnish	M.Sc. (Industrial Engineering)	0	-
Michelle Wen	Executive Vice President, Purchasing	1965	Female	French	B.A. (English Literature and International Trade), MBA (European & International Business)	0	-

The individual holdings of the members of the Board of Directors and the KONE Management, and the changes occurred in them during the financial year, are presented in the adjacent tables.

Related party transactions

Except for management remuneration, there have not been any material transactions between KONE and its members of the Board of Directors, the President & CEO or the members of the Executive Board including any companies controlled or significantly influenced by them.

Board of Directors

Antti Herlin

Chairman of the Board

b. 1956, D.Sc. (Econ.) h.c., D.Arts h.c., D.Sc. (Tech) h.c.
Member of the Board since 1991.
Has served as Chairman of the Board since 2003.
Previously served as Executive Chairman of the Board of KONE 2006–2021, as CEO of KONE 1996–2006, and as Deputy Chairman 1996–2003.
Current key positions of trust: Chairman of the Board of Security Trading Oy, Chairman of the Board of Holding Manutas Oy, and Chairman of the Board of the Tiina and Antti Herlin Foundation.

Jussi Herlin

Vice Chair of the Board

b. 1984, M.Sc. (Econ)
Member of the Board since 2012.
Has served as Executive Vice Chair of the Board of KONE since 2021 and Vice Chair of the Board since 2014.
Previously served as Senior Business Analyst and Strategy Development Manager at KONE 2016–2020, as Consultant at Accenture 2012–2014, and as Deputy Member of the Board of KONE Corporation 2007–2012.
Current key positions of trust: Member of the Board of Security Trading Oy, Member of the Board of Holding Manutas Oy, Member of the Board of Technology Industries of Finland and Member of the Board of the KONE Centennial Foundation.

Banmali Agrawala

b. 1963, B. Engineering (Mech.)
Member of the Board since 2025.
Currently serves as Senior Advisor for Tata Sons Private Limited since July 2023. Previously served as President of Infrastructure, Aerospace & Defence at Tata Sons from 2017-2023, President & CEO of South Asia at General Electric from 2013-2017, Executive Director of Strategy and Business Development at Tata Power Ltd from 2008-2013 and in various roles at Wärtsilä from 1987–2008 both in India and Finland, including Managing Director of Wärtsilä India Ltd from 2003–2008.
Current key positions of trust: Chairman of the Board of Tata Advanced Systems Limited, Tata Medical & Diagnostics Limited and Pratham Education Foundation, and Member of the Board of Tata Electronics Ltd and National Investment and Infrastructure Fund Limited.

Matti Alahuhta

b. 1952, D. Sc. (Tech.), D.Sc. (Tech.) h.c.
Member of the Board since 2003.
Previously served as President and CEO of KONE 2005-2014, as Executive Vice President of Nokia Corporation 2004, as President of Nokia Mobile Phones 1998-2003, as President of Nokia Telecommunications 1993-1998, and as SVP, Public Networks 1992 and VP, Dedicated Networks 1986-1991 in Nokia Telecommunications.
Current key positions of trust: Chairman of the Board of DevCo Partners Corporation and Member of the Board of Volvo Group (publicly listed company).

Susan Duinhoven

b. 1965, Ph.D. (Physical Chemistry), B. Sc. (Physical Chemistry)
Member of the Board since 2020.
Previously served as President and CEO of Sanoma Corporation (publicly listed company) from 2015 till January 1, 2024, CEO of Koninklijke Wegener N.V. 2013–2015, as CEO of Western Europe / CEO Netherlands at Thomas Cook Group Plc 2010–2013, as Managing Director of Benelux & New Acquisitions Europe at Reader's Digest 2008–2010, and as CEO at De Gule Sider A/S 2005–2007. Started her career at Unilever in 1988.
Current key position of trust: Member of the Board of Kemira Oyj (publicly listed company).

Marika Fredriksson

b. 1963, M.Sc. (Econ.)
Member of the Board since 2023.
Previously served as CFO and Group Executive Vice President of Vestas Wind Systems A/S 2013–2022, CFO of Gambro AB 2009–2012, CFO of Autoliv Inc. 2008–2009, and has held various positions including CFO and Senior Vice President Finance and Strategy at Volvo Construction Equipment Corporation 1996–2008.
Current key positions of trust: Member of the Board of A.P. Møller - Maersk A/S (publicly listed company), Member of the Board of AB Industrivärden (publicly listed company), Member of the Board of Sandvik AB (publicly listed company), Member of the Board of Ecolean AB, and Chairman of the Board of emagine Consulting.

Iiris Herlin

b. 1989, M.Soc.Sc., Bachelor of Natural Resources
Member of the Board since 2015.
Previously served as Deputy Member of the Board 2013–2014.
Current key positions of trust: Member of the Board of Security Trading Oy and Member of the Board of the Tiina and Antti Herlin Foundation.

Timo Ihamuotila

b. 1966, Lic. Sc. (Finance)
Member of the Board since 2024.
Serves as CFO of ABB Ltd since 2017. Previously served as CFO of Nokia Corporation 2009–2016, Executive Vice President, Sales, Markets of Nokia Corporation 2008–2009, and has held various other positions at Nokia Corporation, including Executive Vice President, Sales and Portfolio Management, Mobile Phones 2007, Senior Vice-President, CDMA Business Unit, Mobile Phones 2004–2007, director positions in the finance function 1999–2004 and Manager of Dealing & Risk Management 1993–1996. Prior to that, he served as Vice-President of Nordic Derivatives Sales at Citibank Plc 1996–1999 and Analyst, Assets and Liability Management at Kansallis-Osake-Pankki 1990–1993.
Current key positions of trust: Vice Chair of the Board of Nokia Corporation (publicly listed company) and Member of the Board of Oras Invest Oy.

Krishna Mikkilineni

b. 1959, Ph.D. (Electrical and Computer Engineering), B.Tech. (Electronics and Communications Engineering)
Member of the Board since 2022.

Previously served in different positions at Honeywell International Inc. both in the U.S.A. and India 1985–2019 (latest positions were Chief Technology Officer, Chief Information Officer, Chief of Integrated Supply Chain & Customer Service globally across the Honeywell Corporation). Prior to that, he was President of Honeywell Technology Solutions.
Current key positions of trust: Senior Advisor for various start-ups, General Partner in a Venture Capital fund, and Member of the Board of CompoSecure Inc. (publicly listed company), Resolute Holdings (publicly listed company), and a Private Equity firm. He actively manages a private philanthropic foundation focused on education and elderly care.

Ravi Kant served as a Board member until March 5, 2025. Banmali Agrawala was elected to the Board on March 5, 2025.

More information

This statement is available on the company's web pages at www.kone.com and it has been given separately of the Board of Directors' Report.

Executive Board

Philippe Delorme

President and CEO

b. 1971, M.Sc. (Manufacturing), MBA (International Business)
President and CEO of KONE since 2024.
Prior to joining KONE, he worked at Schneider Electric in various roles, most recently as Executive Vice President, Europe Operations. Prior to that he held key positions in the areas of strategy, technology, operations, and sales in Europe, the US and Asia. He was a member of the Schneider Electric Executive Committee 2009-2023.

Nicolas Alchal

Commercial & Operations

b. 1981, M.Sc. (Electrical Engineering), MBA (Business Administration)
Member of the Executive Board since 2024. Employed by KONE since 2011.
Previously served at KONE as interim leader for Europe 2024-2025, Managing Director for Middle East, Türkiye and Africa 2022–2024, New Equipment Business Director and Delivery Operations Director for South Europe, Middle East and Africa 2019– 2021, and as Managing Director for UAE, Qatar, Oman and Bahrain 2011–2018.
Prior to joining KONE, he worked in various leadership roles at ThyssenKrupp Elevator in the United Arab Emirates 2007-2011.

Joe Bao

Greater China

b. 1982, B.A. (Management Information Systems)
Member of the Executive Board and employed by KONE as of October 2022.
Previously served as President of Microsoft China 2021-2022, as well as in various leadership roles in the areas of sales, marketing, and strategy at both Microsoft Corporate headquarters and the Greater China Region 2004-2021.
Current key position of trust: Member of the Board of Governors for FinnCham Shanghai.

Kaija Bridger

People & Communications

b. 1972, M.Sc. (Psychology)
Member of the Executive Board since 2024. Employed by KONE since 2015.
Previously served at KONE as Vice President, People & Communications for KONE Asia-Pacific, Middle East, and Africa 2022-2024 and as Head of Talent Management and Culture 2015–2022.
Prior to joining KONE, she worked in various Human Resources consulting positions at Psycon Oy and Cubiks Finland Oy 2000–2015.

Johannes Frände

General Counsel

b. 1979, LL.M., M.Sc. (Computer Science)
Member of the Executive Board since 2021. Employed by KONE since 2012.
Previously served as Secretary to the KONE Board of Directors 2022–2024, Head of Legal for KONE's Service Business and KONE's Technology and Innovation unit 2017–2021, and as Senior Legal Counsel 2012–2016.
Prior to joining KONE, he worked as an attorney at Roschier Attorneys Ltd. 2005–2007 and 2009–2012 and at Debevoise & Plimpton LLP 2008–2009.
Current key position of trust: Member of the Supervisory Board of Ilmarinen.

Samer Halabi

Asia-Pacific, Middle East and Africa

b. 1970, M.Sc. (Mechanical Engineering)
Member of the Executive Board since 2021. Employed by KONE since 2001.
Previously served at KONE as Regional Managing Director for KONE Middle East and Africa 2010–2021, Managing Director for KONE Qatar 2007–2010, Managing Director for KONE Distributor Business 2004–2007, and in various other leadership roles in the Middle East and Africa region 2001–2004.

Ilkka Hara

Chief Financial Officer

b. 1975, M.Sc. (Econ.)
Member of the Executive Board and employed by KONE since 2016.
Previously served at KONE as interim leader for the South Europe and Mediterranean region December 2022-June 2023.
Prior to joining KONE, he served at Microsoft Phones as General Manager and Chief Financial Officer 2014–2016, at Nokia in various leadership roles 2004–2014, at ABN AMRO 2003–2004, and at Morgan Stanley 2001–2003.
Current key positions of trust: Member of the Board of Directors at Hartili Oy and Member of the Board of Helsinki School of Economics Support Foundation.

Mikko Korte

Supply Chain

b. 1968. M.Sc. (Eng)
Member of the Executive Board since 2016. Employed by KONE since 1995.
Previously served at KONE as Executive Vice President, Operations Development 2016–2023, SVP of New Equipment Business, KONE Americas 2013–2015, Managing Director, KONE Finland and Baltics 2011–2013, Service Director, KONE Central and North Europe 2007–2011, Service Business Director, KONE Scandinavia 2004–2007, and as Service Operations Manager, KONE Finland 1999–2004.

Karla Lindahl

Europe

b. 1981, LL.M., M.A. (EC Competition Law)
Member of the Executive Board since 2022. Employed by KONE since 2004.
Previously served at KONE as Executive Vice President for South Europe and Mediterranean 2022-2023, Managing Director for KONE Finland and Baltics 2017-2022, Vice President, Strategy Development and Market Intelligence 2016-2017, as Vice President, Strategy Development and Investor Relations 2014-2016, as Director, Investor Relations 2010-2014, as Legal Counsel 2005-2010, and as Assistant Legal Counsel 2004-2005.
Current key position of trust: Member of the Board of NKT A/S.

Tomio Pihkala

Chief Technology Officer

b. 1975, M.Sc. (Mechanical Engineering)
Member of the Executive Board since 2013. Employed by KONE since 2001.
Previously served at KONE as Executive Vice President, New Equipment Business 2019–2023, Executive Vice President, Chief Technology Officer 2015–2019, Executive Vice President, Operations Development 2013–2015, Vice President, Technology Finland 2011–2013, Director, Service Equipment Business, KONE China 2009–2010, and as Director, Product Strategy and Marketing, KONE China 2007–2008.
Current key positions of trust: Member of the Board of Toshiba Elevator and Building Systems Corporation, Member of the Board of VTT Technical Research Centre of Finland and Member of the Bord of Finnish Foundation for Technology Promotion.

Ken Schmid

Americas

b. 1963, B.A. (History), MBA (Business Administration)
Member of the Executive Board since 2020. Employed by KONE since 1986 (Montgomery Elevator Company until 1994).
Previously served at KONE as Senior Vice President, Finance, KONE Americas 2005–2020, Senior Vice President, Global Information Services 2003–2005, Senior Vice President, Chief Information Officer, KONE Americas 1998–2003, Vice President, Quality 1995–1998, and in various new equipment sales roles in multiple branch offices.
Current key position of trust: President, Board of Directors, National Elevator Industry, Inc. (NEII).

Kaori Uehigashi

Strategy & Transformation

b. 1979, M.Sc. (Industrial Engineering)
Member of the Executive Board and employed by KONE since 2024.
Prior to joining KONE, she served as Managing Director and Senior Partner at Boston Consulting Group (BCG) since 2017 and acted as the Managing Partner for BCG in Finland 2021–2023.
Current key position of trust: Board Member at Meyer Turku.

Michelle Wen

Purchasing

b. 1965, B.A. (English Literature and International Trade), MBA (European & International Business)
Member of the Executive Board and employed by KONE since August 2025.
Prior to joining KONE, she worked in several global leadership positions in procurement, purchasing, supply chain, and supplier quality across various industries in Europe, Asia and the United States. Most recently acted as the Chief Global Purchasing and Supply Chain Officer at Stellantis Corporation 2017-2022. Prior to this, she worked at Vodafone 2016-2017, at Vallourec 2012-2016, at Alstom Transport 2008-2012, at Renault Nissan 2000-2008, at Philips Car Systems 1997-2000, and at Thomson (now Technicolor) 1994-1997.
Current key position of trust: Member of the Board at Georg Fischer Co. Ltd.

Nicolas Alchal was appointed Executive Vice President, Commercial & Operations as of April 1, 2025. He continues to be a member of the KONE Executive Board, succeeding Axel Berkling who decided to step down from his position as Executive Vice President. Axel continued to serve the company as an Executive Advisor until the end of August 2025.

Kaori Uehigashi was appointed Executive Vice President, Strategy & Transformation as of early May 2025. She continues to be a member of the Executive Board, having served as the interim leader for the Strategy & Transformation organization since January 2024.

On June 3, 2025, KONE announced the appointment of Michelle Wen as Executive Vice President, Purchasing and member of the Executive Board as of August 1, 2025

Information for shareholders

Annual General Meeting

KONE Corporation’s Annual General Meeting will be held on Thursday March 5, 2026 at 11.00 a.m. at Finlandia Hall, Mannerheimintie 13e, in Helsinki, Finland.

Further instructions and schedules for shareholders can be found on KONE’s website at kone.com and in the Notice to the General meeting.

At general meetings, each KONE class A share is assigned one vote, as is each block of 10 class B shares, with the provision that each shareholder is entitled to at least one vote.

Payment of dividends

The Board of Directors proposes to the Annual General Meeting that for the financial year 2025 a dividend of EUR 1.7975 be paid for each class A share and a dividend of EUR 1.80 be paid for each class B share. All shares existing on the dividend record date, March 9, 2026 are entitled to the dividend. The dividend is proposed to be paid on March 16, 2026.

Listing of KONE securities

KONE Corporation has two classes of shares: the listed class B shares and the non-listed class A shares. The KONE class B shares are listed on the Nasdaq Helsinki Ltd. and are registered at Euroclear Finland Ltd.

More information

For more information on the Board of Directors’ proposal for the distribution of profit and Shares and shareholders, please refer to the Board of Directors’ Report.

Investor relations

Investor relations policy

KONE strives to offer liquid shares that present an attractive investment alternative to domestic and foreign investors. The primary task of KONE's Investor Relations is to ensure that the market has correct and sufficient information at its disposal in order to determine the value of the KONE share at all times. The aim of KONE's written communications, such as the financial statements and interim reports, the sustainability statement and supplement, stock exchange and press releases, the internet pages as well as that of all other communication with investors and analysts is to accomplish this task.

In all of its communications, KONE complies with the requirements for listed companies as defined by EU legislation, the Finnish Securities Markets Act, the rules of the Nasdaq Helsinki Ltd. and any other applicable regulation concerning prompt and simultaneous disclosure of information.

Silent period

KONE observes a period of silence prior to releasing its financial results. This means that there are no discussions regarding financial issues with the capital markets or the financial media during the three-week period preceding the publication of interim results and the four-week period preceding the publication of the annual financial statements. This applies to meetings, telephone conversations and other means of communication.

Contact information

Natalia Valtasaari
Vice President, Investor Relations
Tel. +358 (0)204 75 4705
investors@kone.com

KONE's financial reporting schedule 2026

Financial Statements Bulletin for 2025 and Annual Review 2025 incl. financial statements	Friday, February 6, 2026
Interim Report for January 1–March 31, 2026	Wednesday, April 29, 2026
Half-year Financial Report for January 1–June 30, 2026	Wednesday, July 22, 2026
Interim Report for January 1–September 30, 2026	Wednesday, October 28, 2026

This report contains forward-looking statements that are based on the current expectations, known factors, decisions and plans of the management of KONE. Although the management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions as well as fluctuations in exchange rates.

KONE Corporation

Corporate Offices

Keilasatama 3
P.O. Box 7
FI-02150 Espoo Finland
Tel. +358 (0)204 751
www.kone.com

For further information please contact:

Natalia Valtasaari
Vice President, Investor Relations
Tel. +358 (0)204 75 4705

Dedicated to People Flow™