KONECRANES
SUSTAINABILITY REPORT
2022

Contents

Introduction

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

Our sustainability work is driven by our key stakeholders, their ambitions and needs, as well as by business opportunities that can be gained from driving our sustainability agenda. This report explains the strategic link between our ambitious sustainability targets and customer benefits and discloses data about our performance and progress in reaching our targets.

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

Year 2022 in brief

3,364.8
MEUR (+5.6%)
Net sales

9.5%
Adjusted
EBITA margin

16,500
Numbers of employees
(At the end of year)

~50
Countries where we
have employees

Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers. We are truly a global company: in 2022, we had approximately 16,500 employees in around 50 countries. As a leading manufacturer of lifting equipment, Konecranes offers a vast range of advanced lifting solutions and services to different industries worldwide. The solutions provided by our three businesses – Service, Industrial Equipment and Port Solutions – complement each other and enable our customers to meet their lifting and material handling needs through one supplier. In addition to offering a wide range of lifting solutions, we provide specialized maintenance services and spare parts for all types and makes of industrial cranes, hoists and port equipment – from single pieces of equipment to entire operations. Our customers operate in various fields, including the automotive sector, waste to energy and biomass, general manufacturing, mining, nuclear energy, petroleum and gas, paper and forest, container handling, shipyards, power and metals production. We are a part of our customers' processes, as they do not only invest in equipment and services but look for solutions on which they can rely. Konecranes aims to deliver optimal productivity while improving our customers' safety and mitigating environmental impacts by manufacturing intelligent and connected lifting devices and optimizing material handling flows. With our knowledge, products, services and solutions Konecranes seeks to maximize the positive contributions to our different stakeholders and the surrounding society.

2022 sustainability highlights

We work for a decarbonized and circular world together with our customers and partners, harnessing our technological leadership and commitments to provide low-carbon alternatives in the critical industries we serve. We strongly believe diverse teams create the best results, and that a working environment where everyone can be themselves is at the core of our ability to create new solutions for our customers. We base all our operations on an uncompromised dedication to safety, high ethics as well as diversity, equity and inclusion.

Konecranes sees sustainability as a priority and a strength. Limiting global warming to less than 1.5 °C compared to pre-industrial levels is the greatest global challenge of our time, and the world of business and companies such as ours have a key role in this work. As a company, we want to lead the efforts in our industry, while also creating new business opportunities. In 2022, we reached our target of powering our factories with 100 percent renewable electricity. Konecranes received the rating A- in CDP's annual climate program in 2022, elevating the company into the Leadership ranking. The measurement is based on the company's disclosures about its actions to cut emissions, manage and mitigate climate risks and develop a low-carbon offering.

In our ways of working, we eliminate waste of resources, energy and time throughout the whole value chain. Together with our customers, we create solutions that combine productivity with sustainability. We continuously expand our electrified portfolio of products and solutions, boosting sustainability for industrial customers, ports and the world of material handling at large. Our unmatched team of service experts is strengthened with data-driven and digital solutions, ensuring that equipment is served with care and in a timely manner. This approach enhances the equipment's safety and maximizes its lifecycle, reducing resource usage while increasing productivity.

Globally, we continued to foster diversity, equity and inclusion through concrete targets, policies and training.

Executing commitment to 1.5 °C

In 2022, our already wide offering of electric products was expanded by the launch of battery power options to RTGs and straddle carriers. This followed last year's launch of the electric Generation 6 mobile harbor crane. Our Industrial Equipment offering is already fully electric, and our Service business has a circular mode of operation at its core, minimizing waste and maximizing equipment lifecycles. Regarding Konecranes' own operations, all our factories are now powered with 100 percent renewable electricity.

Konecranes has set ambitious targets for its own operations and for its value chain that are in line with the goal of limiting global warming to 1.5 °C. Within Scope 1 and 2

greenhouse gas (GHG) targets, Konecranes is committed to reducing its carbon emissions by 50 percent by 2030. This target will be achieved by continuing to invest in renewable electricity and by improving the fuel efficiency of the fleet and the energy efficiency of production processes. For Scope 3, Konecranes aims to reduce absolute carbon emissions by 50 percent by 2030 (compared to base year 2019), encompassing the use of sold products and steel related purchases. This covers more than 70 percent of the value chain emissions. The targets have been validated by the Science Based Targets initiative (SBTi).

Respecting human rights

Konecranes' business is enabled by people, and we want to ensure fair treatment across our operations and value chain. In 2022, we further formalized our commitments by signing on to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Businesses and Human Rights.

In addition to these international guidelines, we also strengthened our own policies and ways of working. Our human rights policy, launched in 2022, provides holistic guidance on respecting human rights across our value chain. Konecranes' responsible minerals statement widens and solidifies our commitment to sourcing minerals in a socially sustainable manner, which is especially important in an industry where the usage of battery power options is increasing. Audits and assessments continued also in 2022, with seven assessments at internal locations and 29 supplier audits.

The strategic role of sustainability

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

Konecranes' knowledge and innovative technologies, solutions and services within material handling constitute a key link in enabling the flow of material while sustaining the well-being of people, businesses and societal functions. We maximize lifecycle value and eliminate waste of resources, energy and time throughout the whole value chain.

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

Konecranes' sustainability strategy has been built around our main sustainability commitments – aligned with the UN Sustainable Development Goals (SDGs) – and the targets that we have set for those commitments.

Materiality

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

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

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

Konecranes sustainability commitments

In 2022 we sharpened our approach to sustainability. Our focus has strongly moved from managing the impacts of our own

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operations towards our wide value chain, where we see that Konecranes can make the biggest positive impacts. Creating sustainable and long-lasting results is a process. Therefore, we redefined our vigorous sustainability commitments. We also reinforced our target setting for each commitment to guide our performance and progress.

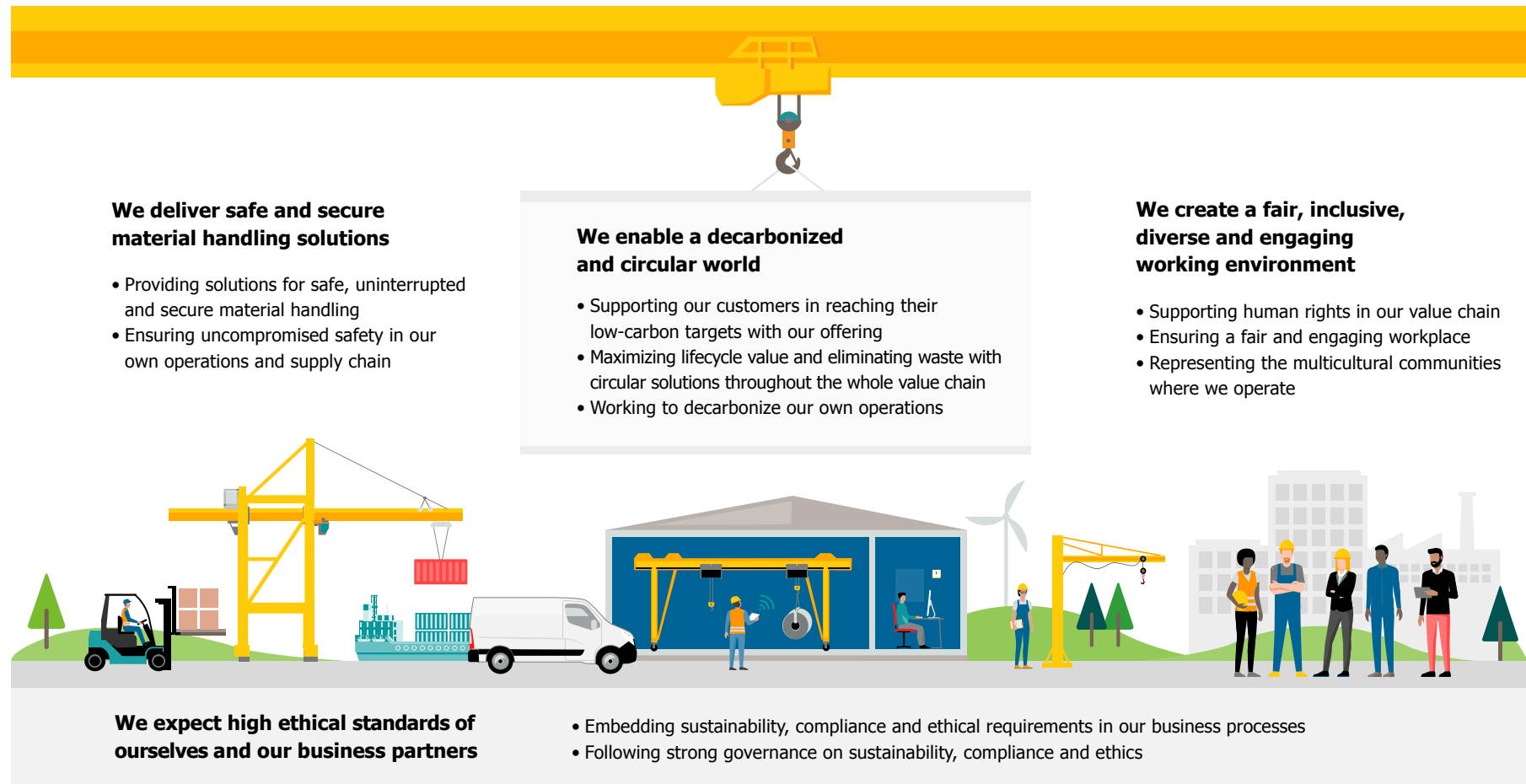Konecranes' sustainability strategy is built around our four sustainability commitments; the targets set for those commitments as well as for programs that ensure the implementation of the needed actions.

Aligned with central frameworks

As a United Nations Global Compact signee since 2010, Konecranes is committed to the ten principles of the UN Global Compact. Konecranes is committed to align its strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals. Our sustainability approach and targets are aligned with the following UN Sustainable Development Goals (SDGs): Good health and well-being; gender equality; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; responsible consumption and production; climate action; peace, justice and strong institutions. Read more about our sustainability approach in the section **Our sustainability agenda.**

Konecranes' sustainability commitments

We deliver safe and secure material handling solutions

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

We enable a decarbonized and circular world

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

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

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

We expect high ethical standards of ourselves and our business partners

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

The latest climate research confirms an urgent need to cut emissions to limit global warming. Konecranes wants to be a part of the solution and has set ambitious climate targets validated by the Science Based Targets initiative (SBTi). These targets are aligned with the Paris Agreement on climate change to limit global warming to 1.5 °C. More information on our climate targets is provided in the section **We enable a decarbonized and circular world.**

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

Governance and management

We are committed to providing our customers with safe and eco-efficient solutions and services they can rely on while preventing and minimizing emissions and waste. Conducting responsible leadership practices means responsibility for the societies and communities in which we work, since they have expectations of us. To succeed in this, we need to follow solid governance practices.

The sustainability agenda at Konecranes is embedded into our governance processes at several levels. It is managed by Konecranes' Global Sustainability team, which is led by the Head of Sustainability, and through the Sustainability Council, which convened nine times in 2022. The Sustainability Council is nominated by the Konecranes Leadership Team and sponsored by the Senior Vice President, People and Culture. The Council defines, guides and reviews the overall sustainability strategy, targets and action plans. The Sustainability Council meetings also function as a forum for increasing the knowledge level of the participants about sustainable development. The Head of Sustainability is responsible for taking the decisions and actions on the operational level and for building and coordinating the sustainability agenda as well as proposing activities and targets for following the overall progress

of the Konecranes sustainability work. The Konecranes Leadership Team follows the defined sustainability metrics on a monthly basis and reviews the specific themes multiple times per year. The Konecranes Board of Directors Human Resources Committee is the official supervisory board committee monitoring sustainability performance and activities annually. The Board of Directors approves the long-term focus, ambition level and targets. In 2022 the Board of Directors Human Resources Committee reviewed sustainability performance once.

The governance of other topics such as Compliance & Ethics is explained in the respective sections of this report.
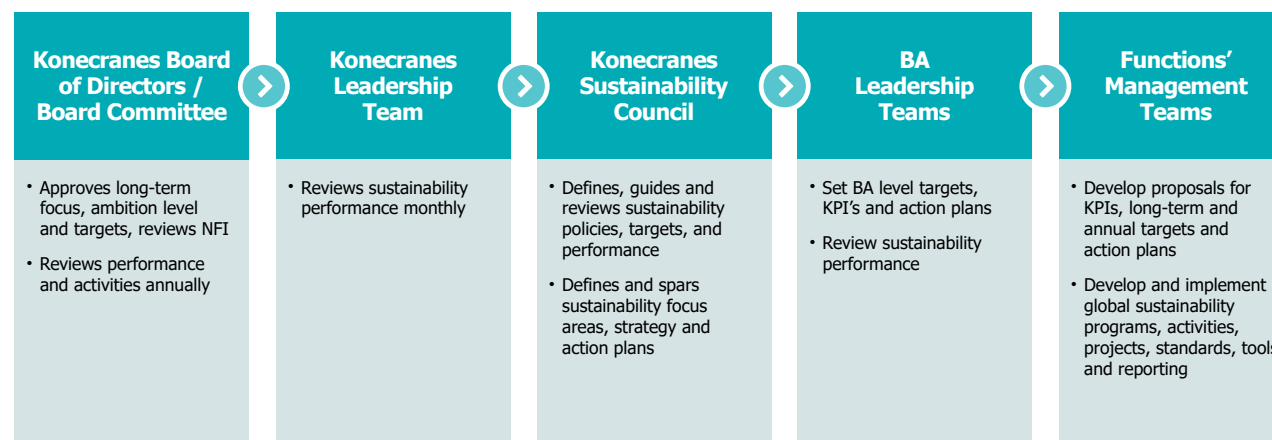
Starting from 2023, the short-term incentive targets of the President and CEO, the Deputy CEO and other senior management will have a 10 percent weighting on ESG performance criterion which includes the following elements: CO_2 emissions from our own operations, safety and gender diversity.

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

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

Sustainability governance at Konecranes

Konecranes Board of Directors / Board Committee	Konecranes Leadership Team	Konecranes Sustainability Council	BA Leadership Teams	Functions' Management Teams
• Approves long-term focus, ambition level and targets, reviews NFI • Reviews performance and activities annually	• Reviews sustainability performance monthly	• Defines, guides and reviews sustainability policies, targets, and performance • Defines and spars sustainability focus areas, strategy and action plans	• Set BA level targets, KPI's and action plans • Review sustainability performance	• Develop proposals for KPIs, long-term and annual targets and action plans • Develop and implement global sustainability programs, activities, projects, standards, tools and reporting

Value creation

Our business aims to deliver optimal productivity while improving safety and mitigating environmental impacts by manufacturing intelligent and connected lifting devices, adopting new technologies and optimizing customers' material handling capabilities. With our knowledge, products, services and solutions Konecranes seeks to maximize the positive contributions to our different stakeholders and the society around us.

With our products and solutions, we provide monetary value with sustained profitability and stability. We enable reliable and optimized performance. High reliability leads to increased uptime and predictability, which can lower the total cost of ownership of a customer's crane system. Safety and security are an integral part of our business. By prioritizing safety in all areas of our operations, Konecranes can improve it throughout the value chain.

Konecranes' solutions enable customers to transition to a low-carbon future. We help our customers cut their carbon footprint with our eco-optimized offering. We apply circular economy principles in our processes for improving our resource and energy efficiency. Extending asset lifecycles, minimizing the overall carbon impact, and ensuring that materials are kept in circulation all create value for the customer.

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Our innovation work concentrates on adopting new technologies and optimizing material handling flows with our products, services, and digital solutions. A major factor in securing cross-border innovation is adopting new ways of working and leveraging workforce diversity. Our employees, with their expertise and motivation, are central to our success and bring our strategy to life. In our view, varied skill sets are a key driver of creativity and value creation. To ensure that we continue to deliver value, we focus on maintaining close ties with our key stakeholders to understand their evolving needs and expectations; engaging and developing the best talent; implementing smart technologies in our product and service offering; innovating new business models; and developing our product design and reliability.

Safety culture

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

We provide our customers with services and equipment that enable them to work efficiently and safely throughout the product's life span. We incorporate safety into the design, manufacturing, maintenance and service of our products. We create value for crane operators by providing

applications that increase safety, usability and efficiency. For example, remote operation (using the Remote Operating Station) enables the crane operator to work in safe areas with better ergonomics. This also increases safety in the factories, as people are further away from the machines. Konecranes' Smart Features (such as sway control and target positioning) also help crane operators operate the crane more smoothly. Read more about safety in the section **Providing solutions for safe, uninterrupted and secure material handling.**

Value for operation with secure and innovative technology

As a leading manufacturer of lifting equipment, we bring cutting-edge technology to the market with our products, services and solutions to advance sustainable material handling. We need to understand how different technologies are developing and ensure that our low-carbon solutions and selected technologies are attractive to our clients. Substituting existing technology with lower-emission alternatives is a big opportunity for us and for our customers.

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

Digitalization improves predictive maintenance by harnessing the industrial internet to connect data, machines and people to provide the right service at the right time, being a key enabler for circular economy. Our service technicians also use different Konecranes mobile

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applications, such as CheckApp, that support executing service programs and assessing possible safety risks while guaranteeing authorized service. Big Data analysis allows the development of new predictive services which help in enabling uninterrupted operations and therefore improve the efficiency of our customers' businesses.

As the usage of automation, industrial control systems and smart equipment is increasing, new cybersecurity risks must be mitigated. In addition to complying with cybersecurity-related legal requirements and our responsibility for business and personal data of our customers, we want to follow the industry best practices. This applies to both the security of the products and services offered to customers, and to the way Konecranes manages information security in general. Therefore, Konecranes has a systematic way of managing information security and initiatives for certifying against relevant internationally known standards that can also be used as trade and trust instruments while doing business. We protect our information assets and by doing that we ensure the confidentiality, integrity and availability – and enhance the safety and reliability – of Konecranes products and services. Read more about our approach to information security in the section **Providing solutions for safe, uninterrupted and secure material handling.**

Circular economy

Maintaining the lifecycle value of a device for as long as possible saves natural resources and reduces greenhouse gas emissions. Our customers gain clear benefits by investing in durable equipment that can be repaired and modernized, and get added value from uninterrupted production. To improve resource efficiency, customers can outsource their spare part warehousing, rent a material handling system Agilon® and depend on us to keep older cranes running by re-engineering obsolete crane parts or perform complete overhauls. It is possible to avoid a significant amount of CO_2 emissions if existing steel structures are enhanced instead of being replaced. Working together with the whole value chain, we can enable more efficient use of raw materials, increase energy efficiency and create value for all parties.
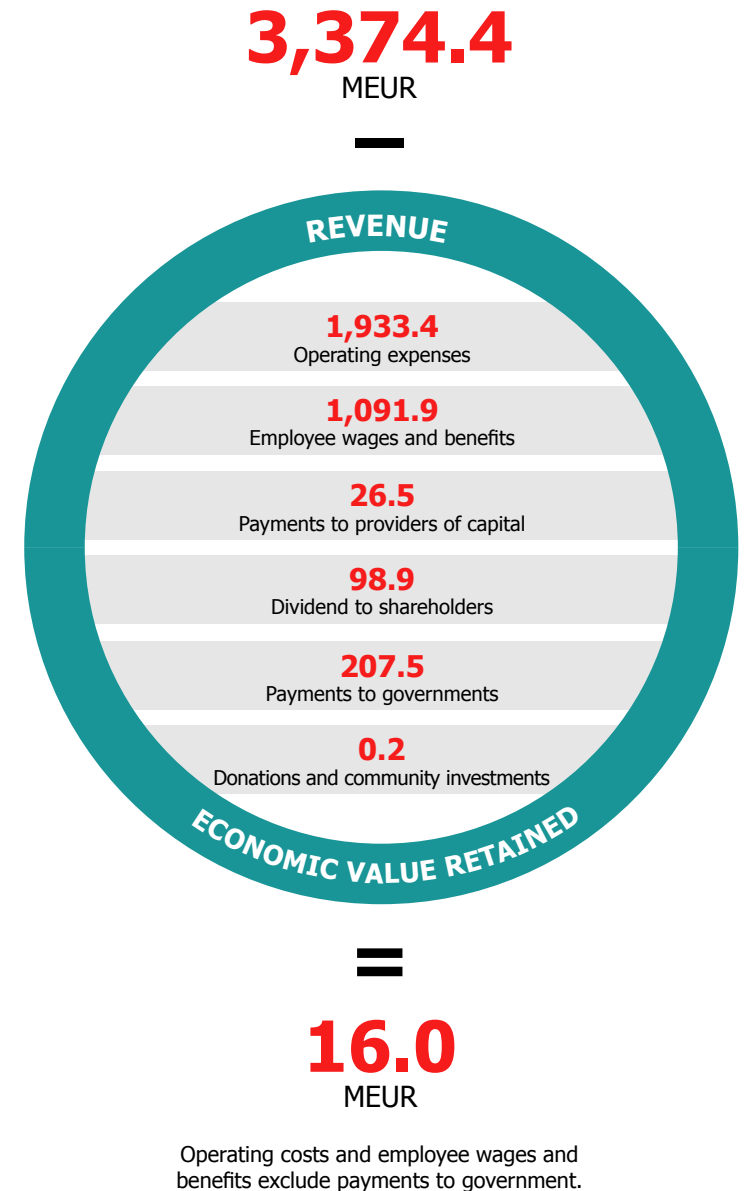
Significant savings can be obtained through renting, repairing, modernizing and purchasing used, fully serviced equipment. Modernizations and retrofits also enhance the energy efficiency and performance of equipment by saving a great deal of raw materials, cutting emissions from logistics and reducing the energy used in manufacturing processes. Furthermore, modernization increases safety, productivity, reliability and usability while decreasing the need for repairs and unscheduled maintenance. Read more about circular economy in the section **Maximizing lifecycle value and eliminating waste with circular solutions throughout the value chain.**

Long-term stakeholder value

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

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

Direct economic value generated and distributed

3,374.4
MEUR

—

REVENUE

1,933.4
Operating expenses

1,091.9
Employee wages and benefits

26.5
Payments to providers of capital

98.9
Dividend to shareholders

207.5
Payments to governments

0.2
Donations and community investments

ECONOMIC VALUE RETAINED

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16.0
MEUR

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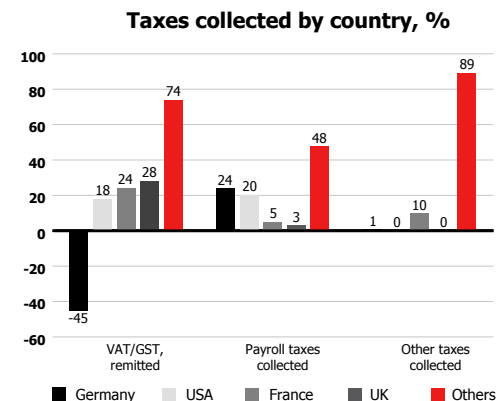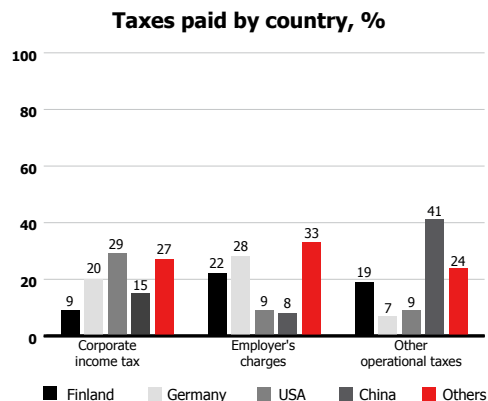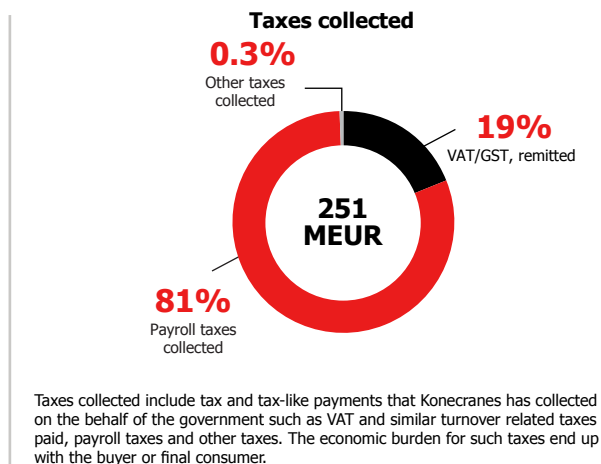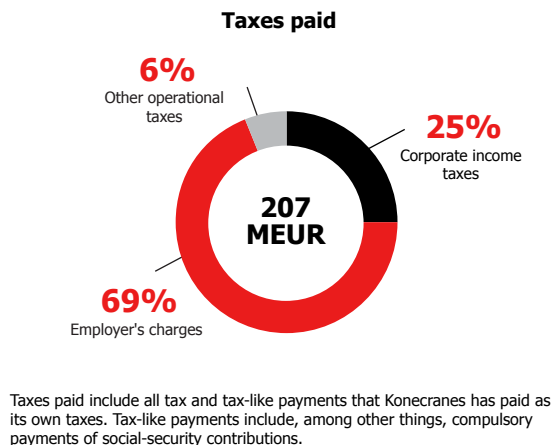
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Tax footprint

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

A total of EUR 458 million (427 million in 2021) in taxes and other compulsory tax-like payments were paid and collected in countries where the Group operates, implying an effective tax rate of 27.4 percent (23.4 percent). A total of EUR 207 million (182 million) was paid (taxes paid) directly by the Group itself, while EUR 251 million (244 million) was collected (taxes collected).

The Group follows the framework of legislation and legal practice in planning the taxable profit of Group companies. Our data on the payment of taxes in 2022 has been compiled while taking materiality, confidentiality, business reasons and cost-effectiveness into account. The data presented in this report is based on information collected from the Group's reporting systems. Additional information on taxes can be found in the **Governance and Financial Review.**

Konecranes' approach to tax

Konecranes is present in many countries in where it contributes to society through various taxes and charges such as corporate income taxes, indirect taxes, customs duties, payroll taxes, and property taxes. We are committed to a tax strategy which is both open and compliant, and we manage taxes according to the principles, roles and responsibilities set out in our Group Tax Policy. The Group Tax Policy is aligned with our corporate strategy and values as well as our Code of Conduct. Significant matters of principle are presented to the Group's Chief Financial Officer and further to the Board of Directors for decision-making.

Taxes paid

6% Other operational taxes

25% Corporate income taxes

207 MEUR

69% Employer's charges

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

Taxes collected

0.3% Other taxes collected

19% VAT/GST, remitted

251 MEUR

81% Payroll taxes collected

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

Taxes paid by country, %

■ Finland   ■ Germany   ■ USA   ■ China   ■ Others

Taxes collected by country, %

■ Germany   ■ USA   ■ France   ■ UK   ■ Others

Konecranes is in recovery position of VAT in Germany due to significant sales abroad.

We are committed to conducting our business in compliance with all applicable tax laws, rules and regulations; to complying with all reporting requirements; and to filing all tax returns and fulfilling all tax obligations according to high ethical standards within the time requirements of local regulations. We are committed to meeting all statutory compliance obligations in each jurisdiction. We apply the OECD standards in cross-border transactions, and we

ensure that our transfer pricing is in accordance with the "arm's length principle". We also meet the transfer pricing and Country-by-Country ("CbC") reporting requirements in each jurisdiction as required.

Konecranes does not practice aggressive tax planning that aims to decrease the Group's taxable income artificially by, for example, exploiting differences and mismatches in the

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architecture of the international tax system to shift profits to places with little to no economic activity or taxation, nor use tax havens, low tax jurisdictions, which are ambiguous or against the spirit of the law, for the purpose of avoiding taxes. We use structures and arrangements that are driven by commercial considerations, are generally acknowledged by the law and court practice and have genuine substance. We do not seek abusive tax and tax treaty benefits.

Tax governance, control, and risk management

The management and monitoring of tax-related matters is centralized in the Group's Finance department, headed by the Group's Chief Financial Officer.

Our Global Tax Department is divided into the tax team at Corporate Head Office in Finland and the regional and country organizations outside Finland. The day-to-day tax affairs are managed by the Global Tax Department together with the relevant local finance team. Each Group company

shall properly document and retain all information required to determine the taxable amount and related taxation, such as accounting workbooks and sheets, files and other documentation during legal retention period as required by applicable tax legislations.

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

Tax risk management is conducted and monitored by the Global Tax Department in cooperation with the respective business areas, units and supporting functions. The Group's Chief Financial Officer reports regularly on tax-related issues to the Group's Audit Committee and there is an open and

continuous dialogue between the parties and the individuals tasked with the operation of our finance function, regarding the way our business manages its tax risk. The key target of the management of tax-related issues is to safeguard that all Group companies comply with the regulations of tax legislation in all countries of operation as well as manage both financial and non-financial tax risks. Tax-fraud actions are strictly prohibited.

Stakeholder engagement related to tax

Konecranes promotes collaboration and open communication with all our stakeholders and seeks to get certainty of tax impacts in advance when needed and when it is possible. Read more about our stakeholder engagement and management of concerns related to tax from our **Group Tax Policy,** which also contains more information about our approach to tax as well as governance, control and risk management. Konecranes **Group Tax Policy** can be found at **www.konecranes.com/about/ sustainability/policies-and-principles.**

Our sustainability agenda

We have combined Konecranes' impacts, the most relevant stakeholder expectations and value creation element topics into four sustainability commitments, which form our sustainability agenda.

Konecranes sustainability commitments

- We enable a decarbonized and circular world.

- We deliver safe and secure material handling solutions.

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

- We expect the highest ethical standards of ourselves and our business partners. This encompasses all of the three first commitments and acts as a foundation.

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CLIMATE ACTION AND CIRCULARITY

We enable a decarbonized and circular world

In 2022 we achieved important milestones in climate action. The first fully electric service vehicles were taken into use, and we reached our target of powering our factories with 100 percent renewable electricity.

Our efforts in cutting emissions, managing and mitigating climate risks as well as developing a low-carbon offering were recognized with an A- rating in CDP's annual climate program, elevating the company into the Leadership ranking. We acknowledge the fact that reaching our ambitious targets requires strong collaboration and teamwork, and therefore we organized several activities for engaging with our employees and increasing their awareness about the topic.

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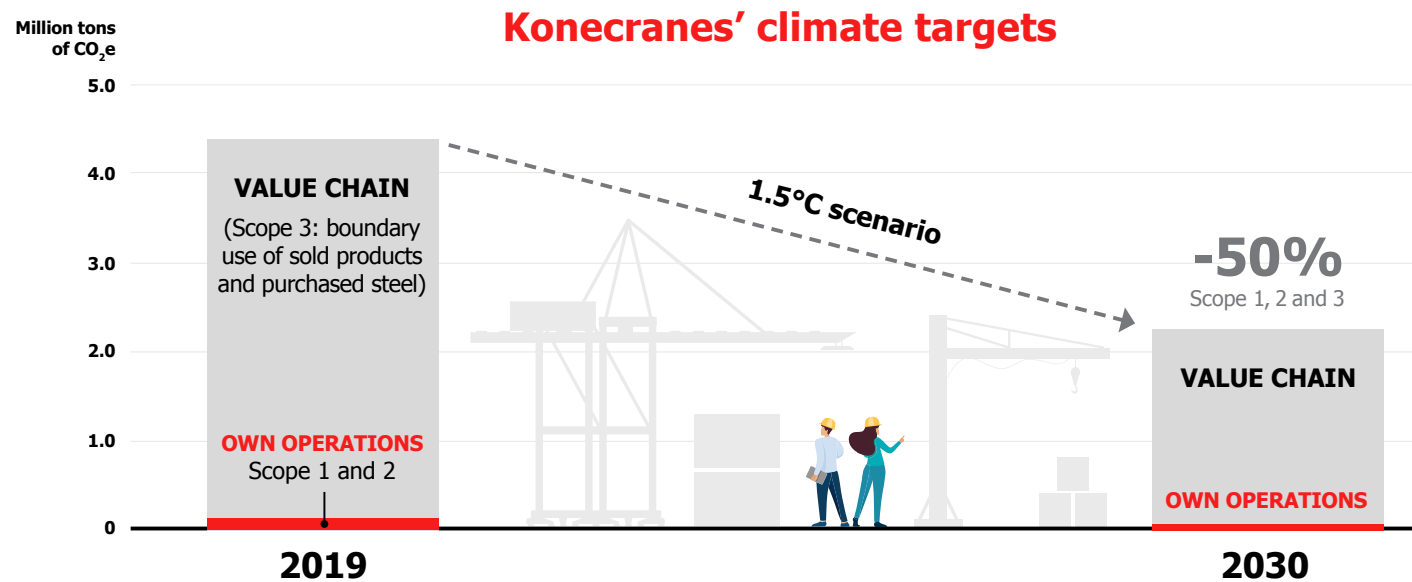
The climate crisis demands actions now, and we are fully committed to being a part of the solution. The focus of our

climate work has shifted from managing the impacts of our own operations to also managing our broad value chain. Konecranes will concentrate on minimizing the largest impacts of its footprint. Reaching science-based targets that are in line with the goal of the Paris Agreement of limiting global warming to 1.5 °C means significant changes in our portfolio and in all areas of our operations. To meet our customers' increasing demand for low-carbon products, we will focus on providing eco-efficient solutions and prolonging product lifecycles with our solutions and service concepts. Read more about how we help customers reduce their environmental impacts in the section **Supporting our customers in reaching their low-carbon targets with our offering.**

The journey for setting science-based targets began in 2020 by engaging our top management in the process. We identified that committing to ambitious climate targets and working towards limiting global warming to 1.5 °C when compared to pre-industrial era levels is a significant opportunity for Konecranes. We started the validation of our climate targets through the Science Based Targets initiative in late 2021, after defining a roadmap to 2030. We received the validation in January 2022. Read more about our detailed climate risks and opportunities in the **Statement of Non-Financial Information** in our **Governance and Financial Review.**

To make the transition happen, we need all our employees onboard. To increase the awareness of our employees and engage them in climate action as well to collaborate around the topic, we organized several internal activities in 2022. For example, we hosted five climate action webcasts for our employees with tailored messaging for Group employees and business segments Industrial Equipment and Port Solutions. A total of 1,300 employees attended these sessions. In addition to the webcasts, we ran an internal innovation challenge that was open to all employees. We received a total of 130 new innovation ideas on how to decarbonize our own operations, as well as how to further develop our eco-optimized offering and environmental engagement.

Konecranes' climate targets

Million tons of CO_2e

5.0

4.0 — VALUE CHAIN (Scope 3: boundary use of sold products and purchased steel)

1.5°C scenario

3.0

-50%
Scope 1, 2 and 3

2.0 — VALUE CHAIN

1.0 — OWN OPERATIONS Scope 1 and 2

0 — OWN OPERATIONS

2019   **2030**

Focus of pathway activities

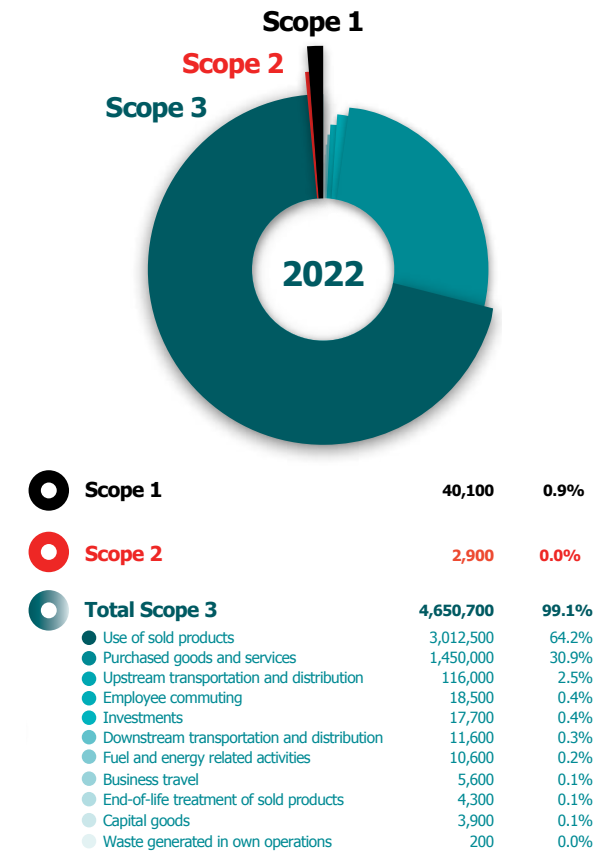| Introducing new technological innovations to reduce dependency on fossil fuels | Applying smart product design focusing on energy efficiency, durability and maintainability | Optimizing material flows with automation and digital solutions | Purchasing steel from suppliers with minimum emissions | Investing in renewable electricity and energy efficiency in own operations |

Emissions in 2022 (CO_2e tons)

Scope 1	**40,100**	**0.9%**
Scope 2	**2,900**	**0.0%**
Total Scope 3	**4,650,700**	**99.1%**
Use of sold products	3,012,500	64.2%
Purchased goods and services	1,450,000	30.9%
Upstream transportation and distribution	116,000	2.5%
Employee commuting	18,500	0.4%
Investments	17,700	0.4%
Downstream transportation and distribution	11,600	0.3%
Fuel and energy related activities	10,600	0.2%
Business travel	5,600	0.1%
End-of-life treatment of sold products	4,300	0.1%
Capital goods	3,900	0.1%
Waste generated in own operations	200	0.0%

Climate targets and metrics

Konecranes' climate impact in 2022 totaled 4,693,700 tonnes of CO_2e. Our own operations (Scope 1 & 2) cover less than one percent of our total emissions. About 99 percent of our emissions originate from the value chain. Most of the emissions are generated in two emission categories: use of sold products and purchased goods and services. The highest contribution from the category purchased goods and services comes from steel. In the category use of sold products, diesel variants contribute the most. Diesel-driven products dominate the Group-level emissions.

Concerning Scope 1 and 2 greenhouse gas (GHG) emissions, Konecranes is committed to reducing its absolute carbon emissions by 50 percent by 2030. The Scope 1 and 2 targets will be achieved by investing in renewable electricity and by improving the fuel efficiency of the fleet and the energy efficiency of our production processes. As part of our climate ambition, we tightened the schedule of the previous target of powering our factories with 100 percent renewable electricity from 2025 to 2022, which we reached. We focused on increasing the use of solar power in our factories and for the remaining part, we purchased renewable electricity with guarantees of origin.

For Scope 3, Konecranes aims to reduce its absolute carbon emissions by 50 percent by 2030, encompassing

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the use of sold products and steel-related purchases. This Scope 3 target covers more than 70 percent of the value chain emissions. The Scope 3 target will be reached by electrifying our offering in Port Solutions segment, developing more energy-efficient hoists for Industrial Equipment and Service segments and reducing value chain emissions from steel purchases in cooperation with our suppliers. As our biggest climate impact relates to our diesel-powered offering, we will seek new technological innovations to reduce dependency on fossil fuels and to increase energy efficiency. As steel is a carbon-intensive material, we will need to cooperate with our steel suppliers to reduce the overall emissions related to steel. We have investigated the maturity level of the climate targets our suppliers have set and will challenge suppliers to move to low-carbon production. We will also work to increase the share of recycled steel.

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

As supportive actions, Konecranes has been fully offsetting business flight emissions since 2020. Scope 1 and 2 emissions data is collected monthly for progress monitoring. Scope 3 data is currently collected at least on an annual basis. In 2022 we have been developing the quality of the scope 3 data and will continue in 2023 with the aim to improve data usage and collection.

Our total emissions have decreased by approximately 18 percent compared to 2019. Our Scope 3 emissions within the science-based target boundary, including the use of sold products and steel purchases, have decreased approximately 26 percent. Despite sales growth, Konecranes' sales volumes declined in 2022, as the company faced delivery challenges due to component availability and supply chain constraints. Therefore, the lower emission level reflects the lower number of the products delivered. In the coming years, the reduction of emissions towards the target level is not expected to be as straightforward as in the past.

Emissions from our own operations decreased by 27 percent compared to 2021, and by 50 percent compared to the base year 2019. This means that we have already reached the ambition level of our climate targets. The main contributor was the shift to renewable electricity in all of our manufacturing locations. We were able to implement several energy efficiency improvement activities that reduced energy consumption and emissions. Of those activities, the biggest overall emission savings were gained by improving heating, ventilation and insulation at factories, replacing old machinery with more energy-efficient ones and upgrading to LED lighting. The ongoing energy crisis contributed to energy savings, mostly by the reduction of gas consumption. We will continue to invest in energy efficiency to further reduce our emissions.

Emissions from Konecranes' own operations

Reduction target for Scope 1 & 2 emissions

-50%

(tCO$_2$e) 2019–2030

Working to decarbonize our own operations

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

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

To continuously improve our performance, we aim to certify all manufacturing sites with ISO 14001:2015 by the end of 2023. This target has been postponed by a year. In 2022 a total of 83 percent (2021: 80 percent) of the company's factories have an ISO 14001 environmental management system certificate. The coverage has increased from

2021. As part of the ISO 14001 EMS each of our units is responsible for evaluating, prioritizing, and mitigating their environmental risks at a local level and for ensuring continuous improvements.

Environmental minimum requirements standardize our ways of working by defining common rules for all operations. For energy management as well as for chemical handling and waste management those set a minimum level for environmental management. We have clear instructions in place to ensure that residual waste and hazardous waste are disposed of according to local requirements and through

licensed waste management companies. We follow waste data on a quarterly basis, including the treatment method, to follow our progress in waste management. Environmental incidents and near-miss cases are reported through our global HSE reporting tool, and the investigations of the root causes and corrective actions are conducted accordingly. In 2022 we finalized Global HSE standards for environmental management to be launched in early 2023.

We prioritize energy efficiency in our environmental work related to our own operations. On top of our climate commitment, we have signed national voluntary agreements on energy efficiency. Our targets can be reached by investing in energy efficiency actions such as heat recovery, LED lighting and by improving the fuel efficiency of our service vehicle fleet. We systematically evaluate potential energy efficiency investments and calculate which are the most impactful ones considering the amount of emission cuts and monetary value. In 2022 we deployed the first electric service vehicles in our fleet and followed the progress and continued conducting energy-efficiency activities at our manufacturing sites. We have a systematic

follow-up process covering the majority of the sites and more than 80 percent of energy consumption.

Konecranes' best practice example in energy efficiency are the Konecranes Hyvinkää and Hämeenlinna manufacturing facilities in Finland, which took an Energy Management System into use in 2019. It follows the national energy efficiency system's (ETJ+) standard rules and fulfills the requirements of the EU Energy Efficiency Directive together with the certified ISO 14001 EMS. These sites have a strong governance, deviations control and follow-up system in place as well as an annual communications plan and audits. The most important tool to manage energy use is the energy data system, which enables following real-time consumption of electricity, water and heat in each building on the site – making it easy to identify potential improvements.

Our impact on biodiversity

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

In 2022, we focused on investigating the biodiversity impacts of our own operations. We assume that our biggest impact on biodiversity is related to climate change through emissions. The manufacturing of our products does not reserve large areas of land or have a significant effect on biodiversity in the surrounding natural environment. In the coming years, we will seek to strengthen our understanding of our biodiversity impacts in the value chain. For example, natural rubber has been recognized as a critical raw material by the EU. As some of our products contain rubber, we have investigated its environmental impacts. The use of rubber can have an impact on biodiversity, and one of the biggest

threats is deforestation due to changes in land use. We will continue to investigate the biodiversity impacts of rubber and follow the development of sustainable synthetic alternatives.

Konecranes has started various local biodiversity conservation projects, which currently cover approximately 21,160 square meters of land. Even though the land area is quite limited, these projects provide us with valuable insight into what can be done in this field. For example, in Germany, the authorities require that land used for industrial purposes is compensated with green space. Our factory logistics hall construction work project team in Remptendorf, Germany, decided to take the approach to the next level. On the Remptendorf site, some trees on the property were saved and 58 new ones were planted. In addition, fruit bushes were planted to provide employees with a nice environment to spend their breaks in. The authorities required a small pond in the factory area, but the local team decided to make a bigger pond than required, with 1,500 water plants of 15 different sorts. Also, an insect hotel and two beehives with two bee swarms were established. Similar activities are carried out in other Konecranes locations as well, and we want to cherish and encourage them in order to support the biodiversity of the local nature.

Mitigating risks related to water use

We collect water consumption data quarterly from our manufacturing units and report our overall annual

consumption. Based on our analysis, our water consumption is not significant since our processes use very little or no water at all. Therefore, water has not been identified as a material topic for us. During 2022, we conducted a water risk analysis at our manufacturing site locations using the WWF's Water Risk Filter tool for assessing basin and operational water risks (operational risk at manufacturing sites located in areas of water stress). This assessment gave us a better understanding related to the risks of water use, especially at sites located in high-risk areas. The results of the analysis indicated that Konecranes has no manufacturing sites in "Extremely High" water stress areas. Five of our sites (16 percent of all manufacturing locations) are located in "High" and the rest of the sites in "Medium" or "Low" water risk areas. The tool also provided us with scenarios on water risks based on climate and socioeconomic changes by 2030 and 2050, giving us an insight into our future water risks.

Only two of our manufacturing sites in high-risk areas use water in their production processes. The site in Jejuri, India, has implemented a closed-loop system for the water used in the production process and has installed a sewage treatment plant, reusing the water for gardening. Investigations to improve water management will be continued during 2023. In addition to the actions at our manufacturing sites, we have provided guidelines for our factory workers to reduce water consumption.

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

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

As the most significant share of our emissions are generated through the use of sold products, it is essential for us to promote and support the change towards a low-carbon future.

We aim to create value for society by pushing the industry's sustainability standards further. Therefore, we are committed to supporting our customers in reaching their low-carbon targets by providing eco-efficient and low-carbon solutions and extending product lifecycles in customers' operations. This is done by having a fully electric product offering and by ensuring that we apply smart design principles focusing on energy efficiency, durability and maintainability to optimize the energy consumption and material selection of our products. Konecranes also aims to lower the emissions from our value chain. First, we are focusing on the most carbon-intensive categories such as steel.

Our products are designed with their entire lifecycle in mind, as the majority of the environmental impact of a product's lifecycle is defined in the beginning of the product design stage. The lifecycle of our products can last for decades. Investing in data-driven, eco- and resource-efficient products that can be repaired and modernized means that the customer can preserve the value of their equipment longer and consequently decrease their cost and environmental impact.

To provide accurate data on the environmental impact of our solutions for customers' decision-making, we calculate our products' energy consumption and CO_2 emissions and critically assess this data with the help of a third party (as part of our Environmental Product Declarations, EPDs).

Enabling a low-carbon transition

Our eco-optimized product portfolio offers improved resource and energy efficiency, a variety of low-carbon power options, performance and safety with optimized maintenance, upgrades and modernizations. In general, we promote the use of intelligent power sources with our equipment. For diesel-powered vehicles, we deliver intelligent power management options from hybrids to full-electric, as well as battery technology with additional energy-recovery features such as regenerative braking. In the case of power trains, we focus on operational efficiency without compromising equipment performance.

For the traditional diesel-electric equipment, we offer a variable speed diesel generator, the Konecranes "Fuel Saver", which utilizes advanced control technology with engines that comply with the latest emission regulations. The Fuel Saver feature ensures that the diesel engine is running at optimal speed according to the operating power need, without high-speed idling. Compared to a

conventional fixed speed diesel generator, the Fuel Saver technology enables customers to save fuel up to 35 percent. Fuel efficiency is optimized for every equipment type according to the use profile, and in addition, we offer many technical solutions to reduce fuel consumption even further. Read more about our fuel-saving technology Flow Drive for Lift Trucks at **https://www.kclifttrucks.com/ products/konecranes-ecolifting/flow-drive.**

Furthermore, all of Konecranes' latest generation lift trucks, Generation C, are suitable for HVO100 diesel quality. HVO100 is a 100 percent renewable and fossil-free chemical copy of a regular diesel fuel, and it is made mostly of vegetable oils as well as suitable waste and residue fat. By shifting to HVO100, fossil-based CO_2 emissions can be reduced by up to 90 percent. Generation C lift trucks represent approximately 40 percent of our fleet operating globally.

Hybrid power systems provide a further reduction in fuel consumption. A hybrid power system changes the conventional diesel-generator power train to a battery-

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

As an example, our Generation 6 mobile harbor crane and our electric E-VER Lift Trucks reduce energy consumption compared to standard diesel engines. In addition to lower emissions, the design of the mobile harbor crane takes circularity into account through a more durable design: its robust construction doubles the crane's service life in container operation compared to earlier generations, and more powerful lifting capacity curves and high working speeds ensure greater efficiency and faster cargo turnaround times. The long-lasting design also supports resale values when customers choose to renew their fleet. Read more about our offering in the **Statement of Non-Financial Information: Taxonomy eligibility and alignment.**

Diesel motor standards

Diesel motor exhaust treatment is based on European and U.S. legislation on motors. In the U.S. market we apply the Tier 4F diesel engine standards. These emissions standards apply from 2014 onwards to new and remanufactured engines. In the European region, we apply the Stage V diesel engine standards. This technology is available for all customers in all markets that can provide the right quality of fuel with near-zero sulfur content.

Non-road diesel engine emissions are regulated differently around the world. The strictest regulations for emission

reduction are the U.S. EPA Tier 4 final and EU Stage V, which are effective in the mentioned market areas and some countries that have adopted these regulations. Required emission reductions are achieved with an advanced exhaust gas aftertreatment system (EATS) including catalytic particulate filters and NOx reducers. This type of system is highly sulfur-sensitive, which sets limits for sulfur content in diesel fuel. Market areas with lower quality fuel and Tier 3 or lower emission regulations achieve the required emissions reductions with other types of emissions control technologies, such as exhaust gas recirculation. EATS-equipped power units could also be used in market areas outside Tier 4 final and Stage V, but this requires ultra-low sulfur diesel fuel and consideration of the practical maintenance aspects.

Design for Environment

The Konecranes' Design for Environment (DfE) approach aims to improve a product's environmental performance. It is generally known that approximately 70–80 percent of the environmental impacts are determined already at the product design phase. To minimize the impacts, it is essential to take the environmental aspects into consideration already when the product is being designed. DfE is an important tool for helping in turning our environmental policy promises into design actions. It also helps us in considering climate impacts, circularity and other environmental aspects throughout the whole product lifecycle.

Lifecycle Assessment

Lifecycle assessment (LCA) is a method that supports product development and provides fact-based information on the product's environmental impact during its different lifecycle phases from cradle to grave. The main reason for applying LCA is to identify processes and components with high environmental impacts, compare optional materials, designs, technologies or, e.g., logistic solutions. By doing this, we can implement measures to reduce our CO_2 emissions.

We conduct LCAs on corporate, product and component levels. The LCAs follow primarily ISO 14040-44 standards, and we utilize professional LCA tools and emission databases. As minimizing the environmental impact is important to Konecranes, we have invested in LCA expertise to conduct this work in-house. In most cases, the LCAs are reviewed by a third party.

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

We want to accelerate circularity at all levels of operations, from portfolio management to business models and to waste management in our own operations. We are committed to annually innovating new opportunities and to study their business potential. We aim to optimize asset lifecycles and ensure that materials are kept in the loop. Konecranes' service operations extend the lifecycle of equipment through maintenance and repairs, remanufacturing of parts, modernization, and retrofitting.

Circularity is identified to be one of the enablers to curb climate change as greenhouse gas emissions can be reduced if resource efficiency is improved, waste and pollution are designed out and materials and products are kept in use longer. We are continuously developing and investigating new ways of improving end-to-end circularity, which includes extended product lifecycle and improved efficiency in the use of materials in Konecranes' and our customers' business operations. Including circular economy principles and utilizing several circular business models can also generate new business opportunities while creating value for the customer. Our focus is on business models aiming to extend the product lifespan and offering products as a service.

Measuring circularity

Our target for 2022 was to define measurable circularity KPIs. We want to follow our innovativeness and progress on accelerating circularity.

Number of assessed new circular economy business opportunities. In 2021 we hosted a set of circular economy innovation workshops and in 2022 we proposed four innovations to be studied further. We proceeded with three of them. All studies will continue in 2023.

Share of recycled steel. Increasing the share of recycled steel is one action in our climate roadmap. In 2022 we did not succeed in getting full data from our suppliers. We have estimated that the share of recycled steel from our annual steel purchases is more than 40 percent.

Recycling rate of waste generated in manufacturing operations. In 2022 the recycling rate related to waste generated in our own manufacturing operations including waste directed to recycling or reuse was 78 percent (69 percent in 2021).

Revenue linked to modernizations or retrofits. Modernizations and retrofits are one major category in our eco-optimized offering. In 2022 their share of the Konecranes Group total revenue was 7 percent (2021: 7 percent). The revenue related to modernizations and retrofits increased by 14 percent from EUR 213 million in 2021 to EUR 243 million in 2022.

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Circular economy solutions for different customer needs

KONECRANES' CIRCULAR STRATEGIES
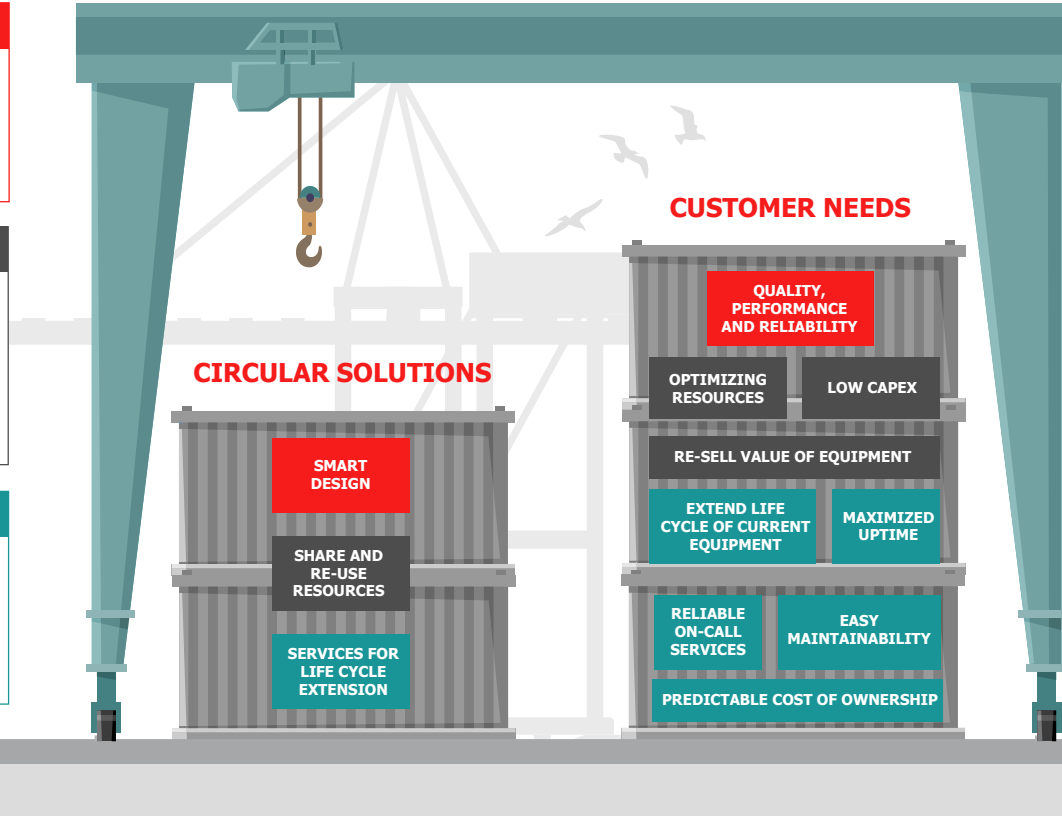
SMART DESIGN:

Products designed to be modular, repairable, upgradable and recyclable

Built to last

Optimized use with intelligent features

SHARING AND RE-USING RESOURCES:

Industrial internet solutions (remote maintenance)

Leasing and rental concepts

Re-sell equipment that has life cycle left

Knowing when to maintain, replace or repair components (sensor data, digital tools)

SERVICES FOR LIFE CYCLE EXTENSION:

Service concepts for repair and maintenance (e.g. predictive maintenance)

Spare part services, refurbishment of parts

Remanufacturing of crane parts (retrofits,modernizations/overhauls)

CUSTOMER NEEDS

CIRCULAR SOLUTIONS

SMART DESIGN

SHARE AND RE-USE RESOURCES

SERVICES FOR LIFE CYCLE EXTENSION

QUALITY, PERFORMANCE AND RELIABILITY

OPTIMIZING RESOURCES

LOW CAPEX

RE-SELL VALUE OF EQUIPMENT

EXTEND LIFE CYCLE OF CURRENT EQUIPMENT

MAXIMIZED UPTIME

RELIABLE ON-CALL SERVICES

EASY MAINTAINABILITY

PREDICTABLE COST OF OWNERSHIP

CUSTOMER VALUE

Long-term value of investment

Safe, eco-efficient and reliable product/service

Enhanced energy efficiency

Modular products, possibility for performance upgrades and customization

Optimize resource use

Low capital expenditure for rental and leasing solutions

Possibility to re-sell fully refurbished equipment that has life cycle left

Maximizing uptime, productivity and reliability

Minimize maintenance costs and maintenance visits

Guarantee of spare parts availability

Prolong the already long lifecycle of equipment with retrofits and modernizations

Smart design

The Design for Environment concept supports advancing circularity. We aim to select repairable and recyclable materials and design our equipment to enable their reuse and recycling. Our products consist primarily of different types of metals (e.g. steel, aluminum, cast iron), plastics, elastomers and concrete, and the majority of them are

recyclable. In a typical RTG crane, about 95 percent of the materials are metals, whereas the rubber tires form approximately 4 percent. The remaining 1 percent includes, e.g., electrical and electromechanical components, plastic, glass, lubricants and chipboards. This means that almost all components used in the crane are recyclable at the end of their lifetime.

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

Sharing and re-using resources

We continue to focus on digitalization, which we believe is a key enabler in low-carbon and circular economy

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transformation. Our significant investments in digital solutions and state-of-the-art technology advance, for example, reducing and optimizing the need to move goods (e.g. parts) and people (e.g. service personnel) by using real-time data to predict maintenance needs. Connected devices and online platforms provide data on the state of components in real time, showing when to maintain, replace or repair them, resulting in smarter use of resources and longer product lifecycles. Having real-time performance data on digital platforms helps us start conversations about improving the overall process, be it larger overhauls, retrofits or making suggestions about taking the first steps towards automation.

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

Services for lifecycle extension

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

Our vast service and spare part offering and systematic approach to maintenance is supported by digital tools to help predict failures, optimize the need for maintenance and spare parts and extend the lifecycle of equipment.

Case example: Modernizations

Our retrofitting and modernization services can extend the lifecycle of equipment and update the equipment to meet today's standards. Modernizations are tailored upgrades or modifications designed to extend the service life of an existing crane and to meet current regulatory, maintenance and production requirements. Modernizations can provide a complete transformation for an existing crane as an alternative to replacing it and allows the introduction of new technology that did not exist when the crane was originally delivered. Products are often modular, which allows the utilization of existing components and replacement of only essential parts. Therefore, it is often possible to replace old technology with the latest solutions.

Modernizations are extensive lifecycle extension projects, where remanufacturing is used to repair or replace worn out or obsolete components and modules with most of the steel structure remaining in use. Modernizations improve safety and performance,

increase the availability of technical support and spare parts, and decrease the number of repairs and unscheduled maintenance. On top of improved performance, modernizations save a significant amount of steel and in most cases increase the energy efficiency of the crane. At best, we can extend a product's lifetime by decades. Our products can be modernized and retrofitted several times during their lifespan and reused to extend their lifespan, and then finally recycled at end-of-life.

Modernization decreases direct and indirect emissions. It is possible to avoid a significant amount of CO_2 emissions if existing steel structures are improved instead of being replaced. Modernizations and retrofits can also improve the energy efficiency and performance of equipment. Additionally, modernization increases safety, productivity, reliability and usability, while decreasing the need for repairs and unscheduled maintenance.

TRUCONNECT predictive maintenance also supports customers' emissions reductions, as the data can be used to optimize maintenance activities.

Repairing and remanufacturing equipment extends its lifecycle and helps reduce emissions. For example, our repair centers in Finland, Germany and the USA provide repair services with advanced expertise and special tools and equipment. All repaired equipment is tested to ensure that it performs according to customer needs and industry standards. The repair centers work with equipment such as overhauled wire rope hoists, machined mechanical rope drums and remanufactured inverters, which can be re-used.

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

Targets and progress: Climate action & circularity

Our commitment: We enable a decarbonized and circular world

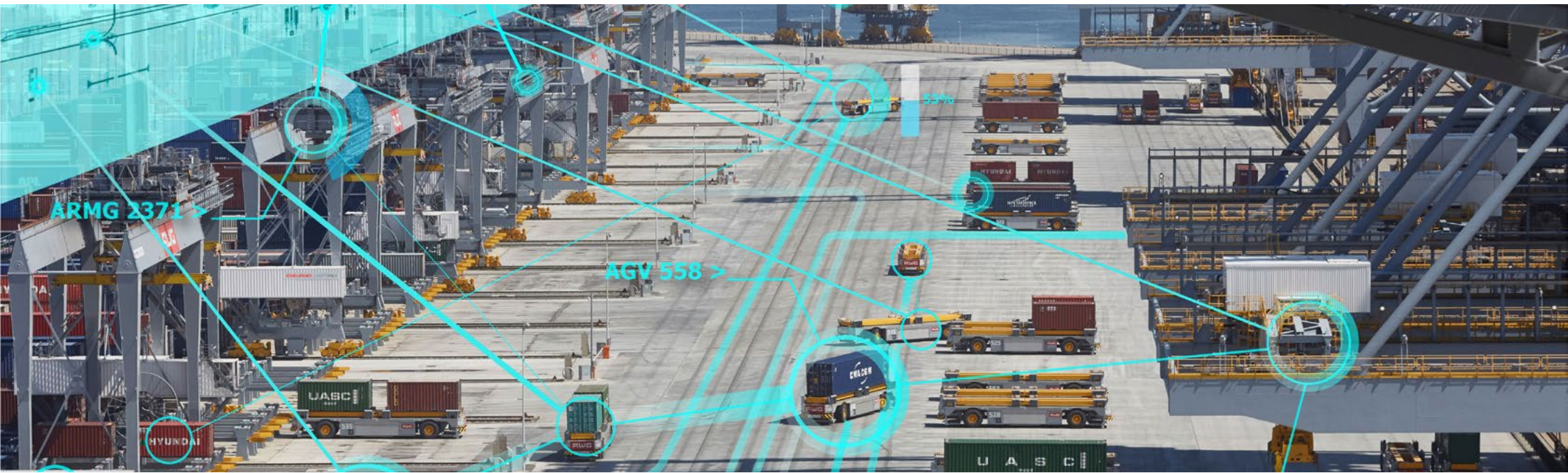| Topic	Target	Progress	UN Sustainable Development Goals
Working to decarbonize our own operations	Certified ISO 14001 EMS in all factories	80%	
	Reduce absolute Scope 1 and 2 GHG emissions by 50% by 2030 from base year 2019.	50% reduction from 2019	
	By the end of 2022, power all our factories with 100% renewable electricity.	100%	
Maximizing lifecycle value and eliminating waste with circular solutions throughout the whole value chain	Assess at least three new circular economy business opportunities and develop them for business implementation.	In 2022 we succeeded in furthering three studies. Studies were related to handprint calculation comparison of service processes, end-of-life markets and repurposing.	
	Define measurable circularity KPIs during 2022.	Set of KPIs defined: number of assessed new circular economy business opportunities; share of recycled steel used in our products; recycling rate of waste generated in manufacturing operations; and revenue linked to modernizations or retrofits. Further information on page 22.	
Supporting our customers in reaching their low-carbon targets with our offering	All new products and services shall be more sustainable than the previous generation.	In 2022 our product launches advanced sustainability. More on pages 4, 20 and 21. Share of eco-portfolio sales was 52% (2021: 50%).	
	Reduce absolute Scope 3 GHG emissions from purchased goods and services and use of sold products by 50% by 2030 from base year 2019.	26% reduction from 2019	

SAFE SOLUTIONS AND OPERATIONS

We deliver safe and secure material handling solutions

In 2022, our safety performance showed year-on-year improvement and the ISO 45001 certification continued, covering now a total of 69 percent of all manufacturing units. We further strengthened our information security management system that demonstrates our commitment to ensure compliance with legal and customer requirements on cybersecurity, and therefore enhances the safety and reliability of our products.

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

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Providing solutions for safe, uninterrupted and secure material handling

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

Managing product safety for safe and efficient material handling

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

Our target is to provide unrivalled safety, quality and reliability. Therefore, we integrate safety and environmental sustainability in our design requirements and product development processes, and develop product safety and quality during its whole lifecycle. Our product compliance management approaches aim to ensure that our products comply with safety and environmental standards, among others. This includes comprehensive risk analysis and mitigation actions.

Internal guidelines and instructions ensure that our products meet the needed safety requirements, from design verification to functional testing, documentation and trainings. We actively contribute to global standardization work, which benefits the safety of the whole industry. We define our own global engineering guidelines, requirements and recommendations for design work. For example, to implement safety-related control functionalities, our requirements meet both our own and industry standards. Konecranes' reliability and testing approach covers the product lifecycle from research to product use phase and is certified for ISO 9001 and ISO 17025.

Prior to launch, our products are thoroughly tested against applicable standards and known real-life operating conditions in our Reliability Centers. In production and during commissioning, defined inspections and tests are performed

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to ensure the conformity of the product. Special attention is paid to process steps that have the biggest impact on product safety. We monitor the defect rates of final product inspections, record the types of defects found, and aim to continuously reduce the most commonly occurring defects.

We encourage our customers to report any incident where equipment, component or service provided by Konecranes has caused or threatened to cause a health or safety incident or property damage. Such incidents can be, for example, load drops and uncontrolled movement. The reported incidents are handled through our product safety management process called Accident Investigation Reporting (AIR), which includes technical experts thoroughly investigating each incident. During 2022, we received and investigated around 215 AIR incidents (2021: 250) across the company.

By default, the AIR process includes a root cause analysis to identify the potential causes of the incident. When applicable, actions are taken to fix, prevent or reduce the risk of reoccurrence at existing customer sites or future deliveries. Additionally, by sharing the findings internally, we enable continuous safety improvement of the products and services we design and supply worldwide. If a systematic issue is identified, a project is started to address it with all affected customers. A similar project can also be started if we internally identify, or our suppliers inform us about, a systematic issue that affects the safety of our past deliveries.

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

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

Konecranes' digital ecosystem includes the yourKONECRANES customer portal, Konecranes STORE for spare parts, global

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

Our cranes can be fitted with a wide variety of our existing safety features. Sway Control, Hook Centering and Snag Prevention limit unwanted movements of the load during lifting or moving, or if the load or hook gets caught on

something. Inching and Microspeed allow the operator to control load speeds efficiently and safely especially in the beginning and end of a lift. Remote operation (using the Remote Operating Station) enables the crane operator to work in safe areas with better ergonomics. This also increases safety in customer facilities, as people are further away from the machines. Target Positioning helps crane operators position the loads safely and quickly. Geofencing, which is a feature that limits load movements in areas that might cause risks to people or property, is made possible through the Work Zone Smart Feature application. Solutions such as Assisted Load Turning, Target Positioning and End Positioning help improve the safety of load manipulation and ensure that the load is delivered safely and accurately where needed. Our Live

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Channel, an online virtual crane demonstration tool, enables us to showcase our crane safety features to customers in real time.

Managing information security systematically builds trust

The nature of Konecranes' business is becoming increasingly digital and dependent on information. This increases the importance of data privacy and cybersecurity in everything from manufacturing and servicing equipment to our digital ecosystem including our customer sites, global enterprise platforms and productivity-enhancing apps. In other words, the role of information security in our daily operations is growing. For that reason, we manage it in a systematic manner: Konecranes has set information security strategy objectives, and has defined a governance model, a development program and a roadmap to implement the strategy objectives. Konecranes is a supporter of the Paris Call, which brings governments and the private sector together to promote trust and security in cyberspace.

We aim to be a solid information security performer who meets and exceeds customer expectations. Our objective is that our information security risks are minimized; customers and other stakeholders have high trust in us; and our solutions are digitally secure.

Konecranes' Information Security Management System (ISMS) is based on the industry best practices of the ISO 27001 standard. Konecranes Information Security Steering Group steers the development at Konecranes, and the Information Security Team implements the developments with a dedicated security budget. The organizational roles, responsibilities and competence requirements are defined in the Konecranes ISMS Handbook. Information security topics are reported to the Konecranes Audit Committee regularly, and further to the Konecranes Board of Directors, when needed.

Our systematic approach to managing information security aims to ensure that we identify and mitigate all relevant information security risks. We have implemented a set of security controls to protect our information assets and to ensure the confidentiality, integrity and availability of our products and services. These technical and organizational security measures cover topics such as asset management, access control, operations security, incident management and information security aspects of business continuity management. For example, Konecranes' information security incident management process defines how to handle information security incidents. We monitor devices and networks and use Security Information and Event Management (SIEM) to identify abnormal behavior or potential cyberattacks. Processes are in place for vulnerability management, malware protection and information system audits. Konecranes Information Technology function and IT suppliers also follow incident, problem and change management processes to ensure the availability, stability and security of our IT environment. In 2022, we resolved 32 confirmed information security incidents. More information on our security controls is available on **Konecranes.com.**

During 2022, Konecranes continued to execute its information security strategy, further strengthening its information security management system. The system covers IT, factory technology and Konecranes' products and services. We also continued the ISO/IEC 27001 certification process that was started in 2020. Development and delivery of the yourKONECRANES and TRUCONNECT digital services achieved certification in 2021, and TBA was certified in 2022. To continue the Konecranes ISO 27001 journey, and to enable the certification of other businesses and services, the ISMS will now be extended to the Konecranes central IT services that are critical and in global use. This will serve as a basis for future security development.

Konecranes Demag UK Ltd was awarded the Cyber Essentials certification in November 2022 for the second year in a row – a mandatory requirement for companies working with certain UK government contract types, including the Ministry of Defense, and other regulated industries. During 2022, Konecranes risk and audit management processes were also enhanced, and a new tool was taken into use.

To enable our cybersecurity performance and to secure our own and our customers' information, it is essential that we work hard to increase our employees' awareness and level of knowledge on information security topics. Our Information Security Policy defines the expectations for every employee. We have a mandatory cybersecurity training for all employees, which must be completed during the employee onboarding, and after that every time the training module has been updated. Additionally, trainings tailored to different employee groups' needs have been created. These cover the various aspects of information security to increase our employees' ability to recognize cyber threats. We also have comprehensive instructions and guidelines available to our employees and we regularly implement awareness activities on our internal forums and channels. During 2022 these campaigns mainly focused on how to combat phishing and vishing. Konecranes also participated in the European Cybersecurity Month (ECSM) in October 2022. ECSM, coordinated by the European Union Agency for Cyber Security (ENISA) is the European Union's annual campaign dedicated to promoting cybersecurity among citizens and organizations, and to providing up-to-date digital security information through raising awareness and sharing of good practices.

Konecranes has set information security awareness KPIs, which are followed up monthly. Our mandatory cybersecurity e-learning has been completed by 82 percent of our employees and our continuously ongoing training program for recognizing and reporting cyberattacks onboarding rate is 68 percent of our employees.

Ensuring uncompromised safety in our own operations and supply chain

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

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

Our target is to create and maintain a culture where everyone takes responsibility for safety and embraces the mindset "If you see it, you own it". This mindset is based on a principle that anyone who sees a deviation in safety,

must challenge the situation, stop the unsafe action, rectify or remove the hazard, and finally, report it through our HSE reporting tool for proper corrective measures to be taken. We should never walk by when seeing a safety issue. Hence, in 2022 we continued to embed safety into everyone's daily job by supporting our employees in recognizing hazards, making HSE observations and promoting the company-wide Life-Saving Behaviors. They are a collection of behavioral requirements that we expect everyone to follow, grouped around the main hazards and risks in our operations, both at the factories and at our

customer sites. The campaign advocates safety culture and safe ways of working across the whole organization. Our work with the Life-Saving Behaviors continues in 2023.

Konecranes Global HSE Standards define what procedures, practices and actions we expect from our operations to ensure a safe and environmentally friendly workplace. During 2022 we further developed these standards and planned an internal awareness campaign to be launched in early 2023.

During 2022, we continued the ISO 45001 certification of our manufacturing operations. A total of 69 percent of all manufacturing units (2021: 73 percent) were certified against the ISO 45001 standards at the end of 2022. The reason for the lower coverage in 2022 compared to 2021 is that one of our certified manufacturing sites was closed during the year. Our safety management systems also include robust engagement mechanisms with our employees.

Our Serious Injury or Fatality (SIF) Exposure program continued in 2022, focusing on activities to prevent incidents that caused, or had a potential to cause, serious injury. Each incident with SIF Exposure is reviewed thoroughly by the management to ensure that root causes

have been identified and the corrective actions are effective. We communicate these incidents across the organization to make sure that similar incidents are prevented from reoccurring everywhere. We also classify actual and potential SIF Exposures based on the causes to understand better which hazards are the most common for us and to target our actions accordingly.

Building a strong safety culture through training

One of the cornerstones of our strong safety culture is training. We have a wide training offering, nearly 100 course options under the HSE category in our Learning Management System, from mandatory role-based and task-specific topics to more general safety introductions. All of these training courses are free of charge, and they can be completed during working hours. The most significant safety risks in our own activities are related to factory work, vehicle incidents, crane and equipment installation, and our service business, where the working conditions of our technicians vary from job to job. All Konecranes employees receive trainings to perform their tasks safely and correctly; everyone is entitled to a proper work induction, and they should not work if they do not feel safe and confident to do their job safely.

The general introduction e-learning, Safety at Konecranes, is available in multiple languages in our learning platform. The course is targeted at all employees at Konecranes Group regardless of the employee's location, position or brand. The goal of the e-learning course is to highlight the importance of safety and remind that we all play our part in creating a safe workplace. The course covers topics such as What safety means to us, Life-Saving Behaviors, Safety at our sites, Facility safety & emergency response, Safety on your way to and from work, Reporting observations & incidents, and Safety when hosting visitors.

More detailed, role-based safety trainings are dependent on the work and tasks involved in the job role. For example, specific training is required for working at heights, handling chemicals, carrying out electrical work, and performing on machines. Safety training needs and requirements are defined locally, based on risk assessments, applicable

laws, and other compliance obligations. The Global HSE excellence program outlines the overall requirements, but where local rules or regulations exceed these requirements, the latter always prevail.

By providing the necessary training we aim to ensure that people are competent to do their work correctly and safely and have all the formal qualifications and certifications. This includes the needed skills and knowledge about the procedures, risk assessment, and people emergency recovery. For example, the instructor-led Electrical safety course includes modules such as Definition of electrical work, Risks

associated with electrical work, Hierarchy of controls, and Safe work practices while performing electrical work. And when working at any site, we always start the work with hazard mapping and ensuring all necessary controls are in place, utilizing our Point-of-Work Risk Assessment (PoWRA) tool.

Safety performance

In 2022, we reported the Total Recordable Incident (TRI) rate as our main lagging KPI. The aim is to capture a wider picture of what our safety performance looks like by including all injuries requiring professional medical treatment in our performance evaluation. We also report and follow up on

CASE: Konecranes facility in Jejuri achieved a milestone of 2,000 days without a lost-time incident

Our facility in Jejuri, India, celebrated 2,000 days without lost-time injuries in August 2022. Lost-time injury is an injury that causes over 8 hours of lost working time. This achievement was possible because all the employees are interested in developing their workplace safety, both in the offices and in the factory areas. People are actively coming up with ideas for improvement and participating in safety work. This offers a great opportunity to enhance the safety culture even further. Increasing safety awareness, asking for ideas and feedback are key when engaging everyone and creating a safer work environment. Safety work is most effective when done together. It is a joint effort.

With their "I see it, I own it" mentality, the Jejuri team is making the Group-wide "If you see it, you own it" mindset personal and is embedding safety into the daily work. This means that if something is seen, immediate actions are taken, like warning others and trying to eliminate the hazard, or

making sure someone takes the responsibility. Once the immediate hazard has been removed, the report is filled out in the HSE reporting tool for proper corrective measures to be taken. The significance of the reporting process is to catch and eliminate unsafe working conditions or behaviors before they cause an incident.

This milestone is the result of the entire team's efforts and was possible because everyone has been committed to safety. Each employee has a positive attitude towards safety, and they know that there is always a way to perform work safely. Safety is not just numbers or KPIs for the management, it is crucial for everyone to stay healthy. All Jejuri employees want to make sure that colleagues, friends, coworkers and visitors get to go home safely, every day. Everyone is responsible for safety – in other words, everyone acts as a safety manager. Safety is really at the core of everything that is done in Jejuri.

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contractor incidents in our reporting system, but those are not included in our incident rates. The objective is to reach a TRI rate below three by 2025. We follow incidents, near-misses, and observations through management systems, the HSE reporting tool and the AIR product compliance management system, as well as through customer feedback.

Our safety performance once again showed significant year-on-year improvement during 2022. The TRI rate for the year was 5.6 (2021: 6.7), an improvement of 16 percent compared to 2021. We continued to focus on learning from incidents through an increased emphasis on investigation and corrective actions, supported in part by the HSE reporting tool. The reporting tool allows us to better track the quality of incident investigations and the completion of corrective actions, including the classification of corrective actions according to the hierarchy of controls. The main types of injuries were superficial such as bruises and scratches (38 percent); sprains and strains (31 percent);

and open wounds (14 percent). Injuries occurred mostly during movement of people (21 percent), working with hand-held tools (16 percent), and manual handling of materials (15 percent). The overall corrective action closing rate during 2022 was 90 percent.

In 2022, we maintained a strong focus on reporting and following up both actual and potential Serious Injury and Fatality (SIF) cases. We had a total of 4 (2021: 4) non-fatal SIF injuries among our own employees. The overall SIF Exposure rate decreased by 12 percent compared to 2021, with the total number of reported incidents or near-misses with Actual or Potential SIF consequences down to 43 from 49 in the previous year. In 2022, a total of 1.8 percent of all incidents reported were classified as SIF Exposure compared to 1.9 percent in 2021. The main causes for SIF Exposures were being crushed or pinched (26 percent), contact with live electricity (16 percent) and harm by motorized vehicles (12 percent).

The total number of reported near-misses was 1,490, which decreased slightly compared to the previous year (1,497). Meanwhile, the reporting of safety observations increased greatly in 2022. We significantly exceeded our target of over 3 observations per person by reporting a total of 4.31 per person in 2022 (2021: 3.07), with a total of 71,382 observations reported globally. This was an improvement of 40 percent compared to 2021 (51,004). While there were differences in the level of reporting between the different countries and units, all areas of operations showed significant improvement in reporting safety observations. Improving incident investigations and the quality of corrective actions, promoting near-miss and observation reporting, and following up on actual and potential SIF incidents will remain key activities in 2023. Safety performance is regularly monitored and discussed in the monthly Konecranes Leadership Team meetings as well as in the Board of Directors' meetings.

Targets and progress: Safe solutions and operations   Our commitment: We deliver safe and secure material handling solutions

Topic	Target	Progress	UN Sustainable Development Goals
Ensuring uncompromised safety in our own operations and the supply chain	TRI-rate <3 by the end of 2025.	TRI rate for the whole company was 5.6. Several Group-wide initiatives were launched to improve safety.	3 GOOD HEALTH AND WELL-BEING
	20% year-on-year reduction of SIF exposure for own and contractor employees by end of 2025.	Serious Injury and Fatality (SIF) incidents totaled 43 (49). SIF potential reduction of 12% from 2021. Improvements were made in SIF incident review and follow-up, especially in SIF management reviews.	3 GOOD HEALTH AND WELL-BEING
	Observations per year by the end of 2025: 5 per person. Target for 2022 > 3 per person.	Total number of recorded HSE observations was 71,382, or 4.31 per person.	3 GOOD HEALTH AND WELL-BEING
Providing solutions for safe, uninterrupted and secure material handling	Improving information security certification coverage.	New target as of 2023.	3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

INCLUSIVE AND FAIR WORKING CONDITIONS

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

In 2022 we published a Human Rights Policy and updated our human rights risk and impact assessment. We also continued driving the personal and professional growth and well-being of our employees.

To embrace the post-pandemic situation, we moved to a hybrid work model to ensure we keep up with the current and future labor market trends and support the needs of working in an international company, aiming to have an official hybrid working policy in all countries where we operate. We also recently updated the Konecranes Diversity, Equity and Inclusion (DEI) strategy to raise our ambition level on the topic further.

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

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Supporting human rights in our value chain

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

We are committed to operating in a manner consistent with internationally recognized human rights as defined in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. The ILO principles cover occupational safety and health; freedom of association and collective bargaining; non-discrimination in employment and occupation; elimination of slavery and forced labor; and abolition of child labor. We are also committed to the United Nations Guiding Principles on Business and Human Rights and the ten principles of the United Nations Global Compact.

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

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

Human rights due diligence

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

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

In 2022 we updated our human rights risk and impact assessment. We combined a human rights risk screening conducted earlier with the help of an external service provider with results received from different monitoring sources, such as a risk survey, audits, employee surveys and our Whistleblowing Channel.

The relevant potential human rights risks in our own or in our value chain's operations are occupational safety and health, working conditions, non-discrimination and harassment, slavery and forced labor, privacy and environmental degradation.
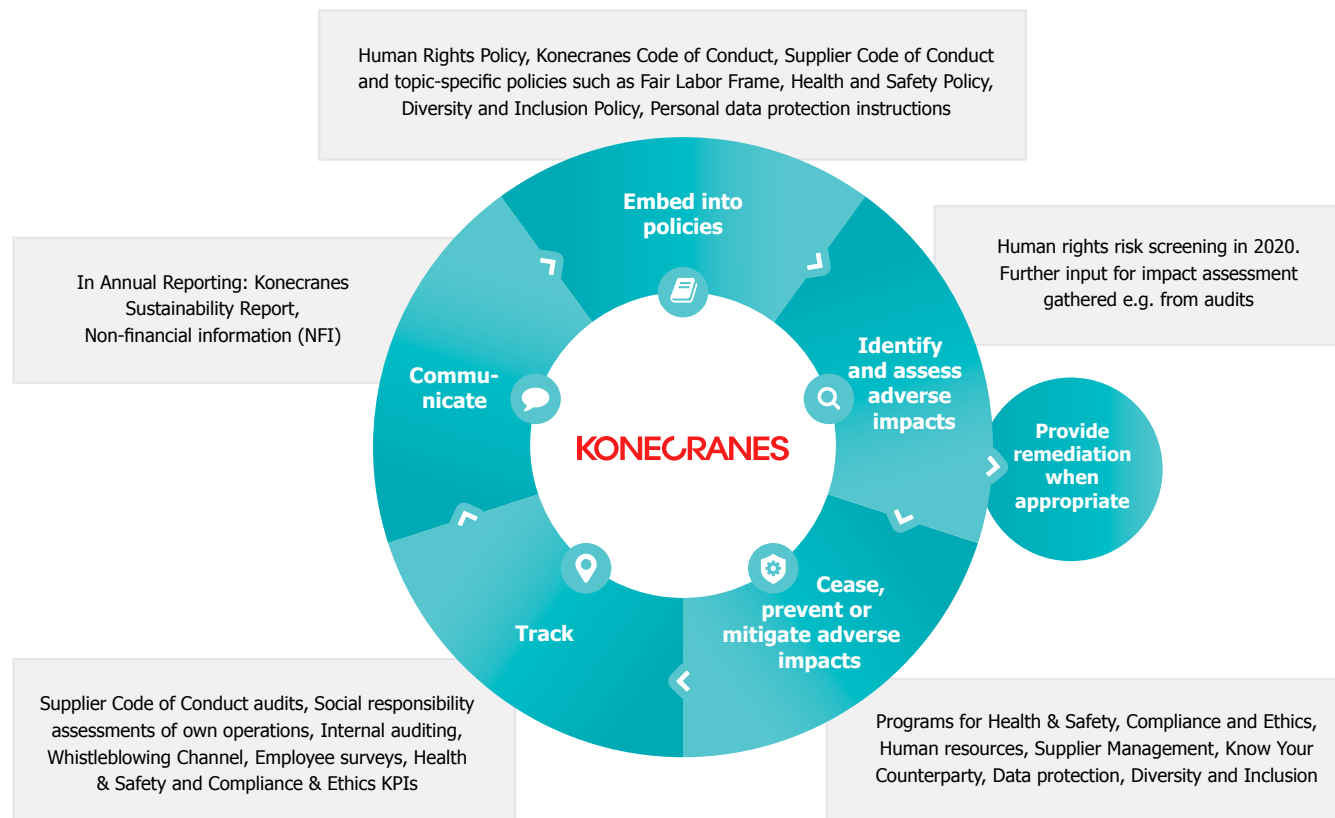
We have several programs in place to prevent and mitigate the typical negative human rights impacts. Read more about our work to reduce health and safety risks, both related to our products and in our own operations, in the section **We deliver safe and secure material handling solutions.** We also take privacy seriously and place a high priority

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on personal data protection. We have a dedicated data protection organization and defined processes, guidelines, requirements and procedures covering all personal data in our control, regardless of whether or not it concerns our own employees, customers, suppliers or subcontractors. To proactively prevent discrimination, we have a strong Diversity, Equity and Inclusion program, which is explained in the section **Representing the multicultural communities where we operate.** Furthermore, we have dedicated human resources management processes to provide fair working conditions and protect labor rights such as freedom of association and collective bargaining. Human rights are part of the company's annual, mandatory Code of Conduct training as well as embedded in new managers' training.

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

We encourage our employees and any external stakeholders to report all human rights concerns relating to Konecranes, without fear of retaliation. Our main human rights grievance channel is the Whistleblowing Channel used for all kinds of compliance and ethics concern-raising. Read more on the Whistleblowing Channel in the section **We expect high ethical standards of ourselves and our business partners.** If Konecranes causes or contributes to negative human rights impacts, we seek to provide access to remedy for the affected people either by ourselves or by cooperating in remediation through legitimate processes. We get stakeholder feedback on the effectiveness of the grievance mechanisms through our third-party social responsibility assessments and different employee surveys such as the Employee Engagement Survey and the Compliance & Ethics Risk Assessment Survey. Based on the feedback we have, for example, increased local communication on the concern-raising process.

Elements of human rights due diligence

Human Rights Policy, Konecranes Code of Conduct, Supplier Code of Conduct and topic-specific policies such as Fair Labor Frame, Health and Safety Policy, Diversity and Inclusion Policy, Personal data protection instructions

In Annual Reporting: Konecranes Sustainability Report, Non-financial information (NFI)

Human rights risk screening in 2020. Further input for impact assessment gathered e.g. from audits

Embed into policies

Communicate

Identify and assess adverse impacts

Provide remediation when appropriate

Track

Cease, prevent or mitigate adverse impacts

Supplier Code of Conduct audits, Social responsibility assessments of own operations, Internal auditing, Whistleblowing Channel, Employee surveys, Health & Safety and Compliance & Ethics KPIs

Programs for Health & Safety, Compliance and Ethics, Human resources, Supplier Management, Know Your Counterparty, Data protection, Diversity and Inclusion

We are tracking our human rights risk management performance in several ways, for example, by conducting compliance and ethics risk surveys, supplier audits and via whistleblowing channels and employee engagement surveys. Additionally, since 2022 a third party has conducted social responsibility assessments against our updated Fair Labor Frame. In 2022 there were assessments in seven Konecranes' manufacturing or service operation sites, located in typical high-risk countries, such as Saudi Arabia, India and Thailand. Assessors paid special attention to issues identified in the risk screening, including working hours and management of external labor. Sites are taking

action to close the non-conformities and we have embedded the follow-up of fair labor topics to the standard agenda of local companies' Board meetings.

All the above-mentioned tracking channels provide us input on how to improve our global human rights approach, and we are coordinating the work in a cross-functional Social Responsibility Network established in 2021. In 2022, we continued our pilot to include fair labor topics, relating for example to child and forced labor prevention, in our internal audits. Additionally, we have built our capabilities on living wage in a Group-led initiative.

Ensuring a fair and engaging workplace

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

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

Developing Talents
Our people strategy aims to ensure that we have the needed resources and skillsets for the future and that our employees are motivated and able to meet the business

requirements. At Konecranes, investing in the continuous development of our employees means encouraging them to seek learning opportunities and providing tools and methods that support efficient learning.

In 2022, we continued to offer all Konecranes employees the opportunity to have frequent manager-employee discussions through our Trust, People, Performance (TPP) process. These discussions focus on target setting, feedback and development. Ethics and compliance matters to all of us. Therefore, it is also required that these topics are emphasized during each TPP discussion. By having continuous dialogue with their manager, employees can achieve their targets faster and accelerate their professional
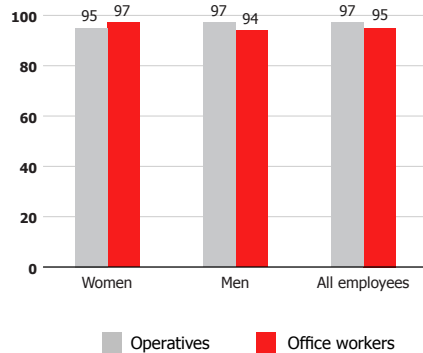
growth. For managers, the discussions offer opportunities to engage with team members by providing positive and constructive feedback as well as continuous support.

All employees are in the scope of the TPP process and the whole process is documented using a centralized, global system. At the end of 2022, 96 percent (90 in 2021) of employees had completed either a performance or a development review.

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

We launched a global mentoring program open for all Konecranes employees in 2022, where everyone has an opportunity to get support, learn about different cultures and ways of working, and share knowledge and experiences. Mentoring develops both our employees in

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

their roles and boosts the cross-functional communication and learning culture of Konecranes as a company.

To boost our core competences, we invest in and guide employees' professional competency and career development through a variety of training courses and other development activities. More information on these activities is provided in the section **Learning journeys and other development opportunities**.

Konecranes' remuneration schemes and practices aim to drive equal and fair pay. In 2022, we defined our strategy and action plan for progressing with equal and fair pay, and the implementation of the activities will be included in the local action plans in the coming years.

Supporting employees' well-being

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

want to provide our employees with a variety of well-being-related programs and activities.

In 2022, Konecranes initiated many new learning solutions and support sessions on the global level to support employees through different changes and challenges. These initiatives provided help to deal with stress management, well-being and resilience. We also launched a new change management portfolio named KC Compass including the Konecranes Cares program for managers and their teams who needed help in dealing with challenges in a compassionate and emotionally mature way. By the end of 2022, 1,067 employees had taken part in these globally offered learning solutions and support sessions.

On a country-level, Konecranes Finland, for example, utilizes an Early Support model, which aims to support

employees' well-being and detect any challenges early on. Konecranes Finland also offers its employees tools that support physical, mental, and psychosocial well-being by providing occupational psychology services, job guidance, mental well-being webinars and webinars on work-life balance.

The COVID-19 pandemic altered the way we work and where we work. We adjusted to the situation over time and learned the benefits of remote working, such as better work-life balance, digital collaboration and being able to focus better on the daily work. At the same time, we recognized the importance of social connection and the advantages of meeting people in person.

To embrace the post-pandemic situation, we moved to a hybrid work model across the company to ensure we keep

up with the current and future labor market trends, and support needs of working in a global company. We aim to have an official hybrid working policy in all countries where Konecranes operates.

Learning journeys and other development opportunities

Konecranes offers a variety of training courses and development activities on different topics ranging from technology to leadership and specific development programs on commercial excellence, project management and lean operations to boost our core competencies.
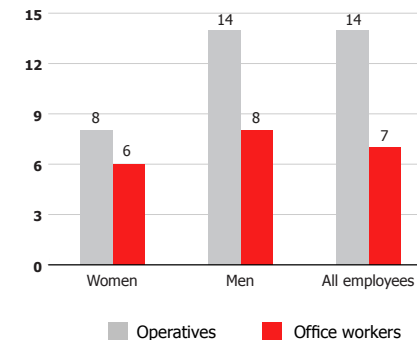
In 2022, the average time spent on learning per employee was 11 hours which was slightly less than in 2021 (13 hours). Our formal learning offering covered, for example, a new learning solution designed to support employees and managers in change management, well-being and resilience. Over 720 managers participated in the leadership development portfolio, which aimed to enhance the psychosocial well-being of managers and their teams. The topics included change management,

coaching skills, resilience, situational leadership and self-leadership.

There were also interventions such as Konecranes Cares and Challenging Times series, which were specifically designed to support employees and managers in challenging times, and to offer context and concrete tips for reflection, discussion, connection, compassion and resilience. The flagship "KC Leader" program was carried out for two cohorts. Overall, 65 percent of all employees received career- or skills-related training in 2022 (90 percent in 2021). The training coverage dropped especially due to our finetuned reporting definitions in 2022, as a result of which for example most of the health and safety trainings were excluded.

In case of possible situations where our businesses would need to optimize their operations, including reorganization, we are committed to managing such situations responsibly and to utilizing all relevant and available preventive means applicable to the specific case, such as the reduction of working time or early retirement. We actively engage with

employee representatives, and possible decisions and actions are made according to applicable social and legal processes, as well as local requirements.

Voice of the employee

Konecranes embraces a company culture where people feel a sense of inclusion and can openly share opinions and act to make Konecranes an even better place to work. This concept, called "My Voice", also includes internal engagement surveys. In the first half of 2022, we conducted a pulse survey to measure the sentiment and understand employees' feelings after the planned merger with Cargotec was canceled.

In 2023, there will again be a broad biannual Employee Engagement Survey, that assesses the satisfaction, motivation, and commitment of Konecranes employees globally. Employee engagement surveys are valuable tools for understanding how people feel about their work and for identifying ways to improve employee satisfaction. By continuously listening to employee feedback – capturing their voice – we can help to improve employee experience as well as customer satisfaction. In Konecranes, we want to tell our people that their voice matters and offer current and future employees a positive, diverse and equal work environment.

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

	Operatives	Office workers
Women	8	6
Men	14	8
All employees	14	7

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Representing the multicultural communities where we operate

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

Diversity, Equity and Inclusion
The recently updated Konecranes Diversity, Equity and Inclusion (DEI) strategy raises our ambition level even further, and the new three-year roadmap supports our long-term targets. At the core of the Konecranes DEI strategy are the four "Ts": 1) Transforming: learn from each other; 2) Talented: work with leading and most diverse talents; 3)

Trusted: be trusted and feel proud to work at Konecranes; 4) Together: as one team, embrace equality, strive for inclusion and advance our customers' material flow.

Raising awareness and making a difference
In 2022, we expanded our diversity agenda to cover aspects such as sexual orientation, disability inclusion, immigration

and refugees' status, and focused on embedding inclusion and equity in our processes. Equity was introduced as the new dimension in our culture, aiming to foster a culture where everybody can be themselves and have equal opportunities to succeed in their daily work.

Our Coffee and Culture webinars that continued in 2022 are engaging and educational discussions about inclusion that encompasses multiple diversity dimensions. Our goal is to create an environment where people can feel psychologically safe to express themselves and perform at their best.

We continue to train the organization, with the goal of moving from awareness to actively advocating DEI. To achieve this goal, in 2022 we actively educated our employees through different trainings and learning paths, such as an internal workshop "We Choose to Challenge", which was dedicated to advancing DEI in the supply area. We continued to provide e-learning to all employees, and put additional emphasis on inclusive language training. We
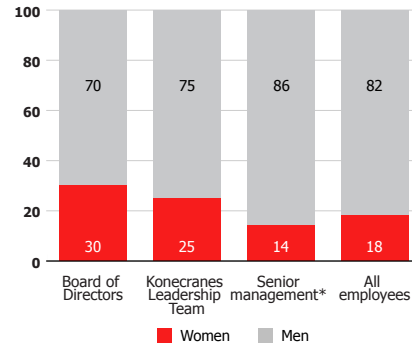
also arranged a set of workshops and other activities to support our employees in response to the war in Ukraine. The workshops covered topics such as bias on cultural diversity, belonging and psychological safety, and inclusion and well-being.

During 2022, we organized internal and external campaigns on multiple DEI-related topics. On International Women's Day, we focused on our values, while supporting Ukrainians. We also discussed detecting biases and refugee inclusion. We organized webinars and other activities together with our Employee Resource Groups (ERGs). The ERGs have been established around topics, such as encouraging women and girls to embrace careers in the fields of Science, Technology, Engineering and Mathematics (STEM), inspiring women to leadership, advancing and promoting workplace equality and inclusion, and improving physical, mental and accessibility issues. In addition, we arranged a panel for our leaders and young talents to discuss multigenerational integration and how we as a company could support our employees across generations.

Starting from 2022, one of our priorities is to localize the DEI activities to the country level, where different programs and events will be supported by the global initiatives. In 2021 we signed the Diversity Charter that promotes diversity management in Finland, and during 2022, we implemented the same initiative in Germany. Konecranes' Managing Directors in Germany advocate this initiative as an important part of their business agendas. We have also created local DEI targets for the biggest Konecranes country organizations and have established a standardized process, including data collection, for local Managing Directors' target setting and review regarding DEI topics. All our processes and initiatives start from a robust data-driven approach and most of our business units review their DEI targets monthly, reflecting on the actions taken and what should be done to reach the target.

We actively campaigned throughout the year 2022 to engage with our internal and external stakeholders and

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

* Senior Management = everyone on job level 11 and above

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

involve the communities where we operate. This year, we expanded the #BeYouatKonecranes initiative that shows our commitment to the LGBTQI+ community and allies during Pride month by raising awareness and creating conversations through educational activities and receiving visible support from our Konecranes Leadership Team members.
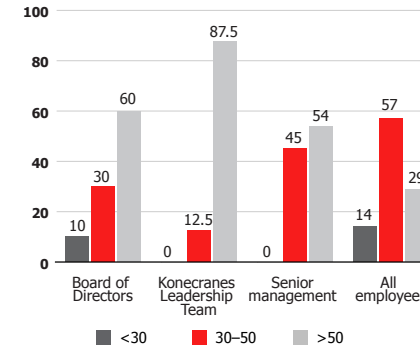
We also continued to actively collaborate with various organizations, companies, platforms and associations devoted to accelerating gender parity like Catalyst Europe and European Women on Board to share learnings and improvements and to further DEI topics.

Our efforts and systematic approach in DEI were rewarded by the Finnish Foundation for Share Promotion (Pörssisäätiö) as the best Finnish Large Cap company promoting diversity. Read more about the topic in the section **Recognitions from stakeholders**.

From hiring to developing talent

During 2022, we implemented initiatives to attract more diverse talents and to be a company of choice for the

applicants. We worked on inclusive recruitment and employer branding practices and as part of this work, we implemented a pilot project on blind recruitment in three countries. Based on the pilot project we, for example, standardized our interview guides, updated our managers' handbook on inclusive hiring and launched learning practices on unconscious bias. Our employer branding improvement initiatives that focused on gender diversity and STEM area for Service Technicians and Operatives resulted in an increase of more than 40 percent in the number of applicants for those positions when compared to the previous year.

We continued our actions to further promote gender balance in the organization. By ensuring our succession plans include a proper diversity balance, we aim to succeed in the future target and expectation set by the new EU directive on gender balance. We have established a fast-track program for accelerating and boosting leadership competencies for women approaching managerial positions. In addition, we further promoted our mentoring programs for women through our renewed Internal Mentoring program, but also in cooperation with the European Women on Board. Four of our employees attended the European Women on Board mentoring.

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Targets and progress: Inclusive and fair working conditions   **Our commitment: We create a fair, inclusive, diverse and engaging working environment.**

Topic	Target	Progress	UN Sustainable Development Goals
Supporting human rights in value chain	Execute at least 30 supplier sustainability audits per year with internal and external resources.	29 external on-site sustainability audits (i.e. Supplier Code of Conduct audits) were conducted.	
Ensuring a fair and engaging workplace	By the end of 2022 we aim to conduct at least 5 on-site social responsibility assessments in our own operations.	7 on-site social responsibility assessments were conducted (6 in 2021).	
	NEW TARGET FOR 2023: Conduct at least 3 on-site social responsibility assessments in our own operations. Target level is lowered as we have already covered 9 risk countries during 2021–2022.		
Representing the multicultural communities where we operate	By the end of 2025, female gender share of total organization 22%.	Female gender share of total organization 18.2% (17.7% in 2021).	
	By the end of 2025, female share of leadership positions 22% (leadership positions job level 11 and above).	Female gender share of leadership positions 14.3% (14.3% in 2021)	
	By the end of 2025, female gender share in STEM / Technology area of 22%.	Female gender share in STEM/Technology area 15.3% (15% in 2021).	
	Composition of global management teams in business segments and functions reflects the variety of nationalities and geographies of customers and employees.	On average, 65% of global business segment and management teams are comprised of one prevalent nationality (61% in 2021).	
	In countries, share of minority groups in organizations reflects local demographic by 2025.	8 key countries have established local targets and actions (6 in 2021).	
	Improve Inclusion Index result.	Inclusion Index introduced in 2021 with 69% favorable result. Next index measurement in H1 2023.	

RESPONSIBLE BUSINESS CONDUCT

We expect high ethical standards of ourselves and our business partners

Strong focus on responsible business practices continued in 2022. We executed multiple awareness-raising activities during the year with the main focus on advanced competition law trainings, the relaunch of the trade sanctions and export controls e-learning, and the yearly Code of Conduct training.

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

Konecranes' Code of Conduct and Corporate Governance Framework guide the everyday activities of the company by clearly describing our internal standards and ethical values as well as our legal obligations. The Code of Conduct is complemented by several Group-wide policies regarding quality, safety, environment, supplier requirements, anti-corruption, data protection, competition law and equal treatment and diversity, among others. Our main

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compliance policies and our yearly Code of Conduct training are available in 35 languages. All employees are expected to understand and abide by our Code of Conduct.

Compliance & Ethics

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

We have an annual Compliance & Ethics risk assessment process supported by biennial risk assessment surveys to get insights throughout our organization. These insights, together with our global employee engagement surveys, facilitate the evaluation of our responsible business conduct KPIs and overall compliance and ethics program. We have internal controls in place regarding selected key compliance and ethics requirements, which are regularly audited by our internal audit function and by targeted monitoring activities by the Compliance & Ethics team.

One element of our Compliance & Ethics program is our data protection program where we have a structured governance model as well as defined roles and responsibilities in place. Our program is designed to take into account relevant risks and risk levels. Periodic data protection training is required from persons managing personal data.

We promote a healthy "Speak Up" culture where people can feel safe reporting compliance and ethics concerns. We offer multiple ways of raising concerns internally – through the management, HR or Legal and Compliance & Ethics teams or through our externally hosted Whistleblowing Channel, which also enables anonymous reporting when allowed by local laws. The Whistleblowing Channel is also open to anyone externally. We have a clear policy of no retaliation

established in our global Whistleblowing Guidelines, which are available in 35 languages and are promoted in our Code of Conduct training. During 2022 we focused on updating our whistleblowing and investigation processes and related guidance to ensure compliance with the new whistleblowing law requirements especially in the EU.

All reports made are reviewed and investigated as appropriate. The Compliance & Ethics team, as a dedicated and impartial team, is responsible for conducting the investigations. During 2022, 56 compliance investigations were initiated as a result of reports made through different channels. The topics of the investigations included, for example, conflicts of interest, HR-related matters, anti-corruption and fraud. Appropriate remediation measures and proper corrective and preventative actions were considered and taken as a consequence in each case, including disciplinary actions, process improvements, training and coaching for employees.

We executed several awareness raising activities during 2022 with the main focus on advanced competition law training to targeted audiences, relaunch of our trade sanctions and export controls e-learning and the yearly Code of Conduct training. The Code of Conduct training is mandatory for all employees globally, including operatives, and in connection with the training all employees are required to confirm their awareness of the Code. Overall, we conducted more than 100 trainings during the year covering various compliance topics such as ethical leadership, anti-corruption, competition law, conflict of interest and whistleblowing. During 2022 we also continued to execute our annual compliance statement signoff process for targeted positions.

Anti-corruption and bribery prevention

Our Anti-Corruption Policy and Code of Conduct demonstrate our commitment to working against corruption in all forms, including extortion and bribery, and set the foundation for our anti-corruption program. Our Anti-

Corruption Policy has compliance protocols and guidelines in place to detect and address risks, embedding our zero-tolerance approach towards corrupt practices into our monitoring and follow-up processes. Several actions and processes are set up to mitigate corruption and fraud risks including internal controls, sponsorships and donations approval process, and a Gifts and Hospitality Portal, which is a central location for employees to report and gain pre-approval for offering and receiving gifts and hospitality. Our employees are trained in anti-corruption matters as part of our Code of Conduct training. In addition to this, we organize more advanced anti-corruption trainings for selected groups and in 2022 we focused on the sales teams.

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

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

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Responsibility in our supply chain

The Procurement organization is responsible for compliance with the legal, ethical, environmental and other sustainability obligations within Konecranes' supplier base and sets the requirements and processes for procurement. In total, we have approximately 23,500 Tier 1 suppliers. We apply a category management procurement model to optimize our global supplier base, strengthen relationships and set requirements for all our suppliers. With regard to materials, Konecranes mainly procures steel and mechanical and electrical components. We also procure, for example, logistics services and subcontracting of both components and field activities, such as crane installations. In this section, the term 'supplier' covers all the different actors in our supply chain except where a subcontractor is mentioned separately.

We offer a wide range of products and service solutions globally, which means that we also have an extensive global supplier base. Our top 5 countries by the number of suppliers are Germany, Finland, the USA, France and Sweden. As one solution to practical management challenges, we launched an electronic procurement system at the end of 2020 to manage our supplier base more efficiently through more automated processes. In 2022 we rolled out the system for a larger number of suppliers and continued its further development. A global supply chain also brings sustainability-related risks. Below, we describe the key processes procurement has in place at the moment to mitigate sustainability-related risks both in the supplier selection phase and during the business relationship.

Selecting our suppliers

The anticipated spending with a supplier has an impact on the checks done during the selection phase. We will do a basic background check for all proposed new suppliers unless the expenditure is very low. With this check we verify, for example, that the company in question pays taxes, has all necessary insurances in place and agrees to comply with our key environmental and social requirements. A larger self-assessment is required for proposed suppliers with spending over a certain threshold and for all subcontractors irrespective of spend. This self-assessment includes questions on finance, production, quality, safety and environment. With the self-assessment, we also verify that the supplier complies with our Supplier Code of Conduct.

The Konecranes Supplier Code of Conduct includes the minimum requirements for suppliers on topics such as human rights, health and safety, environmental management, anti-corruption and compliance with laws and regulations. We started applying the Supplier Code of Conduct in 2018, before which we required suppliers to follow Konecranes' general Code of Conduct. By the end of 2022, globally approximately 1,700 suppliers (18 percent more than in 2021), representing approximately 52 percent of our total procurement spend, have signed to commit to our Supplier Code of Conduct or equivalent requirements. We will continue to increase the share in 2023.

Managing sustainability during the business relationship with suppliers

From 2021 onwards we have required our subcontractors and large suppliers to complete a self-assessment every three years. In addition, we conduct two types of on-site audits mainly for existing suppliers, even though sometimes audits are done already in the selection phase. We annually conduct approximately one hundred on-site process audits based on identified risks – 102 such audits were conducted in 2022. About 20 percent of the standard points checked in these audits are sustainability-related, ranging from working hours to collective bargaining, and from waste management to safety rules.

In 2020, we started on-site supplier sustainability audits, which concentrate particularly on the Konecranes Supplier Code of Conduct (SCoC) requirements and local regulations on the Code themes. The audits are done by a third party specializing in sustainability audits and they include employee and management interviews, site tours and document reviews. Auditee selection is done based on country and category risks, utilizing, for example, a company-level human rights risk assessment, and also taking into account category strategies and supplier segmentation.

We have defined an escalation process for critical findings, which can, in the worst case, lead to ending a business relationship with a supplier. In 2022, altogether 29 audits were conducted in 12 countries, including China, India, Brazil and Vietnam. In total, there were approximately 450 findings related to, for example, working hours, use of personal protective equipment, missing environmental targets and incomplete anti-corruption policies. We require the audited suppliers to provide a corrective action plan after the audit and we work together with the suppliers to resolve the findings in due time. We will share the lessons learned in the audits with our procurement teams to increase awareness and knowledge about the realized sustainability risks. The identified risks can then be better mitigated also within other supplier management processes.

Our sustainability management focus is on our Tier 1 suppliers, i.e. suppliers with which we have a direct business relationship. The Konecranes Supplier Code of Conduct nevertheless requires suppliers to push similar requirements for their suppliers and in Conflict Minerals program we collect standard information across the tiers up to the smelter or refinery level. We sometimes also audit the suppliers of our supplier as part of the on-site audit program. For example, in 2022 we audited an Indian rope manufacturer of our European supplier.

Substance management

There is an increasing amount of legislation related to the use of harmful substances in products. Our key requirements, which apply to both our own operations and purchased components, are described in the Konecranes Restricted Substances List, which is updated regularly. Substances on the list are harmful either to human beings or to the environment. In 2022 we worked especially with European Waste Framework Directive, which requires companies to report their products to the European Chemicals Agency's public database (SCIP), if the products include certain substances listed in the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation. The most common reportable substance in our products is lead, which exists in small amounts, for example, in some electrical control parts and in some brass components. Regulations still allow the use of lead in these kinds of applications, but we already encourage suppliers to find alternative materials.

No EU or U.S. conflict mineral regulations are applicable to Konecranes. Nevertheless, in 2022 we created the Konecranes Responsible Minerals Statement, where we commit to conduct due diligence across the supply chain to clarify where so-called conflict minerals (tin, tantalum, tungsten, and gold) originate from. We aim to ensure that minerals come from smelters or refineries audited to be conflict-free. Smelter/refinery audit information is important, as it is widely known that there is a risk that funds from the trade of these particular minerals contribute to or benefit from serious violations of human rights, if the minerals are originating from conflict-affected or high-risk areas (such as the Democratic Republic of Congo and its neighboring countries).

In addition to conflict minerals, we expect our suppliers to ensure that cobalt, lithium, nickel and manganese used in batteries are sourced without any human rights abuses. We started the battery-related due diligence efforts from the cobalt supply chain in 2021 and aim to tackle the next critical minerals in 2023. As conflict and battery minerals are essential in the manufacture of a variety of devices, including electronics, we are not trying to solve the issue alone, but are utilizing an industry-level approach and are members of Responsible Minerals Initiative (RMI).

In 2022, we offered training materials for the suppliers targeted for our conflict minerals due diligence, such as suppliers providing Konecranes with designed electronics as well as inverter and battery suppliers. 53 percent of them (78 in 2021) provided us with the requested detailed information. Altogether, our suppliers identified to source materials from 345 tin, tantalum, tungsten or gold smelters/refineries, out of which 72 percent were already verified or were in the middle of the verification process to be declared conflict-free by independent third-party auditors. In 2021-2022, cobalt was reported to be sourced from 30 mineral processors, out of which 80 percent were already verified or were in the middle of the verification process to be declared conflict-free. With our continuous program we encourage our suppliers to use minerals only from audited sources and through RMI we are supporting additional smelters to go through auditing.

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Targets and progress: Responsible business conduct　Our commitment: We expect high ethical standards of ourselves and our business partners

Topic	Target	Progress	UN Sustainable Development Goals
Embedding sustainability, compliance and ethical requirements in our business processes	Mandatory Code of Conduct training completed by all employees.*	During 2022 over 15,000 employees representing 94% of all employees* completed our Code of Conduct basic training (EMEA 94%, APAC 98%, Americas 89%).	
	Competition Compliance training completed by 100% of defined target audience.	By the end of the year 2022, 98% of the target audience had completed the Competition Compliance training.	
	100% positive response on engagement survey questions: 1) "Management of my unit is committed to integrity and ethical business practices" 2) "I would feel comfortable reporting unethical behavior if I saw it in Konecranes"	No data available for 2022. Based on the employee engagement survey conducted in 2021, the average percentage of employees responding positively (with a score 7–10 out of 10) to questions (1) and (2) was 84% and 82%, respectively.	
	Continue to roll out Supplier Code of Conduct (SCoC) for existing and new suppliers and subcontractors based on identified risks and spending.	Globally approximately 1,700 suppliers (18% more than in 2021), representing approximately 52% of our total procurement spend**, have committed to our Supplier Code of Conduct or equivalent requirements. Among the top 1,000 suppliers by spending, the coverage was 66%.	

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

** Calculated against suppliers and spend covered in a central procurement tool, which includes around 97% total Group spend.

Engaging stakeholders

We place a great deal of importance on public disclosure of our performance and our role in addressing sustainability opportunities and challenges.

In addition to being responsible, we must also be responsive to society's fast-changing expectations by engaging in regular and close dialogue with our key stakeholders – including our employees, customers, business partners and investors – to understand their evolving needs and expectations. In addition to our key stakeholders, we have identified other relevant stakeholder groups that are increasingly important to Konecranes, including local communities and authorities, associations, universities and research institutes, trade unions, non-profit organizations (NGOs), rating agencies, analysts and the media.

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

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

Community involvement and donations

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

In 2022, the total sum of donations was EUR 0.2 million, and the focus was on supporting the victims of the Ukraine war through Red Cross. We also made smaller donations to help particularly the communities and schools near the Konecranes Ukraine facilities. Furthermore, outside Ukraine we donated, for example, to a fund that supports long-term work for children's future on a global level. In 2022 we made a donation also to the University of Helsinki to continue the research collaboration that was started in 2020. Applying computer vision and deep learning to crane navigation, this project will also benefit wider applications in society, for example, in the navigation of autonomous vehicles or drones. In addition to donations, some of our sponsorships support the communities near our sites, relating typically to sports or cultural events.

Recognitions from stakeholders

A- rating from CDP
In 2022 Konecranes received an A- rating from CDP for our ambitious climate work. The rating improved from previous year's B, elevating Konecranes into the Leadership ranking. The rating is based on the company's 2021 disclosure about its actions in cutting emissions, managing and mitigating climate risks and developing our low-carbon offering.

EcoVadis Gold Medal
Konecranes received again a Gold rating from the supplier sustainability assessment of EcoVadis. According to EcoVadis, Konecranes' overall sustainability performance is on an advanced level in activities related to the environment, labor and human rights, ethics and sustainable procurement. The company's actions, policies and reporting put us in the top 7 percent of all rated companies globally, and within the top 2 percent of our general-purpose machinery peers.

DIMECC Prize 2022
Konecranes was awarded the DIMECC Prize 2022, an award for cooperation between companies and research organizations, for active participation in the Industrial Data Excellence (InDEx) program and exemplary co-creation in programs and ecosystems. The awarded collaboration investigated an intelligent factory prototype where various devices connected to Internet of Things transmitted information to a crane, which then performed material transfer tasks automatically. It was the most extensive test of the International Data Spaces (IDS) platform in Finland and Europe. The program focuses on smart factories that enable safer, more productive and sustainable operations.

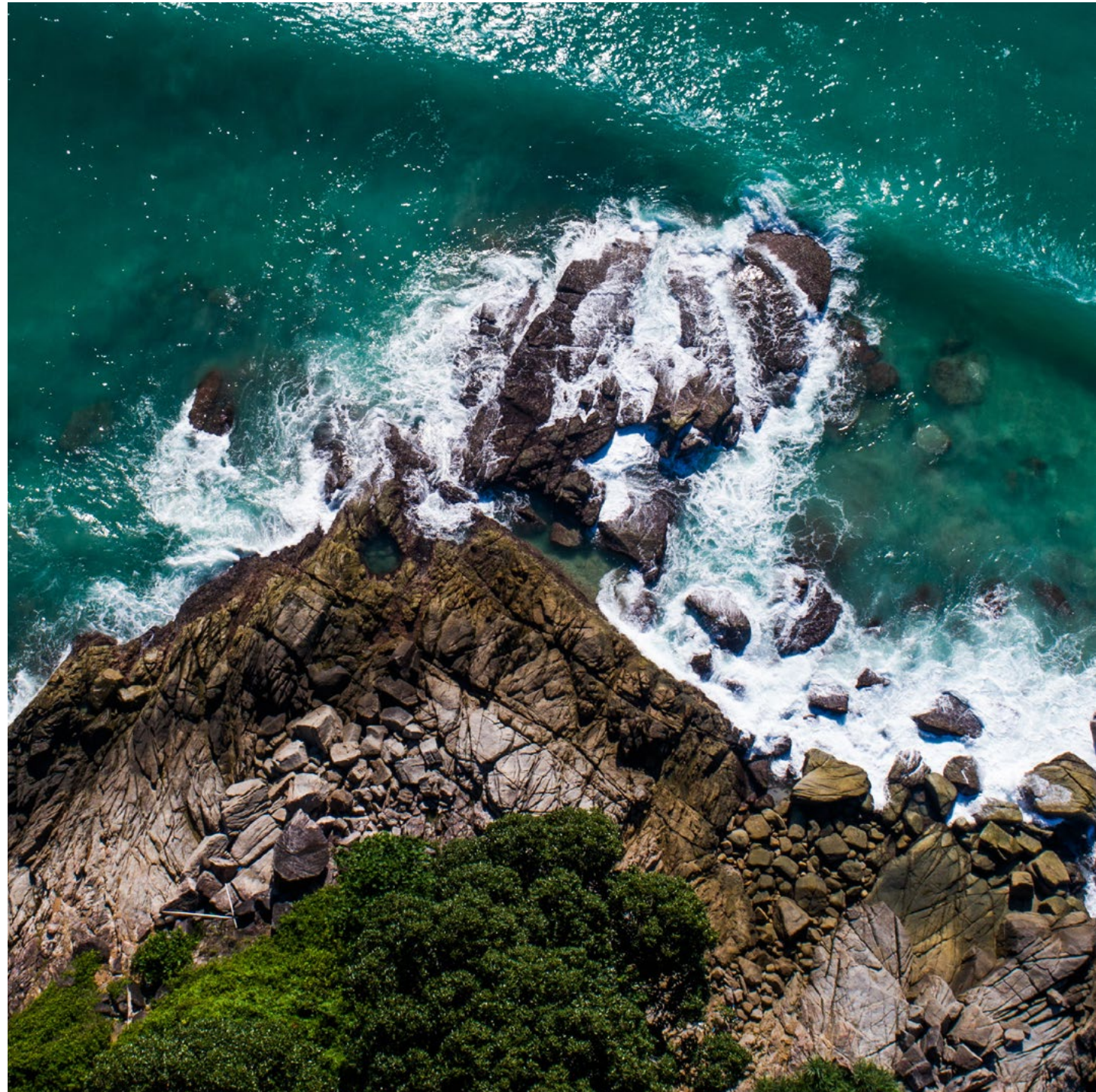### Best Finnish Large Cap company promoting diversity
Our efforts and systematic approach in Diversity, Equity and Inclusion was recognized by the Finnish Foundation for Share Promotion (Pörssisäätiö) in 2022. Konecranes was awarded as the best Finnish Large Cap company promoting diversity.

Interaction with stakeholders

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

Data and indices

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

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Reporting principles

Disclosing information on how we manage our economic, environmental, and social impacts is an integral part of Konecranes' Annual Report and Financial Statements. The disclosures aim to fulfil the requirements of the EU's Non-Financial Information (NFI) directive and communicate information on diversity while using the Global Reporting Initiative (GRI) framework. The reporting scope includes business over which the Group has operational control, and reporting is aligned with reporting on the financial year (calendar year 2022).

We have commissioned a limited third-party assurance for safety, energy and emission data. External assurance is provided to GRI indicators:

302-1　Energy consumption within the organization
305-1　Direct (Scope 1) GHG emissions
305-2　Energy indirect (Scope 2) GHG emissions
305-3　Other indirect (Scope 3) GHG emissions (partly)
305-4　GHG emissions intensity
403-9　Work-related injuries

The official base year for Konecranes' science-based targets and emission data is 2019. For more information, see the external assurance statement by Ecobio Oy.

More information about the calculation methodology is available at **https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability**.

This sustainability report has been prepared in accordance with the GRI Universal Standards 2021. We have applied the Reporting Principles for defining report content by identifying our material economic, environmental and social topics by conducting a materiality assessment, and have employed the topic-specific standards in reporting. The topic-specific standards are year 2016 versions unless otherwise stated next to the standard number.

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

Along with our GRI Index, we are disclosing Sustainability Accounting Standards Board (SASB) indicators deemed material for our company. In accordance with our industry,

we are using the standard tailored for Industrial machinery and goods, version 2018-10.

We also follow guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) to share Konecranes' approach in a transparent manner. The most relevant climate opportunities reside in Konecranes' offering, enabling decarbonization for customers by providing equipment and solutions that reduce emissions and advance electrification. Read more about this from the **Statement of Non-Financial Information** in the **Governance and Financial Review** available at **https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability.**

Sustainability management approaches

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

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

Material topic	Impacts	Policies, principles, commitments and governance	Mitigating and addressing impacts
Human rights, including fair labor	Ensuring fair working conditions. Potential negative impacts in own operations and business relations on occupational safety and health, working conditions, non-discrimination and harassment, elimination of slavery and forced labor, privacy, avoidance of environmental degradation.	Respecting human rights including labor rights. Code of Conduct, Human Rights Policy, Fair Labor Frame, Supplier Code of Conduct, Distributor Code of Conduct, Credit Policy. Sustainability governance, Compliance & Ethics Committee.	Human rights due diligence process, including risk and impact identification and assessment. Prevention and mitigation through e.g. health and safety management system, fair labor practices, Know Your Counterparty, supplier management and Code of Conduct training. Monitoring e.g. via social responsibility assessments, Supplier Code of Conduct audits, employee surveys, and internal audit. Various ways to report grievances and seek remedy including through the whistleblowing process.
Anti-corruption	When managed well leads to compliance with rules and regulations, and therefore ensures being a trustworthy business partner. Potential negative impact would be corrupted practices, which could lead to legal implications, fines and punishments to the company and individuals involved and have negative impact on the economies and societies at large. With our approach we strive to create positive impact for the society.	Setting a common standard for responsible business conduct, working against corruption in all its forms, including extortion and bribery. Code of Conduct, Anti-Corruption Policy, Rules on Agents, Distributors and Other Sales Intermediaries and Gifts, Hospitality Travel and Expenses, Sponsorships, donations and marketing cooperations policy, Conflict of Interest Instruction, Credit Policy. Compliance & Ethics Committee and Audit Committee of the Board of Directors of Konecranes Plc.	Global Compliance & Ethics program, including anti-corruption program. Anti-Corruption training. Various ways to report including a Whistleblowing Channel, which is available internally and externally. Internal controls in place which are audited by the internal audit and by monitoring activities by the Compliance & Ethics team. Gifts & Hospitality Portal. Conflict of Interest Portal. Donations and sponsorships approval process. Know Your Counterparty process including sales intermediary specific processes.
Fair sourcing	Providing income for a significant number of suppliers and subcontractors globally. Striving to have positive, instead of negative impacts e.g. on human rights and environment. Advancing ethical behavior.	Expecting high ethical standards from our suppliers. Supplier Code of Conduct, Supplier Manual, Konecranes Restricted Substances List. Procurement governance, including Strategic Sourcing Council.	Selection and onboarding process including background checks, pre-assessment. Management of existing suppliers including supplier segmentation and classification, self-assessment, audits, data collection, escalation. Risk management processes.
Diversity, Equity & Inclusion	Supporting fair labor including non-discrimination. Increased diversity, equity and inclusion. Potential negative impact could lead to unequal treatment of people.	We represent the multicultural communities where we operate. Diversity and Inclusion Policy, Recruitment policy.	Talent Management process, trainings, management meetings, webinars and workshops, dedicated DEI champions per Region, Employee Resource Groups. Measuring Inclusion index, and our diversity maturity level.

Material topic	Impacts	Policies, principles, commitments and governance	Mitigating and addressing impacts
Health and Safety	Potential worst case could lead to death or severe injury. Positive impact in ensuring safe and healthy workplace.	Ambition level is to get everyone safe home every day. Key target is TRI rate 3 by 2025. Safety Policy. Follow up in Konecranes Leadership Team.	Behaving safely always and having zero tolerance towards unsafe acts and safety violations. Own operation safety management based on certified ISO 45001, global HSE Standards and Life-Saving Behaviors. Measuring TRIF rate and observations. External verification for TRI and number of work-related fatalities.
Product safety and security	Enhanced safety and security of customers' business. Improved efficiency and productivity of their operations. Potential harm to people and customer's operations, bad reputation that causes problems for our business.	Delivering safe and secure material handling solutions. Quality policy, Konecranes Information Security Policy, Konecranes Personal Data Protection Instructions. Product safety is managed in respective business management teams as well as product platform development teams. Information security management system.	Product development process and quality system focusing on Accident Investigation Report (AIR) instructions, field quality inspection instructions; non-conformity handling process. Offering including e.g. safety features, preventive and predictive maintenance, Service Technicians' mobile applications, for daily inspection data. Konecranes ISMS covering IT, factory technology and Konecranes products and services, including ISO 27001 certification, process for responding to security incidents and security controls.
Green House Gas (GHG) emissions	Minimizing GHG emissions and supporting our customers in reaching their targets. Advancing industry standards. GHG emissions accelerating climate change with its adverse effects.	1.5 °C Science Based Targets. Environmental policy. Code of Conduct, Supplier Code of Conduct, HSE excellence. Governance model for climate can be found in the Statement of Non-Financial Information.	Climate risks analysis based on scenario work conducted annually. Own operation environmental management based on certified ISO 14001 EMS and global HSE Standards. Product development according to Design for Environment and supplier management lead with Supplier Code of Conduct. Monitoring progress monthly. Emission data with third-party assurance.
Circular Economy -materials and waste	Avoiding raw material scarcity due to efficient material utilization by ensuring long-lifetime and remanufacturing opportunities and effective recycling possibilities. Resource consumption leading to resource (water, materials & energy) scarcity and loss of biodiversity. Excess waste generation with harmful effects on the environment.	Committed to innovate new circular business opportunities. Environmental policy. Followed in business segment management teams and by the Sustainability Council.	Own operation environmental management based on certified ISO 14001 EMS and global HSE Standards. Processes to collect and monitor waste-related data. Product development according to Design for Environment and supplier management lead with Supplier Code of Conduct.

Environmental data 2022 (GRI 302-1, 305-1, 305-2, 305-3, 305-4, 306-3. SASB RT-IG-130a.1)

	KPIs	2022	2021	2020	2019
Energy and emissions (Scope 1, Scope 2)	Total energy consumption (MWh)	251,400	275,000	267,100	305,300
	Fuel consumption[1] (MWh)	133,500	129,600	124,600	143,000
	Natural gas and LPG consumption (MWh)	45,900	63,400	62,900	77,900
	Electricity consumption (MWh)	60,800	68,900	68,600	71,300
	District heat consumption (MWh)	11,300	13,000	11,000	13,100
	Total energy consumption per sales (MWh/M€)	73	85	84	92
	Grid electricity percentage (%)[2]	24%	25%	25%	25%
	Renewable energy percentage (%)[3]	22%	20%	10%	8%
	Renewable electricity percentage (%)[4]	100%	67%	30%	26%
	Scope 1 and Scope 2, Total emissions[5] (tCO_2e)	43,000	58,900	73,400	85,700
	Scope 1, direct emissions[6] (tCO_2e)	40,100	44,500	43,000	52,500
	Scope 2, indirect emissions tCO_2e [7] — Location-based method	20,200	23,800	27,600	29,700
	Scope 2, indirect emissions tCO_2e [7] — Market-based method	2,900	14,400	30,300	33,100
	Total emissions[5] per sales (tCO_2e/M€)	12	17	23	25
	Total emissions[5] per energy unit (tCO_2e/MWh)	0.16	0.20	0.27	0.27
Emissions Scope 3	Purchased goods and services (tCO_2e)	1,450,000	1,515,600	1,391,600	1,573,000
	Capital goods (tCO_2e)	3,900	3,400	3,700	3,700
	Fuel- and energy-related activities (tCO_2e)	10,600	14,000	17,600	19,900
	Upstream transportation and distribution[8] (tCO_2e)	116,000	53,800	34,800	39,500
	Waste generated in operations (tCO_2e)	200	300	900	600
	Business travel without flights (tCO_2e)	1,200	500	200	900
	Business flights (tCO_2e)	4,400	1,900	3,000	11,200
	Employee commuting (tCO_2e)	18,500	18,600	18,900	18,100
	Downstream transportation and distribution (tCO_2e)	11,600	5,400	4,800	3,900
	Use of sold products[9] (tCO_2e)	3,012,500	3,470,500	3,412,700	3,984,200
	End-of-life treatment of sold products (tCO_2e)	4,300	5,000	5,500	5,900
	Investments (tCO_2e)	17,700	18,000	6,700	6,700
	Scope 3, Total emissions[10] (tCO_2e)	4,650,700	5,106,900	4,900,300	5,667,700
Waste	Metal scrap [11] (tons)	12,000	13,900	13,700	15,700
	Cardboard, paper and wood[12] (tons)	2,400	2,400	2,400	2,800
	Hazardous and electronic and electrical waste [13] (tons)	1,300	1,400	2,000	2,200
	Other waste[14] (tons)	1,300	1,800	3,700	3,500
	Recycling rate %[15]	78%	69%	-	-
	Water consumption (m³)	152,300	163,000	168,000	194,400

1 MWh = 3.6 GJ.   M€ = million euros.

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

1) Fuel consumption consists of diesel, petrol and ethanol. Ethanol consumption was added to the scope in 2022.

2) Amount of grid electricity consumption divided by total energy consumption.

3) Amount of renewable energy divided by total energy consumption.

4) Amount of renewable electricity divided by total electricity consumption. Limited to manufacturing operations.

5) Total emissions include scope 1 and scope 2 (market-based method). CO_2, CH_4 and N_2O included. GWP: 2007 IPCC Fourth Assessment Report AR4.

6) Scope 1 includes emissions from fuel, natural gas and LPG consumption and fugitive emissions (refrigerants).

7) Scope 2 includes emissions from electricity and district heat consumption. Scope 2 indirect emissions are calculated according to the GHG Protocol Scope 2 Guidance dual reporting requirement: location-based and market-based method.

8) In 2022 we were able to enhance our calculation by obtaining more detailed data from the suppliers.

9) The emission factors for the use of sold products were updated in 2022. We recalculated the emissions for 2021 and 2020.

10) Total emissions include all scope 3 emissions applicable to Konecranes.

11) Waste streams are directed to recycling.

12) Waste stream handling split into recycling, incineration and other adequate treatments depending on location.

13) Waste streams handling split into recycling, incineration and other adequate treatments depending on location.

14) Other waste includes plastic, organic, mixed and energy waste. Waste stream handling split into recycling, incineration, composting, and landfill depending on location. In 2022 we have updated our data collection process and recalculated the previous years' values accordingly.

15) The recycling rate represents the share of waste directed to recycling or reuse from the total waste. We introduced this indicator in 2021.

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

Konecranes employees at year end	2022	2021	2020
Industrial Equipment	5,529	5,516	5,720
Port Solutions	3,102	3,083	2,970
Service	7,802	7,890	8,062
Group staff	89	84	110
Total	**16,522**	**16,573**	**16,862**
Male	13,490	13,641	14,033
Female	3,013	2,928	2,823
Doesn't want to specify gender	19	4	6
Number of nationalities	99	94	95
Permanent employees (%)	95%	95%	94%
Full-time employees (%)	98%	98%	98%

Employees by employment contract and gender	2022	%	Of which share of female (%)
Permanent employees	15,641	95%	18%
Temporary employees	881	5%	22%

Employees by employment type and gender	2022	%	Of which share of female (%)
Full-time employees	16,225	98%	17%
Part-time employees	297	2%	61%

Information on employees by region (2022)	AME	APAC	EMEA	Total
Number of employees	3,131	3,826	9,565	16,522
Permanent employees	3,111	3,397	9,133	15,641
Temporary employees	20	429	432	881
Full-time employees	3,109	3,820	9,296	16,225
Part-time employees	22	6	269	297

Data is compiled from the central HR system (SuccessFactors Employee Central), visualized with Power BI and showing status of December 31, 2022. Headcount is including active employees (i.e. exluding employees on parental leaves etc) with >=6 months employment and >=50% weekly working hours.
There are no "non-guaranteed hours employees". Typical reason for temporary contracts are replacements during long leaves, such as maternal leave and long-term illness.

GRI 2-8: In addition to employees, in the end of 2022 Konecranes total workforce included less than 5% workers who are not employees. Majority of these agency workers (called also as contingent workers or rental workers) worked as operatives and the rest in different staff roles. We are working to be able to disclose more exact data on workers who are not employees within next two years.

New employee hires and employee turnover in 2022 (GRI 401-1)

Rate of new employee hires and employee turnover*	Number of employees	Rate (%)
New employee hires	2,336	14%
Employee turnover	2,491	15%

Employee hires by age group, gender and region	Number of employees	% total	Hire rate (%)
By age group			
<30	796	34%	34%
30-50	1,217	52%	13%
>50	323	14%	7%
By gender			
Male	1,835	79%	14%
Female	480	21%	16%
Doesn't want to specify gender	21	1%	233%
By region			
AME	823	35%	27%
APAC	436	19%	11%
EMEA	1,077	46%	11%

Employee turnover by age group, gender and region	Number of employees	% total	Turnover rate (%)
By age group			
<30	494	20%	21%
30-50	1,410	57%	15%
>50	587	24%	12%
By gender			
Male	2,076	83%	15%
Female	415	17%	14%
Doesn't want to specify gender	0	0%	0%
By region			
AME	745	30%	24%
APAC	505	20%	13%
EMEA	1,241	50%	13%

Data is compiled from the central HR system (SuccessFactors Employee Central), visualized with Power BI and showing status of December 31, 2022.

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

Health and Safety Data 2022 (GRI 403-9. SASB RT-IG-320a.1)

		2022	2021	2020
Near-miss frequency rate (NM) [1]	Konecranes total	48.84	48.11	42.03
Lost-time injury frequency rate (LTI) [2]	Konecranes total	4.29	4.95	5.13
Total Recordable Incident frequency rate (TRI) [3]	Konecranes total	5.6	6.65	7.53
Fatalities	Konecranes total	0	0	1

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

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

ISO management system coverage in Konecranes factories

	Management system	2022	2021	2020	2019
Environmental Management	ISO 14001:2015	83%	80%	83%	72%
Occupational Health and Safety	ISO 45001:2018	69%	73%	66%	71%
Quality Management	ISO 9001:2015	100%	93%	N/A[1]	N/A[1]

1) Comparable data not available for 2019 and 2020

GRI and SASB Index 2022

GRI Standard	SASB Code	Topic	Page/link	Additional information
		GENERAL DISCLOSURES		
		The organization and its reporting practices		
2-1		Organizational details	**Governance and Financial Review**	Name of the organization: Konecranes Plc. Location of headquarters: Hyvinkää, Finland Location of operations: See Financial review Legal Form: Public Company Changes in ownership updated every quarter (www.konecranes.com)
2-2		Entities included in the organization's sustainability reporting	**Governance and Financial Review**	See Financial Statement
2-3		Reporting period, frequency and contact point		The reporting period for this Sustainability Report is the financial reporting period of January 1 to December 31, 2022. Konecranes publishes economic, social and environmental information annually. The publication date of this report is February 28, 2022. Please contact Konecranes' Sustainability Team at sustainability(at)konecranes.com
2-4		Restatements of information		None
2-5		External assurance	**p. 7**	The Sustainability Council has agreed on the assurance scope to include the full coverage of our science-based targets. See Governance and Management. The assurance statement including additional information about the assurance can be found at https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability
		Activities and workers		
2-6		Activities, value chain and other business relationships	**Annual review, www.konecranes.com. p. 44–45**	In 2022, we focused our Service and Industrial Equipment businesses under one leadership team. We also announced plans to optimize the operations globally to drive customer focus and simplification, among other things. See the Annual Review. There were no significant changes to the supply chain in 2022.
2-7		Employees	**p. 56**	Status of December 31, 2022
	RT-IG-000.B	Number of employees	**p. 56**	
2-8		Workers who are not employees	**p. 56**	Status of December 31, 2022
		Governance		
2-9		Governance structure and composition	**Governance and Financial Review**	Governance and management More information about Corporate Governance: https://www.konecranes.com/investors/corporate-governance
2-10		Nomination and selection of the highest governance body	**Governance and Financial Review**	
2-11		Chair of the highest governance body	**Governance and Financial Review**	

GRI Standard	SASB Code	Topic	Page/link	Additional information
2-12		Role of the highest governance body in overseeing the management of impacts	**p. 7**	Governance and management
2-13		Delegation of responsibility for managing impacts	**p. 7**	Governance and management
2-14		Role of the highest governance body in sustainability reporting	**p. 7**	Governance and management
2-15		Conflicts of interest	**Governance and Financial Review**	Please see the Corporate Governance pages https://investors.konecranes.com/corporate-governance and Corporate Governance statement for information on Board members' election, independence, their other board memberships and related party transactions.
2-16		Communication of critical concerns	**p. 43**	Responsible business conduct
2-17		Collective knowledge of the highest governance body	**p. 7**	Governance and management
2-18		Evaluation of the performance of the highest governance body	**Governance and Financial Review. p. 7**	The HR Committee has discussed sustainability topics in one of their meetings as per our governance structure. See Governance and management. The Board of Directors evaluates its performance annually. Information on the Board composition, tasks and duties and meeting attendance is available in Konecranes' Corporate Governance statement.
2-19		Remuneration policies	**Governance and Financial Review**	Remuneration report
2-20		Process to determine remuneration	**Governance and Financial Review**	Remuneration report
2-21		Annual total compensation ratio	**Governance and Financial Review**	Remuneration report
		Strategy, policies and practices		
2-22		Statement on sustainable development strategy	**Annual review Governance and Financial Review**	Annual Review, CEO letter & Strategy See the Statement of Non-Financial Information in the Governance and Financial Review.
2-23		Policy commitments	**p. 7, 52–54**	Governance and management Sustainability management approaches
2-24		Embedding policy commitments	**p. 34-35, 42–45**	Supporting human rights in our value chain Responsible business conduct
2-25		Processes to remediate negative impacts	**p. 35**	
2-26		Mechanisms for seeking advice and raising concerns	**p. 43**	
2-27		Compliance with laws and regulations		Omission: Not reported due to confidentiality reasons. However, Konecranes follows the applicable rules and regulations concerning publicly listed companies in reporting of such matters.
2-28		Membership associations		Konecranes holds positions on the boards of the European Materials Handling Federation (FEM), East Office of Finnish Industries Ltd, Federation of Finnish Technology Industries, Finnish Metals and Engineering Competence Cluster, Digital, Internet, Materials & Engineering Co-Creation (DIMECC), Forum for Intelligent Machines ry (FIMA) and The Mechanical Engineering Industry Association (VDMA - Materials Handling and Intra-logistics). In addition, Konecranes participates in committees of the European Committee for Standardization (CEN), Port Equipment Manufacturers Association (PEMA), International Organization for Standardization (ISO), Terminal Industry Committee (TIC 4.0)and in committees of OPC Unified Architecture (OPC-UA).
		Stakeholder engagement		
2-29		Approach to stakeholder engagement	**p. 47–49**	Engaging stakeholders

GRI Standard	SASB Code	Topic	Page/link	Additional information
2-30		Collective bargaining agreements		The amount of collective bargaining agreements is based on local legislation. In the end of 2022, 37% of employees were covered by collective bargaining agreements and the pay scale of 36% of employees was defined on Konecranes level. The database is missing information from the rest (28%) of employees.
		MANAGEMENT APPROACH		
3-1		Process to determine material topics	**p. 5**	Materiality
3-2		List of material topics	**p. 5–7**	The strategic role of sustainability Materiality
3-3		Management of material topics	**p. 5–7, 49, 52–54**	The strategic role of sustainability Interaction with stakeholders table Sustainability management approaches table
		TOPIC-SPECIFIC DISCLOSURES		
		Economic standards		
		Economic performance		
201-1		Direct economic value generated and distributed	**p. 10**	Value creation
	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	**p. 22**	MEUR 243 in 2022 from modernizations and retrofits. See Maximizing lifecycle value and eliminating waste with circular solutions throughout the value chain.
		Anti-corruption		
205-2		Communication and training about anti-corruption policies and procedures	**p. 43, 46**	Omission: We have broken down the training coverage by region, not on all combinations listed by GRI.
		Tax		
207-1 (2019)		Approach to tax	**p. 11**	Tax footprint Konecranes Group Tax Policy at www.konecranes.com/about/sustainability/policies-and-principles
207-2 (2019)		Tax governance, control, and risk management	**p. 12**	Tax footprint Governance and Financial Review at https://investors.konecranes.com/annual_review_2022 Konecranes Group Tax Policy at www.konecranes.com/about/sustainability/policies-and-principles
207-3 (2019)		Stakeholder engagement and management of concerns related to tax	**p. 12**	Konecranes Group Tax Policy at www.konecranes.com/about/sustainability/policies-and-principles
		Procurement practices		
	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	**p. 45**	
		Environmental standards		
		Energy		
302-1		Energy consumption within the organization	**p. 55**	District heat, natural gas and LPG figures for service locations are not included as information is not available. Source of the conversion factors used IEA energy statistics manual 2005.
	RT-IG-130a.1	Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	**p. 55**	

GRI Standard	SASB Code	Topic	Page/link	Additional information
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	**p. 20–21**	Fuel efficiency is a material topic for Konecranes, but the exact SASB metric (gallons per hour) is not meaningful as we sell a wide range of non-road equipment. In addition, there are no industry standards to define a standard working period, and therefore we do not calculate sales-weighted fuel efficiency or emissions in this way. Read more about fuel saving technology for Lift Trucks (flowdrive) at https://www.kclifttrucks.com/products/konecranes-ecolifting/flow-drive and hybrid power systems for RTGs with reverse braking at https://www.konecranes.com/en-us/port-equipment-services/container-handling-equipment/power-options-for-rtgs/hybrid-power-pack
Emissions				
305-1		Direct (Scope 1) GHG emissions	**p. 55**	Natural gas, LPG and district heat figures for service locations are not included as information is not available. Detailed information about emission factors and emission calculations can be found from the Assurance statement in https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability.
305-2		Energy indirect (Scope 2) GHG emissions	**p. 55**	Natural gas, LPG and district heat figures for service locations are not included as information is not available
305-3		Other indirect (Scope 3) GHG emissions	**p. 55**	Detailed information about emission calculations can be found from the Assurance statement in https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability.
305-4		GHG emissions intensity	**p. 55**	District heat, natural gas and LPG figures for service locations are not included as information is not available
Waste				
306-1 (2020)		Waste generation and significant waste-related impacts	**p. 52–54**	Sustainability management approaches table
306-2 (2020)		Management of significant waste-related impacts	**p. 18, 22–25, 52–54**	Sustainability management approaches table Working to decarbonize our own operations Maximizing lifecycle value and eliminating waste with circular solutions throughout the value chain Konecranes suppliers comply with the Supplier Code of Conduct Omission: Waste from service locations is not included as information is not available. Detailed information can be found from the Sustainability Data Calculation Methodology in https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability.
306-3 (2020)		Waste generated	**p. 55**	Omission: Waste from service locations is not included as information is not available.
Supplier environmental assessment				
308-1		New suppliers that were screened using environmental criteria	**p. 44**	72% of new suppliers were screened against basic environmental criteria (process is excluding suppliers with very low spend). See Responsible Business Conduct, Selecting our suppliers
Social standards				
Employment				
401-1		New employee hires and employee turnover	**p. 56**	
Occupational health and safety				
403-2 (2018)		Hazard identification, risk assessment, and incident investigation	**p. 31**	Building a strong safety culture through training The corrective actions are taken into account in the ISO 45000 management system by documenting them into our online HSE reporting tool (ARMOR) and tracking the corrective actions and communicating them in weekly meetings on site level. See our Health and Safety policy available at: https://www.konecranes.com/about/sustainability/policies-and-principles.
403-5 (2018)		Worker training on occupational health and safety	**p. 31**	Building a strong safety culture through training

GRI Standard	SASB Code	Topic	Page/link	Additional information
403-9 (2018)		Work-related injuries	**p. 30–32, 57**	Omission: Our reporting covers only our own employees. We negotiate and train our subcontractors in safety but do not include them in our safety reports.
	RT-IG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatalities, and (3) near miss frequency rate (NMFR)	**p. 57**	TRIR and NMFR are found in the Safety data table. The fatality rate for 2022 is 0.
		Training and education		
404-1		Average hours of training per year per employee	**p. 38**	
404-3		Percentage of employees receiving regular performance and career development reviews	**p. 37**	
		Diversity and equal opportunity		
405-1		Diversity of governance bodies and employees	**p. 40**	
		Supplier social assessment		
414-1		New suppliers that were screened using social criteria	**p. 44**	72% of new suppliers were screened against basic social criteria (process is excluding suppliers with very low spend). See Responsible Business Conduct, Selecting our suppliers
		Customer health and safety		
416-1		Assessment of the Health and Safety of product and service categories	**p. 26–29**	In the product development process, we have check points such as initial requirements for product safety and FMEA evaluation for safety and reliability risks. There are e.g., different Crane safety standards that are guiding the minimum requirements for products. For individual deliveries we have different factory acceptance and site acceptance to ensure product is functioning properly. We are not able to disclose the percentage of assessments per category as information is not available.

Corporate Headquarters

Konecranes Plc
P.O. Box 661 (Koneenkatu 8)
FI-05801 Hyvinkää, Finland
Tel. +358 20 427 11

Group Sustainability
Anniina Virta-Toikka
Head of Sustainability
Tel. +358 40 722 2823
anniina.virta-toikka@konecranes.com

Regional Headquarters

Americas
Konecranes Inc.
4401 Gateway Blvd.
Springfield, OH 45502, U.S.A.
Tel. +1 937 525 5533

Europe, Middle East and Africa
Konecranes
Region EMEA
P.O. Box 662 (Koneenkatu 8)
FI-05801 Hyvinkää, Finland
Tel. +358 20 427 11

Asia-Pacific
KCI Cranes Holding (Singapore) Pte Ltd
33 Gul Circle
Singapore 629570
Tel. +65 6 861 2233

KONECRANES

Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity enhancing lifting solutions as well as services for lifting equipment of all makes. In 2022, Group sales totaled EUR 3.4 billion. The Group has approximately 16,500 employees in around 50 countries. Konecranes shares are listed on the Nasdaq Helsinki (symbol: KCR).