

Introduction

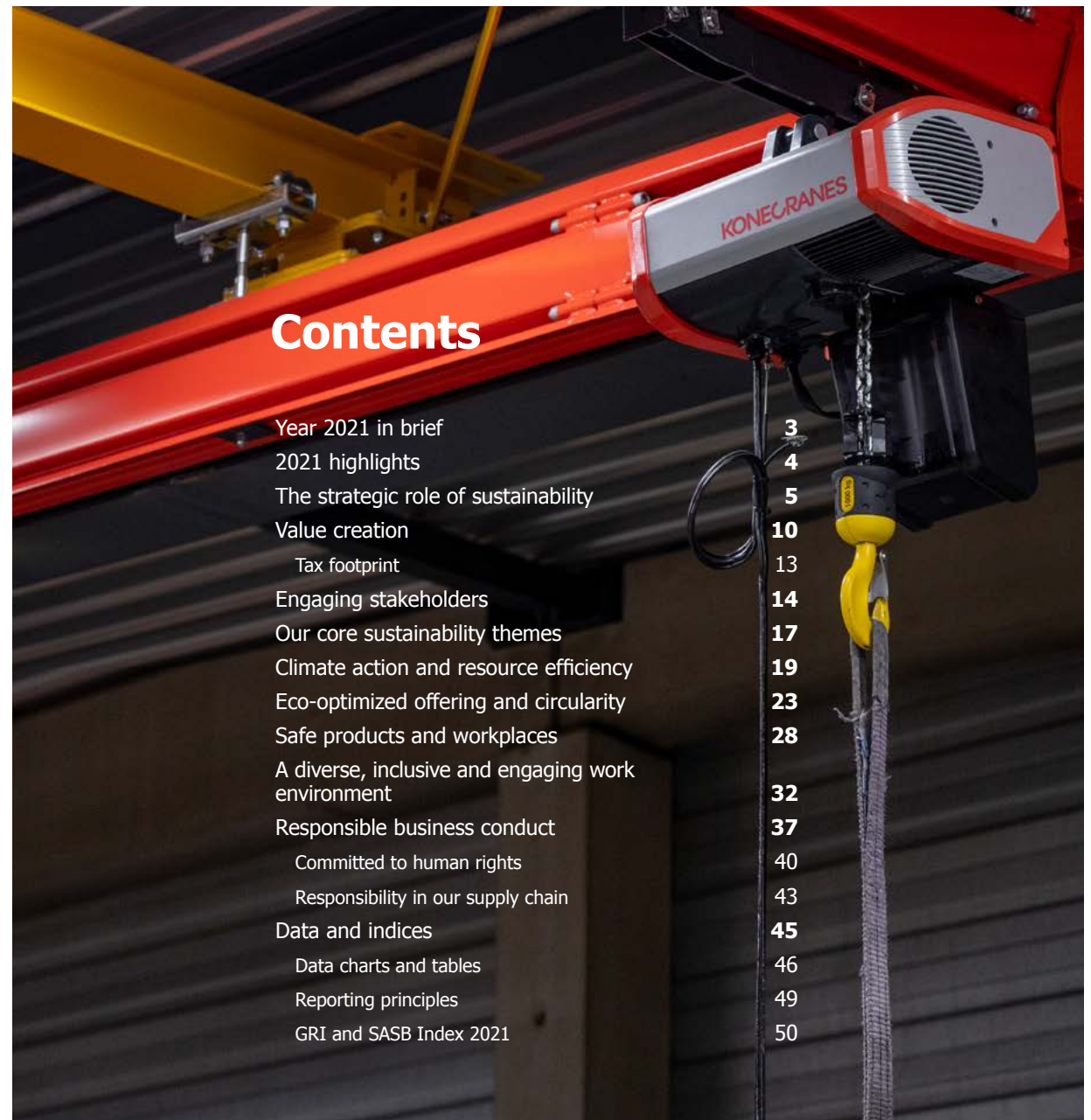
This Sustainability Report provides information about our major economic, environmental and social impacts, areas of improvement, our risk mitigation activities and how we maximize the positive environmental contributions of our solutions. The report covers in detail how sustainability is woven into 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 ambitious sustainability targets and customer benefits and discloses data about our performance and progress in reaching our targets. 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 of Climate-Related Financial Disclosures (TCFD) provide a useful framework for climate-related risks and opportunities. Konecranes has done comprehensive climate related risk and scenario analyses, in line with the TCFD recommendations. This can be found in the **Statement of Non-Financial Information** in the Governance and Financial Review.

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Information about Konecranes' Annual Report 2021

Konecranes' Annual Report 2021 consists of three separate reports: Annual Review, Governance and Financial Review, and the Sustainability Report. All documents are downloadable on our Annual Report website at https://investors.konecranes.com/annual_report_2021.



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Year 2021 in brief

3,185.7

**MEUR (0.2%)
Net sales**

9.8%

**Adjusted
EBITA margin**

16,600

**Numbers of employees
(At the end of year)**

50

**Countries where we
operate**

Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers. We are truly a global company: in 2021, we had 16,600 employees in 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 Business Areas – 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 they can rely on. Konecranes' business aims to deliver optimal productivity while improving our customers' safety and mitigating environmental impacts by making 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 society around us.



2021 highlights

The future direction is 1.5°C

The climate crisis demands action now, and we are fully committed to being a part of the solution. Limiting global warming requires decarbonization of all industry sectors, and everyone should join forces. Emission levels need to be halved by 2030 to reach the Paris Agreement goal of limiting global warming to 1.5°C. We are in a unique position to help our customers transition to a low carbon future by providing solutions that accelerate decarbonization, reduce emissions and advance electrification.

Konecranes has set new 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. These targets were submitted in 2021 and received validation in early 2022 by the Science Based Targets initiative (SBTi). Within Scope 1 and 2 greenhouse gas (GHG) targets, Konecranes is committed to reduce its carbon emissions by 50 percent by 2030. This target will be achieved by investing into renewable electricity, and by improving the fuel efficiency of the fleet and the energy efficiency of the production processes. For scope 3, Konecranes aims to reduce absolute carbon emissions by 50 percent by 2030, encompassing the use of sold products and steel related purchases. This covers more

than 70 percent of the value chain emissions. As supportive actions, Konecranes will also fully offset flight emissions and will continue to seek new ways to decrease emissions and drive its sustainable portfolio development.

Our targets cover all emissions from our own operations and the majority of the value chain emissions. Ninety-eight percent of our emissions originate from the value chain. Most of the emissions are from purchasing goods and services as well as the use of our products. A commitment to cut these emissions in half by 2030 guides our future climate work. We are especially focusing on reducing CO₂ emissions from steel sourcing, electrifying our product offering and cutting the dependency on fossil fuels.

Social responsibility in practice

We respect the rights of both our own people and others, and we strive for continuous improvement and cross-organizational cooperation to maximize the positive impact of our work. Konecranes' human rights work includes both analysis and monitoring as well as actively improving practices. In 2021 we updated Konecranes' Fair Labor Frame, which sets the standard and ambition for our workforce related activities. We also continued to drive our diversity agenda forward by implementing inclusive recruitment practices and establishing four internal employee groups that strive to develop diversity and inclusion within predefined areas related to gender, advancing STEM, LGBTQ+ and disabilities, respectively.

We moved from desktop risk analysis to conducting social responsibility on-site audits also in our own operations, in addition to the audits started earlier within our supply chain. We use these assessments and audits to map our current state, gathering learnings from the findings.

Supporting well-being during the pandemic

Social responsibility should not only include guaranteeing the rights of people, but also supporting their well-being. We believe people should have the needed support to thrive in and enjoy their work, an important priority that has been put under pressure by the isolation and stress brought on by the COVID-19 pandemic. In 2021, we put special focus on supporting our employees' mental health and adaptation to new ways of working. Locally, Konecranes continued to ensure the safety and well-being of people through COVID-19 response teams, and by offering occupational health services and free trainings related to, for example, stress and sleeping.

We fostered togetherness and inclusion through global initiatives such as webinars on inclusion and diversity, different learning paths related to resilience and staying connected with teams. Our people management process encouraged and supported frequent manager-employee discussions. We also leveraged the global nature of our operations by sharing best practices and experiences, and by offering employees channels for sharing their feelings, ideas and feedback – for example, through surveys and employee affinity groups.



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. In an interconnected world, material flows sustain the well-being of people, success of businesses and societal functions. Konecranes' knowledge and innovative technologies, solutions and services constitute a key link in these material flows.

We maximize lifecycle value and eliminate waste of resources, energy and time throughout the whole value chain. Our culture is rooted on uncompromised safety, high ethics and diversity and inclusion.

Future-proofing Konecranes' business means providing advanced low-carbon and energy-efficient technology that enables our customers to shift to a decarbonized future. On top of tangible decarbonizing benefits, we create value through enhancing circularity and securing that our solutions deliver the safest material flow. Sustainability has become even more relevant not only for our customers but also for financiers and especially for our 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.

We annually review the expectations of key stakeholders and map the megatrends impacting our business. In topics where Konecranes can make a difference, we also analyze the alignment of our efforts with the UN Sustainable Development Goals. Through this process, we identified the most relevant sustainability topics for Konecranes.

The material aspects of our operations include: responsible business conduct, the safety of employees and our products, respecting human rights, employee engagement, diversity and inclusion, providing sustainable solutions for customers, how to decrease the total carbon footprint of our operations, advancing circular economy and enforcing sustainability requirements in the supply chain.

We have combined the topics into five cornerstones of sustainability that is the core of our Sustainability Strategy: eco-optimized offering and circularity; climate action and resource efficiency; safe workplace and products; diverse, inclusive and engaging workplace; and responsible business conduct. Our Sustainability Strategy comes alive through our commitments, targets and programmes, built around these five cornerstones.

Sustainability commitments

In 2021, we defined vigorous sustainability commitments for each cornerstone. Creating sustainable and long-lasting results is a process. Therefore, we reinforced our target setting for each commitment to guide our performance and progress.

Our sustainability commitments

We support our customers in reaching their low-carbon targets with our solutions

- Accelerating circularity at all levels of operations
- Reaching science-based targets for value chain emissions

We work to decarbonize our own operations

- Reaching emission targets for own operations
- Power our factories with 100% renewable electricity

We make sure everyone gets to go home safe, every day

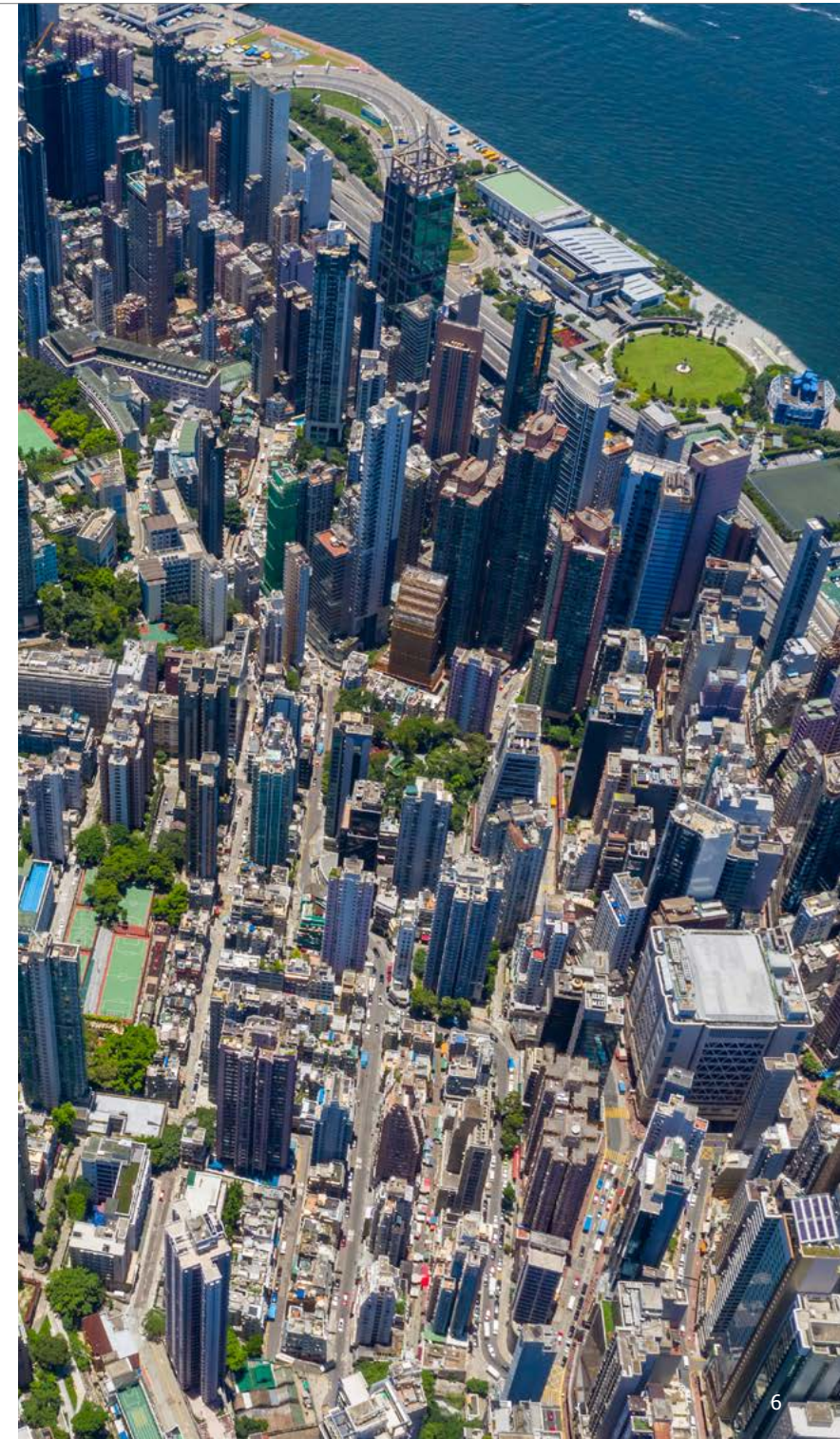
- Uncompromised safety in our operations
- Solutions that deliver the safest material flow

We represent the multicultural communities where we operate

- Equality, diversity and inclusion culture are embedded in our values
- We enjoy our work, feel trusted and valued and are proud to belong to Konecranes

We are a trusted partner known for our integrity

- We expect the highest ethical standards of ourselves and our business partners
- We do business in a direct, clear and ethical manner



Governance and management

Creating sustainable and long-lasting results is a process. 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.

Sustainability work at Konecranes is embedded into our governance processes at several levels. It is managed by the Konecranes Sustainability Team and through the Sustainability Council. The Council convened nine times in 2021. The Sustainability Council is nominated by the Konecranes Leadership Team and is sponsored by Senior Vice President, HR. The Council reviews and guides the overall sustainability strategy, targets and action plans. The Global Sustainability Team reports to the Head of Sustainability who leads sustainability work on a global level. The Head of Sustainability is responsible for taking action and cascading decisions to the operative level, as well as leading and coordinating the climate action plan, proposing activities and targets and monitoring progress. The Konecranes Leadership Team follows sustainability metrics on a monthly basis and reviews specific themes throughout the year. The Konecranes Board of Directors' Human Resources Committee is the official supervisory board committee monitoring sustainability performance and activities annually. The Human Resources Committee approves long-term focus, ambition level and targets. In 2021 the Human Resources Committee reviewed sustainability performance twice and approved the updated sustainability commitments and Science Based Targets proposal.

We execute our sustainability activities through projects, programs and systematic processes. Our operations

and ways of working are guided by Konecranes' Code of Conduct and our values and principles for economic, social and environmental responsibility. 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 sustainability cornerstone theme, we have reviewed the main risks and allocated corrective or maintaining actions. Identified sustainability risks are managed by several different Group functions. 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 basic framework for all, and each Business Area 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**.

Sustainability Governance Structure

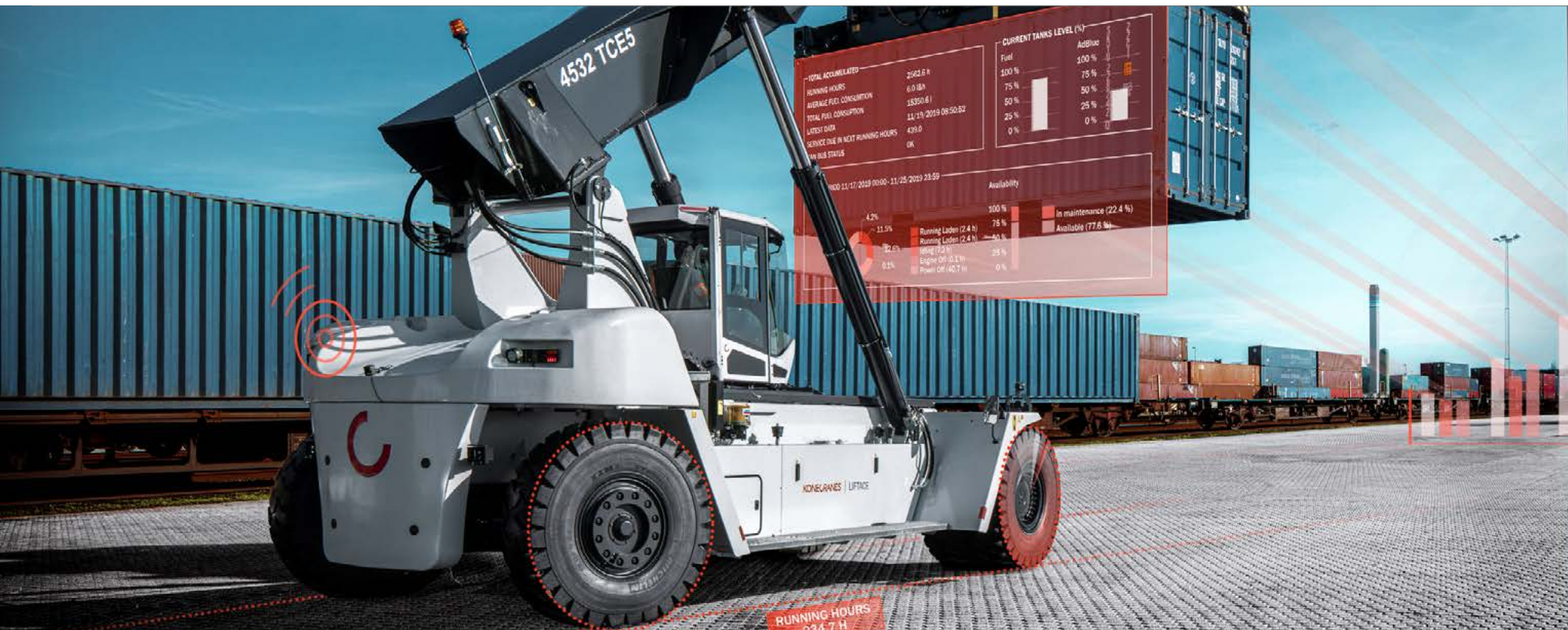


Sustainability management approaches

Specific sustainability actions and outcome of those are described under core sustainability theme sections of this report.

Topic	Principles	Management approach, tools, processes, risk mitigation activities
Ethical business conduct	Setting a common standard for responsible business conduct, the Konecranes Code of Conduct takes into account principles regarding environmental management, health and safety, equal opportunity, fair employment practices and anti-discrimination, diversity and inclusion, anti-corruption, reporting ethical and compliance concerns and sourcing and purchasing.	Compliance & Ethics program, Code of Conduct and other compliance related policies, Code of Conduct training, Whistleblowing Channel, Compliance & Ethics Committee, Internal audit. Reporting annually to Global Compact. Operating according to the ten principles to meet the fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption (Global Compact commitments).
Human rights	Aligning human rights principles. Respecting and valuing our people by providing equal working opportunities and a workplace free from discrimination and harassment.	Code of Conduct Policy, Code of Conduct training, Fair Labor Frame, Respect in the Workplace Policy, Supplier Code of Conduct Policy, Whistleblowing Channel, Compliance & Ethics Committee, Internal audit. Regarding human rights due diligence, we have conducted a risk screening exercise. Social responsibility assessments, Supplier Code of Conduct audits.
Anti-corruption	Setting a common standard for responsible business conduct, working against corruption in all its forms, including extortion and bribery.	Anti-Corruption Policy, Code of Conduct Policy, Anti-Corruption training, Whistleblowing Channel, Compliance & Ethics Committee, Internal audit, Gifts & Hospitality Portal.
Responsible supply chain	Setting the standard for responsible business conduct expected from suppliers.	Supplier Code of Conduct including corporate responsibility requirements we expect to be fulfilled by third parties, due diligence and background checks, Supplier Code of Conduct audits.
Diversity & Inclusion	Increasing diversity and inclusion including gender, ethnicity, religion, sexual orientation, disability to ensure everyone can be themselves at the workplace.	Diversity and Inclusion Policy, talent management process, recruitment policy, trainings, management meetings, webinars and workshops, dedicated D&I champions per Region.
Safety	Behaving safely always and having zero tolerance towards unsafe acts and safety violations. Continuously improving our safety culture and performance. Safe products	Safety Policy, Life-Saving Behaviors, TRIF-rate, observations monitoring, ISO 45001 management systems (internal audits), legal compliance. Safety features. External verification: TRI and number of work-related fatalities.

Topic	Principles	Management approach, tools, processes, risk mitigation activities
Product compliance	Safe products that comply with the substance requirements.	Substance management, legal compliance, Quality Policy, product and service excellence. In 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 guide the minimum requirements for products. For individual deliveries we have separate factory acceptance and site acceptance to ensure a product is functioning properly.
Environmental responsibility	<p>Minimizing all environmental impacts</p> <p>Efficient resource use</p> <p>Lean manufacturing</p> <p>Using a precautionary approach to environmental challenges by examining the whole scope of impact that our operations might have. This is applied especially in environmental risk management.</p>	<p>Environmental Policy, Code of Conduct, HSE minimum requirements, global energy and emissions targets. Signatory of United Nations Global Compact and its ten principles.</p> <p>Local environmental risk assessment as part of environmental management system.</p> <p>Environmental risk assessments and mitigation actions are done on a local level based on environmental aspects and impacts. Environmental incidents and near-miss safety cases are reported through our global Health, Safety and Environment (HSE) reporting tool, and the investigations of root causes and corrective actions are conducted accordingly.</p>
Climate action	Strive for ambitious climate action to limit the global warming and to mitigate risks and gain the opportunities.	<p>Environmental Policy, Code of Conduct, HSE minimum requirements, global energy and emissions targets.</p> <p>Climate risk scenario analysis, BA level physical and transitional risk reviews, actively following upcoming legislation related to climate reporting or new requirements, natural hazard assessments with insurance company. More information can be found in our NFI statement in the Financial review.</p> <p>The governance for driving climate change roadmap follows the general governance structure managed by Konecranes' Sustainability Team and through the Sustainability Council. Climate themes and metrics are also regularly on the agenda of the Konecranes Leadership Team as well as the Board of Directors annually. External verification of Scope 1, 2 and Scope 3 Business Travel emissions.</p>
Sustainable offering	<p>Providing eco-efficient solutions and services for our customers.</p> <p>Taking circularity into account in product design, to enable easy maintenance, modernizations and retrofits. Our maintenance concept strives to keep materials and products in use longer.</p> <p>Safe products</p>	<p>Design for Environment concept / sustainable product design principles, taking circularity into account in designing services and products, follow-up on upcoming legislation on circularity and low-carbon products and solutions. Most of our solutions in different product categories are designed to fit both current and upcoming efficiency standards.</p> <p>Preventive maintenance also supports customers' emission reductions. Legislation, voluntary commitments and changes in the market will create opportunities for us to gain more revenue from our sustainable offering and from servicing existing cranes.</p>



Value creation

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

With our products and solutions, we provide monetary value with sustained profitability and stability. We enable reliable and optimized performance and can assist the low-

carbon transition with our innovative technologies. High reliability leads to increased uptime and predictability, which can lower the cost of total ownership for customer's crane system. Safe ways of working are an integral part of our business, also in our digital solutions that aim to enhance safety, reliability, and cybersecurity. By prioritizing safety in all areas of its operations, Konecranes can improve safety throughout the value chain.

Konecranes enables its customers shift to a low-carbon future by being the key link in their material flow. We help our customers cut their carbon footprint with our eco-optimized offering. Including circular economy principles in our processes helps us improve our resource and energy efficiency while creating value for the customer by extending

asset lifecycles and minimizing the whole overall carbon impact and securing that materials are kept in circulation.

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

and service offering; innovating new business models; and developing our product design and reliability. Read more about how we create an impact in our **Annual Review**.

Safety culture

Safe and reliable products as well as safety on-site 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 it cannot be done safely. We strive for a working culture where workplace injuries and illnesses are prevented, where people drive improvements 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 operative work involves many safety risks.

Safety in Konecranes begins with providing our customers with services and equipment that enable them to work efficiently and safely throughout the product 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 chapter **Safe products and workplaces**.

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 flow. Technology plays a crucial part in our business, and we closely follow technological developments in sectors material to us and our customers. 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. We offer several retrofit and modernization solutions for customers to update their technology up to current standards and to enable them to reduce emissions and increase fuel efficiency.



In a world of increasing cybersecurity threats, at Konecranes we recognize our responsibility for customers' business and personal data and need to comply with various local and global cybersecurity compliance requirements. Konecranes is a supporter of the Paris Call, which brings governments and private sector together to promote trust and security in cyberspace.

In today's environment, it is no longer enough to say that Konecranes complies with the industry best practices in its operations and technology development, but we must also have reliable evidence of doing so. This applies both to the security of the products and services offered to customers, and to the way Konecranes manages information security in general. Therefore, Konecranes has started initiatives to certify against relevant internationally known standards that can also be used as trade and trust instruments while doing business.

In 2021, Konecranes received ISO/IEC 27001 certification, with the scope of the development and delivery of the yourKONECRANES.com customer portal, productivity enhancing mobile applications, such as CheckApp, and TRUCONNECT® suite of remote service products and applications for all Konecranes customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes Demag UK Ltd has been also awarded with Cyber Essentials certification – a mandatory requirement for companies working with certain UK government contract types, including Ministry of Defence, and other regulated industries.

On the service side, our Lifecycle Care in Real Time approach is a comprehensive, systematic approach to lifting equipment maintenance. Konecranes offers IoT-based products and services that 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 applications, such as CheckApp, that support executing service programs and assessing possible safety risks while guaranteeing authorized service. Big Data analysis can allow new predictive services to further support customers' operations.

Circular Economy

We want our customers to get more value from their existing products and overall optimize all resource use. Maintaining the life cycle value of a device for as long as possible saves natural resources, as well as 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. Our solutions aim to simplify and advance our customers' everyday business: the life cycle of products can be extended, and material handling performance improved with maintenance. To improve resource efficiency, customers can outsource their spare part warehousing, rent a material handling system 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 CO₂ 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.

Additionally, 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. Modernization also increases safety, productivity, reliability and usability while decreasing the need for repairs and unscheduled maintenance. Read more about circular economy in the chapter **Eco-optimized offering and circularity.**

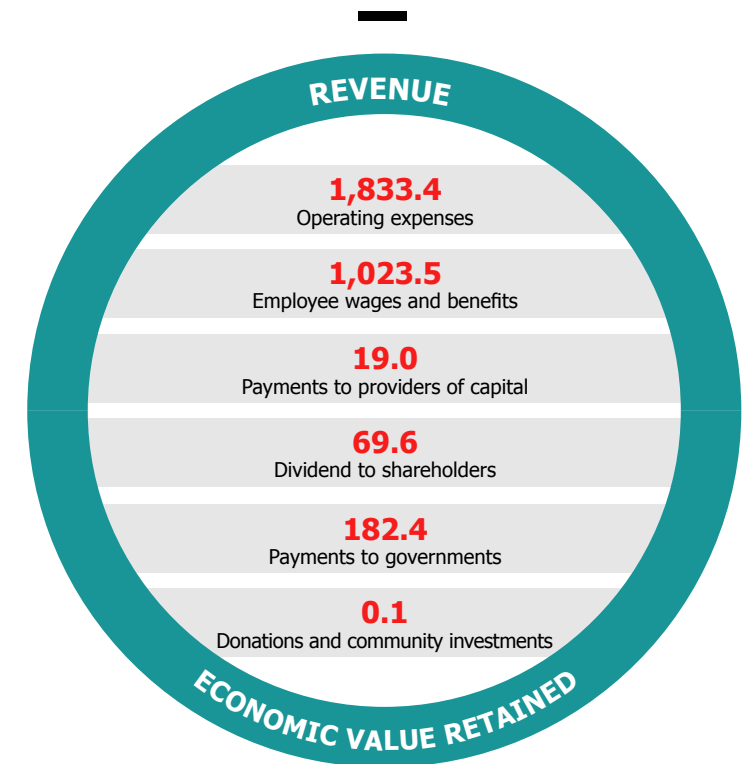
Long-term stakeholder value

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 deliver 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, by 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 generating financial value.

Direct economic value generated and distributed

3,194.6
MEUR

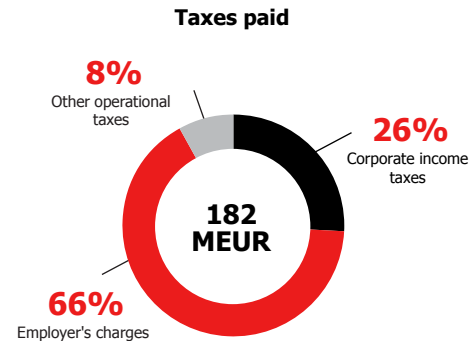


66.7
MEUR

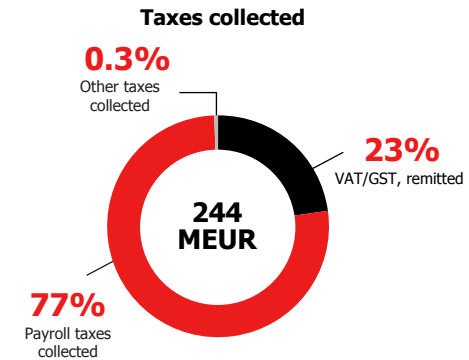
Operating costs and employee wages and benefits exclude payments to government.

Tax footprint

We are committed to paying taxes and tax-like fees in the countries where we operate. Konecranes aims to be transparent with respect to economic value creation. A total of EUR 427 million (403 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 23.4 percent (27.9 percent). A total of EUR 182 million (174 million) was paid (taxes paid) directly by the Group itself, while EUR 244 million (228 million) was collected (taxes collected) on behalf of governments.



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

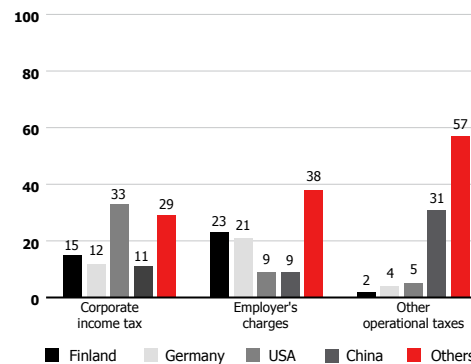


Taxes collected include tax and tax-like payments that Konecranes has collected on the behalf of the government such as VAT and similar turnover related taxes paid, payroll taxes and other taxes. The economic burden for such taxes end up with the buyer or final consumer.

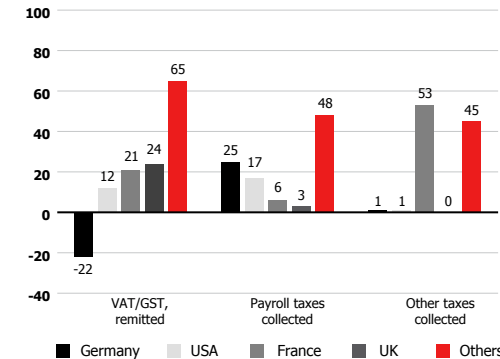
Konecranes Group operates in 50 countries. We are committed to conducting our business in compliance with all applicable tax laws, rules and regulations; to complying with all reporting requirements; and to filing all tax returns and fulfilling all tax obligations to high ethical standards within the time requirements set by local regulations. The management and monitoring of tax-related matters is centralized in the Group's Finance department. Konecranes manages taxes according to the principles 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 Board of Directors for decision-making. The Group's Chief Financial Officer reports regularly on tax-related issues to the Group's Audit Committee. The key aim 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 to manage both financial and non-financial tax risks. Tax risk management is conducted and monitored on a day-to-day basis by the Global Tax Department in cooperation with the respective business areas, units and supporting functions.

Taxes paid by country, %



Taxes collected by country, %



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

Konecranes does not practice aggressive tax planning that aims to decrease the Group's taxable income artificially by, for example, exploiting gaps in the architecture of the international tax system to shift profits to places with little to no economic activity or taxation. 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 2021 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**.



Engaging stakeholders

We place a great deal of importance on public disclosure of our performance and our role in addressing sustainability 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 for Konecranes, including local communities and authorities, associations, universities and research institutes, trade unions, non-profit organizations

(NGOs), rating agencies, analysts and media. In some specific themes like Diversity and Inclusion, we have supported and cooperated with associations devoted to accelerate gender parity like Catalyst Europe and European Women on Board.

We want to foster relationships that provide extra value to stakeholders by contributing to issues relevant to them. We listen and align our priorities based on stakeholder needs and relevant issues, enabling dialogue. The feedback is then directed to relevant people and action taken.

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 to ascertain that our sustainability strategy supports market demands and that the information we provide is relevant and transparent. The feedback we gather from our Voice of Customer (VoC) surveys and continuous

stakeholder dialogue is essential when reviewing our sustainability strategy.

Keeping stakeholders around the globe engaged entails communicating in multiple languages, using different channels, and cultivating and maintaining ongoing discussions. We employ Konecranes' intranet and several other online tools as engagement platforms for our internal stakeholders. We interact with external stakeholders in a number of ways. We communicate with the broader external community through content delivered via channels such as Konecranes.com and through social media 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 season or after disasters, and employees volunteering for the benefit of local schools, elderly houses or alike. Local Konecranes companies are also doing donations for good causes. In 2021 we updated our Donations, Sponsorships and Marketing Co-operations Policy to further clarify the global approval and reporting process. The total sum of donations was EUR 113,000.

As an example, in 2021, employees and management joined forces and donated to flood relief in Germany. The summer floods hit inter alia the Ahrtal as well as the city of Hagen near Konecranes' site in Wetter. This money helped ease the financial load of team members affected, and the rest of the sum was donated to the city of Hagen. At the

same time, many employees worked in the flood relief via voluntary work for the fire brigade, the Technische Hilfswerk or the Deutsche Lebensrettungsgesellschaft DLRG (German Life Saving Association) or went to the flooded region on a private basis to help remove debris, clean houses and start reconstruction work.

Furthermore, Konecranes donated between EUR 1,000 and 3,000 to causes including reforestation, protection of endangered rainforest, support of disadvantaged children and support of children's hobbies and vaccinations. In addition to donations, part of our sponsorships are also supporting communities near our sites, relating typically to sports or cultural events.

Recognitions from stakeholders



CDP

In 2021 Konecranes received a B rating from CDP ranking for its ambitious climate work. The rating is based on the company's 2020 disclosure about its actions in cutting emissions, mitigating climate risks and developing the low-carbon economy. We received excellent scoring on governance which highlights the engagement of our top management. We welcome the evolution of the maturity level of this ranking.



EcoVadis Gold Medal

Konecranes received a Gold rating from EcoVadis supplier sustainability portal declaring the company's overall sustainability performance to be on an advanced level in activities related to the environment, labor and human rights, ethics and sustainable procurement. This was our highest-ever placing. The company's actions, policies and reporting put us in the top 4 percent of all rated companies globally, and it is in the top 1 percent of its general-purpose machinery peers. Konecranes' rating improved from 2020 thanks to the implementation of additional policies, increased transparency and additional certifications.



Interaction with stakeholders

Stakeholders	Topics	Channel	Frequency of engagement
Employees	Safety of employees and our products, COVID-19 Responsible business conduct, respecting human rights Employee engagement, diversity, and inclusion Sustainability of our solutions, carbon footprint of our own operations, taking climate action	We engage our employees through internal communications (email, Konecranes' intranet, Yammer), employee engagement survey (EES), idea.konecranes.com, pulse checks, e-learning, Whistleblowing Channel and compliance email, internal team meetings and internal training and development.	Weekly/monthly.
Customers	Safety of employees and our products, COVID-19 Sustainability of our solutions, carbon footprint of our own operations Responsible business conduct, respecting human rights Employee engagement, diversity and inclusion Responsibility of the supply chain	Customers are mainly engaged 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 made at least annually.
Shareholders, investors	Safety of employees and our products, COVID-19 Sustainability of our solutions, carbon footprint of our own operations Responsible business conduct, respecting human rights Responsibility of the supply chain Employee engagement, diversity and inclusion	Shareholders and investors through investor briefings and meetings, Annual General Meetings, Annual Report and sustainability reporting, and by replying to investor questionnaires.	Annually through public reporting and meetings.
Business partners, suppliers, subcontractors	Responsible business conduct, respecting human rights Responsibility of the supply chain Safety of employees and products, COVID-19	Suppliers through procurement, supplier assessments and negotiations, and on-going contract management.	Engagement mainly through correspondence by email as needed and providing data in questionnaires.



Our core sustainability themes

We have combined the most relevant stakeholder expectations and value creation element topics into five cornerstones of sustainability: eco-optimized offering and circularity; climate action and resource efficiency; safe workplace and products; diverse, inclusive and engaging workplace; and responsible business conduct.

The Sustainability cornerstones are the foundation of Konecranes sustainability work. We work on decreasing our own energy consumption and emissions, optimizing material use, engineering low-carbon products, maximizing the lifecycle of products with our service offering, taking care of human rights throughout the value chain, accelerating the movement from linear to circular economy and making sure people get home safe, every day. We are working towards being the company of choice through constant development and active engagement in diversity and inclusion.

Sustainability at Konecranes

We work to decarbonize our own operations



Targets:

- Certified ISO 14001 EMS in all factories
- Science-based target: reduce absolute Scope 1, 2 and 3 GHG emissions by 50% by 2030 from a 2019 base year
- By the end of 2022, power all our factories with 100% renewable electricity

We support our customers in reaching their low-carbon targets with our solutions



Targets:

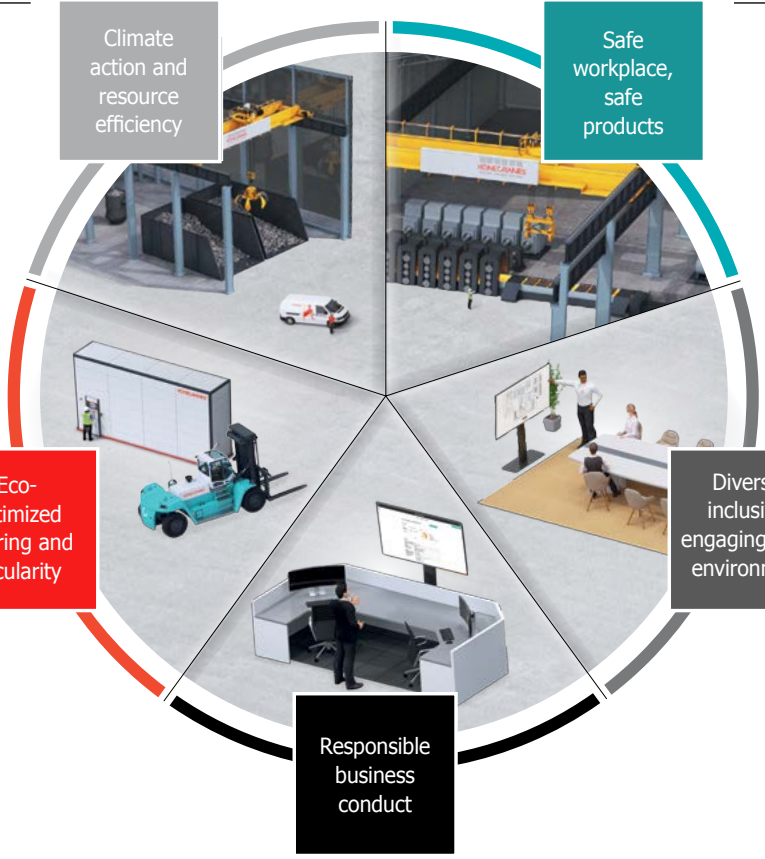
- Assess minimum 3 new circular economy business opportunities and develop those for business implementation
- Define measurable circularity KPIs during 2022
- All new products and services shall be more sustainable than the previous generation

We are a trusted partner known for our integrity



Targets:

- Mandatory Code of Conduct training completed by all employees
- Competition Compliance training completed by 100% of defined target audience
- 100% positive response on selected engagement survey questions
- Conduct at least 5 on-site social responsibility assessments at our own operations in 2022
- Continue to roll out Supplier Code of Conduct
- Execute at least 30 supplier sustainability audits per year



We make sure everyone gets to go home safe, every day



Targets:

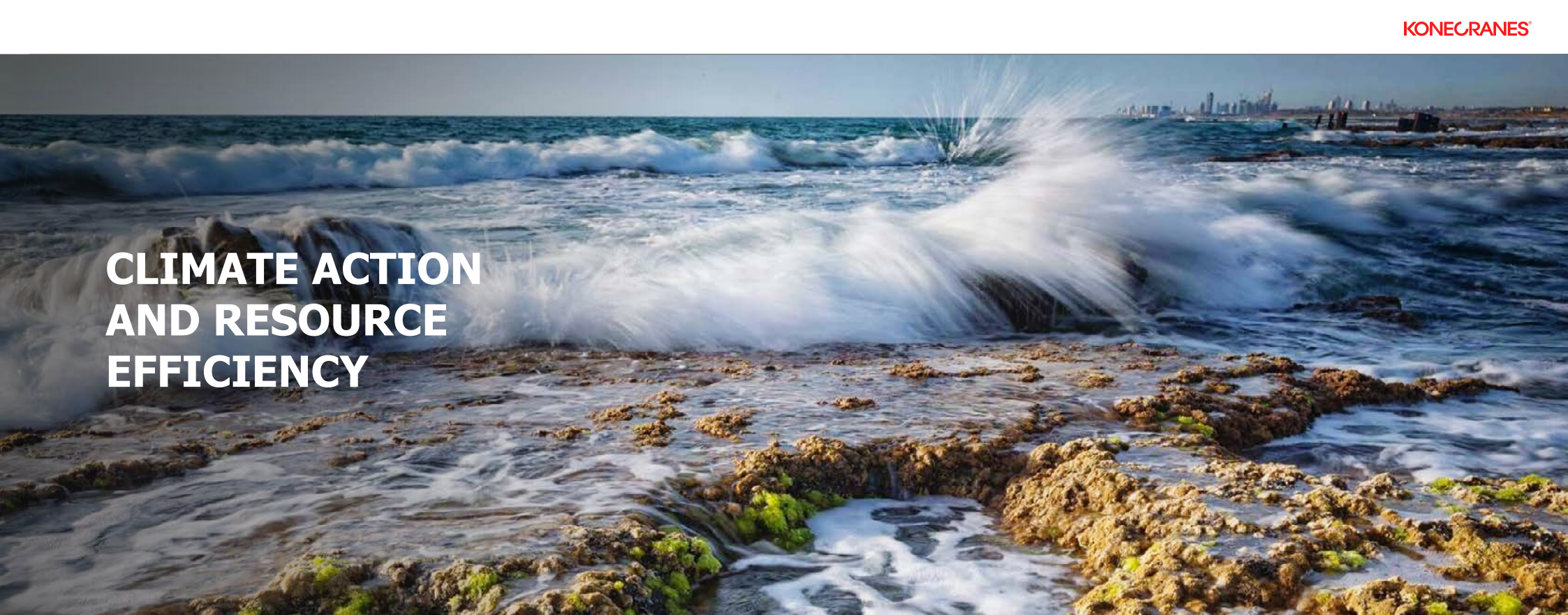
- TRI-rate < 3 by the end of 2025
- 20% year-on-year reduction of exposure to serious injury and fatality for own and contractor employees by end of 2025
- Safety observations per year by the end of 2025: 5 per person

We represent the multicultural communities where we operate



Targets:

- By the end of 2025, female gender share of total organization 22%
- By the end of 2025, female share of leadership positions 22%
- By the end of 2025, female gender share in STEM/Technology area 22%
- Composition of global management teams in business areas and functions reflects the nationalities and geographies of customers and employees
- In countries, share of minority groups in organizations reflects local demographic by 2025
- By the end of Q1 2021, 100% completion rate of D&I e-learning
- Improve Inclusion Index result



CLIMATE ACTION AND RESOURCE EFFICIENCY

We set new ambitious science-based targets for climate action

Konecranes has set new, ambitious targets for its own operations and value chain that are in line with the goal of the Paris Agreement to limit global warming to 1.5°C. These targets have been validated by the Science Based Targets initiative (SBTi).

The climate crisis demands actions now, and we are fully committed to be a part of the solution. The focus of our climate work is shifting from managing the impacts of own operations to managing also 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 to limit 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 extending product lifecycles with our solutions and service concepts. Read more about how we help customers reduce their environmental impacts in the section **Eco-optimized offering and circularity**.

In 2020, climate discussions were held with the top management accompanied with a set of workshops to define detailed climate-related risks and opportunities. We reviewed Konecranes' impact on the climate and how climate change potentially impacts Konecranes' business. Based on this work, we made a commitment to increase our climate ambition and to set ambitious Science Based Targets to reduce greenhouse gas emissions. At the end of 2020 we committed to setting Science Based Targets and to broadening our approach in climate action. The year 2021 began with the kickoff of the Science Based Targets project and the vast work of calculating all 15 emissions categories for Scope 3. Read more about our detailed climate risks and opportunities in the **Statement of Non-Financial Information** in our Governance and Financial Review.

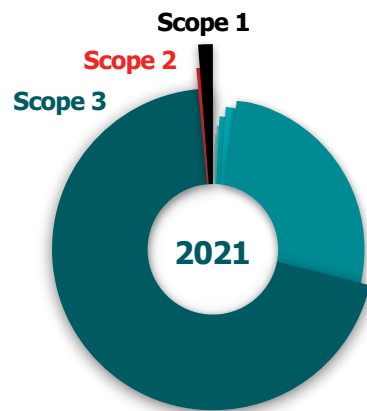
Climate targets and metrics

Our own operations (Scope 1 & 2) cover less than 2 percent of our total emissions. Ninety-eight 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 largest source

of emissions from the category "purchased goods and services" is steel. In the category "use of sold products", diesel variants play the biggest role and in the category "purchased goods and services", we have identified steel to be the biggest source of emissions. Therefore, diesel-driven products dominate the emissions from this category.

Konecranes started the validation of its climate targets through the Science Based Targets initiative during 2021 and received validation in January 2022. Concerning Scope 1 and 2 greenhouse gas (GHG) emissions, Konecranes is committed to reduce its absolute carbon emissions by 50 percent by 2030. The Scope 1 and 2 targets will be achieved by investing into renewable electricity and by improving the fuel efficiency of the fleet and the energy efficiency of the production processes. As part of the Science Based Targets ambition, we tightened the schedule of the previous target of powering our factories with 100 percent renewable electricity from 2025 to 2022. We will focus on increasing the use of solar power in our factories and for the remaining part, we will purchase renewable electricity with guarantees of origin.

Emissions in 2021 (CO₂ tons)



Scope 1	44,500	0.9%
Scope 2	14,400	0.3%
Total Scope 3	5,158,600	98.9%
● Use of sold products	3,522,200	67.51%
● Purchased goods and services	1,515,600	29.05%
● Upstream transportation and distribution	53,800	1.03%
● Employee commuting	18,600	0.36%
● Investments	18,000	0.34%
● Fuel- and energy-related activities	14,000	0.27%
● Downstream transportation and distribution	5,400	0.10%
● End-of-life treatment of sold products	5,000	0.10%
● Capital goods	3,400	0.07%
● Business travel	2,500	0.05%
● Waste generated in operations	300	0.01%



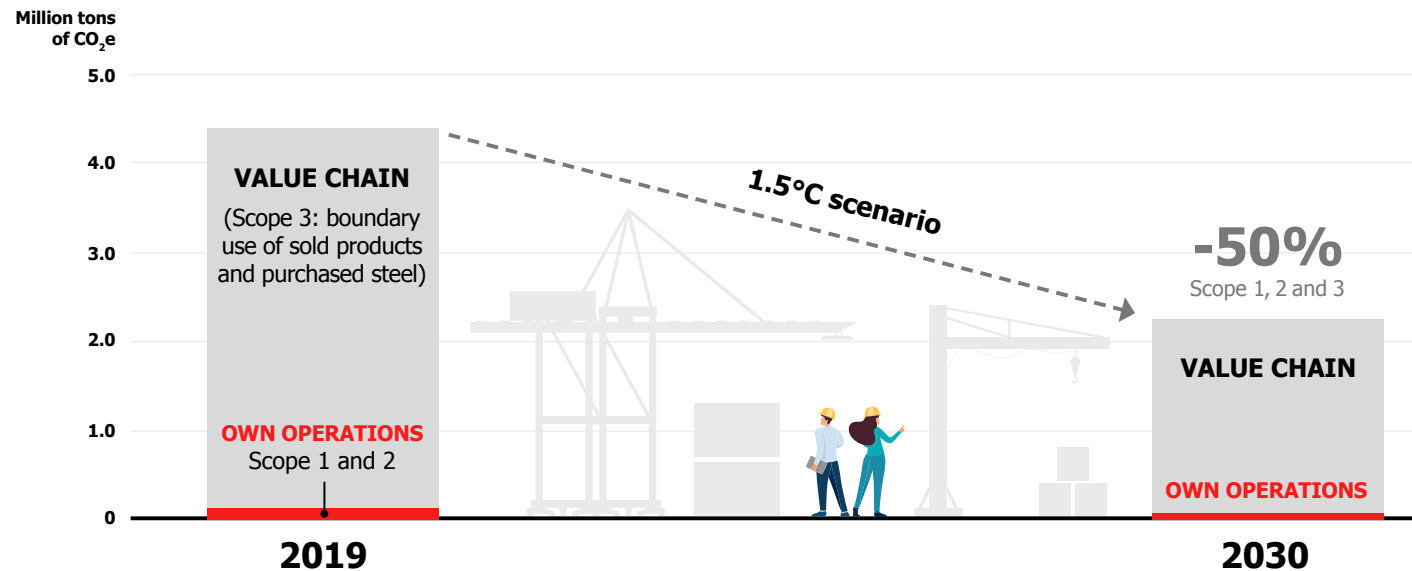
For Scope 3, Konecranes aims to reduce its absolute carbon emissions by 50 percent by 2030, encompassing the use of sold products and steel-related purchases. This Scope 3 target covers more than 70 percent of the value chain emissions. We will seek new technological innovations to reduce dependency on fossil fuels and to increase energy efficiency. The Scope 3 target will be reached by electrifying our offering in Business Area Ports, developing more energy-efficient hoists for Business Area Industrial Equipment and reducing value chain emissions from steel

purchases in cooperation with our suppliers. 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 set ambitious climate targets. We will also work to increase the share of recycled steel.

We will also focus on advancing digitalization to make material flows 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 flight emissions since 2020 and will continue to seek new ways to decrease emissions and drive its sustainable portfolio development. Scope 1 and 2 emissions data is collected monthly for progress monitoring. Scope 3 data is currently collected at least on an annual basis.

Limiting global warming to 1.5°C – Konecranes joins the ambition of the Paris Agreement



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

Decreasing the environmental impact of our own operations

To continuously improve our own performance, we set a target for all our manufacturing sites to be ISO 14001:2015 EMS certified by the end of 2021. This target has been postponed by a year. Currently 80 percent of our factories are ISO 14001 certified. 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 to secure continuous improvements. In addition, our Health, Safety and Environment (HSE) tools for chemical handling and waste management set the global minimum level for

environmental management. We follow waste data on a quarterly basis, including the treatment method, to follow progress in waste management. We have clear instructions in place to ensure that residual waste and hazardous waste are disposed of according to local requirements and through licenced waste management companies. Environmental incidents and near-miss cases are reported through our global HSE reporting tool, and the investigations of root causes and corrective actions are conducted accordingly.

We focus on the energy efficiency of our own operations regarding manufacturing and service. In addition, we have signed national voluntary agreements on energy efficiency. Our ambitious target 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 to become more eco-efficient. We systematically evaluate potential energy efficiency investments and calculate which

are the most impactful ones considering the amount of emissions cuts and monetary value.

One example of how to better manage energy topics is the use of an Energy Management System by Konecranes Finland since 2019. The system follows national ETJ+ standard rules. The most important tool to manage energy efficiency is the energy data system, which enables the following of real-time consumption of electricity, water and heat in each building on a site – making potential for improvement easy to spot.



Read more about environmental performance in the Data and Indices section on page 46.

Targets and progress: Climate

Commitment	Target	Progress	UN Sustainable Development Goals
<p>We work to decarbonize our own operations</p> <ul style="list-style-type: none"> Reaching emission targets for own operations Power our factories with 100% renewable electricity 	<p>Certified ISO 14001 EMS in all factories</p> <hr/> <p>Reduce absolute Scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year.</p> <hr/> <p>Reduce absolute Scope 3 GHG emissions from purchased goods and services and use of sold products 50% by 2030 from a 2019 base year.</p> <hr/> <p>Updated target: By the end of 2022, power all our factories with 100% renewable electricity.</p>	<p>Certified ISO 14001:2015 EMS in 80% of our manufacturing facilities.</p> <hr/> <p>New target as of 2022</p> <hr/> <p>New target as of 2022</p> <hr/> <p>67% of electricity in factories is from renewable sources.</p>	



ECO-OPTIMIZED OFFERING AND CIRCULARITY

Decreasing our customers' carbon footprint through circularity

Circularity is identified to be one of the enablers to curb climate change that will help us reach our climate targets. Konecranes has also defined targets for sustainable portfolio development. The environmental sustainability vision is implemented as part of the Business Area product strategies and development projects, guiding especially the solutions design process.

Konecranes is fully committed to the low-carbon transition as substituting existing technology with lower-emission alternatives and extending product lifecycles with our solutions and service concepts. Our sustainable solutions help customers' meet their emission targets and create value for society by pushing the industry's sustainability standards further.

Circularity is part of our business and we are constantly developing ways to improve the end-to-end circularity: extend product lifecycles, improve efficient use of materials in Konecranes and customers' business operations. Our circular strategies focus on using less, using longer, and using again. Circularity plays an essential role also in tackling 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.

Key highlights from 2021

We want to support our customers in reaching their low-carbon targets with our solutions. This serves as the vision for our Eco-Optimized offering roadmap. In 2021 we defined a company-level strategy on how to further improve the overall environmental sustainability of our offering that incorporates the set Science Based Targets as well as circularity aspects. This is then implemented as a part of the Business Area product strategies and development projects, guiding especially the solution design process. Konecranes has also defined targets for sustainable portfolio development.

In 2021, we conducted a set of workshops focusing on brainstorming and finding opportunities to promote circularity and in the best case, create new business models. The cross-functional workshops allowed us to discuss the current state of Konecranes' circular initiatives, key drivers and business opportunities for implementing

circular economy business models, customer and market needs, upcoming regulation, and identified operational limitations.

We came up with dozens of ideas and discussed in more detail ten specific circular concepts that could be developed further. The initiatives will be reviewed by the business owners and the business cases will be structured and validated. The Business Areas will select circular initiatives they wish to explore further. Circularity will also be a regular theme in future idea challenges.

Enabling low-carbon transition and optimizing resource use

We focus on providing eco-efficient solutions and extending product lifecycles in customers' operations. Our portfolio offers improved resource and energy efficiency, a variety of low-carbon power options as well as performance and safety with optimized maintenance,

upgrades and modernizations. Our products are designed with their entire lifecycle in mind, as the majority of the environmental impact of a product's lifecycle is defined at the product design stage. We select repairable and recyclable materials and design our equipment to enable their reuse and recycling. In product development, we utilize the Design for Environment concept (DfE), which among other aspects considers the modularity, durability, component repairability as well as energy and material efficiency to reduce the environmental impact of our products' lifecycles. To provide accurate data on the environmental impact of our solutions for decision-making, we calculate our products' energy consumption and CO₂ emissions and critically assess this data with the help of a third party (as part of our Environmental Product Declarations). In addition, we encourage the re-utilization of pre-owned equipment (Lift trucks, mobile harbor cranes). Usability, eco-efficiency, and safety are the guiding principles of our product design, along with lifecycle thinking.

We promote the use of intelligent power sources with our equipment. For diesel-driven vehicles, we deliver intelligent power management options from hybrids to full electric and battery technology with additional energy-recovery features such as regenerative braking. We focus on operational efficiency on power trains without compromising equipment performance. For the traditional diesel-electric equipment, we offer a variable speed diesel generator, the Konecranes "Fuel Saver", utilizing advanced control technology with engines that comply with the latest emission regulations. The Fuel Saver feature controls that the diesel engine is running at optimal speed according to 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 use profile, and in addition, we offer many technical solutions to reduce fuel consumption even further. Hybrid power systems provide further reduction of fuel consumption. The power system with hybrid changes

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 emission standards apply from 2014 onwards to new and remanufactured engines. In the European area 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.

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 run on its best fuel and emissions efficiency. Read more about our fuel-saving technology for Lift Trucks **(flowdrive)** and **hybrid power systems for RTGs with reverse breaking**.

For 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 cranes' 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 fleets. Read more about our offering in the **Statement of Non-Financial Information: Taxonomy eligibility**.

Lifespan extension for environmental benefits

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 the customer can preserve the value of their equipment for a longer period

of time and consequently decrease their environmental impact and cost. Konecranes' service operations extend the lifecycle of equipment through maintenance and repairs, remanufacturing of parts, modernization, and retrofitting. We also repair components and sell used, fully serviced equipment. We have one of the largest service networks using modern technical solutions to unlock unique circular economy opportunities that benefit customers.

Our vast service and spare part offering and systematic approach to maintenance is supported by digital tools (e.g. TRUCONNECT) to help predict failures, optimize the need for maintenance and spare parts and extend the lifecycle of equipment. Predictive maintenance also supports customers' emissions reductions, as the data can be used to optimize maintenance activities.



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 incorporating 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 extend a product's lifetime by decades. Our products can be modernized and retrofitted several times during 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 CO₂ 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.

Circular economy solutions for different customer needs

KONECRANES' CIRCULAR STRATEGIES

SMART DESIGN:

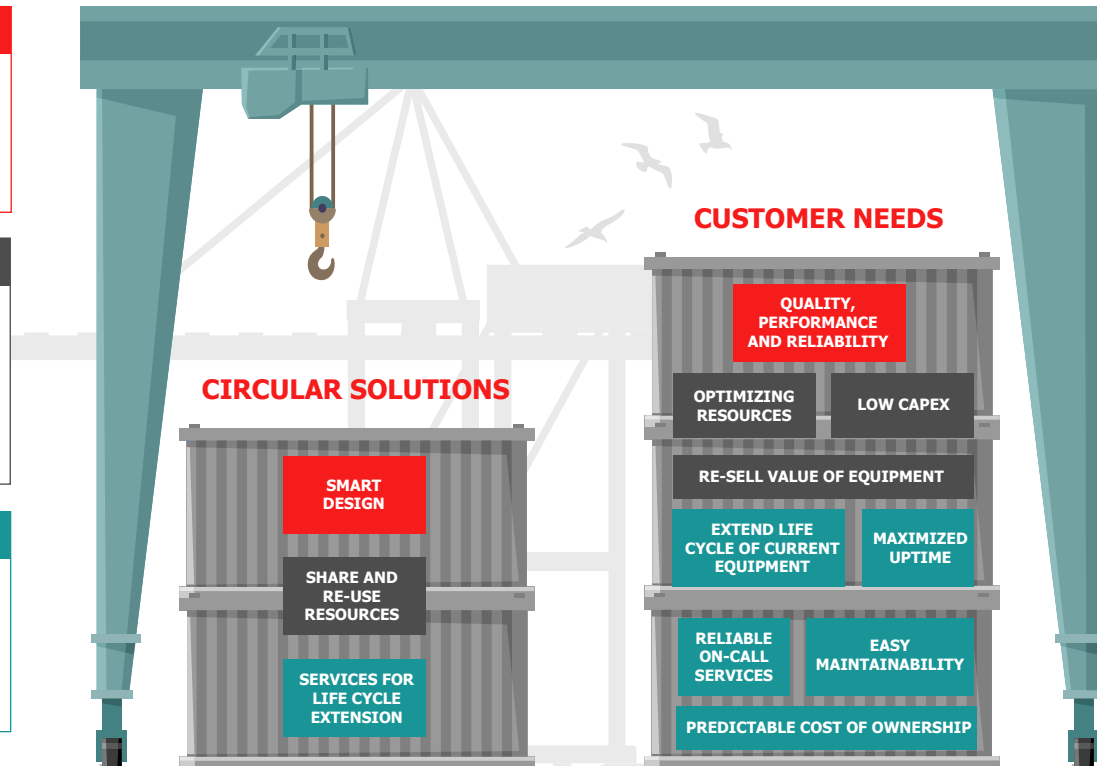
Products designed to be modular, repairable, upgradable and recyclable
 Built to last
 Optimized use with intelligent features

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 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

Circularity

Including circular economy principles in various processes and utilizing several circular business models helps Konecranes improve its resource efficiency and generate new business opportunities while creating advanced value for the customer. In particular, we focus on business models that aim to extend the product lifespan and offer products-as-a-service. Besides supporting day-to-day operations, we want to help our customers reach their environmental targets and save resources.

Our significant investments in digital solutions and state-of-the-art technology support circularity. We can reduce and optimize the need to move goods and people when we use 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 components, leading to 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.

Konecranes circular solutions in a nutshell

- The design of Konecranes products is based on smart design principles focusing on maintainability, durability as well as material and energy efficiency.
- The lifecycle of our products is long, even decades, which means that the customer can preserve the value of their assets for a long time.

- Maintenance and repairs are the key to extending the lifecycle, and by using predictive maintenance our customers can maximize the lifecycle value of their products. Using data to predict component or equipment failure optimizes all activities and thus saves resources and reduces emissions.
- The equipment can be retrofitted and modernized several times during its lifespan.
- With predictive maintenance, we guarantee that the customer has their equipment in use when needed with as few maintenance visits as possible; this creates greater cost understanding and keeps performance levels high.

Target and progress: Sustainable offering and circularity

Commitment	Target	Progress	UN Sustainable Development Goals
<p>We support our customers in reaching their low-carbon targets with our solutions</p> <ul style="list-style-type: none"> • Accelerating circularity at all levels of operations • Reaching science-based targets for value chain emissions 	<p>Circular economy roadmap by the end of 2021.</p> <hr/> <p>Assess new circular economy business opportunities and develop those for business implementation (minimum 3).</p> <hr/> <p>Define measurable circularity KPIs during 2022</p> <hr/> <p>All new products and services shall be more sustainable than the previous generation (e.g. improved safety, emission reduction, material selection etc.)</p>	<p>Held nine circular economy innovation workshops in 2021 for all Business Areas. Further study and idea validation will be executed in 2022. Circularity is included in the Eco-Optimized Offering roadmap.</p> <hr/> <p>New target as of 2022</p> <hr/> <p>New target as of 2022</p> <hr/> <p>New target as of 2022</p>	 <hr/>  <hr/> 



SAFE PRODUCTS AND WORKPLACES

Safety brings competitive advantage

Safety is at the core of who we are, and prioritizing it in all areas of our activities gives us a competitive advantage. We build safe material flows for our customers with our products, solutions and services. Our goal in safety is to ensure that everyone gets to go home safe, every day. This goal covers our own employees and extends beyond the company's boundaries, covering our product offering, our suppliers, subcontractors, everyone engaged with our products and everyone we work with.

Safety is vital in everything we do; our overall approach and commitment to safety is outlined in our Health and Safety Policy, and we make it come alive through our safety management tools and global practices. In 2021, we continued our global safety work with three focus areas: Life-Saving Behaviors, Core Compasses (our global HSE standards) and Certified Management Systems. The most visible topic of the company-wide safety work was the Life-Saving Behaviors campaign. It is a collection of behavioral requirements, grouped around the eight main hazards and risks in our operations, both in the factories and at our customer sites. They are the expectations around the way we work. In practical terms, the campaign promotes a strong safety culture and safe ways of working across the whole organization. As a part of the Life-Saving Behaviors campaign, in 2021 we published a group-wide Safety

Leadership e-learning program aimed at all employees. The Life-Saving Behaviors campaign continues in 2022 with an increased focus on engaging all employees and highlighting the importance of two-way communication in enhancing both safety and the safety culture. This is done through, for example, pledges and quizzes and gathering practical examples on Life-Saving Behaviors coming to life in our operations.

Safe cranes equal safe and efficient material flow

Industrial material handling has considerable inherent occupational health and safety risks. We want to provide products and services that make our customers' material flow more efficient and safer. Our offering includes technologically advanced equipment with innovative safety features as well as efficient preventive and predictive maintenance that enables our customers to keep equipment in good working order throughout their lifespan. Prior to launch, our products are thoroughly tested in our Reliability Centers against applicable standards. We follow product safety performance through our product safety management process called AIR, which includes reporting and investigating known equipment-related safety incidents, including occurrences such as load drops. Depending on the nature and frequency of an event and the equipment involved, the process may include a root cause analysis to identify the causes of the incident as well as the development of corrective actions to both fix and prevent possible issues with functioning products at customer sites and to address product design issues. We use the information learned from the process to improve the products and services we design and supply worldwide. During 2021, we reported and investigated around 250 AIR incidents across all Business Areas.

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 starts and ends of lifts. 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 Channel, an online virtual crane demonstration tool, enables us to showcase our crane safety features to our customers in real time also during the COVID-19 pandemic.

Creating safer workplaces for our employees and contractors

In our own activities, the most significant safety risks are related to factory work, vehicle incidents, crane and equipment installation, and our service business where our technicians' working conditions vary from job to job. All Konecranes employees are properly trained to perform their tasks safely and correctly. When working at customer sites we start the work with hazard mapping and ensuring all necessary controls are in place, utilizing our POWRA (Point-of-Work Risk Assessment) tool.

In 2021, we continued our focus on incidents that cause or have the potential to cause serious injury. We call this our SIF (Serious Injury or Fatality) Exposure. Of each SIF Exposure incident, a thorough management review is done to ensure that root causes have been identified and the corrective actions taken are effective. We also communicate these incidents across the organization to ensure that we prevent similar incidents from happening across the global organization. We also classify actual and potential SIF Exposures based on the causes to better understand which hazards are the most common for us and to target our actions accordingly.



Keeping people safe in a global pandemic

As the global COVID-19 pandemic continued in 2021, so did our global response actions. As our products and services are essential in keeping societies functioning, for example, in global logistics chains, energy production and waste management, our main priority was to ensure our continued support to our customers. This required putting the health and safety of our employees front and center. To manage our COVID response, the infections were

tracked weekly and discussed in global bi-weekly calls, as well as regularly in the country response teams. The global HSE team issued guidance relevant for global activities, such as travel restrictions and vaccination promotion. Specific actions and guidelines were decided and issued by country-level COVID-19 Response Teams, based on guidance from local authorities and the infection situation in the country in question. Especially serious infections, such as those leading to hospitalizations, were tracked

closely by local organizations and support was offered as necessary.

Safety performance

We continued having our operations certified according to ISO 45001 and OHSAS 18001 and management system standards. A total of 73 percent of all manufacturing units were certified against the ISO 45001 and the OHSAS 18001 standards at the end of 2021. Our safety



CASE: Konecranes Way Improvements towards safety

During 2021 we received over 200 documented improvements via our Lean system called Konecranes Way. Konecranes Way describes the common principles defining our way of thinking and working. This means continuous improvement and elimination of waste. In practice, it is about continuously reorganizing our work and developing all our processes. It is also about giving our people the opportunity to participate in decision-making about how they do their work. Our vision is “Konecranes Way – Lead and engage our people to be better every day”. We pursue world-class operations positively and relentlessly.

We have established an “Improvement of the month” process for sharing information and encouraging a culture of continuous improvement and transparency in our company. In the process, employees and teams can discuss opportunities for improvement and then present their “Improvement of the month” to other teams in a monthly call. Small improvements that might not require investments might still have a big impact. The process that is shared in a monthly call has resulted in improvements

in operations, quality, safety, equipment, layout and everything in between.

Many of the improvements have also enhanced safety even if the originally proposed change was not related to safety. For example, the Global Parts employees in Finland came up with an improved and safer way to transport and warehouse Driving Wheels. The solution was quite simple and quick to implement, and involved a rack specifically built for mounting and attaching the wheels. The team in Uslar, Germany, invented a Clamping Device for side plates. They had noticed that when fixing the stops on the side plate, the plate was not secured against twisting, posing a risk to hand injury. The employees created a clamp that prevents the plate from twisting. The Dalian team in China created a Rubber Tire Assembly tool. When assembling the rubber tire into the hub of the bogie, it had to be lifted twice and required many work hours by two operatives. The team designed a new tool based on an idea shared earlier by our team in Germany. With easy locking and turning, the tool makes the assembly process safer while also saving a significant amount of work hours.

management systems also include robust engagement mechanisms with our employees.

In 2021, 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 contractor incidents in our reporting system, but those are not included in our incident rate. 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 system 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 2021. The TRI rate for the year was 6.7 (7.5), an improvement of 12 percent compared to 2020. We continued to focus on learning from incidents through an increased emphasis on investigation and corrective actions, supported in part by the HSE reporting system. The reporting system 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 (37 percent); sprains and strains (32 percent); and open wounds (14 percent). Injuries occurred mostly during working with hand-held tools (22 percent), movement of people (21 percent) and manual handling of materials (15 percent). The overall corrective action closing rate during 2021 was 94 percent.




In 2021, 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 non-fatal SIF injuries among our own employees. The overall SIF Exposure rate decreased by 13 percent compared to 2020, with the total number of reported incidents or near-misses with Actual or Potential SIF consequences down to 49 from 56 in the previous year. In 2021, a total of 1.9 percent of all incidents reported were classified as SIF Exposure compared to 2.6 percent in 2020. The main causes for SIF Exposures were being in the line of fire (30 percent), contact with live electricity (16 percent) and fall of heights (14 percent).

The total number of reported near-misses was 1,497, which increased slightly compared to the previous year (1,335). Meanwhile, the reporting of safety observations increased sharply in 2021. We significantly exceeded our target of over 2 observations per person through reporting a total of 3.07 per person in 2021, with a total of 51,004 observations reported globally. This was an improvement of 79 percent compared to 2020 (28,472). 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 the incident investigation 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 2022. Safety performance is regularly monitored and discussed in the monthly Konecranes Leadership Team meetings as well as in the Board of Directors' meetings.



More Safety KPIs in Data and Indices on page 48.

Targets and progress: Safety

Commitment	Target	Progress	UN Sustainable Development Goals
<p>We make sure everyone gets to go home safe, every day</p> <ul style="list-style-type: none"> • Uncompromised safety in our operations • Solutions that deliver the safest material flow 	<p>TRI-rate <3 by the end of 2025.</p> <hr/> <p>20% year-on-year reduction of SIF exposure for own and contractor employees by the end of 2025.</p> <hr/> <p>Safety observations per year by the end of 2025: 5 per person.</p>	<p>TRI rate for the whole company was 6.7. Several Group-wide initiatives were launched to improve safety.</p> <hr/> <p>Serious Injury and Fatality (SIF) incidents total 49 (56). SIF potential reduction of 13% from 2020. Improvements were made in SIF incident review and follow-up, especially in SIF management reviews.</p> <hr/> <p>Total number of recorded safety observations was 51,004, which is 3.07 per person. Target for 2021 was >2.</p>	  



A DIVERSE, INCLUSIVE AND ENGAGING WORK ENVIRONMENT

A year of expanding diversity and fostering togetherness

During the COVID-19 pandemic, Konecranes has worked to raise awareness of employee wellbeing and sense of togetherness, while promoting equity and diversity in the organization. Through an inclusive talent process and various learning opportunities and development programs, Konecranes drives personal and professional growth and provides a foundation for deeper employee engagement.














Diversity and Inclusion

Konecranes' Diversity and Inclusion initiative forms the foundation of the company's culture and is part of its business agenda. In 2021, Konecranes Diversity and Inclusion strategy and vision was updated, raising the ambition level even further. At the core of the initiative are 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. These elements are supported by our global set-up, which enables us to represent the multicultural communities where we operate.

Progress in Diversity and Inclusion in 2021

Thanks to leadership’s commitment and employees’ engagement and participation, we were able to accelerate our activities in 2021 to achieve the ambitious targets of our Diversity and Inclusion roadmap.

Targets and progress: Diverse, inclusive, engaging work environment

Commitment	Target	Progress	UN Sustainable Development Goals
<p>We represent the multicultural communities where we operate</p> <ul style="list-style-type: none"> Equality, diversity and inclusion culture are embedded in our values We enjoy our work, feel trusted and valued and are proud to belong to Konecranes 	By the end of 2025, female gender share of total organization 22%	Female gender share of total organization 17.7% (16.7% in 2020)	 
	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% (13.1% in 2020)	 
	By the end of 2025, female gender share in STEM/Technology area of 22%	Female gender share in STEM/Technology area 15% (13% in 2020)	 
	Composition of global management teams in business areas and functions reflects the variety of nationalities and geographies of customers and employees	On average, 61% of global Business Area and management teams are comprised of one prevalent nationality (59% in 2020)	
	In countries, share of minority groups in organizations reflects local demographic by 2025	Six key countries have established local targets and actions (new, no comparison to 2020)	 
	By the end of Q1 2021, 100% completion rate of D&I e-learning (completion compatible with COVID rules)	Year-end completion rate of D&I e-learning 94% (staff) (new, no comparison to 2020)	 
	NEW TARGET FOR 2022: Improve Inclusion Index result	Inclusion Index introduced in 2021. Result 69% favorable.	 



Raising awareness and making a difference

In 2021, we embraced multiple dimensions of diversity through internal and external campaigns. One such example was the #BeYouAtKonecranes initiative to show our commitment for the LGBTQ+ community and allies during Pride month and, later in December, to show our support for the International Day of Persons with Disabilities. With International Women’s Day and STEM initiatives, we continued to draw attention to empowering women at work and encouraging women and girls to embrace careers in the fields of science, technology, engineering and maths (STEM). In addition, we celebrated our global and multicultural organization during the international Cultural Diversity Day and by providing training on cultural differences. We employed 94 nationalities in 52 countries in 2021.

We believe that together we can boost innovation and creativity and make inclusion an additional lever of business excellence. This is also the essence of the four Employee Resource Groups (ERG) established during 2021. Respectively, the employee affinity groups are focusing on inspiring women pursuing leadership positions, progressing women in STEM fields, promoting the freedom to be yourself regardless of sexual orientation, and improving physical, mental and accessibility issues. All of these voluntary groups lead specific D&I initiatives and aim to raise awareness, provide support, accelerate our goals and strengthen the work environment.

One of Konecranes’ popular internal initiatives, the Coffee and Culture webinar, was established after the start of the pandemic in 2020. In 2021, it became a well-known global event, where employees have an opportunity to engage with panelists and discuss diversity, equity, inclusion and belonging. We also brought people together with music by co-creating Spotify lists for different occasions and introduced the **Flow at Work podcast** in which our people share their insights on what it is like to work at Konecranes.

On country-level, different programs and events supported the global initiatives. For example, regions and countries set their own diversity targets, created inclusive recruitment practices and participated in celebrations, such as the Cultural Diversity Day. Konecranes also signed the Diversity Charter in Finland, cooperated with the Italian DiverCity magazine and took part in different platforms, such as Catalyst EMEA and European Women on Boards.

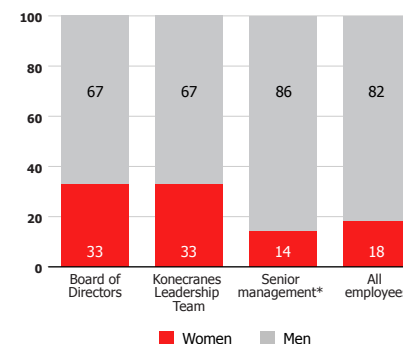
Although awareness is just one corner of our D&I strategy, these activities have brought about a positive shift in Konecranes’ company culture and ways of working. They have enabled a positive mindset and increased employee wellbeing, while strengthening employee engagement and trust. Diversity enables a multitude of perspectives and supports innovation. In addition, our ability to attract diverse talents has increased, contributing to our goal to be a truly inclusive and diverse workplace.

From hiring to developing talent

Our people are the key to our success. This is why we aim to attract and hire the best, most competent and diverse talents who respond in agile ways to our business needs and drive growth. In 2021, we started programs that enable even more equal opportunities for applicants. These include making the language in our job advertisements more inclusive and piloting blind recruitment processes, where the identification details of candidates were removed. During the blind recruitment pilot, we ran a survey for the applicants, which confirmed that the format encouraged them to apply.

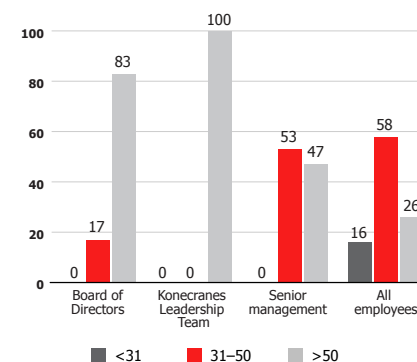
We finalized an agreement in 2021 to utilize artificial intelligence to “de-bias” our job applications. We also updated our recruitment guidance, including definitions for unconscious bias, diverse sources for each geography and expected diversity in the recruitment panels. We designed the first plan of social benefits during the year, paying

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)



particular attention to the remote and hybrid working practices, to reflect inclusion, well-being and the new way of working after the pandemic. In addition, we created the first Inclusion index to measure how our organization succeeds in building an inclusive work environment. The results were positive: 75 percent of respondents felt that Konecranes promotes and values diversity, and our Inclusion index was 69 percent favorable.

Our people management strategy ensures that we have the needed resources and skillsets for the future, and that our employees are motivated and able to meet 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 2021, we offered 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. By having continuous dialogue with their manager, employees can faster achieve their aspiration targets and accelerate their professional growth. For managers, it offers 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 2021, 90 percent of employees had completed either a performance or development review.

To support broader identification of talents, Konecranes continued its female development programs in 2021. These included mentoring in cooperation with European Women on Boards, succession planning for women and the Fast Track program, which supports the acceleration of women

into leadership positions. In addition, we embedded D&I in our induction programs for leaders focusing on promoting an inclusive leadership concept.

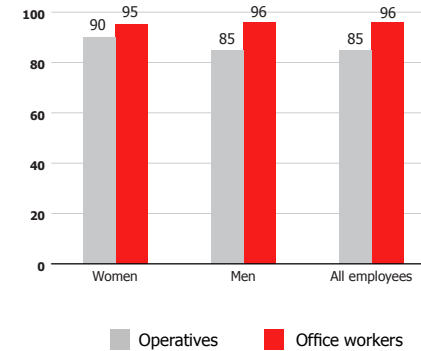
Konecranes' remuneration schemes and practices aim to drive equal and fair pay. In 2021, we continued to harmonize our salary review process to enable equal discussions and decision-making regarding salaries. This was supported by a central management tool and frequent compensation benchmarks. By enhancing our reporting capabilities and the comparability of the total remuneration, we have taken one step forward in this journey. To further advance in this area, we ran a pilot on equal pay review in one of our regions.

Learning journeys and other development opportunities

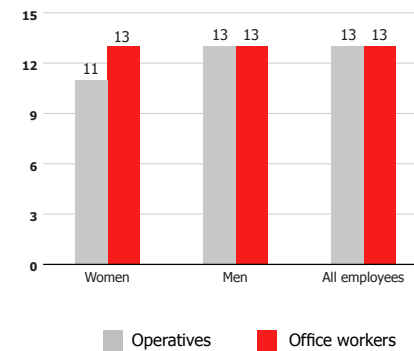
Konecranes offers a variety of training courses and development activities on different topics ranging from technology to leadership and specific development programs on commercial excellence, project management and lean operations to boost our core competencies.

In 2021, the average learning hours per employee (13 hours) increased from 2020 (11 hours). Our formal learning offering covered, for example, new training designed to support managers during the pandemic. Over 830 managers participated in the leadership development portfolio, which aimed to enhance the psychosocial well-being of managers and their teams. Topics included change management, coaching skills, situational leadership and self-leadership. We also continued with the learning path called "Staying Connected" and launched a resilience learning journey. These platforms offer context and concrete tips for reflection, discussion, connection, compassion and resilience. Many of the manager programs were also offered to teams and individual employees. The flagship "KC Leader" program was carried out for

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



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



three cohorts. Overall, 90 percent of all employees received career- or skills-related training in 2021. In addition, Konecranes launched a global onboarding program that offers new employees an engaging start.

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 beginning of 2021, we conducted one pulse survey to understand employees' feelings about the current situation, and later in June, we measured employee engagement through a broad Employee Engagement Survey. Based on the survey results, the global Konecranes employee Net Promoter Score decreased from 14 (December 2020) to 4 (June 2021), still being on a good level. The decrease is likely due to the prolonged pandemic

situation and the planned merger with Cargotec, which is naturally causing some uncertainty.

The results show that despite the challenges brought on by the pandemic, we are doing well and at times even exceeding the average when comparing to general industry and companies like Konecranes. We want to offer our current and future employees a positive, diverse and international work environment. We have improved in this area since our last survey in 2019, with a 5 percent increase in the feeling of good cooperation and teamwork. Based on the results, people appreciate the work opportunities and safety provided at Konecranes, and they would recommend Konecranes as a good place to work.

Based on the survey results, our improvement areas are related to understanding the link between pay and performance, workload, uncertainty about the future and

having time for development. Leaders engaged with their teams and discussed how to tackle improvement areas and continue building on the strengths. Based on this, teams created actions plans that are relevant and achievable.

Because of the pandemic, our way of working and thinking has fundamentally changed, and this comes across in our surveys. At Konecranes, we have offered different ways for people to cope with the change – which were outlined in this section.

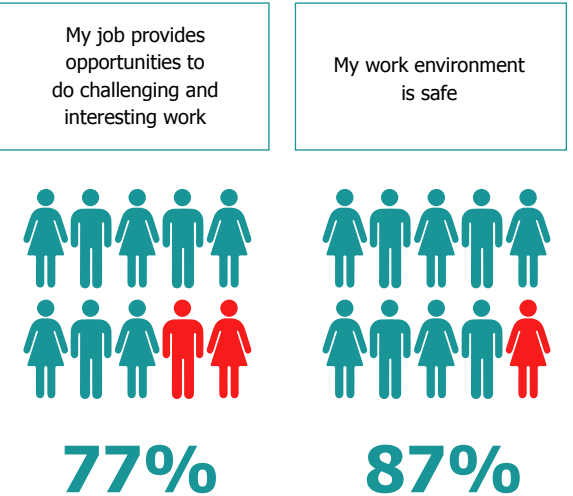


Read more in Data and Indices section on page 47.

Great work relationships



Safe and developing work environment



A good place to work





RESPONSIBLE BUSINESS CONDUCT

High ethics is part of our culture

Multiple awareness-raising activities were executed during 2021 with the main focus on the new competition law training and yearly Code of Conduct training. In 2021 we implemented a new Conflict of Interest Instruction and policy on donations and sponsorships and the related processes. We also continued third-party audits concentrating on compliance with our Supplier Code of Conduct.

Ethics and compliance are based on our values

The management culture of Konecranes is based on our company values: trust in people, total service commitment and sustained profitability. Our goal is not just to comply with the laws, rules and regulations that apply to our business; we also strive to abide by high standards of business conduct. Konecranes' Code of Conduct and Corporate Governance Framework guide the everyday activities of the company by clearly describing our internal standards and ethical values as well as our legal obligations. The Code of Conduct is complemented by several Group-wide policies regarding quality, safety, environment, supplier requirements, anti-corruption, data protection, competition law and equal treatment and diversity, among

others. Our main compliance policies and our yearly Code of Conduct training are available in 35 languages. We have an executive-level Compliance and Ethics Committee to oversee the implementation and development of our compliance and ethics program, which is managed by the Compliance and Ethics Team.

During 2021 we published and implemented a new Conflict of Interest Instruction and related declaration process and updated our Anti-Corruption Policy and policy on donations and sponsorships. A new, annual compliance statement signoff process for targeted positions was also implemented during 2021. In accordance with our regular Compliance & Ethics risk assessment process we conducted a risk assessment web survey in 2021 to gather insights from over 750 people throughout our organization. The survey results supplement the insights from our global employee engagement survey. These results facilitated evaluating our responsible business conduct KPIs and overall compliance and ethics program and roadmap.

We promote a healthy "Speak Up" culture where people can feel safe reporting compliance and ethics concerns. We offer multiple ways to raise concerns, including an externally managed Whistleblowing Channel, which is open to our employees as well as third parties, and which enables also anonymous reporting when allowed by local laws. We encourage our employees, suppliers and other business partners to report on any compliance and ethics concerns relating to Konecranes. We have a clear policy of no retaliation in our global Whistleblowing Guidelines. Anyone who engages in retaliatory action will face disciplinary action, which may include termination of employment. All reports made are reviewed and investigated as appropriate. The Head of Compliance & Ethics is responsible for the investigations and all

investigations are reported to the Compliance & Ethics Committee. During 2021, 58 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.

We executed several awareness raising activities during 2021 with the main focus on the new competition law training 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. The target was to reach a 100 percent training completion rate also in 2021, but that was not yet reached mainly due to the requirement of face-to-face trainings in some parts of the organization, which could not be arranged due to the COVID-19 situation. In 2021 we completed the roll-out of our new competition law training and relaunched our data protection training – both targeted to selected positions. Further, we conducted over 60 other trainings during the year covering various compliance topics such as ethical leadership, anti-corruption and whistleblowing.

Anti-corruption and bribery prevention

Our Anti-Corruption Policy and Code of Conduct demonstrate our commitment to work against corruption in all forms, including extortion and bribery. They define the level of ethical conduct we seek to uphold and support our long-term competitiveness in the global markets. Our Anti-Corruption Policy, which was reviewed and revised in 2021, has compliance protocols and guidelines in place to detect 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 a Gifts and Hospitality Portal for reporting and pre-approvals, and a new Conflict of Interest Declaration Portal launched in 2021. The portal is a central location for employees to report and gain pre-approval for offering and receiving gifts and hospitality, in accordance with the rules set out in our Anti-Corruption Policy. We have internal controls in place regarding selected key compliance and ethics requirements, which are regularly audited by our internal audit function. Anti-Corruption matters formed an




important element of our 2021 Code of Conduct training. In addition, we organized other advanced anti-corruption trainings to targeted audiences such as procurement, sales and finance teams.

We promote our zero-tolerance of corruption and bribery to our business partners in our Supplier Manual, Supplier Code of Conduct and Distributor Code of Conduct. By the end of 2021, globally approximately 1,500 suppliers, representing approximately 56 percent of our total procurement spend, have committed to our Supplier Code of Conduct. Among

the top 1,000 suppliers by spend, the coverage was 72 percent. We are also auditing our suppliers for their anti-corruption work.

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 whereby the level of scrutiny and required approval process are determined by considering, for example, the risks associated with the business in question, country risks and business partner risks.

Targets and progress: Responsible business conduct

Commitment	Target	Progress	UN Sustainable Development Goals
<p>We are a trusted partner known for our integrity</p> <ul style="list-style-type: none"> We expect the highest ethical standards of ourselves and our business partners We do business in a direct, clear and ethical manner 	<p>Mandatory Code of Conduct training completed by all employees.*</p> <hr/> <p>Competition Compliance training completed by 100% of defined target audience.</p> <hr/> <p>100% positive response on engagement survey questions:</p> <ol style="list-style-type: none"> "Management of my unit is committed to integrity and ethical business practices" "I would feel comfortable reporting unethical behavior if I saw it in Konecranes" 	<p>Our Code of Conduct basic training has been completed by 98% of all employees.* Also, during 2021 more than 15,000 employees representing 91% of all employees* completed Code of Conduct refresher training (EMEA 89%, APAC 96%, Americas 93%). Reaching 100% was hindered particularly by the COVID-19 pandemic, which prevented organizing some of the planned face-to-face trainings.</p> <hr/> <p>The rollout of the new Competition Compliance eLearning was completed in 2021 and by the end of the year, 96% of the target audience had completed the training.</p> <hr/> <p>Based on one 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.</p>	<p>UN Sustainable Development Goals</p>  <hr/>  <hr/> 

* Excluding recent new hires and people on leave of absence.



Committed to human rights

By signing the United Nations Global Compact in 2010, Konecranes committed to supporting and applying the compact's fundamental human rights and principles on working conditions. Konecranes respects human rights and promotes the principles set in the UN Universal Declaration of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO).

Human rights cover a wide spectrum of civil and political, labor, social and cultural rights, as well as the rights of vulnerable groups. As per UN Guiding Principles, companies do not only need to avoid causing and contributing to

adverse human rights impacts through their own activities, but they should also seek to prevent or mitigate negative impacts that are directly linked to their operations, products or services by their business relationships. Our Sustainability Team is driving forward corporate-level due diligence processes, such as a holistic human rights risk screening. Specific risks are managed accordingly in different parts of the organization.

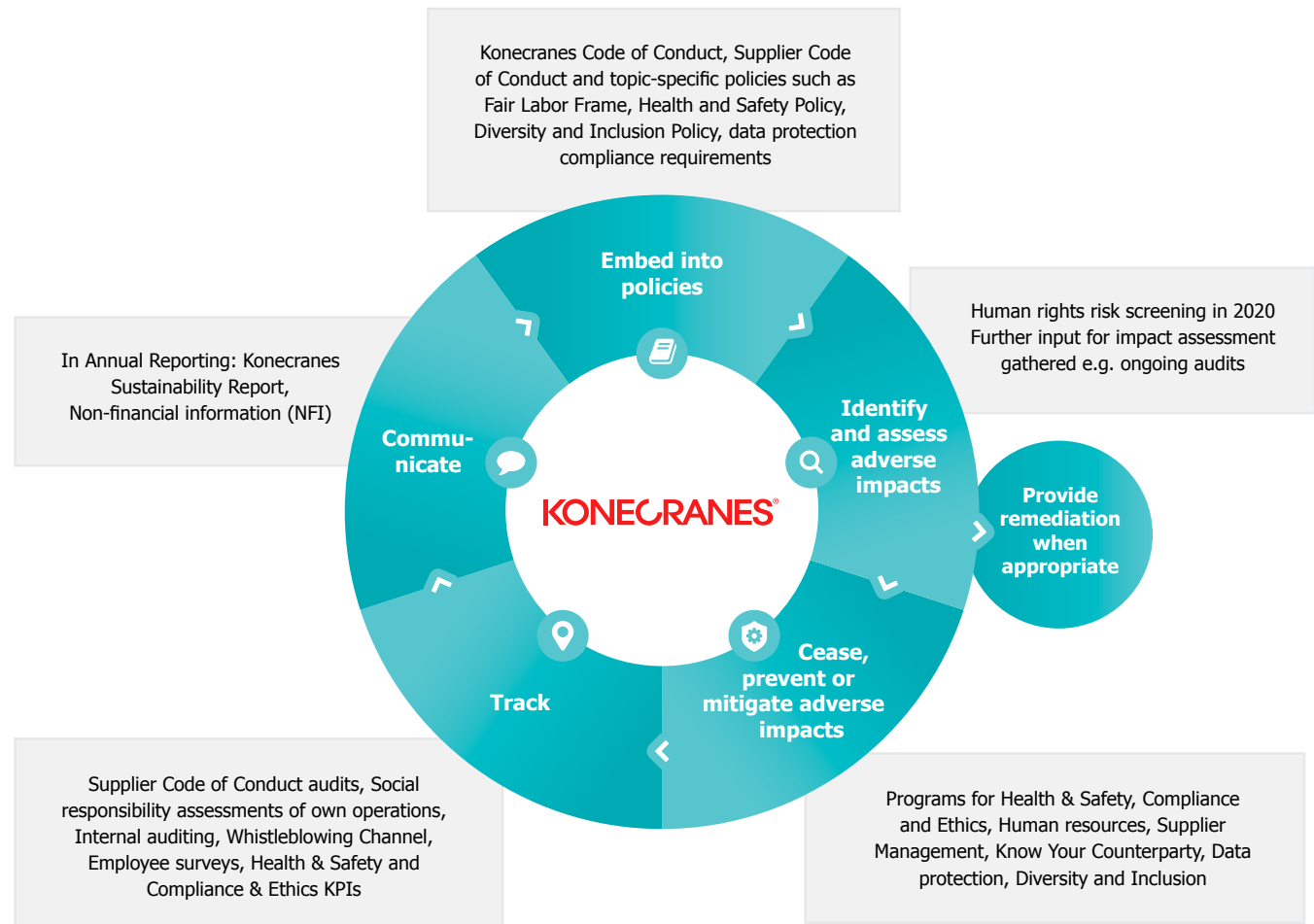
To improve our human rights due diligence process, we conducted a human rights risk screening in 2020 with the help of an external service provider. The exercise covered our own activities, supply chain and the use of

our products. Health- and safety-related risks stand out as a salient risk area both for our own employees and for people in our value chain. Labor rights – such as wages, working hours and freedom of association – are a salient risk in our complex supply chains. In our own operations, we also pay special attention to labor rights, discrimination and privacy of personal data to prevent these typical human rights risks from happening. Outsourced labor, whether working at our own sites or in the supply chain, are often more prone to face risks than regular workforce. To manage and mitigate possible risks, we already have strong policies and programs in place in many areas, while we also recognize the need for improvement in some areas.

To mitigate risks on policy level, we have translated our commitment to human rights into internal policies that are to be used as the minimum applicable standards. 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 2021 we updated our Fair Labor Frame, which sets a more detailed standard and ambition to our workforce-related activities, such as working hours, voluntary employment and freedom of association. Input for the Fair Labor Frame was collected from several internal and external sources, including the workers council. Additionally, we have separate policies, for example, on Health and Safety, Respect in the Workplace, Diversity and Inclusion and Data Protection compliance requirements. To ensure that human rights are also respected in our supply chain, we have included our basic requirements in our Supplier Code of Conduct. Human rights are part of our annual, mandatory Code of Conduct training.

We have several programs in place to prevent, mitigate and remedy the typical negative human rights impacts. Read more about our work to reduce health and safety risks in the section **Safe products and workplaces**. We also take privacy very seriously and place a high priority on personal data protection. We have a dedicated data protection organization and defined processes, guidelines, requirements and procedures covering all personal data in our control, regardless of whether or not it concerns our own employees, customers, suppliers or subcontractors. Read more about our activities to reduce IT risks, including integrity, in the risk management section of our **Governance and Financial Review**. To proactively prevent discrimination, we have a strong Diversity and Inclusion program, and we have established a

Elements of human rights risk management



“Speak Up” culture. Should discrimination nevertheless be identified, we have a clear process for investigating each case. Furthermore, we have dedicated management processes and centralized compliance processes to protect employee rights such as freedom of association and collective bargaining. For more on the labor rights management with suppliers, see section **Responsibility in our supply chain**. Our suppliers can also use our Whistleblowing Channel, which is available in more than 35 languages.


We are tracking our human rights risk management performance in several ways, for example by conducting compliance and ethics risk surveys, and via whistleblowing

channels and employee engagement surveys. Additionally, in 2021 a third party conducted social responsibility assessments against our updated Fair Labor Frame in six Konecranes’ manufacturing or service operation sites, located in typical high-risk countries, such as China, Morocco and Indonesia. 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 most of the findings locally 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 2021, we piloted embedding fair labor topics, relating for example to child and forced labor prevention, in our internal controls catalogue and internal audits and we will build our capabilities on living wage in a Group-lead initiative in 2022.

Targets and progress: Human rights

Commitment	Target	Progress	UN Sustainable Development Goals
<p>We are a trusted partner known for our integrity</p> <ul style="list-style-type: none"> We expect the highest ethical standards of ourselves and our business partners We do business in a direct, clear and ethical manner 	<p>By the end of 2021 we aim to conduct at least 5 on-site social responsibility assessments of our own operations, assuming the COVID-19 situation allows for it. The assessments will concentrate on risk countries and topics identified in the human rights risk screening.</p>	<p>6 on-site social responsibility assessments were conducted.</p> <p>We have set the same target also for the year 2022.</p>	

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. 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 – and that brings challenges for supplier management. As one solution to practical management challenges, we launched an electronic procurement system at the end of 2020. The system increases automation and offers us, for instance, new efficient ways to target different supplier categories with tailored requirements and action follow-up. 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 spend 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 spend 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 spend over a certain threshold and for all subcontractors irrespective of spend. This self-assessment has 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. We updated both the background check and the self-assessment in 2021 to cover a wider spectrum of sustainability questions and trained more than 400 employees making supplier selections on the new requirements.

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. The Code requires suppliers to push similar requirements towards their sub-suppliers and subcontractors. 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 2021, globally approximately 1,500 suppliers (13 percent more than in 2020), representing approximately 56 percent of our total procurement spend, have signed to commit to our Supplier Code of Conduct. We will continue to increase the share in 2022.

Managing sustainability during the business relationship

From 2021 onwards we require 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 100 on-site process audits based on identified risks, 96 in 2021. About 20 percent of the standard points checked in these process 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, the previously done company-level human rights risk assessment, and also taking into account category strategies and supplier segmentation. We have a defined escalation process for critical findings, which can, in the worst case, lead to ending a business relationship with a supplier. In 2021, altogether 27 audits were conducted in China, India, Turkey and Ukraine. In total, there were around 550 findings related to, for example, working hours, use of personal protective equipment, missing environmental targets and incomplete anti-corruption policies. We are working with suppliers to resolve the findings in due time. We will share the lessons learned in the audits in our procurement teams to increase awareness and knowledge on the realized sustainability risks. The identified risks can be then better mitigated also within other supplier management processes.

Our sustainability management focus is on our Tier 1 suppliers. The Konecranes Supplier Code of Conduct

nevertheless requires suppliers to push similar requirements for their suppliers, and we sometimes also audit the suppliers of our supplier as part of the on-site audits. Conflict Minerals reporting forms an exception; to ensure the used minerals are conflict-free, we collect standard information across the tiers up to the smelter or refinery level.

Substance management

There is an increasing amount of legislation restricting the use of different harmful substances in products. Our key requirements applicable to both our own operations and purchased components are listed in the Konecranes Restricted Substances List, which was updated and widely communicated in 2021. Substances on the list are harmful to human beings and/or the environment. In 2020 and 2021 we have 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 REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) 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. We nevertheless conduct due diligence across the supply chain to clarify where the so-called conflict minerals (tin, tantalum, tungsten, and gold) and cobalt 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). As these minerals are essential in the manufacturing of a variety of devices, including electronics and batteries, 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 2021, we offered training materials for the suppliers targeted for our conflict minerals due diligence, such as suppliers providing Konecranes designed electronics and inverter and battery suppliers. Seventy-eight percent of them provided us the requested detailed information. Altogether, our suppliers sourced materials from 338 tin, tantalum, tungsten or gold smelters/refineries, out of which 77 percent were already verified or were in the middle of the verification process to be declared conflict-free by independent third-party auditors. Similarly, 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.

Targets and progress: Sustainable supply chain

Commitment	Target	Progress	UN Sustainable Development Goals
<p>We are a trusted partner known for our integrity</p> <ul style="list-style-type: none"> We expect the highest ethical standards of ourselves and our business partners We do business in a direct, clear and ethical manner 	<p>Continue to roll out Supplier Code of Conduct (SCoC) for existing and new suppliers and subcontractors based on identified risks and spend.</p> <hr/> <p>Execute at least 30 supplier sustainability audits per year with internal and external resources.</p>	<p>Globally around 1,500 suppliers (13% more than in 2020), representing around 56% of our total procurement spend*, have committed to our Supplier Code of Conduct. Among the top 1,000 suppliers by spend, the coverage was 72%.</p> <hr/> <p>27 external on-site sustainability audits (i.e. Supplier Code of Conduct audits) were conducted. Reaching the 30 audits was hindered particularly by the COVID-19 pandemic.</p>	

* Calculated against suppliers and spend covered in a central procurement tool, which includes around 92% of total Group spend



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.

Data charts and tables

Environmental data 2021 (GRI 302-1, 305-1, 305-2, 305-3, 305-4, 306-3. SASB RT-IG-130a.1)

KPIs		2021	2020 ¹²⁾	2019 ¹²⁾
Energy and emissions (Scope 1, Scope 2)	Total energy consumption (MWh)	275,000	267,100	305,300
	Fuel consumption ¹⁾ (MWh)	129,600	124,600	143,000
	Natural gas and LPG consumption (MWh)	63,400	62,900	77,900
	Electricity consumption (MWh)	68,900	68,600	71,300
	District heat consumption (MWh)	13,000	11,000	13,100
	Total energy consumption per sales (MWh/M€)	85	84	92
	Grid electricity percentage (%) ²⁾	25%	25%	25%
	Renewable energy percentage (%) ³⁾	20%	10%	8%
	Renewable electricity percentage (%) ⁴⁾	67%	30%	26%
	Scope 1 and Scope 2, Total emissions ⁵⁾ (tCO ₂ e)	58,900	73,400	85,700
	Scope 1, direct emissions ⁶⁾ (tCO ₂ e)	44,500	43,000	52,500
	Scope 2, indirect emissions tCO ₂ e ⁷⁾	Location-based method	23,800	27,600
Market-based method		14,400	30,300	33,100
Total emissions ⁵⁾ per sales (tCO ₂ e/M€)	17	23	25	
Total emissions ⁵⁾ per energy unit (tCO ₂ e/MWh)	0.20	0.27	0.27	
Emissions Scope 3	Purchased goods and services (tCO ₂ e)	1,515,600	1,391,600	1,573,000
	Capital goods (tCO ₂ e)	3,400	3,700	3,700
	Fuel- and energy-related activities (tCO ₂ e)	14,000	17,600	19,900
	Upstream transportation and distribution (tCO ₂ e)	53,800	34,800	39,500
	Waste generated in operations (tCO ₂ e)	300	900	600
	Business travel without flights (tCO ₂ e)	500	200	900
	Business flights (tCO ₂ e)	1,900	3,000	11,200
	Employee commuting (tCO ₂ e)	18,600	18,900	18,100
	Downstream transportation and distribution (tCO ₂ e)	5,400	4,800	3,900
	Use of sold products (tCO ₂ e)	3,522,200	3,586,800	3,984,200
	End-of-life treatment of sold products (tCO ₂ e)	5,000	5,500	5,900
	Investments (tCO ₂ e)	18,000	6,700	6,700
Scope 3, Total emissions ⁸⁾ (tCO ₂ e)	5,158,600	5,074,400	5,667,700	
Waste	Metal scrap ⁹⁾ (tons)	13,900	13,700	15,700
	Cardboard, paper and wood ¹⁰⁾ (tons)	2,400	2,400	2,800
	Hazardous and electronic and electrical waste ¹⁰⁾ (tons)	1,400	2,000	2,200
	Other waste ¹¹⁾ (tons)	1,400	2,600	2,300
Water consumption (m ³)	163,000	168,000	194,400	

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 taken into account for fuels. The use of natural gas, LPG and district heat from our service operations' figures are excluded as collecting this data from our service network is challenging and the consumption amounts are estimated to be very marginal.

- 1) Fuel consumption consists of diesel and petrol.
- 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). CO₂, CH₄ and N₂O 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) Total emissions include all scope 3 emissions applicable to Konecranes. GWP: 2007 IPCC Fourth Assessment Report AR4.
- 9) Waste streams are directed to recycling.
- 10) Waste stream handling split into recycling, incineration and other adequate treatments depending on location.
- 11) Other waste includes plastic, organic, mixed and energy waste. Waste stream handling split into recycling, incineration, composting, and landfill depending on location.
- 12) Data collection boundary has been updated to align with Science Based Target criteria, service and offices electricity consumption and refrigerants have been included to boundary. 2020 and 2019 are recalculated to offer transparent information.

1 MWh = 3.6 GJ. M€ = million euros.

Information on employees and other workers (GRI 102-8)

Konecranes employees at year end	2021	2020	2019
Industrial Equipment	5,516	5,720	5,397
Port Solutions	3,083	2,970	2,938
Service	7,890	8,062	7,762
Group staff	84	110	99
Total	16,573	16,862	16,196
Male	13,641	14,033	13,544
Female	2,928	2,823	2,640
Doesn't want to specify gender	4	6	12
Employees by employment type and gender	2021	%	Of which share of female (%)
Full-time employees	16,281	98%	17%
Part-time employees	292	2%	59%
Employees by employment contract and gender	2021	%	Of which share of female (%)
Permanent employees	15,675	95%	17%
Temporary employees	898	5%	25%
Employees by employment contract and region	2021	%	Of which permanent (%)
AME	3,016	18%	99%
APAC	3,874	23%	89%
EMEA	9,683	58%	95%

In addition to employees, in the end of 2021 Konecranes total workforce included less than 5% external workers. Majority of externals worked as operatives and the rest in different staff roles.

Data is compiled from the central HR system (SuccessFactors Employee Central), visualized with Power BI and showing status of December 31, 2021.

New employee hires and employee turnover in 2021 (GRI 401-1)

Rate of new employee hires and employee turnover*	Number of employees	Rate (%)	
New employee hires	2,009	12%	
Employee turnover	2,478	15%	
Employee hires by age group, gender and region	Number of employees	% total	Hire rate (%)
By age group			
<30	672	34%	29%
30–50	1,128	56%	12%
>50	209	10%	4%
By gender			
Male	1,558	78%	11%
Female	449	22%	16%
By region			
AME	636	32%	21%
APAC	380	19%	9%
EMEA	993	49%	10%
Employee turnover by age group, gender and region	Number of employees	% total	Turnover rate (%)
By age group			
<30	481	19%	21%
30–50	1,396	56%	15%
>50	601	24%	13%
By gender			
Male	2,089	84%	15%
Female	389	16%	14%
By region			
AME	646	26%	22%
APAC	720	29%	18%
EMEA	1,112	45%	12%

Data is compiled from the central HR system (SuccessFactors Employee Central), visualized with Power BI and showing status of December 31, 2021.

* Turnover includes all reasons to leave a company. Rates are calculated against the annual average of month-end headcounts.

Health and Safety Data 2021 (GRI 403-9. SASB RT-IG-320a.1)

		Combined company		Legacy Konecranes ⁵⁾
		2021	2020	2019
Near-miss frequency rate (NM) ¹⁾	Konecranes total	48.11	42.03	48.10
Lost-time injury frequency rate (LTI) ²⁾	Konecranes total	4.95	5.13	4.78
Total Recordable Incident frequency rate (TRI) ³⁾	Konecranes total	6.65	7.53	8.05
Fatalities ⁴⁾	Konecranes total	0	1	0

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.

4) Covering own personnel.

5) MHE Demag business not included in the legacy Konecranes figures.

ISO management system

Management system		2021	2020	2019
Environmental Management	ISO 14001:2015	80%	83%	72%
Occupational Health and Safety	ISO 45001:2018/ OHSAS 18001	73%	66%	71%
Quality Management	ISO 9001:2015	93%	N/A ¹⁾	N/A ¹⁾

1) Comparable data not available for 2019 and 2020

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 2020).

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' energy and emission data is 2017. 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 GRI Standards using the year 2016 versions of the following documents: GRI 101 Foundation, GRI 102: General Disclosures, and GRI 103: Management Approach. We have applied the Reporting Principles for defining report content by identifying our material economic, environmental and social topics, 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.

This report has been prepared in accordance with the GRI Standards: Core option. 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. The most material aspects for Konecranes were determined by conducting an annual materiality assessment involving key stakeholders and the company's management. 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, in 2021 we are disclosing for the first time 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.

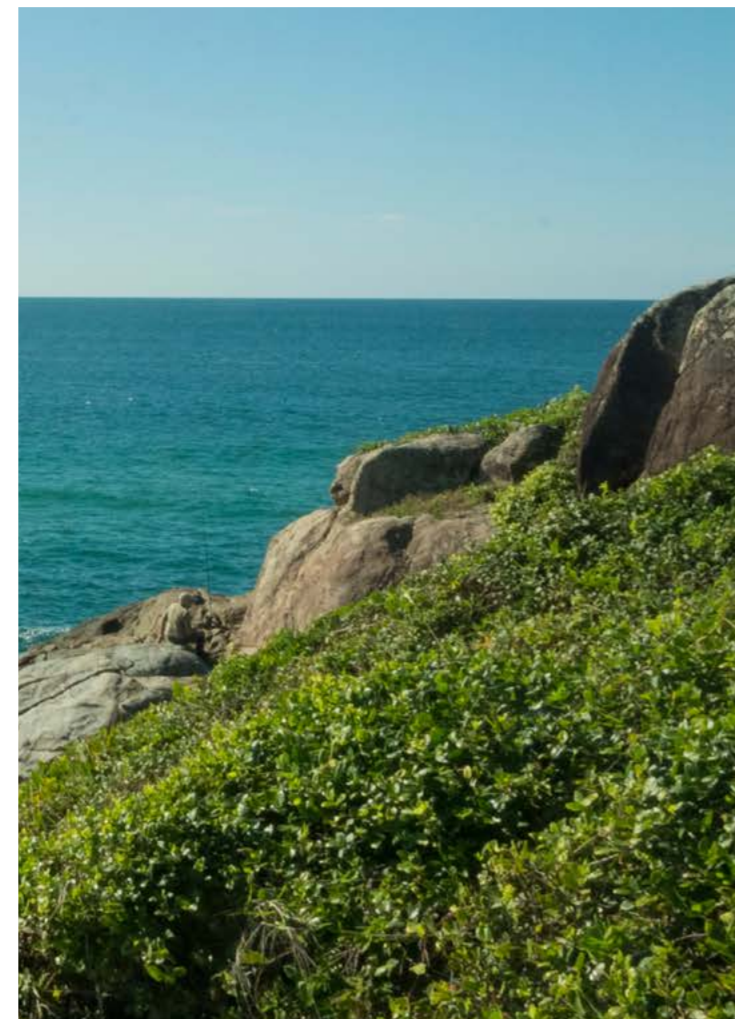
GRI and SASB Index 2021

GRI Standard	SASB Code	Topic	Page/link	Additional information
GENERAL DISCLOSURES				
Organizational profile				
102-1		Name of the organization	p. 3	
102-2		Activities, brands, products, and services	Annual Review	
102-3		Location of headquarters		Hyvinkää, Finland
102-4		Location of operations	Financial Review	
102-5		Ownership and legal form		Legal Form: Public Company Changes in ownership updated every quarter (www.konecranes.com)
102-6		Markets served	www.konecranes.com	
102-7		Scale of the organization	Annual Review	
102-8		Information on employees and other workers	p. 32-36, 47	Status of December 31, 2021.
	RT-IG-000.B	Number of employees	p. 3, 47	
102-9		Supply chain	p. 43-44	
102-10		Significant changes to the organization and its supply chain		There were no significant changes in 2021
102-11		Precautionary principle or approach	p. 8-9	The strategic role of sustainability Sustainability management approaches Eco-optimized offering and circularity
102-12		External initiatives	p. 8-9	See Table 2. Sustainability management approaches
102-13		Membership of associations		Konecranes holds positions on the boards of the European Materials Handling Federation (FEM), Port Equipment Manufacturers Association (PEMA), 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), International Organization for Standardization (ISO) and in committees of OPC Unified Architecture (OPC-UA).
102-14		Statement from senior decision maker	Annual Review	
102-15		Key impacts, risks, and opportunities	p. 22, 29, NFI statement	More information on climate risks and opportunities in the NFI Statement, in Financial Review. More information on climate risks available in Konecranes CDP disclosure available at www.cdp.net .

GRI Standard	SASB Code	Topic	Page/link	Additional information
Ethics and integrity				
102-16		Values, principles, standards, and norms of behavior	p. 5-6, 8-9, 37-39	Sustainability management approaches The strategic role of sustainability
102-17		Mechanisms for advice and concerns about ethics	p. 37-39	Sustainability management approaches Responsible business conduct
Governance				
102-18		Governance structure	p. 8	The strategic role of sustainability Governance and management More information about Corporate Governance: https://www.konecranes.com/investors/corporate-governance
102-19		Delegating authority	p. 8	Governance and management
102-20		Executive-level responsibility for economic, environmental, and social topics	p. 8	The strategic role of sustainability Governance and management
102-22		Composition of the highest governance body and its committees	p. 8, 47	The strategic role of sustainability Governance and management
102-29		Identifying and managing economic, environmental, and social impacts	p. 5-6	The strategic role of sustainability
Stakeholder engagement				
102-40		List of stakeholder groups	p. 14-16	
102-41		Collective bargaining agreements		The amount of collective bargaining agreements is based on local legislation. In the end of 2021, 37% of employees were covered by collective bargaining agreements and the pay scale of 40% of employees was defined on Konecranes level. The database is missing information from the rest of (24%) employees.
102-42		Identifying and selecting stakeholders	p. 14-16	
102-43		Approach to stakeholder engagement	p. 14-16	
102-44		Key topics and concerns raised	p. 14-16	
Reporting practice				
102-45		Entities included in the consolidated financial statements	Governance and Financial Review	See Financial Statement
102-46		Defining report content and topic Boundaries	p. 49	Reporting principles and data collection
102-47		List of material topics	p. 5-6	The strategic role of sustainability
102-48		Restatements of information		None
102-49		Changes in reporting	p. 49	Reporting principles and data collection. Changes in environmental data: Data collection boundary has been updated to align with science-based target criteria. 2020 and 2019 are recalculated to offer transparent information.
102-50		Reporting period		The reporting period for this Corporate Responsibility Report is the financial reporting period of January 1 to December 31, 2021.
102-51		Date of most recent report		The previous report was published in March 2021.
102-52		Reporting cycle		Konecranes publishes economic, social and environmental information annually.
102-53		Contact point for questions regarding the report		Please contact Konecranes' Sustainability Team at corporate-responsibility(at)konecranes.com

GRI Standard	SASB Code	Topic	Page/link	Additional information
102-54		Claims of reporting in accordance with the GRI Standards	p. 49	This report has been prepared in accordance with the GRI Standards: Core option Reporting principles and data collection
102-55		GRI content index	p. 50-54	
102-56		External assurance	p. 49	Assurance statement can be found at https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability
MANAGEMENT APPROACH				
103-1		Explanation of the material topic and its Boundary	p. 8-9, 17-45	The strategic role of sustainability Value creation Sustainability management approaches table Omission: The reporting scope includes business over which the Group has operational control, excluding other entities in its value chain.
103-2		The management approach and its components	p. 8-9	Sustainability management approaches table Cornerstone sections for detailed targets, responsibilities, resources and specific actions
103-3		Evaluation of the management approach	p. 8-9	Sustainability management approaches table
TOPIC-SPECIFIC DISCLOSURES				
Economic standards				
Economic performance				
201-1		Direct economic value generated and distributed	p. 12	
	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services		EUR 213 million revenue in 2021 from modernizations and retrofits (7% of total revenue).
Anti-corruption				
205-2		Communication and training about anti-corruption policies and procedures	p. 37-39	Omission: We have broken down the training coverage by region, not on all combinations listed by GRI.
Procurement practices				
	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	p. 44	
Environmental standards				
Energy				
302-1		Energy consumption within the organization	p. 46	District heat, natural gas and LPG figures for service locations are not included as information is not available. Service operations' electricity consumption in biggest service offices is included in the data collection. 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. 46	Environmental data table
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	p. 24	Fuel efficiency is a material topic for Konecranes, but the exact SASB metric (gallons per hour) is not meaningful as we sell a wide range of non-road equipment. In addition, there are no industry standards to define a standard working period, and therefore we do not calculate sales-weighted fuel efficiency or emissions in this way. Read more about fuel saving technology for Lift Trucks (flowdrive) and hybrid power systems for RTGs with reverse braking .

GRI Standard	SASB Code	Topic	Page/link	Additional information
Emissions				
305-1		Direct (Scope 1) GHG emissions	p. 46	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 in the Assurance statement in https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability .
305-2		Energy indirect (Scope 2) GHG emissions	p. 46	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. 46	Detailed information about emission calculations can be found in the Assurance statement in https://www.konecranes.com/about/sustainability/the-strategic-role-of-sustainability .
305-4		GHG emissions intensity	p. 46	District heat, natural gas and LPG figures for service locations are not included as information is not available
Waste				
306-3 (2020)		Waste generated	p. 22, 46	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. 43-44	Omission: We are not yet able to disclose the percentage, but we describe the process.
Social standards				
Employment				
401-1		New employee hires and employee turnover	p. 47	
Occupational health and safety				
403-2 (2018)		Hazard identification, risk assessment, and incident investigation	p. 28-31, 48	Competence of our employees is assured by clear guidance in the workplace, work instructions, including it in the onboarding and by using e-learnings. 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.
403-9 (2018)		Work-related injuries	p. 28-31, 48	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. 48	TRIR and NMFR are found in the Safety data table. The fatality rate for 2021 is 0.
Training and education				
404-1		Average hours of training per year per employee	p. 35	
404-3		Percentage of employees receiving regular performance and career development reviews	p. 35	
Diversity and equal opportunity				
405-1		Diversity of governance bodies and employees	p. 34	
Supplier social assessment				
414-1		New suppliers that were screened using social criteria	p. 43	Omission: We are not yet able to disclose the percentage, but we describe the process.
Customer health and safety				
416-1		Assessment of the Health and Safety of product and service categories		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.



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