Årsredovisning

för

Konecranes Lifttrucks AB

556142-4960

Räkenskapsåret

2023

Fastställelseintyg

Jag intygar att resultaträkningen och balansräkningen har fastställts på årsstämma 2024-05-31.
Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.
Jag intygar att innehållet i dessa elektroniska handlingar överensstämmer med originalen och att originalen undertecknats av samtliga personer som enligt lag ska underteckna dessa.

Elektroniskt underskriven av:

Andreas Falk, Verkställande direktör
2024-06-10

Styrelsen och verkställande direktören för Konecranes Lifttrucks AB avger följande årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

Konecranes Lifttrucks AB tillverkar gaffeltruckar och truckar för containerhantering i företagets anläggning i Markaryd samt i ett av koncernens bolag i Lingang, Kina. Företaget erbjuder även service och reservdelsförsäljning som support till globala kunder och samarbetspartners.

Väsentliga händelser under räkenskapsåret

2023 präglades av en tydlig normalisering både från externa leverantörskedjor och i vår operativa förmåga vilket har gjort att vi nått rekordomsättning under 2023. Den globala ekonomin har också normaliserats och efterfrågan på våra produkter var god, men betydligt lägre än föregående år. Vi har tagit ytterligare steg i vårt hållbarhetsarbete genom stora investeringar i produktutveckling genom att elektifiera hela vår produktportfölj samt genom att konstant jobba med energieffektivisering i alla led. Konecranes Lifttrucks använder 100% förnybar energi i vår egen verksamhet.

Vår starka orderbok tillsammans med en förbättrad leverantörssituation, en betydligt förbättrad operativ förmåga och genom att våra prishöjningar fått genomslag i försäljningen har lett till rekordomsättning med ett gott resultat.

Vi har fortfarande en stor lageruppbyggnad och har inte fullt ut kunnat reducera den under året till optimal nivå. Inom vissa områden har vi tvärtom investerat i ökad lageruppbyggnad för att bättre kunna serva våra kunder. Vi kommer att fortsätta optimera vårt lager under 2024.

Under 2023 fortsatte vi med vårt systematiska arbete för en säker och trygg arbetsmiljö både för egna anställda och för personer som använder våra produkter. Vi har investerat i ytterligare produktionskapacitet med en ny monteringshall, optimerat och digitaliserat våra processer i vårt ERP system, konsoliderat flera av våra reservdelslager samt vidareutvecklat vår elektriska produktfamilj. Detta och mycket annat för att vara ännu bättre rustade för fortsatt lönsam tillväxt i en snabbt föränderlig värld.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Riskhantering är en integrerad del av den operativa styrningen av företaget. Inom bolagsstyrningen och ledningen arbetar vi strukturerat med kontinuerliga förbättringar av processer samt med att utbilda personal i att hantera utvecklingen av företaget. Vi bedriver ett stort förebyggande arbete för att minimera risker i produktionsflödet samt tillhörande kostnader, bland annat med ökad motståndskraft i vår leverantörskedja. Interna processer bedrivs för att hålla kundförluster på ett fortsatt minimum. Vi fortsätter att ha ett starkt fokus på att försvara och öka våra marknadsandelar, utveckla vårt erbjudande till våra kunder och partners genom produktutveckling och digitalisering, samt att göra effektivitetsförbättrande åtgärder i vår operativa verksamhet.

Forskning och utveckling

Inom bolaget bedrivs aktivt arbete dels genom utveckling av nya produkter men också genom förbättring och vidareutveckling av befintliga produkter. Nedlagda kostnader kopplade till detta område ingår i försäljningskostnader och uppgår för året till 4 199 tSEK, jämfört med föregående års belopp om 2 248 tSEK.

Miljöpåverkan

Anmälningsplikten avser en anläggning där motorbränslen, andra oljor och lösningsmedel hanteras. Den anmälningspliktiga produktionen motsvarar bolagets nettoomsättning. Företaget arbeter aktivt med att dokumentera och minska miljöpåverkan. Under verksamhetsåret har vi lanserat en eldriven truck i ett led att minska vår miljöpåverkan.

Ägarförhållanden

Bolaget är ett helägt dotterbolag till Konecranes Sweden Holding AB, som i sin tur är ett helägt bolag till Konecranes Finance Corporation i Finland.

Flerårsöversikt (Tkr)	**2023**	**2022**	**2021**	**2020**
Nettoomsättning	3 502 888	2 304 012	2 107 056	1 900 629
Resultat efter finansiella poster	66 980	-64 513	78 971	49 336
Rörelsemarginal (%)	3,2	-2,1	4,1	3,2
Avkastning på eget kap. (%)	32,0	-41,8	37,8	25,5
Balansomslutning	2 023 232	1 758 919	1 222 519	1 200 474
Soliditet (%)	10,3	8,8	17,1	16,1
Antal anställda	261	237	222	214

För definitioner av nyckeltal, se Redovisnings- och värderingsprinciper, not 1.

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	141 898 464
årets vinst	54 118 273
	196 016 737
disponeras så att	
i ny räkning överföres	196 016 737
	196 016 737

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

Resultaträkning

Tkr

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Rörelsens intäkter			
Nettoomsättning	2	3 502 888	2 304 012
Förändring av lagervaror under tillverkning, färdiga varor och pågående arbete för annans räkning		25 838	117 079
Övriga rörelseintäkter		3 245	2 896
		3 531 971	**2 423 987**
Rörelsens kostnader			
Råvaror och förnödenheter		-1 574 459	-1 229 816
Handelsvaror		-1 109 956	-691 487
Övriga externa kostnader	3, 4	-529 398	-373 088
Personalkostnader	5	-200 796	-173 870
Avskrivningar och nedskrivningar (samt återföring därav) av materiella och immateriella anläggningstillgångar		-6 214	-3 604
		-3 420 823	**-2 471 865**
Rörelseresultat	6	**111 148**	**-47 878**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	7	3 742	2 021
Räntekostnader och liknande resultatposter	8	-47 910	-18 656
		-44 168	**-16 634**
Resultat efter finansiella poster		**66 980**	**-64 512**
Bokslutsdispositioner	9	-1 082	10 976
Resultat före skatt		**65 898**	**-53 537**
Skatt på årets resultat	10	-11 780	-54
Årets resultat		**54 118**	**-53 591**

Balansräkning

Tkr

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Koncessioner, patent, licenser, varumärken samt liknande rättigheter	11	0	0
		0	**0**
Materiella anläggningstillgångar			
Markanläggningar	12	394	475
Maskiner och andra tekniska anläggningar	13	12 187	21 075
Inventarier, verktyg och installationer	14	1 991	2 299
Pågående nyanläggningar	15	95	0
		14 667	**23 849**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	16, 17	12 991	12 991
Fordringar hos koncernföretag	18	55 000	55 000
Andra långfristiga värdepappersinnehav	19	13	13
		68 004	**68 004**
Summa anläggningstillgångar		**82 671**	**91 853**
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		669 934	513 499
Varor under tillverkning		375 543	328 751
Färdiga varor och handelsvaror		0	7 145
		1 045 477	**849 395**
Kortfristiga fordringar			
Kundfordringar		595 971	539 440
Fordringar hos koncernföretag		266 546	238 249
Aktuella skattefordringar		5 146	16 926
Övriga fordringar		22 339	20 971
Förutbetalda kostnader och upplupna intäkter	20	5 082	2 082
		895 084	**817 668**
Kassa och bank		0	3
Summa omsättningstillgångar		**1 940 561**	**1 667 066**
SUMMA TILLGÅNGAR		**2 023 232**	**1 758 919**

Balansräkning

Tkr

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital	21		
Bundet eget kapital			
Aktiekapital		5 000	5 000
Reservfond		1 000	1 000
		6 000	**6 000**
Fritt eget kapital			
Balanserad vinst eller förlust		141 898	195 454
Årets resultat		54 118	-53 590
		196 016	**141 864**
Summa eget kapital		**202 016**	**147 864**
Obeskattade reserver	22	9 410	8 328
Avsättningar			
Övriga avsättningar	23	12 838	10 239
Summa avsättningar		**12 838**	**10 239**
Långfristiga skulder	24		
Skulder till koncernföretag		1 170 000	885 000
Övriga skulder		22 860	14 461
Summa långfristiga skulder		**1 192 860**	**899 461**
Kortfristiga skulder			
Förskott från kunder		67 629	165 583
Leverantörsskulder		250 024	194 661
Skulder till koncernföretag		150 904	212 929
Övriga skulder		18 610	17 128
Upplupna kostnader och förutbetalda intäkter	25	118 941	102 726
Summa kortfristiga skulder		**606 108**	**693 027**
SUMMA EGET KAPITAL OCH SKULDER		**2 023 232**	**1 758 919**

Rapport över förändringar i eget kapital

Tkr

	Bundet eget kapital		Fritt eget kapital		
	Aktie-kapital	**Reservfond**	**Balanserat resultat**	**Årets resultat**	**Summa eget kapital**
Ingående eget kapital 2023-01-01	5 000	1 000	195 454	-53 590	147 864
Omföring av föregående års resultat			-53 590	53 590	0
Justeringspost föregående års resultat			34		34
Årets resultat				54 118	54 118
Utgående eget kapital 2023-12-31	**5 000**	**1 000**	**141 898**	**54 118**	**202 016**

Kassaflödesanalys

Tkr

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Den löpande verksamheten			
Rörelseresultat		111 149	-47 878
Justeringar för poster som inte ingår i kassaflödet		0	0
Resultat vid försäljning av anläggningstillgångar		4 684	0
Avskrivningar		6 214	3 604
Justeringspost föregående års resultat		34	0
Erhållen ränta		3 742	2 021
Erlagd ränta		-47 910	-18 656
Förändring avsättningar		2 599	-2 630
Betald skatt		-11 780	-52
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**68 732**	**-63 591**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av varulager		-196 081	-304 499
Förändring av rörelsefordringar		-77 416	-223 707
Förändring av rörelseskulder		-78 521	268 595
Kassaflöde från den löpande verksamheten		**-283 286**	**-323 202**
Investeringsverksamheten			
Investeringar i materiella anläggningstillgångar		-1 717	-11 923
Kassaflöde från investeringsverksamheten		**-1 717**	**-11 923**
Finansieringsverksamheten			
Upptagna lån		285 000	325 000
Erhållna koncernbidrag		0	10 000
Kassaflöde från finansieringsverksamheten		**285 000**	**335 000**
Årets kassaflöde		**-3**	**-125**
Likvida medel vid årets början	26	3	128
Kursdifferens i likvida medel		0	0
Likvida medel vid årets slut		**0**	**3**

Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Koncerntillhörighet
Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är Konecranes Finance Oy (org.nr. 0762658-3) med säte i Hyvinkää, Finland. Moderföretag för hela koncernen är Konecranes Abp (org.nr. 0942718-2) med säte i Hyvinkää, Finland.

Koncernredovisning
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 §.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Försäljning av varor
Försäljning av varor redovisas vid leverans till kund, i enlighet med försäljningsvillkoren. Försäljning redovisas efter avdrag för lämnade rabatter och inkluderar kursdifferenser avseende kundfakturor.

Ränta och utdelning
Ersättning i form av ränta eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Utdelning redovisas som intäkt när företagets rätt till betalning är säkerställd.

Leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.
Se vidare not 4.

Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Redovisning sker i takt med intjänandet. Ersättningar till anställda efter avslutad anställning avser avgiftsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vare sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Företaget har inga övriga långfristiga ersättningar till anställda.

I företaget finns avgiftsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Materiella anläggningstillgångar har delats upp på komponenter när komponenterna är betydande och när komponenterna har väsentligt olika nyttjandeperioder.

Avskrivningsbart belopp utgörs av anskaffningsvärdet minskat med ett beräknat restvärde om detta är väsentligt. Avskrivning sker linjärt över den förväntade nyttjandeperioden.

Följande avskrivningstider tillämpas:

Immateriella anläggningstillgångar

Patent, varumärken samt liknande rättigheter	8 år

Företaget bedömer att dessa tillgångar har ett värde för verksamheten under minst 8 år, varför vi valt 8 år.

Materiella anläggningstillgångar

Markanläggningar	20 år
Maskiner och andra tekniska anläggningar	5-10 år
Inventarier, verktyg och installationer	3-10 år

För uthyrda truckar beräknas avskrivningsbart belopp till anskaffningsvärde med avdrag för beräknat restvärde vid hyresperiodens slut och detta skrivs av linjärt över hyresperioden.

Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärdet.

Värdeförändringar på terminskontrakt redovisas inte i resultaträkningen då särkringsredovisning tillämpas. Information om terminskontrakt i utländsk valuta lämnas i not 27.

Varulager

Varulagret har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärde avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att inkurans i varulagret har beaktats.

Uppskattningar och bedömningar

Bolaget gör fortlöpande uppskattningar och bedömningar om framtiden som påverkar det bokförda värdet för både fordringar och skulder. Det verkliga utfallet kommer inte att överensstämma med det bokförda värde som har uppskattats.

Reserveringar för garantikostnader bedöms utifrån den historiska reklamationskostnaden på redan levererade produkter. Om den framtida kostnaden ändras kommer detta att påverka garantikostnaderna. Vid bokslutsdagen reserveras även garantikostnaden för identifierade fel på levererade produkter som måste åtgärdas. Det är omöjligt att utesluta att ytterligare fel som ännu inte har identifierats eller uppträtt kan förekomma.

Fordringar och skulder och avsättningar

Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

Nyckeltalsdefinitioner

Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Rörelsemarginal (%)
Rörelseresultat i procent av omsättningen.

Avkastning på eget kap. (%)
Resultat efter finansiella poster i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Antal anställda
Medelantal anställda under räkenskapsåret.

Not 2 Nettoomsättningens fördelning

	2023	2022
Nettoomsättningen per geografisk marknad		
Sverige	95 846	91 494
Övriga Europa	1 037 220	659 807
Övriga marknader	2 369 822	1 552 711
	3 502 888	**2 304 012**

Not 3 Arvode till revisorer

	2023	2022
Ernst & Young AB		
Revisionsuppdrag	336	776
	336	**776**

Not 4 Leasingavtal - leasetagare

Operationell leasing

Årets leasingkostnader avseende operationella leasingavtal, uppgår till 2 569 tkr (fg år 2 546 tkr).

Framtida minimileasingavgifter, för icke uppsägningsbara operationella leasingavtal, förfaller till betalning enligt följande:

	2023	2022
Inom ett år	1 498	1 718
Senare än ett år men inom fem år	2 920	2 763
Senare än fem år	0	0
	4 418	**4 481**

Företaget har ingått följande väsentliga leasingavtal vilka redovisas som operationella leasingavtal:
Bilar

Not 5 Anställda och personalkostnader

	2023	2022
Medelantalet anställda		
Män	221	202
Kvinnor	40	35
	261	**237**
Löner och andra ersättningar		
Styrelse och verkställande direktör	3 063	2 943
Tantiem och liknande ersättning till styrelse och verkställande direktör ingår med	0	0
Övriga anställda	132 419	119 425
	135 482	**122 368**
Sociala kostnader		
Pensionskostnader för styrelse och verkställande direktör	591	796
Pensionskostnader för övriga anställda	14 018	13 009
Övriga sociala avgifter enligt lag och avtal	44 328	37 697
	58 937	**51 502**
Totala löner, ersättningar, sociala kostnader och pensionskostnader	**194 419**	**173 870**
Könsfördelning bland ledande befattningshavare		
Andel kvinnor i styrelsen	0 %	0 %
Andel män i styrelsen	100 %	100 %
Andel kvinnor bland övriga ledande befattningshavare	14 %	14 %
Andel män bland övriga ledande befattningshavare	86 %	86 %

Avtal om avgångsvederlag
Vid uppsägning av anställningavtalet har VD rätt till lön under 6 månader. Dessutom har avtal om avgångsvederlag träffats med VD som innebär att VD maximalt kan erhålla lön för ytterligare 12 månader.

Not 6 Inköp och försäljning mellan koncernföretag

	2023	2022
Andel av årets totala inköp som skett från andra företag i koncernen	37 %	57 %
Andel av årets totala försäljningar som skett till andra företag i koncernen	21 %	18 %

Not 7 Övriga ränteintäkter och liknande resultatposter

	2023	2022
Ränteintäkter från koncernföretag	1 650	1 650
Övriga ränteintäkter	2 092	371
	3 742	**2 021**

Not 8 Räntekostnader och liknande resultatposter

	2023	2022
Räntekostnader till koncernföretag	-47 428	-18 243
Övriga räntekostnader	-482	-413
	-47 910	**-18 656**

Not 9 Bokslutsdispositioner

	2023	2022
Erhållna koncernbidrag	0	10 000
Skillnad mellan bokförd avskrivning och avskrivning enligt plan	-1 082	976
	-1 082	**10 976**

Not 10 Aktuell och uppskjuten skatt

	2023	2022
Skatt på årets resultat		
Aktuell skatt	11 780	0
Justering avseende tidigare år	0	54
Totalt redovisad skatt	**11 780**	**54**

Genomsnittlig effektiv skattesats 17,9%

Avstämning av effektiv skatt

		2023		2022
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		65 899		-53 537
Skatt enligt gällande skattesats	20,6	13 575	20,6	-11 029
Förändring av uppskjuten skatt		-7 539		7 539
Övriga ej avdragsgilla kostnader		5 864		3 950
Ej skattepliktiga intäkter		-120		-460
Justering avseende skatter för föregående år		0		54
Redovisad effektiv skatt	**17,9**	**11 780**		**54**

Not 11 Patent, varumärken samt liknande rättigheter

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	52 179	52 179
Utgående ackumulerade anskaffningsvärden	**52 179**	**52 179**
Ingående avskrivningar	-52 179	-52 179
Utgående ackumulerade avskrivningar	**-52 179**	**-52 179**
Utgående redovisat värde	**0**	**0**

Not 12 Markanläggningar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	710	710
Utgående ackumulerade anskaffningsvärden	**710**	**710**
Ingående avskrivningar	-235	-155
Årets avskrivningar	-81	-80
Utgående ackumulerade avskrivningar	**-316**	**-235**
Utgående redovisat värde	**394**	**475**

Not 13 Maskiner och andra tekniska anläggningar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	59 086	37 714
Inköp	1 348	1 842
Försäljningar/utrangeringar	-10 001	0
Omklassificeringar	0	19 530
Utgående ackumulerade anskaffningsvärden	**50 433**	**59 086**
Ingående avskrivningar	-38 011	-25 469
Försäljningar/utrangeringar	6 119	0
Omklassificeringar	-802	-9 689
Årets avskrivningar	-5 552	-2 853
Utgående ackumulerade avskrivningar	**-38 246**	**-38 011**
Utgående redovisat värde	**12 187**	**21 075**

Not 14 Inventarier, verktyg och installationer

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	5 279	5 869
Inköp	274	501
Försäljningar/utrangeringar	-1 651	-1 091
Utgående ackumulerade anskaffningsvärden	**3 902**	**5 279**
Ingående avskrivningar	-2 980	-3 366
Försäljningar/utrangeringar	1 651	1 055
Årets avskrivningar	-582	-669
Utgående ackumulerade avskrivningar	**-1 911**	**-2 980**
Utgående redovisat värde	**1 991**	**2 299**

Not 15 Pågående nyanläggningar

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	0	226
Inköp	95	0
Omfört till anläggning	0	-226
Utgående ackumulerade anskaffningsvärden	**95**	**0**
Utgående redovisat värde	**95**	**0**

Not 16 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	12 991	12 991
Utgående ackumulerade anskaffningsvärden	**12 991**	**12 991**
Utgående redovisat värde	**12 991**	**12 991**

Not 17 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Ulvaryd Fastighets AB	100%	100%	500	12 991
				12 991

	Org.nr	Säte	Eget kapital	Resultat
Ulvaryd Fastighets AB	556841-7082	Markaryd	23 746	3 641

Eget kapital samt Årets resultat har angetts i sin helhet oavsett ägarandel.I Eget kapital ingår 79,4 % av obeskattade reserverMed Årets resultat avses resultat efter finansiella poster

Not 18 Fordringar hos koncernföretag

	2023-12-31	2022-12-31

Ingående anskaffningsvärden	55 000	55 000
Utgående ackumulerade anskaffningsvärden	**55 000**	**55 000**
Utgående redovisat värde	**55 000**	**55 000**

Not 19 Andra långfristiga värdepappersinnehav

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	13	13
Utgående ackumulerade anskaffningsvärden	**13**	**13**
Utgående redovisat värde	**13**	**13**

Not 20 Förutbetalda kostnader och upplupna intäkter

	2023-12-31	2022-12-31
Förutbetalda försäkringspremier	3 743	1 824
Övriga förutbetalda kostnader	1 339	258
	5 082	**2 082**

Not 21 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal A-Aktier	50 000	100
	50 000	

Antal aktier och kvotvärde oförändrat mot föregående år.

Not 22 Obeskattade reserver

	2023-12-31	2022-12-31
Ackumulerade överavskrivningar	9 410	8 328
	9 410	**8 328**

Not 23 Avsättningar

	2023-12-31	2022-12-31
Garantiåtaganden	12 838	10 239
	12 838	**10 239**

Not 24 Långfristiga skulder

	2023-12-31	2022-12-31
Förfaller mellan 1 och 5 år efter balansdagen		
Skulder till koncernföretag	1 170 000	885 000
	1 170 000	**885 000**
Förfaller senare än 5 år efter balansdagen		
Skulder till koncernföretag	0	0
	0	**0**

Not 25 Upplupna kostnader och förutbetalda intäkter

	2023-12-31	2022-12-31
Upplupna löner	11 413	11 420
Upplupna semesterlöner	14 611	13 532
Upplupna sociala avgifter	15 234	14 273
Övriga upplupna kostnader	53 307	34 633
Övriga förutbetalda intäkter	24 375	28 868
	118 940	**102 726**

Not 26 Kassa och bank

	2023-12-31	2022-12-31
Kassa och bank		
Disponibla tillgodohavanden	0	3
	0	**3**

Not 27 Upplysningar om finansiella instrument

Säkringsredovisning
För att hantera valutarisken i fordringar och skulder i utländsk valuta används terminskontrakt. Hanteringen sker i enlighet med de riktlinger och ramar som är fastställda i bolagets finanspolicy. Bolaget tillämpar s.k. säkringsredovisning, vilket innebär att värdeförändringar på terminskontrakt i utländsk valuta inte redovisas i resultaträkningen.

Särskild dokumentation är upprättad som beskriver förutsättningar och strategier för att kunna tillämpa denna redovisningspricip. Per bokslutsdagen fanns ett undervärde på ca 7,5 MSEK i terminskontrakten. 11,6 MSEK har belastat redovisat resultat för 2023 negativt eftersom terminssäkrade poster har värderats till terminskurs.

Undervärdet / övervärdet representerar den kostnad / intäkt som skulle uppstå om man avslutar avtalen i förtid.

Not 28 Eventualförpliktelser

	2023-12-31	2022-12-31
Betalnings- och fullgörandegarantier	29 060	58 544
	29 060	**58 544**

Not 29 Disposition av vinst eller förlust

	2023-12-31
Förslag till vinstdisposition	
Styrelsen föreslår att till förfogande stående vinstmedel:	
balanserad vinst	141 898
årets vinst	54 118
	196 017
disponeras så att	
i ny räkning överföres	196 017
	196 017

Not 30 Hållbarhetsrapportering

Moderbolaget upprättar hållbarhetsrapporetering. Närmast överordnade moderföretag i vilken företaget ingår är Konecranes Finance Oy (org.nr. 0762658-3) med säte i Hyvinkää, Finland. Moderföretaget för hela koncernen är Konecranes Abp (org.nr. 0942718-2) med säte i Hyvinkää, Finland.

Markaryd 2024-04-24

Juha Pankakoski
Juha Pankakoski
Ordförande

Juha Vanhanen
Juha Vanhanen

Hannu Parkkola
Hannu Parkkola

Andreas Falk
Andreas Falk
Verkställande direktör

Vår revisionsberättelse har lämnats 2024-04-24

Ernst & Young AB

Peter Gunnarsson
Peter Gunnarsson
Auktoriserad revisor

Revisionsberättelse

Till bolagsstämman i Konecranes Lifttrucks AB, org.nr 556142-4960

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Konecranes Lifttrucks AB för räkenskapsåret 2023-01-01 – 2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Konecranes Lifttrucks ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Konecranes Lifttrucks AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehålle i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Konecranes Lifttrucks AB för räkenskapsåret 2023-01-01 – 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Konecranes Lifttrucks AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisioner av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

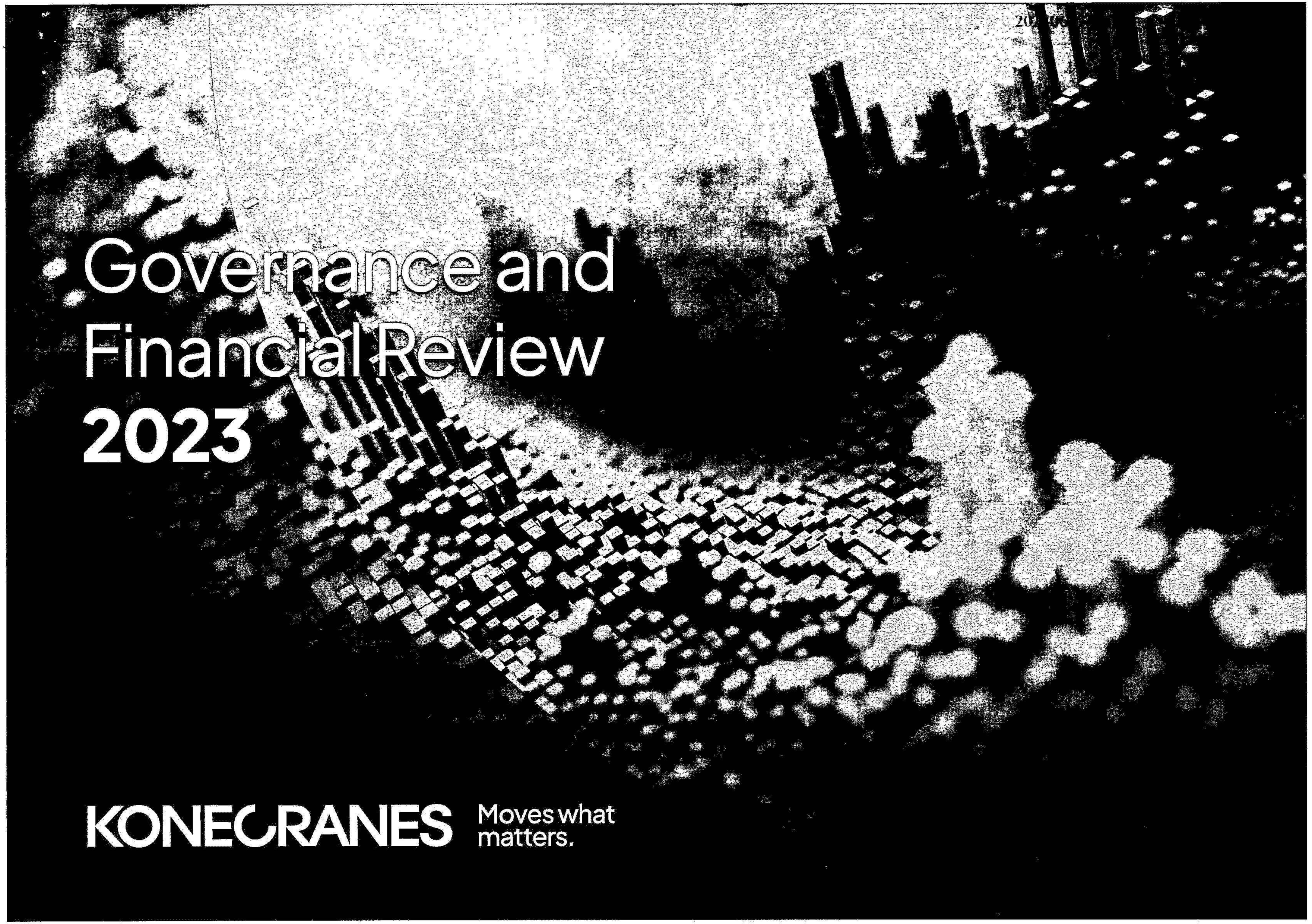
MALMÖ den 24 april 2024

Ernst & Young AB

Peter Gunnarsson

Peter Gunnarsson
Auktoriserad revisor

Governance and Financial Review 2023



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

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CORPORATE GOVERNANCE STATEMENT 2023

Corporate governance

Konecranes Plc ("Konecranes", "the Company") is a Finnish public limited liability company that complies with the Finnish Companies and Securities Market Acts, the rules of Nasdaq Helsinki, and other regulations concerning public companies, as well as with Konecranes Plc's Articles of Association, in its decision-making and administration.

Konecranes complies with the Finnish Corporate Governance Code 2020 (the "Code"), which came into force on January 1, 2020, and was approved by the board of the Securities Market Association. The Code can be found at www.cgfinland.fi. Konecranes complies with the recommendations of the Code with no exceptions. Konecranes has issued Corporate Governance Statement and Remuneration Report based on the Code. Read more at **www.konecranes.com > Investors > Corporate Governance.**

General Meeting

The General Meeting of Shareholders is Konecranes' highest decision-making body, through which shareholders exercise their decision-making power and right of supervision and control over the Company's business.

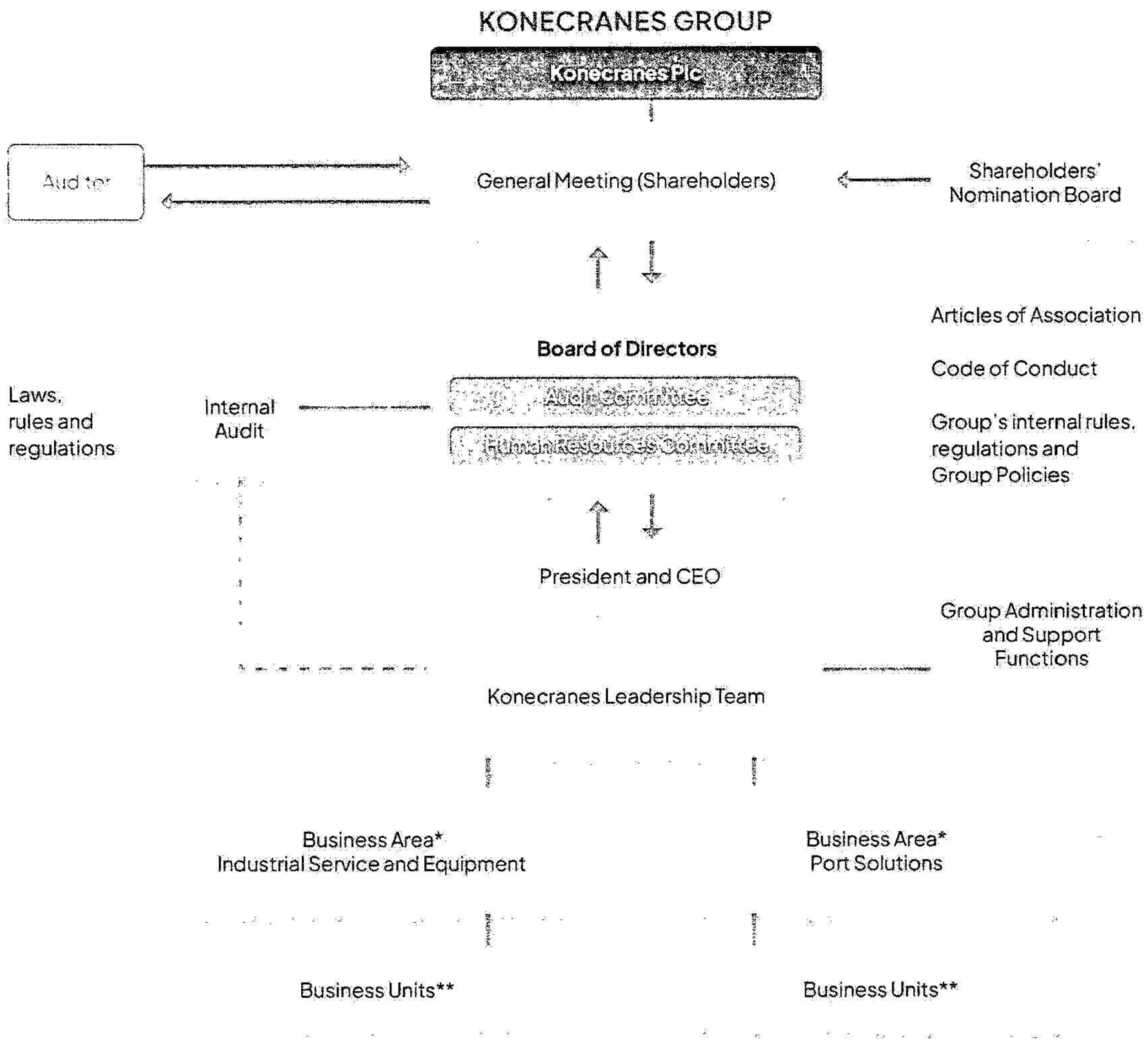
The Annual General Meeting (AGM) must be held within six months after the end of a financial year. Konecranes Plc's Annual General Meeting 2023 was held in Hyvinkää on March 29, 2023.

An Extraordinary General Meeting (EGM) must be held, for example, when the Board of Directors considers it necessary or if an auditor or shareholders with at least 10 percent of shares so demand in writing to consider a specific issue. In 2023, no EGM was arranged.

The Board of Directors ("Board") shall convene an AGM or EGM by publishing a notice on the Company's website or in one or more national newspapers or by sending a written notice to shareholders by mail no more than three (3) months and no less than three (3) weeks before a meeting. The notice shall include the proposed agenda. The Company shall disclose on its website the date by which shareholders shall notify the Board of Directors of any issue that they wish to be included in the agenda The Company will publish the decisions made at General Meetings as stock exchange releases and on the Company's website without delay after meetings.

The minutes of the General Meeting, including those appendices of the minutes that are part of decisions made by the meeting, will be posted on the Company's website within two weeks of a General Meeting. More information on General Meetings can be found on the Company's website at **https://investors.konecranes.com/general-meeting.**

Corporate Governance structure of the Konecranes Group in 2023



* Konecranes has two Business Areas, Industrial Service and Equipment, and Port Solutions, and three Business Segments: Service, Industrial Equipment and Port Solutions.

** Some Business Units are managed and organized as through three regions: Americas, EMEA and APAC.

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Shareholders' Nomination Board

Composition of the Shareholders' Nomination Board

Mr. Reima Rytsölä
b. 1969
Chair of the Nomination Board
Finnish citizen
Appointed by Solidium Oy
Education: M.Soc.Sc.
Principal occupation: CEO of Solidium Oy

Mr. Stig Gustavson
b. 1945
Finnish citizen
Appointed by Stig Gustavson and family
Education: M.Sc. (Tech.)

Mr. Mikko Mursula
b. 1966
Finnish citizen
Appointed by Ilmarinen Mutual Pension Insurance Company
Education: M.Sc. (Econ.)
Principal occupation: Deputy CEO, Investments of Ilmarinen Mutual Pension Insurance Company

Nomination Board Member since June 7, 2023

Mr. Markus Aho
b. 1980
Finnish citizen
Appointed by Varma Mutual Pension Insurance Company
Education: M.Sc. (Tech.)
Principal occupation: Chief Investment Officer of Varma

Nomination Board Member until June 7, 2023

Mr. Peter Therman
b. 1968
Finnish citizen
Appointed by HC Holding Oy Ab (Hartwall Capital)
Education: M.Sc. (Econ.)
Principal occupation: Deputy Chairman of the Board of Directors of Hartwall Capital

In addition, **Christoph Vitzthum, the Chair of the Konecranes' Board of Directors,** served as an expert in the Nomination Board without being a member.

Konecranes has a Shareholders' Nomination Board, which prepares proposals to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, for the election and remuneration of the members of the Board of Directors and to identify potential Board member candidates.

The Nomination Board shall ensure that the Board of Directors and its members maintain and represent a sufficient level of expertise, knowledge and competence as well as diversity. In its duties, the Nomination Board shall comply with applicable laws and regulations including the stock exchange rules and the Finnish Corporate Governance Code.

The Charter of the Shareholders' Nomination Board is available on the Company's website at **www.konecranes.com > Investors > Corporate Governance > Shareholders' Nomination Board.**

The Shareholders' Nomination Board is comprised of one member appointed by each of the four largest shareholders of the Company. The Chair of the Company's Board of Directors serves as an expert in the Nomination Board without being a member. The shareholders entitled to appoint a member are determined on the basis of the shareholders' register of the Company maintained by Euroclear Finland Ltd. on August 31 each year. Nominee registered holdings or holdings, e.g., through several funds or group companies may be taken into account when making a written request to the Chair of the Board of Directors no later than on August 30 each year.

The member appointed by a shareholder shall resign from the Nomination Board if the shareholder concerned later transfers more than half of the shares held on August 31 and as a result thereof is no longer amongst the Company's ten largest shareholders.

The Nomination Board is established until a General Meeting of the Company decides otherwise. The members shall be nominated annually, and their term of office shall end when new members are nominated to replace them.

In 2023, Konecranes' Shareholders' Nomination Board convened 7 times. The attendance of the Nomination Board members at meetings was 93 percent. The attendance of the members to the Nomination Board was as follows:

Attendance in Shareholders' Nomination Board meetings

Member	Attendance	Percentage
Reima Rytsölä (chair)	7/7	100%
Markus Aho*	6/7	86%
Stig Gustavson	6/7	86%
Mikko Mursula	7/7	100%
Christoph Vitzthum**	7/7	100%

Total attendance 93%

* Markus Aho has been a member of the Shareholders' Nomination Board since June 7, 2023, but no meetings were arranged before his appointment.
** Christoph Vitzthum, Chair of the Konecranes' Board of Directors, serves as an expert in the Shareholders' Nomination Board but is not a member of the Nomination Board.

Board of Directors

Christoph Vitzthum
b. 1969
Finnish citizen
Chairman of the Board since 2016
Board Member since 2015
Independent of the Company and its significant shareholders
Education: M.Sc. (Econ.)
Principal occupation: President and CEO, Fazer Group
Shares: 12,671

Pasi Laine
b. 1963
Finnish citizen
Vice Chairman of the Board since 2022
Board Member since 2022
Independent of the Company and its significant shareholders
Education: M.Sc. (El.Eng.)
Principal occupation: President and CEO, Valmet Oyj
Shares: 2,415

Pauli Anttila
b. 1984
Finnish citizen
Board Member since 2022
Independent of the Company but deemed to be dependent of a significant shareholder of the Company based on his current position as Investment Director and Member of the Management team, Solidium Oy
Education: M.Sc. (Econ.)
Principal occupation: Investment Director and Member of the Management Team, Solidium Oy
Shares: 2,189

Ulf Liljedahl
b. 1965
Swedish citizen
Board Member since 2016
Independent of the Company and its significant shareholders
Education: B.Sc. (Economics and Business Administration)
Principal occupation: President and CEO, Volito AB
Shares: 5,925

Niko Mokkila
b. 1979
Finnish citizen
Board Member since 2020
Independent of the Company and its significant shareholders. Until May 16, 2023, Niko Mokkila was deemed to be dependent of a significant shareholder of the Company.
Education: M.Sc. (Tech.), M.Sc. (Econ.)
Principal occupation: Managing Director, Head of Investment Operations, Hartwall Capital Oy Ab
Shares: 3,462

Päivi Rekonen
b. 1969
Finnish citizen
Board Member since 2018
Independent of the Company and its significant shareholders
Education: M.Soc.Sc., M.Sc. (Econ.)
Principal occupation: Board professional and independent strategic advisor
Shares: 5,234

Helene Svahn
b. 1974
Swedish citizen
Board Member since 2022
Independent of the Company and its significant shareholders
Education: Ph.D. (El. Eng)
Principal occupation: Professor in Nanobiotechnology, Royal Institute of Technology (KTH), Sweden
Shares: 1,689

Sami Piittisjärvi
b. 1992
Finnish citizen
Board Member since 2022
Independent of the Company's significant shareholders but deemed to be dependent of the Company due to his position as an employee of Konecranes.
Education: Bachelor of Electrical Engineering
Principal occupation: Manager, product portfolio, Business Unit Port Services
Shares: 50

Sami Piittisjärvi was selected from among candidates put forward by the employees of Konecranes in accordance with the agreement on employee representation between Konecranes and its employees.

Board Member since March 29, 2023

Gun Nilsson
b. 1955
Swedish citizen
Board Member since 2023
Independent of the Company and its significant shareholders
Education: M.Sc. (Econ.)
Principal occupation: Board professional
Shares: 653

Board Member until March 29, 2023

Janina Kugel
b. 1970
German citizen
Board Member since 2016
Independent of the Company and its significant shareholders
Education: M.Sc. (Econ.)
Principal occupation: Board professional and independent strategic advisor

Per Vegard Nerseth
b. 1964
Norwegian citizen
Board Member since 2018
Independent of the Company and its significant shareholders
Education: B.Sc. (Econ.), MBA
Principal occupation: Chief Executive Officer, CMR Surgical

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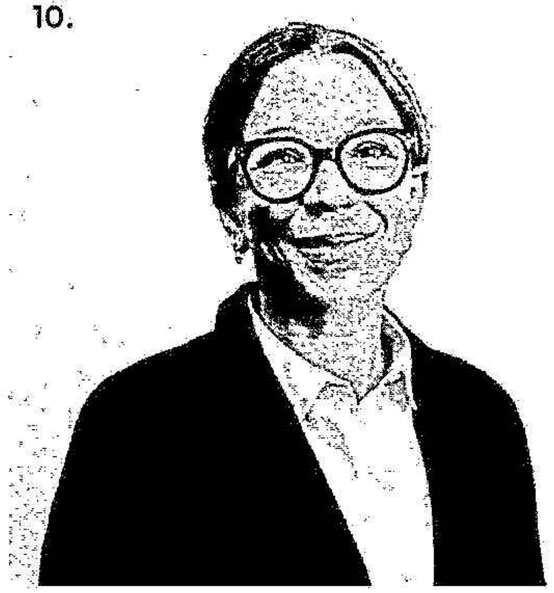

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1. Christoph Vitzthum **2.** Pasi Laine **3.** Pauli Anttila **4.** Ulf Liljedahl **5.** Niko Mokkila **6.** Päivi Rekonen **7.** Helene Svahn **8.** Sami Piittisjärvi **9.** Gun Nilsson **10.** Janina Kugel **11.** Per Vegard Nerseth

The Board of Directors shall under the Konecranes Articles of Association have a minimum of five and maximum of ten members. The Directors are elected at each Annual General Meeting. The managing director may be a member of the Board of Directors, but (s)he cannot be elected the Chair of the Board. In 2023, Konecranes President and CEO was not a member of the Board of Directors.

Main tasks

The Board is vested with powers and duties to manage and supervise the administration and operations of the Company as set forth in the Companies Act, the Articles of Association, and any other applicable Finnish laws and regulations. The Company complies with all other applicable rules and regulations affecting the Company or its affiliates (Group Companies) outside Finland, provided that such compliance does not constitute a violation of Finnish law As a publicly listed company, the Rules of Nasdaq Helsinki will apply to the Company and the Company complies with the Finnish Corporate Governance Code 2020.

The Board has a general obligation to pursue the best interests of the Company and all of its shareholders. The Board is accountable to the Company's shareholders. The members of the Board of Directors shall act in good faith and with due care, exercising their business judgment on an informed basis in what they believe to be the best interest of the Company and its shareholder community as a whole.

The Board of Directors shall decide on the business strategy of the Company: the appointment and dismissal of the President and CEO (holding the position of the managing director under the Companies Act), the deputy to the President and CEO, and other senior management, Group structure, acquisitions and divestments, financial matters and investments. It shall also continuously review and monitor the operations and performance of Group companies, risk management, and the Company's compliance with applicable laws, as well as any other issues determined by the Board of Directors. The Board shall keep itself informed of issues and business activities of major strategic importance to the Company on an ongoing basis. The Board shall appoint a secretary to be present at all Board meetings.

The President and CEO and Chief Financial Officer report to the Board on a quarterly basis on the sales funnel, competitive situation, market sentiment, the Company's order intake and financial performance and full-year forecast, as well as on safety, people, and customer topics. The status of the most important development activities, e.g., major IT investments, R&D projects and acquisition cases, may be presented to the Board by the persons directly responsible for such matters.

The Charter of the Board of Directors is available on the Company's website at **www.konecranes.com > Investors > Corporate Governance > Board of Directors > Charter of the Board of Directors.**

Diversity of the Board of Directors

The Board has a diversity policy. According to the policy, the Members of the Board of Directors are always selected based upon their expected contribution and effectiveness as members of the Board of Directors, and capability to positively influence the long-term strategic direction and performance of the Company. As a team, the Board of Directors works for the benefit of the key stakeholders, including customers, employees and shareholders. Diversity in the composition of the Board of Directors enables diversity in thinking and high-quality decision-making.

When considering diversity within the Board of Directors, the main attribute is diversity in thinking, including individual professional and personal experiences, influenced by diversity in nationality, age and gender. Board selections are based on a candidate's background and competency to understand Konecranes' current and future markets, strategy, employees and customers, including a sound understanding of financials and business dynamics. Collectively the Board of Directors should have combined experience in different markets, geographies and important topics like digitalization and corporate responsibility.

For a well-functioning Board of Directors, it is important that Board members are committed to Board work and have the possibility to devote the time needed to understand the Company's current situation, customers and strategy.

The most important nomination criteria for Board candidates are competency, knowledge, personal qualities and integrity. Both genders shall be represented on the Board of Directors, and Konecranes' aim is to strive towards a good and balanced Board composition taking into account all aspects of Board diversity.

At the end of 2023, out of nine Board members, three were female, representing one third of the total. The Board had two different nationalities and experience from five different decades of birth. The Board also consisted of versatile work experience and different educational backgrounds from the fields of engineering and economics.

In 2023, Konecranes' Board convened 16 times. The attendance of the Board members at meetings was 97 percent. The attendance of the members to the Board and committee meetings is presented in the table on the following page.

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Board and Board committee meeting attendance

	Board meetings		Audit Committee meetings		Human Resources Committee meetings	
Member	**Attendance**	**Percentage**	**Attendance**	**Percentage**	**Attendance**	**Percentage**
Chairman						
Christoph Vitzthum	16/16	100%			6/6	100%
Vice Chairman						
Pasi Laine	14/16	88%			4/4	100%
Other Board Members						
Pauli Anttila	16/16	100%			4/4	100%
Janina Kugel	6/7	86%			2/2	100%
Ulf Liljedahl	16/16	100%	9/9	100%		
Niko Mokkila	16/16	100%	9/9	100%		
Per Vegard Nerseth	7/7	100%			2/2	100%
Gun Nilsson	9/9	100%	6/7	86%		
Sami Piittisjärvi	14/16	88%				
Päivi Rekonen	16/16	100%	9/9	100%		
Helene Svahn	16/16	100%			4/4	100%

Gun Nilsson Board member since the AGM 2023 on March 29, 2023. Janina Kugel and Per Vegard Nerseth Board members until the AGM 2023.

Committees

The Board of Directors has appointed two committees consisting of its members: the Audit Committee and the Human Resources Committee. The Board has confirmed rules of procedure for both Committees.

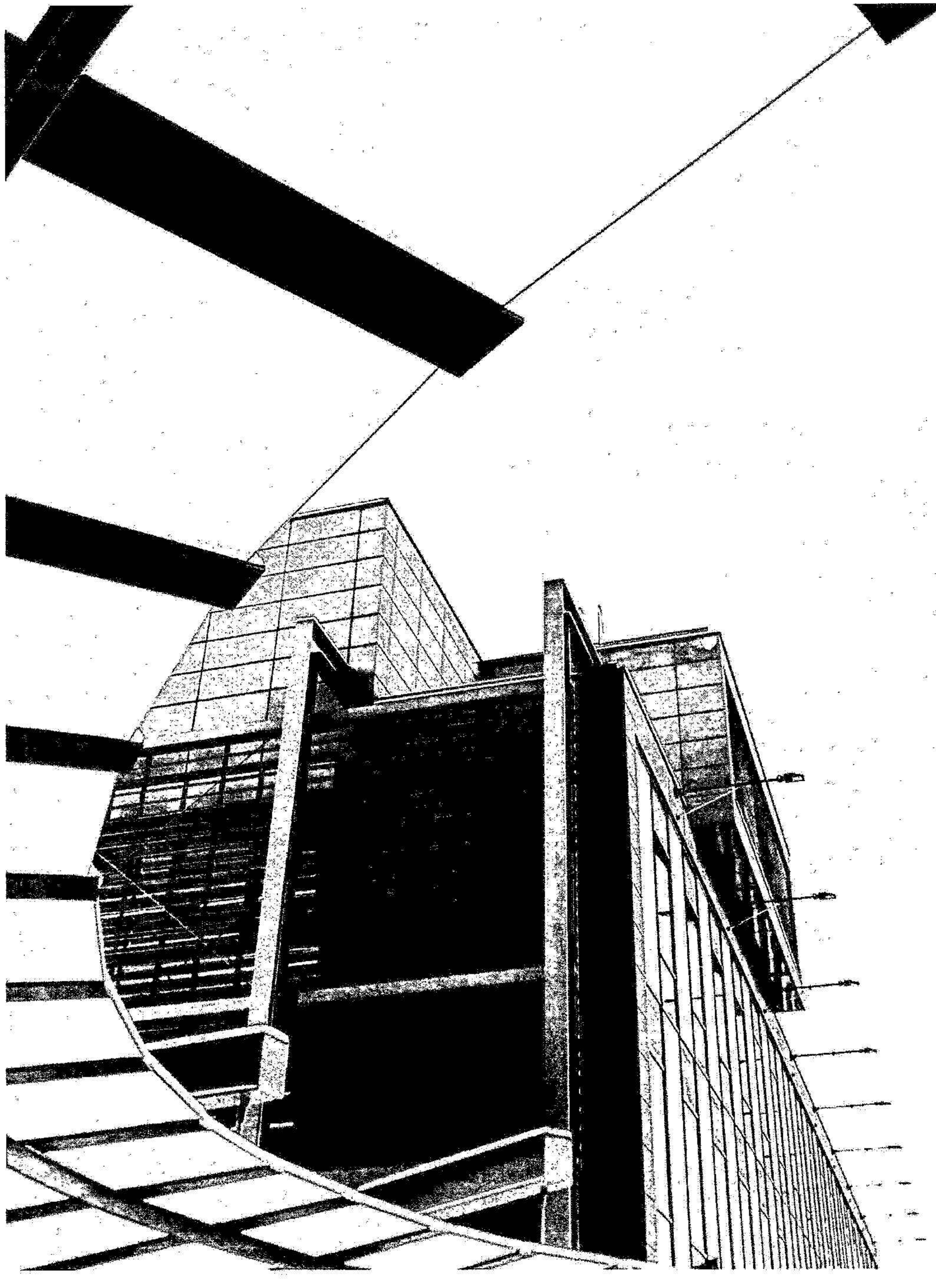
The Audit Committee

In 2023, the Board's Audit Committee was comprised of the following members:

- Mr. Ulf Liljedahl (Chair)
- Mr. Niko Mokkila
- Ms. Päivi Rekonen
- Ms. Gun Nilsson, since March 29, 2023

At the end of 2023, all members of the Audit Committee were deemed to be independent of the Company and its significant shareholders. All members have sufficient expertise on corporate management. In addition, all members have a degree in business administration and/or economics and two of the members have CFO experience.

The Board shall appoint an Audit Committee from among its members to assist the Board in its responsibilities relating to the appropriate arrangement of the control of the Company accounts and finances pursuant to the Companies Act. The intention is not to extend the duties of the Board from what is expressly stipulated in the Finnish Companies Act. The Audit Committee shall not make independent decisions and it may rely on the information provided to it.



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The Audit Committee shall have at least three (3) non-executive Board members, who are independent of and not affiliated with the Company. At least one member must be independent of significant shareholders. The members must have the qualifications necessary to perform the responsibilities of the Audit Committee, and at least one member shall have expertise specifically in accounting, bookkeeping or auditing.

The primary purpose of the Audit Committee is to assist the Board in its oversight responsibilities relating to the Company's financial reporting process and in monitoring the Audit of the Company and in matters relating to financial reporting, internal control, internal audit and risk management. The Audit Committee shall assist the Board by performing some preparatory tasks as specified in its Charter. The Audit Committee shall not make independent decisions.

The tasks and responsibilities of the Committee are defined in the Charter of the Audit Committee, which has been approved by the Board and is based on a Board resolution as part of the Company's corporate governance principles.

The Charter of the Audit Committee is available on the Company's website at **www.konecranes.com > Investors > Corporate Governance > Board Committees.**

In 2023, Konecranes' Audit Committee convened 9 times. The attendance of the Audit Committee members at meetings was 97 percent. The attendance of the members is presented in the table on page 9.

The Human Resources Committee

In 2023, the Board's Human Resources Committee was comprised of the following members:

- Mr. Christoph Vitzthum, Chair since March 29, 2023
- Ms. Janina Kugel, Chair and member until March 29, 2023
- Mr. Pauli Anttila, since March 29, 2023
- Mr. Pasi Laine, since March 29, 2023
- Ms. Helene Svahn, since March 29, 2023
- Mr. Per Vegard Nerseth, until March 29, 2023

All members of the Human Resources Committee are deemed to be independent of the Company. All members of the Committee with the exception of Pauli Anttila are deemed to be independent of the Company's significant shareholders.

The Human Resources Committee is responsible for assisting and providing guidance and recommendations to the Board of Directors of the Company in fulfilling its oversight and other responsibilities in relation to e.g.:

- the operative structure and selection of senior management;
- talent management, retention and succession planning of senior management;
- professional and competence development for senior management;
- evaluation and compensation of the President and CEO and Konecranes Leadership Team (KLT);
- general principles for compensation, long- and short-term incentive compensation plans and share-based incentive plans;
- human resources, sustainability, ESG (Environmental, Social and Governance) and safety strategies and performance; and
- any other matters delegated to the Human Resources Committee by the Board.

The Human Resources Committee is appointed to assist the Board in its responsibilities and the Human Resources Committee does not have independent decision-making power. The Human Resources Committee consists of a minimum of three (3) directors. The Board elects the members and the Chair of the Human Resources Committee from among its members. The majority of the members shall be independent of the Company.

The tasks and responsibilities of the Committee are defined in the Charter of the Human Resources Committee, which has been approved by the Board and is based on a Board resolution as part of the Company's corporate governance principles.

The Charter of the Human Resources Committee is available on the Company's website at **www.konecranes.com > Investors > Corporate Governance > Board Committees.**

In 2023, Konecranes' Human Resources Committee convened 6 times. The attendance of the Human Resources Committee members at meetings was 100 percent. The attendance of the members is presented in the table on page 9.

President and CEO

Anders Svensson
b. 1975
Swedish citizen
President and CEO since 2022
Member of the Konecranes Leadership Team since 2022
Employed since 2022
Education: M.Sc. (Eng.)
Shares: 324

Main tasks and duties
Under the Companies Act, the President and CEO is responsible for the day-to-day management of the Company in accordance with instructions and orders given by the Board. The President and CEO may undertake actions which, considering the scope and nature of the operations of the Company, are unusual or extensive, only with the authorization of the Board. The President and CEO shall see to it that the Company's accounting practices comply with the law and that its financial affairs have been arranged in a reliable manner. The President and CEO is also responsible for preparing matters presented to the Board and for the Company's strategic planning, finance, financial planning, reporting, and risk management.

Deputy CEO
Konecranes CFO, Teo Ottola, acts as the Deputy CEO

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Konecranes Leadership Team

In addition to the President and CEO, the Konecranes Leadership Team (KLT) consists of the following persons:

Teo Ottola
b. 1968
Finnish citizen
Chief Financial Officer, Deputy CEO
Member of the Konecranes Leadership Team since 2007
Employed by Konecranes since 2007
Education: M.Sc. (Econ.)
Shares: 51,075

Fabio Fiorino
b. 1967
US and Canadian citizen
Executive Vice President, Industrial Service and Equipment
Member of the Konecranes Leadership Team since 2012
Employed by Konecranes since 1995
Education: B. Eng., P. Eng., MBA
Shares: 39,119

Anneli Karkovirta
b. 1963
Finnish citizen
Executive Vice President, People and Culture
Member of the Konecranes Leadership Team since 2021
Employed by Konecranes since 2014
Education: M.Sc. (Econ.)
Shares: 2,667

Juha Pankakoski
b. 1967
Finnish citizen
Executive Vice President, Port Solutions since September 7, 2023, and
Executive Vice President, Technologies
Member of the Konecranes Leadership Team since 2015
Employed by Konecranes since 2004
Education: M.Sc. (Eng.), eMBA
Shares: 20,550

Sirpa Poitsalo
b. 1963
Finnish citizen
Executive Vice President, General Counsel
Member of the Konecranes Leadership Team since 2016
Employed by Konecranes since 1988
Education: LL.M.
Shares: 42,626

KLT Member until September 7, 2023

Mika Mahlberg
b. 1963
Finnish citizen
Executive Vice President, Port Solutions
Member of the Konecranes Leadership Team since 2017
Employed by Konecranes since 1997
Education: M.Sc. (Eng.)

KLT Member until July 14, 2023

Topi Tiitola
b. 1969
Finnish citizen
Senior Vice President, Integration and Project Management Office
Member of the Konecranes Leadership Team since 2020
Employed by Konecranes since 1995
Education: M.Sc. (Econ.)

Main tasks

The Konecranes Leadership Team assists the President and CEO, but has no official statutory position based on legislation or the Articles of Association. In practice, however, the Konecranes Leadership Team plays a significant role in the Company's management system, strategy preparation and decision-making. The Konecranes Leadership Team convenes on a monthly basis.

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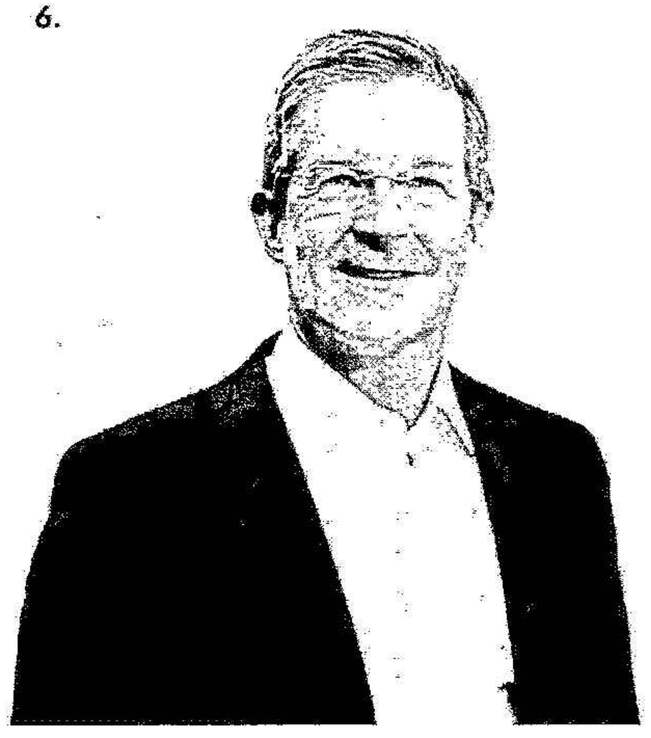

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1. Teo Ottola **2.** Fabio Fiorino **3.** Anneli Karkovirta **4.** Juha Pankakoski **5.** Sirpa Poitsalo **6.** Mika Mahlberg **7.** Topi Tiitola

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Internal control and risk management related to financial reporting

Risk management
Konecranes' Board of Directors has defined and adopted a set of risk management principles based on widely accepted international good management practices. The Audit Committee evaluates and reports on the adequacy and appropriateness of internal controls and risk management to the Board.

Risk is anything that will clearly affect Konecranes' ability to achieve its business objectives and execute its strategies. Risk management is part of Konecranes' control system and is designed to ensure that any risks related to the Company's business operations are identified and managed adequately and appropriately to always safeguard the continuity of Konecranes' business and operations.

Risk management is considered an integral part of running Konecranes' operations. Konecranes' corporate risk management principles provide a basic framework for risk management across Konecranes, and each legal entity and/or operating unit is responsible for its own risk management. This approach guarantees the best possible knowledge of local conditions, experience and relevance. The same principle is also applied to financial reporting.

The risk management principles define risk management as a continuous and systematic activity aimed at protecting employees from personal injury, safeguarding

the assets of all Group companies and the Group as a whole, and ensuring stable and profitable financial performance. By minimizing losses due to realized risks and optimizing the cost of risk management, Konecranes can safeguard its overall long-term competitiveness. Konecranes has assessed its strategic, operational, financial and hazard-related risks.

Management of financial risks is described in note 33 to Konecranes' Financial Statements 2023.

Internal Control
Internal control related to financial reporting is designed to provide reasonable assurance concerning the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, applicable laws and regulations, and other requirements covering listed companies.

Control environment
Corporate governance and business management at Konecranes are based on the Company's four core values: Putting customers first, Doing the right thing, Driving for better and Winning together. The control environment is the foundation for all other components of internal control and for promoting employee awareness of key issues, supporting the execution of strategy and regulatory compliance. The Board of Directors and Management are responsible for defining the Konecranes Group's control environment through business management structures, corporate policies, instructions and financial reporting frameworks. These include Konecranes' Code of Conduct, Anti-Corruption Policy and Konecranes' Controller's Manual, which constitute the main tool for accounting and financial reporting principles with respect to providing information, guidelines and instructions. The interpretation and application of accounting standards is the responsibility of the global accounting function. Guidelines and instructions for reporting are updated when necessary and are reviewed at least once a year.

Konecranes has two Business Areas, Industrial Service and Equipment, and Port Solutions, and three Business Segments: Service, Industrial Equipment and Port Solutions. Port Solutions also incorporates those service branches and spare part units which are dedicated to serve the port customer segment.

In 2023, Business Segment Service had four business units: Industrial Service, Modernizations, Component spare parts and Parts supply. Business Unit Industrial Service and Business Unit Modernizations were internally managed and reported as a line organization through three regions — Europe, Middle East and Africa (EMEA), Americas (AME) and Asia-Pacific (APAC). Other business units were managed as line organizations globally. Business Segment Industrial Equipment had five business units. Configured to Order Cranes, Engineered to Order Cranes, Nuclear Cranes, Components and Supply. The three first listed business units were managed and reported as a line organization through the same three regions as Industrial Service and Modernizations. Business Unit Components and Business Unit Supply were managed as global line organizations. Business Area Port Solutions was operated as line organizations further divided into business units, and under business units further into product lines These segments had clear product line profit responsibilities, ensuring a flawless order delivery process and enabling effective decision- making. Support functions, such as Finance, Legal, People and Culture, IT and Marketing and Communications were managed as line organizations.

In the finance operating model, management accounting (business controlling) and financial accounting are segregated where applicable. Management accounting employees support the business area management decision-making, whereas financial accounting primarily follows Group's legal structure with a close link to Group-level financial accounting and reporting. Group Internal Controls is focused on supporting local units in improving controls and processes and monitoring compliance with Konecranes' internal controls and is part of the Internal Audit organization.

Financial targets are set, and planning and follow-up activities are executed, along the business area and business unit structures in alignment with the overall business targets of the Konecranes Group. The operations of Business Segment Service are typically monitored based on profit-responsible service branches, which are further consolidated to country and region levels. Business Segment Industrial Equipment is mainly monitored via the Components, Industrial Cranes, and Process and Nuclear Cranes units, which are divided into business/product lines. The manufacturing of components, sub-assemblies and other parts have a separate set of key performance indicators (KPIs), as these supply operations are treated as cost centers rather than profit-generating units. Business Segment Port Solutions has Lift Trucks, Mobile Harbor Cranes, Port Cranes, Software, Solutions, and Port Services business units monitored in the same way as in Business Segment Industrial Equipment.

Control activities
The Konecranes Leadership Team has operational responsibility for internal controls. Control activities are integrated into the business processes of the Konecranes Group and management's business supervision and monitoring procedures. Management follow-up is carried out through monthly management reporting routines and performance review meetings. These meetings are conducted at the Business Area and business unit levels, based on their own management structures, as well as at

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the Group level. Topics covered in the meetings include safety, review of the sales funnel, competitive situation, market sentiment, order intake and order book, monthly financial performance, monthly, quarterly and rolling 12-month forecasts, quality related matters and business risks. Matters related to personnel, customers and internal control topics are also taken into account. Management separately follows up the most important development activities.

All legal entities and business units have their own defined controller functions. Representatives from controller functions participate in planning and evaluating unit performance and ensure that monthly and quarterly financial reporting follows the Company's policies and instructions and that all financial reports are delivered on time in accordance with schedules set by the Company.

Konecranes has identified and documented the significant internal controls that relate to its financial processes either directly or indirectly through other processes. Group companies are responsible for implementing the identified and documented internal controls. Konecranes has a register of internal controls that applies to all entities globally. The register includes controls over assets, liabilities, revenue, and costs that require the involvement of Business and Financial Management. The register includes approximately 90 controls that are categorized as key controls or operational controls. The list of internal controls is reviewed annually.

Assessments and monitoring

Each operational legal entity/unit assesses and reports its compliance with the centrally determined set of significant internal controls through completion of an annual controls assessment document. Responsibility for fulfilling this reporting requirement lies with the managing directors and controllers. This document is reviewed by the Internal Audit team, which ensures completion of the assessment and provides feedback and guidance when needed on how to improve existing processes to fill possible gaps in controls.

In 2023, Internal Audit visits covered approximately 40 percent of the operational legal entities and around 76 percent of Group revenues. In addition to the above-described self-assessment of the control environment and Internal Audit visits, Group Internal Controls coordinated a self-testing process for 34 operational legal entities. Remediation of the control deficiencies is the responsibility of the Managing Director of the legal entity, and Internal Audit conducts a re-audit after the entity has corrected control weaknesses.

Communication

The Controller's Manual, together with reporting instructions, control register and policies, is stored in the Konecranes Intranet for access by personnel. The Company, Business Areas and regions also arrange meetings to share information on financial processes and practices. Information for the Company's external stakeholders is regularly communicated via the Konecranes website. To ensure that the information provided is comprehensive and accurate, Konecranes has established a set of external communication guidelines. These define how, by whom, and when information should be issued; and they are designed to ensure that Konecranes meets all its disclosure obligations and to further strengthen internal controls related to financial reporting.

During 2023

In 2023, Konecranes continued its IT system roll-out to implement harmonized processes, increase operational visibility and improve decision-making, and to reduce the overall number of various IT systems. The oneKonecranes SAP ERP system is being taken into use for transaction handling and logistics within all three business segments. At the end of 2023, oneKonecranes SAP coverage was 81 percent of Konecranes entities, increasing from 2022 (77 percent).

Konecranes also continued the implementation and development of the Shared Service Center concept to offer mainly transaction handling services, master data maintenance and selected financial accounting, procurement and HR services.

The internal control environment has been further improved using common, unified processes and a common system platform. The annual review and update of internal controls was focused on compliance and contractual matters.

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Other information

Internal audit
Konecranes' Internal Audit function is an independent unit, which assists the organization in achieving its objectives. The unit evaluates the efficiency of risk management, control and governance processes.

Internal Audit operates according to an audit plan approved by the Board's Audit Committee. The unit's working methods are based on the professional standards laid down by the Institute of Internal Auditors (IIA) and focus on process-oriented engagement rather than solely entity-based auditing. Internal audit results are reported to audited units' operative management, local subsidiaries' Chair of the Board (internal Board) and relevant KLT members. Remediation follow-ups are coordinated by Internal Audit and the Group Internal Controls function. Remediated findings are verified by Internal Audit in separate re-audits.

In 2023, the Internal Audit Team conducted 41 planned audits according to an approved annual audit plan. As part of ongoing risk assessment process, the plan was specified during the year. Internal audits in 2023 generally covered 54 key controls, and the risk-based part 42 operational controls. Also, sample sizes varied from limited to wide based on the analyzed risk level. The internal audit annual plan covered 40 percent of active operational legal entities, all Financial Service Centers (FSSC) in Tallinn, Xiamen and Klang, and centralized functions, such as Procurement Service Center, Global IT Services, and HR Services in the U.S., Germany, China, and Finland. Additionally, Internal Audit conducted or participated in 1 audit based on the compliance and ethics risk assessment.

All Internal Audit activities are reported to the Konecranes Leadership Team and the Board's Audit Committee on a regular basis. Internal Audit is responsible to the Audit Committee.

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Related party transactions
Konecranes' Board of Directors has defined the principles for monitoring and evaluating related party transactions in terms of identification, reporting and supervision of related party transactions, as well as the proper decision-making.

All related party transactions that are not part of the Company's ordinary course of business, or are made in deviation from customary commercial terms, require a Board decision to be carried out. Such a decision shall be supported by appropriate documentation to demonstrate that the transaction is compatible with the purpose and interests of the Company and is commercially justified.

Konecranes regularly identifies its related parties and follows transactions by those parties through its ERP system, as well as through disclosures by related parties. The existence of other possible related parties in the form of shareholders is reviewed and evaluated throughout the year by the Legal Function to verify whether any shareholder has control or significant influence over Konecranes. The related party transactions connected to the key management personnel are collected systematically once a year by the Legal Function.

In 2023, Konecranes has not conducted related party transactions that would be material from the perspective of the Company or would deviate from the Company's normal business operations or would not be made on market or market equivalent terms. Information on related party transactions can be found in note 30 to Konecranes' Financial Statements.

Insider administration
The Board of Directors has approved the Konecranes Plc Insider Regulations based on Market Abuse Regulation ("MAR"), regulation and guidance given by the European Securities and Markets Authority, the Finnish Securities Markets Act, Nasdaq Helsinki Ltd's Guidelines for Insiders and guidance given by the Financial Supervisory Authority.

Konecranes maintains an insider list ("Insider List") recording all persons having access to insider information related to the Company. The Insider List consists of one or more project-specific sections. Konecranes has determined that it will not establish a permanent insider section in this Insider List, and there are thus no permanent insiders in Konecranes.

At Konecranes, persons discharging managerial responsibilities ("Managers") according to MAR are the members of the Board of Directors, the President and CEO and the members of the Konecranes Leadership Team.

Managers and their closely associated persons have to notify Konecranes and Financial Supervisory Authority of all transactions, as defined in MAR, conducted on their own account relating to the financial instruments of Konecranes within three days of the transactions. Managers are prohibited from trading in Konecranes' financial instruments during a closed period starting on the 15th day of the month prior to the end of each calendar quarter and ending when the corresponding interim report or the financial statement bulletin is published, including the day of publication of said report ("Closed Period").

Konecranes keeps a record of persons who regularly participate in the preparation of Group-level financial results or who can otherwise have access to such information and has decided that the Closed Period set by Konecranes applies to them. Persons included in the Insider List's project-specific sections are prohibited from trading in Konecranes' financial instruments until termination of the project concerned.

External audit
According to the Articles of Association of Konecranes, the Company has to have at least one regular APA auditor and one deputy auditor, or alternatively at least one auditing corporation, with an APA auditor as the responsible auditor. The auditors are elected to their office for a term expiring at the end of the Annual General Meeting of shareholders following the election. Ernst & Young Oy, Authorized Public Accountant Firm, has been the Company's external auditor since 2006. Mr. Toni Halonen served as Principal Auditor in 2023 and has been in this position since 2021. In 2023, Ernst & Young Oy and its affiliated audit companies received EUR 3.5 million in fees for auditing Konecranes Group companies and EUR 0.3 million of fees for non-audit services. In 2022, the corresponding fees were EUR 4.1 million and EUR 0.2 million.

REMUNERATION REPORT 2023

Letter from the Chair of the Konecranes Board

Dear Shareholders,

It is my pleasure to present the Konecranes' 2023 Remuneration Report on behalf of the Konecranes Board. The Remuneration Report has been prepared in accordance with the requirements of the EU Shareholders' Rights Directive and the Finnish Corporate Governance Code 2020 issued by the Finnish Securities Market Association. The Report is based on Konecranes' Remuneration Policy, which covers the principles for remuneration of the Konecranes Board of Directors, the President and CEO as well as the Deputy CEO.

At Konecranes, remuneration is linked to performance and achievements on all organizational levels. While providing a competitive and motivating compensation, the primary target of Konecranes management remuneration is to align the interests of board members, executives, and shareholders in order to enhance commitment to the achieving of strategic targets and to promoting the long-term financial success of the company, as well as to contribute to the positive development of shareholder value. The executive shareholding requirements support the alignment of corporate goals and executive interests.

In recent years, profitability improvement has been a key strategic focus area at Konecranes, and it has been emphasized in both short-term and long-term incentive metrics. The short term-incentive plan has been based on annual targets related to Konecranes' financial performance, and since last year also on an annual ESG target, which in 2023 comprised elements of CO_2 emissions from own operations, safety, as well as diversity and inclusion. In 2023, the President and CEO's, the Deputy CEO's and other senior management's short-term incentives had a 65% weighting on comparable EBITA margin, a 25% weighting on sales growth and a 10% weighting on the ESG target.

In 2023, both Konecranes' sales and profitability improved. The good performance is reflected in the outcome of the short-term incentives presented in this report, as the short-term incentives for the year 2023 to be paid in March 2024 are higher than the short-term incentives for the year which were paid out in 2023.

Konecranes' share-based compensation is based on longer-term financial performance and shareholder value creation. In the 2020-2022 performance share plans, the comparable earnings per share (EPS) is the sole performance criterion. The 2023 plan has a 40% weighting on compound annual growth rate for sales to support focus on growth. The 2023 plan has one three-year long performance and measurement period, instead of the one-year long measurement periods of the three-year long 2021-2022 plans. As the comparable EPS improved in 2023, the outcome for the measurement period 2023 of these share-based plans was higher compared to the previous year.

Konecranes welcomed a new President and CEO, Anders Svensson in late 2022; subsequently 2023 was his first full year at Konecranes. This can be seen in the remuneration of the CEO versus a year ago. To ensure the new President and CEO's commitment towards the company, he was granted 17,170 gross Konecranes shares through a Restricted Share Unit (RSU) plan when he joined the Company, 40% of which vested on December 31, 2023, and 60% of which will vest on December 31, 2024. The first batch of shares was paid on January 2, 2024, and the Board decided that the full award was settled in shares. The President and CEO is currently the only participant in the RSU plan.

Konecranes continues to develop its remuneration and to follow that the remuneration levels and elements are aligned with market practices. As a next step, starting from 2024, the long-term incentive targets of the President and CEO, the Deputy CEO and other senior management will have a 10% weighting on ESG performance criterion - CO_2 emissions from own operations. This will further enhance management's commitment to Konecranes' ambitious sustainability agenda and targets.

In 2023, the HR Committee has also been updating Konecranes' Remuneration Policy. Shareholders' feedback has been considered in the update process. The new Policy will be presented at the 2024 Annual General Meeting where it is subject to an advisory vote.

I welcome any feedback or comments on Konecranes' Remuneration report for 2023.

Christoph Vitzthum
Chair of the Konecranes Board
and Human Resources committee

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1. Introduction

This report has been prepared by the Konecranes' Board of Directors Human Resources Committee. It is based on the **Konecranes' Remuneration Policy** and has been prepared in accordance with the requirements set forth by the amended EU Shareholders' Rights Directive, which was implemented in Finland in 2019, and the Finnish Corporate Governance Code 2020. The report will be presented at the Konecranes 2024 Annual General Meeting (AGM), and the resolution of the AGM on the matter will be advisory.

Konecranes' Remuneration Policy was implemented in 2020 to formalize the existing and continuing practices and to illustrate the link between Konecranes' business targets and strategy and how those have been considered for existing remuneration principles. The *Remuneration Policy was first presented at the* 2020 AGM. The AGM 2020 gave an advisory resolution to support the Remuneration Policy, covering the principles for remuneration of the members of the Board of Directors, President and CEO and Deputy CEO. The Remuneration Policy's validity is regularly reviewed by the Board of Directors and presented to the General Meeting at least every four years or whenever substantial changes are made to it. The updated Remuneration Policy for 2024 will be presented at the AGM 2024 for an advisory resolution.

In 2023, the remuneration decisions were made within the frame of the Remuneration Policy 2020. There were no deviations from the Remuneration Policy.

The primary target of Konecranes management remuneration is to align the interests of Board members *and executives to those of the shareholders, and* to enhance management's commitment to achieve strategic targets and to promote the long-term financial success of the Company, as well as to contribute to the positive development of shareholder value. The executive shareholding requirements support the alignment of corporate aims and executive interests.

At Konecranes, remuneration is linked to performance and achievements on all organizational levels. The short term-incentive plan is based on annual targets related to the financial performance of the Group. The long-term Performance Share Plan is based on longer-term financial performance and shareholder value creation.

Development of the fees of the Board of Directors and CEO compared to the development of the average remuneration of employees and to the company's financial development over the preceding five financial years:

Financial Performance / Remuneration in €	2019	2020	2020 vs. 2019	2021	2021 vs. 2020	2022	2022 vs. 2021	2023	2023 vs. 2022
Net sales, MEUR	3,326.9	3,178.9	**-4.4%**	3,185.7	**0.2%**	3,364.8	**5.6%**	3,966.3	**17.9%**
Comparable EBITA, MEUR	275.1	260.8	**-5.2%**	312.2	**19.7%**	318.4	**2.0%**	450.7	**41.5%**
Chair of the Board *	140,000	140,000	**0.0%**	140,000	**0.0%**	140,000	**0.0%**	150,000	**7.1%**
Vice Chair of the Board *	100,000	-		-		100,000		100,000	**0.0%**
Other Board members *	70,000	70,000	**0.0%**	70,000	**0.0%**	70,000	**0.0%**	70,000	**0.0%**
President & CEO **	515,976	698,677	**35.4%**	901,303	**29.0%**	748,778	**-16.9%**	814,208	**8.7%**
Average Konecranes employees ***	50,931	46,913	**-7.9%**	49,089	**4.6%**	53,129	**8.2%**	56,807	**6.9%**
CEO-to-employee pay ratio	10.13	14.89	**47.0%**	18.36	**23.3%**	14.09	**-23.2%**	14.33	**1.7%**

* This is only the fixed fee, without meeting fees.

** The compensation of the President and CEO reflects the remuneration of Panu Routila to Oct 2019, Rob Smith from Feb 2020 to Dec 2021, Interim CEO Teo Ottola from Jan 2022 to Oct 18, 2022 and Anders Svensson from Oct 19, 2022 onwards. The remuneration details contain the base salary as well as the car and phone benefit, pension is not included in this amount.

*** Excluding restructuring costs. The lower remuneration in 2020 compared to the previous years is due to COVID-19 related temporary lay-offs and other temporary measures (e.g., shorter work weeks and utilization of holiday banks).

2. Remuneration of the Board of Directors

The Board the Directors' remuneration consists of Annual Fee, Board Meeting Attendance Fee, Committee Attendance Fee, and travel reimbursements.

The AGM 2023 confirmed that the annual remuneration of the Board of Directors remained unchanged apart from the annual fee of the Board Chair and the meeting fee of the Audit Committee Chair. As per the AGM 2023 decision, 40 percent of the annual remuneration was paid in Konecranes shares acquired on behalf of the Board members at a price determined in public trading on Nasdaq Helsinki. According to the trading plan by the Company, the purchase of shares has been carried out in four equal instalments; each instalment purchased within a two-week period following each of the Company's interim report announcements and the Company's financial statement release. The Company pays transaction costs and transfer tax in connection with the purchase of remuneration shares.

The AGM 2023 decided to increase the Board Chair's annual fee from EUR 140,000 to EUR 150,000. Furthermore, the AGM 2023 decided that the Board members are eligible for a meeting fee of EUR 1,000 for each meeting they attend. For meetings of the Board committees, the Audit Committee Chair is entitled to a compensation of EUR 5,000, the Human Resources Committee Chair is entitled to a compensation of EUR 3,000 and the other Board members are entitled to a compensation of EUR 1,500 per each attended committee meeting.

In case the remuneration could not be paid in shares due to legal or other regulatory restrictions or due to other reasons related to the Company or a Board member, the annual remuneration would be paid fully in cash. In case the term of office of a member of the Board of Directors ends before the closing of the Annual General Meeting in 2024, he or she is entitled to the prorated amount of the annual remuneration calculated based on his or her actual term in office. In 2023, all Konecranes Board members received 40 percent of their annual remuneration in Konecranes shares.

Travel expenses for all Board members, including the employee representative, were compensated against receipt.

In accordance with the agreement on employee representation between Konecranes and its employees, no Board remuneration shall be paid to Board members employed by the Company. Therefore, Sami Piittisjärvi did not receive remuneration for his Board membership and meeting attendance.

Konecranes' Board members are not in an employment relationship or service contract with Konecranes with the exception of Sami Piittisjärvi who was selected as a Board member among the employees. The other Board members do not participate in Konecranes' incentive programs or have pension schemes arranged by Konecranes.

The members of the Shareholders' Nomination Board are not entitled to any remuneration from Konecranes on the basis of their membership.

Board meeting attendance in 2023

Member	Board meetings attended	Audit Committee meetings attended	HR Committee meetings attended
Chair			
Christoph Vitzthum	16/16		6/6
Vice Chair			
Pasi Laine	14/16		4/4
Other Board Members			
Gun Nilsson	9/9	6/7	
Helene Svahn	16/16		4/4
Niko Mokkila	16/16	9/9	
Päivi Rekonen	16/16	9/9	
Pauli Anttila	16/16		4/4
Sami Piittisjärvi	14/16		
Ulf Liljedahl	16/16	9/9	
Janina Kugel	6/7		2/2
Per Vegard Nerseth	7/7		2/2

Gun Nilsson Board member since the AGM 2023 on March 29, 2023. Janina Kugel and Per Vegard Nerseth Board members until the AGM 2023.

Fees payable to the Board members as confirmed by the Annual General Meeting on March 29, 2023

Annual fee 2023	Total EUR
Chair of the Board	150,000
Vice Chair	100,000
Board member	70,000
Fee per Board meeting	1,000
Fee per Board Committee meeting	1,500
Chair of the Audit Committee per committee meeting	5,000
Chair of the HR Committee per committee meeting	3,000

Board members are also reimbursed for their travel expenses.

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Total remuneration paid to the Board of Directors in 2023

Member	EUR Cash portion as part of Total Annual Remuneration	Nr of shares as part of Total Annual Remuneration	EUR value of shares as part of Total Annual Remuneration	Committee and Board Meeting Fees			Total EUR
				EUR Committee Meeting Fees	EUR Board Meeting Fees	EUR Committee and Board Meetings TOTAL	
Chair							
Christoph Vitzthum	95,552	2,023	63,614	15,000	15,000	30,000	189,166
Vice Chair							
Pasi Laine	65,048	1,378	43,285	4,500	14,000	18,500	126,833
Other Board Members							
Gun Nilsson	31,526	653	20,974	6,000	7,000	13,000	65,500
Helene Svahn	45,551	964	30,282	4,500	15,000	19,500	95,333
Niko Mokkila	45,551	964	30,282	12,000	15,000	27,000	102,833
Päivi Rekonen	45,551	964	30,282	12,000	15,000	27,000	102,833
Pauli Anttila	45,551	964	30,282	4,500	15,000	19,500	95,333
Ulf Liljedahl	45,551	964	30,282	34,000	15,000	49,000	124,833
Janina Kugel	14,024	311	9,309	12,000	7,000	19,000	42,333
Per Vegard Nerseth	14,024	311	9,309	6,000	8,000	14,000	37,333
Other Board Members	**287,328**	**6,095**	**191,003**	**91,000**	**97,000**	**188,000**	**666,331**
Total Board Compensation	**447,927**	**9,496**	**297,903**	**110,500**	**126,000**	**236,500**	**982,330**

Due to the payment cycle, Board remuneration from January 1, 2023 until the AGM 2023 was based on the decision made by the AGM 2022. From the AGM 2023 until December 31, 2023 the partial remuneration was based on the AGM 2023 decision.

Gun Nilsson has been a member of the Board since AGM 2023 (March 29, 2023). The Board meeting fees were first introduced and decided by the AGM 2022. The Board remuneration presented in the above table is based on payments made in 2023. The Committee meeting fees include fees of 6 HR Committee and 9 Audit Committee meetings. The Board meeting fees include fees of 16 Board meetings.

No remuneration was paid to Sami Piittisjärvi, in accordance with the agreement on employee representation between Konecranes and its employees.

3. Remuneration of the President and CEO and the Deputy CEO

The Konecranes Remuneration Policy defines the principles for the remuneration of the President and CEO and the Deputy CEO.

Both the President and CEO's and the Deputy CEO's remuneration are decided by the Board of Directors on the proposal by the HR Committee.

Remuneration of the Konecranes' President and CEO and Deputy CEO includes a fixed salary with fringe benefits, performance-based annual variable pay and a long-term, performance-based share plan.

In addition to the Finnish statutory pension, the President and CEO and the Deputy CEO have a supplementary contribution pension benefit provided by the Company. The pension scheme for the President and CEO sets the defined contribution at 20 percent of the annual base salary, including fringe benefits and excluding performance-based compensation (annual or long-term incentives). The contribution level for the Deputy CEO is set at 1 percent of the annual base salary. The retirement age in this supplementary pension plan is 63 years.

Remuneration paid to the President and CEO and the Deputy CEO in 2023

In 2023, the fixed salary including salaries and fringe benefits paid to the President and CEO amounted to EUR 814,208 and for the Deputy CEO to EUR 295,910.

The short-term incentive payments for 2022 were paid in 2023 and amounted to EUR 89,114 for the Deputy CEO Teo Ottola. The short-term incentive plan 2022 for the Deputy CEO was based on the achievement of the following measures: 70 percent weight on Group comparable EBITA margin and 30 percent weight on Group orders received. The actual outcome was 30 percent out of the maximum 100 percent. There were no short-term incentive payments in 2023 for the President & CEO Anders Svensson as he joined the company on October 19, 2022.

The short-term incentive plan for 2023 for the President & CEO and Deputy CEO was based on the achievement of the following measures: 65 percent weight on Group comparable EBITA margin and 25 percent weight on Group sales growth % and 10 percent weight on ESG targets. The short-term incentive payments for 2023 due to be paid in 2024 amount to EUR 778,480 for the President & CEO and

Key remuneration elements for the President and CEO and the Deputy CEO according to the Remuneration Policy (2020):

Base salary To provide fixed remuneration reflecting the nature of the role and the business, the performance and contribution as well as external market trends	The base salary of the Konecranes CEO and Deputy CEO reflects the performance and individual job responsibilities, experience, skills, and knowledge. The Annual Salary Review Process also applies to the CEO and Deputy CEO and is completed by the Board of Directors after the evaluation and proposal by the HR Committee. Industry practices, market trends and average salary increases in Konecranes are considered when reviewing the salary.
Benefits and pension To provide additional fixed compensation in line with the company's practices in the prevailing market	The CEO's and Deputy CEO's benefits will mostly follow employment country practices. Other benefits may include a company car and a phone benefit. Also, a housing benefit might be offered if considered appropriate. The CEO / Deputy CEO will normally participate in the statutory pension scheme of the relevant country. In addition, Konecranes provides supplementary contribution-based pension benefits to the CEO / Deputy CEO (Defined Contribution Plan). The retirement age will be defined according to applicable country legislation or may be defined in the CEO service contract.
Short-term incentives To provide a performance-based, variable remuneration tied to the achievement of annual key business and financial targets	The annual targets for the CEO and Deputy CEO are decided by the Board of Directors considering strategic business priorities. Typical performance indicators may be financial, operational or strategic. The CEO's and Deputy CEO's annual incentive is based on the comparison of financial performance of the Company against the set targets. The actual payout amount is approved by the Board of Directors based on the HR Committee's evaluation and proposal prior to the payment.
Long-term incentives To support long-term shareholder return by linking a significant portion of the compensation to the long-term financial performance of Konecranes	Konecranes provides a rolling Performance Share Plan with a three-year performance period, after which the plan participants may earn rewards according to the realization of the criteria for the period For each share plan period a maximum reward is defined. The actual reward payment is based on the performance of the Company against the pre-set criteria agreed and approved by the Board of Directors. If a threshold level for the criteria is not met, rewards will not be awarded. For practical reasons, part of the earned share reward is paid in cash to pay the necessary taxes for the reward.
Shareholding requirement To support alignment of corporate aims and executive interests	The CEO and Deputy CEO have a shareholding requirement tied to the share-based incentive plans. Restrictions on selling shares earned through the plans are defined in the incentive plans

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EUR 312,654 for the Deputy CEO, and the outcome was 97.3 percent out of the maximum 100 percent.

Rewards based on the long-term Performance Share Plan (PSP) 2020 were paid in 2023. The plan had a three-year-long performance period with three separate one-year-long measurement periods. There were separate targets for each measurement period, and the criterion for all measurement periods (2020, 2021 and 2022) was comparable EPS. Items affecting comparability to the EPS included defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The outcome for the PSP 2020 was 69 percent. The previous President & CEO did not participate in the PSP 2020, but the Deputy CEO was delivered 11,061 gross shares of which 50 percent was paid in shares and 50 percent in cash.

The Performance Share Plans 2021 and 2022 consist of a three-year-long performance period including three one-year-long measurement periods with separate targets decided by the Board of Directors. The criterion for the measurement period 2021 for PSP 2021 was comparable earnings per share (EPS) and the outcome was 100 percent. The criterion for the measurement period 2022 for PSP 2021 and PSP 2022 was comparable earnings per share (EPS) and the outcome for the measurement period 2022 was 11 percent. The criterion for the measurement period 2023 for PSP 2021 and PSP 2022 was comparable earnings per share (EPS) and the outcome for the measurement period 2023 was 100 percent.

The three-year-long performance period for PSP 2021 ended in December 2023 and the total outcome from the three one-year-long measurement periods was 70 percent. The PSP 2021 rewards are due to be paid in 2024, and the Deputy CEO will be delivered 11,261 gross shares, of which 50 percent will be paid in shares and 50 percent in cash. The President & CEO did not participate in the PSP 2021 due to joining the company in 2022.

The President & CEO Anders Svensson joined the Company in October 2022. For retention purposes, he was allocated 17,170 Restricted Share Unit 2017 (RSU) gross shares, of which 40 percent vested on December 31, 2023 with a share delivery of 6,868 gross shares in January 2024. The Board of Directors decided to settle the full amount in shares and the taxes were paid by the President and CEO. The remaining 60 percent of the allocation, which is 10,302 gross shares, will be vesting on December 31, 2024.

In 2023, the total remuneration paid to the President and CEO amounted to EUR 814,208, and for the Deputy CEO to EUR 680,557.

Remuneration elements and terms of employment of the President and CEO and Deputy CEO

	President and CEO Anders Svensson	Deputy CEO Teo Ottoli
Base salary	Fixed salary with fringe benefits Monthly salary: EUR 66,666.67	Fixed salary with fringe benefits Monthly salary: EUR 27,031.10
Short-term incentives	Based on financial performance Max. 100% of annual base salary	Based on financial performance Max. 100% of annual base salary
Long-term incentives	Performance Share Plan 2023 RSU Restricted Share Unit 2017 plan (17,170 gross shares, 40% vesting on 31.12.2023 and 60% on 31.12.2024) Employee Share Savings Plan 2023	Performance Share Plans 2021, 2022 and 2023 Employee Share Savings Plans 2022 and 2023
Proportion of fixed and variable pay (as % of total target remuneration)	37.6% base salary 18.8% STI* 43.6% LTI* * target opportunity, long-term incentive includes only Performance Share Plan	37.8% base salary 18.9% STI* 43.2% LTI* * target opportunity, long-term incentive includes only Performance Share Plan
Pensions	Finnish Statutory pension Defined contribution plan at 20% of annual salary	Finnish Statutory pension Defined contribution plan at 1% of salary
Shareholding requirements	Must hold min. 100% of any net shares given based on reward plans until the value of shareholding equals annual salary, thereafter, 50 percent of the net shares until the President and CEO holds shares at least worth 150 percent of the annual salary, and membership in the Konecranes Leadership Team continues	Must hold min. 50% of any net shares given based on reward plans until the value of shareholding equals annual salary, and membership in the Konecranes Leadership Team continues
Period of notice	6 months' notice by the President and CEO and by the company	6 months' notice by the Deputy CEO or 9 months' notice by the company
Severance pay	Equals to 12 months' salary and fringe benefits in case of termination prior to the age of 63, in addition to the salary for the notice period	Equals to 9 months' salary and fringe benefits, in addition to the salary for the notice period
Retirement age	63 years	65 years 6 months

Short-term incentives

2023	Target levels				STI outcome			
KPI	Weight	Low (12.5%)	Target (50%)	Max (100%)	Performance outcome	Total performance outcome	President and CEO	Deputy CEO
Sales Growth (%)	25%	7.3%	11.4%	15.0%	100%			
Comparable EBITA (%)	65%	9.5%	10.1%	10.6%	100%	97.3%	EUR 778,480	EUR 312,654
ESG (3 separate KPIs)*	10%	12.5%	50%	100%	73%			

2022	Target levels				STI outcome			
KPI	Weight	Low (12.5%)	Target (50%)	Max (100%)	Performance outcome	Total performance outcome	President and CEO	Deputy CEO
Orders received (MEUR)	30%	3,130	3,268	3,369	100%	30.0%	-	EUR 89,114
Comparable EBITA (%)	70%	9.8%	10.3%	10.8%	0%			

Long-term incentives

							Allocated shares**		Awarded shares**	
Plan	Performance period	KPI	Weight	Performance outcome	Total performance outcome	Payment/vesting schedule	President and CEO	Deputy CEO	President and CEO	Deputy CEO
PSP 2019	2019–2021	sales growth CAGR comparable EPS	40% 60%	0% 30%	18%	Paid in 2022	-	19,000	-	3,471
PSP 2020	2020 2021 2022	comparable EPS comparable EPS comparable EPS	33.3% 33.3% 33.3%	96% 100% 11%	69%	Paid in 2023	-	16,000	-	11,061
PSP 2021	2021 2022 2023	comparable EPS comparable EPS comparable EPS	33.3% 33.3% 33.3%	100% 11% 100%	70%	To be paid in 2024	-	16,000	-	11,261
PSP 2022	2022 2023 2024	comparable EPS comparable EPS n/a	33.3% 33.3% 33.3%	11% 100% n/a	n/a	To be paid in 2025	-	22,000	-	n/a
PSP 2023	2023–2025	sales growth CAGR comparable EPS	40% 60%	n/a n/a	n/a	To be paid in 2026	55,000	22,000	n/a	n/a

* CO_2 emissions from own operations, safety, and diversity and inclusion.
** Gross shares, including the reward paid in cash.

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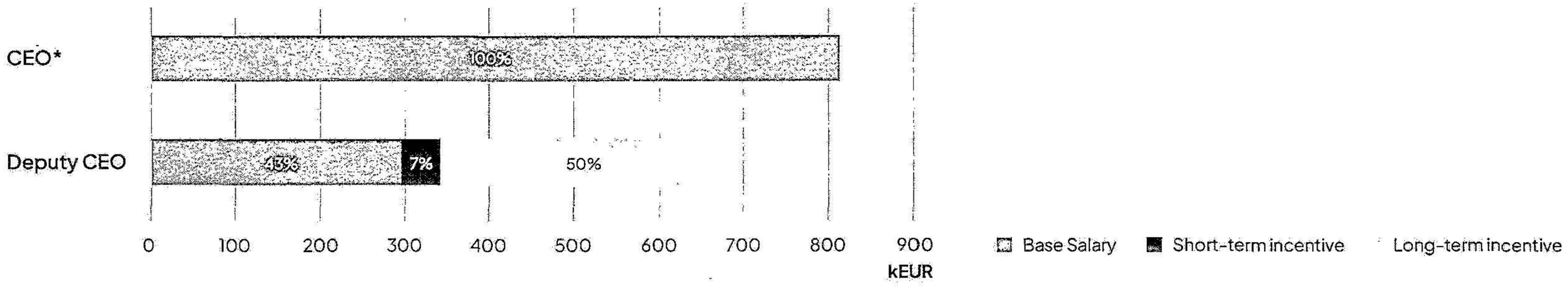
Remuneration of the President and CEO and Deputy CEO in 2023 and 2022

	2023 Anders Svensson	2023 Teo Ottola	2022 Anders Svensson	2022 Teo Ottola	2022 Rob Smith
	President & CEO	**Deputy CEO**	**President & CEO**	**Deputy CEO** (Interim CEO, from January 1 until October 18, 2022)	**Former President & CEO**
Fixed Salary (Salaries and fringe benefits)	814,208	295,910	162,137	640,003	-
Short-term incentives paid (based on previous year's performance)	-	46,430	-	229,089	659,999
One-time bonus	-	-	-	198,000	-
Value of long-term incentive rewards paid	-	338,218	-	98,477	-
Variable Pay	0	384,648	-	525,566	659,999
Total Remuneration paid	**814,208**	**680,557**	**162,137**	**1165,569**	**659,999**
Proportion of fixed and variable pay (as % of total target remuneration)	100% / 0%	43% / 57%	100% / 0%	55% / 45%	0% / 100%
Estimated short-term incentives due payment (based on previous year's performance)	778,480	312,654	-	89,114	-
Gross shares delivered	-	11,061	-	3,672	-
Performance share rights allocated (# of share rights)	55,000	60,000	-	54,000	-
Restricted share rights allocated (# of share rights)	17,170	-	17,170	-	-
Shareholding in Konecranes Plc (# of shares)	324	51,075	0	45,220	-
Expense of statutory/voluntary pension plans	296,565	60,818	62,487	198,862	-

Proportions of realized remuneration elements of the President and CEO and Deputy CEO in 2023



* As Konecranes President and CEO Anders Svensson started in the company on October 19, 2022, he did not participate in the STI or LTI programs which were paid out in 2023.

Long-term Incentives

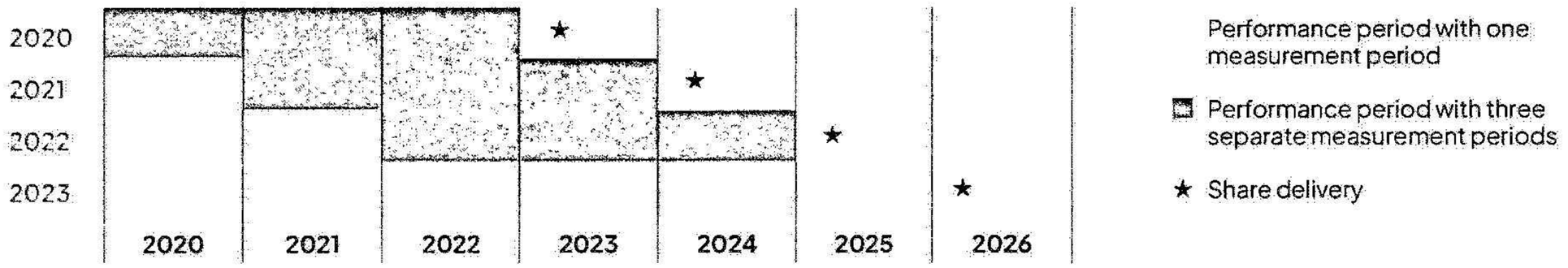
Performance Share Plan (PSP)
The aim of Konecranes' Performance Share Plans is to align the objectives of shareholders and Konecranes' key employees to increase the value of the Company, to commit key employees to the Company and to reward employees for achieving set targets. The actual grant is directly linked to Key Performance Indicators supporting long-term shareholder return and applies multi-year performance period.

All the currently active PSP plans have three-year performance periods, but the measurement periods vary. The PSP plans launched in 2020, 2021 and 2022 have three separate one-year-long measurement periods within the three-year performance period. Due to the uncertainty caused by the COVID-19 pandemic in 2020 and 2021, the war in Ukraine in 2022, as well as the planned merger announcement made in 2021*, the Board of Directors decided to apply one-year-long measurement periods instead of three-year-long periods for the Plans started in 2020, 2021 and 2022 to enable efficient and relevant target-setting. Despite the one-year-long measurement periods of PSP plans 2020, 2021 and 2022, remuneration is paid only after the three-year-long performance period. The PSP 2023 plan, established on February 1, 2023, has one measurement period covering three years.

The potential rewards from the PSP plans will be paid partly in shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the plan participants. As a rule, no reward will be paid, if the plan participant's employment or service ends before the reward payment

* The planned merger with Cargotec was cancelled in March 2022.

Performance Share Plan



Performance Share Plan (year)	PSP 2020	PSP 2021	PSP 2022	PSP 2023
Performance period	2020-2022	2021-2023	2022-2024	2023-2025
Number of participants **	145	153	154	157
Measure	Comparable EPS for years 2020, 2021 and 2022 ***	Comparable EPS for years 2021, 2022 and 2023 ***	Comparable EPS for year 2022 and 2023 ***	Comparable Cumulative EPS and Sales Growth CAGR %
Performance share rights allocated (# of share rights)	510,400	544,210	553,410	623,500
Grant date share value, €/Share	22.60	32.20	22.11	35.74
Total share value, based on the grant date value	€ 11,535,040	€ 17,523,562	€ 12,235,895	€ 22,283,890
Total gross shares delivered	181,331	N/A	N/A	N/A
Gross shares delivered to CEO & Deputy CEO				
Anders Svensson, CEO since October 19, 2022	0	N/A	N/A	N/A
Teo Ottola, Deputy CEO (Interim CEO, from October 7, 2019 to January 31, 2020 and from January 1 to October 18, 2022)	11,061	N/A	N/A	N/A

** At the end of December 2023
*** PSP 2020, PSP 2021 and PSP 2022 have three separate 1-year measurement periods with separate targets for each 1-year period. Measure for years 2020, 2021, 2022 and 2023 was comparable EPS.

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2020–2022 Performance Share Plan (paid in 2023)
The 2020–2022 PSP plan had a three-year-long performance period with three separate one-year-long measurement periods. The Board of Directors has annually resolved the criterion and separate targets for each measurement period, and the criterion for all measurement periods (2020, 2021 and 2022) was comparable EPS. Items affecting comparability to the EPS included defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The target group of the plan for the performance period 2020–2022 consisted of a maximum of 160 key employees of the Konecranes Group. The rewards to be paid on the basis of the performance period correspond to the value of a maximum total of 600,000 Konecranes shares, including the proportion to be paid in cash. The outcome for the measurement period 2020 was 96 percent, 100 percent for the measurement period 2021 and 11 percent for the measurement period 2022. The total outcome of the plan was 69 percent.

2021–2023 Performance Share Plan (payable in 2024)
The 2021–2023 PSP plan has a three-year performance period with three separate one-year-long measurement periods with separate targets for 2021, 2022 and 2023. The Board of Directors has annually resolved the criterion and targets for each measurement period, and the criterion for all measurement periods (2021, 2022 and 2023) was comparable EPS. Items affecting comparability to the EPS have included defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The target group of the plan for the performance period 2021–2023 consists of a maximum of 170 key employees of the Konecranes Group. The rewards to be paid on the basis of the performance period correspond to the value of a maximum total of 634,921 Konecranes shares, including the proportion to be paid in cash. The outcome for the measurement period 2021 was 100 percent, the outcome for the measurement period 2022 was 11 percent and the outcome for the measurement period 2023 was 100 percent. The total outcome of the plan was 70 percent. The payment of the total reward from the three-year performance period takes place in 2024, if the plan term conditions are met.

2022–2024 Performance Share Plan (payable in 2025)
The 2022–2024 plan has a three-year-long performance period with three separate one-year-long measurement periods and separate targets for 2022, 2023 and 2024. The criterion for the measurement period 2022 and 2023 is comparable EPS. Items affecting comparability to the EPS include defined restructuring costs, mergers and acquisitions related deal costs and other unusual items. The target group of the plan for the performance period 2022–2024 consists of a maximum of 170 key employees of the Konecranes Group. The rewards to be paid on the basis of the performance period correspond to the value of a maximum total of 600,000 Konecranes shares, including the proportion to be paid in cash. The outcome for the measurement period 2022 was 11 percent and the outcome for the measurement period 2023 was 100 percent. The payment of the total reward takes place in 2025, if the plan term conditions are met.

2023–2025 Performance Share Plan (payable in 2026)
The 2023–2025 plan has a three-year performance period from 2023 to 2025. The plan has two performance criteria: the cumulative comparable Earnings per Share (EPS) for the financial years 2023–2025 with a 60 percent's weighting and the compound annual growth rate (CAGR) for Sales for the financial years 2023–2025 with a 40 percent's weighting. Items affecting comparability to the EPS include defined restructuring costs, mergers and acquisitions related deal costs and other unusual items. The target group of the Plan consists of a maximum of 170 Konecranes key employees. The rewards to be paid on the basis of the performance period 2023–2025 correspond to the value of a maximum total of 700,000 Konecranes Plc shares. The payment of the potential rewards takes place in 2026, if plan term conditions are met.

Restricted Share Unit Plan 2017 (*RSU*)
In addition to the Performance Share Plan, Konecranes has a Restricted Share Unit Plan (RSU) which can be used for retention purposes under special conditions. The vesting periods can last from 12 to 36 months. The prerequisite for reward payment is that a key employee's employment or service continues until the end of the vesting period. The rewards to be allocated on the basis of the entire plan will amount to a maximum total of 200,000 Konecranes shares, including the proportion to be paid in cash. The Board of Directors may decide to settle the full award in shares, taxable by the participant.

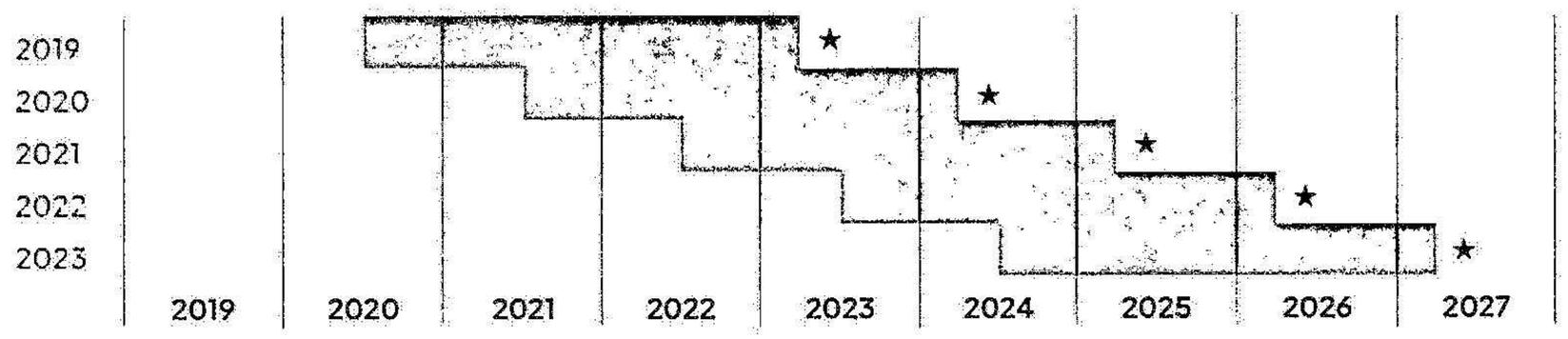
Currently, there is only one participant in the RSU 2017 plan: the Konecranes President and CEO Anders Svensson who joined the Company in October 2022. He was allocated 17,170 gross shares, of which 40 percent vested on December 31, 2023, with a share delivery of 6,868 gross shares in January 2024. The Board of Directors decided to settle the full amount in shares and the taxes were paid by the President and CEO. The remaining 60 percent of the allocation, which is 10,302 gross shares, will be vesting on December 31, 2024.

Employee Share Savings Plan (ESSP)
In 2012, Konecranes launched an Employee Share Savings Plan for all employees, including the Management, except in those countries where the plan could not be offered for legal or administrative reasons. The Board had decided to relaunch a new ESSP plan annually since the start of the program.

Participants can save monthly a sum of up to 5 percent of their gross salary, which is used to buy Konecranes shares from the market on behalf of the participants. If participants are still in possession of these shares after an approximate three-year-long holding period, they will receive one matching share for every two initially purchased shares.

This ESSP plan is also available for the President and CEO and Deputy CEO. Both the President and CEO and the Deputy CEO participate in the ESSP 2023, which is currently on savings period with potential rewards due in 2027. The Deputy CEO participated also in the ESSP 2022 plan, which is currently on holding period with potential rewards due in 2026.

Employee Share Savings Plan



Savings period ☐ Holding period ★ Delivery of matching shares

Employee Share Savings Plan (year)	ESSP 2019	ESSP 2020	ESSP 2021	ESSP 2022	ESSP 2023
Savings period	July 1, 2019– June 30, 2020	October 1, 2020– June 30, 2021	July 1, 2021– June 30, 2022	August 1, 2022– June 30, 2023	July 1, 2023– June 30, 2024
Number of participants *	1,708	1,918	2,022	2,206	2,466
Number of shares acquired	142,054	82,330	147,601	132,724	40,913 (Ongoing)
Delivered or expected matching shares to be delivered *	71,027	41,165	73,801	66,362	20,457 (Ongoing)
Share price by delivery date or by the end of December 2023 (for non-vested plans), €/share	32.72	40.78	40.78	40.78	40.78
Value of the delivered or expected matching shares **	€ 2,324,003	€ 1,678,709	€ 3,009,584	€ 2,706,242	€ 834,216 (Ongoing)

* At the end of December 2023
** Share value by delivery date or by the end of December 2023 (for non-vested plans)

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Risk management

Konecranes' Board of Directors has defined and adopted a set of risk management principles based on widely accepted international good management practices. The Audit Committee evaluates and reports on the adequacy and appropriateness of internal controls and risk management to the Board.

Risk management principles

Risk is anything that will clearly affect Konecranes' ability to achieve its business objectives and execute its strategies. Risk management is part of Konecranes' control system and is designed to ensure that any risks related to the Company's business operations are identified and managed adequately and appropriately to safeguard the continuity of Konecranes' business at all times. The Group's risk management principles provide a basic framework for risk management across Konecranes, and each Group company or operating unit is responsible for its own risk management. This approach guarantees the best possible knowledge of local conditions, experience, and relevance. The Group's risk management principles define risk management as a continuous and systematic activity aimed at protecting employees from personal injury, safeguarding the assets of all Group companies and the Group as a whole, and ensuring stable and profitable financial performance. By minimizing losses due to realized risks and optimizing the cost of risk management, Konecranes can safeguard its overall long-term competitiveness.

Significant risks for Konecranes

Konecranes has assessed its strategic, operational, hazard and financial risks. The risk descriptions below, sample risks

and the risk management methods are intended to be indicative only and should not be considered exhaustive.

Strategic risks
At Konecranes, strategic risks are considered to have potential long-term impact on Konecranes' businesses and strategic objectives.

Demand for Konecranes' products and services is affected by the development of local and global economies, regional and country-specific political and geopolitical issues and stability, as well as the business cycles of Konecranes' customer industries. Currency fluctuations may cause changes in the competitiveness of Konecranes' products in a specific market and affect its customers' businesses. Demand for maintenance services is driven by the capacity utilization rates of customers. Capital expenditure on industrial cranes varies with the development of industrial production and production capacity, while demand for port solutions follows trends in global container traffic and port investment cycles. Lift truck demand follows other industrial and port product segments. In addition to risks related to sales volumes, adverse changes in demand can also result in overcapacity and affect market prices, as can the actions of competitors.

Konecranes' aim is to increase the proportion of service revenue in its total revenue stream and thereby reduce its exposure to economic cycles. In general, the demand for services is less volatile than that for equipment. As part of its strategy, Konecranes strives to maintain a reasonably wide geographical market presence to balance out economic trends in different market areas, while also paying attention to relevant distribution costs. Konecranes also aims to limit the risks resulting from changes in demand in different customer segments, as well as the demand for certain products, by maintaining a diverse customer base and offering a wide range of products and services. Konecranes also strives to differentiate itself from its competitors and reduce the competitive pressures that it experiences, through active product development.

Operational risks
Konecranes' operational risks are closely related to day-to-day activities, decisions, and management of business. These risks are continuously managed at all organizational levels.

Konecranes' ability to operate is dependent on the availability, expertise, and competence of professional personnel. Konecranes' personnel objectives are supported by active talent processes, talent acquisition and engagement as well as systematic employee surveys and third-party social responsibility assessments. Konecranes invests continuously in improving the essential competencies in the industry-leading technical skills of its service technicians, digital talent, leadership development, and in customer-centric and effective sales and sales management skills, among other things. Failure to obtain, develop and retain the required capabilities could have an adverse effect on Konecranes' growth and profitability.

As Konecranes has and maintains a strong brand and reputation, issues affecting Konecranes' reputation or brand could have a negative impact on Konecranes' business and financial performance. Such risks could materialize, for example, due to issues with safety, cyber security, quality, or major delivery challenges.

Konecranes' supply relies on its supply chain of own manufacturing operations, while most components used are sourced from external suppliers. Konecranes subcontracts and outsources a substantial share of activities and processes while working closely with partners and service providers in various activities, such as logistics and IT. This model exposes Konecranes to availability, continuity and cost risks of components and subcontracted labor, and services. A failure to secure materials, components, resources or services in a timely manner, or quality issues within these, can cause business disruptions, cost increases or quality risks with supply. Labor availability constraints can impact Konecranes' capacity to operate.

Hazard risks
Hazard risks are, by nature, occurrences with negative consequences.

Employee and subcontractor safety is the top priority in everything Konecranes does. Konecranes' goal is that everyone gets home safe every day. In Konecranes' way of working, there is no job so important and no service so urgent that one cannot take the time to perform work safely and correctly. Safety extends to Konecranes' offering of safety-enhancing products, solutions, and services to support the safety of customers. Safety risks may expose individuals and businesses to various negative consequences.

Konecranes' business depends on the reliable and continuous operation of its production facilities, supply chain, various internal and outsourced services, and functioning logistics. Konecranes, its customers and suppliers rely materially on information technology and availability, integrity, and quality information. Potential disruption with any of these may cause business interruption to Konecranes' operations, with financial consequences and damage to Konecranes' brand.

Cybersecurity incidents, severe weather events, natural catastrophes or terrorism are examples of hazard risks that are difficult to predict, challenging to mitigate or prevent and may cause interruption to Konecranes, its supply chain or service providers.

Financial risks
See note 33 in the Financial Statements for a detailed overview of financial risk management.

Insurance
The Group continuously reviews its insurance policies as part of its overall risk management. Insurance policies are used to cover all risks that are economically feasible or otherwise reasonable to insure.

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FINANCIAL REVIEW 2023

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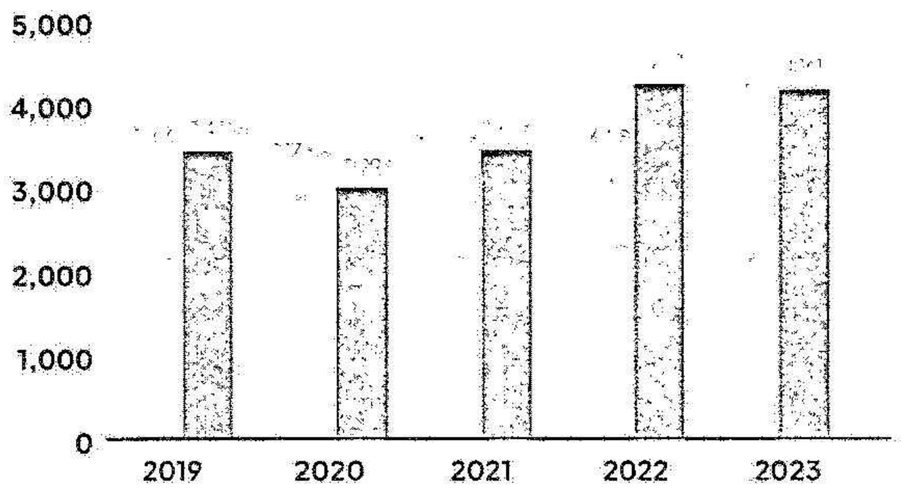
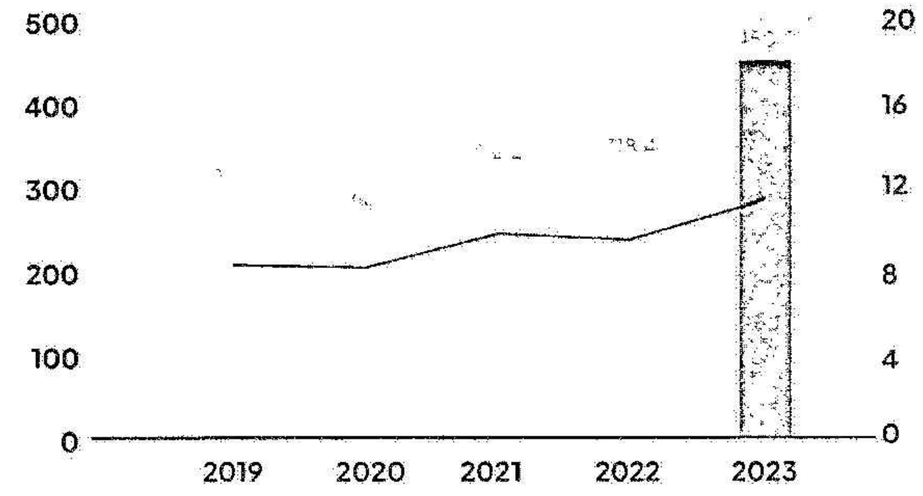
2023 highlights

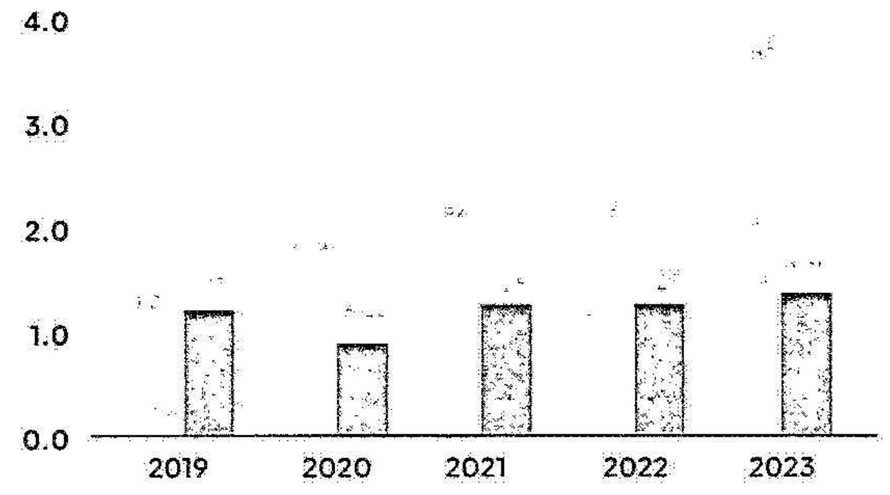
Sales & order intake, MEUR



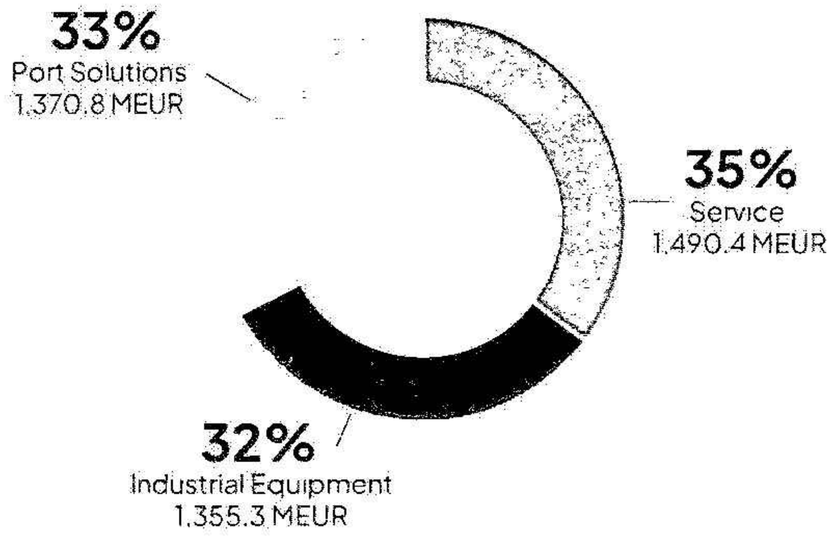
Comparable EBITA, MEUR & Comparable EBITA margin, %



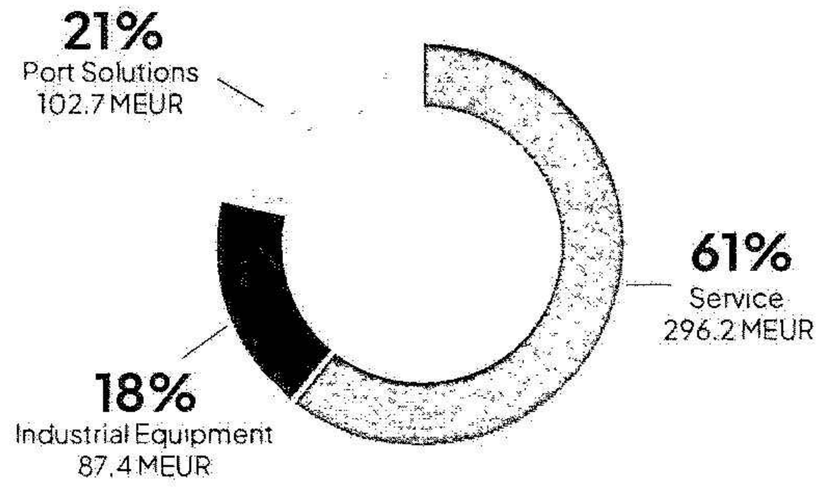
Earnings & dividend per share, EUR



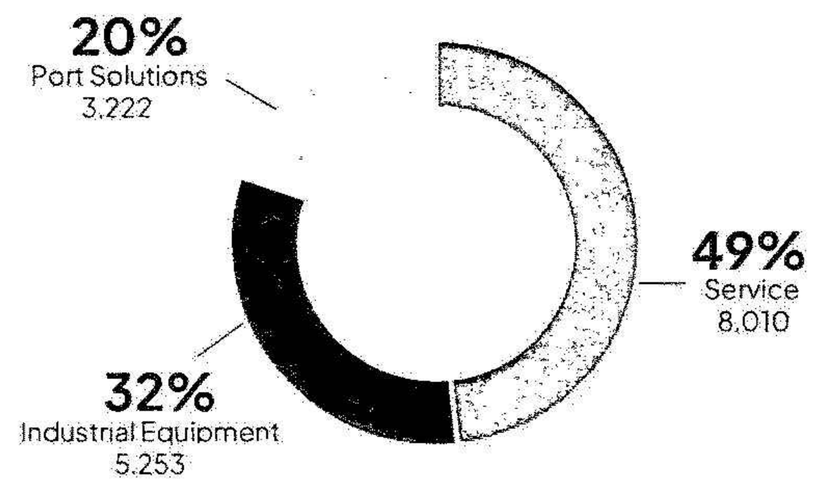
Sales by Segment, 2023



Comparable EBITA by Segment, 2023



Personnel by Segment, 2023



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

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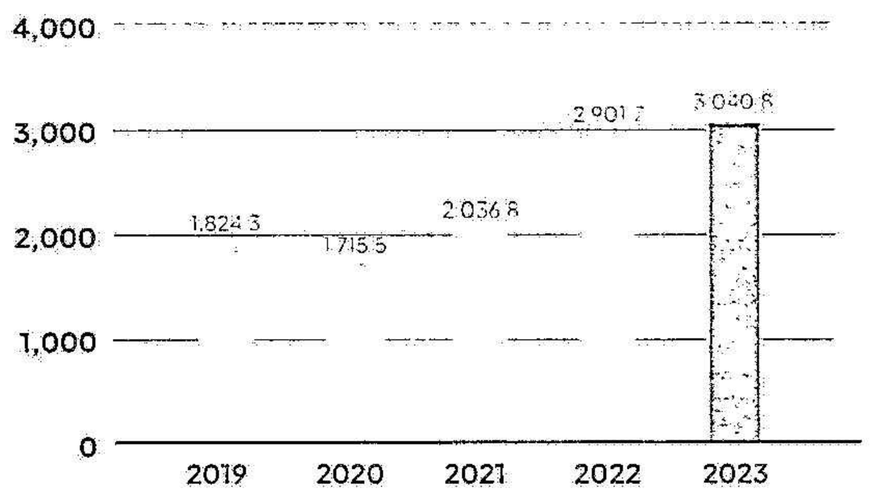
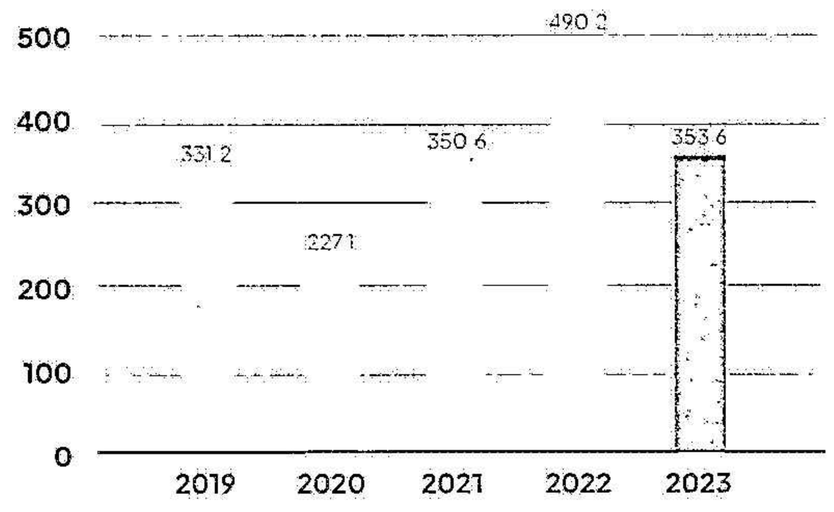
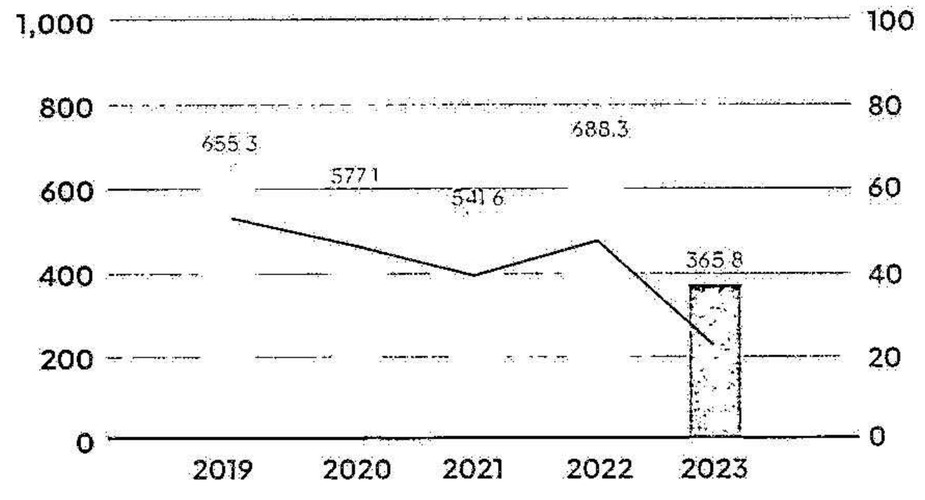
Order book, MEUR



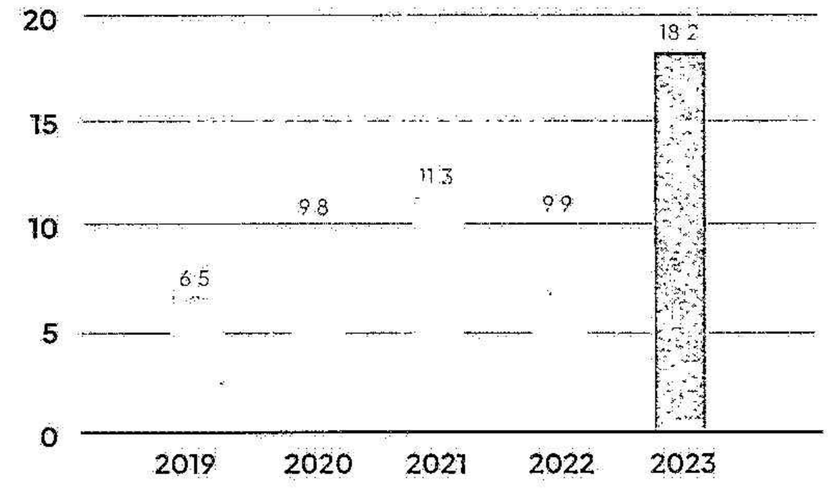
Year-end net working capital, MEUR



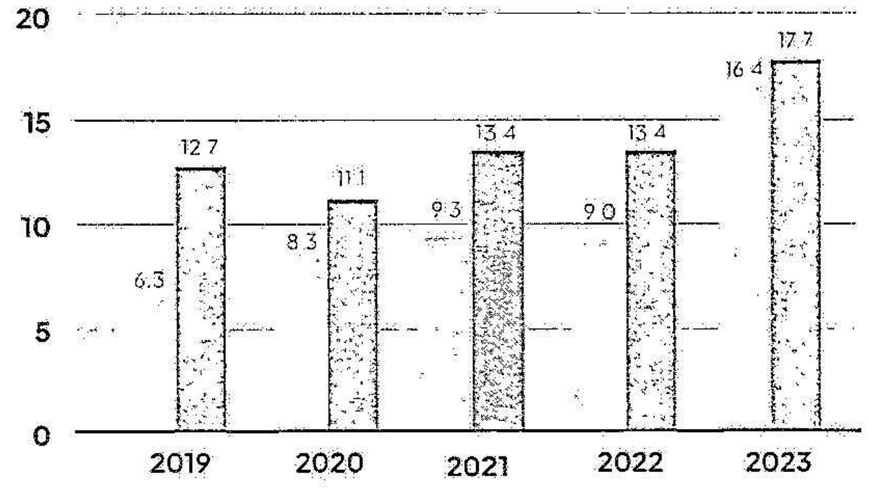
Year-end net debt, MEUR & Gearing, %



Return on equity, %



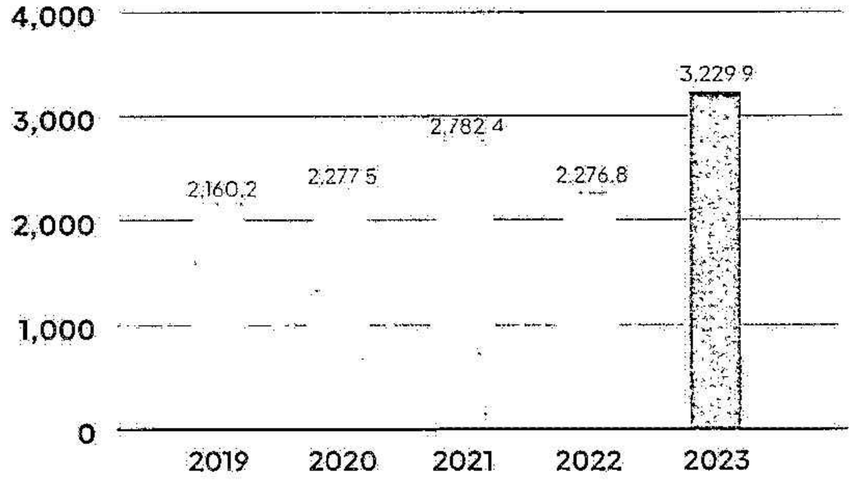
ROCE, % & Comparable ROCE, %



Return on capital employed, %

Comparable return on capital employed, %

Year-end market capitalization*, MEUR



*Excluding treasury shares

Report of the Board of Directors

Figures in brackets, unless otherwise stated, refer to the same period a year earlier.

Konecranes has made changes in reporting its orders received and net working capital. The previous year's figures presented in this report have been restated and are fully comparable with the current year figures.

Market review

In 2023, Konecranes' operating environment was impacted by economic uncertainty, high inflation, and interest rates. Supply chain conditions and delivery times improved compared to the previous year.

The world's manufacturing sector's operating conditions, according to the global manufacturing Purchasing Managers' Index (PMI), continued to weaken in the fourth quarter. December's PMI reading (49.0) was approximately unchanged from the end of the previous quarter, and it was the sixteenth consecutive month in contraction territory below the neutral 50 mark.

In the eurozone, the downturn in the manufacturing sector continued in the fourth quarter according to the manufacturing PMI, which had been in contraction territory in December for a year and a half. However, December's PMI (44.4) was the 7-month high. In the US, the manufacturing sector's operating conditions also continued to deteriorate in the fourth quarter. The manufacturing PMI was clearly in contraction in December (47.9) while it was marginally below the neutral 50 mark at the end of the previous quarter. In the emerging markets, December's manufacturing PMI signaled improving operating conditions in India and China, but in Brazil, the PMI was in deterioration.

The manufacturing industry capacity utilization rate in the European Union decreased in the fourth quarter. The capacity utilization rate was at a lower level on a year-on-year basis, and it was below the pre-COVID-19 pandemic levels. The manufacturing industry capacity utilization rate in the US stayed approximately unchanged in December. The capacity utilization rate was lower compared to the end of the previous quarter, and it was at approximately the same level on a year-on-year basis.

Global container throughput, according to the RWI/ISL Container Throughput Index, was at a relatively strong level in the fourth quarter compared to the historical readings although fluctuation continued. At the end of December, global container throughput was approximately one percent higher than the year before.

Regarding raw material prices, at the end of the fourth quarter steel prices were below and copper prices were above the previous year's levels. The average EUR/USD exchange rate was approximately three percent higher compared to the year-ago period.

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Orders received and net sales

	1–12/2023	1–12/2022	Change %	Change % at comparable currency rates
Orders received, MEUR [1]	4,161.4	4,227.9	-1.6	0.3
Net sales, MEUR	3,966.3	3,364.8	17.9	20.5

[1] Previous year restated due to the change in reporting for including service agreement base sales in orders received.

Orders received

In full year 2023, orders received totaled EUR 4,161.4 million (4,227.9), representing a decrease of 1.6 percent. On a comparable currency basis, order intake increased 0.3 percent. Orders received decreased in EMEA but increased in the Americas and APAC.

In Service, order intake increased 3.3 percent on a reported basis and 5.8 percent on a comparable currency basis. In Industrial Equipment, orders received iincreased 3.7 percent on a reported basis and 5.7 percent on a comparable currency basis. External orders received in Industrial Equipment increased 5.6 percent on a reported basis and 8.0 percent on a comparable currency basis. In Port Solutions, order intake decreased 11.3 percent on a reported basis and 10.1 percent on a comparable currency basis.

Order book

At the end of December, the value of the order book totaled EUR 3,040.8 million (2,901.7), which was 4.8 percent higher compared to the previous year. On a comparable currency basis, the order book increased 6.0 percent. The order book decreased 0.4 percent in Service, and increased 4.1 percent in Industrial Equipment and 6.6 percent in Port Solutions.

Sales

In full year 2023, Group sales totaled EUR 3,966.3 million (3,364.8), representing an increase of 17.9 percent. On a comparable currency basis, sales increased 20.5 percent. Sales increased 10.9 percent in Service, 12.4 percent in Industrial Equipment and 35.0 percent in Port Solutions. Industrial Equipment's external sales increased 9.8 percent.

At the end of December, the regional breakdown of sales, calculated on a rolling 12-month basis, was as follows: EMEA 47 (51), Americas 38 (36) and APAC 14 (13) percent.

Financial result

In full year 2023, the Group comparable EBITA increased to EUR 450.7 million (318.4). The comparable EBITA margin increased to 11.4 percent (9.5). The comparable EBITA margin increased in Service to 19.9 percent (18.6), in Industrial Equipment to 6.5 percent (2.7) and in Port Solutions to 7.5 percent (6.3). The increase in the Group comparable EBITA margin was mainly attributable to higher sales volumes and pricing.

In full year 2023, the consolidated comparable operating profit increased to EUR 419.7 million (286.6). The comparable operating margin increased to 10.6 percent (8.5).

In full year 2023, the consolidated operating profit totaled EUR 402.5 million (223.2). The operating profit includes items affecting comparability of EUR 17.2 million (63.5), which mainly comprised of restructuring costs, and Konecranes' final crane delivery to Russia in the second quarter with a lowering impact to items affecting comparability. The order was written off in 2022, and it was the only write-off delivered to Russia as breaching the contract would have exposed the company to possible significant financial risk. In the comparison period, the items affecting comparability consisted mainly of costs related to the impacts of the war in Ukraine. Year-on-year, the operating margin increased in Service to 18.6 percent (17.3), in Industrial Equipment to 4.9 percent (-0.9) and in Port Solutions to 6.9 percent (3.8).

In full year 2023, depreciation and impairments totaled EUR 114.9 million (124.4). The impact arising from the purchase price allocation amortization and goodwill impairment represented EUR 30.4 million (31.8) of the depreciation and impairments.

In full year 2023, the share of the result in associated companies and joint ventures was EUR 0.8 million (0.4).

In full year 2023, financial income and expenses totaled EUR -35.7 million (-32.9). Net interest expenses accounted for EUR 29.6 million (26.1) of the sum, and the remainder was mainly attributable to other financing expenses.

In full year 2023, profit before taxes was EUR 367.6 million (190.7).

In full year 2023, income tax was EUR 92.0 million (52.2). The Group's effective tax rate was 25.0 percent (27.4).

In full year 2023, net profit was EUR 275.6 million (138.5).

In full year 2023, the basic earnings per share were EUR 3.48 (1.77) and the diluted earnings per share were EUR 3.46 (1.77).

On a rolling 12-month basis, the return on capital employed was 16.4 percent (9.0) and the return on equity 18.2 percent (9.9). The comparable return on capital employed was 17.7 percent (13.4).

Balance sheet

At the end of December, the consolidated balance sheet amounted to EUR 4,552.4 million (4,340.6). The total equity at the end of the reporting period was EUR 1,594.8 million (1,433.0). The total equity attributable to the equity holders of the parent company was EUR 1,594.8 million (1,432.9) or EUR 20.14 per share (18.10).

Net working capital totaled EUR 353.6 million (490.2). The decrease in net working capital resulted mainly from an increase in advance payments received. Sequentially, net working capital decreased by EUR 52.1 million.

Cash flow and financing

In full year 2023, net cash from operating activities was EUR 557.3 million (66 7). The increase in net cash from operating activities was mainly due to the change in net working capital and higher operating income during the period. Cash flow before financing activities was EUR 481.9 million (23.1), which included cash inflows of EUR 6.5 million (2.6) related to sale of property, plant and equipment, EUR 9 0 million (0.1) related to divestment of Businesses, and EUR 0.5 million (0.0) related to disposal of associated companies. It included cash outflows of EUR 52.4 million (44.7) related to capital expenditures, and EUR 39.0 million (1.6) related to acquisition of Group companies.

At the end of December, interest-bearing net debt was EUR 365.8 million (688.3). Net debt decreased mainly due to higher cash flow from operating activities. The equity to asset ratio was 41.1 percent (37.9) and gearing 22.9 percent (48.0).

At the end of December, cash and cash equivalents amounted to EUR 586.6 million (413.9). None of the Group's committed EUR 350 million back-up financing facility was in use at the end of the period.

In April 2023, Konecranes paid dividends, amounting to EUR 99.0 million or EUR 1.25 per share, to its shareholders.

Capital expenditure

In full year 2023, capital expenditure excluding acquisitions and joint arrangements amounted to EUR 54.4 million (37.0). The amount consisted mainly of investments in machinery and equipment, buildings, office equipment and information technology.

Acquisitions and divestments

In full year 2023, the cash impact of capital expenditure for acquisitions and joint arrangements was EUR -39.0 million (-1.6). The cash impact of divestment of Businesses and disposal of associated companies was EUR 9.5 million (0.1).

In April 2023, Konecranes acquired the industrial and nuclear crane and crane service operations of privately held Whiting Corporation in the USA. In June 2023, Konecranes acquired a small industrial crane service operation of Munck Cranes AS in Norway.

In April 2023, Konecranes divested MHE-Demag's Industrial Products business to Jebsen & Jessen.

Personnel

In full year 2023, the Group had an average of 16,503 employees (16,563). On December 31, 2023, the number of personnel was 16,586 (16,522). In full year 2023, the Group's personnel increased by 64 people net.

At the end of December, the number of personnel by operating segment was as follows: Service 8,010 employees (7,802), Industrial Equipment 5,253 employees (5,529), Port Solutions 3,222 employees (3,102) and Group staff 101 employees (89).

The Group had 9,785 (9,565) employees working in EMEA, 3,335 (3,131) in the Americas and 3,466 (3,826) in APAC.

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Business segments

Service

	1–12/2023	1–12/2022	Change %	Change % at comparable currency rates
Orders received, MEUR[1]	1,490.7	1,442.5	3.3	5.8
Order book, MEUR	443.5	445.5	-0.4	1.8
Agreement base value, MEUR	318.3	306.9	3.7	5.3
Net sales, MEUR	1,490.4	1,343.3	10.9	13.6
Comparable EBITA, MEUR[2]	296.2	249.4	18.7	
Comparable EBITA, %[2]	19.9%	18.6%		
Purchase price allocation amortization, MEUR	-17.4	-14.3	22.2	
Items affecting comparability, MEUR	-1.9	-2.9		
Operating profit (EBIT), MEUR	276.9	232.3	19.2	
Operating profit (EBIT), %	18.6%	17.3%		
Personnel at the end of period	8,010	7,802	2.7	

[1] Previous year restated due to the change in reporting for including agreement base sales in orders received.
[2] Excluding items affecting comparability and purchase price allocation amortization.

In full year 2023, orders received totaled EUR 1,490.7 million (1,442.5), corresponding to an increase of 3.3 percent. On a comparable currency basis, orders received increased 5.8 percent.

The order book decreased 0.4 percent to EUR 443.5 million (445.5). On a comparable currency basis, the order book increased 1.8 percent.

The annual value of the agreement base increased 3.7 percent year-on-year to EUR 318.3 million (306.9). On a comparable currency basis, the annual value of the agreement base increased 5.3 percent. Sequentially, the annual value of the agreement base decreased 0.8 percent on a reported basis and increased 0.6 percent on a comparable currency basis.

Sales increased 10.9 percent to EUR 1,490.4 million (1,343.3). On a comparable currency basis, sales increased 13.6 percent. Sales increased in field service and parts.

The comparable EBITA was EUR 296.2 million (249.4) and the comparable EBITA margin was 19.9 percent (18.6). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes and pricing. The operating profit was EUR 276.9 million (232.3) and the operating margin 18.6 percent (17.3).

Industrial Equipment

	1-12/2023	1-12/2022	Change %	Change % at comparable currency rates
Orders received, MEUR[1]	1,442.9	1,391.6	3.7	5.7
of which external, MEUR	1,261.8	1,194.8	5.6	8.0
Order book, MEUR	892.3	857.2	4.1	6.7
Net sales, MEUR	1,355.3	1,205.6	12.4	14.8
of which external, MEUR	1,173.8	1,068.8	9.8	12.3
Comparable EBITA, MEUR[2]	87.4	32.5	168.9	
Comparable EBITA, %[2]	6.5%	2.7%		
Purchase price allocation amortization, MEUR	-7.0	-11.0	-35.8	
Items affecting comparability, MEUR	-13.5	-32.5		
Operating profit (EBIT), MEUR	66.9	-10.9	711.2	
Operating profit (EBIT), %	4.9%	-0.9%		
Personnel at the end of period	5,253	5,529	-5.0	

[1] Previous year restated due to the change in reporting for including agreement base sales in orders received.
[2] Excluding items affecting comparability and purchase price allocation amortization.

In full year 2023, orders received totaled EUR 1,442.9 million (1,391.6), corresponding to an increase of 3.7 percent. On a comparable currency basis, orders received increased 5.7 percent. External orders received increased 5.6 percent on a reported basis and 8.0 percent on a comparable currency basis. Order intake increased in standard cranes, process cranes and components.

The order book increased 4.1 percent to EUR 892.3 million (857.2). On a comparable currency basis, the order book increased 6.7 percent.

Sales increased 12.4 percent to EUR 1,355.3 million (1,205.6). On a comparable currency basis, sales increased 14.8 percent. External sales increased 9.8 percent on a reported basis and 12.3 percent on a comparable currency basis. Sales increased in standard cranes, process cranes and components.

The comparable EBITA was EUR 87.4 million (32.5) and the comparable EBITA margin 6.5 percent (2.7). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes and pricing. The operating profit was EUR 66.9 million (-10.9) and the operating margin 4.9 percent (-0.9).

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Port Solutions

	1-12/2023	1-12/2022	Change %	Change % at comparable currency rates
Orders received, MEUR[1]	1,468.5	1,655.3	-11.3	-10.1
Order book, MEUR	1,705.0	1,599.0	6.6	6.9
Net sales, MEUR	1,370.8	1,015.0	35.0	37.6
of which service, MEUR	233.3	226.1	3.2	5.8
Comparable EBITA, MEUR[2]	102.7	63.5	61.7	
Comparable EBITA, %[2]	7.5%	6.3%		
Purchase price allocation amortization, MEUR	-6.6	-6.6	0.0	
Items affecting comparability, MEUR	-1.1	-18.6		
Operating profit (EBIT), MEUR	95.1	38.4	147.6	
Operating profit (EBIT), %	6.9%	3.8%		
Personnel at the end of period	3,222	3,102	3.9	

[1] Previous year restated due to the change in reporting for including agreement base sales in orders received.
[2] Excluding items affecting comparability and purchase price allocation amortization.

In full year 2023, orders received totaled EUR 1,468.5 million (1,655.3), corresponding to a decrease of 11.3 percent. On a comparable currency basis, orders received decreased 10.1 percent.

The order book increased 6.6 percent to EUR 1,705.0 million (1,599.0). On a comparable currency basis, the order book increased 6.9 percent.

Sales increased 35.0 percent to EUR 1,370.8 million (1,015.0). On a comparable currency basis, sales increased 37.6 percent.

The comparable EBITA was EUR 102.7 million (63.5) and the comparable EBITA margin 7.5 percent (6.3). The increase in the comparable EBITA margin was mainly attributable to higher sales volumes. Gross margin decreased on a year-on-year basis. Operating profit was EUR 95.1 million (38.4) and the operating margin 6.9 percent (3.8).

Group overheads

In full year 2023, the comparable unallocated Group overhead costs and eliminations were EUR 35.7 million (27.0), representing 0.9 percent of sales (0.8).

The unallocated Group overhead costs and eliminations were EUR 36.4 million (36.6), representing 0.9 percent of sales (1.1). These included items affecting comparability of EUR 0.7 million (9.5).

Administration

Decisions of the Annual General Meeting
The Annual General Meeting was held on March 29, 2023. The meeting approved the Company's annual accounts for the fiscal year 2022, discharged the members of the Board of Directors and the CEO from liability, and approved all proposals made by the Board of Directors and its committees to the AGM

The AGM approved the Board's proposal that a dividend of EUR 1.25 per share be distributed. The dividend was paid April 12, 2023.

The AGM approved the Remuneration Report. The resolution by the AGM on the approval of the Remuneration report is advisory.

The AGM approved the Shareholders' Nomination Board's proposal that the annual remuneration for the Board of Directors and the meeting fees for the committees and meetings of the Board of Directors remain unchanged, and that the annual remuneration for the Chairman of the Board of Directors and the meeting fee of the Chairman of the Audit Committee are increased.

The AGM approved the Shareholders' Nomination Board's proposal that the number of members of the Board of Directors shall be nine. The current Board members Pauli Anttila, Pasi Laine, Ulf Liljedahl, Niko Mokkila, Sami Piittisjärvi, Päivi Rekonen, Helene Svahn and Christoph Vitzthum were re-elected, and Gun Nilsson was elected as a new member. Christoph Vitzthum was elected as Chairman of the Board of Directors and Pasi Laine was elected as Vice Chairman of the Board of Directors.

The AGM approved the Board's proposal that Ernst & Young Oy be re-elected as the Company's auditor. The remuneration will be paid according to an invoice approved by the Company.

The AGM authorized the Board to decide on the repurchase and/or on the acceptance as pledge of the Company's own shares.

The AGM authorized the Board to decide on the issuance of shares as well as on the issuance of special rights entitling to shares.

The AGM authorized the Board to decide on the transfer of the Company's own shares.

The AGM authorized the Board to decide on a directed issuance of shares without payment for an Employee Share Savings Plan.

The AGM authorized the Board to decide on donations.

The resolutions of the AGM have been published in the stock exchange release dated March 29, 2023.

Board of Directors
The Board of Directors elected in the Annual General Meeting 2023 consists of

- Christoph Vitzthum, Chair of the Board
- Pasi Laine, Vice Chair of the Board
- Pauli Anttila, Member of the Board
- Ulf Liljedahl, Member of the Board
- Niko Mokkila, Member of the Board
- Gun Nilsson, Member of the Board
- Päivi Rekonen, Member of the Board
- Helene Svahn, Member of the Board
- Sami Piittisjärvi, Member of the Board

The term of office ends at the closing of the Annual General Meeting in 2024.

On March 29, 2023, Konecranes announced that the Board had held its first meeting. The Board decided to continue with an Audit Committee and a Human Resources Committee.

Ulf Liljedahl was elected Chair of the Audit Committee, and Niko Mokkila, Gun Nilsson and Päivi Rekonen as Committee members. Christoph Vitzthum was elected Chair of the Human Resources Committee, and Pauli Anttila, Pasi Laine and Helene Svahn as Committee members.

All Board members with the exception of Sami Piittisjärvi are deemed to be independent of the Company and all Board members with the exception of Pauli Anttila are deemed to be independent of the Company's significant shareholders. Niko Mokkila has been deemed to be independent of the company and its significant shareholders since May 2023.

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Sami Piittisjärvi is deemed not to be independent of the Company due to his current position as an employee of Konecranes. Pauli Anttila is deemed not to be independent of a significant shareholder of the Company based on his current position as Investment Director and Member of the Management Team at Solidium Oy.

Konecranes Leadership Team
In full year 2023, Konecranes Leadership Team consisted of

- Anders Svensson, President and CEO
- Teo Ottola, CFO, Deputy CEO
- Fabio Fiorino, Executive Vice President, Industrial Service and Equipment
- Mika Mahlberg, Executive Vice President, Port Solutions (until September 6, 2023)
- Juha Pankakoski, Executive Vice President, Port Solutions (since September 7, 2023) and for the time being, Executive Vice President, Technologies
- Anneli Karkovirta, Executive Vice President, People and Culture
- Sirpa Poitsalo, Executive Vice President, General Counsel
- Topi Tiitola, Senior Vice President, Integration and Project Management Office (until July 14, 2023)

On July 14, 2023, Konecranes announced that Topi Tiitola, SVP, Integration and Project Management and a member of the Konecranes Leadership Team, had decided to leave the company. He stepped down from the Konecranes Leadership Team on the same day.

On September 7, 2023, Konecranes announced that Juha Pankakoski had been appointed Executive Vice President, Port Solutions and member of the Konecranes Leadership Team. He started in this position on September 7, 2023, and succeeded Mika Mahlberg, Executive Vice President, Port Solutions, who stepped down from the Konecranes Leadership Team with immediate effect. Juha Pankakoski continues to lead the Technologies function until the successor for the Executive Vice President, Technologies is announced.

On December 15, 2023, Konecranes announced that Minna Aila had been appointed Executive Vice President, Corporate Affairs & Brand, and member of the Konecranes Leadership Team. She will start at Konecranes on July 1, 2024.

Shareholders' Nomination Board
On September 7, 2023, Konecranes announced the composition of the Shareholders' Nomination Board.

The following members were appointed to the Shareholders' Nomination Board:

- Reima Rytsölä, CEO of Solidium, appointed by Solidium Oy,
- Stig Gustavson, appointed by Stig Gustavson and family,
- Markus Aho, Chief Investment Officer of Varma, appointed by Varma Mutual Pension Insurance Company, and
- Mikko Mursula, Deputy CEO, Investments of Ilmarinen, appointed by Ilmarinen Mutual Pension Insurance Company.

Christoph Vitzthum, the Chairman of the Board, serves as an expert in the Nomination Board without being a member.

Shares and trading

Share capital and shares
On December 31, 2023, the company's registered share capital totaled EUR 30.1 million. On December 31, 2023, the number of shares including treasury shares totaled 79,221,906.

Treasury shares
On December 31, 2023, Konecranes Plc was in possession of 19,656 treasury shares, which corresponds to 0.0 percent of the total number of shares, and which had on that date a market value of EUR 0.8 million.

On February 28, 2023, 35,651 treasury shares were conveyed without consideration as the delivery of matching shares to the employees participating in the savings period 2019-2020 of the Konecranes Employee Share Savings Plan.

Market capitalization and trading volume
The closing price for the Konecranes shares on the Nasdaq Helsinki on December 29, 2023, was EUR 40.78. The volume-weighted average share price in full year 2023 was EUR 33.68, the highest price being EUR 41.38 in December and the lowest EUR 28.29 in October. In full year 2023, the trading volume on the Nasdaq Helsinki totaled 49.9 million, corresponding to a turnover of approximately EUR 1,679.6 million. The average daily trading volume was 198,667 shares representing an average daily turnover of EUR 6.7 million.

On December 31, 2023, the total market capitalization of Konecranes Plc was EUR 3,230.7 million including treasury shares. The market capitalization was EUR 3,229.9 million excluding treasury shares.

Performance Share Plans 2021, 2022 and 2023
On February 1, 2023, Konecranes announced that the Board of Directors had decided to establish a new Performance Share Plan 2023 for Konecranes key employees. The Plan has a three-year performance period from 2023 to 2025. The Plan has two performance criteria: the cumulative comparable Earnings per Share (EPS) for the financial years 2023-2025 with a 60 percent's weighting and the compound annual growth rate (CAGR) for Sales for the financial years 2023-2025 with a 40 percent's weighting. The targets for the three-year performance period have also been decided by the Board of Directors. The target group of the Plan consists of a maximum of 170 Konecranes key employees. Additional information, including essential terms and

conditions of the Plan, is available in the stock exchange release published on February 1, 2023

On February 1, 2023, Konecranes announced that the Board of Directors had decided the criterion for the measurement period 2023 of the Performance Share Plans 2021 and 2022. The criterion is comparable earnings per Share (EPS). The targets for the measurement period 2023 were also decided by the Board of Directors. Additional information is available in the stock exchange release published on February 1, 2023.

Additional information, including essential terms and conditions of the Plan 2021, is available in the stock exchange release published on February 3, 2021, and for the Plan 2022 in the stock exchange release published on March 30, 2022.

Employee Share Savings Plan
On February 1, 2023, Konecranes announced that the Board of Directors had decided to launch a new Plan Period relating to the Employee Share Savings Plan. The new Plan Period began on July 1, 2023, and will end on June 30, 2024. Additional information, including the other terms and conditions of the Plan Period, is available in the stock exchange release published on February 1, 2023.

Notifications of major shareholdings

In full year 2023, Konecranes received the following notifications of major shareholdings.

Date	Shareholder	Threshold	% of shares and voting rights	% of shares and voting rights through financial instruments	Total, %	Total, shares
May 16, 2023	HC Holding Oy Ab	Below 10%	0	0	0	0

Research and development

In 2023, Konecranes' research and product development expenditure totaled EUR 51.3 (47.7) million, representing 1.3 (1.4) percent of sales. R&D expenditure includes product development projects aimed at improving the quality and cost efficiency of both products and services.

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

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

The potential here is significant. Material flows, meaning any value-adding industrial activity involved in the transportation of raw materials and products, account for approximately 5.5% of the world's greenhouse gas emissions and 40% of injuries in the manufacturing industry. The program will focus on reducing four major deficiencies from material flows: information barriers, greenhouse gas emissions, energy consumption and accidents.

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

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

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

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

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

AI is also being implemented to help Konecranes' customers keep their equipment reliable and compliant. In spring 2023, Konecranes launched a predictive maintenance engine that foresees the maintenance needs of equipment based on the asset information, condition and historical maintenance data. Forecasts

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of potential faults and replacement needs are routed to *Konecranes sales, who contact customers to recommend* corresponding actions. This supports Konecranes' efforts to move from preventive maintenance to predictive maintenance, utilizing data-driven sensors, apps and workflows.

Konecranes' organizational setup also supports implementing these new technologies throughout the company. Since 2019 Konecranes has operated a dedicated Data Science Lab in Lyon, France. The lab supports businesses by developing solutions with tangible benefits for both customers and Konecranes' operations in general. The Data Science Lab has become an integrated part of Konecranes' development efforts, especially within data-intensive and rapidly developing fields such as artificial intelligence.

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

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

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

Statement of non-financial information

The scope of the reporting includes non-financial topics that relate to Konecranes' key impacts and reflect stakeholder expectations. Konecranes identifies these topics through a materiality assessment. The most essential non-financial topics for Konecranes are responsible business conduct; anti-corruption; safety of employees; product-related safety and security; respect of human rights; diversity, equity and inclusion; greenhouse gas emissions; circular economy, and fair sourcing.

Konecranes reports the disclosed information in accordance with the Accounting Act amendment 1376/2016, which is based on the EU Directive 2014/95/EU on the disclosure of non-financial and diversity information. During 2023, Konecranes has also put efforts in preparing for the Corporate Sustainability Reporting Directive (CSRD) (EU) 2022/2464 coming into force in 2024 in many ways. These efforts include, for example, planning the CSRD implementation, educating internal stakeholders about the topic, working on the double materiality assessment, analyzing readiness to comply with the disclosure requirements defined in the European Sustainability Reporting Standards (ESRS) as well as planning actions to fulfill the requirements. More information about the topics is available in the Sustainability Report 2023 that is prepared according to the international framework of the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board's SASB standards as well as following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Konecranes is a signatory of the United Nations Global Compact striving for the same goals as the UN regarding human and labor rights, protecting the environment and fighting corruption. More information on Konecranes' external commitments is available in the Sustainability Report 2023.

Business model and value creation

Konecranes' ambition is to become the world leader in material handling solutions creating value for everyone. Konecranes is shaping the next generation of material handling for a smarter, safer and better world. The Company seeks to maximize the positive contributions to its different stakeholders and the surrounding society with its knowledge, products, services and solutions. Konecranes creates value for its stakeholders on multiple fronts, for example, through circular economy, digitalization and its deeply rooted safety culture.

Konecranes delivers optimal productivity while improving the safety and environmental sustainability of its customers' operations by manufacturing intelligent and connected lifting devices, adopting new technologies and optimizing material handling flows. Safe ways of working are an integral part of Konecranes' business. By prioritizing safety and security in all areas of its operations, the Company can improve safety throughout its value chain and provide solutions for uninterrupted and secure material handling. Information security is essential – from manufacturing and servicing equipment to Konecranes' digital ecosystem. Konecranes' systematic way of managing information security ensures compliance with legal and customer requirements. With its knowledge, products, services and solutions, Konecranes provides monetary value with sustained profitability and stability and seeks to maximize the positive contributions for its stakeholders and the society.

Konecranes enables reliable and optimized material handling performance and can support decarbonization with its innovative material handling and lifting technologies. Investing in new technologies and substituting existing technology with lower-emission alternatives is a big opportunity for Konecranes and for its customers due to the possibilities in reducing their carbon footprint. Including circular economy principles in various processes and utilizing several circular business models help Konecranes improve its resource and energy efficiency while creating value for the customer. For example, the Business Segment Service executes the product lifecycle extension strategy by offering

maintenance and repairs, remanufacturing of parts, modernization, and retrofitting. Maintaining the lifecycle value of a device for as long as possible saves natural resources, as well as reduces greenhouse gas emissions. The use phase of Konecranes products can last for decades, so investing in data-driven, eco- and resource-efficient products means the customer can preserve the value of their equipment for a longer period of time and thus also reduce the product's environmental impact.

Being a preferred partner and being able to select trustworthy partners is paramount for Konecranes' whole value chain. Sustainable business practices and systematic risk management are crucial for creating long-term shareholder value and financial stability. In 2023, Konecranes issued an ESG-linked revolving credit facility with a total value of EUR 350 million with its core relationship banks. The committed credit facility has a tenor of five years with two one-year extension options, and it is linked to the Company's Scope 1 & 2 emissions as well as Port Solutions business' eco portfolio sales (representing scope 3, accounting for more than 85% of the Scope 3 emissions within SBT boundary). The issuing of the loan demonstrates Konecranes' commitment to ESG by connecting the Company's sustainability performance to financing.

To remain a key player and an attractive employer within local communities, Konecranes strives to make a positive impact on the societies in which the Company operates. This is done by providing jobs and income to employees, boosting local economies as an employer, supporting non-profit organizations, providing and buying local services and goods, as well as by being a significant taxpayer in many countries where the Company operates.

In 2023, a total of EUR 524 million (2022: 458) in taxes and other compulsory tax-like payments were paid and collected in countries where the Group operates, implying an effective tax rate of 25.0 percent (2022: 27.4). A total of EUR 244 million (2022: 207) was paid (taxes borne) directly by the Group itself, while EUR 280 million (2022: 251) was collected (taxes collected). Konecranes is a compliant taxpayer in each operating country and does not practice aggressive tax planning that would artificially decrease the Group's taxable income.

Konecranes' innovation focuses not only on products, technologies, and service solutions, but also on new ways of working and leveraging workforce diversity to drive innovation. Konecranes' employees, with their expertise and motivation, are central to the Company's success and bring the Company's strategy to life. In Konecranes' view, varied skill sets are a key driver of creativity and value creation to the Company's customers. To ensure that the Company continues to deliver value, it focuses on maintaining close ties with its key stakeholders to understand their evolving needs and expectations; engaging and developing the best talent; implementing smart technologies in its product and service offering; innovating new business models; and improving product development and reliability.

Environmental responsibility and climate-related disclosures

Konecranes follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to share Konecranes' approach to climate-related topics in a transparent manner.

Konecranes' environmental responsibility agenda is driven by decarbonization and advancing circularity. The scope of the agenda includes the Company's own operations, customers and our supply chain. Konecranes' commitment to science-based emissions targets to limit global warming to 1.5°C guides its environmental sustainability strategy. Konecranes' commitments concerning environmental responsibility including all aspects of climate action and circularity can be found in the Company's Code of Conduct and in its Environmental Policy Statement, both of which were updated in 2023 and are available on **Konecranes.com.** They outline Konecranes' principles for managing environmental impacts, and the Company's Global Vehicle Policy, Investment Policy as well as Corporate Travel Policy support the work.

In 2023, Konecranes focused on further developing its eco-optimized portfolio, continuing the electrification of ports equipment, decreasing the carbon impact of its supply chain by improving the climate-related calculations that help make informed decisions, and by focusing on investigating low-carbon steel availabilities. Konecranes continued rolling out its Design for Environment concept that was updated in 2022.

Climate governance

Sustainability, including climate matters, is embedded into Konecranes' governance processes at several levels The Board of Directors' HR Committee is the official supervisory Board Committee following climate topics at least on an annual basis. The Board of Directors approves the long-term focus, ambition level and targets. The Board of Directors' HR Committee reviews performance and activities annually.

The Konecranes Leadership Team (KLT) plays a significant role in the Company's management system, strategy preparation and decision-making and is involved in the risk and financial planning process, but it has no official statutory position based on legislation or the Articles of Association. Sustainability is integrated into Konecranes' strategy. The KLT reviews the sustainability strategy as well as all major climate-related action plans and targets annually. It follows emissions data on a monthly basis and oversees other climate-related issues when needed. During 2023, Executive Vice President People & Culture (EVP People and Culture), a member of the KLT, was responsible for climate topics and participated in HR Committee meetings. The Sustainability Council, which is nominated by the KLT, sponsored by the EVP People and Culture and chaired by the Head of Sustainability, defines, guides and reviews the overall sustainability strategy including climate-related topics, short-term targets and action plans. In 2023, the Head of Sustainability was responsible for taking actions and making decisions at the operative level, and for building

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and coordinating climate action plans, proposing activities and targets, and following the progress of activities.

Climate targets and metrics

Konecranes' climate ambition is aligned with the Paris Agreement ambition of limiting global warming to 1.5°C. Konecranes' targets were validated by the Science Based Targets initiative in 2022.

Within Scope 1 and 2 greenhouse gas (GHG) targets, Konecranes' science-based target is to reduce its absolute carbon emissions by 50 percent by 2030. This target was reached in 2022, and a new target was set in 2023: Carbon neutral own operations by 2030. In addition to investing in energy efficiency, Konecranes aims to increase the share of renewable energy. All electricity used in Konecranes' manufacturing sites has come from renewable sources since 2022, and in 2023, Konecranes' manufacturing site in Hämeenlinna started purchasing renewable district heat. In 2023, Konecranes decreased the emissions from its ow operations by 53 percent (50% by 2022) compared to the 2019 baseline.

Ninety-nine percent of Konecranes' emissions originate from the value chain. The two main Scope 3 emissions categories are the use of sold products as well as purchased goods and services. Regarding Scope 3 science-based targets, Konecranes aims to reduce absolute carbon emissions by 50 percent by 2030. This target encompasses the use of sold products and steel-related purchases. In 2023, Scope 3 emissions within the science-based target boundary totaled 3,445,700 CO_2e tons, representing a 19 percent decrease compared to the base year 2019 (4,233,600 CO_2e tons). Konecranes' science-based target covers more than 70 percent of the entire value chain (Scope 3) emissions.

Scope 1 and 2 emissions data is collected monthly to monitor progress. Scope 3 data is currently collected at least on an annual basis. More detailed information on the Scope 1, 2 and 3 emissions can be found in Konecranes' Sustainability Report 2023.

Emissions (CO_2e tons)	2023	2022	2021	2020	2019
Scope 1	37,300	40,100	44,500	43,000	52,500
Scope 2	3,300	2,900	14,400	30,300	33,100
Scope 3	5,245,400	4,650,700	5,106,900	4,900,300	5,667,700

- GHG emissions (CO_2e tons) calculated in line with the GHG Protocol methodology.
- Scope 1 includes emissions from fuel, natural gas and LPG consumption and fugitive emissions (refrigerants).
- 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: market-based (see emissions table) and location-based (2023: 19,800; 2022: 20,200; 2021: 23,800: 2020: 27,600; 2019: 29,700) method.
- The figures cover all forms of energy used in Konecranes' manufacturing locations and service units. Potential renewable shares are not taken into account for fuels, except for HVO100. All fuel consumption from Konecranes' service operations and the electricity consumption from the Company's largest service office sites are included. Figures on the use of natural gas, LPG and district heat from Konecranes' service operations are excluded because collecting exact data from the Company's service network is challenging and the consumption amounts are estimated to be very marginal.
- All electricity used in Konecranes manufacturing sites has come from renewable sources since 2022, which was the main contributor in the reduction of the emissions between 2021 and 2022.
- Scope 3 includes emissions from use of sold products, purchased goods and services, upstream transportation and distribution, employee commuting, investments, fuel- and energy-related activities, downstream transportation and distribution, end-of-life treatment of sold products, capital goods, business travel and waste generated in operations.
- In 2023, a new methodology was developed to calculate the Scope 3 fuel- and energy-related activities and employee commuting. The emissions are calculated using the best available emission factors from BEIS 2023 (UK Department for Business, Energy & Industrial Strategy), ecoinvent 3.9.1, and IEA Emission factors 2022 databases.
- GHG emission intensity: In 2023, total emissions per sales 9 tCO_2e/million euros (2022: 12 tCO_2e/million euros). Total emissions include scope 1 and scope 2 (market-based method). CO_2, CH_4 and N_2O included. GWP: 2007 IPCC Fourth Assessment Report AR4.

Environmental management in Konecranes' own operations

Konecranes focuses on improving the energy efficiency as well as the waste and chemical management of its own operations, in both service and manufacturing operations. In addition to Science Based Targets, Konecranes has signed national voluntary agreements on energy efficiency. The Company will meet improvement targets by investing in energy efficiency actions such as heat recovery and lighting as well as more fuel-efficient or electric cars and route optimization.

In chemical management, the objective is to substitute hazardous chemicals with less harmful ones and to minimize the amount of hazardous chemicals in products. Waste management focuses on resource efficiency and increasing the recycling rate while avoiding landfill waste.

Konecranes' environmental work is driven by the HSE Excellence program that focuses on certifying operations with ISO 14001 Environmental Management System, implementing rules for environmental behavior as well as

Energy consumption	2023	2022	2021
Total energy consumption (MWh)	236,000	251,400	275,000
Fuel consumption[1] (MWh)	123,900	133,500	129,600
Natural gas and LPG consumption (MWh)	43,900	45,900	63,400
Electricity consumption (MWh)	57,500	60,800	68,900
District heat consumption (MWh)	10,600	11,300	13,000

- The table covers all forms of energy used in our manufacturing locations and service operations. The use of natural gas, LPG and district heat from our service operations' figures are excluded as the consumption amounts are estimated to be very marginal.
- 1 MWh = 3.6 GJ
- [1] Fuel consumption consists of diesel, petrol, ethanol and HVO100.

minimum requirements for environmental management as per our global HSE standards. Konecranes aims to certify all its manufacturing sites with ISO 14001:2015. In 2023, a total of 86 percent (2022: 83%) of the Company's factories had an ISO 14001 environmental management system certificate requiring systematic continuous development and the establishment of local annual targets. The coverage has increased from 2022.

The Company assesses the environmental risks of its service and manufacturing operations in greater detail as part of the local environmental management system, where each of the Company's units is responsible for evaluating, prioritizing, and mitigating their risks on a local level. Environmental incidents and near-miss cases are reported through the Company's global Health, Safety and Environment (HSE) reporting tool, and root causes are investigated, and corrective actions are taken accordingly. In addition, the Company aims to minimize waste and reuse and recycle as much as possible.

Eco-optimized offering and circularity

Konecranes promotes decarbonization by substituting existing technologies with lower-emission alternatives and by extending product lifecycles with its solutions and service concepts. Konecranes' customers benefit significantly from investing in durable equipment that can be repaired and modernized and receive added value from uninterrupted operations.

Konecranes has a company-level strategy to further improve the overall environmental responsibility of its offering that enables the Science Based Targets pathway and advances circularity. Konecranes focuses on electrifying its offering as well as on ensuring that its product development emphasizes energy efficiency For diesel-powered vehicles, the Company provides innovative power options ranging from hybrids to full electric and battery technology, with additional energy-saving features such as regenerative braking. To provide accurate data on the environmental impact of its solutions for decision making, the Company calculates its products' energy consumption and CO_2 emissions, and critically assesses this data with the help of a third party (as part of the Company's Environmental Product Declarations).

Konecranes designs its products with their complete lifecycle in mind, as the majority of the environmental impact of a product's lifecycle is defined at the product design stage. Konecranes' product design is based on smart design principles focusing on maintainability, repairability, durability, and material selection, including recyclability and energy efficiency. In 2023, the Company carried out trainings on product development to ensure the effective implementation of the Design for Environment guideline, which aims to ensure all products and services are more sustainable than the previous generation.

Konecranes wants to be a leader in advancing circular economy. The Company is continuously investigating new circular solutions and their possible business potential. During 2023, three circular innovation ideas were moved to a phase where the Company further studies and evaluates their business potential. Konecranes' circular economy thinking focuses 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 by improving resource efficiency, designing out waste and keeping materials and products longer in use.

Konecranes' service operations promote circular economy by extending the lifecycle of equipment through maintenance and repairs, remanufacturing of parts, modernization, and retrofitting. This helps Konecranes improve its own resource efficiency while reducing its customers' environmental footprints. Preventive maintenance supports emissions reduction as the data can be used to optimize maintenance activities (service visits and spare parts needs). Konecranes' retrofitting and modernization services can offer a complete transformation of an existing crane as an alternative to replacing it by updating the equipment to meet today's standards. On top of improved performance, modernizations save a significant amount of steel and in most cases reduce use phase emissions when traditional diesel generators are retrofitted as hybrids or full electric.

Climate risk management

Konecranes has a Group-wide process for evaluating risks. Climate risks are integrated into a multi-disciplinary company-wide risk management process. The Board of Directors of Konecranes has defined and adopted a set of risk management principles based on widely accepted international management practices. These principles serve as part of the Company's system of controls and are designed to ensure that any risks related to the Company's business operations are identified and managed adequately and appropriately to safeguard the continuity of Konecranes' business at all times. As part of the process, risk points are discussed, documented, and prioritized. For assessing risks, Konecranes uses the scale of probability, costs of mitigation, and impacts on the business.

Company-level climate-related risks and opportunities are assessed systematically at least biannually. As a basis for climate assessment, Konecranes uses the information received from local natural hazard risk evaluations, climate risk scenario analysis as well as insights from internal experts and business segments management team members. Short-, medium- and long-term (0–20 years) risks and opportunities are identified and assessed. Local environmental and climate-related risks are assessed according to the requirements of the ISO 14001 environmental management system. Key risks are reported to risk management (legal department), the Konecranes Leadership Team and the Board of Directors' Audit Committee. The KLT and business segment management teams are responsible for supporting risk mitigation

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with the needed activities. More information about the management of climate risks is available in **Konecranes CDP answer (chapter C2), available at cdp.net.**

Identified risks and opportunities and resilient business strategy

The potential impacts of climate change are far-reaching. Konecranes has reviewed both aspects of climate change - how climate change affects Konecranes and how the Company contributes to climate change. Konecranes updated its climate scenario analysis and verified key risks and opportunities in all business segments in 2022. During the process, potential short- to long-term financial impacts were considered.

Konecranes recognizes that climate risks have potential negative impacts in the short, medium and long term. Among the most significant physical risks are floods and severe storms that might damage Konecranes' manufacturing sites or customers' sites and cause business interruption and delays in manufacturing and transportation. The Company has conducted several natural hazard assessments with its insurance company to understand the probability, time scale and actual risks involved. This information is taken into consideration in business continuity planning.

Technological development has been identified as one of the most significant transitional risks and opportunities for Konecranes. In a scenario where Konecranes' product offering would not be attractive to its customers and would not help them achieve their environmental targets, Konecranes could lose market share. To mitigate these risks, Konecranes is committed to electrifying its offering, continuing the development of the energy efficiency of its equipment, and seeking new services and solutions that accelerate circularity and digitalization.

The most relevant climate opportunities reside in Konecranes' offering, enabling the decarbonization of customers' operations by providing equipment and solutions that reduce emissions and advance electrification. Transition to a low-carbon society is faster in climate scenarios where global warming is less than 2°C. In these scenarios, Konecranes has identified possible increased sales opportunities in its current and future eco-optimized offering. The Company offers hybrid and electric cranes as an alternative to traditional diesel-fueled cranes, and energy-saving features such as regenerative braking to help customers minimize their emissions. Konecranes also conducts at least three studies per year to find new circular opportunities that further support the development of its eco-optimized offering.

Emerging regulation creates a significant climate-related risk for the Company as it might lead to increased cost of energy and materials, for example, due to increased taxation of carbon-intensive raw materials. To mitigate this risk, Konecranes is closely following regulatory developments. The Company also applies smart design principles to maximize resource efficiency and invests in renewable energy sources.

Konecranes considers production methods that improve energy efficiency and minimize waste as a climate-related opportunity. The Company continues to roll out lean manufacturing practices with the Konecranes Way program.

An extensive list of climate risks and opportunities is available at **Konecranes.com.** More information is also available in **Konecranes CDP answer (chapter C2).**

Respect for human rights

Konecranes respects human rights and promotes the principles set in the International Bill of Human Rights, UN Guiding Principles on Business and Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO). Konecranes' commitment to human rights is evident in multiple internal policies. The basic principles are stated in Konecranes' Code of Conduct and more details are available in the Human Rights Policy. Konecranes has a corporate policy, the Fair Labor Frame, which sets a standard and ambition for workforce-related activities, such as working hours and freedom of association.

Additionally, human rights are addressed in the Company's Health & Safety and Diversity, Equity & Inclusion Policy Statements, as well as in the data protection compliance requirements. To ensure that human rights are also respected in Konecranes' supply chain, the Company has included its basic requirements in its Supplier Code of Conduct. Human rights are part of the Company's annual, mandatory Code of Conduct training.

As part of its overall human rights due diligence, Konecranes regularly assesses human rights risks and impacts, engages with affected stakeholders and develops and implements procedures for preventing, mitigating and monitoring potential and actual adverse human rights impacts in its own operations and business relationships. The Company works continuously to improve its due diligence process.

Konecranes updates its human rights risk and impact assessment annually by combining an earlier human rights risk screening conducted with the help of an external service provider with results received from different monitoring sources, such as audits, surveys and a whistleblowing channel. Amongst relevant potential human rights risks in the Company's own or in its value chain's operations are occupational safety and health, working conditions, non-discrimination and harassment, slavery and forced labor, privacy and environmental degradation.

The Company has several processes in place to prevent and mitigate identified risks. The section **Safety** explains how the Company addresses health and safety topics, while the section **Diversity** describes the Company's strong Diversity, Equity & Inclusion program, which

proactively prevents discrimination and promotes equity. The environmental degradation caused by climate change has various negative impacts on people, and Konecranes works to reduce its carbon emissions, as described in the section **Environmental responsibility and climate-related disclosures.** Konecranes takes data privacy seriously and has a data protection program in place with a structured governance model and periodic trainings.

Konecranes conducts third-party social responsibility assessments in the Company's operations located in high-risk countries, paying special attention to issues identified in human rights risk screening, such as working conditions. During 2023, the Company took action to mitigate identified non-conformities locally, and it is currently developing global processes to address topics recurring across the sites. Assessments will continue in 2024

To manage the above-mentioned human rights risks within its complex supplier base, Konecranes has a set of supply chain compliance management processes. Read more in the section **Responsible business conduct.**

Safety

Safety is an integral part of Konecranes' business, and prioritizing safety in all areas of operation creates a competitive advantage for the Company. Konecranes' goal is to get everyone home safe, every day. Konecranes seeks to achieve this goal through strategic, centrally led programs such as HSE Excellence and business-specific initiatives. Transparent and comprehensive safety reporting and follow-up procedures help the Company build a coherent safety culture, recognize its most significant risks and validate the effectiveness of its safety work. Konecranes' occupational health and safety principles are defined in the Company's Code of Conduct and Health and Safety Policy Statement, which were updated in 2023. In addition, the Company has several safety management tools and global practices in place.

There are considerable occupational health and safety risks in the material handling industry. Konecranes' services and equipment enable its customers to work efficiently and safely. Safety is incorporated into the design, manufacturing, maintenance and service of Konecranes' products. For example, Konecranes' Remote Operating Station enables the crane operator to work in safe areas with better ergonomics. Konecranes' Smart Features (such as sway control and target positioning) also help crane operators operate the crane safely.

The most significant safety risks to Konecranes' employees are related to factory work, vehicle incidents, crane and equipment installation, and the service business, where the working conditions of technicians vary from job to job. All Konecranes employees receive training to perform their tasks safely and appropriately.

The Company follows incidents and hazards using two management systems, the ARMOR HSE reporting tool and the AIR product compliance management system, as well as through customer feedback collected after each major delivery. Currently 79 percent (2022: 69%) of the manufacturing sites are ISO 45001 certified. Safety performance data is continuously available to management through online safety performance dashboards and is addressed on all management levels. Overall performance trends are reviewed monthly in the Konecranes Leadership Team and Business Area leadership meetings, focusing especially on leading indicators and preventive actions and safety incidents with Serious Injury or Fatality Potential or Actual Serious or Fatal outcomes called.

The KPI for Konecranes' safety is the Total Recordable Incident (TRI) rate, which refers to the number of work-related injuries that required professional medical attention, causing or not causing absence from work per one million working hours. The recordable incident rate for 2023 was 4.6 (5.6 in 2022), an improvement of 18 percent compared to the previous year. The Company also tracks the number of Safety Observations made as a leading KPI. In 2023, Konecranes personnel made a total of 95,686 safety observations, which was 34 percent more than in 2022 (71,382). In 2023, the number of fatalities was 0 (2022: 0).

People Strategy

Konecranes' people strategy focuses on enhancing the Company's winning culture and growth mindset – leading by example with inspiring, inclusive leaders, and enabling everyone to succeed in delivering profitable and sustainable growth. Konecranes' talented, diverse, and engaged employees help the Company's customers improve safety and productivity every day. Konecranes' people strategy supports this by ensuring that the Company is attracting the best talent and building a culture of continuous learning where people are supported and encouraged to develop and grow every day, and that employees are engaged and capable of meeting future business requirements. The Company fosters and advocates an inclusive culture, where fair treatment and ethical ways of working are part of everyday life.

The Company's four new values – Putting customers first, Doing the right thing, Driving for better and Winning together – summarize the core aspects of how to behave at Konecranes. Living up to and acting according to Konecranes' values will guide the Company towards becoming the world leader in providing material handling solutions and creating value for everyone.

Konecranes offers its employees various development programs in areas such as technology, sales, communication, leadership, health and safety, project management and ways of working. In addition, employees can enrich their work, for example, by learning on the job, learning from peers or joining mentoring and coaching programs and communities.

Konecranes is committed to managing potential restructuring situations responsibly and to utilizing all

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relevant and available preventive means applicable to the specific case, such as the reduction of working time or early retirement. The Company actively engages with employee representatives, and possible decisions and actions are made according to applicable social and legal processes, as well as local requirements.

At Konecranes, employee engagement and inclusion are measured by conducting regular pulse and employee engagement surveys across the organization. This allows the Company to get better visibility on what is driving its employee engagement and provides actionable insights on how to improve in these areas. Through fair and competitive compensation, management and leadership development programs, career planning, internal job rotation and various programs to support professional growth and well-being, the Company is making a positive impact and mitigating the risk of loss of talent and competencies.

Diversity, equity and inclusion

Konecranes aims to create a diverse and inclusive working environment where people feel trusted, they can be themselves and there is a sense of belonging. Konecranes wants to represent the multicultural communities where it operates, becoming a great partner for its customers. All backgrounds and the variety of talents are an asset for the Company's growth. The objective is to make sure that everybody can have the opportunity to succeed, and that their diverse backgrounds are valued. By assuring psychological safety and variety of ideas and viewpoints inherent in diverse backgrounds, Konecranes aims to be the company of choice for employees. Inclusion means that the strengths of differences are welcomed and leveraged so that people feel valued for their contribution. In 2023, Konecranes' inclusion index was 81%, which indicates a strong inclusion among the employees.

Konecranes' Diversity, Equity and Inclusion (DEI) Policy Statement was updated in 2023. With this and the updated Talent Acquisition and Recruitment Policy, the Company wants to reflect its ambition to have a diverse talent funnel. Konecranes' work is based on a Diversity, Equity and Inclusion vision, supported by a "4T" strategy (Talented, Transforming, Trusted and Togetherness) and a three-year roadmap. The Company has already successfully integrated Diversity, Equity and Inclusion into its cultural foundation, such as the Company's recently launched values, business agenda and strategic enablers.

During 2023, Konecranes continued to further develop its DEI approach and embed inclusion and equity in the Company's processes. A pay equity pilot was launched in five EU countries, the findings were analyzed, and the related improvement plans focus on removing biases from our processes. In addition, the Company has multiple ongoing local initiatives regarding DEI topics. Strategies were defined to advance inclusion in the areas of LGBTQI+ and disabilities. Konecranes measures diversity and inclusiveness of the talent funnel in its talent management and succession processes, and for that reason, the data and analytics capabilities were further developed, which helps the Company measure its progress. During 2023, Konecranes also continued to raise awareness about DEI topics internally, increased the learning offering on inclusion and unconscious biases, and renewed its e-learning for all employees. Additionally, the Employee Resource Groups (ERG) are an important way to build inclusion in different DEI areas.

The current gender balance for all Konecranes employees is 18.6 percent female (2022: 18.2%) and 81.1 percent male. Konecranes strives to increase gender balance and all aspects of diversity in the entire organization as well as in the Company's leadership. The progress is followed on a monthly basis. The mentoring program continued in 2023, supporting the development of a diverse leadership bench. At the end of 2023, women occupied 17.0 percent of the leadership positions (2022: 14.3%). Konecranes involved the entire organization in its inclusive talent process, allowing the identification of diverse talents and creating development actions. The talent process is a key element of the Company's DEI culture and it has been implemented and refined diligently. It now stands as a cornerstone of Konecranes' diverse talent development, fostering a culture of employee development and actively supporting the advancement of talents.

Konecranes continues its cooperation on DEI with external communities, aiming to advance DEI and to set an example within the industry.

Responsible business conduct

Konecranes' Code of Conduct and Corporate Governance Framework guide the everyday activities of the Company by clearly describing internal standards and ethical values as well as legal obligations. The Code of Conduct is complemented by several Group-wide policies covering areas including safety, environment, supplier requirements, anti-corruption, data protection, competition compliance and diversity. The main compliance policies and the yearly Code of Conduct training are available in 35 languages. All employees are expected to understand and abide by the Code of Conduct. Konecranes has a regular compliance and ethics risk assessment process supported by risk assessment surveys to gather insights throughout the organization. Konecranes' global Compliance & Ethics Program is managed by the Group's Compliance & Ethics team, and its development and quality are overseen by an executive-level Compliance and Ethics Committee and the Board of Directors' Audit Committee. The Head of the Compliance and Ethics team regularly reports directly to the Board's Audit Committee.

Konecranes promotes a healthy speak-up culture where people can feel safe reporting ethical concerns. Multiple ways to raise concerns are offered, including an externally hosted whistleblowing channel open to the Company's employees as well as all externals, which enables anonymous reporting when allowed by local laws. All reports made are reviewed and investigated as appropriate. There is a clear policy of no retaliation.

Konecranes also encourages its suppliers and other business partners to report any compliance and ethics concerns relating to Konecranes.

During 2023, Konecranes' Code of Conduct was reviewed and updated to make it more user-friendly with enhanced practical guidance and examples. In addition, the Company's data protection policy was updated and continued focus was put on the Group's whistleblowing and investigation processes and related guidance to ensure compliance with the new whistleblowing law requirements in the EU. Multiple awareness-raising activities and trainings took place in 2023, with the main focus being on compliance trainings in the APAC region, targeted data protection trainings, as well as launching of the updated Code of Conduct and the yearly Code of Conduct training. The 2023 Code of Conduct training focusing on human rights, data protection and whistleblowing was mandatoryfor all staff employees (i.e. all employees excluding operatives) globally, and over 9,500 employees completed the training during 2023.

Konecranes expects its suppliers and subcontractors to conduct their business in compliance with the same legal and ethical requirements and principles that Konecranes requires in its Code of Conduct. These principles are of the utmost importance when establishing and conducting business relationships. Konecranes' Supplier Code of Conduct ("SCoC") sets the minimum legal and ethical requirements and principles of conduct which Konecranes requires from its suppliers and subcontractors. The SCoC has requirements, for example, on anti-corruption, trade compliance, human rights, safety, environmental and compliance topics. The principles and requirements of the SCoC form an important part of the agreements made with key suppliers and subcontractors. During 2023, the SCoC was reviewed and updated to meet the current and upcoming legal and compliance needs, and the updated SCoC will become effective as of February 2024. By the end of 2023, 58 percent of suppliers (as share of spend) had a signed commitment to the principles and requirements of the SCoC. Background checks on suppliers and subcontractors are done during the onboarding phase, and thereafter selected suppliers or subcontractors are assessed based on self-assessments and possible on-site supplier audits. In 2023 Konecranes continued on-site supplier audits concentrating particularly on compliance with Konecranes' Supplier Code of Conduct.

Anti-corruption and bribery prevention

Konecranes' Anti-Corruption Policy and Code of Conduct demonstrate the Company's commitment to work against corruption in all forms, including extortion and bribery, and set the foundation for the Company's anti-corruption program. The Anti-Corruption Policy has compliance protocols and guidelines in place to detect and address risks, with a zero-tolerance approach embedded in the monitoring and follow-up processes. Several actions and processes are set up to mitigate corruption and fraud risks including internal controls, sponsorships and donations approval process, a Gift and Hospitality Portal and a Conflict of Interest portal.

Anti-Corruption matters form an important element of the Code of Conduct trainings and it is also the subject of regular, targeted trainings. Konecranes' zero-tolerance approach is also promoted to business partners in the Konecranes Distributor Code of Conduct, Supplier Code of Conduct and Supplier Manual. Konecranes uses 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 worked 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. Selected business partners are also audited for their anti-corruption work

EU Taxonomy

Konecranes has activities that qualify as environmentally sustainable according to the EU Taxonomy Regulation (EU) 2020/852. Konecranes has activities related to its equipment sales that are in the scope of technical screening criteria (TSC) 3.6. Manufacture of other low carbon technologies of delegated regulation (EU) 2021/2139. These activities are, according to Article 16 of the Taxonomy Regulation, enabling substantial contribution towards climate change mitigation, which is one of the objectives defined in Article 9 of the Regulation. In addition, Konecranes' service activities within both Business Areas are taxonomy-eligible for their contribution to circular economy according to delegated regulation (EU) 2023/3851 C (2023) 3851, activities that support the transition to circular economy and are described in the TSC 5.1 Repair, refurbishment and remanufacturing and 5.2 Sale of spare parts. These activities are, according to Article 16 of the Taxonomy Regulation, contributing substantially to a circular economy, which is one of the objectives defined in Article 9 of the Regulation

Accounting principles and assessment process

Eligibility and alignment of revenue was evaluated at product and solution level and represents only sales to external customers at corporate level. Eligibility and alignment of capital expenditure and operational expenditure were assessed at corporate level. Konecranes avoids double counting by clearly separating the activities related to equipment and service activities, and by having a clear structure in financial reporting to ensure that the business units and cost elements are separate for each activity.

Konecranes completed the process of reviewing the taxonomy eligibility and alignment of all Konecranes activities against the Climate Delegated Regulation in 2022. The work included identifying eligible and aligned activities, reviewing the technical screening criteria (TSC) and the 'do no significant harm' criteria (DNSH) for each of the remaining five environmental objectives for all relevant business activities, and carrying out an assessment of the Minimum Safeguards (MS) at corporate level. The

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purpose of the process was to define taxonomy eligibility and alignment, and to gather evidence of substantial contribution. The focus of the first assessment was on the activity code 3.6. Manufacturing of other low carbon technologies. In 2023 the main change in the process was to assess the new environmental objectives and to identify eligible activities related to environmental objectives for economic activities contributing substantially to the transition to a circular economy. Konecranes' operations include service activities which contribute to a circular economy as described in the Environmental Delegated Act. Activity 8.2. for data driven solutions for greenhouse gas (GHG) emissions reductions was removed due to immateriality. Konecranes also reviewed its compliance against the updated 2023 version of the OECD guidelines.

Eligible and aligned revenue

The relevant activities of Konecranes are aligned with the objective of Climate Change Mitigation (CCM) according to the technical screening criteria of 3.6. Manufacture of other low carbon technologies. The calculation of the revenue percentage is based on lower carbon technology such as inverter-controlled hoisting, regenerative braking and hybrid and electric power options (within the markets where there are diesel power options). These solutions provide a lower-emission alternative compared to other available technologies. Inverter technology as well as regenerative braking solutions may contribute significantly to the energy consumption of the equipment, saving 15–45 percent in carbon emissions from the use phase during the crane's lifecycle. These technologies substitute existing technology with lower-emission alternatives in lifting applications of all customer industries, but especially in heavy duty applications where the use phase impact is significant. Compared to diesel equipment, hybrids lead up to 20 percent emissions saving during equipment lifetime. Electric equipment can reduce emissions by approximately 70 percent. When using renewable electricity, the emission savings will be higher. These equipment aim to create substantial GHG emissions reductions in the ports and terminal industries. Konecranes' activities in these areas enable substantial contributions towards climate change mitigation according to representative Lifecycle Assessments (LCA) made in comparison with the best performing alternative technologies. The lifecycle GHG emissions savings are calculated according to ISO standards. The 'do no significant harm' criteria were assessed based on the remaining five environmental objectives, and eligible revenue fulfilled all the criteria. There was a change in the criteria for pollution prevention and control, which now enable a different assessment outcome compared to the previous year, when Konecranes was not able to define the alignment. Konecranes has provided restated percentages for alignment accordingly in the reporting tables.

The new Environmental Delegated Act enabled Konecranes to evaluate the taxonomy eligibility of its service activities. Environmental activities contributing substantially to a circular economy include maintenance and service activities, since these enable a significantly longer lifetime for the equipment. The taxonomy eligibility of Konecranes' service activities was assessed according to the technical screening criteria and 'do no significant harm' criteria of 5.1 Repair, refurbishment and remanufacturing and 5.2 Sale of spare parts. The result was that all service and maintenance operations carried out by Konecranes' business segments Industrial Service and Port Solutions are eligible under these criteria. Based on Konecranes' initial assessment, the eligible revenue is also aligned to a large degree. Alignment will be reported from the year 2024.

'Do no significant harm' assessment

The 'do no significant harm' (DNSH) assessment has been conducted collaboratively for Konecranes entities, focusing on Konecranes' production sites and offering.

Climate change adaptation

Konecranes has conducted a climate risk and opportunity assessment based on SSP1-2.6 and SSP3-7.0 scenarios up to the year 2100. Based on the results of the assessment, Konecranes has implemented mitigation measures.

Sustainable use and protection of water and marine resources

Konecranes has good practices in place for water management, such as the ISO 14001 management system, and other internal processes and policies. According to a study done using the WWF's Water Risk Filter tool, Konecranes has no manufacturing sites in "Extremely High" water stress areas. Only two of Konecranes' sites in high-risk areas use water in their production processes. For example, the site in Jejuri, India, has countermeasures in place, such as a closed-loop system for the water used in the production process and a sewage treatment plant.

Transition to a circular economy

Konecranes' commitment to a circular economy is integrated into the Company's business processes, covering sourcing, product development and production. Konecranes has implemented a Design for Environment (DfE) concept, and the Company's Supplier Code of Conduct covers requirements for waste management and a list of restricted substances. For its own operations, the Company has launched a Global Environmental Standard on waste management.

Pollution prevention and control

The criteria for this environmental objective require that relevant business activities do not lead to the production, putting onto the market, or use of chemicals listed in multiple EU chemical regulations and directives. Konecranes has identified that its products contain commercial components that, at low concentrations, include Substances of Very High Concern (SVHC), such as lead. Konecranes is compliant with the REACH Regulation. The Company's processes ensure that the use of such substances is minimized and that components are substituted if there is commercial availability.

Protection and restoration of biodiversity and ecosystems
Konecranes has conducted an analysis to identify factories located in biodiversity-sensitive areas such as UNESCO World Heritage sites, Ramsar sites or UNESCO biosphere reserves, and based on the analysis no factories are located in these areas. However, the Company's Thailand factory is in an area that is considered a key biodiversity area. The biggest threats to the area's biodiversity are agriculture, urban expansion, infrastructure and industrial development, as well as pollution. The factory is in an established industrial area and no factory expansions are planned. Konecranes aims to secure that it has an efficient environmental management system in place including pollution control and waste management practices, as well as all other necessary precautionary procedures.

Minimum safeguards
Konecranes has assessed its alignment regarding the Minimum Safeguards and based on the assessment, it has adequate minimum safeguards in place. Konecranes is committed to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The Company has reviewed its compliance with the updated 2023 OECD guidelines. The Company has a documented assessment of the due diligence criteria. Konecranes' global policies such as the Code of Conduct, the Human Rights Policy and the Supplier Code of Conduct, among other standards, set the minimum requirements for the conduct of the Company's employees, management and business partners. Furthermore, Konecranes has processes in place to discover any material breaches or violations of the principles. The Company is committed to strengthening the processes and assessments continuously to further improve its practices.

Turnover
Revenue is calculated on the basis of the sales revenue (revenues according to IFRS 15) reported in the income statement for the year 2023, which amounted to EUR 3,966 million (denominator). Revenue is calculated at product level and represents only equipment sales to external customers on a group level. Taxonomy-aligned products for the activity 3.6. account for EUR 758 million, or 19 percent of Konecranes' revenue. The changes in the revenue are affected by the sales mix. In 2023, the sales mix of Business Segment Port Solutions was more weighted for electrified and hybrid products, causing a slight increase in its share of revenue. Taxonomy-eligible service solutions for the activity 5.1 account for EUR 1,060 million, or 27 percent of the revenue, and for the activity 5.2. EUR 485 million, or 12 percent of the revenue.

Capital and operating expenditure
Capital expenditure (CapEx) and the specifically defined categories of operating expenditure (OpEx) described in the Taxonomy Regulation are reported at group level. They support the transition towards a low carbon economy and achieving the science-based climate targets set for own operations and for the value chain.

CapEx in intangible and tangible assets amounted to a total of EUR 110.6 million (2022: 98.4 million) (see Notes 14 and 15 to the Financial Statements). In taxonomy reporting, CapEx includes additions to right-of-use assets reported in Note 15 to the Financial Statements, while this is excluded from CapEx presented in the Group's key figures. In the aligned CapEx, Konecranes includes the energy efficiency improvements of own and leased facilities and production equipment. In the eligible CapEx, Konecranes reports vehicles used for the service activities, meaning, for example, the maintenance and modernization of customer assets. Konecranes only includes investments with a value over EUR 50,000 that improve the energy efficiency of facilities or equipment and leads to lower emissions. The aligned CapEx is related to assets or processes that are associated with Konecranes' own taxonomy-aligned activities. The taxonomy-aligned CapEx of EUR 4.6 million in the reporting year is reported in property, plant and equipment.

Konecranes defines aligned and eligible OpEx as direct non-capitalized costs that relate to building renovation measures and maintenance and repair expenditures relating to the day-to-day servicing of assets of property and equipment that are necessary to ensure the continued and effective functioning of such assets. R&D expenses for projects to lower the emissions or improve the energy efficiency of Konecranes products are also included. Konecranes classifies the costs of maintenance and repair for plants that manufacture taxonomy-aligned products as taxonomy-aligned OpEx. Taxonomy-eligible OpEx for the technical screening criteria 5.1. and 5.2. refers to costs of maintenance and repair for locations in service operations. The expenditure of these costs is calculated according to the proportion of taxonomy-aligned sales or production value of the total sales or production value. The OpEx is related to assets or processes that are associated with own taxonomy-eligible or taxonomy-aligned activities. From taxonomy-aligned OpEx, EUR 3.4 million was for maintenance and repair expenditures and EUR 10.4 million for R&D expenses. For circular economy units, the eligible OpEx is calculated proportionally according to the taxonomy-eligible sales. The total OpEx contains direct non-capitalized costs that relate to building renovation measures and maintenance and repair expenditures related to servicing of assets of property and equipment, R&D expenses and short-term leases. The proportion of taxonomy-aligned or -eligible OpEx as well as total OpEx in 2022 has been restated according to the 2023 definitions.

4 percent of CapEx and 19 percent of specifically defined taxonomy OpEx is taxonomy-aligned. The main reason for the reduction in the taxonomy-aligned OpEx was a lower share of low-carbon R&D. 19 percent of CapEx and 4 percent of specifically defined taxonomy OpEx is taxonomy-eligible.

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Table 1. Revenue

Turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023		2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned or eligible turnover, year 2022	Category enabling activity	Category transitional activity
Economic Activities	Code	Turnover	Proportion of turnover, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards			
		M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacturing of other low carbon technologies	CCM 3.6	758	19%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	14%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		758	19%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	14%		
Of which Enabling		758	19%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	14%	E	
Of which Transitional		0	0%	0%							Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Repair, refurbishment and remanufacturing	CE 5.1	1,060	27%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Spare parts	CE 5.2	485	12%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,545	39%	0%	0%	0%	0%	100%	0%								0%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		2,303	58%	33%	0%	0%	0%	67%	0%								14%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		1,663	42%																
TOTAL		3,966	100%																

Table 2. CapEx

CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023		2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')							*Proportion of Taxonomy aligned or eligible CapEx, year 2022*	Category enabling activity	Category transitional activity
Economic Activities	Code	CapEx	Proportion of CapEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards			
		M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N, N/EL	Y; N, N/EL	Y, N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacturing of other low carbon technologies	CCM 3.6	5	4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	5%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		5	4%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	5%		
Of which Enabling		5	4%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	5%	E	
Of which Transitional		0	0%	0%							Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL, N/EL	EL; N/EL										
Repair, refurbishment and remanufacturing	CE 5.1	21	19%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		21	19%	0%	0%	0%	0%	100%	0%								0%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		26	23%	18%	0%	0%	0%	82%	0%								5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		85	77%																
TOTAL		111	100%																

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Table 3. OpEx

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

Financial year 2023		2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned or eligible OpEx, year 2022	Category enabling activity	Category transitional activity
Economic Activities	Code	OpEx	Proportion of OpEx, Year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards			
		M€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacturing of other low carbon technologies	CCM 3.6	14	19%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	31%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		14	19%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	31%		
Of which Enabling		14	19%	100%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	31%	E	
Of which Transitional		0	0%	0%							Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Repair, refurbishment and remanufacturing	CE 5.1	2	3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Sale of spare parts	CE 5.2	1	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3	4%	0%	0%	0%	0%	100%	0%								0%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		17	23%	83%	0%	0%	0%	17%	0%								31%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		56	77%																
TOTAL		**73**	**100%**																

Litigation

Various legal actions, claims, and other proceedings are pending against the Group in different countries. These actions, claims, and other proceedings are typical for this industry and are consistent with the global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn, and asbestos legacy), employment, auto liability, and other matters involving liability claims.

Risks and uncertainties

Global component and labor availability challenges and other global supply chain constraints may lead to production and customer delivery delays and have a negative impact on Konecranes' sales and cash flow. Inflation may also increase risk for negative impact on Konecranes' cash flow and result. Furthermore, high inflation can increase the likelihood of weaker demand conditions and credit losses.

Global pandemics, such as COVID-19, have and may have a negative impact on Konecranes' customers and its own operations. Physical restrictions on the daily conduct of people and businesses can lead to lower revenue recognition and adversely impact cash flow. Physical restrictions may also lead to component availability and other supply chain issues and inventory obsolescence. Furthermore, global pandemics can increase the likelihood of weaker demand conditions and, as a result, may lead to overcapacity, impairment of assets and credit losses.

Konecranes operates in emerging countries that face political, economic, and regulatory uncertainties. Adverse changes in the operating environment of these countries may result in currency losses, elevated delivery costs, or loss of assets. Konecranes operates a crane factory in Zaporizhzhia, Ukraine. In 2022, Konecranes impaired all Ukraine related assets as the level of uncertainty regarding Konecranes' operations in Ukraine remains high due to the ongoing war.

The operations in emerging countries have had a negative impact on the aging structure of accounts receivable and may increase credit losses or the need for higher provisions for doubtful accounts.

Political risks and uncertainties have also increased outside the emerging countries due to the emergence of populism, patriotism, and protectionism in a number of economies. This has led and can lead to changes in supply chains as well as increases in tariffs on imported goods. These risks may result in a decrease in profitability.

Konecranes has made several acquisitions and expanded organically into new countries. A failure to integrate acquired businesses or grow newly established operations may result in a decrease in profitability and impairment of goodwill and other assets.

One of the key strategic initiatives of Konecranes is oneKONECRANES. This initiative involves a major capital expenditure on information systems. A higher-than-expected development or implementation costs, or a failure to extract business benefits from new processes and systems may lead to an impairment of assets or decrease in profitability.

Konecranes delivers projects, which involve risks related, for example, to engineering and project execution with Konecranes' suppliers. A failure to plan or manage these projects may lead to higher-than-estimated costs or disputes with customers

Challenges in financing, e.g. due to currency fluctuations, may force customers to postpone projects or even cancel the existing orders. Konecranes intends to avoid incurring costs for major projects under construction in excess of advance payments. However, it is possible that the cost-related commitments in some projects temporarily exceed the number of advance payments.

Cyber security risks have increased in Konecranes' industry, as in most industries, in recent years. Potential cyber-attacks against Konecranes or its suppliers may result in delivery delays and/or a decrease in profitability.

The Group's risks and risk management are discussed in the Notes to the Financial Statements and the Governance Supplement to the Annual Report.

Stock exchange releases during full year 2023

Date	Release
December 15, 2023	Konecranes Restricted Share Unit Plan 2017 - directed share issue
December 15, 2023	Changes in Konecranes Leadership Team: Minna Aila appointed EVP, Corporate Affairs & Brand
October 25, 2023	Konecranes Plc's Interim Report, January-September 2023: All-time high quarterly comparable EBITA margin
October 24, 2023	Konecranes Plc's financial information and AGM in 2024
September 7, 2023	Composition of Konecranes Plc's Shareholders' Nomination Board
September 7, 2023	Changes in Konecranes Leadership Team: Juha Pankakoski appointed EVP, Port Solutions, Mika Mahlberg to leave the company
July 26, 2023	Konecranes Plc's Half-year financial report, January-June 2023: Sustained strong performance
July 14, 2023	Change in Konecranes' Leadership Team
June 15, 2023	Change in Konecranes' reporting languages starting from January 1, 2024
June 7, 2023	Changes in the Composition of the Konecranes' Shareholders' Nomination Board

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Date	Release
May 16, 2023	Konecranes Plc: Notice pursuant to the Finnish Securities Market Act, Chapter 9, Section 10
May 10, 2023	Shaping next generation material handling for a smarter, safer and better world: Konecranes announces new financial targets
April 28, 2023	Konecranes Plc: Interim report, January-March 2023
March 29, 2023	Konecranes Plc: Board of Directors' organizing meeting
March 29, 2023	Resolutions of Konecranes Plc's Annual General Meeting of shareholders
February 28, 2023	Konecranes Plc's Annual Report 2022 published
February 22, 2023	Konecranes Employee Share Savings Plan 2019 - directed share issue
February 10, 2023	Konecranes Plc's Board of Directors convenes the Annual General Meeting 2023
February 2, 2023	Proposals by the Board of Directors to the Annual General Meeting 2023
February 2, 2023	Konecranes Plc: Financial statement release 2022
February 1, 2023	The Board of Directors of Konecranes Plc has decided to continue the Employee Share Savings Plan
February 1, 2023	The Board of Directors of Konecranes Plc has decided the criterion for the measurement period 2023 of the Performance Share Plans 2021 and 2022
February 1, 2023	The Board of Directors of Konecranes Plc has decided to establish a new Performance Share Plan

Corporate press releases during full year 2023

- On December 4, 2023, Konecranes announced that its material handling equipment and services support growth of Eldorado Brasil Celulose Logistica in Latin America's largest port.
- On November 20, 2023, Konecranes announced that it is to upgrade a reactor hall overhead crane at Sweden's Oskarshamn Nuclear Power Plant. The order was booked in Q4 2023.
- On November 15, 2023, Konecranes announced that it secured a 16-crane order to support environmentally sustainable scrap metal recycling rebar mill in Arkansas. The order was won in September 2023.
- On October 31, 2023, Konecranes announced that it won the 2024 German Sustainability Award for Lifting and Handling Technology.
- On October 18, 2023, Konecranes announced that a Norwegian logistics company ordered a Konecranes Generation 6 mobile harbor crane for a new terminal. The order was booked in Q3 2023.
- On October 11, 2023, Konecranes announced that its January-September 2023 interim report will be published on October 25, 2023.
- On September 20, 2023, Konecranes announced that its sustainability work was rewarded once again with a Gold rating from EcoVadis.
- On September 19, 2023, Konecranes announced that it won an 8 RTG order for a new container terminal in Colombia in drive for sustainable globalization. The order was booked in August 2023.
- On September 15, 2023, Konecranes announced that Port Houston ordered 5 more Konecranes RTGs, continuing its hybridization drive. The order was booked in Q3 2023.
- On August 9, 2023, Konecranes announced that it won an order in Taiwan for 7 hybrid RTGs. The order was booked in Q3 2023.
- On July 12, 2023, Konecranes announced that its January-June 2023 half-year financial report will be published on July 26, 2023.
- On June 30, 2023, Konecranes announced that CMP ordered 8 straddle carriers and 2 STS cranes from Konecranes for a new container terminal in Copenhagen. The order was booked in Q2 2023.
- On June 21, 2023, Konecranes announced that it had acquired the industrial crane service business of Norway's Munck Cranes AS to strengthen its Nordic operations.
- On June 16, 2023, Konecranes announced that it signed a EUR 350 million ESG-linked revolving credit facility.
- On June 1, 2023, Konecranes announced that the Belgian logistics company Zuidnatie ordered a Konecranes Generation 6 mobile harbor crane to raise capacity, lower emissions. The order was booked in Q2 2023.
- On May 3, 2023, Konecranes announced that Port of Virginia made an over EUR 130 million investment in 36 Konecranes Automated Stacking Cranes to improve capacity and efficiency. The order was booked in Q2 2023.
- On April 14, 2023, Konecranes announced that its Interim report, January-March 2023 will be published on April 28, 2023.
- On April 13, 2023, Konecranes announced that it supports a Cambodian port modernization with its first-ever mobile harbor crane order in the country. The order was booked in Q1 2023.
- On April 12, 2023, Konecranes announced changes in reporting its orders received and alternative performance measures.
- On April 5, 2023, Konecranes announced that it is to supply 4 cranes to Siemens Gamesa offshore wind power plant in Taiwan. The order was booked in Q1 2023.
- On April 4, 2023, Konecranes announced that it acquires Whiting Corporation's industrial and nuclear crane and crane service businesses to broaden its footprint in the North American market.
- On March 31, 2023, Konecranes announced that Guinea's Winning Logistics bolsters its bauxite handling fleet with two more Konecranes barge cranes. The order was booked in Q1 2023.
- On March 30, 2023, Konecranes sent an invitation to its Capital Markets Day 2023 on May 10, 2023.
- On March 30, 2023, Konecranes announced that its new Zero4 program will receive EUR 70 million from Business Finland to unlock industrial productivity.
- On March 29, 2023, Konecranes announced that Georgia Ports Authority ordered 55 hybrid Konecranes

RTGs as part of major capacity increase in the Port of Savannah. The order was booked in Q1 2023.
- On March 16, 2023, Konecranes announced that it powers LTC Group's material handling in the Middle East with a 21-crane and service contract. The order was booked in Q1 2023.
- On March 15, 2023, Konecranes announced that it had started to deliver its final cranes to Russia for a European customer.
- On February 20, 2023, Konecranes announced that it is to divest MHE-Demag Industrial Products business to Jebsen & Jessen Group.
- On January 19, 2023, Konecranes announced that its financial statement release 2022 will be published on February 2, 2023.

Events after the end of the reporting period

On January 2, 2024, 6,868 treasury shares were conveyed without consideration as the reward payment to the key employee participating in the Konecranes Restricted Share Unit Plan 2017. After the share delivery, Konecranes holds a total of 12,788 own shares.

On February 1, 2024, Konecranes announced that the Board of Directors had decided to establish a new Performance Share Plan 2024 for Konecranes' key employees. The Plan has a three-year performance period from 2024 to 2026. The Plan has three performance criteria: the cumulative comparable Earnings per Share (EPS) for the financial years 2024–2026 with a 55 percent's weighting, the compound annual growth rate (CAGR) for Sales for the financial years 2024–2026 with a 35 percent's weighting and the CO_2 emissions from own operations for the financial years 2024–2026 with a 10 percent's weighting. The targets for the three-year performance period have also been decided by the Board of Directors. The target group of the Plan consists of approximately 170 Konecranes key employees. Additional information, including essential terms and conditions of the Plan, is available in the stock exchange release dated February 1, 2024.

On February 1, 2024, Konecranes announced that the Board of Directors had decided the criterion for the measurement period 2024 of the Performance Share Plan 2022. The criterion is comparable earnings per share (EPS). Also, the targets for the measurement period 2024 were decided by the Board of Directors. Additional information on the criterion is available in the stock exchange release dated February 1, 2024.

On February 1, 2024, Konecranes announced that the Board of Directors had decided to launch a new Plan Period relating to the Employee Share Savings Plan. The new Plan Period will begin on July 1, 2024, and will end on June 30, 2025. The other terms and conditions approved by the Board have been published in the stock exchange release dated February 1, 2024.

Demand outlook

Our demand environment within industrial customer segments has remained good and continues on a healthy level.

Global container throughput continues on a high level, and long-term prospects related to global container handling remain good overall.

Financial guidance

Konecranes expects net sales to remain approximately on the same level or to increase in 2024 compared to 2023. Konecranes expects the comparable EBITA margin to remain approximately on the same level or to improve in 2024 compared to 2023.

Board of Directors' proposal for disposal of distributable funds

The parent company's non-restricted equity is EUR 953,922,136.07, of which the net income for the year is EUR 94,993,467.37. The Group's non-restricted equity is EUR 1,516,609,000.

According to the Finnish Companies Act, the distributable funds of the company are calculated based on the parent company's non-restricted equity. For the purpose of determining the amount of the dividend, the Board of Directors has assessed the liquidity of the parent company and the economic circumstances subsequent to the end of fiscal year.

Based on such assessments, the Board of Directors proposes to the Annual General Meeting to be held on March 27, 2024, that a dividend of EUR 1.35 be paid on each share and that the remaining non-restricted equity is retained in shareholders' equity. The proposal will be included in the notice to the Annual General Meeting, which will be published during February 2024.

A PDF version of Konecranes' full audited financial statements, including the report of the Board of Directors, and corporate governance statement will be available as pdf documents on Konecranes' website on Wednesday, February 28, 2024.

Espoo, February 1, 2024
Konecranes Plc
Board of Directors

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Konecranes Group 2019–2023

Business development		2023	2022	2021	2020	2019
Orders received**	MEUR	4,161.4	4,227.9	3,446.9	2,994.2	3,431.6
Order book	MEUR	3,040.8	2,901.7	2,036.8	1,715.5	1,824.3
Net sales	MEUR	3,966.3	3,364.8	3,185.7	3,178.9	3,326.9
of which outside Finland	MEUR	3,864.6	3,262.0	3,098.1	3,096.3	3,244.2
Export from Finland	MEUR	1,148.5	789.6	955.2	1,075.9	969.6
Personnel on average		16,503	16,563	16,625	17,027	16,104
Personnel on December 31		16,586	16,522	16,573	16,862	16,196
Capital expenditure	MEUR	54.4	37.0	49.8	42.8	39.5
as % of Net sales	%	1.4%	1.1%	1.6%	1.3%	1.2%
Research and development costs	MEUR	51.3	47.7	47.7	48.5	41.1
as % of Net sales	%	1.3%	1.4%	1.5%	1.5%	1.2%
Profitability						
Net sales	MEUR	3,966.3	3,364.8	3,185.7	3,178.9	3,326.9
Comparable EBITA	MEUR	450.7	318.4	312.2	260.8	275.1
as % of net sales	%	11.4%	9.5%	9.8%	8.2%	8.3%
Comparable operating profit	MEUR	419.7	286.6	279.1	224.9	250.4
as % of net sales	%	10.6%	8.5%	8.8%	7.1%	7.5%
Operating profit	MEUR	402.5	223.2	220.0	173.8	148.7
as % of net sales	%	10.1%	6.6%	6.9%	5.5%	4.5%
Income before taxes	MEUR	367.6	190.7	192.5	170.3	118.5
as % of net sales	%	9.3%	5.7%	6.0%	5.4%	3.6%
Net income (incl. non-controlling interest)	MEUR	275.6	138.5	147.4	122.9	82.8
as % of net sales	%	6.9%	4.1%	4.6%	3.9%	2.5%

Key figures and balance sheet		2023	2022	2021	2020	2019
Equity (incl. non-controlling interest)	MEUR	1,594.8	1,433.0	1,360.6	1,251.1	1,246.7
Balance sheet	MEUR	4,552.4	4,340.6	3,845.8	4,016.5	3,854.2
Return on equity	%	18.2	9.9	11.3	9.8	6.5
Return on capital employed	%	16.4	9.0	9.3	8.3	6.3
Current ratio		1.4	1.6	1.2	1.4	1.4
Equity to asset ratio	%	41.1	37.9	38.9	34.1	35.4
Net working capital**	MEUR	353.6	490.2	350.6	227.1	331.2
Interest-bearing net debt	MEUR	365.8	688.3	541.6	577.1	655.3
Gearing	%	22.9	48.0	39.8	46.1	52.6
Shares in figures						
Earnings per share, basic	EUR	3.48	1.77	1.86	1.54	1.03
Earnings per share, diluted	EUR	3.46	1.77	1.85	1.54	1.03
Equity per share	EUR	20.14	18.10	17.08	15.69	15.70
Cash flow per share	EUR	7.04	0.84	2.13	5.15	2.19
Dividend per share	EUR	1.35*	1.25	1.25	0.88	1.20
Dividend /earnings	%	38.8	70.6	67.2	57.1	116.5
Effective dividend yield	%	3.3	4.3	3.6	3.1	4.4
Price /earnings		11.7	16.2	18.9	18.7	26.6
Trading low / high***	EUR	28.29/41.38	19.61/38.43	28.80/42.31	14.05/33.08	24.84/38.15
Average share price***	EUR	33.68	27.14	36.41	23.03	29.98
Share price on December 31***	EUR	40.78	28.76	35.16	28.78	27.40
Year-end market capitalization	MEUR	3,229.9	2,276.8	2,782.4	2,277.5	2,160.2
Number traded****	(1,000)	70,349	87,275	56,561	121,487	96,906
Stock turnover	%	88.8	110.3	71.5	153.6	122.9
Average number of shares outstanding, basic	(1,000)	79,196	79,152	79,134	79,078	78,836
Average number of shares outstanding, diluted	(1,000)	79,583	79,508	79,607	79,272	78,836
Number of shares outstanding, at end of the period	(1,000)	79,202	79,167	79,134	79,134	78,839

* The Board's proposal to the AGM
** History restated
*** Source: Nasdaq Helsinki
**** Source: Intercontinental Exchange

Calculation of key figures

Operating profit (EBIT)	Sales + Other operating income - Materials, supplies and subcontracting - Personnel cost - Depreciation and impairment - Other operating expenses
Comparable EBITA	Operating profit (EBIT) + purchase price allocation impacts and impairment + restructuring costs + transaction costs + other items affecting to comparability
Comparable Operating profit	Operating profit (EBIT) + restructuring costs + transaction costs + other items affecting to comparability
Return on equity (%):	Net profit for the period / Total equity (average during the period) X100
Return on capital employed (%):	Income before taxes + interest paid + other financing cost / Total amount of equity and liabilities - non-interest-bearing debts (average during the period) X100
Current ratio:	Current assets / Current liabilities
Equity to asset ratio (%):	Shareholders' equity / Total amount of equity and liabilities - advance payment received X100
Gearing (%):	Interest-bearing liabilities - liquid assets - loans receivable / Total equity X100
Earnings per share:	Net profit for the shareholders of the parent company / Average number of shares outstanding
Earnings per share, diluted:	Net profit for the shareholders of the parent company / Average fully diluted number of shares outstanding
Equity per share:	Equity attributable to the shareholders of the parent company / Number of shares outstanding
Cash flow per share:	Net cash flow from operating activities / Average number of shares outstanding
Effective dividend yield (%):	Dividend per share / Share price at the end of financial year X100
Price per earnings:	Share price at the end of financial year / Earnings per share
Net working capital**:	Non-interest-bearing current assets excluding income tax receivables and other financial assets (derivatives) - Non-interest-bearing current liabilities excluding income tax payables and other financial liabilities (derivatives) - long-term provisions
Interest-bearing net debt:	Interest-bearing liabilities (non-current and current) - cash and cash equivalents - loans receivable (non-current and current)
Year-end market capitalization:	Number of shares outstanding multiplied by the share price at the end of year
Average number of personnel:	Calculated as average of number of personnel in quarters
Number of shares outstanding:	Total number of shares - treasury shares

Operating profit % and EBITA % are used to measure business profitability before financial items and taxes. Comparable operating profit and Comparable EBITA are used to reflect the underlying business performance and to enhance comparability between financial periods and is frequently used by management, analysts and investors. See also note 3 for reconciliation.

Return on equity % represents the rate of return that shareholders receive on their investments and Return on capital employed % represents relative profitability or the rate of return that has been received on capital employed requiring interest or other return.

Current ratio, Equity to asset ratio, Interest-bearing net debt, Interest-bearing net debt / Equity are used to measure solvency and indebtedness of Konecranes Group. Some of Konecranes' loan agreements include a covenant measured by Gearing percentage. Capital expenditure and Net working capital give additional information on the cash flows and funding needs of Konecranes Group. Share-related alternative performance measures enhance the information on equity, cash flow and dividend attributable to the shareholders and development of Konecranes' share value in the stock exchange.

**) Konecranes changed the reporting of orders received and net working capital in 2023. Orders received now also include the sales from the agreement base for the corresponding period. Net working capital formula was changed to better meet the net working capital definition in the cash flow statement by excluding tax and other financial assets and liabilities.

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Reconciliation of certain alternative performance measures

Reconciliation of comparable operating profit and comparable EBITA (MEUR)	2023	2022
Operating profit	**402.5**	**223.2**
Restructuring costs		
Employment termination costs	21.7	4.8
Impairments of non-current assets	0.2	2.9
Impairments of inventories	1.4	4.8
Other restructuring costs and income	3.1	4.5
Restructuring costs, total	**26.4**	**17.0**
Transaction and integration costs	0.0	8.7
Costs related to the impacts of the war in Ukraine	-9.2	37.8
Comparable operating profit	**419.7**	**286.6**
Purchase price allocation and goodwill impairment impacts	31.0	31.8
Comparable EBITA	**450.7**	**318.4**

Reconciliation of interest-bearing net debt		
Interest-bearing liabilities	954.9	1,106.2
Loans receivable	-2.5	-3.9
Cash and cash equivalents	-586.6	-413.9
Interest-bearing net debt	**365.8**	**688.4**

Reconciliation of net working capital		
Total current assets	2,558.3	2,369.2
- Interest-bearing current assets	-2.5	-3.9
- Other financial assets	-23.5	-43.7
- Income tax receivables	-16.5	-15.0
- Cash and cash equivalents	-586.6	-413.9
Non-interest-bearing current assets	**1,929.2**	**1,892.7**
Total current liabilities	-1,845.9	-1,480.8
- Current interest-bearing liabilities	227.2	49.8
- Other financial liabilities	11.3	15.9
- Income tax payables	51.8	31.7
Non-interest-bearing current liabilities	**-1,555.6**	**-1,383.5**
Non-current provisions	**-20.0**	**-19.0**
Net working capital	**353.6**	**490.2**

Transaction and integration costs in 2022 relate to the cancelled merger with Cargotec Oyj.

Consolidated statement of income – IFRS

(1,000,000 EUR)		Jan 1–Dec 31 2023	Jan 1–Dec 31 2022
Note:			
3,5,6	**Sales**	**3,966.3**	**3,364.8**
	Other operating income	9.5	8.1
7	Materials, supplies and subcontracting	-1,820.3	-1,510.2
7,8	Personnel cost	-1,186.6	-1,091.9
9	Depreciation and impairments	-114.9	-124.4
7	Other operating expenses	-451.5	-423.2
	Operating profit	**402.5**	**223.2**
4,16	Share of associates' and joint ventures' result	0.8	0.4
10	Financial income	32.0	26.8
10	Financial expenses	-67.7	-59.7
	Profit before taxes	**367.6**	**190.7**
11	Taxes	-92.0	-52.2
	PROFIT FOR THE PERIOD	**275.6**	**138.5**
	Profit for the period attributable to		
	Shareholders of the parent company	275.6	140.3
	Non-controlling interest	0.0	-1.8
12	Earnings per share, basic (EUR)	3.48	1.77
12	Earnings per share, diluted (EUR)	3.46	1.77

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(1,000,000 EUR)		Jan 1–Dec 31 2023	Jan 1–Dec 31 2022
Note:			
	Profit for the period	**275.6**	**138.5**
	Items that can be reclassified into profit or loss		
34	Cash flow hedges	12.5	2.0
	Exchange differences on translating foreign operations	-17.0	-3.2
11.3	Income tax relating to items that can be reclassified into profit or loss	-2.5	-0.4
	Items that cannot be reclassified into profit or loss		
28	Re-measurement gains (losses) on defined benefit plans	-15.6	62.6
11.3	Income tax relating to items that cannot be reclassified into profit or loss	4.5	-18.7
	Other comprehensive income for the period, net of tax	**-18.1**	**42.3**
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**257.5**	**180.8**
	Total comprehensive income attributable to:		
	Shareholders of the parent company	257.5	183.1
	Non-controlling interest	0.0	-2.3

The accompanying notes form an integral part of the consolidated financial statements.

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Consolidated balance sheet – IFRS

ASSETS

(1,000,000 EUR)		Dec 31, 2023	Dec 31, 2022
Note:			
	Non-current assets		
13	Goodwill	1,038.6	1,019.6
14	Intangible assets	458.1	475.4
15	Property, plant and equipment	359.9	345.9
	Construction in progress	15.8	18.1
16	Investments accounted for using the equity method	6.9	7.8
	Other non-current assets	0.8	0.8
17	Deferred tax assets	113.9	103.8
	Total non-current assets	**1,994.0**	**1,971.4**
	Current assets		
18	Inventories	995.9	992.7
19	Accounts receivable	587.5	585.6
20	Other receivables	33.5	36.8
	Income tax receivables	16.5	15.0
6	Contract assets	216.9	183.5
32	Other financial assets	23.5	43.7
21	Deferred assets	98.0	98.0
22	Cash and cash equivalents	586.6	413.9
	Total current assets	**2,558.4**	**2,369.2**
	TOTAL ASSETS	**4,552.4**	**4,340.6**

EQUITY AND LIABILITIES

(1,000,000 EUR)		Dec 31, 2023	Dec 31, 2022
Note:			
	Equity attributable to equity holders of the parent company		
	Share capital	30.1	30.1
	Share premium	39.3	39.3
	Paid in capital	752.7	752.7
34	Fair value reserves	8.8	-1.1
	Translation difference	-8.7	8.3
	Other reserve	71.2	67.8
	Retained earnings	425.8	395.5
	Net profit for the period	275.6	140.3
23	**Total equity attributable to equity holders of the parent company**	**1,594.8**	**1,432.9**
16	Non-controlling interest	0.0	0.1
	Total equity	**1,594.8**	**1,433.0**
	Non-current liabilities		
26,27,32	Interest-bearing liabilities	727.7	1,056.4
28	Other long-term liabilities	232.5	217.7
24	Provisions	19.9	19.0
17	Deferred tax liabilities	131.6	133.7
	Total non-current liabilities	**1,111.7**	**1,426.8**
	Current liabilities		
26,27,32	Interest-bearing liabilities	227.2	49.8
6	Advance payments received	668.8	564.3
	Accounts payable	313.4	306.2
24	Provisions	101.9	93.4
25	Other short-term liabilities (non-interest-bearing)	61.9	56.1
32	Other financial liabilities	11.3	15.9
	Income tax payables	51.8	31.7
	Accrued costs related to delivered goods and services	181.9	165.1
25	Accruals	227.7	198.3
	Total current liabilities	**1,845.9**	**1,480.8**
	Total liabilities	**2,957.6**	**2,907.6**
	TOTAL EQUITY AND LIABILITIES	**4,552.4**	**4,340.6**

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity – IFRS

	Equity attributable to equity holders of the parent company									
(1,000,000 EUR)	Share capital	Share premium account	Paid in capital	Cash flow hedges	Translation difference	Other reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2023	**30.1**	**39.3**	**752.7**	**-1.1**	**8.3**	**67.8**	**535.8**	**1,432.9**	**0.1**	**1,433.0**
Dividends paid to equity holders							-99.0	-99.0		**-99.0**
Equity-settled share-based payments (note 29)						3.4	0.0	3.4		**3.4**
Acquisitions							0.0	0.0	-0.1	**-0.1**
Profit for the period							275.6	275.6		**275.6**
Other comprehensive income				10.0	-17.0		-11.1	-18.1		**-18.1**
Total comprehensive income				10.0	-17.0		264.5	257.5	0.0	**257.5**
Balance at 31 December 2023	**30.1**	**39.3**	**752.7**	**8.9**	**-8.7**	**71.2**	**701.3**	**1,594.8**	**0.0**	**1,594.8**
Balance at 1 January 2022	**30.1**	**39.3**	**752.7**	**-2.7**	**10.9**	**65.7**	**455.4**	**1,351.4**	**9.2**	**1,360.6**
Dividends paid to equity holders							-98.9	-98.9	-0.3	**-99.2**
Equity-settled share-based payments (note 29)						2.1	0.0	2.1		**2.1**
Acquisitions							-4.8	-4.8	-6.5	**-11.3**
Profit for the period							140.3	140.3	-1.8	**138.5**
Other comprehensive income				1.6	-2.6		43.8	42.8	-0.5	**42.3**
Total comprehensive income				1.6	-2.6		184.1	183.1	-2.3	**180.8**
Balance at 31 December 2022	**30.1**	**39.3**	**752.7**	**-1.1**	**8.3**	**67.8**	**535.8**	**1,432.9**	**0.1**	**1,433.0**

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Consolidated cash flow statement – IFRS

(1,000,000 EUR)		Jan 1–Dec 31 2023	Jan 1–Dec 31 2022
Note:			
	Cash flow from operating activities		
	Profit for the period	275.6	138.5
	Adjustments to net profit for the period		
	Taxes	92.0	52.2
	Financial income and expenses	35.7	32.9
	Share of associates' and joint ventures' result	-0.8	-0.4
	Depreciation and impairments	114.9	124.4
	Profits and losses on sale of fixed assets	-0.2	-2.4
	Other adjustments	3.5	-0.7
	Operating income before change in net working capital	**520.7**	**344.5**
	Change in interest-free current receivables	-23.0	-159.9
	Change in inventories	-25.2	-264.4
	Change in interest-free current liabilities	170.1	262.0
	Change in net working capital	**121.9**	**-162.3**
	Cash flow from operations before financing items and taxes	**642.6**	**182.2**
	Interest received	49.5	28.0
	Interest paid	-77.0	-56.5
	Other financial income and expenses	27.3	-33.7
11	Income taxes paid	-85.1	-53.3
	Financing items and taxes	**-85.3**	**-115.5**
	NET CASH FROM OPERATING ACTIVITIES	**557.3**	**66.7**

(1,000,000 EUR)		Jan 1–Dec 31 2023	Jan 1–Dec 31 2022
Note:			
	Cash flow from investing activities		
4	Acquisition of Group companies, net of cash	-39.0	-1.6
4	Divestment of businesses, net of cash	9.0	0.1
	Proceeds from disposal of associated company	0.5	0.0
	Capital expenditures	-52.4	-44.7
	Proceeds from sale of property, plant and equipment and other	6.5	2.6
	NET CASH USED IN INVESTING ACTIVITIES	**-75.4**	**-43.6**
	Cash flow before financing activities	**481.9**	**23.1**
	Cash flow from financing activities		
27.6	Proceeds from borrowings	0.0	600.0
27.6	Repayments of borrowings	-160.6	-331.7
27.6	Repayments of lease liability	-44.1	-44.1
27.6	Proceeds from (+), payments of (-) current borrowings	-0.4	-43.7
	Change in loans receivable	0.6	-1.2
	Acquired non-controlling interest	-0.1	-11.0
	Dividends paid to equity holders of the parent company	-99.0	-98.9
	Dividends paid to non-controlling interests	0.0	-0.3
	NET CASH USED IN FINANCING ACTIVITIES	**-303.6**	**69.1**
	Translation differences in cash	-5.6	1.0
	CHANGE OF CASH AND CASH EQUIVALENTS	**172.7**	**93.2**
	Cash and cash equivalents at beginning of period	413.9	320.7
22	Cash and cash equivalents at end of period	586.6	413.9
	CHANGE OF CASH AND CASH EQUIVALENTS	**172.7**	**93.2**

The effect of changes in exchange rates has been eliminated by converting the beginning balance at the rates current on the last day of the year.

The accompanying notes form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

1. Corporate information

Konecranes Plc ("Konecranes Group" or "the Group") is a Finnish public limited company organized under the laws of Finland and domiciled with its principal place of business in Hyvinkää. The company is listed on the NASDAQ Helsinki.

Konecranes is a world-leading manufacturer and servicer of cranes, lifting equipment and machine tools, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes operates internationally, with its products being manufactured in North and South America, Europe, Africa, the Middle East, and Asia and sold worldwide. Konecranes has three reportable segments: Service, Industrial Equipment and Port Solutions.

2. Accounting principles

2.1. Basis of preparation

The consolidated financial statements of Konecranes Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared on a historical cost basis, except for items that are required by IFRS to be measured at fair value, principally certain financial instruments.

The consolidated financial statements including notes thereto are presented in millions of euros and all values are rounded to the nearest million (€000,000) except when otherwise indicated.

Due to the rounding, some totals might differ from the sum of individual figures as calculations are done originally in thousands of euros.

The financial statements were approved for issuance by the Board of Directors on February 1, 2024.

Principles of consolidation

The consolidated financial statements comprise the consolidated balance sheet of Konecranes Plc and its subsidiaries as at December 31, 2023 and 2022 and the consolidated statements of income and cash flows for the periods ended December 31, 2023 and 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that majority of voting rights result in control. To support this presumption and when the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Investment in associates and joint ventures
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under this method, the consolidated financial statements show the Group's investment in and share of net assets of the associate or joint venture. Any premium over net assets paid to acquire an interest in an associate or joint venture is recognized as goodwill within the same line as the underlying investment. The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as share of profit of an associate and a joint venture in the statement of profit or loss.

2.2. Use of estimates and judgments

The preparation of the financial statements in accordance with IFRS requires management to make estimates and judgments that affect the valuation of reported assets and liabilities and other information, such as contingent liabilities and recognition of income and expenses in the statement of income. These assumptions, estimates and judgments are based on management's historical experience, best knowledge about the events and other factors, such as expectations on future events, which the company assesses to be reasonable in the given circumstances. Although these estimates and judgments are based on the management's best understanding of current events and circumstances, actual results may differ from the estimates. Changes in estimates and assumptions are recognized in the financial period the estimate or assumption is changed.

The most important items in the consolidated financial statements, which require management's estimates and that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change, are impairment testing, recognition of deferred taxes, measurement of the fair value of assets and actuarial assumptions in defined benefit plans, and percentage of completion revenue recognition in long term projects.

Impairment testing
The recoverable amount for goodwill has been determined based on the value in use of the relevant cash generating unit to which the goodwill is allocated. The recoverable amounts of all material intangible assets and property, plant and equipment have also been based on their value in use. The impairment testing of goodwill is based on numerous judgmental estimates of the present value of the cash flows which affect the valuation of the cash generating units (CGU) pertaining to the goodwill. Cash flow forecasts are made based on CGU specific historical data, order book, the current market situation, and industry specific information of the future growth possibilities. These assumptions are reviewed annually as part of the management's annual and strategic planning cycles and can be subject to significant adjustment as arising from the development of the global economy, pressure from competitors' products, climate risks and opportunities as well as changes in raw material prices and operating expenses. The value of the benefits and savings from the efficiency improvement programs already announced and included in certain cash flow estimates are also subjective and based on the management's best estimate of the impact. The fair value of the CGUs is determined using a derived weighted average cost of capital as the rate to discount estimated future cash flows. The discount rate used may not be indicative of actual rates obtained in the markets in the future. See note 13.

Business Combinations
Acquisitions of subsidiaries are accounted for using the acquisition method according to which the acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. The excess of the consideration transferred for the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The measurement of fair value of the acquired net assets

is based on market value of similar assets (property, plant and equipment), or an estimate of expected cash flows (intangible assets). The valuation, which is based on prevailing repurchase value, expected cash flows or estimated sales price, requires management judgement, estimates and assumptions. See note 4.

Recognition of deferred taxes
The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilized. The tax effect of unused tax losses is recognized as a deferred tax asset when it becomes probable that the tax losses will be utilized. In making assessments regarding deferred tax assets, management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies. The actual current tax exposure is estimated together with assessing temporary differences resulting from differing treatment of items, such as depreciation, provisions and accruals, for tax and accounting purposes. When recording the deferred tax assets, judgments have been based on the estimates of the taxable income in each subsidiary and country in which Konecranes operates, and the period over which the deferred tax assets will be recoverable based on the estimated future taxable income and planned tax strategies to utilize these assets. The amount of deferred tax assets considered realizable could however be reduced in subsequent years if estimates of future taxable income during their carry forward periods are reduced, or rulings by the tax authorities are unfavorable. Estimates are therefore subject to change due to both market related and tax authorities related uncertainties, as well as Konecranes' own future decision matters such as restructuring. Konecranes is unable to accurately quantify the future adjustments to deferred income tax expense that may occur as a result of these uncertainties. See note 17.

Actuarial assumptions in defined benefit plans
The net pension liability and expense for defined benefit plans is based on various actuarial assumptions such as the assumed discount rate, expected development of salaries and pensions and mortality rates. Significant differences between assumptions and actual experience, or significant changes in assumptions, may materially affect the pension obligations. The effects of actual results differing from assumptions and the changing of assumptions are included in Remeasurement gains/loss on defined benefit plans in other comprehensive income. Discount rates are determined annually based on changes in long-term, high-quality corporate bond yields.

Decreases in the discount rates result in an increase in the defined benefit obligation and in pension costs. Conversely, an increase in the discount rate results in a decrease in the defined benefit obligation and in pension costs. Increases and decreases in mortality rates have an inverse impact on the defined benefit obligation and pension costs. Increases and decreases in salary and pension growth rates have a direct correlating impact on the defined benefit obligation and pension costs.

The assumed discount rate, which is based on rates observed at the end of the preceding financial year, may not be indicative of actual rates realized. The actual development of salaries and pensions may not reflect the estimated future development due to the uncertainty of the global economy and various other factors. Konecranes uses generational mortality tables to estimate probable future mortality improvements. These tables assume that the trend of increasing life expectancy will continue, resulting in pension benefit payments to younger members being likely to be paid for longer time periods than older members' pensions, given that assumed retirement ages are those defined in the rules of each plan

The funded status, which can increase or decrease based on the performance of the financial markets or changes in our assumptions, does not represent a mandatory short-term cash obligation. Instead, the funded status of a defined benefit pension plan is the difference between the defined benefit obligation and the fair value of the plan assets. See note 28.

Revenue recognition over time in long-term projects
Konecranes applies the percentage of completion method for recognizing revenue over time from certain long-term large crane projects and modernizations in accordance with IFRS 15 Revenue Recognition. The percentage of completion is based on the cost-to-cost method. Under this method, the progress of contracts is measured by actual costs incurred in relation to the management's best estimate of total estimated costs at completion, which are reviewed and updated routinely for contracts in progress. The cumulative effect of any change in estimate is recorded in the period in which the change in estimate is determined.

The percentage of completion method of accounting involves the use of assumptions and projections, principally relating to future material, labor and project-related overhead costs. As a consequence, there is a risk that total contract costs will exceed those originally estimated and the margin will decrease, or the contract may become unprofitable. This risk increases as the duration of a contract increases because there is a higher probability that the circumstances upon which the estimates were originally based will change, resulting in increased costs that may not be recoverable. Factors that could cause costs to increase include: unanticipated technical problems with equipment supplied or developed by us which may require us to incur additional costs to remedy, changes in the cost of components, materials or labor, project modifications creating unanticipated costs, suppliers' or subcontractors' failure to perform, and delays caused by unexpected conditions or events. By recognizing changes in estimates cumulatively, recorded revenue and costs to date reflect

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the current estimates at the stage of completion for each project. Additionally, losses on long-term contracts are recognized in the period when they are identified and are based upon the anticipated excess of contract costs over the related contract revenues.

The war in Ukraine
The impacts of the war in Ukraine on estimates in the financial reporting rely on the management's best judgement. The Group has assessed the impacts to goodwill, other intangible and tangible assets as part of the impairment testing process, and to defined benefit plans, provisions, valuation of inventory, recoverability of deferred tax assets and collectability of account receivables as part of the regular reporting process.

Konecranes operates a crane and component factory in Zaporizhzhia, in the south-eastern part of Ukraine. The production at the Ukrainian factory was stopped immediately after the war in Ukraine started. The production has been redirected to other Konecranes manufacturing sites. As the level of uncertainty regarding Konecranes' operations in Ukraine remains high due to the ongoing war, Konecranes has impaired all Ukraine-related assets, including inventories and receivables. Konecranes has also decided not to take any business from Russia. The war has increased market volatility and uncertainty by increasing cost inflation and global material availability concerns and other supply chain issues. See note 24.

Climate risks and opportunities
The biggest climate-related risks are physical risks related to own operations and supply chain, transitional risks related to technological decisions, and market risks related to cost impacts. Market risks can relate to increased production costs due to changing input prices (energy, raw materials etc.) and output requirements (for example waste treatment). Technological development pressure in carbon-intensive industries might also increase the development costs as well as the availability of technology or key components. For example, the widespread electrification trend might cause availability risks in batteries. The potential physical risks are mostly related to transportation or production locations. An increase in extreme weather conditions could especially affect our crane installations and project sites. Heavy rain, storm or floods might put only few of our production sites at risk. Extreme weather conditions can also have a potential impact on the shipment of our products or spare parts. Konecranes takes advantage of findings from climate risk scenario analysis in its risk management. Having a continuance plan for production changes due to e.g., extreme weather conditions lowers the interruption risk for production.

Signals from the markets, legislation development, voluntary agreements made by industries, customer feedback and requests for quotations all indicate that the demand for low-emission products and services will continue to increase. As Konecranes already has energy efficient products in all product segments available and focuses on continuous product development and technological improvements, the growing demand for low-emission products presents an opportunity – especially in traditional diesel engine powered product segments such as Ports Solutions. Konecranes' service business advances circular economy by focusing on extending product lifecycles. By maintaining the equipment, Konecranes can extend the lifetime of the equipment and create significant raw material and emission savings. Konecranes offers several retrofit solutions for customers to reduce emissions, increase fuel efficiency and update technology to current standards. Modernizing an old crane instead of purchasing a new one saves hundreds of tons of steel. Modernizations and retrofits also enhance the energy efficiency and performance of the equipment.

Konecranes has set Science Based Emission Targets for its operations as well as for the value chain that are in line with the goal to limit global warming to 1.5°C. 99% of the emissions originate from the value chain. Most of the emissions arise from the emission categories "purchased goods and services" and "the use of sold products". This commitment guides Konecranes to make more strategic decisions related to increasing the share of eco-optimized portfolio, including electrification, and investigate new technologies that help our customers to transition to a low carbon future.

Climate risks might have a significant impact on our operations, which requires significant judgment, for example, in revenue recognition (especially in long-term projects), provisions, collectability of accounts receivable and impairment of assets. The evaluation of the overall climate risk and opportunity impacts can be complicated as the effects of the risks and opportunities can be difficult to estimate or quantify. The impacts of climate change on the estimates and assumptions used in the financial reporting rely on the management's best judgement and knowledge under the current circumstances.

2.3. Summary of significant accounting policies

Revenue recognition
Revenue is recognized at an amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer and to the extent that it is probable that the economic benefits will flow to the Company, that revenue can be reliably measured, and that collectability is reasonably assured. Revenue is measured at the fair value of the consideration received or receivable. The creditworthiness of the buyer is assessed before engaging into a sale. However, if a risk of non-payment arises after revenue recognition, a provision for non-collectability is established.

The company recognizes revenue when it satisfies an identified performance obligation by transferring promised goods or services to the customer. Goods and services are generally considered to be transferred when

the customer obtains the control over it. Control means that the customer can direct the use of and obtain benefit from the good and service and also prevent others from directing the use of and receiving the benefits from them Thus, the customer has sole possession of the right to use the good or service for the remainder of its economic life or to consume the good or service in its own operations.

The transaction price is usually fixed but may also include variable considerations such as volume or cash discounts or penalties. Variable consideration is included in the revenue only to the extent that it is highly probable that the amount will not be subject to significant reversal when the uncertainty is resolved. The variable considerations are estimated using the most likely value method if not yet realized at the end of the reporting period. If the contract is separated into more than one performance obligation, Konecranes allocates the total transaction price to each performance obligation based on the estimated relative standalone selling prices of the promised goods or services in each performance obligation, or if the standalone selling prices do not exist, Konecranes typically uses the expected cost plus a margin approach to estimate the standalone selling price.

Contract assets relate to receivables arising from percentage of completion method. Net asset balances are balances where the sum of contract costs, recognized profits and recognized losses exceed advance payments received. Where advance payments received exceed the sum of contract costs, recognized profits, and recognized losses, these liabilities are included in the line-item advance payments received. Contract assets are subject to impairment assessment. See also financial assets at amortized cost.

Nature of goods and services and timing of satisfaction of performance obligations and significant payment terms
The Service segment principally generates revenue from providing maintenance and consultative services as well as spare parts for all types and makes of industrial cranes and hoists. Service also provides modernizations which are complete transformations of existing cranes as an alternative to replacing them. Revenue from services is recognized when the outcome of the transaction can be estimated reliably and by customer acknowledgement for the completion of the service work or by reference to the stage of completion based on services performed at the end of the reporting period if it can be measured. The assessment of the stage of completion is dependent on the nature of the contract but will generally be based on costs incurred to the extent these relate to services performed up to the reporting date. In modernization projects, the customer typically controls the assets that are enhanced; thus the revenue is recognized over time according to the percentage of completion method. In the spare parts business, the transfer of control and revenue recognition usually takes place either when goods are shipped or made available to the buyer for shipment, depending on the terms of the contract, or when the customer has accepted the delivery. Usually, customers pay according to agreed payment terms after the services and products have been delivered. Sometimes it is required that the payment is done in advance. In these cases, for example in annual maintenance contracts, the payment is periodized to meet the revenue recognition in accordance with the delivery of services and goods. In modernization projects, the customers are typically required to make advance payments according to the milestones defined in the modernization project contract.

The Industrial Equipment segment generates revenue from hoists, cranes and material handling solutions for a wide range of customers. For standard equipment and components, the revenue is recognized when goods are shipped or made available to the buyer for shipment, depending on the terms of the contract, or when the customer has accepted the delivery, which is typically an installed crane. The revenue from large, engineered crane projects is recognized over time according to the percentage of completion (POC) method as those contracts are specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. Konecranes is then also entitled to an amount that at least compensates the entity for performance completed to date even if the customer can terminate the contract for reasons other than our failure to perform as promised. In general, the warranty period for cranes is two years for which the Group records a warranty provision based on historical data. The revenue for an extended warranty is recognized over the extended warranty period. In crane projects, the customers are typically required to make advance payments in accordance with the milestones defined in the crane project contract.

The Port Solutions segment generates revenue from container handling equipment, shipyard equipment, mobile harbor cranes, heavy-duty lift trucks and Port Solutions related software. All equipment deliveries are supported by a complete range of services. Most of the container handling and shipyard equipment are tailored and engineered to the customer needs, so the revenue from these projects is recognized over time according to the percentage of completion (POC) method as those contracts are specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use Konecranes is then also entitled to an amount that at least compensates the entity for performance completed to date even if the customer can terminate the contract for reasons other than our failure to perform as promised. The revenue from lift trucks and standard port equipment is recognized when goods are shipped or made available to the buyer for shipment, depending on the terms of the contract, or when the customer has accepted the delivery. The general warranty period for port equipment varies to some extent depending on the components

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used in the projects. For a general warranty, the Group records a warranty provision based on historical data. The revenue from a possible extended warranty is recognized over the extended warranty period. In Port Solutions projects, the customers are typically required to make advance payments according to the milestones defined in the project contract. The advance payments from clients do not generally include a significant financing component, because typically the payment schedule of advances follows the timing of performance obligations to be satisfied.

Measurement of stage of completion for performance obligations satisfied over time
The stage of completion of a contract is determined by the proportion that the contract costs incurred for the work performed to date bear to the estimated total contract costs (cost-to-cost method) at completion. This best depicts the transfer of control to the customer, which occurs as we incur costs in our contracts. When the final outcome of a project cannot be reliably determined, the costs arising from the project are expensed in the same reporting period in which they occur, but the revenue from the project is recorded only to the extent that the Group will receive an amount corresponding to actual costs. An expected loss on a contract is recognized immediately in the statement of income. Revenue in respect of variations to the contract scope and claims is recognized when it is probable that it will be received and can be measured reliably.

Research and development costs
Research costs are expensed as incurred. The development expenditure of an individual project is recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to reliably measure the expenditure during development.

Amortization of capitalized development costs begins when development is complete, and the asset is available for use.

Comparable EBITA (alternative performance measure)
The Group uses comparable EBITA as an alternative performance measure to reflect the underlying business performance and to enhance comparability between financial periods. It is frequently used by management, analysts and investors. Comparable operating profit before amortization and impairment of purchase price allocations (a non-GAAP measure) represents earnings from continuing operations before income taxes (a GAAP measure), excluding restructuring, transaction and restructuring related asset impairment costs as well as other adjusting items, amortization and impairment of purchase price allocations and financial income and expense. Alternative performance measures should not be considered as a substitute for measures of performance in accordance with the IFRS. See also note 3.

Earnings per share
Basic earnings per share are computed by dividing net income from continuing operations and net income from discontinued operations all attributable to ordinary shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by assuming conversion or exercise of all potentially dilutive share-based payment plans.

Dividend distribution
The company recognizes a liability to make dividend distributions to equity holders when the distribution is approved by the shareholders. A corresponding amount is recognized directly in equity.

Employee benefits
Konecranes companies have various pension plans in accordance with local conditions and practices. Pensions are generally managed for the Group companies by external pension insurance companies or by similar arrangements. These pension plans are classified either as defined contribution or defined benefit plans. Under defined contribution plans, expenses are recognized for the period to which the contribution relates. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay employee benefits. The Konecranes Group accounts for the Finnish system under the Employees' Pensions Act (TyEL) within insurance system as a defined contribution plan.

Under defined benefit plans, a liability recognized in the balance sheet equals to the net of the present value of the defined benefit obligation (calculated using the Projected Unit Credit Method) less the fair value of the plan assets at the balance sheet date. Actuarial gains and losses are recognized in the consolidated statement of other comprehensive income as remeasurement items when they occur. Remeasurement recorded in other comprehensive income is not recycled. Past service cost is recognized in the statement of profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate to the net defined liability or asset. Independent actuaries calculate the defined benefit obligation by applying the Projected Unit Credit Method. The Group presents service cost, past-service cost, gains and losses on curtailments and settlements and net interest expense or income as Personnel cost – Pension costs: Defined benefit plans in the statement of income (see note 8).

A liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Share-based payments
Employees (including senior executives) of the Group and its subsidiaries receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) or receive settlement in cash (cash-settled transactions).

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in other reserves in equity, over the period in which the performance and/or service conditions are fulfilled in Personnel cost – Other personnel expense in the statement of income. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recorded in the statement of income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification

The tax laws or regulations usually oblige Konecranes to withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount, normally in cash, to the tax authority on the employee's behalf. To fulfil this obligation, the terms of the share-based payment arrangement permit Konecranes to withhold the number of equity instruments equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon vesting of the share-based payment. This share-based payment arrangement with a net settlement feature is classified in its entirety as an equity-settled share-based payment transaction and the payment made shall be accounted for as a deduction from equity for the shares withheld.

Cash-settled transactions
The cost of cash-settled transactions, which is usually related to the additional employee social cost or taxes of the share-based payments, is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including, the settlement date, with changes in fair value recognized in Personnel cost – Other personnel expenses in the statement of income (see Note 8).

Foreign currency translation
The Group's consolidated financial statements are reported in euros, which is the Group's presentation currency. Each entity in the Group determines its own functional currency, and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized by the Group entities at their respective functional currency rates prevailing at the date of the transaction. At the end of each reporting period, foreign currency monetary items are retranslated at the functional currency spot exchange rate in effect at the reporting date. The resulting foreign currency exchange differences are recorded in the statement of income with the exception of differences that arise from monetary items that provide an effective hedge for a net investment in a foreign operation (such as intragroup loans where settlement is neither planned nor likely to occur in the foreseeable future). These are recognized in other comprehensive income until the disposal of the net investment, at which time they are recognized in the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the date of the initial transaction Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Foreign operations
The assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates for the period. The exchange differences arising from the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the income statement.

Any goodwill arising from the acquisition of a foreign operation and any fair value adjustments to the carrying

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amounts of assets and liabilities arising from the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Income tax
Taxes shown in the consolidated statement of income include income taxes to be paid on the basis of local tax legislations, tax adjustments from previous years as well as the effect of the annual change in the deferred tax balances. Taxes are calculated using rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities and deferred tax assets are calculated for all temporary differences arising between the tax basis and the book value of assets and liabilities. Deferred tax is not recognized for non-deductible goodwill on initial recognition and temporary differences in investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. The main temporary differences arise from unused tax losses, depreciation differences, provisions, defined benefit pension plans, inter-company inventory margin and derivative financial instruments. In connection with an acquisition, the Group records provisions for deferred taxes on the difference between the fair values of the net assets acquired and their tax bases. A deferred tax asset is recognized to the extent that it is probable that it can be utilized.

Business combinations
Acquisitions of subsidiaries are accounted for using the acquisition method according to which the acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. The excess of the consideration transferred for the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. For each acquisition, the non-controlling interest in the acquiree, if any, can be recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. If the purchase consideration is less than the fair value of the Group's share of the net assets acquired, the difference is recognized directly through the profit and loss. Direct acquisition transaction costs are expensed as incurred.

Assets held for sale
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a disposal rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification are regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate disposal in its present condition. Actions required to complete the disposal should indicate that it is unlikely that significant changes to the disposal will be made or that the decision to dispose will be withdrawn. Management must be committed to the disposal expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Intangible assets
Intangible assets include service contracts, patents and trademarks as well as software licenses and implementation costs. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets with definite useful life are amortized on the straight-line basis over expected useful lives, which may vary from 5 to 20 years with service contracts and patents and trademarks and from 4 to 7 years with software licenses. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful life are not amortized, but they are tested annually for impairment in a manner equivalent to that for testing goodwill. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Impairment testing of goodwill
Goodwill acquired in a business combination is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If the carrying amount for a CGU exceeds its recoverable amount, an impairment loss equal to the difference is recognized. Konecranes uses a discounted cash flow analyses to assess the fair value of goodwill. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period of five years. A previously recognized impairment loss on goodwill is not reversed even if there is a significant improvement in circumstances having initially caused the impairment.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is recorded on a straight-line basis over the estimated useful economic life of the assets as follows:

• Buildings	10-40 years
• Machinery and equipment	3-10 years

No depreciation is recorded for land.

Improvements made for existing property, plant and equipment that will provide future economic benefit are capitalized and depreciated over the remaining useful life of the asset.

For leased right-of-use assets, please see the accounting principles section for leases.

Impairment of assets subject to amortization and depreciation
The carrying values of intangible assets subject to amortization, property, plant and equipment and investments in associates and joint ventures are reviewed for impairment whenever events and changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such an indication exists, the recoverable amount of the assets will be estimated.

The recoverable amount is the higher of the asset's fair value less selling costs and value in use which is the present value of the cash flows expected from the asset's use and eventual disposal. An impairment loss is recognized in the statement of income when the recoverable amount of an asset is less than its carrying amount. Impairment losses on these assets are reversed if their recoverable amounts subsequently increase.

Valuation of inventories
Raw materials and supplies are valued at the acquisition cost or, if lower, at the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Semi-manufactured goods are valued at variable production costs including a share of production overheads based on normal capacity. Work in progress of uncompleted orders includes direct labor and material costs, as well as a proportion of overhead costs related to production and installation. Raw materials and supplies are valued using the weighted average cost or the first-in, first-out (FIFO) basis. The inventory stock obsolescence provision is based on the best estimate of slow-moving and obsolete inventory at the balance sheet date. The estimates are based on frequent review and evaluation of inventory ageing and composition.

Account and other receivables
Account and other receivables are initially recorded at fair value after which they are subsequently measured at amortized cost. Account receivables represent the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). The provision for doubtful accounts is estimated based on the Group's historical credit loss experience adjusted with current conditions and reasonable and supportable forecasts about the future. The effect is recognized in the statement of income

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and deposits with banks and other liquid investments that are held for the purpose of meeting short-term cash commitments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value as the instruments have a maturity of three months or less from the date of acquisition.

Bank overdrafts are included in current interest-bearing liabilities.

Fair value measurement
Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants. The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Konecranes' assumptions about pricing by market participants.

Derivative financial instruments and hedge accounting
The Group's global operations expose it to currency risk and to a lesser extent interest rate risk.

The Group uses derivative financial instruments, primarily forward contracts and interest rate swaps, to hedge its risks associated with foreign currency fluctuations relating to certain commitments and forecasted transactions and interest rate risks. Derivative financial instruments are used for hedging purposes in accordance with the Group's hedging policy and not for speculative purposes. These instruments are initially recognized at fair value at the derivative contract date and are re-measured to fair value at subsequent reporting dates. Derivatives are presented as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For certain large crane projects, the Group applies hedge accounting. The Group designates hedges of the foreign currency risk of firm commitments and highly probable

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forecasted transactions to a cash flow hedge. Changes in the fair value of derivative financial instruments that are designated as effective hedges of future cash flows are recognized directly in other comprehensive income, while the ineffective portion is recognized immediately in the income statement. See note 34.

Amounts recognized as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in the other comprehensive income is transferred to profit or loss for the period.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the statement of income as they arise.

The Group does not apply fair value hedging.

Financial assets
Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss; financial assets at fair value through OCI; or financial assets at amortized cost. Financial assets are classified according to their cash flow characteristics and the business model they are managed in. Trade day accounting is applied to regular purchases and sales of financial assets. They include account and other receivables, interest-bearing investments and derivative financial instruments. The subsequent measurement of financial assets depends on their classification, as follows:

Financial assets at amortized cost
Financial assets at amortized cost are subsequently measured using the effective interest rate method. Account receivables and other receivables are recognized at their anticipated realizable value, which is the original invoice amount less an estimated provision for doubtful accounts for impairment. The increase in the credit risk for financial assets measured at amortized cost is assessed at the end of the reporting period. The credit loss allowance is estimated based on the Group's historical credit loss experience adjusted with current conditions and reasonable and supportable forecasts about the future. The Group applies the simplified approach to record expected credit losses on its accounts receivable by using a provision matrix where accounts receivable is grouped based on different customer bases and different historical loss patterns.

Financial assets at fair value through profit or loss
Interest-bearing investments, which are non-derivative financial assets and have fixed or determinable payments and are not quoted on active markets, are measured at fair value through the statement of income. This category also includes derivatives that do not qualify for hedge accounting.

Financial assets at fair value through other comprehensive income
Derivatives that qualify for hedge accounting are classified as financial assets at fair value through other comprehensive income. The treatment of gains and losses arising from revaluation is described above in the accounting policy for derivative financial instruments and hedge accounting.

Financial liabilities
Financial liabilities are classified as financial liabilities at fair value through profit or loss; financial liabilities at fair value through other comprehensive income; or as financial liabilities measured at amortized cost, as appropriate. Financial liabilities include trade and other payables, finance debt and derivative financial instruments. The Group determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss are carried on the balance sheet at fair value with gains or losses recognized in the income statement. Derivatives, other than those designated as effective hedging instruments, are classified as held for trading and are included in this category.

Financial liabilities at fair value through other comprehensive income
These financial liabilities are typically derivatives designated for hedge accounting and are carried on the balance sheet at fair value. The treatment of gains and losses arising from revaluation is described above in the accounting policy for derivative financial instruments and hedge accounting.

Financial liabilities measured at amortized cost
All other financial liabilities are initially recognized at fair value. For interest-bearing loans and borrowings, this is the fair value of the proceeds received net of issue costs associated with the borrowing. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any

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issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest and other finance income and finance costs. This category of financial liabilities includes accounts payables and interest-bearing liabilities.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently existing, legally enforceable, unconditional right of offset that applies to all counterparties of the financial instruments in all situations, including both normal operations and insolvency

Derecognition of financial instruments
Financial assets are derecognized when the rights to receive cash flows from the assets have expired or the Group has transferred its rights to receive cash flow; and either the Group has transferred substantially all the risks and rewards of the assets, or the Group has neither transferred nor retained substantially all the risks and rewards of the assets but has transferred the control of the assets.

Financial liability is derecognized when the obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing loan are substantially modified, such an exchange or modification is accounted for as an extinguishment of the original liability and the recognition of a new financial liability. The difference between the respective carrying amounts is recognized in the income statement

Provisions
Provisions are recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is considered probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions may arise from restructuring plans, onerous contracts, guarantees and warranties, among other events. Obligations arising from restructuring plans are recognized when the detailed and formal restructuring plans have been established, the personnel concerned have been informed and when there is a valid expectation that the plan will be implemented. The warranty provision is based on the history of past warranty costs and claims on delivered products under warranty. Additionally, warranty provisions can be established on a case by case basis to take into consideration the potentially increased risks.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e. asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, possible initial cost incurred, lease payments made before the commencement date and less any lease incentives received. The recognized right-of-use assets are mainly rentals of premises and vehicles which are typically depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the asset. Right-of-use assets are subject to possible impairment.

Lease liabilities
At the commencement date of a lease, the Group recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs. In calculating the present value of the lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption to equipment that are considered of low value. Lease payments on short-term

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leases and leases of low-value assets are recognized as an expense over the lease term.

Judgment in determining the lease term
The Group has various lease agreements for office equipment, vehicles and premises with varying terms and renewal rights. The Group determines the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend or early terminate the lease if it is reasonably certain to be exercised. The Group uses judgment especially for the use of extension options as well as when defining the lease term for open-end lease agreements so that they are based on the business requirements, factors that create an economic incentive and real estimated useful lifetime of the underlying asset.

Cash flow statement
The cash flow statement has been prepared in accordance with the indirect method. In the cash flow statement, a distinction is made between cash flows from operating, investing and financing activities. Currency differences on cash and cash equivalents are recognized separately in the cash flow statement. Revenue and expenses for income tax are recognized under Cash flows from operating activities. Interest costs and interest revenues are recognized under Cash flows from operating activities. Cash flows as a result of the acquisition or disposal of financial interests (subsidiaries and interests) are recognized under Cash flows from investing activities, taking into account the cash, cash equivalents and repaid third-party debts present in these interests. Dividends paid out, as well as obtained and repaid loans, are recognized under Cash flows from financing activities.

2.4. Application of new and amended IFRS standards and IFRIC interpretations

The relevant new or revised IFRSs that Konecranes has adopted from January 1, 2023, were the following:

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2, The amendment replaces the requirement to disclose significant *accounting policies with a requirement to disclose* material accounting policies. The amendment aims to help companies to disclose accounting policies which are material for users to understand the information in the company's financial statements.

Amendments to IAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction. The amendment clarifies deferred tax accounting for transactions and events, such as leases, that lead to *the initial recognition of both an asset and a liability*. The amendments require companies to recognize a separate deferred tax asset and deferred tax liability when the temporary differences arising from the initial recognition of an asset and a liability are equal.

Amendment to IAS 12 - International tax reform - pillar two model rules. These amendments give companies temporary mandatory relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies. Konecranes applies the temporary mandatory relief to the recognition of deferred taxes.

None of these amendments to IFRS standards had any significant impact on the financial statements of Konecranes.

New and amended standards issued applicable from January 1, 2024, but not yet effective are disclosed below. The Group adopts new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1- Non-current Liabilities with Covenants clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements in which the amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.

New or amended standards, improvements or annual improvements applicable from January 1, 2024, or later do not have significant effect on the Group, but the amount of additional information provided in the financial statements may increase.

3. Segment information

For management purposes, the Group is organized into business units based on its products and services and had three reportable segments in 2023 and 2022: Service, Industrial Equipment and Port Solutions.

The Service segment provides maintenance and installation services of industrial equipment, the Industrial Equipment segment produces industrial cranes and their components for a variety of industries and the Port Solutions segment produces lifting and material handling equipment for ports and provides services for port equipment

The business units have been aggregated to form the above reportable operating segments due to the similar economic characteristics with respect to the nature of the production process, product type and class of customers for their products.

The above reportable segments are based on the Group's management reporting and organizational structure.

Konecranes Group's chief operating decision maker is the Board of Directors.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. However, the performance of the investees accounted for using the equity method is evaluated using proportionate consolidation.

The assets and liabilities of the reportable segments include only items directly connected with the business as well as the goodwill related to them. Taxes and financial income and expenses are managed at the Group level and are not allocated to segments.

Konecranes also reports three geographical areas, which are the main market areas: EMEA (Europe, Middle East and Africa), AME (Americas) and APAC (Asia-Pacific). Sales are reported by the customer location and assets and capital expenditure by the location of the assets.

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3.1. Operating segments

	Service		Industrial Equipment		Port Solutions		Corporate functions and unallocated		Eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sales												
Sales to external customers	1,432.7	1,292.8	1,173.8	1,068.8	1,359.8	1,003.2	0.0	0.0			**3,966.3**	**3,364.8**
Inter-segment sales	57.7	50.6	181.4	136.8	11.0	11.9	10.9	9.8	-261.0	-209.0	**0.0**	**0.0**
Total sales	**1,490.4**	**1,343.3**	**1,355.3**	**1,205.6**	**1,370.8**	**1,015.0**	**10.9**	**9.8**	**-261.0**	**-209.0**	3,966.3	3,364.8
Comparable EBITA	296.2	249.4	87.4	32.5	102.7	63.5	-35.7	-27.1	0.0	0.1	**450.7**	**318.4**
% of net sales	19.9%	18.6%	6.5%	2.7%	7.5%	6.3%					**11.4%**	**9.5%**
Purchase price allocation amortization	-17.4	-14.3	-7.0	-11.0	-6.6	-6.6					**-31.0**	**-31.8**
Comparable operating profit	278.8	235.2	80.4	21.5	96.2	57.0	-35.7	-27.1	0.0	0.1	**419.7**	**286.6**
% of net sales	18.7%	17.5%	5.9%	1.8%	7.0%	5.6%					**10.6%**	**8.5%**
Items affecting comparability in operating profit												
Transaction and integration costs					0.0	-0.1	0.0	-8.6			**0.0**	**-8.7**
Restructuring costs	-1.7	-2.6	-24.6	-12.9	0.7	-0.6	-0.8	-0.9			**-26.4**	**-17.0**
Costs related to the impacts of the war in Ukraine	-0.2	-0.4	11.1	-19.6	-1.8	-17.8	0.0	-0.1			**9.2**	**-37.8**
Total	-1.9	-2.9	-13.5	-32.5	-1.1	-18.6	-0.7	-9.5			**-17.2**	**-63.5**
Operating profit	276.9	232.3	66.9	-10.9	95.1	38.4	-36.4	-36.6	0.0	0.1	**402.5**	**223.2**
% of net sales	18.6%	17.3%	4.9%	-0.9%	6.9%	3.8%					**10.1%**	**6.6%**
Share of associates and joint ventures result (note 16)							0.8	0.4			**0.8**	**0.4**
Financial income							32.0	26.9			**32.0**	**26.9**
Financial expenses							-67.7	-59.7			**-67.7**	**-59.7**
Profit before tax											**367.6**	**190.7**
Segment assets	1,562.1	1,502.5	1,061.6	1,112.0	1,106.1	1,070.0					**3,729.8**	**3,684.5**
Investment accounted for using the equity method (note 16)							6.9	7.8			**6.9**	**7.8**
Cash and cash equivalents							586.6	413.9			**586.6**	**413.9**
Deferred tax assets							113.9	103.8			**113.9**	**103.8**
Income tax receivables							16.5	15.0			**16.5**	**15.0**
Other unallocated and corporate function level assets							98.7	115.6			**98.7**	**115.6**
Total assets	**1,562.1**	**1,502.5**	**1,061.6**	**1,112.0**	**1,106.1**	**1,070.0**	**822.5**	**656.1**			**4,552.4**	**4,340.6**

3.1. Operating segments (continued)

	Service		Industrial Equipment		Port Solutions		Corporate functions and unallocated		Eliminations		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Segment liabilities	300.5	252.5	557.6	503.3	631.7	539.3					**1,489.8**	**1,295.2**
Interest-bearing liabilities							954.9	1,106.2			**954.9**	**1,106.2**
Deferred tax liabilities							131.6	133.7			**131.6**	**133.7**
Income tax payables							51.8	31.7			**51.8**	**31.7**
Other unallocated and corporate function level liabilities							329.5	340.9			**329.5**	**340.9**
Total liabilities	**300.5**	**252.5**	**557.6**	**503.3**	**631.7**	**539.3**	**1,467.8**	**1,612.4**			**2,957.6**	**2,907.6**
Other disclosures												
Capital expenditure	11.5	8.9	28.9	20.9	14.1	7.3	0.0	0.0			**54.4**	**37.0**
Personnel	8,010	7,802	5,253	5,529	3,222	3,102	101	89			**16,586**	**16,522**

Revenue expected to be recognized in the future periods related to performance obligations that are unsatisfied or partially unsatisfied

	During 2024	During 2025	From 2026 onwards	Total
Service	395.6	22.7	25.2	**443.5**
Industrial Equipment	719.5	139.3	33.5	**892.3**
Port Solutions	1,122.0	393.8	189.3	**1,705.0**
Total	**2,237.1**	**555.8**	**248.0**	**3,040.8**

The transaction price associated with unsatisfied or partially unsatisfied performance obligations does not include variable consideration that is constrained. The Group total revenue will also include new orders, scope changes and contract extensions which are not known at the reporting date and thus are excluded from this table.

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3.2. Geographical areas

2023	EMEA*	AME	APAC	Total
External sales*	1,872.7	1,522.0	571.6	**3,966.3**
Assets*	3,177.8	764.8	609.7	**4,552.4**
Capital expenditure	42.5	4.1	7.8	**54.4**
Personnel	9,785	3,335	3,466	**16,586**

* External sales to Finland EUR 101.8 million. Non-current assets (excluding deferred tax assets) in Finland: EUR 173.2 million and in other countries: EUR 1,707.0 million.

2022	EMEA*	AME	APAC	Total
External sales*	1,714.1	1,201.1	449.7	**3,364.8**
Assets*	3,052.7	643.6	644.3	**4,340.6**
Capital expenditure	27.2	3.6	6.3	**37.0**
Personnel	9,565	3,131	3,826	**16,522**

* External sales to Finland EUR 102.8 million. Non-current assets (excluding deferred tax assets) in Finland: EUR 175.6 million and in other countries: EUR 1,692.0 million.

There are no single customers which account for over 10% of the Group's sales.

4. Acquisitions and divestments

Acquisitions

Konecranes acquired in April 2023 the industrial and nuclear crane and crane service operations of privately held Whiting Corporation in the U.S. The purchase price for the acquired business was EUR 37.3 million. The acquisition offers operational synergies in the service business, which are reflected in Goodwill.

The fair values of acquired businesses are as follows:

EUR million	Fair value
Intangible assets	
Clientele	14.6
Other intangible assets	1.4
Property, plant and equipment	0.4
Inventories	3.7
Accounts receivable	3.5
Total assets	**23.6**
Other long-term liabilities	0.4
Advances received	3.3
Accounts payable and other current liabilities	4.5
Total liabilities	**8.2**
Net assets	**15.4**
Purchase consideration, paid in cash	37.3
Acquisition cost	**37.3**
Goodwill	**22.0**
Cash flow on acquisition	
Purchase consideration, paid in cash	37.3
Transaction costs[1]	0.7
Net cash flow arising from acquisition	**38.1**
Goodwill allocation to Cash Generating Units:	
Industrial Service	22.0
Total	**22.0**

If the businesses had been acquired on January 1, 2023, the full year sales of the Group would have been EUR 3,972.8 million and EBIT EUR 402.1 million. The year to date sales of the acquired business after the acquisition date was EUR 9.3 million and EBIT EUR 1.2 million. The amount of goodwill that is expected to be deductible for tax purposes was EUR 42.3 million.

In June 2023, Konecranes acquired a small industrial crane service operation of Munck Cranes AS in Norway from the bankruptcy estate and paid EUR 1.7 million as purchase price for the acquired assets. The fair value of the acquired business was EUR 1.7 million for Intangible assets (clientele).

1) Transaction costs of EUR 0.1 million in 2022 and EUR 0.6 million in 2023 have been expensed and are included in other operating expenses.

Divestments
In April 2023, Konecranes divested MHE-Demag's Industrial Products business, which rents material handling products and offers equipment like dock levellers and car park systems, to Jebsen & Jessen. The Industrial Product business unit operates in Australia, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. The sales price was EUR 9.0 million and Konecranes recorded EUR 0.2 million pre-tax profit from the transaction.

Carrying amounts of net assets over which control was lost:

Assets	
Property, plant and equipment	5.2
Investments accounted for using the equity method	0.6
Inventories	13.5
Other receivables	0.4
Divested assets	**19.7**
Liabilities	
Defined pension benefits	0.1
Advances received	9.7
Provisions	0.7
Accruals and other liabilities	0.3
Divested liabilities	**10.9**
Net assets derecognized	**8.8**
Consideration received	9.0

Divestments of joint ventures and associated companies
During the second quarter of 2023, Konecranes also sold its interests in two joint ventures in China (Jiangyin Dingli Shengshai High Tech Industrial Crane Company, Ltd and Guangzhou Technocranes Company, Ltd). The sales prices were in total EUR 0.5 million and Konecranes recorded EUR 0.2 million pre-tax losses from the transactions.

Acquisitions and divestments in 2022

Acquisitions
In July 2022, Konecranes acquired a small crane service business of Garabi Industrial Technologies in Spain and paid EUR 1.5 million as purchase price for the acquired assets. The fair values of the acquired business were EUR 1.6 million for Intangible assets (clientele), EUR 0.1 million for Property, plant and equipment, EUR 0.3 million for Inventories and EUR 0.4 million for Deferred tax liability. If the business had been acquired on January 1, 2022, the 2022 full-year sales of the acquiree would have been EUR 3,365.9 million and EBIT EUR 223.2 million.

Acquisitions of non-controlling interests
In September 2022, Konecranes acquired the non-controlling interest of 6 % of Konecranes Real Estate GmbH & Co. KG in Germany and paid EUR 2.7 million as purchase price. In November 2022, Konecranes became the sole owner and provider of TBA software products by acquiring the non-controlling interest of 30.22 % of Ports Sofware Solutions B.V. in the Netherlands. TBA Group provides software as well as port planning and optimizing consultancy services in the ports, intermodal and warehousing sectors. The acquisition price was EUR 8.0 million of which EUR 5.0 million was paid in cash and EUR 3 million was recorded as deferred purchase price. At the same time, the TBA design consultancy operations were transferred to a new legal entity of which Konecranes Group now owns 49%. The total effect from these acquisitions was EUR -4.8 million in retained earnings and EUR -6.5 million in non-controlling interest.

Divestments
In September 2022, Konecranes divested from the Ports Solutions segment the small automation business Motronica in Italy. Konecranes received proceeds of EUR 0.4 million and recorded EUR 0.4 million pre-tax profit from the transaction. Between September and December, Konecranes also divested the service business in Russia and received proceeds of EUR 0.3 million and recorded EUR 0.4 million pre-tax loss from the transactions.

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5. Disaggregation of revenue in sales

Customer contract revenue	2023	2022
Sale of goods	2,820.0	2,308.4
Rendering of services	1,151.8	1,047.1
Total customer contract revenue	3,971.8	3,355.5
Other revenue		
Leasing of own products	3.7	8.9
Royalties	0.4	0.4
Total other revenue	4.1	9.3
Total sales	**3,975.9**	**3,364.8**

Timing of satisfying performance obligations by Segments	2023 At a point of time	2023 Over time	2023 Total	2022 At a point of time	2022 Over time	2022 Total
Service	186.9	1,245.8	**1,432.7**	165.3	1,127.5	**1,292.8**
Industrial Equipment	955.4	218.4	**1,173.8**	882.5	165.1	**1,047.6**
Port Solutions	1,084.8	275.0	**1,359.8**	877.6	146.8	**1,024.4**
Corporate functions	0.0	0.0	**0.0**	0.0	0.0	**0.0**
Total	**2,227.1**	**1,739.2**	**3,966.3**	**1,925.4**	**1,439.4**	**3,364.8**

6. Contract balances

6.1. Contract assets and liabilities

Contract assets	2023	2022
The cumulative revenues of non-delivered projects	819.1	641.3
Advances received netted	602.2	457.9
Total	**216.9**	**183.5**
Transfers to receivables from contract assets recognized at the beginning of period	344.8	303.2
Contract liabilities		
Gross advance received from percentage of completion method	815.0	572.2
Advances received netted	602.2	457.9
Total	**212.8**	**114.3**
Revenue recognised in the current period that was included in the contract liability opening balance	254.2	257.4
Increases due to cash received	525.3	284.0

Contract assets relate to receivables arising from percentage of completion method. Net asset balances are balances where the sum of contract costs, recognized profits and recognized losses exceed progress billings. Where progress billings exceed the sum of contract costs, recognized profits and recognized losses, these liabilities are included in the line item contract liabilities.

See note 3 for revenue expected to be recognized in the future periods related to performance obligations that are unsatisfied or partially unsatisfied and note 21 for unbilled revenue.

6.2. Advances received

	2023	2022
Advance received from percentage of completion method (netted)	212.8	114.3
Other advance received from customers	456.0	450.1
Total	**668.8**	**564.3**

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7. Operating Expenses

	2023	2022
Change in work in progress	13.4	-170.9
Production for own use	-0.7	-1.1
Material and supplies	1,303.7	1,267.5
Subcontracting	503.9	414.7
Materials, supplies and subcontracting	1,820.3	1,510.2
Wages and salaries	959.2	884.8
Pension costs	76.9	66.9
Other personnel expenses	150.5	140.2
Personnel cost	1,186.6	1,091.9
Other operating expenses	451.5	423.3
Total operating expenses	**3,458.4**	**3,025.3**

Research and development costs recognized as an expense in the statement of income amount to EUR 51.3 million in the year 2023 (EUR 47.7 million in 2022).

7.1. Audit and non-audit fees to Group auditor

	2023	2022
Audit	3.5	4.1
Non-audit services	0.3	0.2
Total	**3.9**	**4.3**

8. Personnel expenses and number of personnel

8.1. Personnel expenses

	2023	2022
Wages and salaries	959.2	884.8
Pension costs: Defined benefit plans	15.0	9.5
Pension costs: Defined contribution plans	61.9	57.5
Other personnel expenses	150.5	140.2
Total	**1,186.6**	**1,091.9**

8.2. Number of personnel

	2023	2022
Average number of personnel	16,503	16,563
Number of personnel as at December 31	16,586	16,522
Number of personnel as at December 31 in Finland	2,300	2,151

8.3. Personnel by Reportable Segment at the end of period

	2023	2022
Service	8,010	7,802
Industrial Equipment	5,253	5,529
Port Solutions	3,222	3,102
Group Staff	101	89
Total	**16,586**	**16,522**

9. Depreciation, amortization and impairments

9.1. Depreciation and amortization

	2023	2022
Intangible assets	38.7	38.0
Buildings	30.7	31.4
Machinery and equipment	45.2	45.7
Total	**114.6**	**115.2**

9.2. Impairments

	2023	2022
Property, plant and equipment	0.2	5.3
Goodwill	0.0	3.9
Total	**0.2**	**9.2**

The nature of the impairments is described in the disclosures of goodwill, intangible assets and property, plant and equipment (see notes 13, 14 and 15).

10. Financial income and expenses

10.1. Financial income

	2023	2022
Interest income on bank deposits and loans	16.9	6.1
Fair value gain on derivative financial instruments	14.8	0.0
Exchange rate gains	0.0	20.4
Other financial income	0.3	0.4
Total	**32.0**	**26.8**

10.2. Financial expenses

	2023	2022
Interest expenses on liabilities	46.8	26.5
Net loss on financial instruments at fair value through profit or loss	0.0	27.2
Exchange rate loss	15.8	0.0
Other financial expenses	5.0	6.0
Total	**67.7**	**59.7**
Financial income and expenses net	**-35.7**	**-32.9**

The company applies hedge accounting on derivatives used to hedge cash flows in certain large crane projects. The cash flow hedges of the expected future cash flows are assessed to be highly effective and a net unrealized effect of EUR +12.5 million (2022: EUR +2.0 million) with deferred taxes of EUR -2.5 million (2022: EUR -0.4 million) relating to the hedging instruments is included in equity. The hedged operative cash flows are expected to occur during the next 3–18 months. The realized and recycled currency differences from these hedges recorded in the statement of income were EUR -6.0 million in 2023 (EUR -17.8 million in 2022).

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11. Income taxes

11.1. Taxes in statement of income

	2023	2022
Local income taxes of group companies	100.3	63.8
Taxes from previous years	3.4	-0.6
Change in deferred taxes	-11.7	-11.0
Total	**92.0**	**52.2**

11.2. Reconciliation of income before taxes with total income taxes

	2023	2022
Profit before taxes	367.6	190.7
Tax calculated at the domestic corporation tax rate of 20.0% (2022: 20.0%)	73.5	38.1
Effect of different tax rates of foreign subsidiaries	16.3	16.0
Taxes from previous years	3.4	-0.6
Tax effect of non-deductible expenses and tax-exempt income	4.4	0.1
Tax effect of unrecognized tax losses of the current year	2.9	2.4
Tax effect of utilization of previously unrecognized tax losses	-7.2	-4.0
Tax effect of recognition of previously unrecognized tax losses	-0.2	-2.2
Tax effect of impairment of previously recognized deferred tax assets	0.0	1.7
Tax effect of recognizing the controlled temporary difference *from investment in subsidiaries*	0.5	-1.8
Tax effect of tax rate change	0.5	-0.1
Other items	-2.1	2.5
Total	**92.0**	**52.2**
Effective tax rate %	**25.0%**	**27.4%**

The company regularly evaluates the net realizable value of its deferred tax assets.

OECD Pillar Two legislation for minimum top-up tax has been enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning on January 1, 2024. The Group applies a temporary mandatory relief to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, as provided in the amendments to IAS 12. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two is based on the most recent Group reporting and country-by-country information and analysis. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. Additionally, when taking into account certain exceptions and safe harbor rules, the possible top-up tax exposure will be immaterial in the Group's consolidated financial statements.

11.3. Tax effects of components in other comprehensive income

	2023	2022
Cash flow hedges	-2.5	-0.4
Re-measurement gains (losses) on defined benefit plans	4.5	-18.7
Total	**2.0**	**-19.1**

12. Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding during the year for the dilutive effect of the shares issued under the share-based incentive plans. The number of treasury shares is excluded from the weighted average number of shares.

	2023	2022
Net profit attributable to shareholders of the parent company	275.6	140.3
Weighted average number of shares outstanding (1,000 pcs)	79,196	79,152
Effect of share based incentive plans (1,000 pcs)	387	357
Weighted average number of shares outstanding, diluted (1,000 pcs)	79,583	79,508
Earnings per share, basic (EUR)	3.48	1.77
Earnings per share, diluted (EUR)	3.46	1.77

13. Goodwill and goodwill impairment testing

13.1. Goodwill

	2023	2022
Acquisition costs as of January 1	1,038.3	1,036.8
Additions	22.0	0.0
Translation difference	-3.0	1.5
Acquisition costs as of December 31	1,057.2	1,038.3
Accumulated impairments as of January 1	-18.7	-14.7
Impairments for the financial year	0.0	-3.9
Total as of December 31	**1,038.6**	**1,019.6**

13.2. General principles

Management monitors the performance of the Group through the monthly meetings and monthly reporting that take place on a business unit level. Impairment testing is done at the lowest level of the Group at which goodwill is monitored internally.

13.3. Total goodwill in reportable segments after impairments

	2023	2022
Industrial Cranes	152.9	153.7
Agilon	0.0	0.0
Goodwill in Industrial Equipment total	**152.9**	**153.7**
Industrial Crane Service	682.8	662.9
Machine Tool Service	3.8	3.9
Goodwill in Service total	**686.5**	**666.8**
Port Cranes	163.3	163.3
Lift trucks	35.8	35.8
Goodwill in Port Solutions total	**199.2**	**199.1**
Total goodwill in reportable segments as of December 31	**1,038.6**	**1,019.6**

The recoverable amounts of the CGUs are determined based on value in use calculations using the discounted cash flow method. The forecasting period of cash flows is five years and it is based on financial forecasts of the management responsible for that CGU, and adjusted by Group management if needed. Cash flows beyond the five-year period were calculated using the terminal value method. The forecasts have been made based on the CGU specific historical data, order book, the current market situation and industry specific information of the future growth possibilities taking also into consideration the effects of the climate risks and opportunities in Port Solutions product offerings. The present increase of cost inflation is considered to be covered mostly by the increases in sales prices while the long-term cost inflation is expected to return back to a lower level. The productivity and efficiency assumptions are based on internal targets, which are evaluated against actual performance These assumptions are reviewed annually as part of the management's annual planning and strategic planning cycles. Calculations are prepared during the fourth quarter of the year.

The discount rate applied to cash flow projections is the weighted average (pre-tax) cost of capital and is based on risk-free long-term government bond rates and market and industry specific risk premiums. These risk premiums are derived based on the business portfolio of companies which operate in a similar industry.

The key assumptions, being the average compound annual growth rate for the forecasted sales of the five years and the discount rate, are as follows:

	Compound annual growth rate	Discount rate
Industrial Cranes	3.7%	12.6%
Agilon	19.8%	16.2%
Industrial Crane Service	6.6%	13.1%
Machine Tool Service	2.8%	11.5%
Lift trucks	7.3%	10.8%
Port Cranes	7.5%	11.7%

The average compound growth rate for the gross profit is consistent with that of sales. Furthermore, for all the CGUs a 1% terminal growth rate has been applied.

Impairment charges
The impairment testing performed in 2023 did not result in any impairments being recognized.

Konecranes impaired in 2022 the goodwill of Agilon Cash Generating Unit due to decreased discounted cash flow projections. Agilon is an automated storage and retrieval system designed especially for maintenance, production and distribution operations and warehouse management. The development of the sales had not met the targets and consequently the cash flows had been insufficient. The business is partially based on rental model, which employs capital. The Agilon business operates mainly in region Europe and belongs to Industrial Equipment segment. According to the Goodwill test the recoverable amount of the unit was EUR 2.4 million, which was based on its value in use calculations. The discount rate used for the calculation was 14.5% (13.2% December 31, 2021).

Sensitivity analyses
In addition to impairment testing using the base case assumptions, four separate sensitivity analyses were performed for each CGU:

1) A discount rate analysis where the discount rate was increased by 5% points.

2) A Group management adjustment to the future profitability. The cash flow of each CGU was analyzed by the Group management. Based on the CGU specific historical data and future growth prospects, the cash flows were decreased by 10% in each year including terminal year.

3) A higher discount rate (+5% points) analysis combined with lower (-10%) cash flows as mentioned above.

4) A decrease in the compound annual growth rate for the sales for each of the five forecasted years (- 2% points) combined with the current discount rate.

2023
There was no indication of impairment of goodwill for any CGU from the sensitivity tests. The probability of material impairment losses is low as under the basic scenario, the calculated value in use was approximately two times higher than the CGUs' assets employed.

2022
There was no indication of impairment of goodwill for any other CGU than Agilon from the sensitivity tests. The probability of material impairment losses is low for the other CGUs in which under the basic scenario, the calculated value in use was approximately two times higher than the CGUs' assets employed.

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14. Intangible assets

2023	Patents and trademarks	Software	Other	Intangible assets total
Acquisition costs as of January 1	243.5	200.9	504.6	**949.0**
Additions	0.0	4.0	0.0	**4.0**
Disposals	0.0	-3.7	0.0	**-3.6**
Business combinations	0.0	0.0	17.7	**17.7**
Translation difference	0.0	0.0	-0.4	**-0.4**
Acquisition costs as of December 31	243.5	201.2	522.0	**966.6**
Accumulated amortization as of January 1	-20.6	-178.2	-274.8	**-473.6**
Translation difference	0.0	0.0	0.1	**0.2**
Accumulated amortization relating to disposals	0.0	3.6	0.0	**3.6**
Amortization for financial year	-0.6	-8.3	-29.7	**-38.7**
Total as of December 31	**222.2**	**18.3**	**217.6**	**458.1**

2022	Patents and trademarks	Software	Other	Intangible assets total
Acquisition costs as of January 1	243.8	191.7	504.1	**939.6**
Additions	0.0	9.8	0.0	**9.8**
Disposals	-0.3	-0.6	-1.1	**-2.0**
Business combinations	0.0	0.0	1.6	**1.6**
Translation difference	0.0	0.0	0.0	**0.0**
Acquisition costs as of December 31	243.5	200.9	504.6	**949.0**
Accumulated amortization as of January 1	-19.5	-168.4	-248.5	**-436.4**
Translation difference	0.0	0.1	0.2	**0.3**
Accumulated amortization relating to disposals	0.3	0.2	0.0	**0.5**
Amortization for financial year	-1.4	-10.0	-26.5	**-38.0**
Total as of December 31	**222.8**	**22.7**	**229.8**	**475.4**

The category Other mainly consists of customer lists and technology acquired in business combinations. They are stated at cost and amortized on a straight-line basis over their expected useful lives. The normal amortization period of intangible assets varies from 4 to 20 years. The amortization of intangible assets is included in the depreciation and impairments line in the consolidated statement of income. On December 31, 2023, and December 31, 2022, the intangible assets having indefinite useful life consisted of the Demag and Gottwald trademarks of EUR 167.0 million and EUR 51.0 million. As there is no foreseeable limit on the period over which the asset is expected to generate net cash inflows for the entity, it is classified as intangible assets having an indefinite useful life. The carrying amounts of these assets are tested on a yearly basis in connection with the goodwill impairment testing.

The addition of EUR 4.0 million (EUR 9.8 million in 2022) mainly consisted of capitalized development costs of the Group's ERP systems.

15. Property, plant and equipment

2023	Land	Buildings	Machinery & Equipment	Property, plant and equipment total
Acquisition costs as of January 1	29.7	319.0	448.8	**797.5**
Additions	0.4	42.0	64.2	**106.6**
Disposals	-0.2	-13.8	-28.2	**-42.2**
Business combinations	0.0	0.0	0.4	**0.4**
Divestments of businesses	0.0	-1.0	-11.7	**-12.7**
Transfer within assets	0.0	-0.2	0.2	**0.0**
Impairment	0.0	0.0	-0.8	**-0.7**
Translation difference	-0.3	-2.5	-1.4	**-4.3**
Acquisition costs as of December 31	29.7	343.4	471.7	**844.7**
Accumulated depreciation as of January 1	0.0	-135.9	-315.7	**-451.6**
Translation difference	0.0	0.1	0.2	**0.3**
Accumulated depreciation relating to disposals	0.0	11.8	23.1	**34.9**
Divestments of businesses	0.0	0.4	7.0	**7.4**
Depreciation for financial year	0.0	-30.7	-45.2	**-75.9**
Total as of December 31	**29.7**	**189.2**	**141.1**	**359.9**

2022	Land	Buildings	Machinery & Equipment	Property, plant and equipment total
Acquisition costs as of January 1	29.8	288.8	418.4	**737.0**
Additions	0.0	40 2	48.4	**88.6**
Disposals	0.0	-8.7	-15.0	**-23.7**
Transfer within assets	-0.2	0.1	0.0	**0.0**
Impairment	0.0	-1.1	-3.6	**-4.8**
Translation difference	0.1	-0.2	0.6	**0.5**
Acquisition costs as of December 31	29.7	319.0	448.8	**797.5**
Accumulated depreciation as of January 1	0.0	-113.0	-284.7	**-397.7**
Translation difference	0.0	0.3	0.4	**0.7**
Accumulated depreciation relating to disposals	0.0	8.3	14.4	**22.7**
Depreciation for financial year	0.0	-31.4	-45.7	**-77.2**
Total as of December 31	**29.7**	**183.1**	**133.1**	**345.9**

Classification of Property, plant and equipment	2023	2022
Property, plant and equipment, owned	218.3	213.5
Right-of-use assets, leased	141.6	132.5
Total	**359.9**	**345.9**

2023

Right of use assets	Land and Buildings	Machinery and Equipment	Total
Balance as of January 1	89.6	42.9	**132.5**
Translation difference	-0.6	-0.6	**-1.3**
Business combinations	0.0	0.4	**0.4**
New contracts and changes in lease contracts	26.9	28.1	**55.0**
Depreciation during the year	-23.1	-21.9	**-45.0**
Total as of December 31	**92.8**	**48.8**	**141.6**

2022

Right of use assets	Land and Buildings	Machinery and Equipment	Total
Balance as of January 1	76.5	39.1	**115.6**
Translation difference	0.3	0.6	**0.9**
New contracts and changes in lease contracts	36.0	23.5	**59.6**
Depreciation during the year	-23.2	-20.3	**-43.5**
Total as of December 31	**89.6**	**42.9**	**132.5**

In 2023, the EUR 0.7 million impairments of Property, plant and equipment were restructuring actions. In 2022, EUR 1.6 million of the impairments related to the war in Ukraine, EUR 2.9 million to restructuring actions and EUR 0.3 million to old rental assets.

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16. Interests in other entities and non-controlling interests

16.1. Investments accounted for using the equity method

Associated Companies	2023	2022
Acquisition costs as of January 1	2.5	1.7
Share of associated companies' result after taxes*	0.0	0.1
Dividends received	-0.3	-0.1
Change from subsidiary shares	0.0	0.8
Total as of December 31	**2.2**	**2.5**

Joint Ventures	2023	2022
Acquisition costs as of January 1	5.3	5.1
Share of joint ventures' result after taxes*	0.8	0.3
Dividends received	-0.1	-0.1
Disposals	-1.3	0.0
Total as of December 31	**4.7**	**5.3**

* Including adjustments from purchase price allocation.

16.2. Investments in Associated Companies and Joint Ventures

The following table illustrates the summarized financial information of the Group's investments and reconciliation with the carrying amount of the investments in consolidated financial statements.

2023	Carrying amount of the investment	Non-current assets*	Current assets*	Non-current liabilities*	Current liabilities*	Revenue*	Profit/loss after tax from continuing operations*	Total comprehensive income*	Dividends received
Investments in associated companies and joint ventures	6.9	2.6	40.0	0.9	19.6	46.4	1.8	1.8	0.4
Total	**6.9**	**2.6**	**40.0**	**0.9**	**19.6**	**46.4**	**1.8**	**1.8**	**0.4**

2022	Carrying amount of the investment	Non-current assets*	Current assets*	Non-current liabilities*	Current liabilities*	Revenue*	Profit/loss after tax from continuing operations*	Total comprehensive income*	Dividends received
Investments in associated companies and joint ventures	7.8	3.6	54.5	0.9	31.3	69.3	1.4	1.4	0.2
Total	**7.8**	**3.6**	**54.5**	**0.9**	**31.3**	**69.3**	**1.4**	**1.4**	**0.2**

*Asset and liability values, revenue and profit/loss represent values according to the latest published financial information.

16.3. Joint operations

Konecranes has classified the interest in AS Konesko (domiciled in Estonia) as a joint operation based on the joint arrangement agreement. AS Konesko is a strategic supplier of components used in Konecranes products. Konecranes has the exclusive right to purchase certain motors and end carriages from AS Konesko at a price to be agreed upon with AS Konesko. However, Konecranes retains ownership of the current motor designs and the trademark rights to the end carriages.

As of December 31, 2023, Konecranes owns 49.5% of AS Konesko shares..

Konecranes has recognized and accounted for the assets, liabilities, revenues and expenses relating to its interest in AS Konesko in accordance with IFRS 11.

16.4. Subsidiaries with material non-controlling interest

2023	Accumulated non-controlling interest	Goodwill	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit/loss after tax from continuing operations	Total comprehensive income
Non-controlling interests	0.0	0.0	0.5	1.6	0.1	4.2	4.1	-1.2	-1.1
Total	**0.0**	**0.0**	**0.5**	**1.6**	**0.1**	**4.2**	**4.1**	**-1.2**	**-1.1**

2022	Accumulated non-controlling interest	Goodwill	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Profit/loss after tax from continuing operations	Total comprehensive income
Non-controlling interests	0.1	0.0	1.4	5.3	0.1	6.9	6.6	-0.6	-0.6
Total	**0.1**	**0.0**	**1.4**	**5.3**	**0.1**	**6.9**	**6.6**	**-0.6**	**-0.6**

Assets and liabilities as well as revenue and profit/loss values represent the total company values including purchase price allocations. See also the company list for the ownership and principal place of business of the subsidiaries.

17. Deferred tax assets and liabilities

17.1. Deferred tax assets

	2023	2022
Employee benefits	31.4	30.2
Provisions	18.1	18.0
Unused tax losses	7.7	10.1
Other temporary differences	56.6	45.4
Total	**113.9**	**103.8**

Other temporary differences include timing differences arising, for example, from accrued costs, advances received and unrealized currency differences that are not deductible in taxation until they occur.

17.2. Deferred tax liabilities

	2023	2022
Intangible and tangible assets	109.3	114.8
Other temporary difference	22.3	18.9
Total	**131.6**	**133.7**

The deferred tax assets and deferred tax liabilities have been netted on a juridical company level when there is a legally enforceable right to offset income tax receivables against income tax payables related to income taxes levied by the same tax authority. The gross amount of deferred tax assets in 2023 were EUR 125.2 million (EUR 110.9 million in 2022) and deferred tax liabilities EUR 143 million (EUR 140.8 million in 2022).

Konecranes has not recognized the temporary differences in investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

17.3. Tax losses carried forward

At the end of 2023, Konecranes recorded a deferred tax asset of EUR 7.7 million (EUR 10.1 million in 2022) related to unused tax losses on the carry-forward losses of EUR 143.9 million (EUR 187.2 million in 2022) in total. The tax losses, for which no deferred tax assets are recognized due to the uncertainty of the utilization of the losses, amounted to EUR 112.7 million in the year 2023 (EUR 144.4 million in 2022). EUR 100.6 million of these carry-forward tax losses available have unlimited expiry, EUR 16.2 million expire later than in five years and EUR 27.1 million expire in five years.

Part of the carry-forward losses relate to Morris Material Handling, Inc., USA, which was acquired in 2006. The overall carry-forward losses of Morris Material Handling, Inc. amounted to EUR 19.8 million (EUR 23.1 million in 2022).

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To assess if the convincing evidence threshold per IAS 12 was met, Konecranes has prepared tax forecasts for future periods considering the restructuring done and the tax planning opportunities that were being implemented at that time.

Tax losses carried forward and related deferred tax assets on December 31 by the most significant countries:

2023	Tax losses carried forward	Potential deferred tax assets	Deferred tax assets not recorded	Deferred tax assets
France	52.3	13.1	13.1	0.0
USA	19.8	4.8	0.0	4.8
Austria	14.7	3.4	3.4	0.0
India	14.6	5.1	5.1	0.0
Philippines	6.7	1.7	1.7	0.0
Australia	6.4	1.9	0.0	1.9
Great Britain	6.2	1.6	1.6	0.0
Japan	3.5	1.1	1.1	0.0
Netherlands	3.0	0.4	0.4	0.0
Hong Kong	2.5	0.4	0.4	0.0
Other	14.3	3.4	2.4	1.0
Total	**143.9**	**36.8**	**29.1**	**7.7**

2022	Tax losses carried forward	Potential deferred tax assets	Deferred tax assets not recorded	Deferred tax assets
France	75.2	18.8	18.8	0.0
USA	23.1	5.5	0.0	5.5
Austria	16.4	4.1	4.1	0.0
India	25.1	6.3	6.3	0.0
Philippines	5.3	1.3	1.3	0.0
Australia	10.7	3.2	0.0	3.2
Great Britain	3.4	0.9	0.9	0.0
Japan	4.0	1.2	1.2	0.0
Netherlands	3.1	0.5	0.5	0.0
Hong Kong	2.8	0.5	0.5	0.0
Other	18.0	4.4	3.0	1.4
Total	**187.2**	**46.7**	**36.6**	**10.1**

18. Inventories

	2023	2022
Raw materials and semi-manufactured goods	389.2	357.3
Work in progress	525.7	551.9
Finished goods	23.2	38.1
Advance payments	57.7	45.3
Total	**995.9**	**992.7**

2023	Balance at the beginning of the year	Translation difference	Business disposals	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for obsolete inventory	52.2	-1.0	-1.6	-5.5	-4.3	12.2	**52.0**

2022	Balance at the beginning of the year	Translation difference	Business combinations	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for obsolete inventory	42.0	0.3	0.0	-2.8	-1.2	13.9	**52.2**

19. Ageing analysis of accounts receivable

	2023 Accounts receivable	2023 including impairment of	2022 Accounts receivable	2022 including impairment of
Not overdue	351.6	3.1	376.2	2.7
1–30 days overdue	112.2	0.4	92.9	0.8
31–60 days overdue	54.5	0.2	41.9	0.6
61–90 days overdue	26.9	0.2	26.4	1.1
more than 91 days overdue	42.3	19.5	48.1	19.2
Total	**587.5**	**23.4**	**585.6**	**24.5**

The carrying amount of accounts receivable approximates to their fair value. Accounts receivable are subject to only minor credit risk concentrations due to the Group's extensively diversified customer portfolio. Credit losses recognized from the customer contracts for the financial year totaled EUR 5.2 million (EUR 5.9 million in 2022).

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19. Ageing analysis of accounts receivable (continues)

2023	Balance at the beginning of the year	Translation difference	Business combinations	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for doubtful accounts (Impairment)	24.5	-0.8	0.0	-5.2	-4.4	9.3	**23.4**

2022	Balance at the beginning of the year	Translation difference	Business combinations	Utilized during the period	Provision not needed	Additions	Balance at the end of the year
Provision for doubtful accounts (Impairment)	26.8	0.0	0.0	-5.8	-8.2	11.7	**24.5**

The release of the provision for doubtful accounts relates to the cash received from individual receivables which were historically provided for due to management's uncertainty of their collectability.

20. Other receivables

	2023	2022
Notes receivable	4.0	5.6
Value added tax	29.5	31.2
Total	**33.5**	**36.8**

21. Deferred assets

	2023	2022
Interest	3.2	1.9
Prepaid expenses	24.1	23.0
Unbilled revenue	40.0	39.7
Other	30.7	33.4
Total	**98.0**	**98.0**

22. Cash and cash equivalents

	2023	2022
Short-term deposits	263.6	25.7
Cash in hand and at bank	323.0	388.2
Total	**586.6**	**413.9**

Short-term deposits have a maturity of three months or less. Cash and cash equivalents are carried at nominal value, which corresponds to their fair value.

23. Equity

23.1. Shareholders' equity

	Number of shares	Number of treasury shares
As of January 1, 2022	79,134,459	87,447
Share subscriptions with share awards	32,140	-32,140
As of December 31, 2022	**79,166,599**	**55,307**
Share subscriptions with share awards	35,651	-35,651
As of December 31, 2023	**79,202,250**	**19,656**

The total shareholders' equity consists of share capital, share premium, paid in capital, cash flow hedges, translation difference, other reserves and retained earnings. Consistent with local legislation, Konecranes' share has no nominal value. All issued shares are fully paid and listed on Nasdaq Helsinki.

Share premium includes the value of shares, which exceeds the accounting par value of the shares, for shares issued before September 1, 2006. Cash flow hedges include changes in the fair values of derivative financial instruments used to hedge operational cash flows. Translation differences comprise the differences arising from translating non-euro functional currency entities to euro, which is the Group's presentation currency. Other reserves include the credit for equity settled share-based payment cost. The paid in capital includes the portion of shares' subscription price which is not recorded to share capital or to liabilities according to IFRS. The paid in capital also includes other capital contributions to the Group which are not recorded to some other reserve within the equity. The paid in capital also includes the possible amount of share capital decrease which is not netted against accumulated losses or is not distributed to shareholders.

Dividend proposal per share for 2023 was EUR 1.35 and dividend for 2022 was EUR 1.25.

23.2. Distributable earnings

See page 122 / Board of Directors' Proposal to the Annual General Meeting.

24. Provisions

2023	Warranty	Restructuring	Pension commitments	Other	Total
Total provisions as of January 1	55.4	27.7	7.5	21.9	112.4
Translation difference	-0.5	0.0	-0.3	-0.2	-0.9
Increase through business combination	2.2	0.0	0.0	0.0	2.2
Additional provision in the period	33.5	18.0	1.0	9.3	61.8
Utilization of provision	-15.6	-13.2	-0.1	-6.3	-35.2
Unused amounts reversed	-16.8	-0.3	0.0	-1.5	-18.6
Total provisions as of December 31	**58.3**	**32.2**	**8.1**	**23.1**	**121.8**

2022	Warranty	Restructuring	Pension commitments	Other	Total
Total provisions as of January 1	56.4	39.8	8.0	21.8	126.1
Translation difference	-0.1	0.0	0.5	0.3	0.7
Additional provision in the period	24.1	7.9	1.0	8.4	41.4
Utilization of provision	-11.0	-19.1	0.0	-6.9	-37.0
Unused amounts reversed	-14.1	-0.9	-2.0	-1.8	-18.7
Total provisions as of December 31	**55.4**	**27.7**	**7.5**	**21.9**	**112.4**

The provision for warranties covers the expenses due to the repair or replacement of products during their warranty period. The warranty liability is based on historical realized warranty costs for deliveries of standard products and services. The usual warranty period is 12 months. For more complex contracts, mainly including long-term projects, the warranty reserve is calculated contract by contract and the warranty period can be significantly longer. The restructuring provision is recognized when the Group has prepared a detailed reorganization plan and begun the implementation of the plan or announced the matter. Pension commitments include provisions for local pension schemes.

Other provisions include provisions for claims, litigations and provisions for loss contracts in which the amount is not provided for as part of work in progress or percentage of completion receivable of the loss making project.

Restructuring costs

Konecranes has recorded EUR 26.4 million of restructuring costs during 1-12/2023 (EUR 17.0 million in 1-12/2022) of which EUR 0.2 million was impairment of assets (EUR 2.9 million for 1-12/2022). The remaining restructuring items are reported 1-12/2023 in personnel costs (EUR 21.7 million), in material, supplies and subcontracting (EUR 1.4 million), in other operating expenses (EUR 5.8 million) and in other operating income (EUR 2.7 million).

War in Ukraine

In 2022, Konecranes reviewed the risks related to the war in Ukraine regarding the effects on assets and ongoing projects and impaired the values of property, plant and equipment by EUR 2.1 million, inventories by EUR 1.5 million, receivables by EUR 0.5 million and deferred tax assets by EUR 0.4 million in Ukraine due to the circumstances, which indicated that the carrying amount is unlikely to be recoverable. In 2022, Konecranes also recorded EUR 1.1 million of additional losses and provisions to the inventories and receivables in Russia and EUR 31.0 million for the projects to Russia, including a EUR 33.5 million reversal of sales.

In 2023 some of the impairments and provisions were reversed due to changed risk position. The total value of released unutilized provisions was EUR 5.8 million and reversal of impairment for fixed assets EUR 0.3 million.

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25. Current liabilities

25.1. Accruals

	2023	2022
Wages, salaries and personnel expenses	152.3	127.7
Pension costs	10.4	8.6
Interest	18.1	11.5
Other items	46.9	50.5
Total	**227.7**	**198.3**

25.2. Other current liabilities (non-interest bearing)

	2023	2022
Value added tax	27.1	24.3
Payroll tax liability	19.1	17.6
Other short-term liabilities	15.7	14.2
Total	**61.9**	**56.1**

26. Lease accounting

Maturity of undiscounted cash flows	**2023**	**2022**
within 1 year	43.7	40.3
1–5 years	88.3	73.4
over 5 years	41.1	45.8
Total	**173.1**	**159.5**

Lease liabilities included in the balance sheet	**2023**	**2022**
Non current interest-bearing liabilities	112.7	104.0
Current interest-bearing liabilities	37.7	36.5
Total as of December 31	**150.3**	**140.5**

Amounts recognized in statement of income	**2023**	**2022**
Depreciation for right of use asset	45.0	43.5
Income for subleasing right of use asset	-1.6	-1.1
Expenses related to short-term leases	5.6	4.0
Expenses related to leases of low-value assets	1.2	2.4
Interest on lease liabilities	5.8	4.1
Total expenses	**56.1**	**52.9**
Total cash flow of leases	**56.8**	**54.7**

The Group leases land and buildings for its production and office space. The leases of production facilities typically run for a period of two to seven years, and leases of office space for one to ten years. Some leases include an option to renew the lease for an additional period after the end of the contract term. Konecranes Group has major lease agreements of factory and office buildings in Hyvinkää and Hämeenlinna, Finland. During 2022 the second extention option of 5 years for these buildings was applied. The Group has also included one additional 5-year option in the lease liability value. The Group has various other leases for office equipment, vehicles and premises with varying terms and renewal rights. Vehicles typically have a lease term of three to seven years. Leasing contracts comply with normal practices in the countries concerned. The average interest rate in lease contracts was 4.6% (3.54% in 2022).

27. Interest-bearing liabilities

27.1. Non-current

	2023	2022
Loans from financial institutions	599.9	928.8
Pension loans	15.0	20.0
Lease liabilities	112.7	104.0
Other long-term loans	0.1	3.6
Total	**727.7**	**1,056.4**

27.2. Current

	2023	2022
Loans from financial institutions	176.9	0.0
Pension loans	5.0	5.0
Lease liabilities	37.7	36.5
Other short-term loans	7.6	8.3
Total	**227.2**	**49.8**

During the year 2023 the Group voluntarily prepaid a EUR 150 million bilateral term loan in full with its cash reserves and agreed on an extension of maturity of its EUR 300 million term loan from 2024 to 2025. In addition, the Group signed a new EUR 350 million committed revolving credit facility that refinanced the previous EUR 400 million facility (2017-2024). The new revolving credit facility was undrawn at the end of December 2023. At the end of the fourth quarter, the Group's liquid cash reserves were EUR 586.6 million (31.12.2022: EUR 413.9 million). In addition, the Group may draw short-term financing from the domestic commercial paper markets within the EUR 500 million limit, which was unutilized at the end of December 2023 (31.12.2022: unutilized).

At the end of December 2023, the outstanding short- and long-term loan portfolio consists of: EUR 400 million term loans, EUR 377 million Schuldschein loan and

EUR 20 million employment pension loan. The loan portfolio contains floating and fixed rate tranches and interest swaps. The weighted average interest rate is currently 3.96% per annum. The Group is in compliance with the quarterly monitored financial covenant (gearing). No specific securities have been given for the loans. The Group continues to have healthy gearing ratio of 22.9% (31.12.2022: 48.0%) which is in compliance with the financial covenants the Group has to comply with.

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income. When the derivative is designated as a hedge (hedge accounting) the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income. The foreign exchange forward contracts are measured based on the closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on present value of the cash flows, which are discounted based on the quoted yield curves.

In addition, the Group has certain revolving facilities the details of which can be found in note 33.3.

The average interest rate of the non-current liabilities portfolio at December 31, 2023 was 4.67% (2022: 2.51%) and that of the current liabilities portfolio was 3.05% (2022: 3.93%). The effective interest rate for EUR loans varied between 0.80% - 5.28% (2022: 0.80% - 4.05%).

27.3. Maturity tables of financial liabilities and liquidity risk

The following table reflects the maturity of interest-bearing liabilities.

2023			Maturity			
Currency	Avg. duration	Avg. rate %	Less than 1 year	1–5 years	Over 5 years	Total MEUR
EUR	1.2 years	3.09	200.5	647.4	35.2	**883.2**
INR	1.8 years	9.68	0.5	1.4	0.0	**2.0**
CNY	1.3 years	4.69	1.0	0.5	0.0	**1.5**
USD	1.7 years	5.37	8.9	18.3	1.3	**28.5**
GBP	1.8 years	4.89	1.5	3.9	0.3	**5.7**
Others	0.8–3.4 years	2.23–18.39	14.8	12.3	7.0	**34.1**
Total		**4.29**	**227.2**	**683.9**	**43.8**	**954.9**

2022			Maturity			
Currency	Avg. duration	Avg. rate %	Less than 1 year	1–5 years	Over 5 years	Total MEUR
EUR	1.5 years	2.18	23.5	973.5	40.4	**1,037.4**
INR	1.7 years	8.62	0.3	0.6	0.0	**0.8**
CNY	1.5 years	4.59	1.6	1.2	0.0	**2.8**
USD	1.7 years	4.01	7.8	15.7	0.5	**24.0**
GBP	1.8 years	3.33	1.3	4.2	0.3	**5.8**
Others	1.1–3.0 years	1.43–20.78	15.3	13.3	6.7	**35.3**
Total		**2.58**	**49.8**	**1,008.5**	**47.9**	**1,106.2**

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27.4. Liquidity risk, containing undiscounted cash flows of non-derivative financial liabilities by currency

The following table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognized financial liabilities, excluding derivatives. The amounts disclosed are undiscounted net cash outflows for the respective upcoming fiscal years, based on the earliest date on which Konecranes could be required to pay. Cash outflows for financial liabilities (including interest) without fixed amount or timing are based on the conditions existing at December 31.

2023			Maturity			
Currency	Avg. duration	Avg. rate %	Less than 1 year	1–5 years	Over 5 years	Total MEUR
EUR	1.2 years	3.09	241.3	720.8	40.0	1,002.1
INR	1.8 years	9.68	0.7	1.6	0.0	2.3
CNY	1.3 years	4.69	1.0	0.5	0.0	1.5
USD	1.7 years	5.37	10.1	20.7	1.5	32.2
GBP	1.8 years	4.89	2.2	4.0	0.6	6.7
Others	0.8–3.4 years	2.23–18.39	16.7	14.8	12.9	44.4
Total debt		**4.29**	**272.0**	**762.2**	**55.0**	1,089.2
Other financial liabilities			375.3	8.1	0.0	383.4
Total financial liabilities			**647.3**	**770.3**	**55.0**	1,472.6

2022			Maturity			
Currency	Avg. duration	Avg. rate %	Less than 1 year	1–5 years	Over 5 years	Total MEUR
EUR	1.5 years	2.18	53.4	1,024.5	43.3	1,121.2
INR	1.7 years	8.62	0.3	0.6	0.0	0.9
CNY	1.5 years	4.59	1.7	1.3	0.0	3.0
USD	1.7 years	4.01	8.6	17.3	0.4	26.2
GBP	1.8 years	3.33	1.6	3.9	0.6	6.1
Others	1.1–3.0 years	1.43–20.78	17.0	15.5	13.2	45.7
Total debt		**2.58**	**82.6**	**1,063.2**	**57.4**	1,203.2
Other financial liabilities			362.4	7.9	0.0	370.3
Total financial liabilities			**444.9**	**1,071.1**	**57.4**	1,573.4

27.5. Maturity profile of the Group's financial liabilities

The following table reflects the maturity of all financial liabilities.

2023		Maturity of financial liabilities		
Liability type	**Amount drawn**	**Less than 1 year**	**1–5 years**	**Over 5 years**
Loans from financial institutions	776.8	176.9	589.9	10.0
Lease liabilities	150.3	37.7	79.0	33.7
Pension loans	20.0	5.0	15.0	0.0
Other long-term debt and short-term loans	7.7	7.6	0.0	0.1
Derivative financial instruments	11.3	11.3	0.0	0.0
Account and other payables	383.4	375.3	8.1	0.0
Total	**1,349.5**	**613.7**	**692.0**	**43.8**

2022		Maturity of financial liabilities		
Liability type	**Amount drawn**	**Less than 1 year**	**1–5 years**	**Over 5 years**
Loans from financial institutions	928.8	0.0	918.8	10.0
Lease liabilities	140.5	36.5	66.2	37.8
Pension loans	25.0	5.0	20.0	0.0
Other long-term debt and short-term loans	11.9	8.3	3.5	0.2
Derivative financial instruments	15.9	15.9	0.0	0.0
Account and other payables	370.3	362.4	7.9	0.0
Total	**1,492.3**	**428.0**	**1,016.4**	**47.9**

27.6. Changes in Group's liabilities arising from financing activities

2023	Non-current interest bearing loans	Non-current lease liabilities	Current interest bearing loans	Current lease liabilities	Financial derivatives	Total
Total liabilities as of January 1	952.4	104.0	13.3	36.5	15.9	**1,122.1**
Proceeds	0.0	0.0	0.0	0.0	0.0	**0.0**
Repayments	-160.6	0.0	-0.4	-44.1	0.0	**-205.1**
Acquisitions and disposals	0.0	0.4	0.0	0.0	0.0	**0.4**
Foreign exchange movement	-0.1	-0.9	-0.3	-0.5	0.0	**-1.7**
Changes in fair values	0.0	0.0	0.0	0.0	-4.6	**-4.6**
Changes in lease contracts	0.0	55.9	0.0	-1.1	0.0	**54.9**
Other	-176.7	-46.8	176.9	46.8	0.0	**0.2**
Total as of December 31	**615.0**	**112.7**	**189.5**	**37.6**	**11.3**	**966.2**

2022	Non-current interest bearing loans	Non-current lease liabilities	Current interest bearing loans	Current lease liabilities	Financial derivatives	Total
Total liabilities as of January 1	362.0	85.1	379.7	38.3	16.9	**882.0**
Proceeds	600.0	0.0	0.0	0.0	0.0	**600.0**
Repayments	-8.7	0.0	-366.7	-44.1	0.0	**-419.5**
Acquisitions and disposals	0.0	0.0	0.0	0.0	0.0	**0.0**
Foreign exchange movement	0.2	0.6	0.0	0.3	0.0	**1.1**
Changes in fair values	0.0	0.0	0.0	0.0	-1.0	**-1.0**
Changes in lease contracts	0.0	61.5	0.0	-1.2	0.0	**60.3**
Other	-1.0	-43.3	0.2	43.3	0.0	**-0.8**
Total as of December 31	**952.4**	**104.0**	**13.3**	**36.5**	**15.9**	**1,122.1**

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28. Other long-term liabilities

	2023	2022
Employee benefits	224.3	209.7
Other non-interest-bearing long-term liabilities	8.1	7.9
Total	**232.5**	**217.7**

28.1. Employee benefits

The company and most of its subsidiaries offer retirement plans which cover the majority of employees in the Group. Many of these plans are defined contribution, where Konecranes' contribution and resulting charge is fixed at a set level or is a set percentage of employees' pay. However the Group has significant defined benefit pension plans in the United Kingdom, Germany and Switzerland as well as individually insignificant plans in other countries. The companies in many countries also have other long-term employee benefits such as part-time pension benefits and jubilee benefits, which are reported as defined benefit plans.

The UK defined benefit plan is administered by an independent trustee company that is legally separated from the Group. The investments are managed by a professional and independent Fiduciary Manager who is appointed by the trustees. The Fiduciary Manager appoints Investment Managers as he/she see fit in order to achieve the Trustees' stated objectives for the scheme funding level and taking into account the agreed risk appetite. The Fiduciary Manager has trigger points set in conjunction with the Trustees which when reached allows he/she to make changes to the investments to repatriate the gains to achieve full funding position. The UK plan is subject to the UK's pensions legislation, is regulated by the UK Pensions Regulator and is exempt from most UK taxation through its registered status. The UK plan was closed to new members in 2005. Under the UK plan the employees are entitled to post-retirement installments calculated as an average annual basic salary from the best three years within the last ten years. The net liability in the United Kingdom was EUR 0.0 million (EUR 0.0 million in 2022).

In Germany the defined benefit pension plans are direct pension promises which are unfunded and administered by a service provider. The payments to plan participants start after retirement or in case of disability or death. Benefits are based on the number of years worked and the final salary. The commencement of pension payments depends on the beginning of the state pension when the earliest age is 63 in case of early retirement. The old age pension starting from 65 is independent of the beginning of the state pension. The biggest defined benefit pension plan in Germany is the Mannesmann Leistungsordnung (MLO), which is closed to new employees. The monthly pension benefit provided by this plan is calculated as the ratio Individual pay/Average pay, times the years of service, times 3.07, and has to be at least equal to 2.10 times the years of service. The net liability in Germany was EUR 194.6 million (EUR 184.8 million in 2022) of which the MLO plan was EUR 130.7 million (EUR 124.3 million in 2022).

The Swiss pension plans are administered via pension funds, which are legally separated from the Group. The board of Trustees of the pension funds are equally composed of representatives of both the employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets and the administration and financing of the benefits. The plans function in and comply with a large regulatory framework and comply with the local minimum funding requirements. The plans are open to new members. Both the company and employees pay contributions to fund the plans. The pension plans qualify as defined benefit plan for IFRS purposes because accruals are by law subject to a minimum guaranteed rate of return and the plan has to guarantee a certain legal minimum level of benefits. There is hence a risk that the company may have to pay additional contributions. Under the plans, participants are also insured against the financial consequences of old age, disability and death. The net liability in Switzerland was EUR 4.1 million (EUR 1.8 million in 2022) of which the pension plan was EUR 3.9 million (EUR 1.6 million in 2022).

The defined benefit plans typically expose the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The investment risk is being mitigated by investing the funds both to equity and debt instruments.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

28.2. Amounts recognized in the balance sheet

	2023	2022
Present value of obligation wholly unfunded	220.1	207.9
Present value of obligation wholly or partly funded	60.1	55.8
Defined benefit plan obligations	280.1	263.7
Fair value of plan assets	-55.8	-53.9
Total net liability recognized	**224.3**	**209.7**

28.3. Components of defined benefit plan recorded in comprehensive income

	2023	2022
Service cost:		
Current service cost	7.9	6.7
Net interest cost	7.2	2.9
Past service cost	-0.1	-0.2
Components of defined benefit plan costs recorded in profit or loss	**15.0**	**9.5**

	2023	2022
Remeasurement on the net defined benefit liability:		
The return on plan assets (excluding amounts included in the net interest expense) gains (-) / losses (+)	-0.5	20.2
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	-0.3	-0.1
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	13.2	-96.3
Actuarial gains (-) / losses (+) arising from experience	3.2	13.6
Components of defined benefit plan costs recorded in other comprehensive income	**15.5**	**-62.6**
Total (income (-) / expense (+))	**30.5**	**-53.1**

The actuarial gains / losses in 2023 and 2022 were mainly caused by the change in discount rates in the defined benefit plans of Germany, Switzerland and the United Kingdom.

28.4. Movements of the present value of defined benefit obligation

	2023	2022
Obligation as of January 1	263.7	358.0
Translation difference	1.6	-2.4
Divestment of business	-0.2	0.0
Settlements and curtailments	-0.1	0.0
Current service cost	8.0	6.9
Interest cost	10.0	4.3
Past service cost	-0.1	-0.2
Actuarial gains (-) / losses (+) arising from changes in demographic assumptions	-0.3	-0.1
Actuarial gains (-) / losses (+) arising from changes in financial assumptions	13.2	-96.3
Actuarial gains (-) / losses (+) arising from experience	3.2	13.6
Benefits paid (-)	-18.8	-20.2
Obligation as of December 31	**280.1**	**263.7**

Of the benefits paid, EUR 3.9 million (2022: EUR 6.1 million) was paid from plan assets and EUR 15.0 million (2022: EUR 14.1 million) directly by the employer.

Movements of the fair value of plan assets	2023	2022
Fair value of plan assets as of January 1	53.9	79.5
Translation difference	1.4	-1.9
Divestment of business	-0.3	0.0
Interest income	2.7	1.4
Employee contributions	0.4	0.4
Employer contributions	1.0	0.8
The return on plan assets (excluding amounts included in the net interest expense)	0.4	-20.2
Benefits paid (-)	-3.9	-6.1
Fair value of plan assets as of December 31	**55.8**	**53.9**

28.5. Major categories of plan assets at the end of the reporting period

	2023	2022
Equity instruments	6.6	4.6
Debt instruments	32.0	30.7
Insurances	2.0	13.6
Real estate	6.3	3.3
Others	9.0	1.7
Total plan assets	**55.8**	**53.9**

The plan assets do not contain any Konecranes shares or assets.

Virtually all equity and debt instruments have quoted prices in active markets. The plan assets originate from the United Kingdom, Switzerland, Germany, the Philippines and India. It is the policy of the UK fund to invest approximately 20-25% to growth assets such as equity instruments as well as property and growth funds and 75-80% to risk reducing assets such as corporate bonds and fixed or index-linked gilts. The Swiss pension funds are secured by insurances. The Company can only indirectly and partially determine the asset allocation through the 50/50 employer/employee representation in the board of Trustees. The return on plan assets was EUR 3.2 million (2022: EUR -18.8 million).

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28.6. Defined benefit plan: the main actuarial assumptions

With the objective of presenting the assets and liabilities of the defined benefit plans at their fair value on the balance sheet, assumptions under IAS 19 are set by reference to market conditions at the valuation date. Qualified independent actuaries have updated the actuarial valuations under IAS 19 of the major defined benefit schemes operated by the Group on December 31, 2023. The assumptions used by the actuaries are chosen from a range of possible actuarial assumptions which, due to the long-term nature of the schemes, may not necessarily be borne out in practice. The actuarial assumptions used to calculate the benefit liabilities therefore vary according to the country in which the plan is situated. The following table shows the assumptions, weighted by liabilities, used to value the principal defined benefit plans.

Germany	2023	2022
Discount rate %	3.30	3.71
Expected development of salaries %	2.67	2.66
Expected development of pensions %	2.00	2.00

Mortality table: Richttafeln 2018 G von Klaus Heubeck

UK	2023	2022
Discount rate %	4.80	5.00
Expected development of pensions %	3.10	3.10

Mortality table: SAPS base table of S3PA, applied at year of birth and weighted by male/female deferred members and pensioners, and CMI 2020 (2022: CMI 2020) projections with a long term improvement parameter of 1.25% (2022: 1.25%) per annum.

Switzerland	2023	2022
Discount rate %	1.35	2.15
Expected development of salaries %	1.50	1.50

Mortality table: BVG 2020 Generational and improvement factors CMI 2019 LTR 1.5%.

Other	2023	2022
Discount rate %	2.18 - 15.44	2.80 - 10.50
Expected development of salaries %	1.14 - 11.00	1.16 - 11.00
Expected development of pensions %	1.60 - 10.59	2.00 - 10.57

The below table shows the % effect of a change in the significant actuarial assumptions used to determine the retirement benefits obligations in our main defined benefit pension obligation countries. The effect shows the increase or decrease in the liability. In the calculation of the sensitivity of the discount rate, any effect from the return of plan assets has been ignored.

Sensitivity analysis	Increase	Decrease
0.5% points change in the discount rate	-5.4%	5.9%
0.5% points change in the expected development of salaries	0.4%	-0.4%
0.5% points change in the expected development of pensions	3.2%	-3.0%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. A linear extrapolation of these amounts based on alternative changes in the assumptions as well as an addition of combined changes in the individual assumptions is not possible.

There are no changes in the way the sensitivity analyses were performed compared to the previous years.

The average duration of the defined benefit obligation weighted by the present value of the defined benefit obligation is 11 years (2022: 12 years).

The Group expects to contribute EUR 1.0 million to the above defined benefit pension plans in 2024 (Employer contribution).

29. Share-based payments

Performance Share Plans	Plan 2020-2022	Plan 2021-2023	Plan 2022-2024	Plan 2023-2025
Performance period	1.1.2020-31.12.2022	1.1.2021-31.12.2023	1.1.2022-31.12.2024	1.1.2023-31.12.2025
Vesting year	2023	2024	2025	2026
Maximum number of participants	170	170	170	170
Maximum number of shares	600,000	634,921	600,000	700,000
Non-market vesting conditions	Separate 1-year targets:	Separate 1-year targets:	Separate 1-year targets [2]:	Cumulative targets:
	Adjusted EPS [1]	Adjusted EPS [1]	Adjusted EPS [1]	Adjusted EPS [1] (60%)
				Compound annual growth rate (CAGR) for Sales (40%)

1) Adjustments to the EPS include restructuring costs, costs related to mergers and acquisitions and separately defined other exceptional items.
2) For the 2022-2024 vesting periods granted in 2022 the equity settled portion is based on non-market vesting condition (adjusted EPS) for the year 2022 and 2023 when the condition for 2024 is still open.

The payment of the total reward takes place if the plan term conditions are met. The potential rewards from the plan will be paid partly in company shares and partly in cash after the performance periods. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the plan participants. As a rule, no reward will be paid if plan participant's employment or service ends before the reward payment.

Restricted Share Unit Plan
The Restricted Share Unit Plan 2017 is directed to selected key employees in Konecranes. The vesting periods will last for 12 to 36 months. The prerequisite for reward payment is that a key employee's employment or service continues until the end of the vesting period. The rewards to be allocated on the basis of the entire plan will amount to a maximum total of 200,000 Konecranes Plc shares including also the proportion to be paid in cash. No shares (17,170 in 2022) of the restricted share unit plan were allocated during 2023.

Restricted Share Unit Plan 2020
Konecranes Plc and Cargotec Corporation signed on October 1, 2020, a combination agreement and a merger plan to combine the two companies through a merger. The Board of Directors of Konecranes Plc decided to establish a share-based incentive plan for the Group key employees. The Restricted Share Unit Plan 2020 was intended to function as a bridge plan for the transition period before the closing of the Transaction and forming the combined company in the merger. The aim of the Plan was to align the objectives of the shareholders and the key employees, to secure business continuity during the Transition Period, and to retain key employees at the company.

As the merger was cancelled in March 2022, also the Restricted Share Unit Plan 2020 was cancelled in 2022

Ownership Obligations
A member of the Konecranes Leadership Team must hold a minimum of 50 percent of any net shares given on the basis of these plans, until the member's shareholding in the company in total corresponds to the value of the member's annual salary and the member's membership in the Konecranes Leadership Team continues.

Fair value
The fair value of the equity-settled portion of the share rights granted is estimated at the date of grant using a Monte-Carlo simulation model, taking into account the terms and conditions upon which the share rights were granted. The model simulates the TSR and compares it against the group of principal competitors. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Group and its competitors to predict the distribution of relative share performance. Fair value of the cash-settled portion is measured at each reporting date using a binomial option pricing model taking into account the terms and conditions upon which the instruments were granted and the current likelihood of achieving the specified target.

Employee Share Savings Plan
The Group has launched an Employee Share Savings Plan (ESSP) in which each participant will receive one free matching share for every two acquired savings shares. Matching shares will be delivered to a participant if the participant holds the acquired shares from the plan until the end of the designated holding period. The matching shares will be paid in Konecranes shares and partly in cash. The expenses of the plan are recognized over the vesting period based on the quarterly acquired savings share amounts.

The fair value of the equity-settled portion of the share options granted is estimated at the date of grant using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted. Fair value of the cash-settled portion is measured at each reporting date using a binomial option pricing model taking into account the terms and conditions upon which the instruments were granted and the current likelihood of achieving the specified target.

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29.1. Expenses for employee service

	2023	2022
Expense arising from equity-settled share-based payment transactions	15.7	6.7
Expense arising from cash-settled share-based payment transactions	1.2	-1.9
Total expense arising from share-based payment transactions	**16.9**	**4.7**

The carrying amount of the liability arising from cash settled portion was EUR 1.4 million (2022: EUR 0.8 million).

29.2. Changes in the number of gross share rewards in Performance Share Plan

	2023 Number of shares	2022 Number of shares
As of January 1	1,655,470	1,715,800
Share rewards granted	625,500	581,670
Share rewards awarded	-351,338	-149,661
Share rewards expired	-159,062	-477,839
Share rewards forfeited	-32,280	-14,500
Total as of December 31	**1,738,290**	**1,655,470**

29.3. Changes in the number of net share rewards in Restricted Share Unit Plan 2020

	2023 Number of shares	2022 Number of shares
As of January 1	0	110,686
Share rewards expired	0	-110,686
Total as of December 31	**0**	**0**

29.4. Changes in the number of gross share rewards in Employee Share Savings Plan

	2023 Number of shares	2022 Number of shares
Outstanding as of January 1	209,577	190,438
Share rewards granted	76,393	84,047
Share rewards awarded	-71,027	-52,620
Share rewards forfeited	-13,159	-12,288
Outstanding as of December 31	**201,784**	**209,577**

29.5. Assumptions made in determining the fair value of Performance Shares Plan

The fair value for the cash settled portion is remeasured at each reporting date until the possible share delivery. The fair value of the liability will thus change in accordance with the Konecranes Plc share price. The fair value for the equity settled portion has been determined at grant using the fair value of Konecranes share as of the grant date and expected dividend yield.

	2023 plan	2022 plan	2021 plan	2020 Restricted share unit plan	2020 plan
Share price at grant, EUR	35.34	22.13	38.77	27.74	26.95
Share price at reporting period end 31.12., EUR	40.78	40.78	40.78	40.78	40.78
Expected volatility, %*	34.0%	48.0%	26.0%	31.0%	32.0%
Risk-free interest rate, %	2.8%	0.7%	0.0%	0.0%	0.0%
Expected dividend per share, pa, EUR	1.4	1.3	1.7	3.2	1.7
Expected contractual life in years	2.9	2.8	2.8	0.0	2.5
Weighted average fair value of the share rewards at the grant date	31.21	18.20	33.75	24.54	22.59
Model used	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

* Expected volatility was determined by calculating the historical volatility of the Konecranes share using monthly observations over corresponding maturity.

30. Related party transactions

The related parties of Konecranes include subsidiaries (see Company list), associated companies, joint ventures and joint operations, pension fund in the United Kingdom and the key management personnel of the Group and major shareholders. The key management personnel of the Group is comprised of the Board of Directors, the CEO and the Konecranes Leadership Team.

30.1. Key Management compensation

Board of Directors

The remuneration packages for Board members are resolved by the Annual General Meeting (AGM) on proposal by the Nomination Committee. The AGM 2023 confirmed an annual fee of EUR 150,000 for the Chairman of the Board (2022: EUR 140,000), EUR 100,000 for the Vice Chairman of the Board (2022: EUR 100,000), and EUR 70,000 for other Board members (2022: EUR 70,000). In case the term of office of a Board member ends before the closing of the Annual General Meeting in 2024, he or she is entitled to the prorated amount of the annual remuneration calculated on the basis of his or her actual term in office. Members of the Board of Directors are also eligible for a meeting fee of EUR 1,000 for each meeting that they attend. In addition, compensation of EUR 1,500 was approved per meeting for attendance at Board committee meetings (2022: EUR 1,500). However, the chairman of the audit committee is entitled to a compensation of EUR 5,000 (2022: EUR 3,000) and the chairman of the human resources comittee EUR 3,000 per meeting for attendance at committee meetings.

According to the proposal, 40% of the annual remuneration is to be used for acquiring shares in the company. The remuneration may also be paid by transferring treasury shares based on the authorization given to the Board of Directors by the General Meeting. In case such purchase of shares cannot be carried out due to reasons related either to the company or to a board member, the annual remuneration shall be paid entirely in cash.

Travel expenses will be compensated against receipt.

2023

Total compensation to the Board of directors	Number of shares as part of compensation	Value of compensation in shares, EUR	Compensation paid in cash, EUR	Total compensation, EUR
Chairman of the Board	2,023	63,614	125,552	189,166
Board members	7,473	234,288	558,876	793,164
Total	**9,496**	**297,903**	**684,427**	**982,330**

2022

Total compensation to the Board of directors	Number of shares as part of compensation	Value of compensation in shares, EUR	Compensation paid in cash, EUR	Total compensation, EUR
Chairman of the Board	1,874	51,298	90,036	141,334
Board members	7,167	192,005	394,831	586,836
Total	**9,041**	**243,304**	**484,866**	**728,170**

Expense of statutory pension plans was EUR 0.1 million in 2023 (EUR 0.1 million in 2022).

President and CEO

The Human Resources Committee reviews the President and CEO's performance. Based on this review and relevant facts, the Board sets the total compensation package for the President and CEO.

On August 6, 2021, Konecranes announced that Rob Smith has decided to leave the company. He left Konecranes on December 31, 2021. The company's CFO, Teo Ottola, who also serves as Deputy CEO, acted as the interim CEO from January 1, 2022, until October 18, 2022. Konecanes announced June 10, 2022, that Anders Svensson has been appointed as Konecranes' new President and CEO and he assumed his role on October 19, 2022.

President and CEO	2023	2022
Salary and benefits, EUR (Anders Svensson October 19, 2022 - December 31, 2023, Teo Ottola January 1, 2022-October 18, 2022)	814,208	750,905
Annual variable pay, EUR	0	1,087,088
Total	**814,208**	**1,837,993**
Expense of statutory pension plans (Anders Svensson October 19, 2022 - December 31, 2023, Teo Ottola January 1, 2022-October 18, 2022)	136,565	203,162
Expense of voluntary pension plans (Anders Svensson October 19, 2022 - December 31, 2023, Teo Ottola January 1, 2022-October 18, 2022)	160,000	48,802
Total	**296,565**	**251,964**
Accrued annual variable pay of CEO The accrual of variable pay is paid during the following year.	799,203	48,557
Shareholding in Konecranes Plc (number of shares)	324	0
Performance share rights allocated (number of share rights)	72,170	17,170
Share-based payment costs, EUR	564,439	-68,933
Retirement age	63 years	63 years
Period of notice	6 months	
Severance payment (including 6 months notice period)	18 months salary and fringe benefits	

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Konecranes Leadership Team

The Konecranes Leadership Team (KLT) convenes as frequently as necessary, normally on a monthly basis. Business Areas have their own management teams that convene on a regular basis. Only the KLT is classified as key management personnel due to the decision making power.

The Konecranes Leadership Team consists of the following members:

- President and CEO
- Chief Financial Officer, Deputy CEO
- Executive Vice President, Industrial Service and Equipment
- Executive Vice President, Port Solutions, and Executive Vice President, Technologies
- Senior Vice President, Human Resources
- Senior Vice President, General Counsel

The Human Resources Committee of the Board will, based upon a recommendation by the President and CEO, make a proposal to the Board concerning the approval of the base compensation review and incentive levels for KLT members.

The retirement age of the Finnish members of the KLT (excluding the President and CEO) is set according to the Employees Pensions Act (TyEL). The Finnish members of the KLT also participate in the contribution-based group pension insurance scheme offered to key personnel in Finland. The defined contribution payment by the company is 1% of annual salary excluding performance based compensation (annual or long-term incentives). The Finnish KLT members also have life insurance and disability insurances. Non-Finnish members have local insurances.

Konecranes Leadership Team excluding the President and CEO	2023	2022
Salary and benefits, EUR	1,992,325	1,952,574
Annual variable pay, EUR	571,026	1,859,503
Total	**2,563,351**	**3,812,077**
Expense of statutory pension plans	301,595	430,913
Expense of voluntary pension plans	13,434	14,358
Total	**315,029**	**445,271**
Shareholding in Konecranes Plc (number of shares)	156,037	162,796
Performance share rights allocated (number of share rights)	202,000	256,000
Share-based payment costs, EUR	2,657,376	196,577

There were no loans outstanding to the Konecranes Leadership Team at end of the period 2023 and 2022.

There were no guarantees on behalf of the Konecranes Leadership Team in 2023 and 2022.

The employee benefits to the key management personnel of the Group were in total EUR 8.9 million in 2023 (EUR 6.6 million in 2022).

30.2. Transactions with associated companies and joint arrangements

	2023	2022
Sales of goods and services with associated companies and joint arrangements	18.9	25.4
Receivables from associated companies and joint arrangements	2.3	4.1
Purchases of goods and services from associated companies and joint arrangements	67.7	64.5
Liabilities to associated companies and joint arrangements	0.9	1.5

Sales to and purchases from related parties are concluded using terms equivalent to arm's length transaction.

30.3. Transactions with Pension Fund in the United Kingdom

	2023	2022
Employer contributions	0.0	0.2

31. Guarantees and contingent liabilities

	2023	2022
For own commercial obligations		
Guarantees	1,088.3	862.5
Other	61.6	72.7
Total	**1,149.9**	**935.2**

From time to time Konecranes provides customers with guarantees that guarantee the company's obligations pursuant to the applicable customer contract. In sales of investment goods (machinery) the typical guarantees are the following:

- tender guarantees (bid bonds) given to the customer to secure the bidding process
- advance payment guarantees given to the customer to secure their down payment for project
- performance guarantees to secure customers over the Company's own performance in customer contracts, and
- warranty period guarantees to secure the correction of defects during the warranty period.

Contingent liabilities relating to litigation

Various legal actions, claims and other proceedings pend against the Group in various countries. These actions, claims and other proceedings are typical of this industry and consistent with a global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn and asbestos legacy), employment, vehicles and other matters involving claims of general liability.

While the final outcome of these matters cannot be predicted with certainty, Konecranes has the opinion, based on the information available to date and considering the grounds presented for such claims, the available insurance coverage and the reserves made, that the outcome of such actions, claims and other proceedings, if unfavorable, would not have a material, adverse impact on the financial condition of the Group.

32. Financial assets and liabilities

32.1. Carrying amounts of financial assets and liabilities

	2023				2022			
Financial assets	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item	Fair value through OCI	Fair value through income statement	Amortized cost	Carrying amounts by balance sheet item
Current financial assets								
Account and other receivables	0.0	0.0	621.0	**621.0**	0.0	0.0	622.5	**622.5**
Derivative financial instruments	13.6	9.9	0.0	**23.5**	12.2	31.5	0.0	**43.7**
Cash and cash equivalents	0.0	0.0	586.6	**586.6**	0.0	0.0	413.9	**413.9**
Total	**13.6**	**9.9**	**1,207.6**	**1,231.1**	**12.2**	**31.5**	**1,036.3**	**1,080.0**
Financial liabilities								
Non-current financial liabilities								
Interest-bearing liabilities	0.0	0.0	727.7	**727.7**	0 0	0.0	1,056.4	**1,056.4**
Other payables	0.0	0.0	8.1	**8.1**	0.0	0.0	7.9	**7.9**
Current financial liabilities								
Interest-bearing liabilities	0.0	0.0	227.2	**227.2**	0.0	0.0	49.8	**49.8**
Derivative financial instruments	5.3	6.0	0.0	**11.3**	10.7	5.2	0.0	**15.9**
Account and other payables	0.0	0.0	375.3	**375.3**	0.0	0.0	362.4	**362.4**
Total	**5.3**	**6.0**	**1,338.2**	**1,349.5**	**10.7**	**5.2**	**1,476.4**	**1,492.3**

Additional information on financial instruments is presented in Note 34.

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32.2. Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial assets and liabilities:

	Carrying amount		Fair value		
Financial assets	**2023**	**2022**	**2023**	**2022**	**Note**
Current financial assets					
Account and other receivables	621.0	622.5	621.0	622.5	19,20
Derivative financial instruments	23.5	43.7	23.5	43.7	34.1
Cash and cash equivalents	586.6	413.9	586.6	413.9	22
Total	**1,231.1**	**1,080.0**	**1,231.1**	**1,080.0**	
Financial liabilities					
Non-current financial liabilities					
Interest-bearing liabilities	727.7	1,056.4	734.7	1,082.4	27.1
Other payables	8.1	7.9	8.1	7.9	
Current financial liabilities					
Interest-bearing liabilities	227.2	49.8	227.6	49.8	27.2
Derivative financial instruments	11.3	15.9	11.3	15.9	34.1
Account and other payables	375.3	362.4	375.3	362.4	25.2
Total	**1,349.5**	**1,492.3**	**1,356.9**	**1,518.3**	

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the loan.

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 - quoted prices in active markets for identical financial instruments
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the financial instrument that are not based on observable market data (unobservable inputs)

32.3. Hierarchy of fair values

The following table allocates financial assets and financial liabilities measured at fair value to the three levels of the fair value hierarchy.

	2023			2022		
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Derivative financial instruments						
Foreign exchange forward contracts	0.0	22.9	0.0	0.0	41.9	0.0
Commodity derivatives	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate derivatives	0.0	0.6	0.0	0.0	1.8	0.0
Total	**0.0**	**23.5**	**0.0**	**0.0**	**43.7**	**0.0**
Other financial assets						
Cash and cash equivalents	585.6	0.0	1.0	413.1	0.0	0.8
Total	**585.6**	**0.0**	**1.0**	**413.1**	**0.0**	**0.8**
Total financial assets	**585.6**	**23.5**	**1.0**	**413.1**	**43.7**	**0.8**
Financial liabilities						
Derivative financial instruments						
Foreign exchange forward contracts	0.0	11.1	0.0	0.0	15.8	0.0
Commodity derivatives	0.0	0.2	0.0	0.0	0.1	0.0
Total	**0.0**	**11.3**	**0.0**	**0.0**	**15.9**	**0.0**
Other financial liabilities						
Interest bearing liabilities	0.0	954.9	0.0	0.0	1,106.2	0.0
Other payables	0.0	0.0	1.4	0.0	0.0	0.8
Total	**0.0**	**954.9**	**0.8**	**0.0**	**1,106.2**	**0.8**
Total financial liabilities	**0.0**	**966.1**	**0.8**	**0.0**	**1,122.1**	**0.8**

There were no significant changes in classification of fair value of financial assets and financial liabilities in the period 2022 to 2023. There were also no significant movements between the fair value hierarchy classifications.

The level 3 valuations in other payables are contingent consideration liabilities resulting from business combinations or the acquisition of non-controlling interest and the cash-settled share-based payment liability.

33. Management of financial risks

The nature of Konecranes' business and its global presence exposes it to a range of financial risks. These risks include (i) market risks, which include potential unfavorable changes in foreign exchange rates, interest rates and commodities (ii) liquidity risk and (iii) credit and counterparty risk.

33.1. Market risk

The responsibility of identifying, evaluating and controlling the financial risks arising from the Group's global business operations is divided between the business units and the Group Treasury. However, the Group uses an approach in which most of the management of financial risks is centralized to Konecranes' Group Treasury. The Group Treasury functions within the legal entity Konecranes Finance Corporation. By centralization and netting of internal foreign currency cash flows, the Group's external hedging needs can be minimized.

Konecranes Finance Corporation is not a profit center in the sense that it would pursue to maximize its profits. The company aims to serve the operating companies of the Group in reducing their financial risks.

The Group's global business operations involve market risks in the form of currency, interest rate and commodity risk. The Group's objective is to increase the short-term stability of the financial environment for the business operations by reducing the negative effects caused by price fluctuations and other uncertainties in the financial markets.

Business units hedge their risks internally with the Group Treasury. As a result of this, most of the financial risks of the Group are concentrated into one company, Konecranes Finance Corporation, and can be evaluated and controlled in an efficient way.

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Almost all funding, cash management and foreign exchange with banks and other external counterparties are centralized to and managed in Konecranes Finance Corporation in accordance with the Group's Treasury Policy. In a few special cases, when the local central bank regulation prohibits using group services in hedging and funding, this must be done directly between an operating company and a bank under the supervision of the Group Treasury.

Konecranes Finance Corporation uses a treasury system, which enables practically a real-time processing of transactions and in-depth records of activities and performance. The standard reporting is done on a weekly basis and it covers group-level commercial and financial cash flows, foreign currency transaction exposure, debt positions, portfolio of derivatives and counterparty credit exposure for financial transactions. In addition, all Group companies participate in the monthly managerial and statutory reporting.

Foreign exchange risk

The Group's global business operations generate foreign exchange risk. However, most of the business units only have transactions in their own currency, i.e. these units have their sales and costs as well as internal funding from Konecranes Finance Corporation in their local home currency. Only 30 out of some 150 Group companies operate regularly in a foreign currency. These companies hedge their foreign exchange risk with Group Treasury. Depending on the business area and the probability of the cash flows, the hedging covers operative cash flows for the next 1–24 months and is done by using internal foreign exchange forward contracts. In this way, Konecranes Finance Corporation can manage the foreign exchange risk of the whole Group. The foreign currency funding of the other Group companies and possibly some external foreign currency funding can net some of these foreign currency items. The residual net exposure can be covered with commercial banks using foreign exchange forward contracts or currency options. Currency derivatives belonging to hedge accounting are managed in a separate portfolio than derivatives hedging other commercial flows and funding and cannot thus be netted out against other internal items. These instruments are used when the hedging effect cannot be obtained through internal netting and matching of cash flows within the Group.

The business units' commercial bids in a foreign currency can be hedged by using currency options or exchange forwards, but, in general, using currency clauses covers the risk.

For certain large crane projects, the Group applies hedge accounting under IAS 39. Hedges are done by using foreign exchange forward contracts. Currently, only USD denominated projects are included in the hedge accounting. The hedge accounting portfolio comprises both USD sales and purchases where gross flows are hedged separately. At the end of 2023, the hedge accounting net cash flows totaled USD 293 million (USD 338 million in 2022).

The following table shows the transaction exposure of Konecranes Finance Corporation as of December 31, 2023, and December 31, 2022 (in EUR millions):

	2023	2022
AED	-1	1
AUD	32	57
BRL	2	3
CAD	28	36
CHF	3	4
CLP	0	1
CNY	-102	-35
CZK	-4	-15
DKK	0	8
GBP	83	85
HUF	0	-3
IDR	7	8
INR	4	2
JPY	0	1
KZT	0	-1
MXN	-2	-2
MYR	2	14
NOK	2	2
PHP	6	5
PLN	0	1
RON	2	1
SEK	-148	-181
SGD	-5	-27
THB	4	6
TWD	1	0
USD	294	427
VND	1	1
ZAR	2	4

The following table shows the translation exposure, which represents the equity of the Group in a local currency as of December 31, 2023, and December 31, 2022 (in EUR millions):

	2023	2022
AED	10	10
AUD	13	12
BDT	1	1
BRL	18	19
CAD	14	11
CHF	7	9
CLP	13	11
CNY	109	90
CZK	11	10
DKK	8	6
GBP	-17	-18
HKD	1	1
HUF	2	3
INR	17	8
IDR	15	17
JPY	-3	-8
MAD	1	2
MXN	4	1
MYR	8	11
NOK	1	1
PEN	7	6
PHP	2	4
PLN	3	2
RON	2	2
RUB	4	6
SAR	-2	-2
SGD	17	5
SEK	-8	-10
THB	11	15
TRY	0	-1
TWD	3	4
UAH	-1	-1
USD	112	57
VND	1	1
ZAR	6	4

See note 34 for the notional and fair values of derivative financial instruments.

Changes in currency rates can affect the profitability and equity of the Group. The US dollar has the biggest impact, as many of the large crane projects outside the United States are denominated in USD and because the Group has a lot of local business operations in the United States. A depreciation of the USD would have a negative impact.

The following table shows the theoretical effects that changes in the EUR/USD exchange rate would have on the Group's annual EBIT and equity. An appreciation of US dollar against euro for 10% increases EBIT by EUR 64.2 million (48.9 million in 2022) and increases equity by EUR 12.7 million (6.4 million in 2022). The below table provides a sensitivity analysis over the past two years:

Change in EUR/USD rate	2023 EBIT	2023 Equity	2022 EBIT	2022 Equity
+10%	-52.5	-10.4	-40.0	-5.3
-10%	+64.2	+12.7	+48.9	+6.4

The EBIT effect comprises transaction exposure for euro-based companies having frequent sales in USD and the translation exposure from EBIT generated in USD translated into euros. The transaction position is estimated for 2023 as the USD positions change from one year to another and these changes are mainly due to timing of major ports projects and currencies used in them. The estimate of the effects is based on the assumption that the USD denominated transactions are not hedged. In practice, however, all large projects with long maturities generating a substantial portion of the annual changes in the transaction position are hedged and subject to project specific pricing, and the sensitivity changes based on the net exposure of the outstanding payables and receivables at the year end 2023 are not material. The change in equity is the translation exposure on the Group's equity in USD.

The appreciating USD has a positive impact on the Group's operating margin when it impacts the revenues and costs reported in euros asymmetrically. This is due to the fact that the exchange rate change impacts mostly both Group's revenues and costs and partly only either of these. If the EBIT generated in USD based entities as well as cash flows from long-lasting projects, as they are subject to project specific pricing which in practice may be adjusted to reflect the currency rate changes, are excluded from the sensitivity analysis, the effect on EBIT is estimated to be approximately a EUR 11 million increase (EUR 12 million in 2022) when the dollar appreciates 10 percent.

Interest rate risk

Changes in market interest rates have an impact on the Group's net interest expenses and the market value of interest rate derivatives. The objective for interest rate risk management is to reduce the volatility impact the market interest rate changes cause by optimizing the allocation between fixed and floating interest rates according to principles set in capital structure management.

Approximately 92% of the Group's interest-bearing liabilities are denominated in euro (94% in 2022). See note 27.3 for the currency split of outstanding debt

The portion of the Group's long-term debt of total debt is related to the Group's gearing ratio. The higher the ratio is, the bigger the share of long-term debt should be of the total loan portfolio in line with principles set in the capital structure management. The interest rate risk related to long-term loans may be hedged with interest rate derivatives such as interest rate swaps for which hedge accounting is applied. Other instruments that can be used for which no hedge accounting is applied are forward rate agreements, interest rate futures and interest rate options.

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A change of one percentage point in interest rates in the Group's long-term debt portfolio would have the following effect on the Group's income statement and equity:

Change in interest rates	2023 Income statement	2023 Equity	2022 Income statement	2022 Equity
+1	-4.8	+1.4	-7.5	+2.8
-1	+5.4	-1.5	+7.8	-3.0

The sensitivity analysis is excluding the interest-bearing assets. The effect on income statement is comprised of the Group's floating long-term debt which is recognized through the statement of income. The effect on equity is comprised of the changes in fair value of interest rate derivatives, measured through other comprehensive income, which are hedging the debt portfolio.

Commodity risk

By using fuel oil derivatives, the Group may reduce the negative effect caused by oil price fluctuation on its sea freight transportation costs. In case the transportation cost is linked to EU greenhouse gas emission prices, the Group may opt to hedge the price risk of such emissions as well.

In certain large crane projects, price of some sub-contracted components may be floating with the market prices of certain metals, such as copper or nickel. In such cases the Group may enter into commodity derivatives that mitigate the metal price fluctuation risk.

The overall importance of the energy, metal and emission price risk is small compared to other financial risks and cannot be described as significant.

See note 34 for the notional and fair values of derivative financial instruments.

Steel prices are fixed as a normal part of the procurement process. Price changes naturally affect the future procurement, but these changes can be taken into consideration in the price quotes to the end customers. In large crane projects, the steel structures are sub-contracted and as a normal part of the sub-contracting process, the steel is included in the price of the subcontracting (i.e. the price is fixed with the subcontractor).

The Group can procure steel and steel components and thus may have an inventory of those. Market price fluctuation of steel can impact the profitability of customer projects or cause inventory obsolescence.

33.2. Credit and counterparty risks

Credit risk arises from the potential failure of a commercial counterparty to meet its commercial payment obligations. To limit this risk, the Group applies a conservative credit policy towards customers. It is Konecranes' practice to review customers carefully before entering into formal business relationships and to require credit reports from new customers. Customer credit risks are mitigated with advance payments, letters of credits, payment guarantees and credit insurance where applicable. With these actions and careful monitoring of the customer payments, credit risks can be mitigated.

The business units manage credit risks related to their commercial flows. There is currently no significant concentration of credit risk regarding the commercial activities, as the number of customers is high and their geographic distribution is wide. It is the Group's policy not to fund its customers beyond regular payment terms. See note 19 for a table of an aging analysis of accounts receivable. The theoretical maximum credit risk equals the carrying amount of all receivables.

Counterparty risk arises from the potential failure of a financial institution to meet its payment obligations regarding financial instruments. All credit risks related to other financial instruments than the regular accounts receivable are managed by Konecranes Group Treasury. There is no substantial concentration of credit risk regarding the financial instruments, since investments are rare and hedging instruments are done with a number of banks. Additionally, counterparties for financial instruments are limited to the core banks of the Group. These are all major banks with good credit ratings. The majority of all financial instruments are of short-term nature, with maturity of less than one year. There are no significant deposits or loans granted with external counterparties.

The Group has counterparty risk in form of cash holdings in several banks around the world. Despite the active cash management structures the Group has in place, cash holdings globally with several banks are needed to ensure the liquidity of Group companies. The Group Treasury follows closely the exposure in the Group according to principles set out in the Treasury Policy and takes necessary actions for reducing the risk.

A credit risk is run on the financial assets of the Group, which consist of cash and cash equivalents, receivables and certain derivatives arising from default of the other party, with a maximum risk equal to the carrying amount of these instruments.

33.3. Liquidity risks

Liquidity risks concern the availability of liquid assets or funding. Lack of funding might jeopardize normal business operations and eventually might endanger the ability to fulfill daily payment obligations.

For managing the liquidity risks, the Group has established EUR 350 million committed revolving credit facility with an international loan syndication (2023-2028). At the end of 2023 the facility was unutilized. To cover the short-term funding needs, Konecranes Finance Corporation can borrow from institutional investors through domestic commercial paper program (totaling EUR 500 million). In addition, business units around the world have working capital facilities totaling some EUR 270 million to cover the day-to-day funding needs. Cash and cash equivalents totaled EUR 586.6 million at the end of 2023 (EUR 413.9 million in 2022).

See note 27.3 for the maturity profile of the Group's financial liabilities.

33.4. Capital structure management

The primary objective of the Group's capital structure management is to ensure that it maintains a good credit status and a healthy capital ratio to support its business operations. At the same time, the Group also aims to maximize shareholder value by effective use of capital.

The Group manages its capital structure and fine-tunes it to adjust to probable changes in economic conditions. These actions may include adjusting the dividend payment to shareholders, buying back own shares or issuing new shares.

The Group monitors its capital structure using gearing ratio. This is calculated as a ratio of interest-bearing liabilities less liquid assets less loans receivable to total equity. At the end of 2023, the gearing ratio was 22.9% (48.0% in 2022).

The Group has a quantitative target for the capital structure in which the interest-bearing net debt to equity ratio (gearing) should be below 80%.

The Group decides on the split between long-term and short-term debt in relation to the gearing ratio level. The following table shows the rough guidelines for the portion of long-term debt of total debt under different gearing ratio levels:

Gearing ratio level	Portion of long-term of total debt
Under 50%	Under 1/3
Between 50–80%	Between 1/3 and 2/3
Over 80%	Over 2/3

The Group monitors the gearing ratio level on a weekly basis. The target of the Group's capital management has been met in recent years.

34. Hedge activities and derivatives

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income When the derivative is designated as a cash-flow hedge (hedge accounting) the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income. The foreign exchange forward contracts are measured based on the closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on present value of the cash flows, which are discounted based on the quoted yield curves.

34.1. Nominal and fair values of derivative financial instruments

	2023 Nominal value	2023 Fair value	2022 Nominal value	2022 Fair value
Foreign exchange forward contracts	1,737.3	11.9	1,609.6	26.1
Interest rate derivatives	300.0	0.6	300.0	1.8
Commodity derivatives	4.5	-0.2	1.7	-0.1
Total	**2,041.8**	**12.2**	**1,911.3**	**27.8**

See note 32.3 for the fair values of the derivatives recognized in assets and liabilities .

Derivatives not designated as hedging instruments

The Group also enters into other derivatives, foreign exchange or currency options with the intention of reducing the risk in expected sales and purchases. These other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Cash flow hedges

Foreign currency and interest risk

Foreign exchange forward contracts and interest rate swaps measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales and purchases in US dollar and interest expenses. These forecast transactions are highly probable, and they comprise about 44.7% of the Group's total hedged transaction flows. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

At the inception of these deals the Group assesses whether the critical terms of the foreign currency forward contracts and interest rate swaps match the terms of the expected highly probable forecast transactions. On a quarterly basis the Group performs a qualitative effectiveness test by checking that the hedging instrument is linked on the relevant assets and liabilities, projected business transactions or binding contracts according to the hedging strategy and that there are no related credit risks. Hedge ineffectiveness is recognized through profit or loss.

The cash flow hedges of the expected future sales, purchases and interest expenses in 2023 and 2022 were assessed to be highly effective and a net unrealized gain or loss, with a deferred tax asset relating to the hedging instruments, is included in OCI. The amounts recognized in OCI are shown in the table below and the reclassifications to profit or loss during the year are as shown in the consolidated statement of income.

34.2. Fair value reserve of cash flow hedges

	2023	2022
Balance as of January 1	-1.2	-2.8
Gains and losses deferred to equity (fair value reserve)	12.5	2.0
Change in deferred taxes	-2.5	-0.4
Balance as of December 31	**8.8**	**-1.2**

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35. Company list

Subsidiaries owned by the parent company		(1,000 EUR) Book value of shares	Parent company's share, %	Group's share, %
Finland:	Konecranes Finance Oy	46,448	100	100
	Konecranes Finland Oy	17,163	26.02	100
	Konecranes Global Oy	102,391	100	100

Subsidiaries owned by the group		Book value of shares	Group's share, %
Australia:	Konecranes and Demag Pty Ltd	21,730	100
	MHE-Demag Australia Pty Ltd	16,267	100
Austria:	Konecranes and Demag Ges.m.b.H.	29,775	100
Bangladesh:	Konecranes and Demag (Bangladesh) Ltd.	109	100
Belgium:	S.A. Konecranes N.V.	6,150	100
Brazil:	Konecranes Demag Brasil Ltda.	32,688	100
Canada:	Konecranes Canada Inc.	893	100
Chile:	Konecranes Chile SpA	1	100
China:	Cranes and Parts Trading (Shanghai) Co., Ltd.	5,862	100
	Dalian Konecranes Company Ltd.	2,196	100
	Demag Cranes & Components (Shanghai) Co., Ltd.	14,349	100
	Konecranes (Shanghai) Co. Ltd.	0	100
	Konecranes (Shanghai) Company Ltd.	4,409	100
	Konecranes Manufacturing (Jiangsu) Co., Ltd.	28,627	100
	Konecranes Port Machinery (Shanghai) Co., Ltd.	7,239	100
	SWF Krantechnik Co., Ltd.	816	100
Czech Republic:	Konecranes and Demag s.r.o.	2,823	100
Denmark:	Konecranes Demag A/S	12,561	100
Estonia:	Konecranes Oü	0	100
Finland:	Nosturiexpertit Oy	10	100
France:	KCI Holding France SAS	40,500	100
	Konecranes and Demag France SAS	22,120	100
	Verlinde SAS	5,360	100
Germany:	Demag Cranes & Components GmbH	524,384	100
	Eurofactory GmbH *	1,239	100
	Konecranes GmbH	673,804	100
	Konecranes Holding GmbH	505,262	100
	Konecranes Noell GmbH	37,501	100
	Konecranes Real Estate GmbH Co. & KG	36,364	100
	Konecranes Real Estate Verwaltungs GmbH	28	100
	Kranservice Rheinberg GmbH *	1,492	100
	SWF Krantechnik GmbH *	15,500	100

Subsidiaries owned by the group		(1,000 EUR) Book value of shares	Group's share, %
Greece:	Konecranes Hellas Lifting Equipment and Services S.A.	60	100
Hong Kong:	Konecranes Hong Kong Limited	0	100
Hungary:	Konecranes Kft.	809	100
India:	Konecranes and Demag Private Limited	19,519	100
	Voima Cranes & Components Pvt. Ltd.	0	99.99
Indonesia:	PT. Konecranes	240	100
	PT MHE-Demag Indonesia	3,528	100
	PT MHE-Demag Technology Indonesia	294	67
Ireland:	Konecranes and Demag Limited	900	100
Israel:	Konecranes Israel Ltd	0	100
Italy:	Demag Cranes & Components S.r.l.	13,997	100
	Donati Sollevamenti S.r.l.	2,561	100
	MHPS Italia S.r.l.	0	100
Japan:	Konecranes Company, Ltd.	0	100
Latvia:	SIA Konecranes Latvija	2	100
Lithuania:	UAB Konecranes	139	100
Luxembourg:	Materials Handling International S.A.	300	100
Malaysia:	Konecranes Sdn. Bhd.	523	100
	Mechanical Handling Engineering (M) Sdn Bhd	0	100
	MHE-Demag Logistics Malaysia Sdn Bhd	1,862	100
	Konecranes Material Handling (Malaysia) Sdn. Bhd.	6,864	100
	Rainfields Estate Sdn Bhd	1,202	100
Mexico:	Konecranes Mexico S.A. de C.V.	2,188	100
Morocco:	Konecranes Maghreb S.a.r.l.	50	100
The Netherlands:	Konecranes B.V.	4,201	100
	Konecranes Holding B.V.	503,851	100
	Konecranes Software B.V.	3,678	100
	Port Software Solutions B.V.	37,412	100
Norway:	Konecranes AS	3,588	100
Peru:	Konecranes Peru S.R.L.	0	100
Philippines:	MHE-Demag (P), Inc.	3,684	100
Poland:	Konecranes and Demag Sp. z o.o.	1,359	100
Portugal:	Konecranes and Demag, Lda.	3,293	100
Romania:	S.C. Konecranes S.A.	98	100
	S.C. TBA RO S.r.l.	10	100
Russia:	AO "Konecranes Demag Rus"	0	100
Saudi Arabia:	Saudi Cranes & Steel Works Factory Co. Ltd.	9,820	100

* Exemption according to § 264, 3 HGB for Eurofactory GmbH (registered office in Remptendorf), Kranservice Rheinberg GmbH (registered office in Duisburg) and SWF Krantechnik GmbH (registered office in Mannheim).

(1,000 EUR)

Subsidiaries owned by the group		Book value of shares	Group's share, %
Singapore:	KCI Cranes Holding (Singapore) Pte. Ltd.	114,764	100
	MHE-Demag (S) Pte. Ltd.	196,501	100
Slovakia:	Konecranes Slovakia s.r.o.	200	100
Slovenia:	Konecranes, d.o.o.	200	100
South Africa:	Konecranes and Demag (Pty) Ltd.	0	100
Spain:	Konecranes and Demag Ibérica, S.L.U.	31,799	100
Sweden:	Konecranes AB	1,232	100
	Konecranes Lifttrucks AB	20,941	100
	Konecranes Sweden Holding AB	1,682	100
	Ulvaryd Fastighets AB	1,171	100
Switzerland:	Konecranes and Demag AG	17,205	100
Taiwan:	MHE-Demag Taiwan Company Limited	1,776	100
Thailand:	Katrolin Enterprise (T) Ltd	84	100
	Katrolin Holding (T) Ltd	95	100
	Konecranes (Thailand) Ltd.	192	100
	Mahakorn (T) Ltd	81	100
	Konecranes Material Handling (Thailand) Ltd.	294	100
	MHE-Demag Technology (T) Ltd	252	100
	Scenic Wealth (T) Ltd	141	100
Turkey:	Konecranes Ticaret Ve Servis Limited Sirketi	0	100
Ukraine:	Konecranes Ukraine JSC	2,049	100
	PJSC "Zaporozhje Kran Holding"	0	100
	JSC "Zaporozhcran"	0	90.43
United Arab Emirates:	Demag Cranes & Components Holding Ltd.	0	100
	Demag Cranes & Components (Middle East) FZE	14,398	100
	Konecranes Middle East FZE	1,774	100
United Kingdom:	KCI Holding UK Ltd	13,656	100
	Konecranes Demag UK Limited	6,519	100
	Lloyds Konecranes Pension Trustees Ltd.	0	100
	Morris Material Handling Ltd.	575	100
	TBA Doncaster Limited	2,011	100
	TBA Leicester Limited	10,342	100
	UKMHPS Limited	40,005	100
U.S.A.	Demag Cranes & Components Corp.	61,294	100
	KCI Holding USA Inc.	53,901	100
	Konecranes, Inc.	48,226	100
	Konecranes Nuclear Equipment & Services, LLC	0	100
	MMH Americas, LLC	0	100
	Morris Material Handling, Inc.	64,651	100
	R&M Materials Handling, Inc.	7,421	100
Vietnam:	Konecranes Vietnam Co., Ltd	0	100
	MHE-Demag Vietnam Company Ltd	0	100

Other shares and joint operations		Assets value	Group's share, %
Estonia:	AS Konesko	4,448	49.46
Finland:	Kiinteistöosakeyhtiö Kuikantorppa	261	50

Investments accounted for using the equity method		Assets value	Group's share, %
China:	Shanghai High Tech Industrial Crane Company, Ltd.	3,103	28
Finland:	Fantuzzi Noell Baltic Oy	244	25
France:	Boutonnier Adt Levage S.A.	416	25
	Levelec S.A.	231	20
	Manulec S.A.	246	25
	Manelec S.A.R.L.	107	25
	S.E.R.E. Maintenance S.A.	280	25
Germany:	AQZ Ausbildungs- und Qualifizierungszentrum Düsseldorf GmbH	0	30
The Netherlands:	TBA Consultancy B.V.	708	49
Switzerland:	Demag IP Holdings GmbH	177	50
Thailand:	CSA Crane Service Asia Company Ltd	84	49
United Arab Emirates:	Crane Industrial Services LLC	1,341	49

Available-for-sale investments		Book value of shares	Group's share, %
Finland:	East Office of Finnish Industries Oy	50	5.26
	Dimecc Oy	120	5.69
	Kiinteistö Oy Pärjä	26	46.67
	Levator Oy	0	19
	Vierumäen Kuntorinne Oy	326	3.3
France:	Heripret Holding SAS	53	19
Malaysia:	Kone Products & Engineering Sdn. Bhd.	0	10
Venezuela:	Gruas Konecranes CA	20	10
Others:		239	
Total:		**834**	

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Parent company statement of income – FAS

(1,000 EUR)		Jan 1–Dec 31 2023	Jan 1–Dec 31 2022
Note:			
2	Depreciation and impairments	-119	-184
3	Other operating expenses	-7,059	-15,627
	Operating profit	**-7,178**	**-15,810**
4	Financial income and expenses	54,811	81,669
	Income before appropriations and taxes	**47,633**	**65,859**
5	Appropriations	64,250	39,445
6	Income taxes	-16,890	-4,979
	Net income	**94,993**	**100,325**

Parent company balance sheet – FAS

(1,000 EUR)		Dec 31, 2023	Dec 31, 2022
Note:			
	ASSETS		
	NON-CURRENT ASSETS		
	Tangible assets		
7	Machinery and equipment	228	364
		228	**364**
8	**Investments**		
	Investments in Group companies	153,040	153,040
	Other shares and similar rights of ownership	171	171
		153,211	**153,211**
	Total non-current assets	**153,439**	**153,575**
	CURRENT ASSETS		
	Long-term receivables		
	Loans receivable from Group companies	806,958	763,780
		806,958	**763,780**
	Short-term receivables		
	Accounts receivable	11	0
	Amounts owed by Group companies		
	Accounts receivable	5,622	4,397
10	Deferred assets	74,517	103,155
	Other receivables	249	3,560
10	Deferred assets	181	374
		80,580	**111,485**
	Cash in hand and at banks	**3**	**3**
	Total current assets	**887,542**	**875,268**
	TOTAL ASSETS	**1,040,981**	**1,028,843**

(1,000 EUR)		Dec 31, 2023	Dec 31, 2022
Note:			
	SHAREHOLDERS' EQUITY AND LIABILITIES		
11	**EQUITY**		
	Share capital	30,073	30,073
	Share premium account	39,307	39,307
	Paid in capital	776,239	775,176
	Retained earnings	82,689	81,367
	Net income for the period	94,993	100,325
		1,023,301	**1,026,248**
	LIABILITIES		
	Current liabilities		
	Accounts payable	2,864	1,163
	Liabilities owed to Group companies		
	Accounts payable	143	144
12	Accruals	37	0
	Other short-term liabilities	11,941	71
12	Accruals	2,695	1,216
		17,679	**2,595**
	Total liabilities	**17,679**	**2,595**
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,040,981**	**1,028,843**

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Parent company cash flow – FAS

(1,000 EUR)	Jan 1–Dec 31 2023	Jan 1–Dec 31 2022
Cash flow from operating activities		
Operating income	**-7,178**	**-15,810**
Adjustments to operating profit		
Depreciation and impairments	119	184
Group contributions from subsidiaries	39,380	52,340
Operating income before changes in net working capital	**32,321**	**36,713**
Change in interest-free short-term receivables	52,365	11,977
Change in interest-free short-term liabilities	3,193	-18,060
Change in net working capital	**55,558**	**-6,084**
Cash flow from operations before financing items and taxes	**87,879**	**30,630**
Interest received	27,097	5,352
Interest paid	0	-4,371
Other financial income and expenses	7	-1,969
Income taxes paid	-1,581	-26
Financing items and taxes	**25,522**	**-1,014**
NET CASH FROM OPERATING ACTIVITIES	**113,401**	**29,616**

(1,000 EUR)	Jan 1–Dec 31 2023	Jan 1–Dec 31 2022
Cash flow from investing activities		
Investments in other shares	0	-1
Capital expenditure and advance payments to tangible assets	17	0
Dividends received	27,700	40,000
NET CASH USED IN INVESTING ACTIVITIES	**27,717**	**39,999**
Cash flow before financing activities	**141,118**	**69,615**
Cash flow from financing activities		
Proceeds from share based payments and share issues	1,063	585
Repayments of long-term receivables	-43,178	278,560
Repayments of long-term liabilities	0	-249,841
Dividends paid	-99,003	-98,918
NET CASH USED IN FINANCING ACTIVITIES	**-141,118**	**-69,614**
CHANGE OF CASH AND CASH EQUIVALENTS	**0**	**0**
Cash and cash equivalents at beginning of period	3	3
Cash and cash equivalents at end of period	3	3
CHANGE OF CASH AND CASH EQUIVALENTS	**0**	**0**

Notes to the parent company's Financial Statement

1. Accounting principles

The financial statements of the company have been prepared in euro and in accordance with accounting principles generally accepted in Finland.

STATEMENT OF INCOME
(1,000,000 EUR)

2. Depreciation and impairments

	2023	2022
Machinery and equipment	0.1	0.2
Total	**0.1**	**0.2**

The values of fixed assets are based on original acquisition values. Depreciation periods, which are based on estimated financial operating times, are as follows:

- Immaterial rights 5-10 years
- Machines and inventory 4-10 years

3. Other operating expenses and personnel

Costs and expenses in the Statement of Income were as follows:

	2023	2022
Wages and salaries	4.8	3.2
Pension costs	0.5	0.5
Other personnel expenses	0.1	0.1
Other operating expenses	1.5	0.4
Total	**6.8**	**4.2**

Wages and salaries in accordance with the Statement of Income:

	2023	2022
Remuneration to Board	1.0	0.7
Other wages and salaries	3.8	2.5
Total	**4.8**	**3.2**
The average number of personnel	**5**	**4**
Auditors fees		
Audit	0.6	0.7
Other services	0.1	0.1
Total	**0.6**	**0.8**

4. Financial income and expenses

	2023	2022
Financial income from long-term investments:		
Dividend income from Group companies	27.7	80.0
Dividend income total	**27.7**	**80.0**
Interest income from long-term receivables:		
From Group companies	27.1	5.2
Interest income from long-term receivables total	**27.1**	**5.2**
Financial income from long-term investments total	**54.8**	**85.2**
Interest and other financial income	0.0	0.0
Interest and other financial income total	**0.0**	**0.0**
Interest expenses and other financial expenses:		
Other financial expenses	0.0	3.5
Interest expenses and other financial expenses total	**0.0**	**3.5**
Financial income and expenses total	**54.8**	**81.7**

5. Appropriations

	2023	2022
Difference between planned and untaxed depreciations	0.0	0.1
Group contributions received from subsidiaries	64.3	39.4
Total	**64.3**	**39.4**

6. Income taxes

	2023	2022
Taxes on appropriations	12.9	7.9
Taxes on ordinary operations	4.0	-2.9
Taxes from previous years	0.0	0.0
Total	**16.9**	**5.0**

BALANCE SHEET

7. Machinery and equipment

	2023	2022
Acquisition costs as of January 1	1.2	1.2
Decrease	0.0	0.0
Acquisition costs as of December 31	1.2	1.2
Accumulated depreciation January 1	-0.9	-0.7
Accumulated depreciation	-0.1	-0.2
Total as of December 31	**0.2**	**0.4**

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8. Investments

	2023	2022
Acquisition costs as of January 1	153.2	153.2
Total as of December 31	**153.2**	**153.2**

Investments in Group companies

	Domicile	2023 Carrying amount	2022 Carrying amount
Konecranes Finance Corp.	Hyvinkää	46.4	46.4
Konecranes Finland Corp.	Hyvinkää	4.2	4.2
Konecranes Global Corp.	Hyvinkää	102.4	102.4
Total		**153.0**	**153.0**

Other shares and similar rights of ownership

	2023	2022
East Office of Finnish Industries Oy	0.1	0.1
Dimecc Oy	0.1	0.1
China Office of Finnish Industries	0.0	0.0
Total	**0.2**	**0.2**

9. Treasury shares

	2023	2022
Number of shares as of January 1	55,307	87,447
Decrease	-35,651	-32,140
Number of shares as of December 31	**19,656**	**55,307**

10. Deferred assets

	2023	2022
Group contributions	64.3	39.4
Income taxes	0.0	3.5
Payments which will be realized during the next financial year	6.6	61.9
Interest	4.1	2.4
Total	**74.9**	**107.1**

11. Equity

	2023	2022
Share capital as of January 1	30.1	30.1
Share capital as of December 31	**30.1**	**30.1**
Share premium account January 1	39.3	39.3
Share premium account as of December 31	**39.3**	**39.3**
Paid in capital as of January 1	775.2	774.6
Increase	1.1	0.6
Paid in capital as of December 31	**776.2**	**775.2**
Retained earnings as of January 1	181.7	180.3
Dividend paid	-99.0	-98.9
Retained earnings as of December 31	**82.7**	**81.4**
Net income for the period	**95.0**	**100.3**
Shareholders' equity as of December 31	**1,023.3**	**1,026.2**
Distributable equity		
Paid in capital as of December 31	776.2	775.2
Retained earnings as of December 31	82.7	81.4
Net income for the period	95.0	100.3
Total	**953.9**	**956.9**

12. Accruals

	2023	2022
Wages, salaries and other personnel expenses	2.6	1.0
Other items	0.1	0.2
Total	**2.7**	**1.2**

13. Contingent liabilities and pledged assets

	2023	2022
For obligations of subsidiaries		
Group guarantees	1,121.4	1,238.0
Leasing liabilities		
Next year	0.1	0.5
Later on	0.2	0.1
Total	**0.3**	**0.6**

Leasing contracts mainly have a maturity of three years and they have no terms of redemption.

	2023	2022
Total by category		
Guarantees	1,121.4	1,238.0
Other liabilities	0.3	0.6
Total	**1,121.7**	**1,238.6**

14. Nominal and fair values of derivative financial instruments

	2023 Fair value	2023 Nominal value	2022 Fair value	2022 Nominal value
Foreign exchange forward contracts	0.0	1.9	0.0	1.6

Derivatives are used for currency rate hedging only.

The derivative financial instruments are recognized according to KPL 5:2a at fair value in the parent company financial statements and the company does not apply hedge accounting for these derivatives.

Board of Directors' proposal to the Annual General Meeting

The parent company's non-restricted equity is EUR 953,922,136.07 of which the net income for the year is EUR 94,993,467.37.

The Group's non-restricted equity is EUR 1,516,609,000.

According to the Finnish Companies Act, the distributable funds of the company are calculated based on the parent company's non-restricted equity. For the purpose of determining the amount of the dividend, the Board of Directors has assessed the liquidity of the parent company and the economic circumstances subsequent to the financial year-end.

Based on such assessments, the Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.35 will be paid on each share and that the remaining non-restricted equity is retained in shareholders' equity.

Espoo, February 1, 2024

Christoph Vitzthum
Chair of the Board

Pasi Laine
Vice chair of the Board

Pauli Anttila
Board member

Ulf Liljedahl
Board member

Niko Mokkila
Board member

Gun Nilsson
Board member

Sami Piittisjärvi
Board member

Päivi Rekonen
Board member

Helene Svahn
Board member

Anders Svensson
CEO

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Auditor's report
(Translation of the Finnish original)

To the Annual General Meeting of Konecranes Plc

Report on the Audit of Financial Statements

Opinion
We have audited the financial statements of Konecranes Plc (business identity code 0942718-2) for the year ended December 31, 2023. The financial statements comprise the consolidated balance sheet, statement of income, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion
- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU.
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

Basis for Opinion
We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 7.1 to the consolidated financial statements and note 3 to the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition of long-term contracts and related provisions Refer to note 2.2 Use of estimates and judgments, note 2.3 Summary of significant accounting policies, note 5, note 6 and note 24. In accordance with its accounting principles, Konecranes applies the percentage of completion (PoC) method (performance obligations satisfied over time) for recognizing revenue from long-term crane projects. The percentage of completion is based on the cost-to-cost method. The percentage of completion method of accounting involves the use of significant management assumptions, estimates and projections, principally relating to future material, labor and project-related overhead costs and the estimated stage of completion. In year 2023, approximately 12% percent of the sales of EUR 4.0 billion were recognized under the PoC method. Revenue recognition of long-term contracts is a key audit matter and a significant risk of misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).	Our audit procedures to address the risk of material misstatement in respect of the long-term contracts included among others: • Assessing the Group's accounting policies over revenue recognition of long-term contracts; • Gaining an understanding of the PoC revenue recognition process; • Examination of the project documentation and testing the PoC calculations and inputs of estimates in the calculations and comparing the estimates to actuals; • Analytical procedures; • Assessing significant judgments made by management based on an examination of the associated project documentation and discussion on the status of projects under construction with finance and project managers of the Company; and • Assessing the Group's disclosures in respect of revenue recognition.
Konecranes makes several types of provisions related to risks associated with long-term project contracts and PoC accounting. These PoC related provisions require a high level of management judgment and are a key audit matter due to that reason.	We have designed our audit procedures to be responsive to this specific audit area and our procedures included among others: • Gaining an understanding of the PoC related provisions process; • Testing the provision calculations and the inputs of estimates in these calculations and comparing estimates to actuals; and • Performing inquiries with management with regards to any significant events or legal matters that could affect the provisions.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition Refer to note 2.3 Summary of significant accounting policies and note 5. According to the Group's accounting policies revenue is recognized at an amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer. Goods and services are generally considered to be transferred when the customer obtains control. The terms and conditions of sales contracts vary by market and, in addition, the local management might feel pressure to achieve the revenue targets set. Revenue recognition is a key audit matter and a significant risk of material misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2) due to the significant risk relating to an incorrect timing of recognition of revenue.	Our audit procedures to address the risk of material misstatement in respect of correct timing of revenue recognition included among others: • Analytical procedures; • Assessing the Group's accounting policies over revenue recognition compared to applicable accounting standards; • Assessing the revenue recognition process and methodologies and testing controls; • Testing revenue with substantive analytical procedures and by testing sales transactions; • Assessing the Group's disclosures in respect of revenues.
Valuation of goodwill Refer to note 2.2 Use of estimates and judgments, note 2.3 Summary of significant accounting policies and note 13. The value of goodwill at the date of the financial statements amounted to 1.0 billion euros representing 23% of total assets and 65% of equity (2022: 1.0 billion euros, 23% of the total assets and 71% of equity). Valuation of goodwill is tested annually through goodwill impairment test. Konecranes has allocated goodwill to cash generating units (CGUs) which is the level for goodwill impairment test. The recoverable amount of a cash generating unit is based on value in use calculations, the outcome of which could vary significantly if different assumptions were applied. There are a number of assumptions used to determine the value in use of the cash generating units, including revenue growth, development of fixed costs, the operating margin and the discount rate applied. Changes in the above-mentioned assumptions may result in an impairment of goodwill.	Our audit procedures to address the risk of material misstatement relating to goodwill valuation included among others, involving our valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group, in particular those relating to the discount rate. We specifically focused on the cash generating units for which reasonably possible changes in assumptions could cause the carrying value to exceed its recoverable amount. We also assessed the historical accuracy of managements' estimates. We assessed the Group's disclosures in note 13 in the financial statements about the assumptions to which the outcome of the impairment tests were more sensitive.

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Key Audit Matter	How our audit addressed the Key Audit Matter
The annual impairment test is a key audit matter because • The assessment process is complex and is based on numerous judgmental estimates; • It is based on assumptions relating to market or economic conditions; and • Of the significance of the goodwill to the balance sheet total. Valuation of goodwill is a significant risk of misstatement as defined by EU Regulation No 537/2014, point (c) of Article 10(2).	

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement
We were first appointed as auditors by the Annual General Meeting on March 8, 2006, and our appointment represents a total period of uninterrupted engagement of 18 years.

Other information
The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the annual report publication but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the annual report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions based on assignment of the Audit Committee
We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the distributable equity shown in the balance sheet for the parent company is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, February 1, 2024

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

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Independent Auditor's Report on Konecranes Plc's ESEF-Consolidated Financial Statements

(Translation of the Finnish original)

To the Board of Directors of Konecranes Plc

We have performed a reasonable assurance engagement on the iXBRL tagging of the consolidated financial statements included in the digital files 549300EF0CDEQZBMA096-2023-12-31-fi.zip of Konecranes Oyj (business identity code: 0950895-1) for the financial year January 1-December 31, 2023, to ensure that the financial statements are marked/tagged with iXBRL in accordance with the requirements of Article 4 of EU Commission Delegated Regulation (EU) 2018/815 (ESEF RTS).

Responsibilities of the Board of Directors and Managing Director

The Board of Directors and Managing Director are responsible for the preparation of the Report of Board of Directors and financial statements (ESEF financial statements) that comply with the ESESF RTS. This responsibility includes:

- Preparation of ESEF-financial statements in accordance with Article 3 of ESEF RTS
- Tagging the primary financial statements, notes to the financial statements and the entity identifier information in the consolidated financial statements included within the ESEF-financial statements by using the iXBRL mark-ups in accordance with Article 4 of ESEF RTS
- Ensuring consistency between ESEF financial statements and audited financial statements

The Board of Directors and Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of ESEF financial statements in accordance with the requirements of ESEF RTS.

Auditor's Independence and Quality Management

We are independent of the company in accordance with the ethical requirements that are applicable in Finland and are relevant to the engagement we have performed, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibilities

In accordance with the Engagement Letter we will express an opinion on whether the electronic tagging of the consolidated financial statements complies in all material respects with the Article 4 of ESEF RTS. We have conducted a reasonable assurance engagement in accordance with International Standard on Assurance Engagements ISAE 3000.

The engagement includes procedures to obtain evidence on:

- whether the tagging of the primary financial statements in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the tagging of the notes to the financial statements and the entity identifier information in the consolidated financial statements complies in all material respects with Article 4 of the ESEF RTS
- whether the ESEF-financial statements are consistent with the audited financial statements

The nature, timing and extent of the procedures selected depend on the auditor's judgment including the assessment of risk of material departures from requirements sets out in the ESEF RTS, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our statement.

Opinion

In our opinion the tagging of the primary financial statements, notes to the financial statements and the entity identifier information in the consolidated financial statements included in the ESEF financial statements 549300EF0CDEQZBMA096-2023-12-31-fi.zip of Konecranes Oyj for the year ended January 1-December 31, 2023, complies in all material respects with the requirements of ESEF RTS.

Our audit opinion on the consolidated financial statements of Konecranes Plc for the year ended January 1-December 31, 2023, is included in our Independent Auditor's Report [dated February 1, 2024]. In this report, we do not express an audit opinion or any other assurance on the consolidated financial statements.

Helsinki February 28, 2024

Ernst & Young Oy
Authorized Public Accountant Firm

Toni Halonen
Authorized Public Accountant

Company information for ESEF reporting

Name of reporting entity or other means of identification	Konecranes Plc
Domicile of entity	Finland
Legal form of entity	Plc
Country of incorporation	Finland
Address of entity's registered office	Koneenkatu 8, 05830 Hyvinkää, Finland
Principal place of business	Hyvinkää
Description of nature of entity's operations and principal activities	Konecranes is a world-leading manufacturer and servicer of cranes, lifting equipment and machine tools, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes operates internationally, with its products being manufactured in North and South America, Europe, Africa, the Middle East, and Asia and sold worldwide. Konecranes has three reportable segments: Service, Industrial Equipment and Port Solutions.
Name of parent entity	Konecranes Plc
Name of ultimate parent of group	Konecranes Plc

KONECRANES Moves what matters.

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Shares and shareholders

According to the register of Konecranes Plc's shareholders kept by Euroclear Finland Oy, there were 53,043 (2022: 57,448) shareholders at the end of 2023.

Largest shareholders according to the share register on December 31, 2023

		Number of shares and votes	% of shares and votes
1	Solidium Oy	8,793,123	11.1%
2	Ilmarinen Mutual Pension Insurance Company	2,407,049	3.0%
3	Gustavson Stig and family*	2,366,157	3.0%
4	Varma Mutual Pension Insurance Company	2,085,293	2.6%
5	Elo Mutual Pension Insurance Company	1,165,000	1.5%
6	Holding Manutas Oy	1,040,000	1.3%
7	Evli Finnish Small Cap Fund	751,153	0.9%
8	Nordea Funds	744,851	0.9%
9	Säästöpankki Funds	738,387	0.9%
10	The State Pension Fund	730,000	0.9%
	Ten largest registered shareholders' total ownership	**20,821,013**	**26.3%**
	Nominee registered shares	36,308,488	45.8%
	Other shareholders	22,072,749	27.9%
	Shares held by Konecranes Plc	19,656	0.0%
	Total	**79,221,906**	**100.0%**

* Konecranes Plc has on December 28, 2011, received information according to which the Chairman of the company's Board of Directors Stig Gustavson has donated all of his shares in Konecranes Plc to his near relatives retaining himself for life the voting rights and right to dividend attached to the donated shares. The donation encompassed in total 2,069,778 shares.

Shares owned by the members of the Board and of Directors and of the Group Executive Board on December 31, 2023

	Change in shareholding in 2023	Number of shares owned	% of shares and votes
Board of Directors	-343	34,288	0.0%
Group Executive Board	-6,759	156,361	0.2%
Total	**-7,102**	**190,649**	**0.2%**

Breakdown of share ownership by number of shares owned on December 31, 2023

Shares	Number of shareholders	% of shareholders	Number of shares and votes	% of shares and votes
1–100	31,427	59.2%	1,274,356	1.6%
101–1,000	19,058	35.9%	6,283,664	7.9%
1,001–10,000	2,362	4.5%	6,115,009	7.7%
10,001–100,000	156	0.3%	4,453,107	5.6%
100,001–1,000,000	22	0.0%	7,227,039	9.1%
1,000,001–	7	0.0%	17,560,243	22.2%
Registered shareholders total	**53,032**	**100.0%**	**42,913,418**	**54.2%**
Nominee registered shares	11	0.0%	36,308,488	45.8%
Total	**53,043**	**100.0%**	**79,221,906**	**100.0%**

Breakdown of share ownership by shareholder category on December 31, 2023

	% of shares and votes
Public sector organizations	19.6%
Households	19.5%
Financial and insurance institutions	5.6%
Non-profit organizations	5.4%
Private companies	3.2%
Foreigners	0.9%
Nominee registered shares	45.8%
Total	**100.0%**

Source: Euroclear Finland Oy, December 31, 2023.

KONECRANES Moves what matters

Corporate Headquarters

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

Governance
Kiira Fröberg
Vice President, Investor Relations
Tel. +358 20 427 2050
kiira.froberg@konecranes.com

Finance
Teo Ottola
Chief Financial Officer
teo.ottola@konecranes.com

Regional Headquarters

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

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

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

Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries. We consistently set the industry benchmark from everyday improvements to the breakthroughs at moments that matter most, because we know we can always find a safer, more productive and sustainable way. That's why, with around 16,600 professionals in over 50 countries, Konecranes is trusted every day to lift, handle and move what the world needs. In 2023, Group sales totaled EUR 4.0 billion. Konecranes shares are listed on Nasdaq Helsinki (symbol: KCR).

Sustainability Report 2023

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

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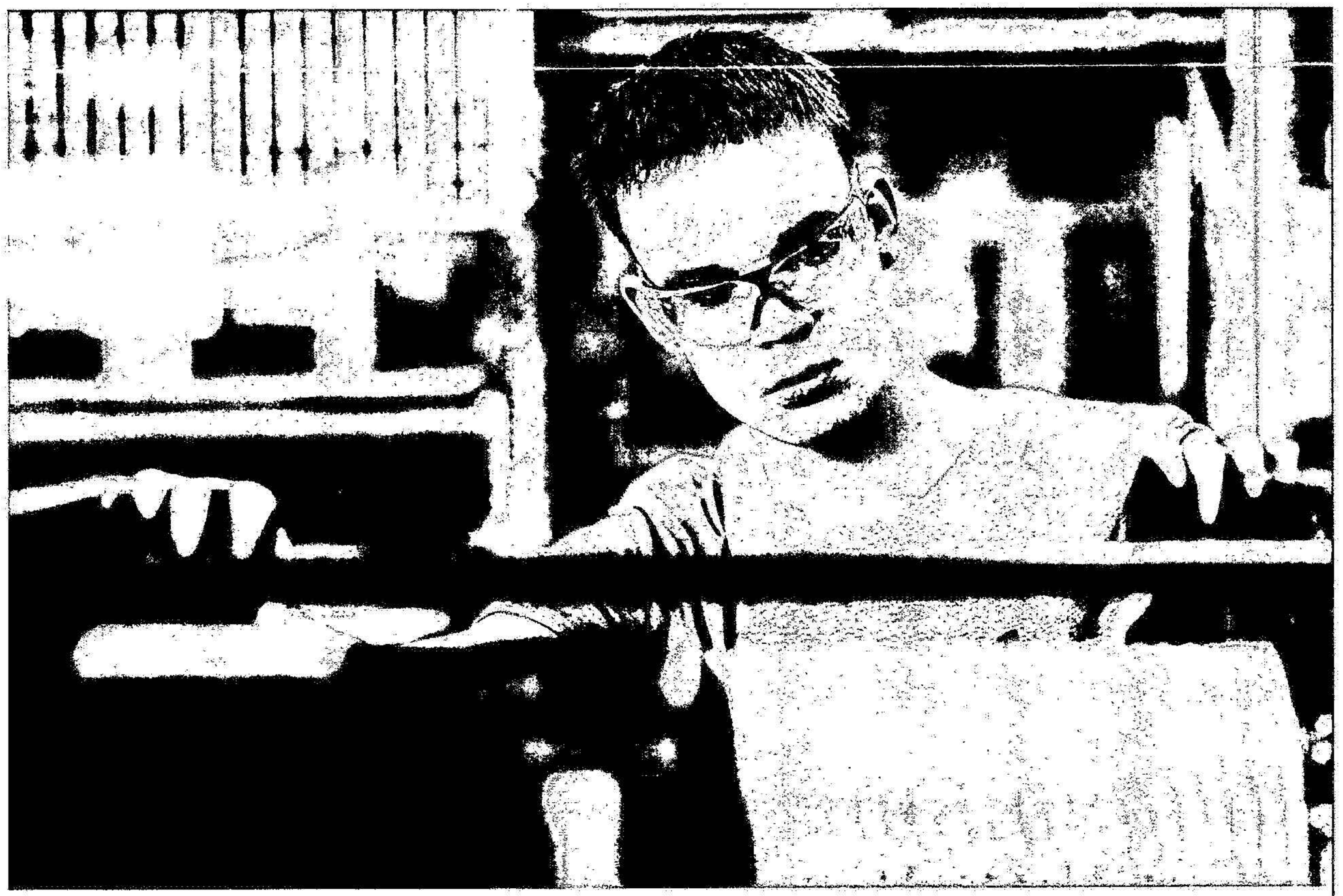


KONECRANES Moves what matters.

Introduction

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

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

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

Year 2023 in brief

3,966.3
MEUR (+17.9%)
Net sales

11.4%
Comparable EBITA margin

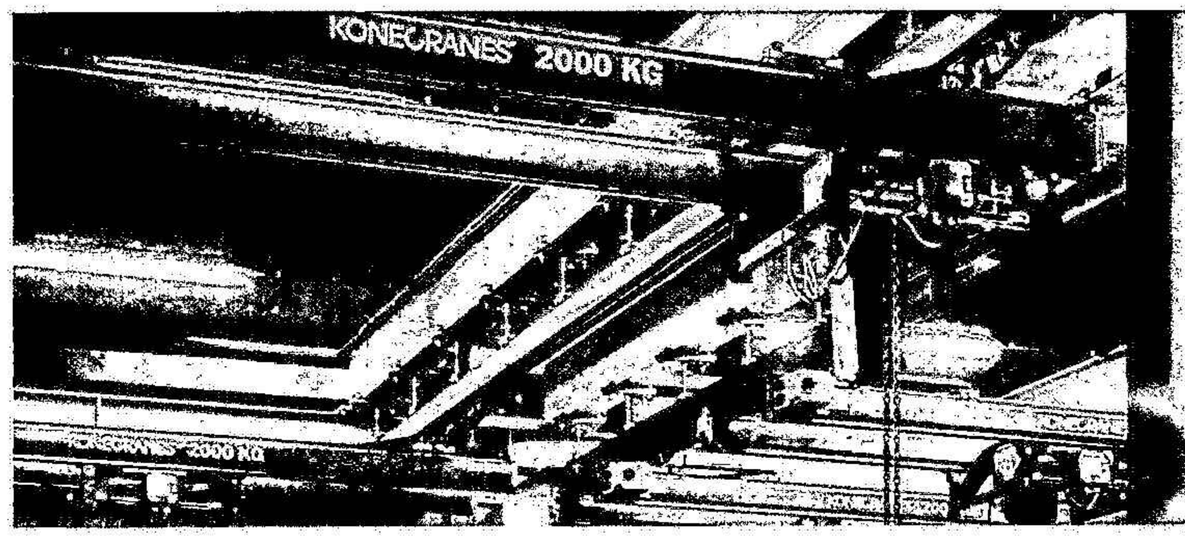
16,600
Numbers of employees (At the end of year)

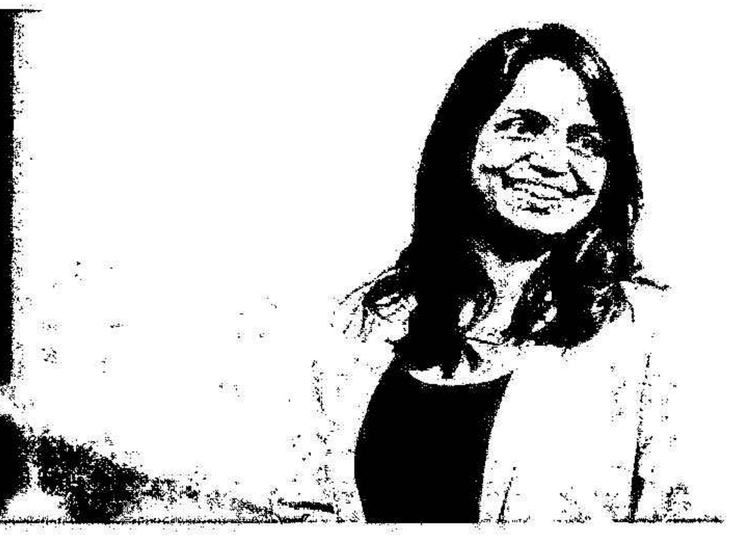
~50
Countries where we have employees

Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries. We consistently set the industry benchmark from everyday improvements to the breakthroughs at moments that matter most, because we know we can always find a safer, more productive and sustainable way of doing things. That is why, with approximately 16,600 professionals in more than 50 countries, Konecranes is trusted every day to lift, handle and move what the world needs.

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

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





2023 sustainability highlights

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

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

Limiting global warming to 1.5 °C compared to pre-industrial levels is crucial. Konecranes is committed to doing its part and leading these efforts in the industry. In 2023, we announced a new target of having carbon neutral own operations by 2030. This follows our successes in 2022, when we managed to power all our factories with 100 percent renewable electricity and reached the science-based targets for Scope 1 and 2 emissions. In 2023, Konecranes accomplished a milestone in its carbon-neutrality work, as the Hämeenlinna factory became the company's first certified carbon-neutral site. The CarbonNeutral® building certification in Hämeenlinna was reached by reducing greenhouse gas emissions, using renewable energy and improving energy efficiency. Carbon credits have been purchased to compensate emissions that cannot yet be eliminated.

In addition to its own operations, Konecranes places a focus on its steel purchases and the usage of its products, which account for most emissions. Konecranes has steadily expanded its offering of electric and hybrid products, with the last remaining diesel-fueled product lines within the lift truck business to be made available electrically by 2026. Our industry-leading service operations have circular business models at their core, extending the lifecycles of products through maintenance and modernizations. These efforts support both our customers' low-carbon targets as well as our aims to reduce emissions throughout our value chain.

Dedication to safety, ethics and human rights

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

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

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

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

Diversity as a driver of future success

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

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The strategic role of sustainability

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

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

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

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

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

Materiality

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

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

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

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

Konecranes' sustainability commitments

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

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

Aligned with central frameworks

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

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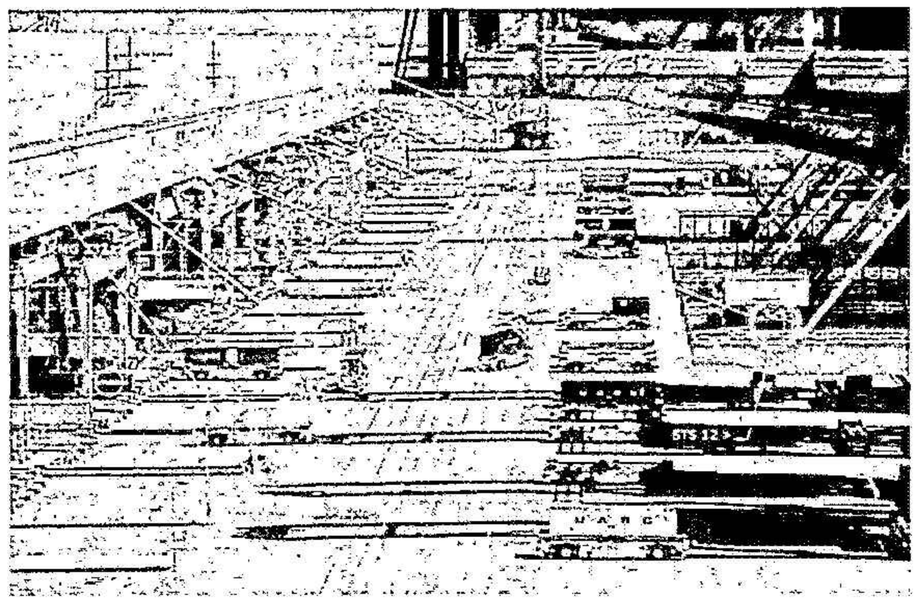
growth; industry, innovation and infrastructure; reduced inequalities; responsible consumption and production; climate action; peace, justice and strong institutions. Read more about our sustainability approach in the section **Our sustainability agenda.**

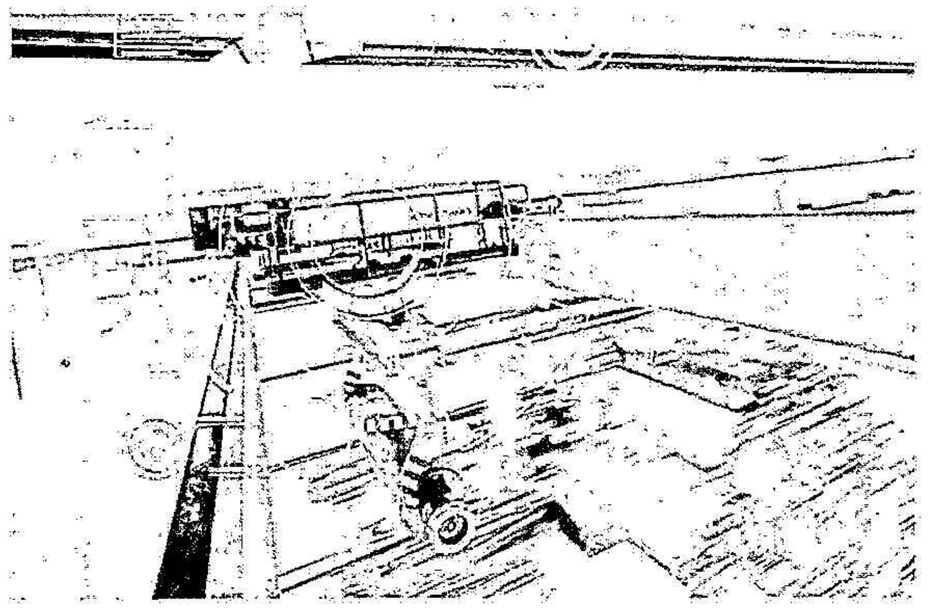
The latest climate research continuously highlights an urgent need to cut emissions to limit global warming. Konecranes wants to be a part of the solution and has set ambitious climate targets validated by the Science Based Targets initiative (SBTi). These targets are aligned with the Paris Agreement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

Konecranes' sustainability commitments



We deliver safe and secure material handling solutions

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



We enable a decarbonized and circular world

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

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

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

We expect high ethical standards of ourselves and our business partners

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

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

Governance and management

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

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

The Konecranes Leadership Team (KLT) plays a significant role in our management system, strategy preparation and decision-making and is involved in the risk and financial planning process, but it has no official statutory position based on legislation or the Articles of Association. Sustainability is integrated into Konecranes' strategy. The KLT reviews the sustainability strategy as well as action plans and targets annually. It follows the defined sustainability metrics on a monthly basis and reviews the specific themes multiple times per year. During 2023, Executive Vice President People & Culture (EVP People and Culture), a member of the KLT, was responsible for the sustainability topics and participated in HR Committee meetings. The Sustainability Council, which is nominated by the KLT, sponsored by the EVP People and Culture and chaired by the Head of Sustainability, defines, guides and reviews the overall sustainability strategy, short-term targets and action plans. The Sustainability Council meetings also function as a forum for increasing the knowledge level of the participants about sustainable development. In 2023, the council convened ten times. The Head of Sustainability was responsible for taking actions and decisions at the operative level, and for building and coordinating sustainability agenda, proposing activities and targets, and following the progress of activities. The operative implementation of the sustainability agenda is managed by Konecranes' Global Sustainability team, led by the Head of Sustainability.

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

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

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

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

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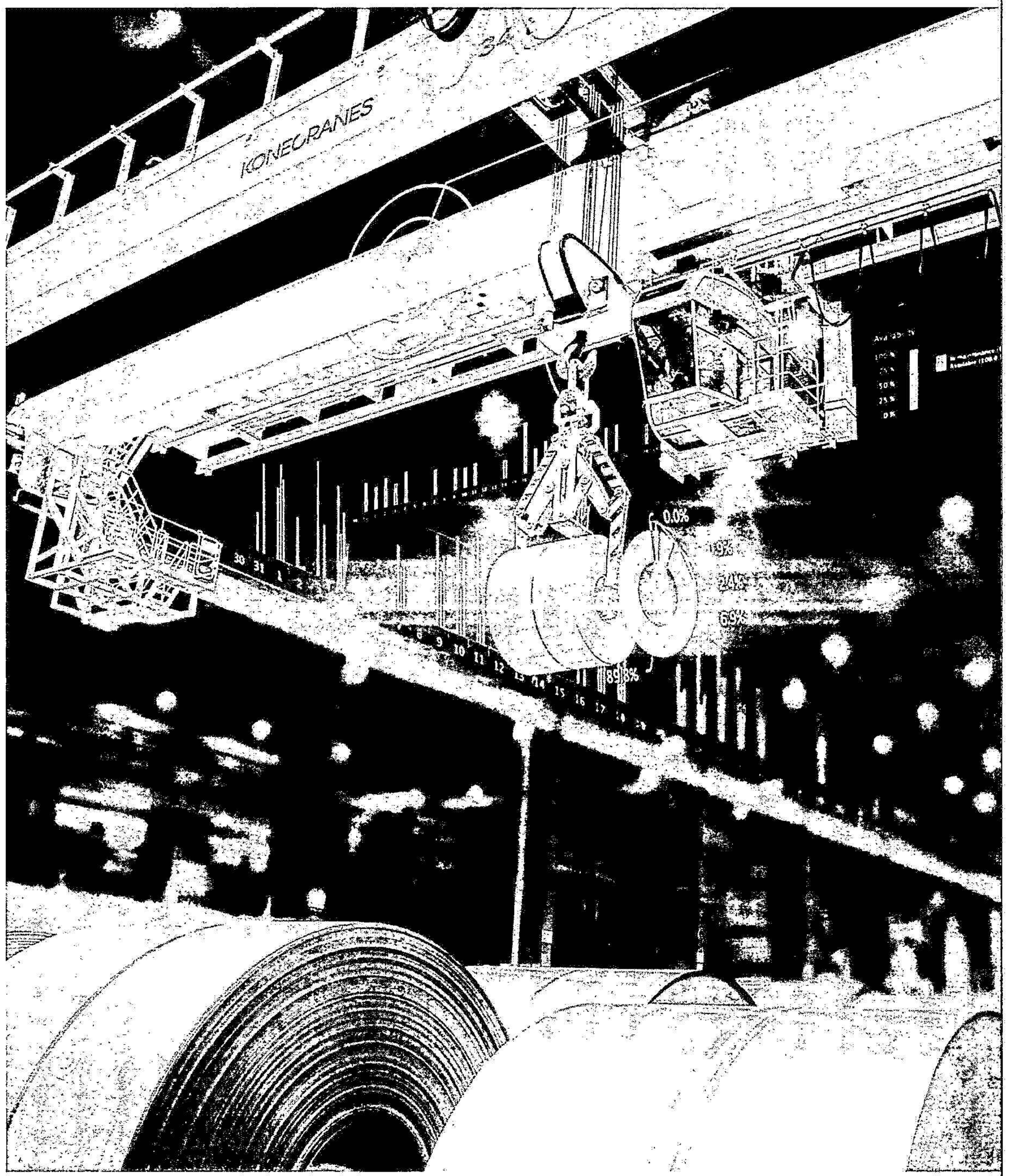
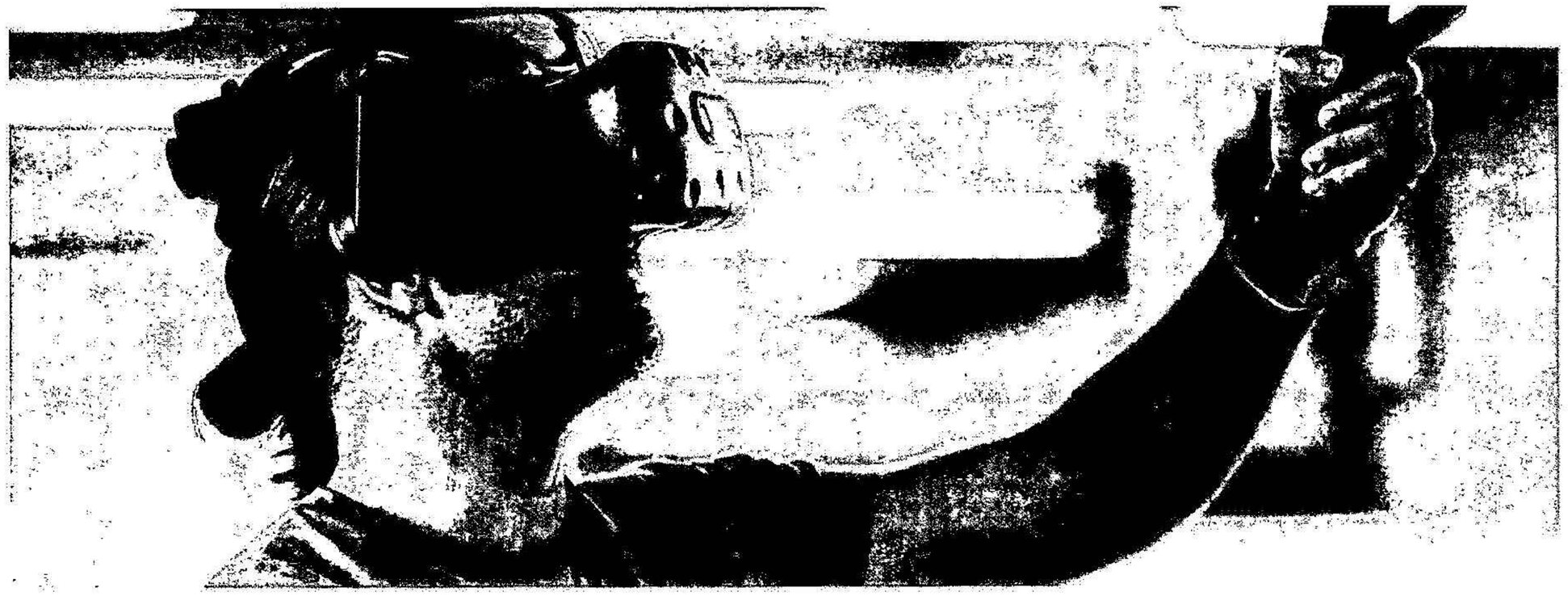
Value creation

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





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

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

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

Safety culture

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

We provide our customers with services and equipment that enable them to work efficiently and safely throughout the product's lifespan. We incorporate safety into the design, manufacturing, maintenance and service of our products. We create value for crane operators by providing applications that increase safety, usability and efficiency. For example, remote operation (using the Remote Operating Station) enables the crane operator to work in safe areas with better ergonomics. This also increases safety in the factories, as people are further away from the machines. Konecranes' Smart Features (such as sway control and target positioning) also help crane operators operate the crane more smoothly. Read more about safety in the section **Providing solutions for safe, uninterrupted and secure material handling.**

Value for operation with secure and innovative technology

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

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

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

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

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

Circular economy

Maximizing the product lifecycle offers clear benefits by saving natural resources and reducing emissions. Our customers gain benefits by investing in durable equipment that can be repaired and modernized, and get added value from uninterrupted production. We re-engineer obsolete crane parts and perform complete overhauls, contributing to the reduction of CO_2 emissions. Enhancing existing steel structures rather than replacing them can also create significant emissions reductions. Collaborating across the value chain promotes efficient raw material use, increased energy efficiency, and mutual value creation.

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

Long-term stakeholder value

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

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

Direct economic value generated and distributed

3,987.7
MEUR

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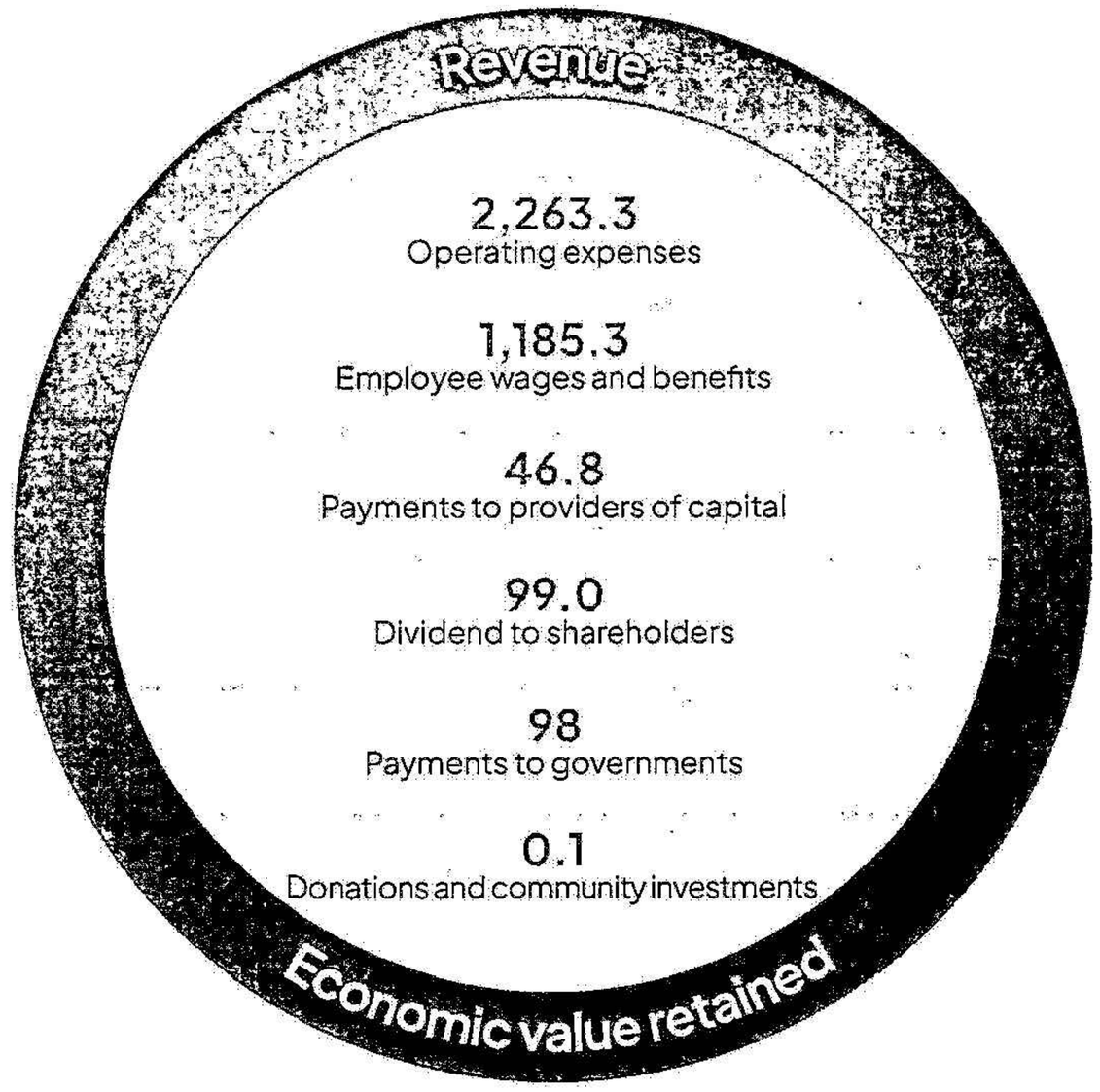

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295.5
MEUR

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

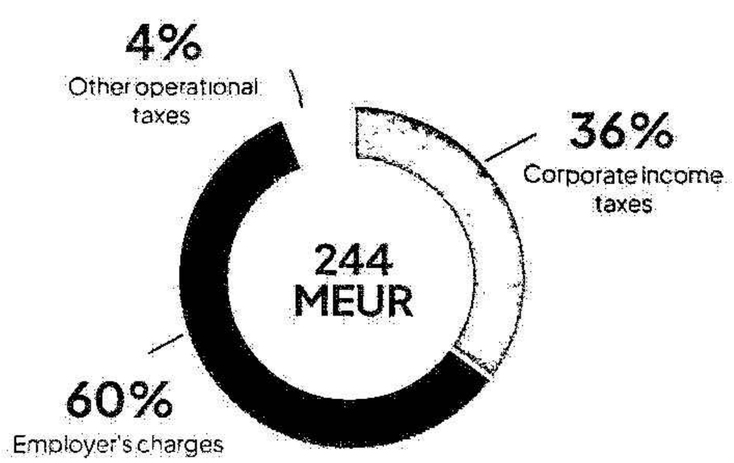
Tax footprint

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

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

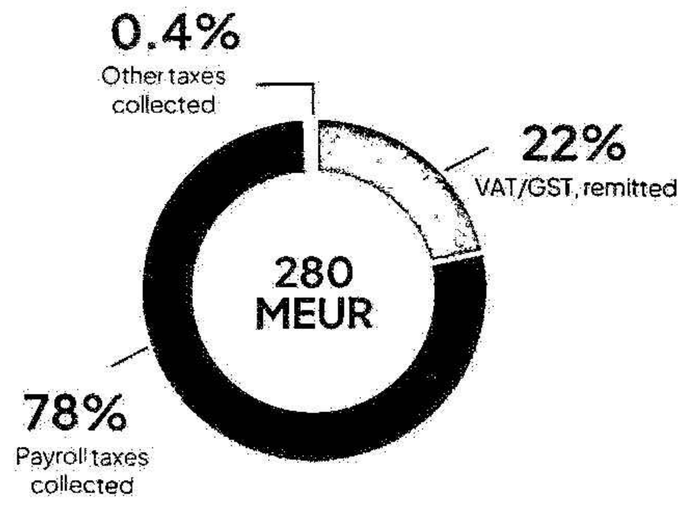
The Group follows the framework of legislation and legal practice in planning the taxable profit of Group companies. Our data on the payment of taxes in 2023 has been compiled while taking materiality, confidentiality, business reasons and cost-effectiveness into account. The data presented in this report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

Taxes paid



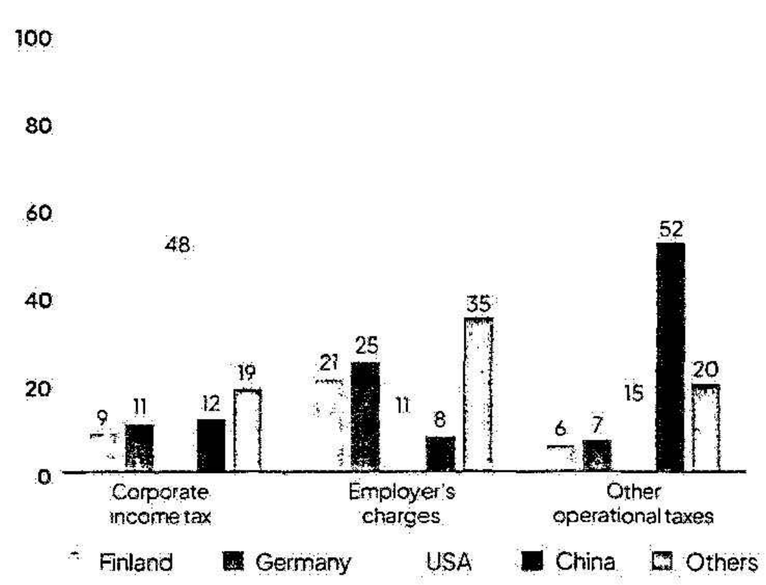
Taxes paid include all tax and tax-like payments that Konecranes has paid as its own taxes. Tax-like payments include, among other things, compulsory payments of social-security contributions.

Taxes collected

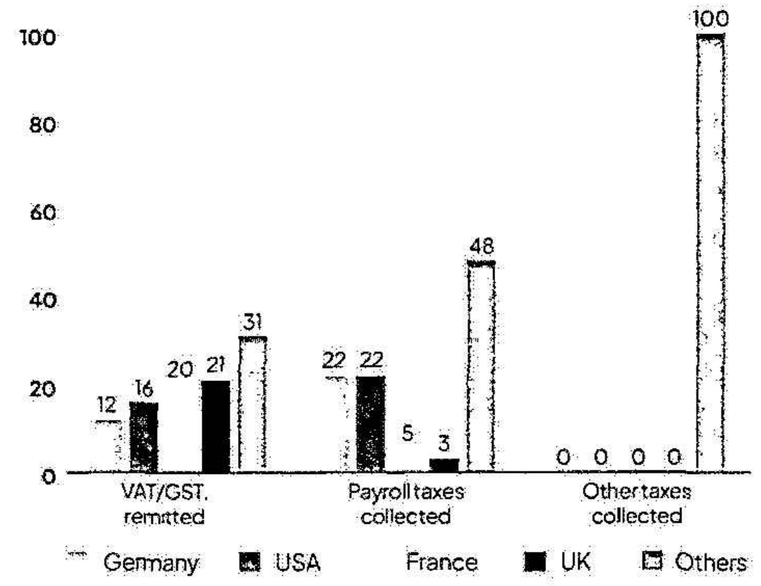


Taxes collected include tax and tax-like payments that Konecranes has collected on the behalf of the government such as VAT and similar turnover related taxes paid, payroll taxes and other taxes. The economic burden for such taxes end up with the buyer or final consumer

Taxes paid by country, %



Taxes collected by country, %



Konecranes' approach to tax

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

We are committed to conducting our business in compliance with all applicable tax laws, rules and regulations; to complying with all reporting requirements; and to filing all tax returns and fulfilling all tax obligations according to high ethical standards within the time requirements of local regulations. We are committed to meeting all statutory compliance obligations in each jurisdiction. We apply the OECD standards in cross-border transactions, and we ensure that our transfer pricing is in accordance with the "arm's length principle". We also meet the transfer pricing and Country-by-Country ("CbC") reporting requirements in each jurisdiction as required.

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

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

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

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

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

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

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

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

Our sustainability agenda

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

Konecranes' sustainability commitments

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

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CLIMATE ACTION AND CIRCULARITY

We enable a decarbonized and circular world

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

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

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

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

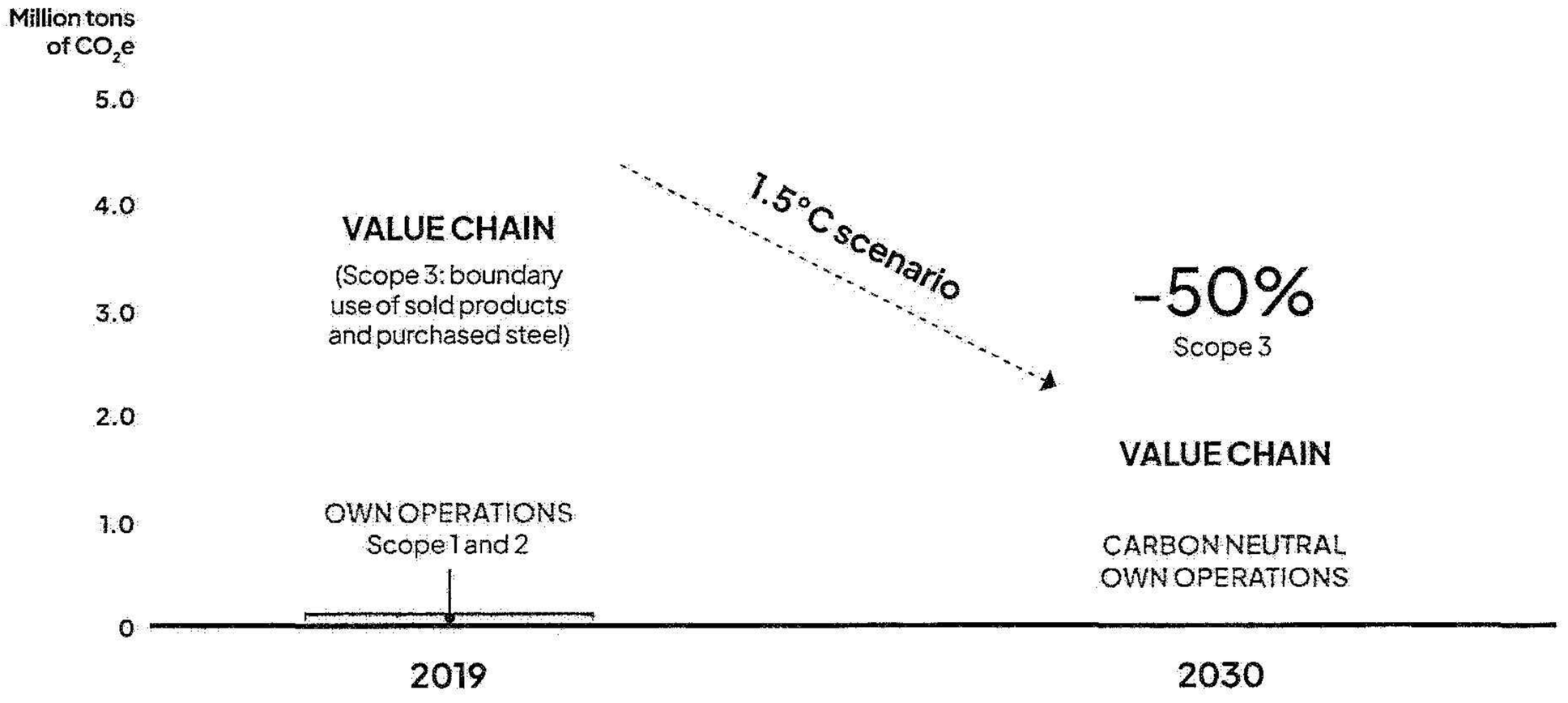
Science-based targets aligned with the goal of limiting global warming to 1.5 °C

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

Konecranes is committed to reducing its absolute Scope 1 and 2 greenhouse gas emissions by 50 percent and Scope 3 emissions encompassing the use of sold products and steel-related emissions by 50 percent by 2030 from the 2019 baseline. The Scope 3 target covers more than 70 percent of the value chain emissions within the 2019 emissions inventory. Since we have made great progress with Scope 1 and 2 emissions reductions, we set a new target in 2023: Konecranes is aiming at carbon neutral own operations by 2030.

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

Konecranes' climate targets



KEY FOCUS AREAS

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

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

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

The progress of our climate agenda

Konecranes' climate impact in 2023 totaled 5,285,900 tonnes of CO_2e. Our total emissions have decreased by approximately 8 percent compared to 2019.

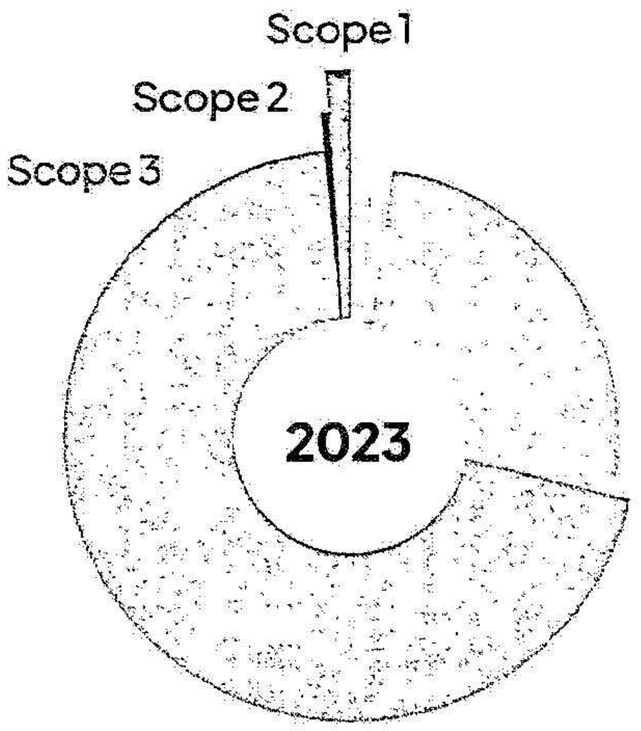
Our own operations (Scope 1 & 2) cover less than one percent of our total emissions and about 99 percent of our emissions originate from the value chain. Most of the emissions are generated in two emission categories: use of sold products and purchased goods and services. The highest contribution from the category Purchased goods and services comes from steel. In the category Use of sold products, diesel variants contribute the most. Diesel-driven products dominate the Group-level emissions. Detailed emissions data can be found in the **Environmental Data 2023** table in the **Data and indices section.**

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

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

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

Emissions in 2023 (CO_2e tons)



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

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

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

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

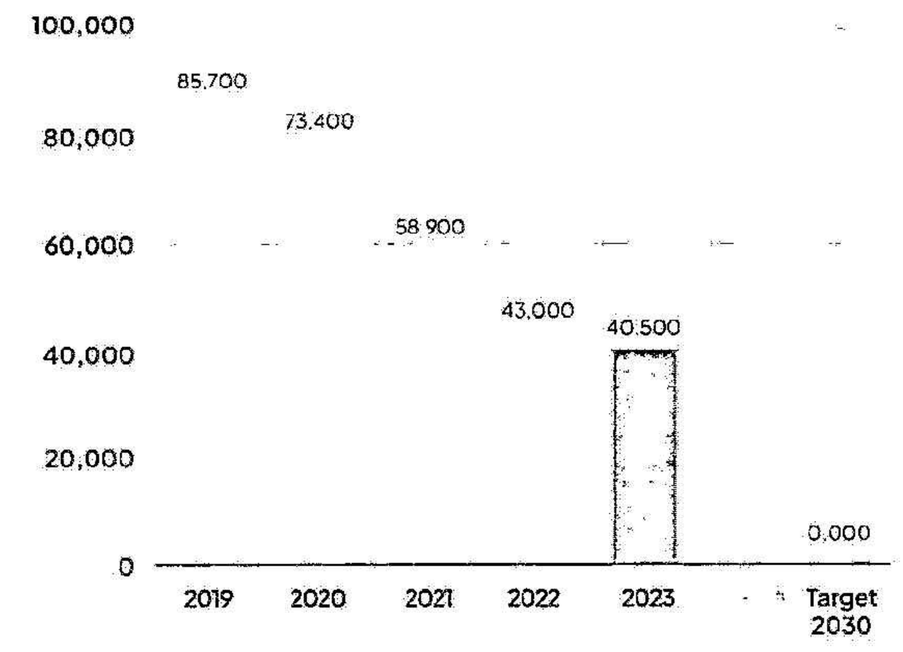
As supportive actions, Konecranes has been fully offsetting business flight emissions since 2020.

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

Emissions from Konecranes' own operations (Scope 1 & 2, tCO_2e)

Target:

Carbon neutral own operations by 2030



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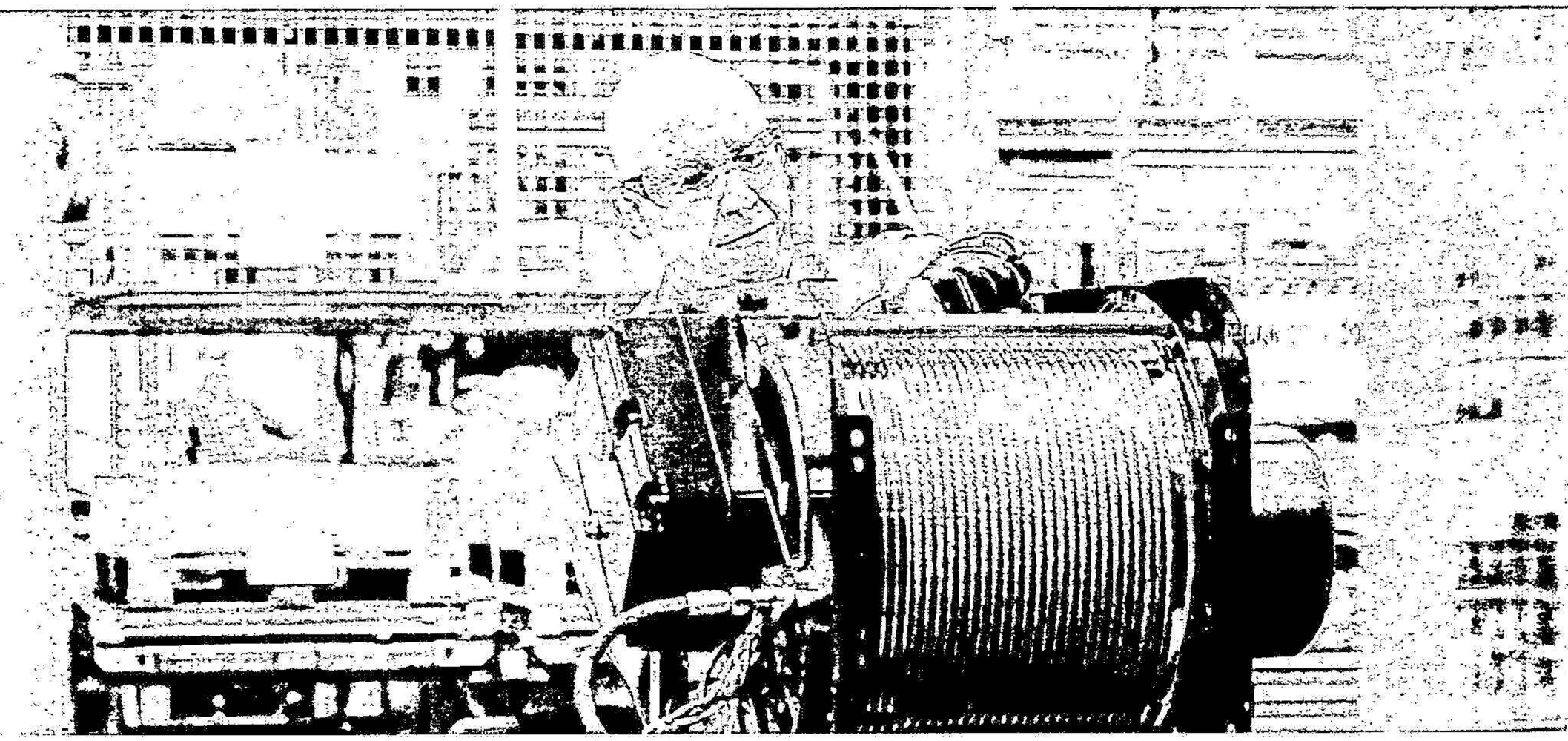


Working towards carbon neutral own operations

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

Konecranes' way to carbon neutrality by 2030 is divided into different steps. Firstly, all electricity used in our manufacturing operations has been renewable already since 2022. Secondly, we aim for a carbon neutral manufacturing network by 2027. To achieve this, we will need to continue investing in energy efficiency such as factory modernization or machinery renewals, improving insulation, heating and cooling, introducing heat recovery and training employees to save energy. We are also searching for and adopting suitable renewable energy sources such as renewable district heat, geothermal energy and biogas. For example, our factory in Hämeenlinna, Finland has already switched to renewable district heating. Konecranes also aims to use less emission-intensive refrigerants. And finally, as the last alternative, where there are no feasible renewable options available, we offset the remaining, unavoidable emissions.

The final step in our way to carbon neutral own operations by 2030 is to address our vehicle fleet and offices. To reduce their emissions, Konecranes will focus on optimizing vehicle sizes and routes, electrifying the fleet where feasible, and continuing training economical driving practices. In addition, the company will purchase renewable electricity for offices. The ultimate goal is to minimize emissions so that there would be nothing left to offset. If any emissions are left after the implementation of all these activities, they will be offset. As a result, Konecranes' own operations will be carbon neutral.

Environmental work driven by HSE Excellence

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

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

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

In 2023, we launched Global HSE standards for environmental management, which set the minimum requirements and standardize our ways of working by defining common rules for all operations. For energy management as well as for chemical handling and waste management those set a minimum level for environmental management. We have clear instructions in place to ensure that residual waste and hazardous waste are disposed of according to local requirements and through licensed waste management companies. We follow waste data on a quarterly basis, including the treatment method, to follow our progress in waste management. Environmental incidents and near-miss cases are reported through our global HSE reporting tool, and the investigations of the root causes and corrective actions are conducted accordingly.

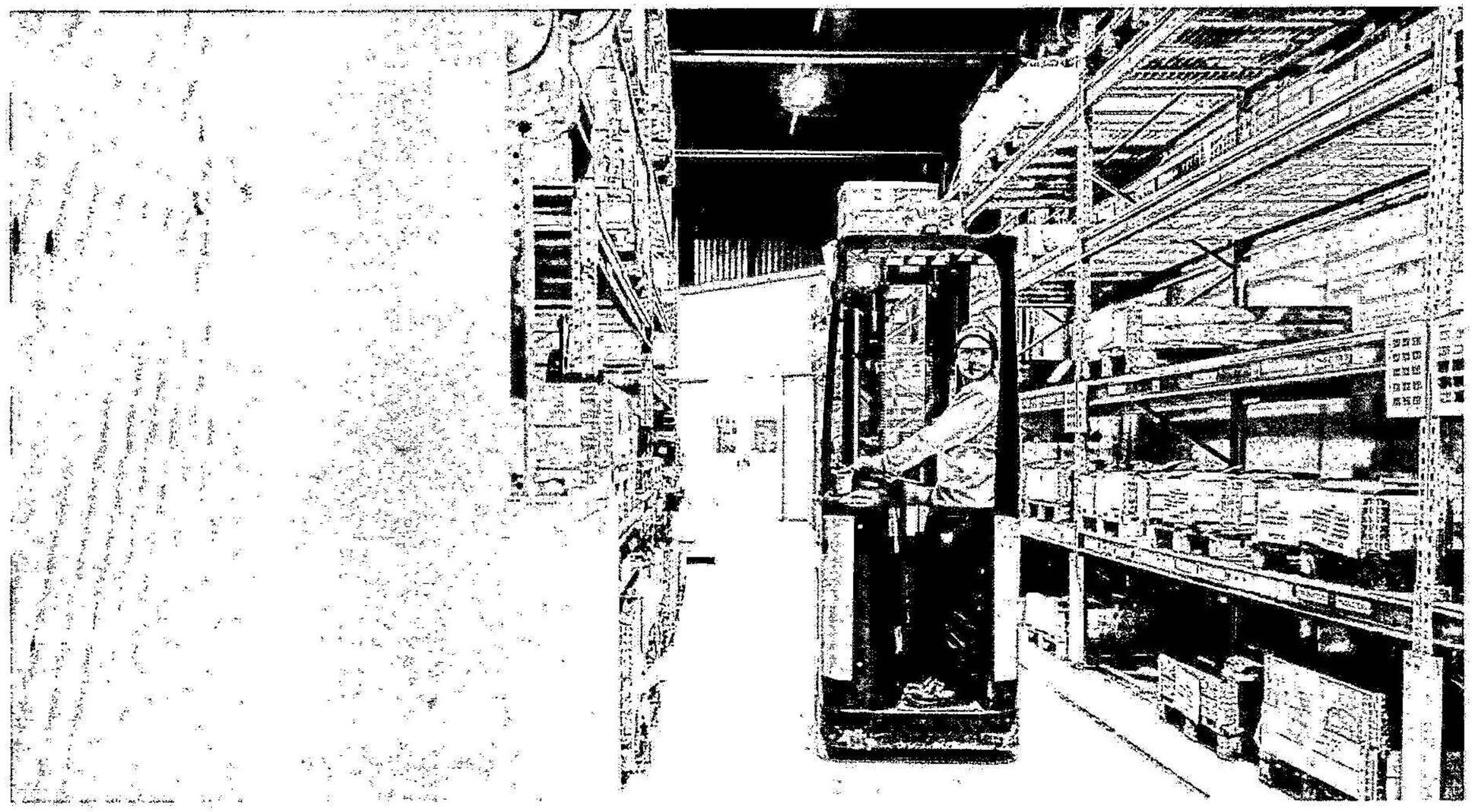
In 2023, we launched Planet-Saving Behaviors, our internal requirements and guidance to ensure that all of our employees understand the environmental consequences of our actions and the possibilities for improvement. The first behaviors introduced are: Energy efficiency and emission savings, and Resource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

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

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

FIRST CARBON NEUTRAL FACTORY IN HÄMEENLINNA, FINLAND

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



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

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

Our impact on biodiversity

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

In 2023, we continued to investigate the biodiversity impacts of our own operations. The manufacturing of our products does not reserve large areas of land or have a significant effect on biodiversity in the surrounding natural environment. We analyzed our impact using the ENCORE tool and WWF Biodiversity Risk Filter. After comparing the results to our own operations' environmental inputs and outputs we concluded that our biggest impact on biodiversity is related to climate change through emissions.

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

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

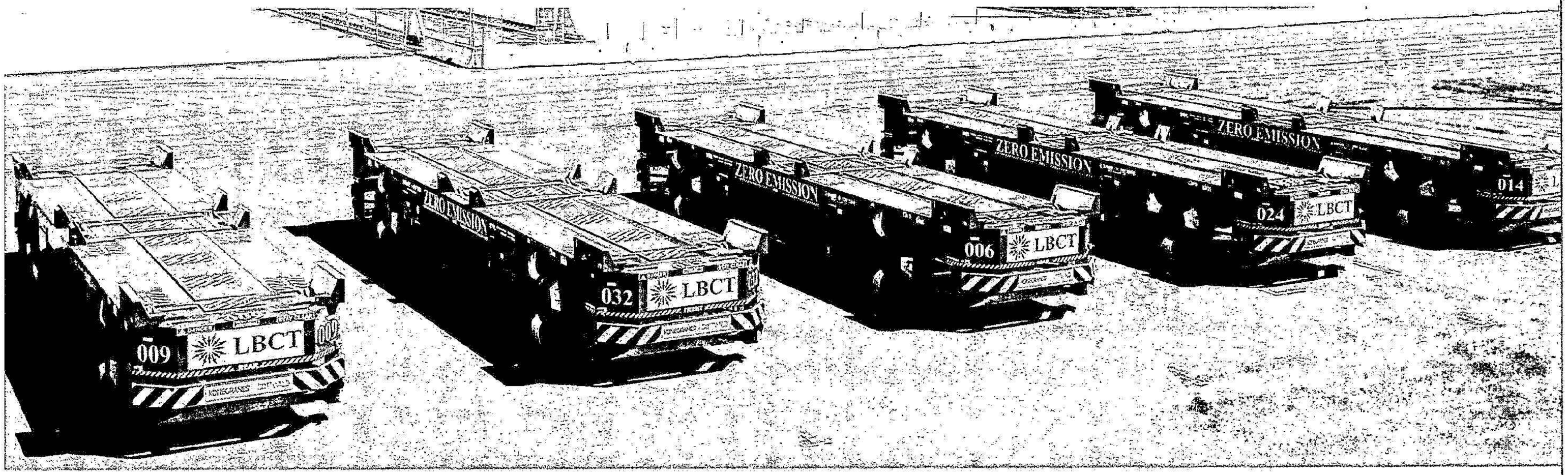
Mitigating risks related to water use

We collect water consumption data quarterly from our manufacturing units and report our overall annual consumption. Based on our analysis, our water consumption is not significant since our processes use very little or no water at all. Therefore, water has not been identified as a material topic for us. However, we acknowledge water stress as a global problem and therefore, in 2023, we collaborated with Aalto University to study the topic further.

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

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

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



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

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

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

To support customers' decision-making, we provide accurate environmental impact data through calculations of our products' energy consumption and CO_2 emissions, which are critically assessed by a third party (as part of our Environmental Product Declarations, EPDs).

Enabling a low-carbon transition

Konecranes' Industrial Equipment offering is fully electric, whereas in Port Solutions we have steadily expanded our offering of electric and hybrid products, with the last remaining diesel-fueled product lines within the lift truck business to be made available electrically by the end of 2026. Our eco-optimized product portfolio offers improved resource and energy efficiency, a variety of low-carbon power options, performance and safety with optimized maintenance, upgrades and modernizations. Intelligent power sources are promoted, including hybrid and full-electric options, with features such as generative braking. In the case of power trains, we focus on operational efficiency without compromising equipment performance.

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

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

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

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

Third-party verified lifecycle assessments highlight the substantial emission savings achieved by electric equipment compared to their diesel counterparts. As an example, our fully electric Generation 6 mobile harbor crane and our electric E-VER Lift Trucks significantly reduce energy consumption compared to standard diesel engines. In addition to lower emissions, the design of the mobile harbor crane takes circularity into account through a more durable design: its robust construction doubles the crane's service life in container operation compared to earlier generations, and more powerful lifting capacity curves and high working speeds ensure greater efficiency and faster cargo turnaround times. The long-lasting design also supports resale value when customers choose to renew their fleet. The recent product launches in 2022 include fully battery-driven Rubber-Tired Gantry Crane (RTG) and Straddle Carriers (SC).

Further information about Konecranes' activities that qualify as environmentally sustainable according to EU Taxonomy Regulation (EU) 2020/852 in the **Statement of Non-Financial Information: EU Taxonomy.**

Diesel motor standards

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

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

ZERO4 – UNLOCKING INDUSTRIAL PRODUCTIVITY THROUGH SUSTAINABLE IMPROVEMENT OF MATERIAL FLOWS

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

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

areas and adopted by certain countries. Compliance with these regulations involves employing an advanced exhaust gas aftertreatment system (EATS), featuring catalytic particulate filters and NOx reducers. This system is sensitive to sulfur content in diesel fuel, necessitating high-quality fuel. Market areas with lower quality fuel and Tier 3 or lower emission regulations employ alternative emissions control technologies, such as exhaust gas recirculation While EATS-equipped power units can be used outside Tier 4 final and Stage V areas, this requires ultra-low sulfur diesel fuel and consideration of the practical maintenance aspects.

DESIGN FOR ENVIRONMENT

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

LIFECYCLE ASSESSMENT

Lifecycle assessment (LCA) is a method that supports product development and provides fact-based information on the product's environmental impact during its different lifecycle phases from cradle to grave. LCAs guide product development by identifying high-impact processes and components, facilitating informed choices on materials, designs, technologies, and logistics. By doing this, we can implement measures to reduce our CO_2 emissions. Our commitment to minimizing environmental impacts is underscored by the extensive application of LCAs, conducted at corporate, product, and component levels. Adhering primarily to ISO 14040-44 standards, we leverage professional LCA tools and emission databases to ensure the accuracy and reliability of our assessments. We have invested in-house expertise dedicated to LCA activities. To enhance transparency and credibility, the majority of our LCAs undergo third-party reviews.

New solutions to be more sustainable than the previous generation

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

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

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

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

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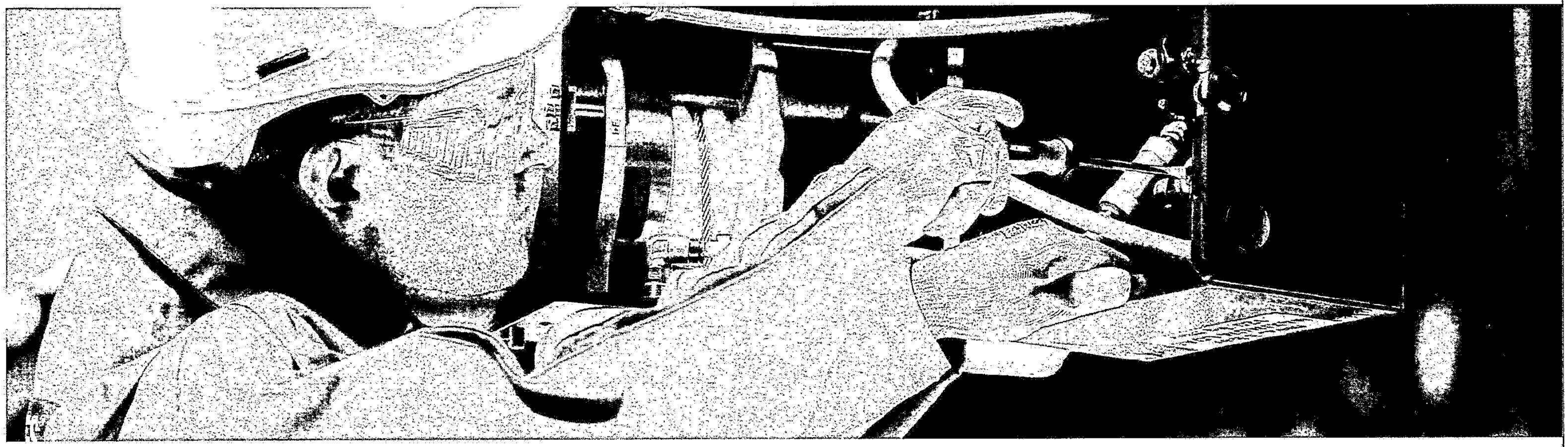


Maximizing lifecycle value and eliminating waste with circular solutions throughout the value chain

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

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

Circularity is identified as one of the enablers to curb climate change, as greenhouse gas emissions can be reduced by improving resource efficiency, designing out waste and pollution, and keeping materials and products in use longer. We continuously investigate end-to-end circularity, for example, by extending product lifecycles and enhancing material efficiency in both Konecranes' and our customers' operations. Utilizing circular economy principles and several circular business models can also generate new business opportunities while creating value for the customer. We focus on circular business models that extend the product's lifespan and offer products as a service. To follow our innovativeness and progress on accelerating circularity, we established measurable circularity KPIs in 2022.

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

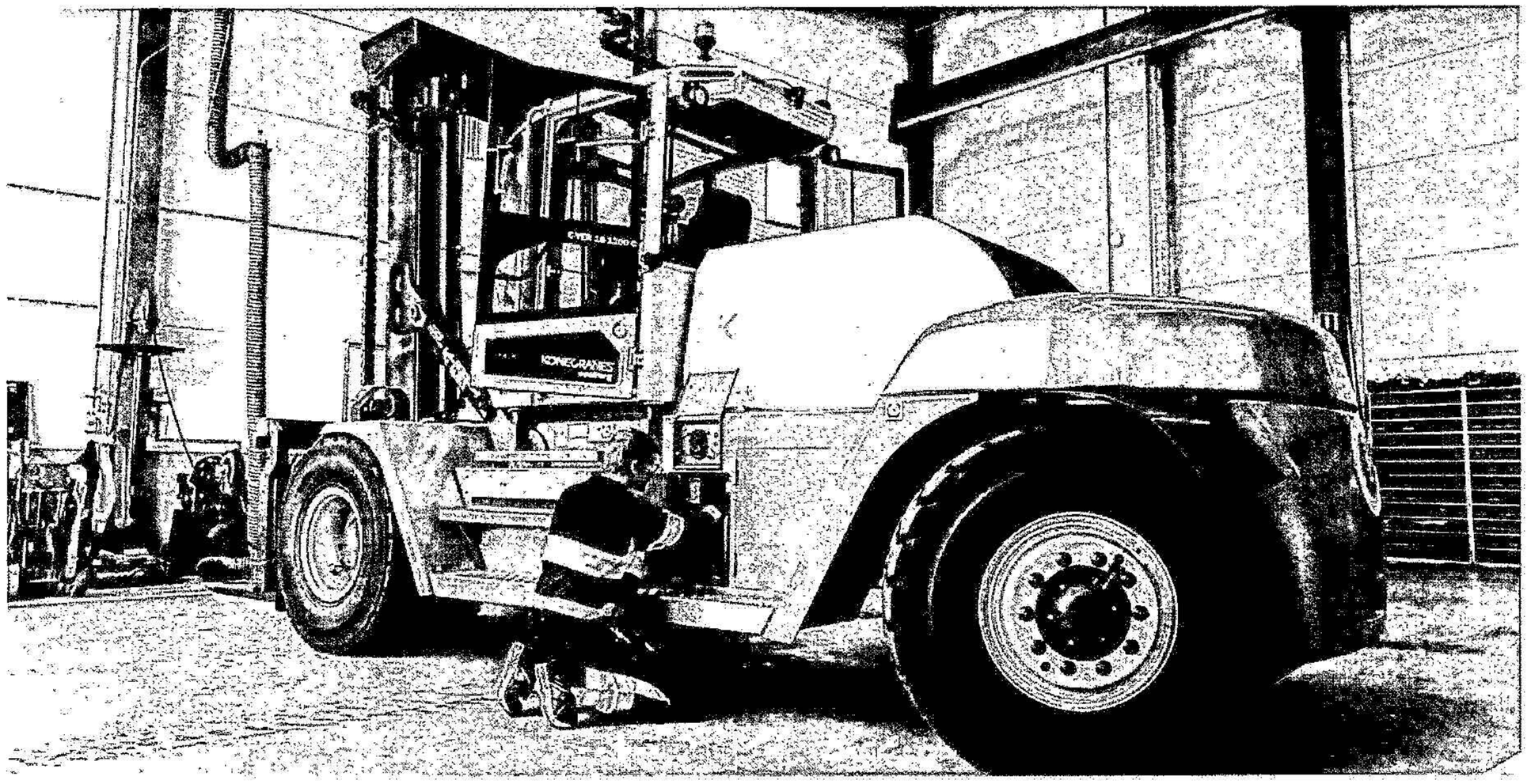
for predictive maintenance and for repurposing of steel components. Our goal is to expand and apply the handprint calculations in methodology development during 2024

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

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

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

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



MEASURING CIRCULARITY

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

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

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

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

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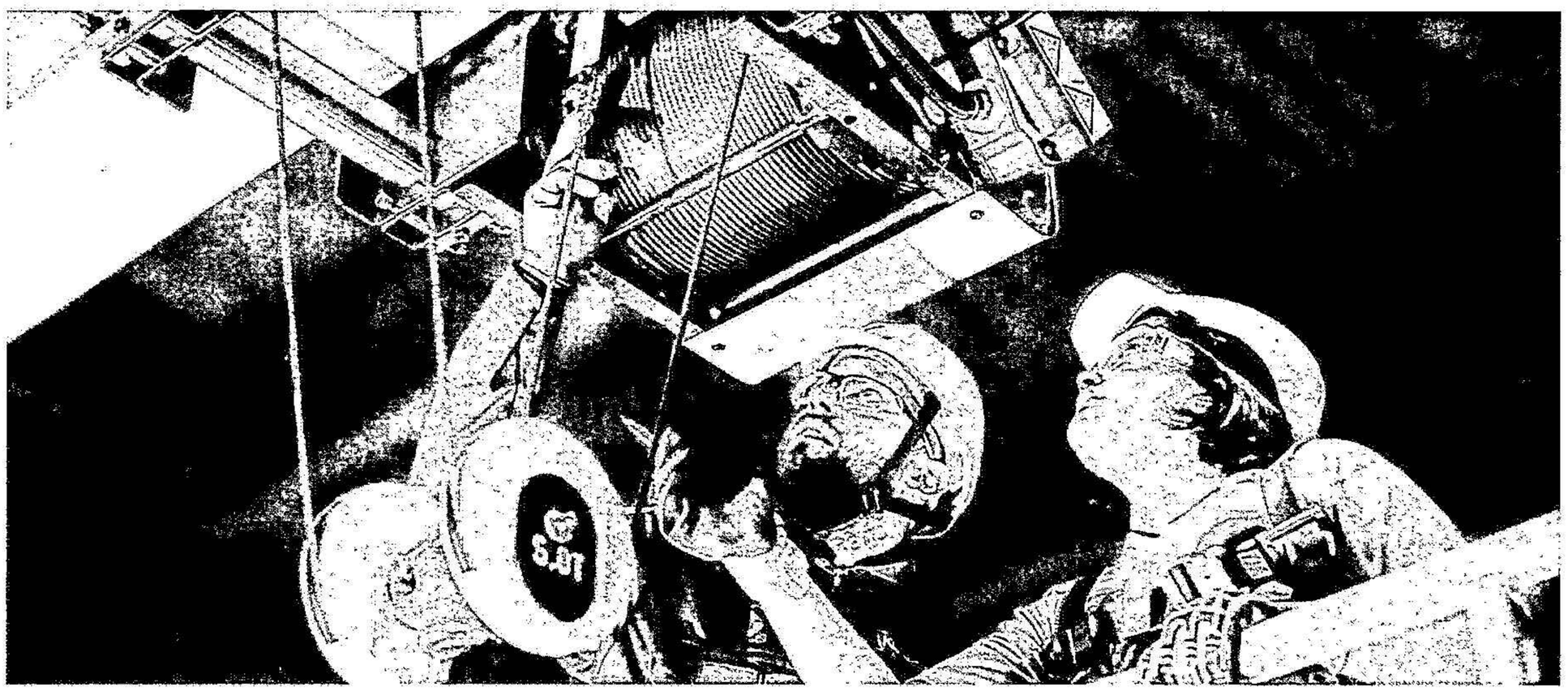

CASE EXAMPLE: REMANUFACTURING

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

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

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

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

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

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

Services for lifecycle extension

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

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

supporting customers' efforts to reduce emissions by harnessing data to optimize maintenance activities. In May 2023, we unveiled the new Predictive Maintenance engine. Developed by the Konecranes Data Science Lab, this sophisticated data analytics and processing system autonomously generates predictive maintenance sales cases within Siebel. This innovative engine leverages the wealth of data collected from cranes under our service agreement, showcasing our dedication to staying at the forefront of technology.

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

TARGETS AND PROGRESS: CLIMATE ACTION & CIRCULARITY

Our commitment: We enable a decarbonized and circular world

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

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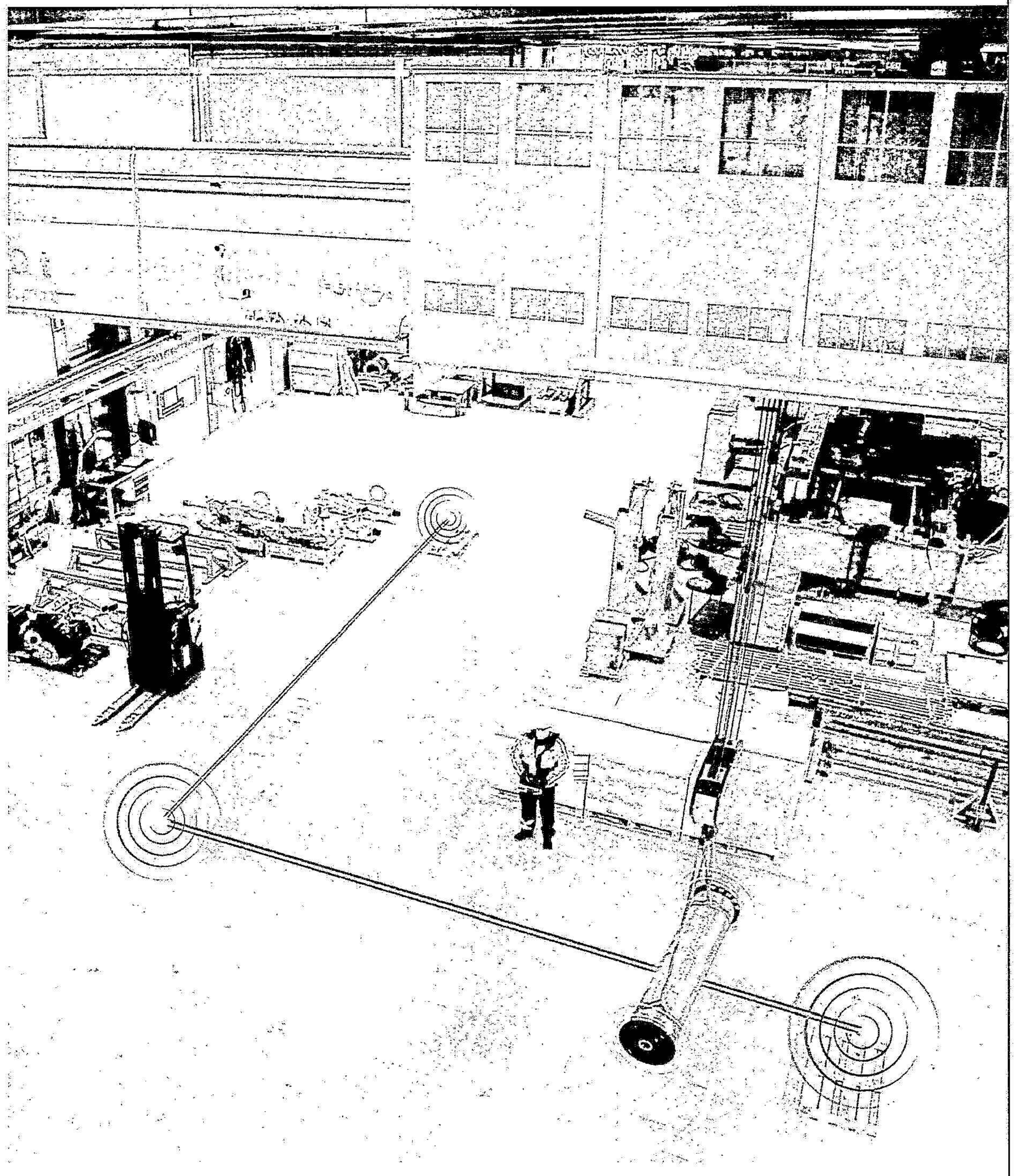
SAFE SOLUTIONS AND OPERATIONS

We deliver safe and secure material handling solutions

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

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



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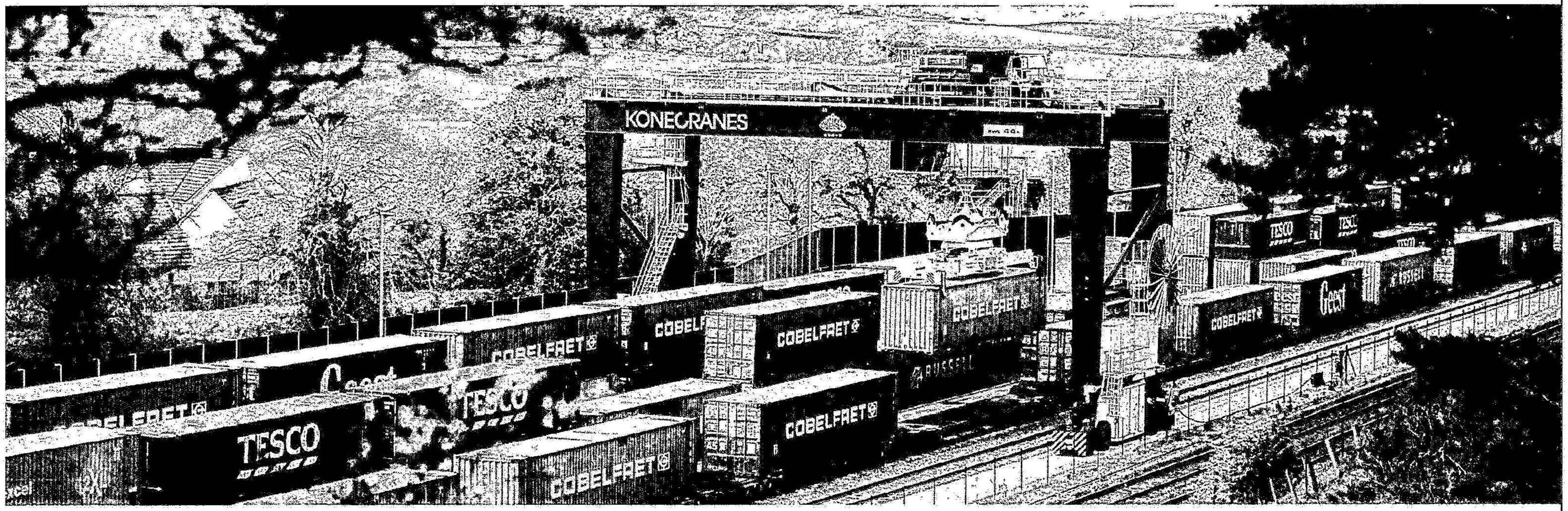


Providing solutions for safe, uninterrupted and secure material handling

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

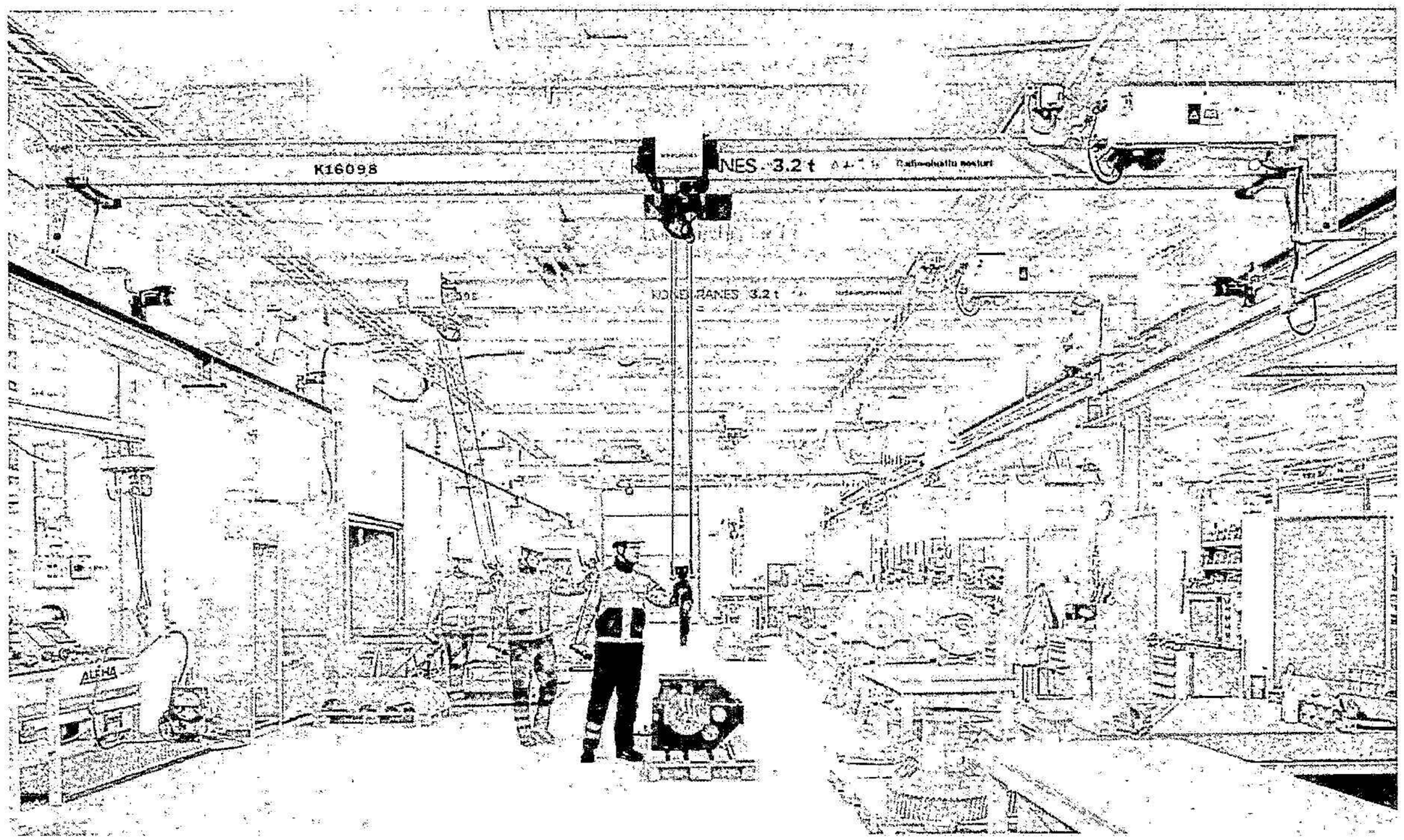
Managing product safety for safe and efficient material handling

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

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

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

Prior to launch, our products are thoroughly tested against applicable standards and known real-life operating conditions in our Reliability Centers. Functionalities, including safety features, are verified and validated in



various steps during development process. In production and during commissioning, defined inspections and tests are performed to ensure the conformity of the product. Failsafe design and self-analytics of intelligent machines reinforce the safe operation over the lifetime. Special attention is paid to process steps that have the biggest impact on product safety. We monitor the defect rates of final product inspections, record the types of defects found, and aim to continuously reduce the most commonly occurring defects.

We encourage our customers to report any incident where equipment, component or service provided by Konecranes has caused or threatened to cause a health or safety incident or property damage. Such incidents can be, for example, load drops and uncontrolled movement. The reported incidents are handled through our product safety management process called Accident Investigation Reporting (AIR), which includes technical experts thoroughly investigating each incident. During 2023, we received and investigated around 214 AIR incidents (2022: 215) across the company.

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

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

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

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

Our cranes can be equipped with a wide variety of our existing safety improving assisting functions. Sway Control, Hook Centering and Snag Prevention limit unwanted movements of the load during lifting or moving, or if the load or hook gets caught on something. Inching and Microspeed allow the operator to control load speeds efficiently and safely especially in the beginning and end of a lift. Remote operation (using the Remote Operating Station) enables the crane operator to work in safe areas with better ergonomics. This also increases safety and efficiency in customer facilities, as people are further away from the machines and all facility operators can be in same operating room, enhancing communication. Solutions such as Assisted Load Turning, Target Positioning and End Positioning help improve the safety of load manipulation and ensure that the load is delivered safely and accurately

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where needed. Our Live Channel, an online virtual crane demonstration tool, enables us to showcase our crane safety features to customers in real time. Geofencing, which is a feature that limits load handling device (lift truck) movements in outdoor areas that might cause risks to people or property, is made possible through the Work Zone Smart Feature application.

Security requirements for enterprise resilience and product quality have changed fundamentally

The risk landscape shows that industrial manufacturing continues to be the most attacked industry, for a second year in a row. Upcoming cybersecurity regulation, such as the EU NIS2 and the EU Cyber Resilience Act, are bringing new cybersecurity rules to ensure enterprise resilience and more secure hardware and software products. To meet market expectations and reduce risks, Konecranes has a new cybersecurity strategy, ambition, governance and objectives with a detailed roadmap for the upcoming years. Konecranes is a supporter of the Paris Call, which brings governments and the private sector together to promote trust and security in cyberspace.

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

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

Our systematic approach to managing information security aims to ensure that we identify and mitigate all relevant information security risks. We have implemented a set of security controls to protect our information assets and to ensure the confidentiality, integrity and availability of our products and services. These technical and organizational security measures cover topics such as asset management, access control, secure software development, incident management and information security aspects of business continuity management. For example, Konecranes' information security incident management process defines how to handle information security incidents. We monitor devices and networks and use Security Information and Event Management (SIEM) to identify abnormal behavior or potential cyberattacks. Processes are in place for vulnerability management, malware protection and information system audits. Konecranes Information Technology unit and ICT suppliers also follow incident, problem and change management processes to ensure the availability, stability and security of our IT environment. In 2023, we resolved 30 security incidents requiring advanced investigation. More information on our security controls is available on **Konecranes.com.**

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

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

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

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

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

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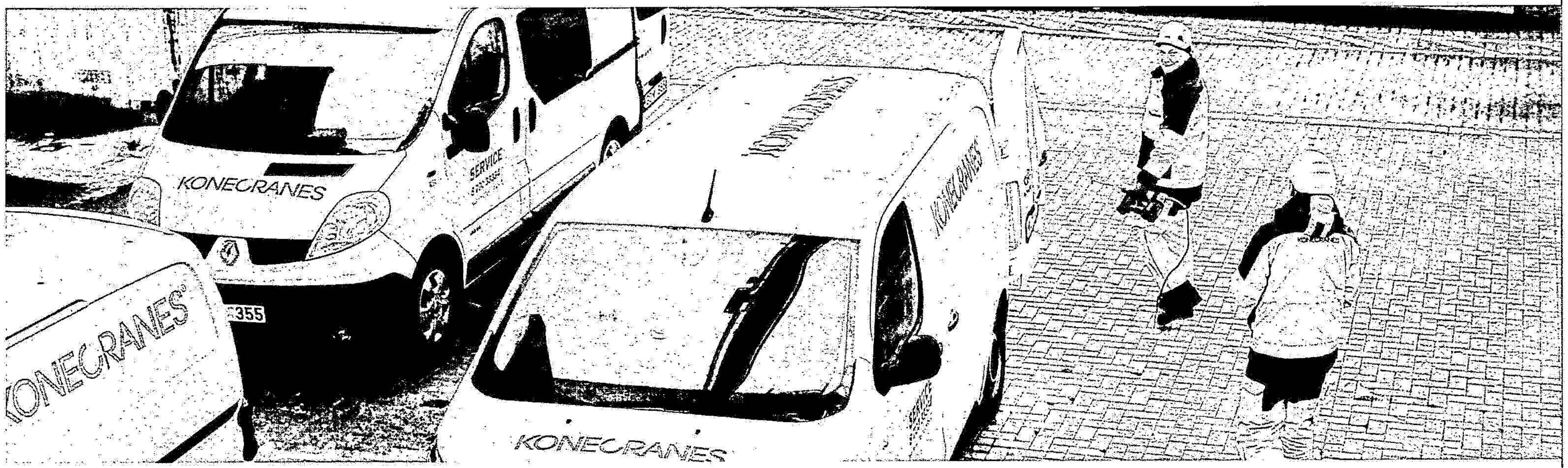

Ensuring uncompromised safety in our own operations and supply chain

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

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

We aim to create and maintain a culture where everyone takes responsibility for health and safety and embraces the mindset "If you see it, you own it". This mindset is based on a principle that anyone who sees a deviation in safety, must challenge the situation, stop the unsafe action, rectify or remove the hazard, and finally, report it through our HSE reporting tool for proper corrective measures to be taken. We should never walk by when seeing a safety issue. Hence, in 2023 we continued to embed safety into everyone's daily job by supporting our employees in recognizing hazards, making HSE observations and promoting the company-wide Life-Saving Behaviors. They are a collection of behavioral requirements that we expect everyone to follow, grouped around the main hazards and risks in all our operations be it in our own premises, enroute or at our customer sites. The campaign enhances our safety culture and advocates safe and environmentally responsible ways of working across the whole organization. Our work with Life-Saving Behaviors continues in 2024.

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

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

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

Our Serious Injury or Fatality (SIF) Exposure program continued in 2023, focusing on activities to prevent incidents that caused, or had a potential to cause, serious injury. Each incident with SIF Exposure is reviewed thoroughly by the management to ensure that root causes have been identified and the corrective actions are effective. We communicate these incidents across the organization to make sure that similar incidents are prevented from reoccurring elsewhere. We also classify actual and potential SIF Exposures based on the causes to understand better which hazards are the most common for us and to target our actions accordingly.

Building a strong safety culture through training

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

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

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

Safety performance

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

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

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

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

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

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

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

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

In general, our safety performance showed significant year-on-year improvement during 2023. The TRI rate for the year was 4.6 (2022: 5.6), an improvement of 18 percent compared to 2022. We continued to focus on learning from incidents through an increased emphasis on investigation and corrective actions, supported in part by the HSE reporting tool. The reporting tool allows us to better track the quality of incident investigations and the completion of corrective actions, including the classification of corrective actions according to the hierarchy of controls. The main types of injuries were superficial such as abrasions and scratches (33 percent); sprains and strains (25 percent); and cuts and lacerations (17 percent). Injuries occurred mostly during manual handling of materials (20 percent), working with hand-held tools (16 percent), and movement of people (12 percent). The overall corrective action closing rate during 2023 was 91 percent.

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

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

TARGETS AND PROGRESS: SAFE SOLUTIONS AND OPERATIONS

Our commitment: We deliver safe and secure material handling solutions

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

INCLUSIVE AND
FAIR WORKING CONDITIONS

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

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

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

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

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Supporting human rights in our value chain

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

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

Konecranes' commitment to human rights is evident in multiple internal policies. For several years, we have included the basic principles of human rights, such as zero tolerance of the use of forced or child labor in any form, in our Code of Conduct. In 2022 we published our Human Rights Policy, which gives more detailed guidance, for example, on the human rights due diligence process. Konecranes also has a corporate policy, the Fair Labor Frame, which sets a standard and ambition to workforce-related activities, such as working hours and freedom of association. Additionally, particular human rights are addressed in our Health and Safety and Diversity, Equity and Inclusion Policy Statements, as well as in our Data Protection Policy. To ensure that different business partners also respect human rights, we have included our basic requirements in the Konecranes Supplier Code of Conduct and Distributor Code of Conduct and in our Know Your Counterparty process.

Human rights due diligence

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

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

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

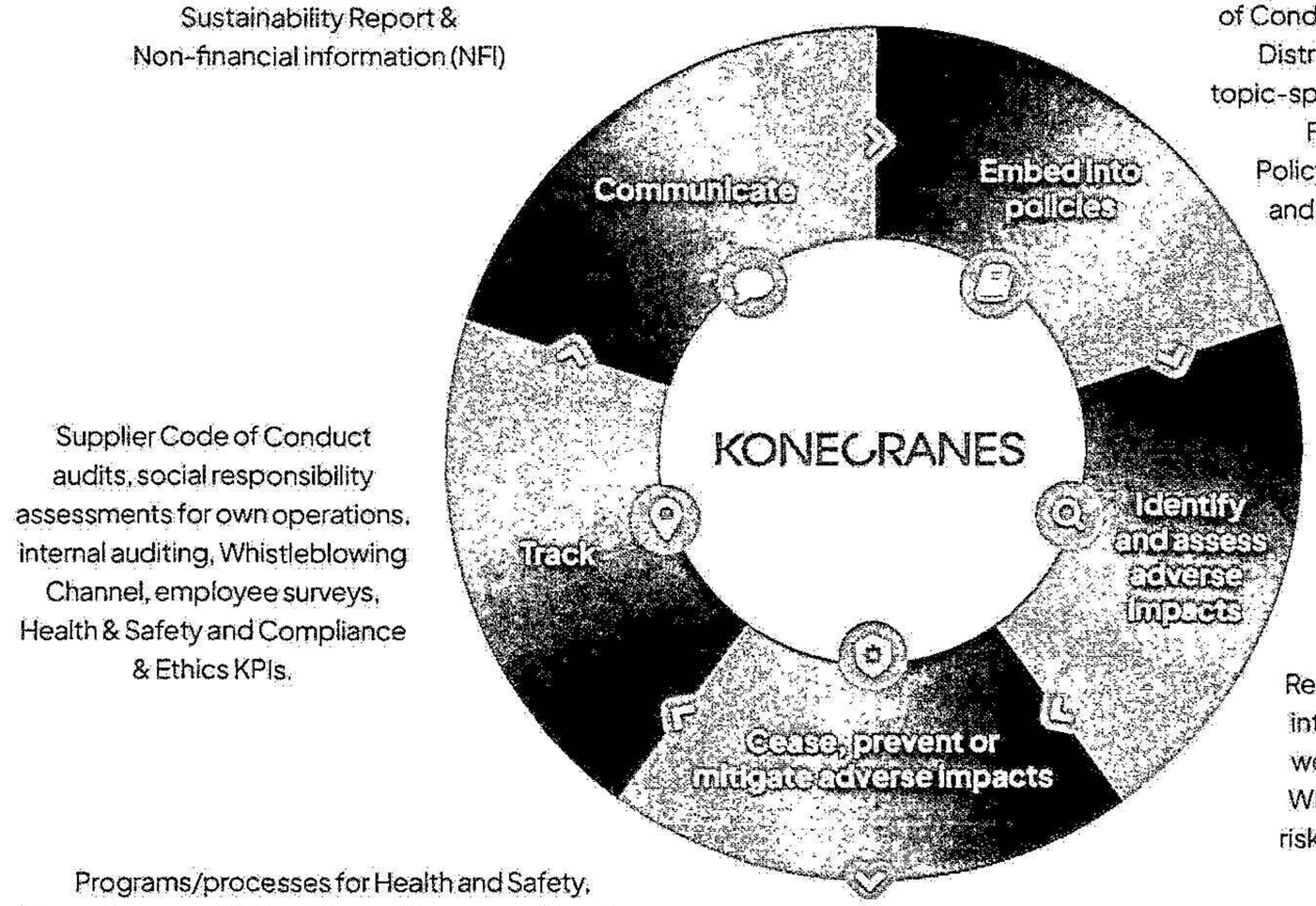
In 2023, we analyzed especially the human rights risks of the supply chain, which enables us to focus our due diligence activities on high-risk purchase categories and countries. For country-level risk analysis, we used the Global Risk map tool, where human rights risk ratings are based on five international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

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

We have several programs in place to prevent and mitigate the typical negative human rights impacts. Read more about our work to reduce health and safety risks, both related to our products and in our own operations, in the section **We deliver safe and secure material handling solutions.** We also take privacy seriously and place a high priority on personal data protection. We have a dedicated data protection organization and defined processes, guidelines, requirements and procedures covering all personal data in our control, regardless of whether or not it concerns our own employees, customers, suppliers or subcontractors. In all cases, personal data shall be processed fairly and carefully. Konecranes has implemented appropriate organizational and technical measures and has set up contractual arrangements, where necessary, to ensure individuals' right to data protection and privacy.

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

Elements of human rights due diligence



Konecranes Annual Report: Sustainability Report & Non-financial information (NFI)

Human Rights Policy, Konecranes Code of Conduct, Supplier Code of Conduct, Distributor Code of Conduct and topic-specific policies such as Fair Labor Frame; Health and Safety Policy Statement; Diversity, Equity and Inclusion Policy Statement; Data Protection Policy.

Supplier Code of Conduct audits, social responsibility assessments for own operations, internal auditing, Whistleblowing Channel, employee surveys, Health & Safety and Compliance & Ethics KPIs.

Regular impact assessment using internal and external expertise as well as input from e.g. audits and Whistleblowing Channel. Regular risk assessment from enterprise to topic-specific level.

Programs/processes for Health and Safety, Compliance and Ethics, Human Resources, Supplier Management, Know Your Counterparty, Data Protection, Diversity, Equity and Inclusion.

KONECRANES Moves what matters.

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

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

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

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

responsibility assessments and different employee surveys such as the Employee Engagement Survey and the Compliance & Ethics Risk Assessment Survey. Based on the feedback we have, for example, increased our local communication on the process of reporting concerns.

We are tracking our human rights risk management performance in several ways, for example, by conducting compliance and ethics risk surveys, supplier audits and via whistleblowing channels and employee engagement surveys. Konecranes' internal audit function is also checking selected fair labor topics relating to, for example, working hours and forced labor prevention. Additionally, since 2021 a third party has conducted social responsibility assessments against our updated Fair Labor Frame. In 2023 there were assessments at four Konecranes' manufacturing or service operation sites, located in typical high-risk countries, such as Mexico and the Philippines. Assessors paid special attention to issues identified in the risk screening, including working hours and the management of external labor. The sites are taking action to close the non-conformities and we have embedded the follow-up of fair labor topics to the standard agenda of local companies' Board meetings.

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

KONECRANES Moves what matters.

Ensuring a fair and engaging workplace

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

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

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

New values launched

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

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

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

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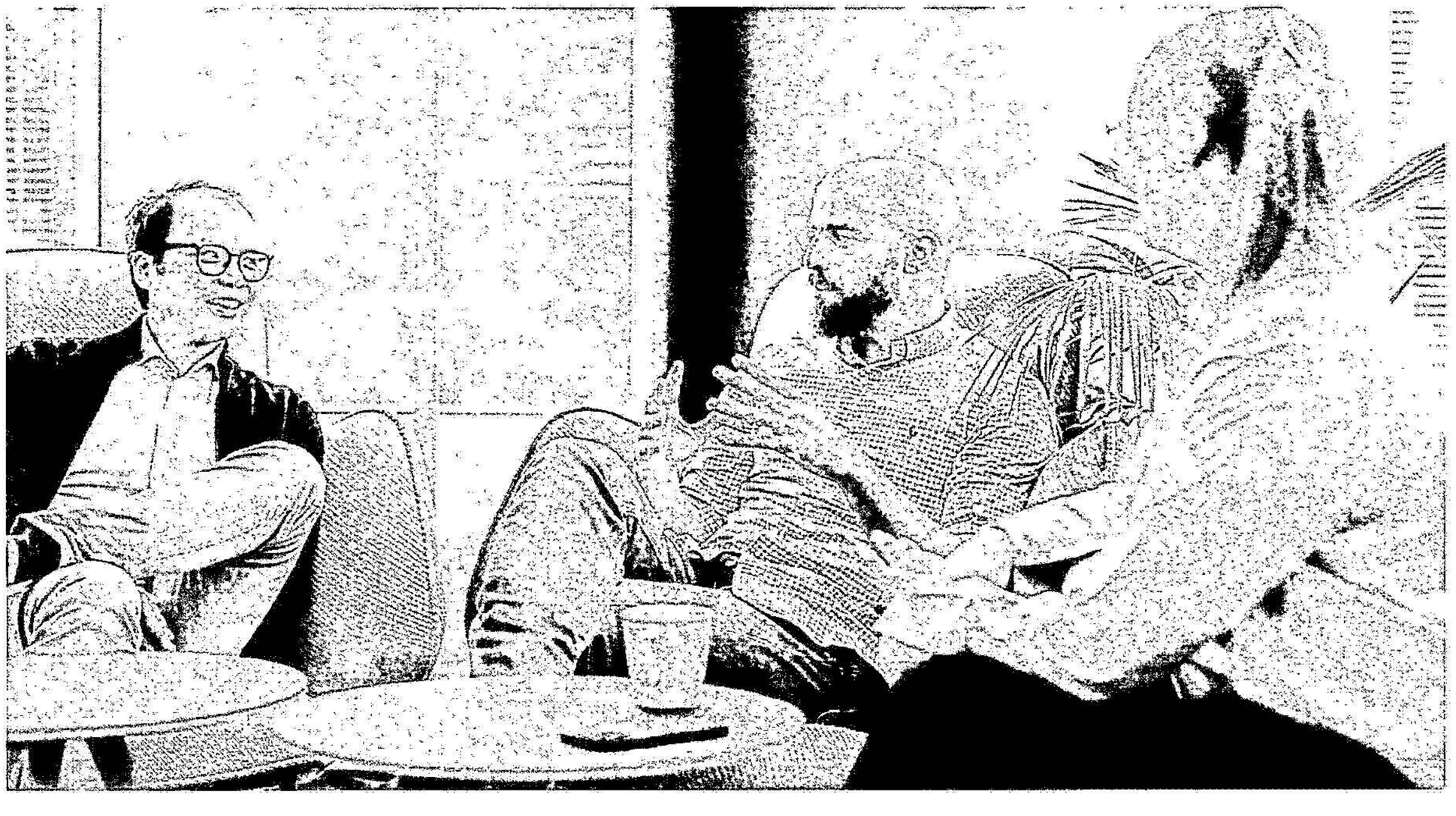
taking responsibility for our actions. We never want to stop learning and improving. Finally, we do everything as one team. We are a truly diverse and global company. We trust and support each other and win together. Living up to and acting according to our values will guide us towards becoming the world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



From attracting to developing talents

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

Konecranes offers its employees various development programs in areas such as technology, sales, communication, leadership, health and safety, project management and ways of working. In addition, employees can enrich their work, for example, by learning on the job from peers or joining mentoring and coaching programs and communities. We have several internal career and mobility programs: we are actively promoting our internal opportunities through our internal career pages, development discussions, social platforms, and newsletters – to ensure our people can take further steps in their career and develop their professional expertise.

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

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

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

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

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

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

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

Supporting employees' well-being

For us, well-being means that we all get to work in a safe and healthy manner. We believe that well-being affects all aspects of working life, not just physical safety and health, but also mental. It is about how we feel at work and how we perceive our work environment and culture. We recognize that workplace well-being is an individual experience, and therefore we want to provide our employees with a variety of well-being-related programs and activities such as sports or activity groups outside of work, occupational health services, and multiple free courses related to resilience and well-being.

In 2023, we added 'Health and well-being' as one of our Life-Saving Behaviors. Read more about our Life-Saving Behaviors in the section **Ensuring uncompromised safety in our own operations and supply chain.** The 'Health and well-being' behavior underlines that the well-being of the individual is the basis of everything else in life, and we should take care of ourselves. By practicing self-care, we model this behavior around us. Furthermore, we all should have the courage to demand and speak up for all employees' well-being. Our organization's strength lies not only in our professional abilities but also in our collective well-being. Everyone's dedication contributes to our success, and our mental health is a vital part of that. We want to create a workplace where everyone feels valued, supported, and cared for. Together, we can make a positive impact on each other's lives and contribute to a healthy, compassionate working environment. In 2023, Konecranes continued with learning solutions on the global level to aid employees through different changes and challenges. These initiatives provided help for managing stress, well-being and resilience.

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

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

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

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

We are continuously further developing our learning offerings. The focus is on leadership development and strengthening a culture of continuous learning and growth: Our flagship leadership program KC Leader has been run successfully since 2015, with a total of 16 cohorts and 511 participants. This program is currently being renewed and a new program is expected to be piloted in 2024.

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

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

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

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

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

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

Representing the multicultural communities where we operate

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

Diversity, Equity and Inclusion
Konecranes' Diversity, Equity and Inclusion (DEI) strategy raises our ambition level even further, and the three-year roadmap supports our long-term targets. At the core of our DEI strategy are the four "Ts": 1) Transforming: Learn from each other; 2) Talented: Work with leading and most diverse talents; 3) Trusted: Be trusted and feel proud to work at Konecranes; 4) Together: As one team, embrace equality, strive for inclusion and advance our customers' material flow.

Raising awareness and making a difference
DEI is an important component of our culture and strategy. Working in an inclusive environment that provides space for diverse ideas and builds on that opportunity is helping us be a better partner for our customers and increasing our performance as a company.

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

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

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

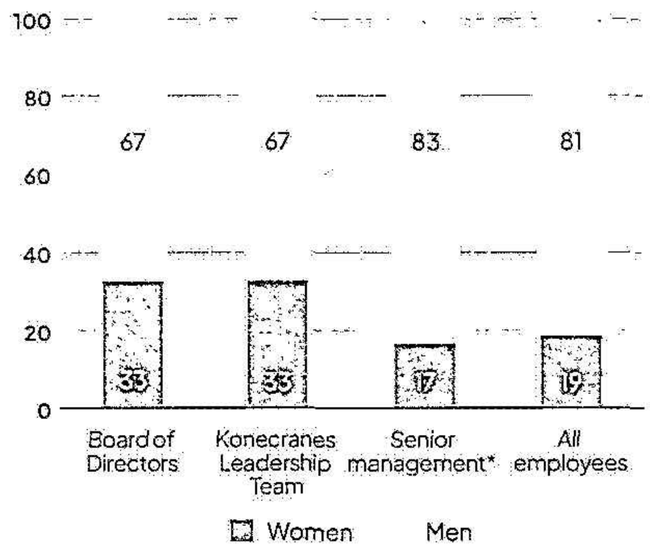
campaign, our leaders expressed their engagement in being an ally and advancing gender equality. We celebrated Pride month by highlighting how we represent the multicultural communities we operate in. We also highlighted the importance of increasing women in STEM (Science, Technology, Engineering and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

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

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

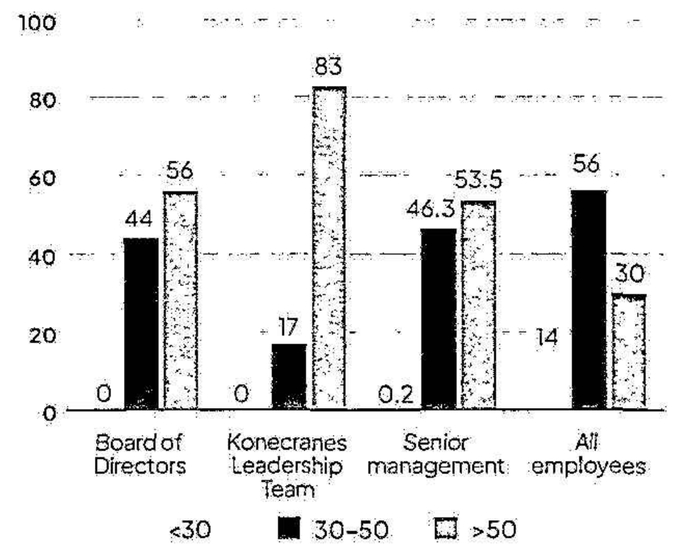
Inclusion means that the strengths of differences are welcomed and leveraged so that people feel valued for their contribution, and Konecranes' actions to promote inclusion resulted in an inclusion index rating of 81 percent in 2023, which indicates a strong feeling of inclusion among our employees.

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



* Senior Management = everyone on job level 11 and above

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



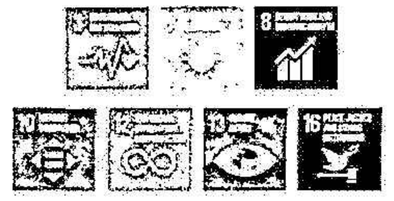
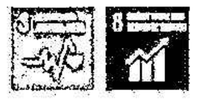
Developing diverse talents

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

In 2023, we continued our actions to further support gender balance in the organization. By ensuring our succession plans include a proper diversity balance, we aim to meet the future requirement set by the new EU directive on gender balance. We have established a fast-track program for accelerating and boosting leadership competencies for women approaching managerial positions. In addition, we have further promoted our mentoring programs for the entire organization, including multigenerational mentoring, intercultural mentoring, and women mentoring through our renewed internal mentoring program. To improve gender balance, we cooperate with European Women on Boards. Ten of our employees attended European Women on Boards mentoring, and seven of our employees are actively networking and participating in the initiatives of European Women on Boards.

TARGETS AND PROGRESS: INCLUSIVE AND FAIR WORKING CONDITIONS

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

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

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KONECRANES Moves what matters.

RESPONSIBLE BUSINESS CONDUCT

We expect high ethical standards of ourselves and our business partners

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

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

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

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

Compliance & Ethics

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

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

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

We promote a healthy "Speak Up" culture where people can feel safe reporting compliance and ethics concerns. We offer multiple ways of raising concerns internally - through the management, HR or Legal and Compliance & Ethics teams or through our externally hosted Whistleblowing Channel, which also enables anonymous reporting when allowed by local laws. Additionally, we have local reporting channels in place where required by local laws. Our Whistleblowing Channels are also open to anyone externally. We have a clear policy of no retaliation and confidentiality established in our global Whistleblowing Instruction, which is available in 35 languages and promoted in our Code of Conduct training. Our Whistleblowing Instruction offers wider protection for whistleblowers as it extends to topics not benefiting from the protection set forth in the applicable laws. During 2023 we put continued focus on our whistleblowing and investigation processes and related guidance to ensure compliance with the new whistleblowing law requirements in the EU.

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

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

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

Anti-corruption and bribery prevention

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

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

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

Responsibility in our supply chain

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

At Konecranes, the Procurement organization is responsible for ensuring compliance with the legal, ethical, environmental, and other sustainability obligations within Konecranes' supplier base, and for integrating the requirements into existing processes. To reinforce our internal capabilities in regard to sustainable procurement, we launched a new internal information site on sustainable supply chain management in 2023.

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

Key requirements for our suppliers

Konecranes expects its suppliers and subcontractors to conduct their business in compliance with the legal and ethical requirements and principles that Konecranes has set in its Code of Conduct. These principles are of the utmost importance when establishing and conducting business relationships. Konecranes' Supplier Code of Conduct ("SCoC") sets the minimum legal and ethical requirements and principles of conduct which Konecranes requires from its suppliers and subcontractors on topics such as human rights, health and safety, environmental management, anti-corruption and trade compliance. The principles and requirements of the SCoC form a key part of the agreements made with key suppliers and subcontractors. During 2023 the SCoC was reviewed and updated to meet the current and upcoming legal and compliance needs and the updated SCoC will become effective as of February 2024. By the end of 2023, globally approximately 2,300 suppliers (2022: 1,700), representing approximately 58 percent (2022: 52 percent) of our total procurement spend, have signed to commit to the principles and requirements of our Supplier Code of Conduct. We will continue to increase the share in 2024.

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

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

Managing sustainability during the business relationship with suppliers

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

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

We have also conducted on-site supplier sustainability audits since 2020, which concentrate particularly on our SCoC requirements and local regulations on the SCoC themes. These audits are done by a third party specializing in sustainability audits and they include employee and management interviews, site tours and document reviews. Auditee selection is done based on country and category risks, utilizing, for example, a human rights risk assessment, and also taking into account category strategies and supplier segmentation. In 2023, altogether 33 audits were conducted in nine countries: China, India, Thailand, Turkey, Indonesia, Malaysia, South Africa, Chile and Poland.

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

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

Substance management

There is an increasing amount of legislation related to the use of harmful substances in products. Our key requirements, which apply to both our own operations and purchased components, are described in the Konecranes Restricted Substances List, which is updated annually. Substances on the list are harmful either to human beings or to the environment. In 2023 we continued working with the European Waste Framework Directive, which requires companies to report their products to the European Chemicals Agency's public database (SCIP), if the products include certain substances listed in the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation. The most common reportable substance in our products remains to be lead, which exists in small amounts, for example, in some electrical control parts and in some brass components. Regulations still allow the use of lead in these kinds of applications, but we already encourage suppliers to find alternative materials. In 2023 we managed to substitute a few alternative articles with no substances of very high concern.

No EU or US conflict mineral regulations are applicable to Konecranes. Nevertheless, in the Konecranes Responsible Minerals Statement we commit to conducting due diligence across the supply chain to clarify where so-called conflict minerals (tin, tantalum, tungsten, and gold) originate from. We aim to ensure that minerals come from smelters or refineries audited to be conflict-free. Smelter and refinery audit information is important, as it is widely known that there is a risk that funds from the trade of these particular minerals contribute to or benefit from serious violations of human rights, if the minerals originate from conflict-affected or high-risk areas (such as the Democratic Republic of Congo and its neighboring countries). In addition to conflict minerals, we expect our suppliers to ensure that cobalt, lithium, nickel and manganese used in batteries are sourced without any human rights abuses. We started the battery-related due diligence efforts from the cobalt supply chain in 2021.

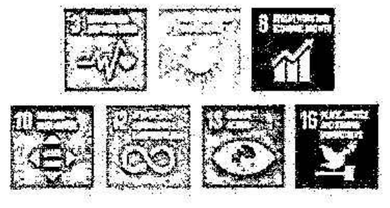
As conflict and battery minerals are essential in the manufacture of a variety of devices, including electronics, we are not trying to solve the issue alone, but are utilizing an industry-level approach and are members of Responsible Minerals Initiative (RMI). For example, in 2023 we participated in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

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

Altogether, our suppliers were identified to source materials from 342 tin, tantalum, tungsten or gold smelters or refineries, out of which 65 percent were already verified or were in the middle of the verification process to be declared conflict-free by independent third-party auditors. With our continuous program, we encourage our suppliers to use minerals only from audited sources, and through RMI, we are supporting additional smelters to go through auditing. We offer training materials for suppliers targeted for our conflict minerals due diligence.

TARGETS AND PROGRESS: RESPONSIBLE BUSINESS CONDUCT

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

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

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

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

KONECRANES Moves what matters.

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Engaging stakeholders

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

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

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

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

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

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

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

RECOGNITIONS FROM STAKEHOLDERS

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

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

KONECRANES Moves what matters.

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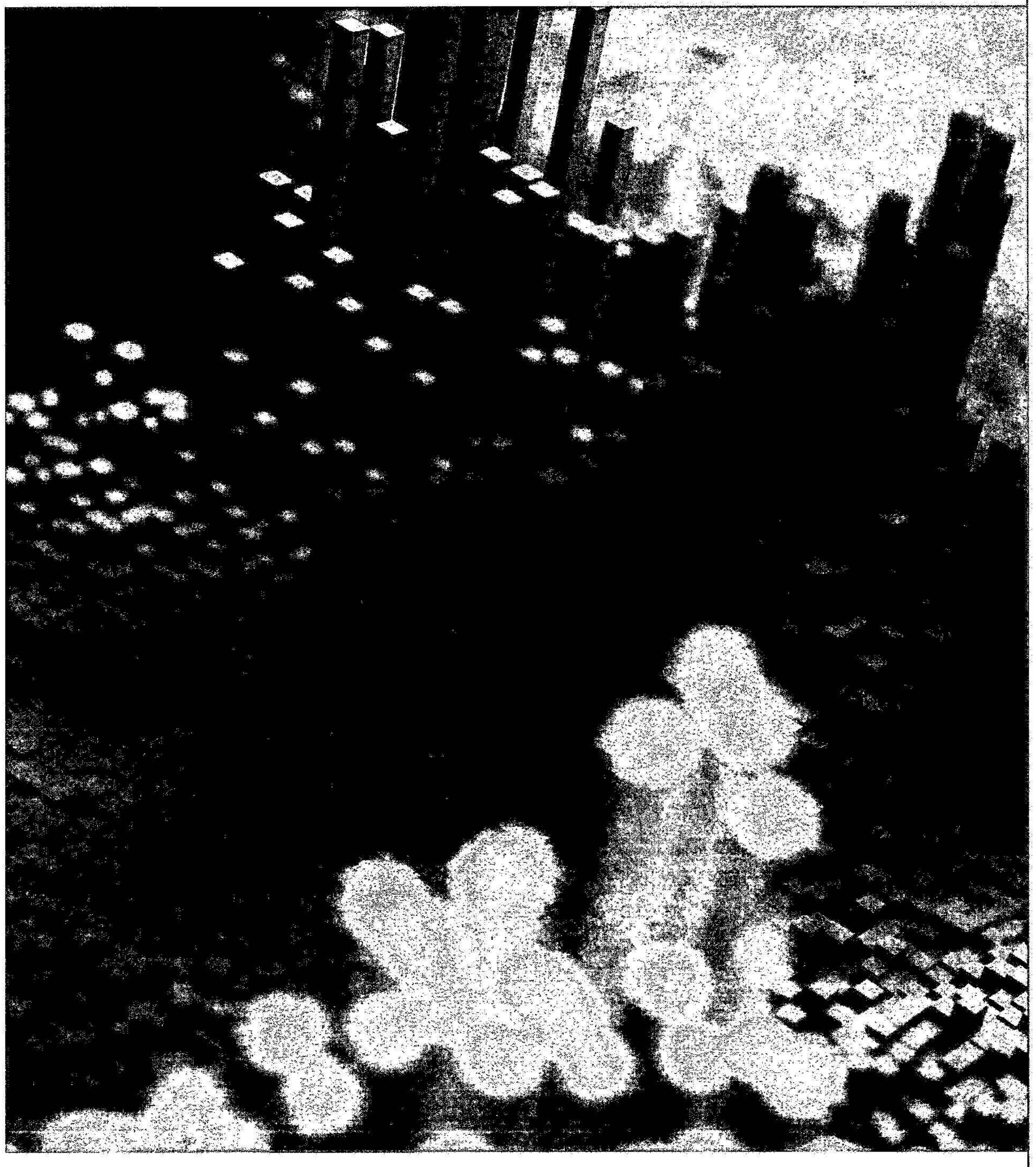
Interaction with stakeholders

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

Data and indices

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



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Reporting principles

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

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

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

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

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

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

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

Sustainability management approaches

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

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

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

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

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

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

KPIs			2023	2022	2021
Energy and emissions (Scope 1, Scope 2)	Total energy consumption (MWh)		236,000	251,400	275,000
	Fuel consumption[1] (MWh)		123,900	133,500	129,600
	Natural gas and LPG consumption (MWh)		43,900	45,900	63,400
	Electricity consumption (MWh)		57,500	60,800	68,900
	District heat consumption (MWh)		10,600	11,300	13,000
	Total energy consumption per sales (MWh/M€)[2]		58	73	85
	Grid electricity percentage (%)[3]		24%	24%	25%
	Renewable energy (MWh)		52,800	55,700	55,300
	Renewable energy percentage (%)[4]		22%	22%	20%
	Renewable electricity percentage (%)[5]		100%	100%	67%
	Scope 1 and Scope 2, Total emissions[6] (tCO_2e)		40,500	43,000	58,900
	Scope 1, direct emissions[7] (tCO_2e)		37,300	40,100	44,500
	Scope 2, indirect emissions tCO2e[7]	Location-based method	19,800	20,200	23,800
		Market-based method	3,300	2,900	14,400
	Total emissions[6,9] per sales (tCO_2e/M€)		9	12	17
	Total emissions[6] per energy unit (tCO_2e/MWh)		0.16	0.16	0.20
Emissions Scope 3	Purchased goods and services (tCO_2e)		1,670,500	1,450,000	1,515,600
	Capital goods (tCO_2e)		4,000	3,900	3,400
	Fuel- and energy-related activities (tCO_2e)		12,700	10,600	14,000
	Upstream transportation and distribution[10] (tCO_2e)		160,200	116,000	53,800
	Waste generated in operations (tCO_2e)		200	200	300
	Business travel without flights (tCO_2e)		2,000	1,200	500
	Business flights (tCO_2e)		10,500	4,400	1,900
	Employee commuting (tCO_2e)		13,000	18,500	18,600
	Total Scope 3 Upstream emissions		1,873,100	1,604,800	1,608,100
	Downstream transportation and distribution (tCO_2e)		16,000	11,600	5,400
	Use of sold products (tCO_2e)		3,330,400	3,012,500	3,470,500
	End-of-life treatment of sold products (tCO_2e)		5,200	4,300	5,000
	Investments (tCO_2e)		20,700	17,700	18,000
	Total Scope 3 Downstream emissions		3,372,300	3,046,100	3,498,900
	Scope 3, Total emissions[11] (tCO_2e)		5,245,400	4,650,700	5,106,900
Waste	Metal scrap[12] (tons)		15,200	12,000	13,900
	Cardboard, paper and wood[13] (tons)		2,700	2,400	2,400
	Hazardous and electronic and electrical waste[14] (tons)		1,300	1,300	1,400
	Other waste[15] (tons)		1,500	1,300	1,800
	Total weight of non-hazardous waste (tons)		19,400	15,700	18,100
	Total weight of waste recovered (tons)[16]		17,900	14,400	16,300
	Recycling rate %[17]		88%	78%	69%
Water consumption (m^3)			144,000	152,300	163,000

1 MWh = 3.6 GJ. M€ = million euros.

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

1) Fuel consumption consists of diesel, petrol, ethanol and HVO100.
2) Office energy consumption excluded from total energy consumption due to data comparability. Calculation method will be re-evaluated in 2024.
3) Amount of grid electricity consumption divided by total energy consumption.
4) Amount of renewable energy divided by total energy consumption.
5) Amount of renewable electricity divided by total electricity consumption. Limited to manufacturing operations.
6) Total emissions include scope 1 and scope 2 (market-based method). CO_2, CH_4 and N_2O included. GWP: 2007 IPCC Fourth Assessment Report AR4.
7) Scope 1 includes emissions from fuel, natural gas and LPG consumption and fugitive emissions (refrigerants).
8) Scope 2 includes emissions from electricity and district heat consumption. Scope 2 indirect emissions are calculated according to the GHG Protocol Scope 2 Guidance dual reporting requirement: location-based and market-based method.
9) Emissions from refrigerants and office energy consumption excluded from total emissions due to data comparability. Method will be re-evaluated in 2024.
10) In 2023 we were able to enhance our calculation by obtaining more detailed data from the suppliers.
11) Total scope 3 emissions include all scope 3 emissions applicable to Konecranes.
12) Waste streams are directed to recycling.
13) Waste stream handling split into recycling, incineration and other adequate treatments depending on location.
14) Waste streams handling split into recycling, incineration and other adequate treatments depending on location.
15) Other waste includes plastic, organic, mixed and energy waste. Waste stream handling split into recycling, incineration, composting, and landfill depending on location.
16) The weight of waste directed to recycling or reuse.
17) The recycling rate represents the share of waste directed to recycling or reuse from the total waste.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The rates cover our own personnel. We also report and follow up on contractor incidents in our reporting system, but those are not included in our incident rates.
1) NM = Number of work related near-misses / working hours performed over the reference period x 1,000,000 hours.
2) LTI = Number of work-related lost-time incidents / working hours performed over the reference period x 1,000,000 hours.
3) TRI = Number of work-related incidents causing medical treatment or lost-time / working hours performed over the reference period x 1,000,000 hours.

ISO management system coverage in Konecranes factories

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

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GRI and SASB Index 2023

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

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

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

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

KONECRANES Moves what matters.

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

KONECRANES Moves what matters.

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Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries. We consistently set the industry benchmark from everyday improvements to the breakthroughs at moments that matter most, because we know we can always find a safer, more productive and sustainable way. That's why, with around 16,600 professionals in over 50 countries, Konecranes is trusted every day to lift, handle and move what the world needs. In 2023, Group sales totaled EUR 4.0 billion. Konecranes shares are listed on Nasdaq Helsinki (symbol: KCR).

Annual Review 2023

KONECRANES Moves what matters

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KONECRANES Moves what matters.

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

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

In 2023 we continued to take meaningful steps to make this ambition a reality. We partnered with customers across the globe to provide solutions that enhance productivity and sustainability. Our unrelenting research and development work continued both in-house and with partners, shaping the material handling solutions of tomorrow.

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

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

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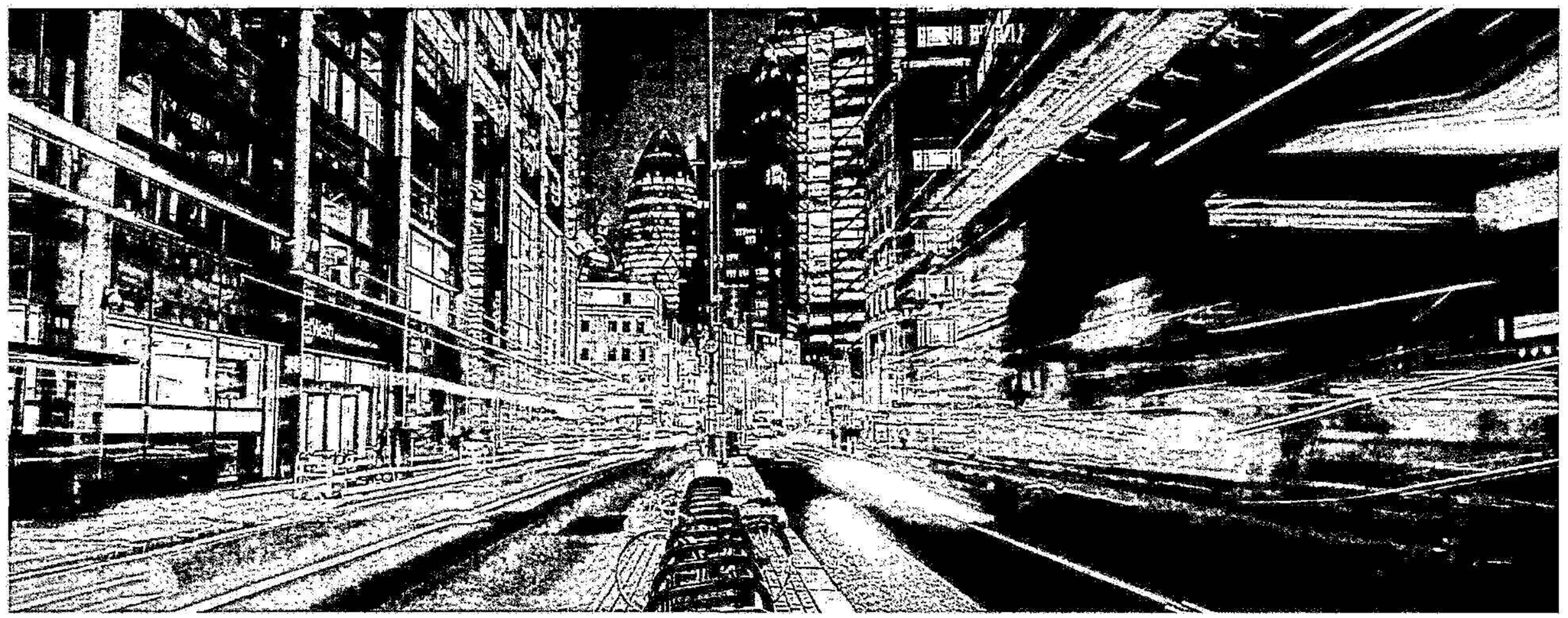
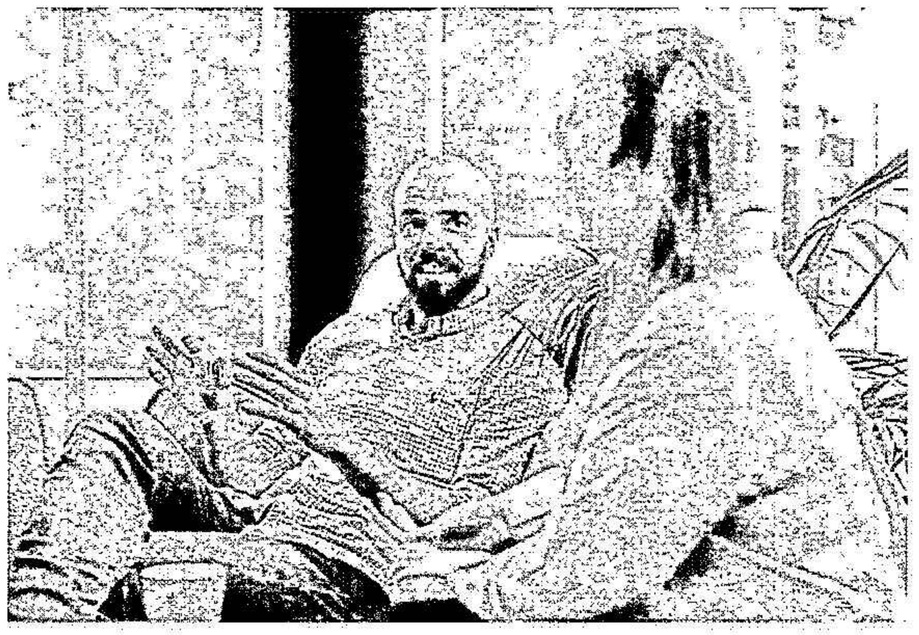
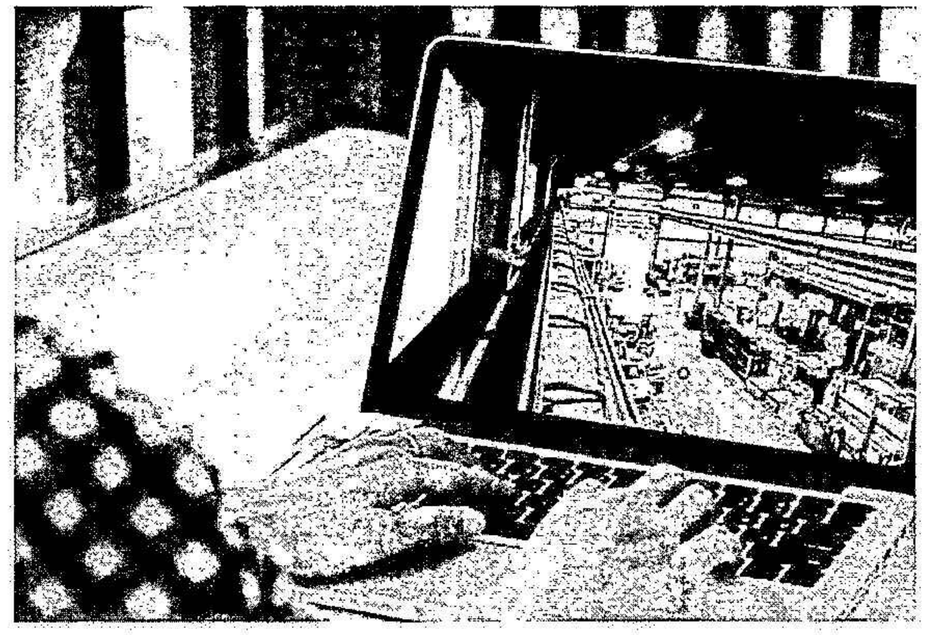
Konecranes in 2023

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

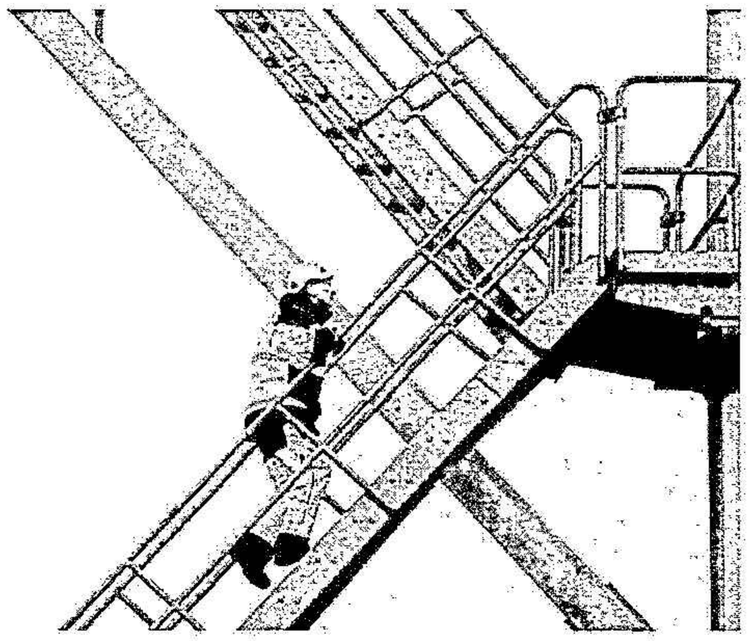




WE AGAIN TOOK STRIDES WITHIN SUSTAINABILITY. We published our new target of having carbon neutral own operations by 2030, which follows our 2022 accomplishment of powering our factories with 100% renewable electricity. In 2023, we reached a carbon neutrality milestone as our Hämeenlinna, Finland, site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



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



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

The year 2023 in numbers

4,161.4
MEUR (-1.6%)
Order intake

3,966.3
MEUR (+17.9%)
Net sales

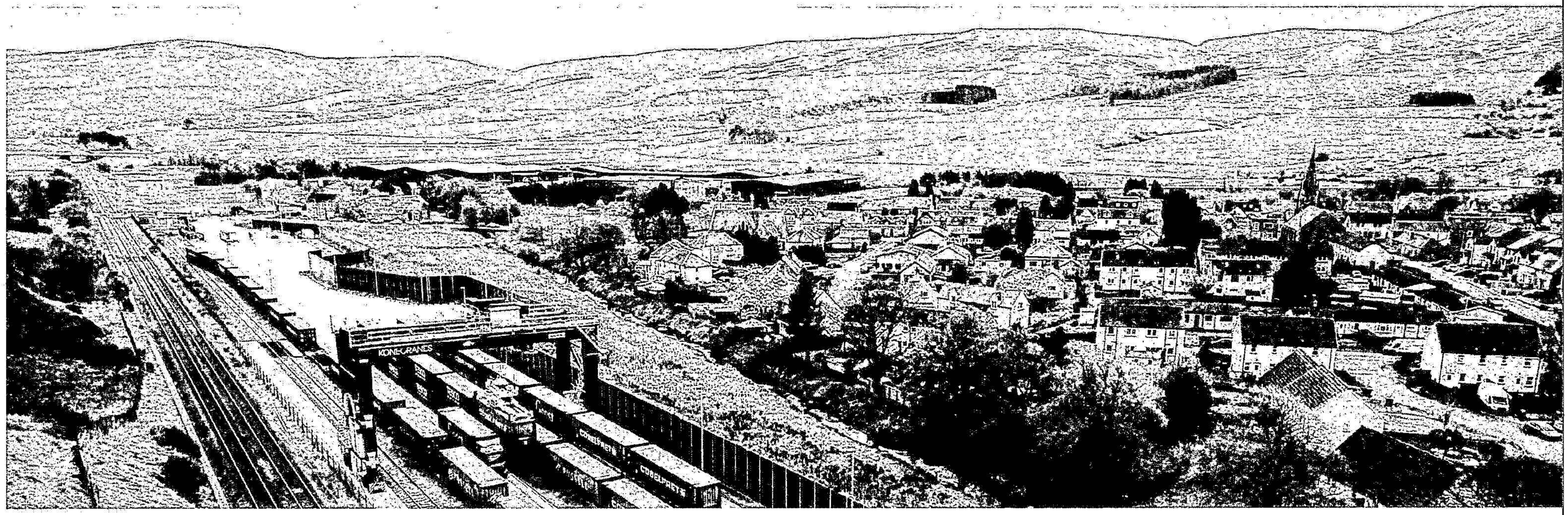
11.4%
Comparable EBITA margin

3,040.8
MEUR (+4.8%)
Order book

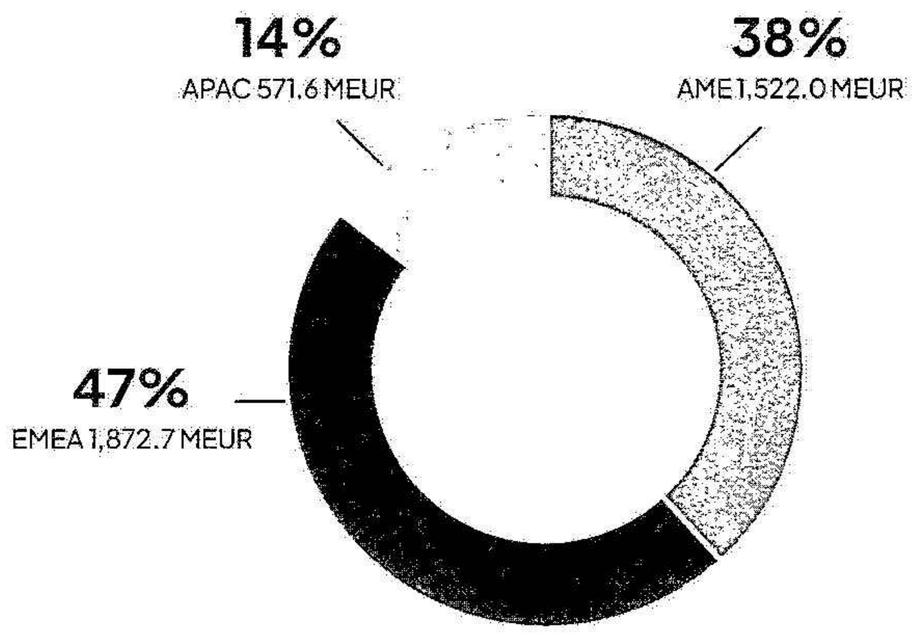
2,100
Number of active and pending patents

22.9%
Gearing

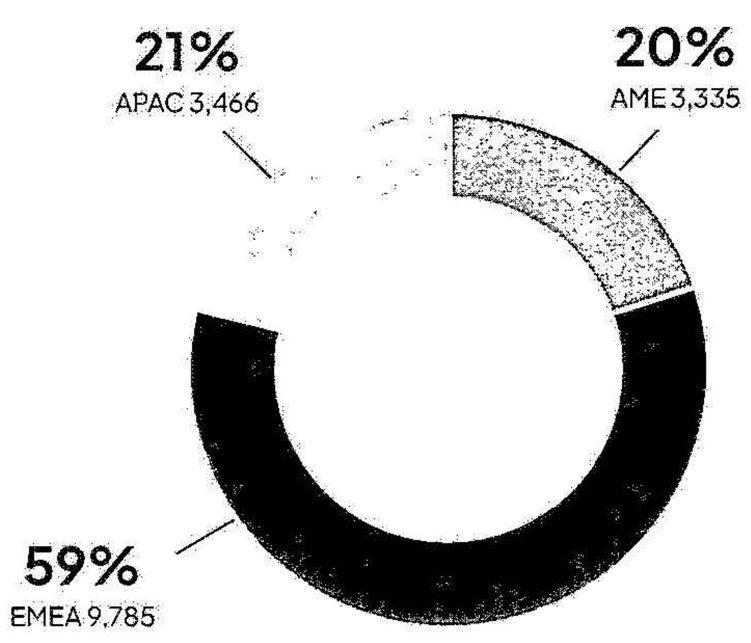
KONECRANES Moves what matters.



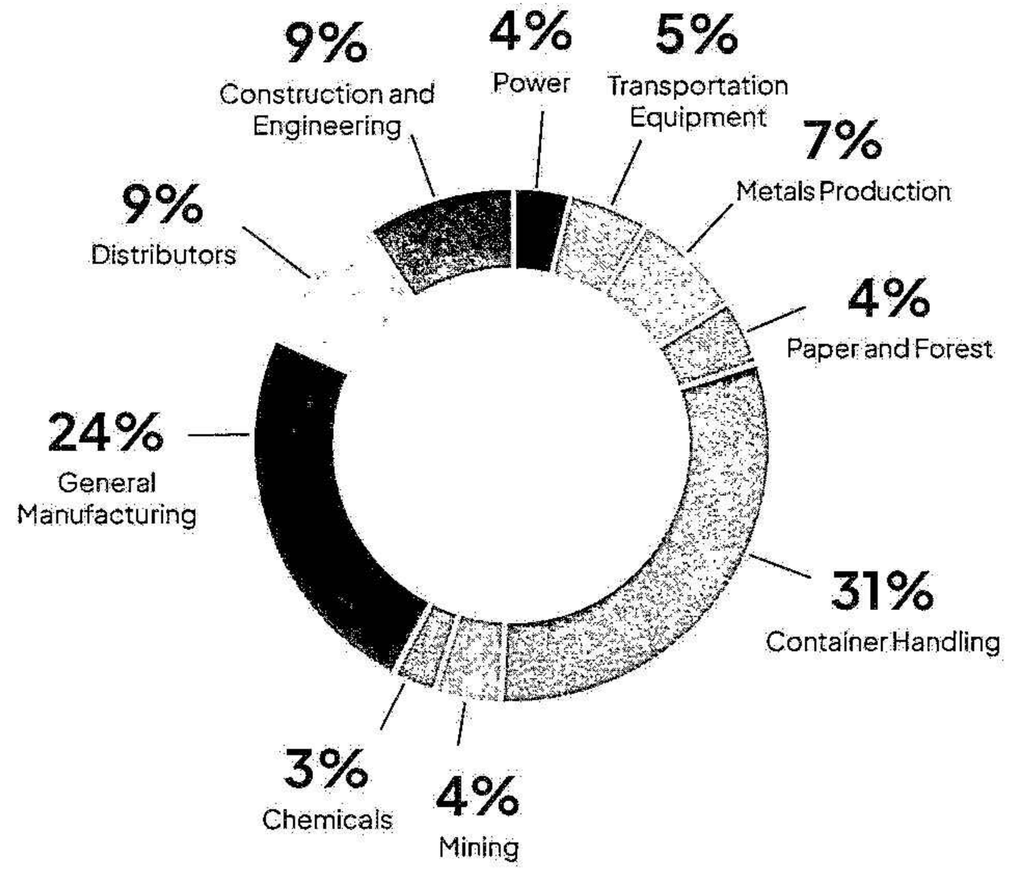
Net sales per region, 2023



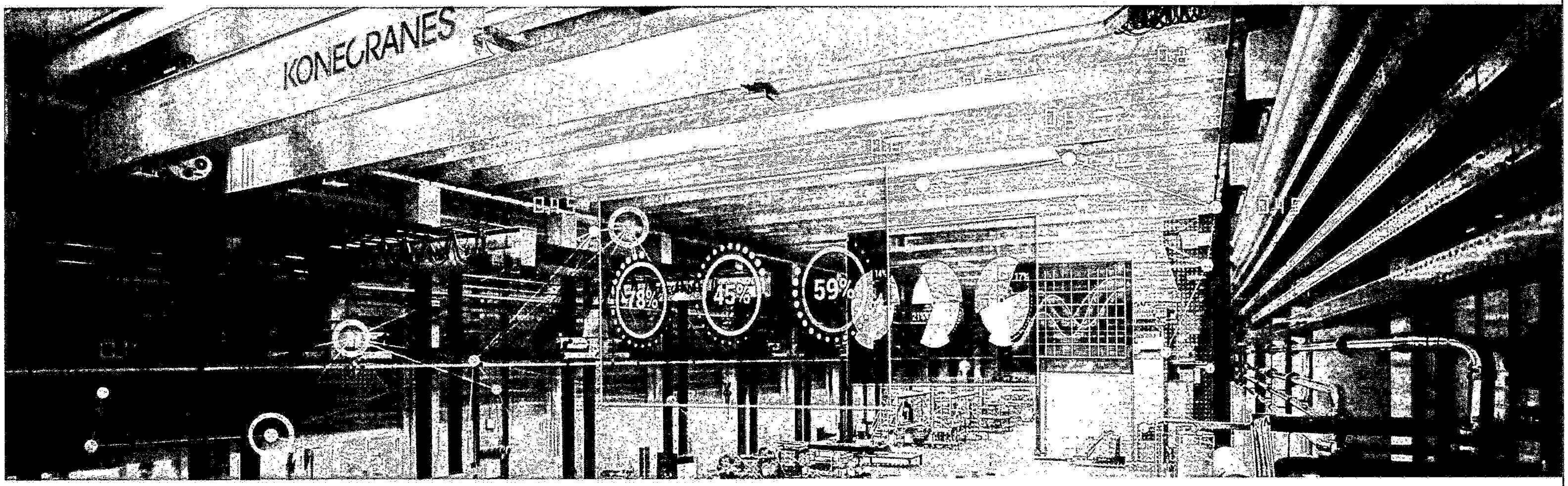
Personnel by region, 2023



Orders by customer segments, 2023

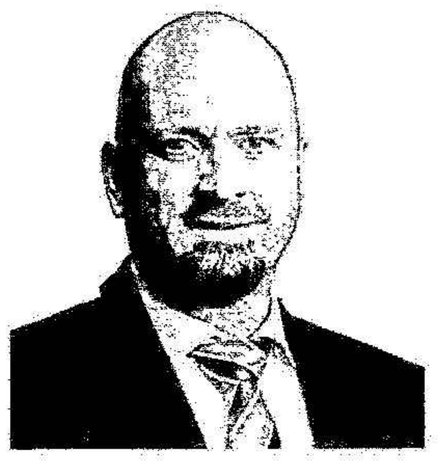


Percentages have been rounded and may not total to 100%.



CEO's review

Dear shareholders,



2023 was a significant year for Konecranes, establishing solid foundations for the years to come. We unveiled an updated strategy and new financial targets, announced an inspirational purpose and ambition, renewed our company values and revamped the Konecranes brand for a launch in early 2024. Financially, we reported strong results amid challenging market conditions. It was a truly remarkable year, and my warm thanks go to our employees, customers and suppliers for their commitment and cooperation from start to finish.

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

We certainly had a lot of good news to share. In May, we announced our updated strategy alongside new financial targets for the coming years. As an industry leader we aim high, and our ambition is no less than to become the world leader in material handling solutions creating value for everyone. We identified five strategic enablers that will be key to our success, based on the expertise that we have built during more than a century in the industry: Deepening customer focus; accelerating efficiency; scaling technology innovation; advancing responsible business; and enhancing our winning culture.

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

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

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

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

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

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

Following the 2022 achievement of using only renewable electricity in all our manufacturing operations, we celebrated our first carbon-neutral manufacturing location when Hämeenlinna in Finland received a CarbonNeutral® building certification. This was achieved by using renewable energy and improving energy efficiency, as well as compensating emissions that cannot be eliminated yet through carbon credits. Hämeenlinna acts as a great example as similar energy efficiency initiatives continue throughout Konecranes. Our work received further recognition as EcoVadis, a leading business sustainability rating agency, awarded Konecranes with a Gold rating in 2023 for the third year running.

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

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

Safety and diversity drive success
At Konecranes we recognize that lifting and material handling can be hazardous. That is why we place an unrelenting focus on safety, with the goal that our people and customers can get home safely every day. Thanks to focus and dedication from the team, our safety performance, as measured by the Total Recordable Incident (TRI) rate, showed significant year-on-year improvement during 2023.

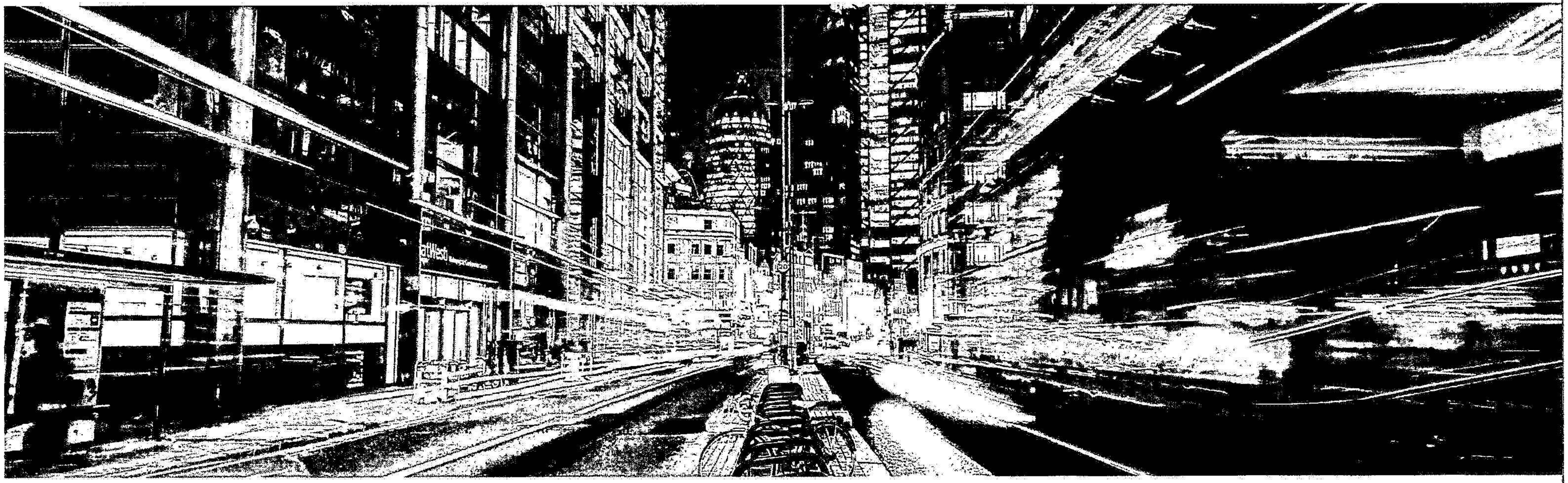
Safety has also unfortunately remained topical for Konecranes due to the war in Ukraine. The safety of our Ukrainian colleagues remains Konecranes' top priority as we condemn Russia's aggression.

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

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

Warm regards,

Anders Svensson
President and CEO



Strategy

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

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

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

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

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

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

As we move forward, we are determined to harness innovation to redefine industry standards, solving the material handling challenges of today and tomorrow, and contributing positively to the global community we operate within.

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

Our strategy in action
We have outlined five strategic enablers that will make this ambition a reality.

- **Deepening customer focus** - We're placing the needs and expectations of our customers at the heart of our decision-making every day.

- **Accelerating efficiency** - We're continuously optimizing our operations and go-to-market model, building resilience, driving efficiency and enhancing productivity.

1) Nominal world GDP growth, IMF World Economic Outlook
2) Profitability range, depending on the cycle

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

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

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

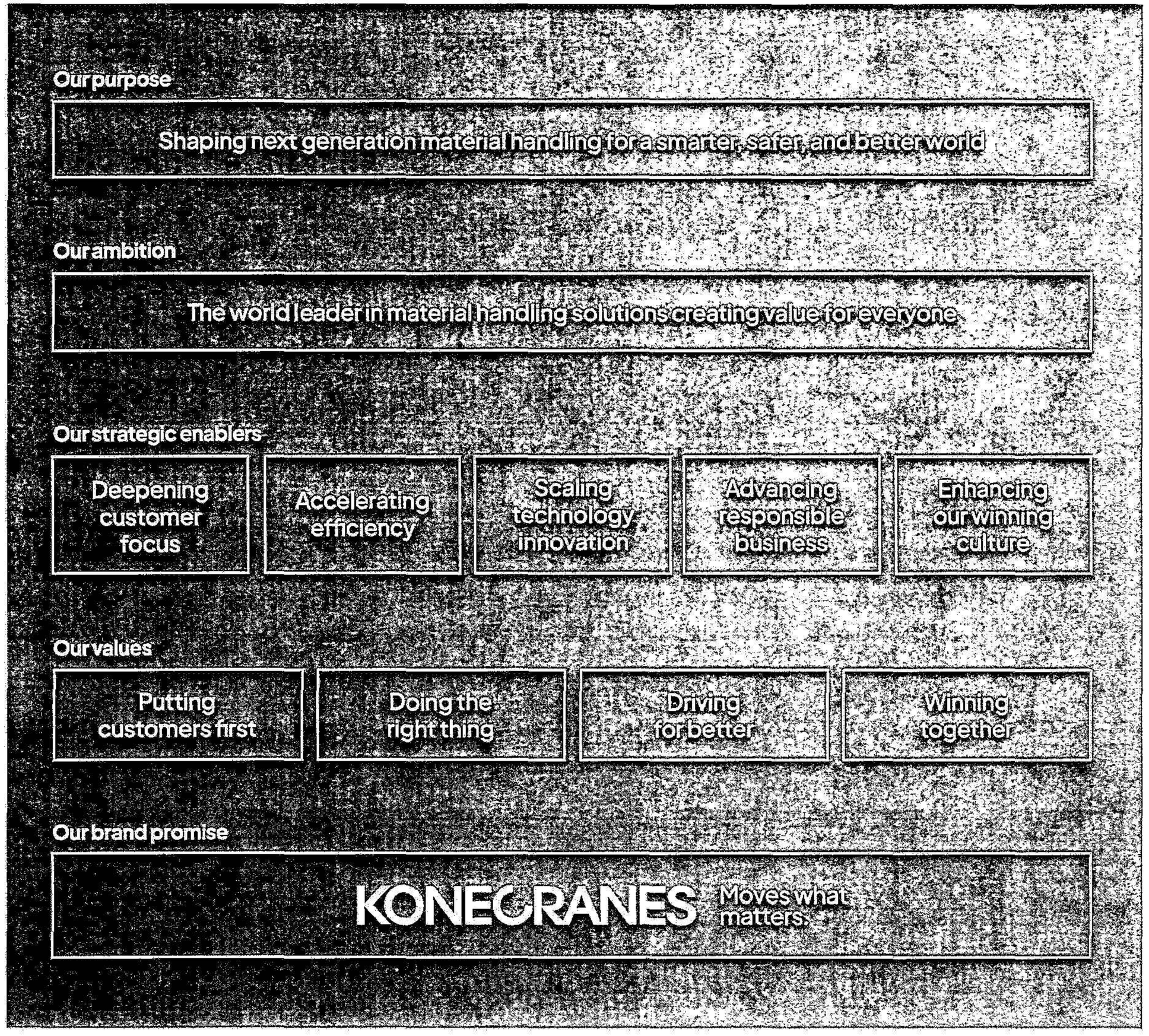
Konecranes' new values, created by our employees
In 2023 close to 8,000 Konecranes employees took part in a collaborative process to renew the company's values after nearly 30 years. The new values were defined through a process of online brainstorming and dozens of global workshops. The values summarize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

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

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

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

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



Business Area Reviews

Industrial Service and Equipment

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

Port Solutions

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

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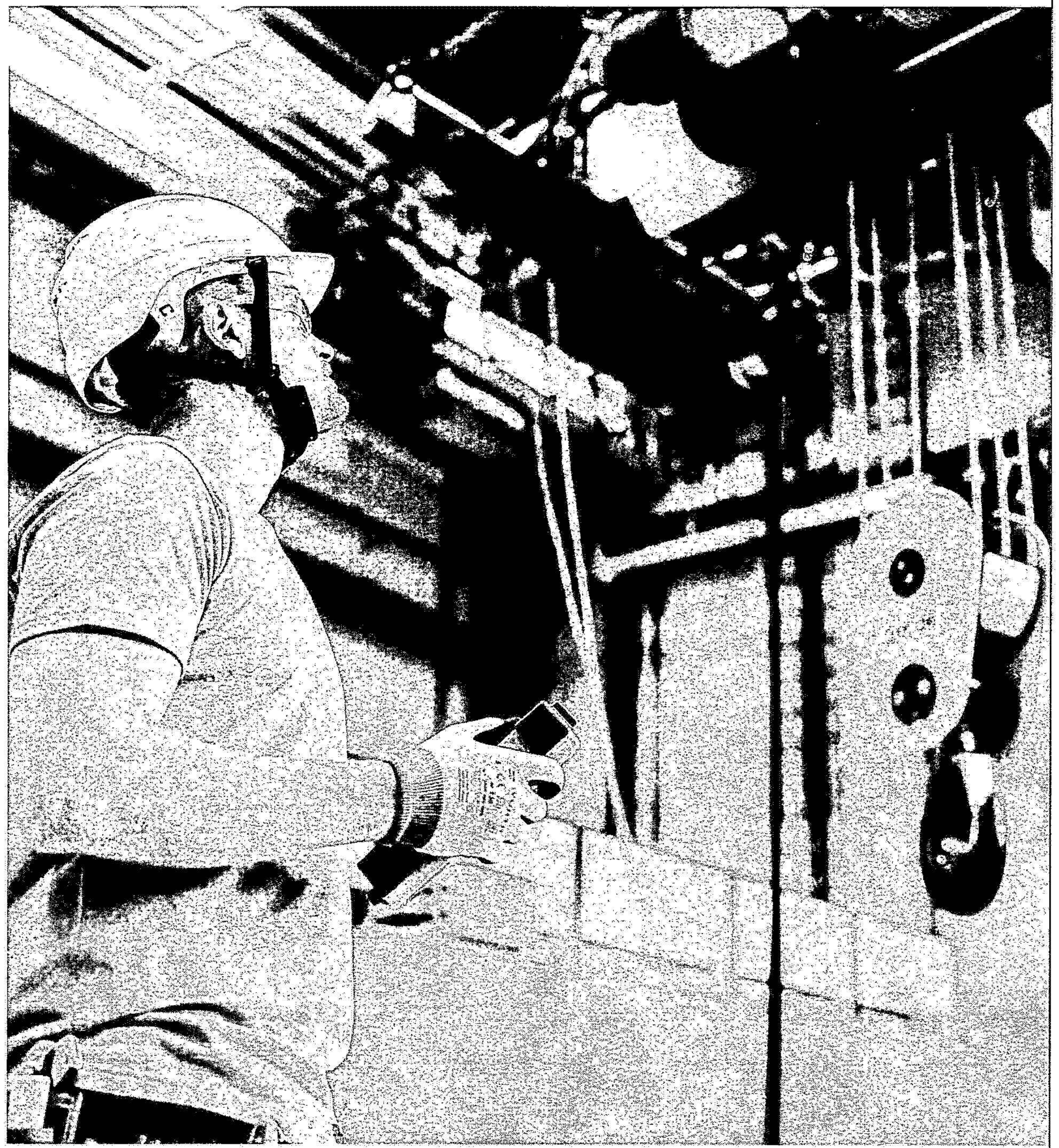
INDUSTRIAL
SERVICE & EQUIPMENT

A year of positive transformation

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

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

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



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

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

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

FIRST CARBON-NEUTRAL CERTIFIED FACTORY

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

The carbon-neutral certification was reached through reducing greenhouse gas emissions by using renewable energy and improving energy efficiency. Carbon credits have been purchased to compensate the emissions that cannot be eliminated yet. Efforts in Hämeenlinna continue to further reduce the remaining emissions, for example, through factory modernization and electrifying diesel lift trucks.

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

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Service in numbers

443.5

Order book at the end of 2023, MEUR

19.9

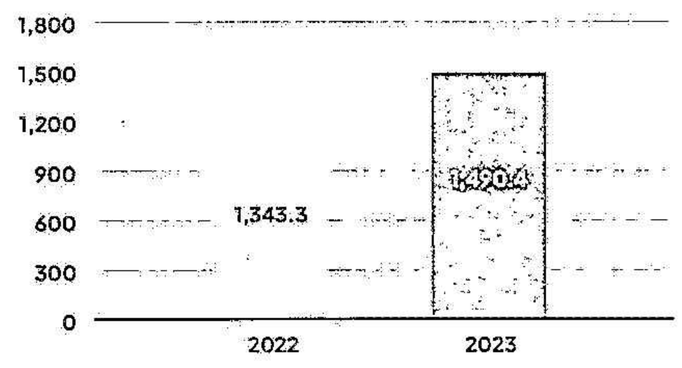
Comparable EBITA 2023, %

8,010

Number of employees at the end of 2023

Orders received, MEUR

Net Sales, MEUR



Industrial Equipment in numbers

892.3

Order book at the end of 2023, MEUR

6.5

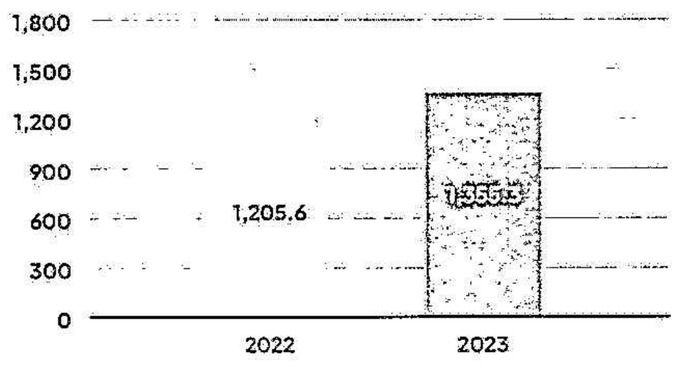
Comparable EBITA 2023, %

5,253

Number of employees at the end of 2023

Orders received, MEUR

Net Sales, MEUR



KONECRANES Moves what matters.

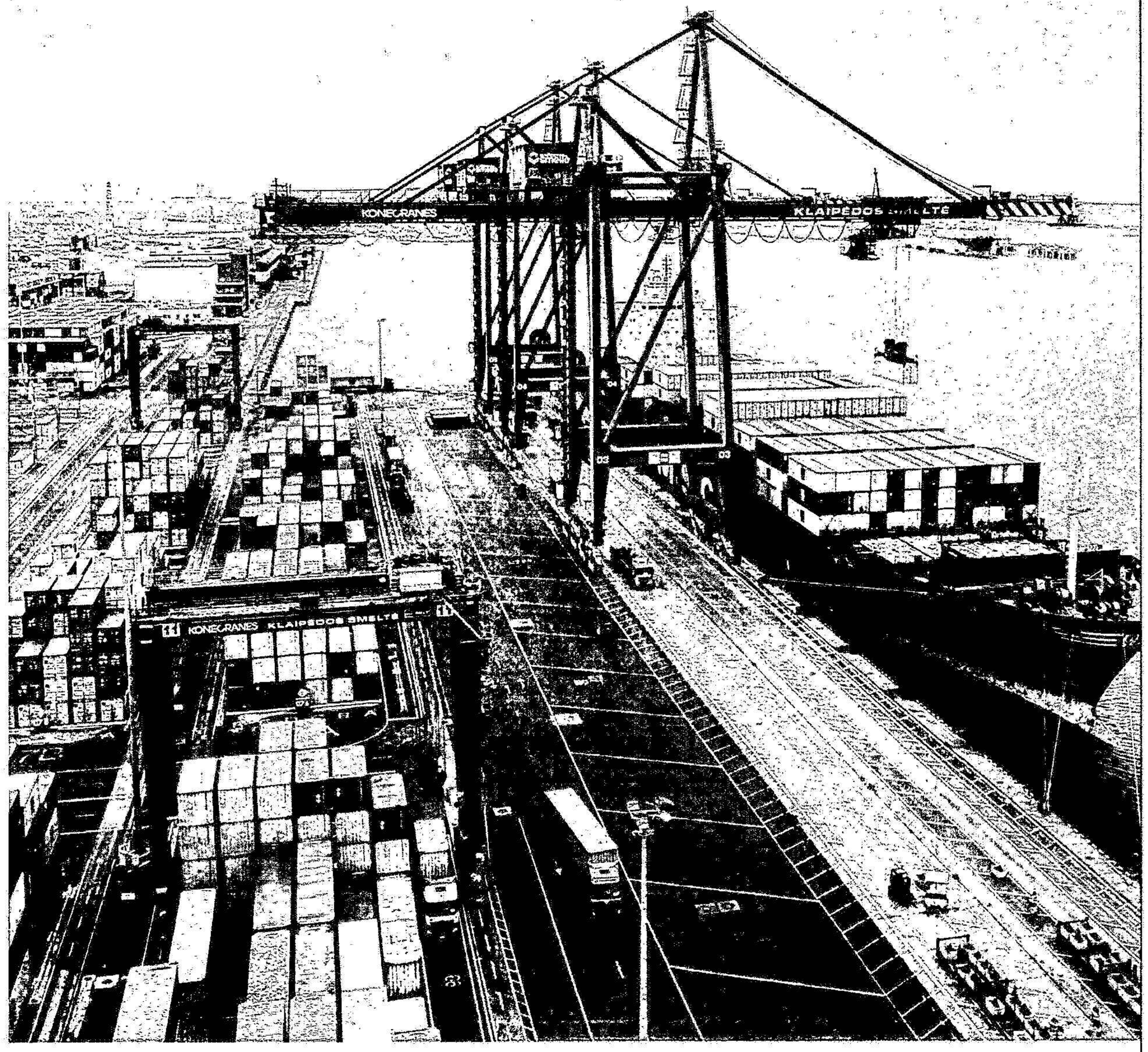
PORT SOLUTIONS

The widest and deepest offering

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

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

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



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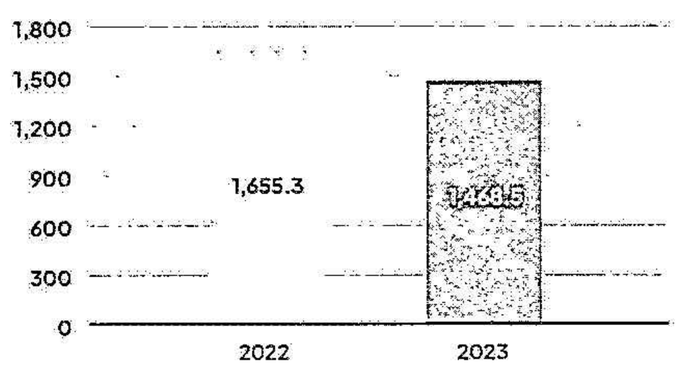
Port Solutions in numbers

1,705.0
Order book at the end of 2023, MEUR

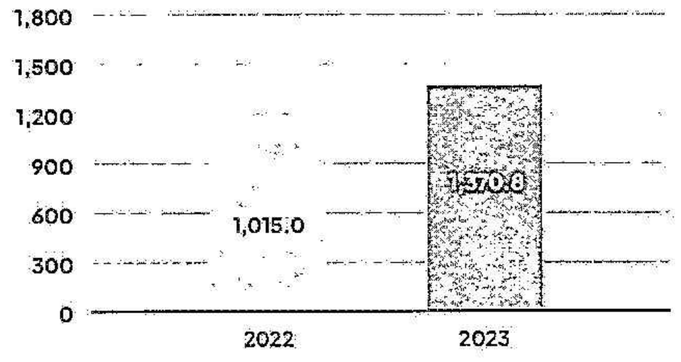
7.5
Comparable EBITA 2023, %

3,222
Number of employees at the end of 2023

Orders received, MEUR



Net Sales, MEUR



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

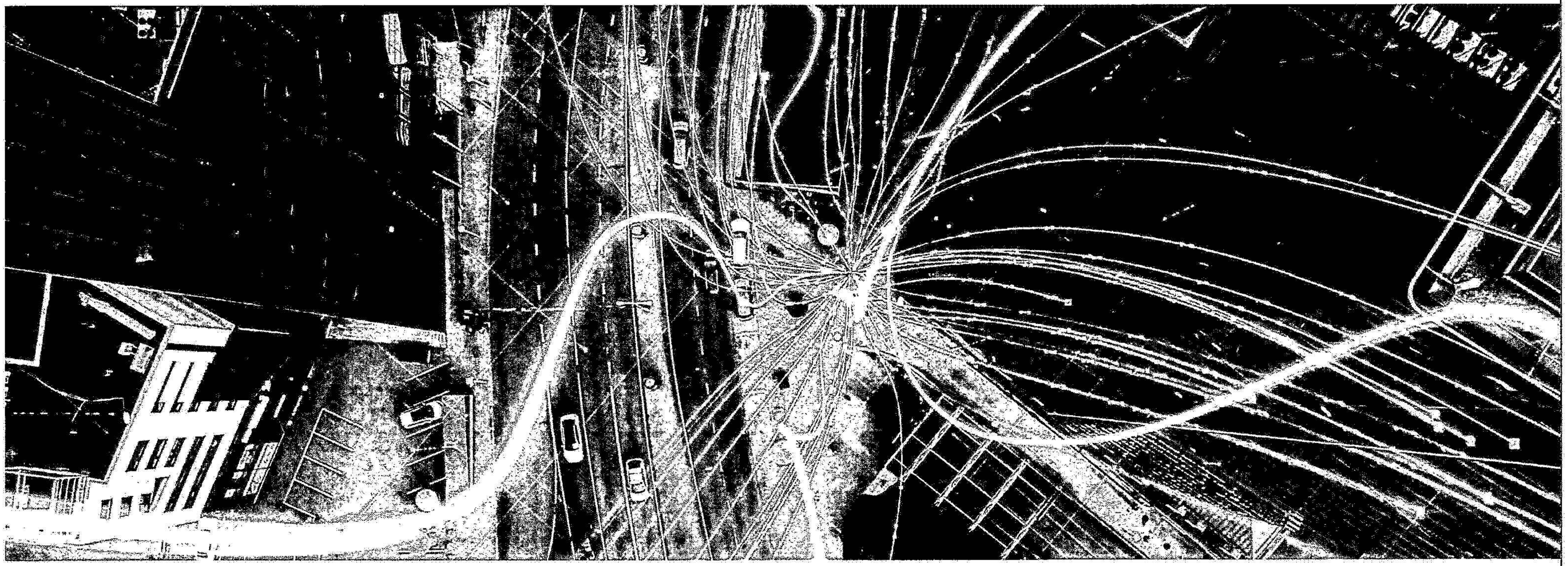
The offering including TRUCONNECT, Konecranes' remote monitoring system for cranes, was expanded within Port Solutions in 2023. Ports and terminals increasingly want to have equipment data visible in their own systems. As a response to this, the newly launched Application Programmable Interface (API)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

LEADING SOLUTIONS FOR CUSTOMERS ACROSS THE GLOBE

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

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

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



Research and technology development

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

Unlocking industrial productivity

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

The potential here is significant. Material flows, meaning any value-adding industrial activity involved in the transportation of raw materials and products, account for approximately 5.5% of the world's greenhouse gas emissions and 40% of injuries in the manufacturing industry. The program will focus on reducing four major deficiencies from material flows: information barriers, greenhouse gas emissions, energy consumption and accidents.

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

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

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

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

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

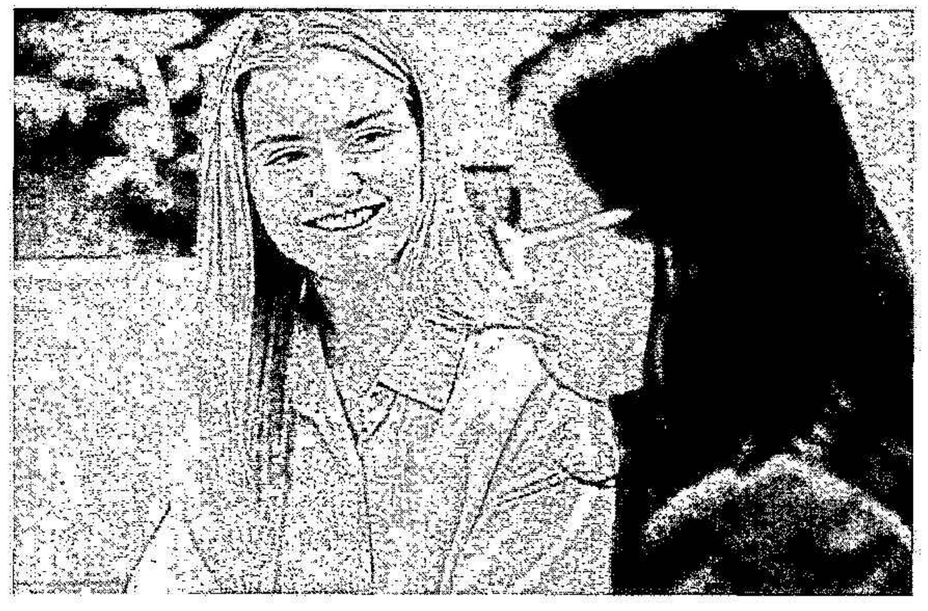
AI is also being implemented to help our customers keep their equipment reliable and compliant. In spring 2023 Konecranes launched a predictive maintenance engine that foresees the maintenance needs of equipment based on the asset information, condition and historical maintenance data. Forecasts of potential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

Konecranes' organizational setup also supports implementing these new technologies throughout the company. Since 2019 we have operated a dedicated Data Science Lab in Lyon, France. The lab supports businesses by developing solutions with tangible benefits for both customers and our operations in general. The Data Science Lab has become an integrated part of Konecranes' development efforts, especially within data-intensive and rapidly developing fields such as artificial intelligence.

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

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

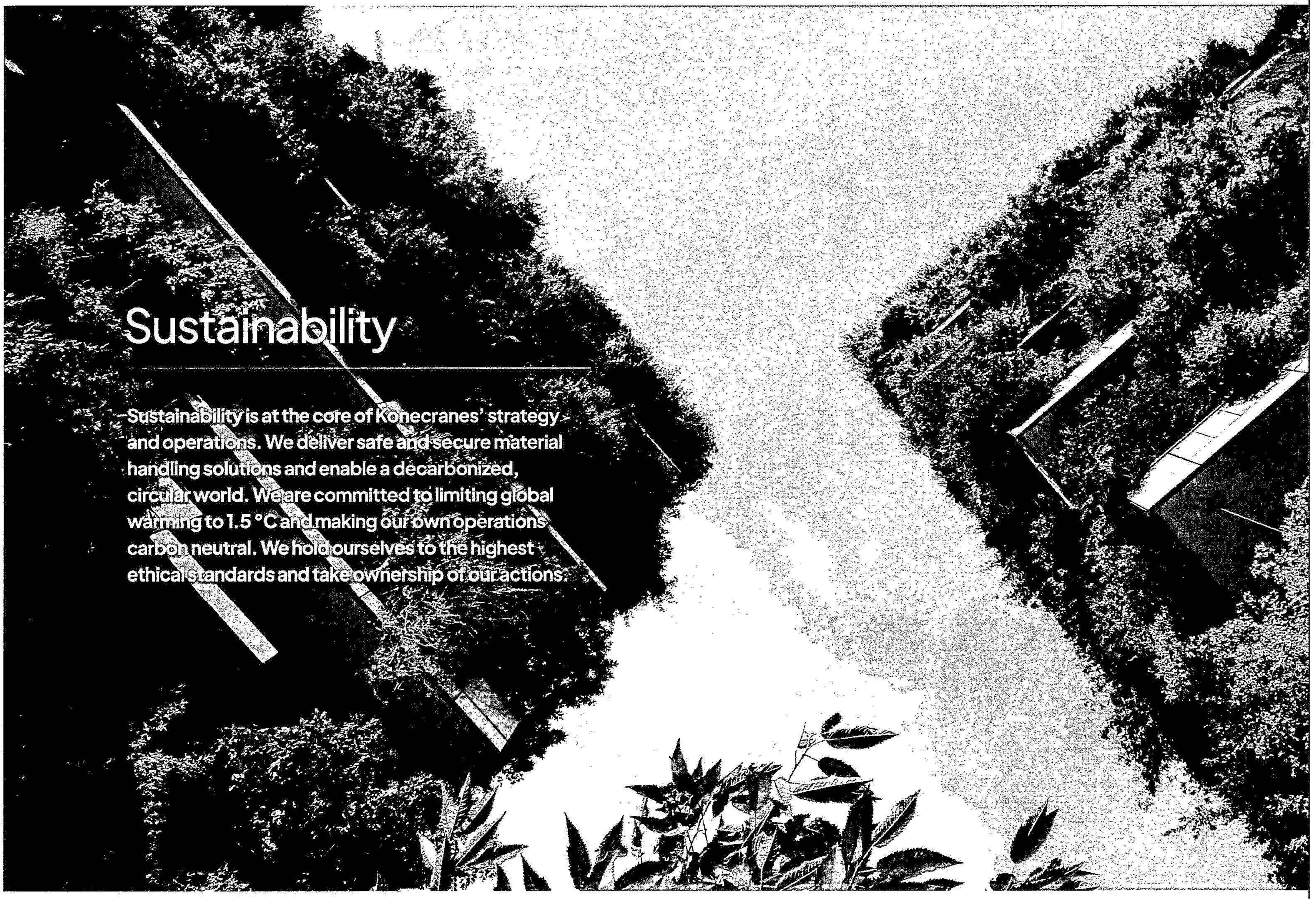
Cybersecurity is an ever-increasing priority for our customers and stakeholders, and our focus on it yielded results also in 2023. Konecranes' ISO 27001 certificate, a standard for information security management, was expanded to encompass all of our IT services. This follows the certification of our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



KONECRANES Moves what matters.

Sustainability

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



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

Limiting global warming to 1.5 °C compared to pre-industrial levels is crucial. Konecranes is committed to doing its part and leading these efforts in the industry. In 2023, we announced a new target of having carbon neutral own operations by 2030. This follows our successes in 2022, when we managed to power all our factories with 100 percent renewable electricity and reached the science-based targets for Scope 1 and 2 emissions. In 2023, Konecranes accomplished a milestone in its carbon-neutrality work, as the Hämeenlinna factory became the company's first certified carbon-neutral site. The CarbonNeutral® building certification in Hämeenlinna was reached by reducing greenhouse gas emissions, using renewable energy and improving energy efficiency. Carbon credits have been purchased to compensate emissions that cannot yet be eliminated.

In addition to its own operations, Konecranes places a focus on its steel purchases and the usage of its products, which account for most emissions. Konecranes has steadily expanded its offering of electric and hybrid products, with the last remaining diesel-fueled product lines within the lift truck business to be made available electrically by 2026. Our industry-leading service operations have circular business models at their core, extending the lifecycles of products through maintenance and modernizations. These efforts support both our customers' low-carbon targets as well as our aims to reduce emissions throughout our value chain.

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

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

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

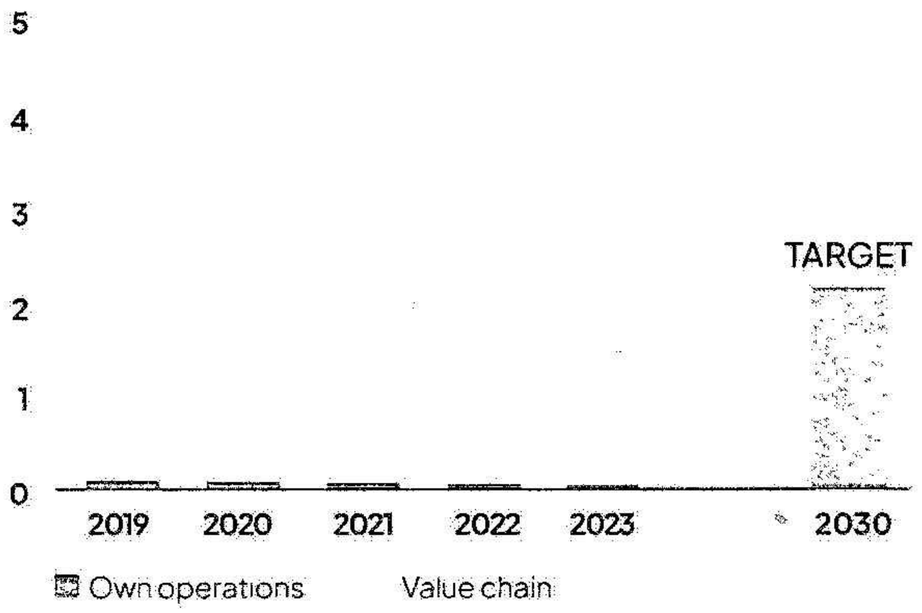
In 2023, Konecranes renewed its Code of Conduct, which guides the behavior of each employee, manager, officer and director at Konecranes. The renewed Code of Conduct provides more detailed guidance and concrete examples and summarizes key aspects of crucial policies in one document. Everyone at Konecranes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

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

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

Science-based climate targets and progress

PROGRESS



OWN OPERATIONS:

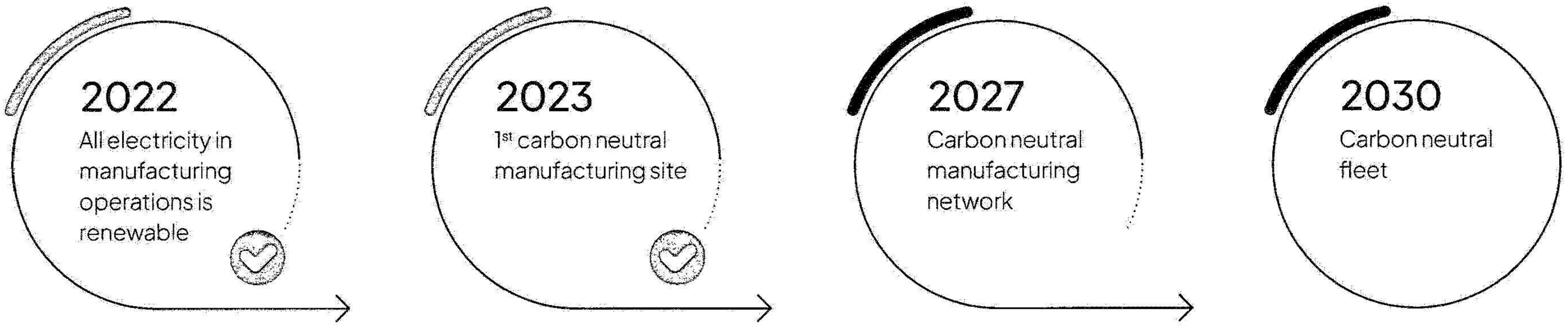
- **50% absolute GHG emission reduction**[1] by 2030
- **Progress: -53%** in 2019–2023
- **Target achieved** already in 2022

VALUE CHAIN:

- **50% absolute GHG emission reduction** by 2030[1], encompassing use of sold products and steel related purchases[2]
- **Progress: -19%** in 2019–2023

1) From 2019 base year
2) The Scope 3 target covers more than 70% of the value chain emissions

We have raised our ambition and aim at carbon neutral own operations by 2030[3]



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

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Konecranes as an investment

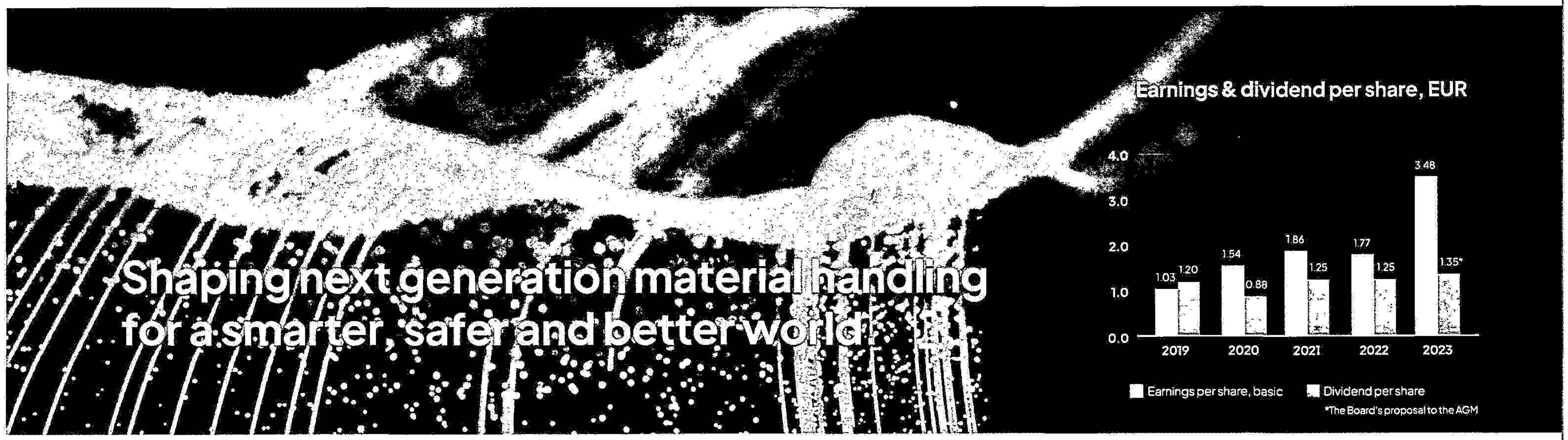
Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries.

With many innovative solutions and a solid patent portfolio, we are a technology leader in our industry. We consistently set the industry benchmark from everyday improvements to the breakthroughs at moments that matter most, because we know we can always find a safer, more productive and sustainable way.

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

For investors, Konecranes aims to generate growth and profitability while remaining competitive in a constantly changing marketplace. The company has done a good job managing its overall profitability through economic cycles and giving back to shareholders.

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



1. LEADER IN TECHNOLOGY

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

2. STRONG MARKET POSITION IN ALL BUSINESS SEGMENTS

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

3. ATTRACTIVE OPPORTUNITIES FOR GROWTH

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

1) Nominal world GDP growth, IMF World Economic Outlook

4. PROFITABILITY TARGET FOR 12-15%[2)] GROUP COMPARABLE EBITA MARGIN

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

2) Profitability range, depending on the cycle

5. SOLID FINANCIAL POSITION AND DIVIDEND

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

6. LONG-TERM COMMITMENT TO SUSTAINABILITY

- We enable a decarbonized and circular world.
- We deliver safe and secure material handling solutions.
- We create a fair, inclusive, diverse and engaging working environment.
- We expect the highest ethical standards of ourselves and our business partners.
- Konecranes aims to have carbon neutral own operations by 2030 and continues the work to reach its science-based targets, in line with limiting global warming to 1.5°C.

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KONECRANES Moves what matters.

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Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries. We consistently set the industry benchmark from everyday improvements to the breakthroughs at moments that matter most, because we know we can always find a safer, more productive and sustainable way. That's why, with around 16,600 professionals in over 50 countries, Konecranes is trusted every day to lift, handle and move what the world needs. In 2023, Group sales totaled EUR 4.0 billion. Konecranes shares are listed on Nasdaq Helsinki (symbol: KCR).