

KONECRANES

ANNUAL REPORT AGAINST CANADA FORCED AND CHILD LABOR PREVENTION ACT

Reporting period: January–December 2024
Entities covered: Konecranes Canada Inc, Konecranes Nuclear Equipment & Services, LLC

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

Our structure, activities and supply chain

Konecranes Canada Inc. ("Konecranes Canada") and Konecranes Nuclear Equipment & Services, LLC ("KNES") are indirectly fully owned subsidiaries of Konecranes Plc, which is the parent company of the Konecranes group of companies ("Konecranes"), headquartered in Hyvinkää, Finland. As subsidiaries, Konecranes Canada and KNES follow Konecranes Group policies and procedures.

Konecranes Group is a global leader in material handling solutions, serving a broad range of customers across multiple industries, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity enhancing lifting solutions as well as services for lifting equipment of all makes. The Group has approximately 16,800 employees in over 50 countries.

Konecranes Canada operates under three business segments. Process Cranes Operation sells customized cranes to several industries in Canada, Industrial Cranes Operation sells modular and standard cranes to several industries in Canada and Maintenance Services Operation provides repair and maintenance services, including standard and preventative, for customers' cranes located in Canada. Konecranes Canada has no crane manufacturing facilities. In addition, the Maintenance Services Operation sells components and parts to end customers that do not engage Konecranes Canada for repair and maintenance services. The components and parts sold to the end customers are similar to the crane components and spare parts used in the repair and maintenance services. All the business segments are importing into Canada goods produced outside Canada, in addition to having local purchasing. Purchases include e.g. radio controls,

electrical material and steel plates. Konecranes factories in different parts of the world form an important part of the Company's supply chain.

KNES sells, modernizes and services material handling cranes. KNES is based in United States and does business also in Canada. There are no manufacturing facilities or employees in Canada. Goods imported to Canada include, for example, electrical and mechanical components.

Our policies and due diligence processes in relation to forced labor and child labor

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. We have a group-wide Code of Conduct, which explicitly forbids the use of forced and child labor. The Code of Conduct is currently available in 35 languages and is publicly available at <https://www.konecranes.com/about/sustainability/compliance-ethics>. In addition, Konecranes Human Rights Policy states Konecranes key human rights commitments and describes the human rights due diligence process. The policy is publicly available at <https://www.konecranes.com/about/sustainability/policies-and-principles>. On top of the public policies, forced labor and child labor prevention are addressed in more detailed level in an internal Konecranes Fair Labor Frame.

We expect our suppliers and subcontractors to conduct their businesses according to similar legal, ethical, environmental, and employee-related principles as those we set out in our own Code of Conduct. The Supplier Code of Conduct forbids the use of child and forced labor. The Supplier Code of Conduct is publicly available in 24 languages at <https://www.konecranes.com/suppliers-code-of-conduct-other-languages>.

Internally, Konecranes has a Know Your Supplier Policy in use, which is established to ensure that Konecranes does business with suppliers and subcontractors that are able to meet the requirements set out in Konecranes' Supplier Code of Conduct and other Konecranes' policies.

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. We also regularly track our performance and report about our process. We work to continuously improve our due diligence process.

Risks of forced or child labor

Konecranes has not identified its own operations as being at significant risk of incidents of forced labor or compulsory labor or incidents of child labor.

Forced labor has been identified as a potential risk in supply chain, for example when using low-skill workers in our facilities, such as in cleaning and in canteens, due to their generally seen weaker position to protect labor rights. Other risk areas include sourcing of minerals “deep” in our supply chains. If the extraction is done in conflict-affected areas, it increases the risk of workers related to those activities being subjected to forced labor. Migrant workers have been identified as a vulnerable group of supply chain workers, who are known to face a higher risk of being negatively impacted by forced labor.

Steps taken to assess, prevent and manage forced labor and child labor risks

Konecranes has in place governance, regular risk assessment and a variety of appropriate measures to manage identified risks.

Konecranes has in place roles and responsibilities to reduce and manage human rights risks, including forced and child labor risks. For example, site management has overall responsibility for legal compliance on-site, while People and Culture organization is responsible for execution of different people processes. The Sustainability organization is responsible for the Group’s Human Rights policy and general human rights processes, like due diligence process and target setting. The Legal organization, including Compliance and Ethics, is responsible for whistleblowing and remedy process, enterprise risk management process and advising on legal compliance. The Procurement organization is responsible for compliance with the legal, ethical, environmental and other sustainability obligations of Konecranes’ supplier base and sets the requirements and processes for procurement. A group executive-level Compliance & Ethics Committee oversees the implementation and development of our Compliance and Ethics program and Sustainability Council defines, guides and reviews the overall sustainability strategy, short-term targets and action plans.

Konecranes 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 ability to remediate, and likelihood of each individual risk is estimated based on country context, information from our monitoring channels and on expert knowledge. We review this analysis annually, 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.

To avoid forced labor and other human rights risks from occurring, we have in place different measures.

Konecranes manages its material impacts and risks by setting high ethical and legal principles and requirements for its suppliers and subcontractors in its Supplier Code of Conduct. Compliance with the requirements set in Konecranes' Supplier Code of Conduct is a standard clause in the company's purchase agreements and subcontracts, and when defined mandatory, Konecranes requires suppliers and subcontractors to sign a separate contractual commitment to comply with the ethical and legal principles and requirements of the company's Supplier Code of Conduct.

Konecranes performs supplier evaluations, which are divided in self-assessments and on-site audits. Our procurement process assumes to carry out a background check in a form of a self-assessment before the supplier or subcontractor relationship begins, and to evaluate whether the potential supplier or subcontractor is fulfilling the requirements set in Konecranes Supplier Code of Conduct. We also require defined suppliers and subcontractors to repeat the self-assessment every three years.

Konecranes monitors and evaluates at Group level how suppliers and subcontractors comply with its Supplier Code of Conduct through its Supplier Code of Conduct audit program. Audits are conducted on site by an external third-party auditor specializing in social responsibility audits. After the audits, Konecranes follows the closure of audit findings together with suppliers through the corrective action planning process.

Besides the aforementioned measures, to prevent and mitigate forced labor risk specifically related to the sourcing of minerals, Konecranes continued conducting on Group level due diligence on conflict minerals and aims to ensure that minerals come from smelters or refineries audited to be conflict-free. As conflict minerals are essential in the manufacture of a variety of devices, including electrical components, and as a member of the Responsible Minerals Initiative (RMI), Konecranes utilizes an industry-level approach in its due diligence. Konecranes offers training materials for suppliers targeted at its conflict minerals due diligence.

Additionally, Konecranes conducts on Group level social responsibility assessments for its own manufacturing or service operation sites. A third-party is doing the assessments against the Konecranes' Fair Labor Frame, which includes zero tolerance for forced and child labor. In 2024, assessments were done for example in India and South Africa.

Training

Konecranes has a regular group-wide Code of Conduct training program where staff employees are required to complete a Code of Conduct training

every year and operatives every second year. During 2024, the Code of Conduct training was required by all employees and 98% of the Canada employees completed the training in 2024. Code of Conduct basic training is also part of the new employee induction and human rights are embedded in new managers' training. More detailed child and forced labor risk information is shared for employees making purchasing decisions, for example in connection with Supplier Code of Conduct audit process and in relation to conflict minerals due diligence.

Speaking-up and remedy

We aim to promote a healthy speak-up culture where people feel safe reporting compliance and ethical concerns without a fear of retaliation. To encourage our employees to address any issues, we offer multiple ways to raise concerns. Among these is an externally hosted Whistleblowing Channel which gives our employees an additional means to raise concerns relating to compliance with laws and ethical conduct. The Whistleblowing Channel is also open and available for externals at <https://www.konecranes.com/about/sustainability/compliance-ethics/whistleblowing>.

If Konecranes causes or contributes to negative human rights impacts, we seek to provide access to a remedy for the affected people either by ourselves or through cooperating in remediation through legitimate processes. In 2024, we did not take measures to remediate forced or child labor nor did we remediate the loss of income to the most vulnerable families that results from any measures taken to eliminate the use of forced or child labor, as we did not identify forced or child labor in our activities and supply chains.

Assessment of effectiveness

Appropriateness and effectiveness of child and forced labor risk prevention measures and remedies are assessed by responsible functions by different means, including employee surveys and analysis of audit results conducted both in own operations and in supply chain. In 2024 Konecranes started to conduct Supplier Code of Conduct re-audits with the aim of better understanding the effectiveness of its stakeholder engagement and corrective action planning process.

Related to the Whistleblowing Channel, incoming complaints are continuously monitored and assessed to understand possible changes in risks. In addition, the effectiveness of the complaints procedure is reviewed and evaluated at least once a year in line with our compliance annual clock by analyzing complaints received in a more comprehensive manner to evaluate any enhancements that may be needed to policies and procedures or internal controls.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.”

Sadi Arbid

Sadi Arbid

Managing Director & VP ISE
Canada

Date 26-May-2025

I have the authority to bind
Konecranes Canada Inc.

Debbie Yost

Debbie Yost

Financial Controller

Date 27-May-2025

I have the authority to bind
Konecranes Nuclear
Equipment & Services, LCC