

KONECRANES ANTI-CORRUPTION POLICY

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1. Our commitment

Konecranes or its employees must not accept, make seek or offer bribes or improper monetary advantages of any kind.

This includes money, benefits, entertainment or services or any material benefit to or from Public Officials, suppliers and other business partners, which are given with the intent of gaining or retaining improper business or personal gain. Konecranes does not accept participation in or support of money-laundering under any circumstances.

Konecranes is committed to **work against corruption** in all its forms, including extortion and bribery

Furthermore, **Konecranes employees** must avoid all situations where their personal interests may conflict with those of Konecranes' and Konecranes' stakeholders. This means, for instance, that the employees are not allowed to accept or provide a personal gift, hospitality or entertainment which could lead to a conflict of interest. For rules relating to other kind of conflicts of interest, please see separate **Conflict of Interest Instruction**.

Konecranes does not provide financial support to political parties or other political organisations or to individual candidate's election campaigns.

This commitment is expressed in the Konecranes Code of Conduct approved by the Board of Directors of Konecranes Plc and is to be implemented and followed by each and every employee in the Konecranes Group everywhere we operate.

2. Purpose of the Anti-Corruption Policy

The purpose of this Anti-Corruption policy is to enhance the high ethical conduct in Konecranes and to support our long-term competitiveness in the global markets. The policy aims at fortifying integrity and transparency in the Konecranes Group by increasing awareness of relevant rules and regulations regarding anti-corruption and avoidance of conflicts of interests among all our employees. The aim is to set forth more detailed policy and processes and give practical guidelines regarding proper conduct in the fight against corruption.

3. Definitions

Under this Policy:

1. **improper payment** means offering, authorizing, directing, committing, promising, or providing **anything of value**, either directly or indirectly, to a Public Official or to an employee, director, officer, agent, consultant or representative of a commercial entity in an attempt to corruptly or improperly induce the recipient to obtain or retain business, influence government decisions, or secure or reward any other improper commercial or financial advantage, whether in the context of government interactions or any other

commercial business, e.g. in connection with regulatory permits, taxation, customs, judicial and legislative proceedings.

2. **anything of value** is defined broadly and is not limited to money – it includes travel, meals, gifts, contributions, donations and other tangible or intangible benefits, such as favors and services, loans, favorable terms of business, and loan guarantees, investment or business opportunities, the use of property or equipment, or job offers.
3. **a Public Official** means:
 - i. any person engaged in public duty in a government agency including any elected or appointed official or employee of a government, at any level including national or local government entities, members of legislative, administrative, and judicial bodies, as well as low-level employees of government agencies, such as office workers;
 - ii. any officer or employee of a State-owned Enterprise (e.g., a state-owned steel company or bank with a significant state shareholding);
 - iii. any officer or employee of a public international organization (such as the United Nations, the World Bank or the International Monetary Fund);
 - iv. any person acting in an official capacity for a government, government agency, or State-owned Enterprise (for example, someone who has been given authority by a government entity to carry out official responsibilities);
 - v. any political party, official of a political party, and any candidate for political office; and
 - vi. the relatives of any Public Official.
- **State-owned Enterprises** mean enterprises where a government authority or state (including local or regional authority) has significant control, through full or **majority ownership of the voting shares** of the enterprise **or** where it exercises an **equivalent degree of control**¹. Ownership may be direct or indirect. Examples of equivalent degree of control include whether or not the key officers and directors of the entity are government officials or appointed by government officials, whether the entity enjoys special privileges or obligations under local law, and whether the entity performs a public function.
- **Extortion or solicitation** is the demanding of a bribe, whether or not coupled with a threat if the demand is refused. Bribery in this policy includes extortion.
- **Agent** means sales agents, sales representatives and other third parties acting in a similar role with the purpose of assisting in sales as further explained in Annex 1.

¹ For further details on “equivalent degree of control” please see e.g. the OECD Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises (<https://www.oecd.org/daf/ca/Guidelines-Anti-Corruption-Integrity-State-Owned-Enterprises.pdf>)

- **Distributor** refers to a business partner which sells our products in its own name as further explained in Annex 1. Typically, a distributor acts as an intermediary between Konecranes and another entity (e.g. end customer) in the supply chain.

4. Prohibition on Bribery and Extortion

Bribery and extortion are prohibited at all times in any form, whether direct or indirect, including through agents and intermediaries.

Under no circumstance shall any Konecranes employee make, promise, authorize, offer, request or accept an **improper payment**, or anything that could give the perception of an improper payment, either directly or indirectly through intermediaries such as agents, sub-contractors, consultants or other third parties. Improper payments to or by any entity or person (such as relative or friend) related to any such entity or person is likewise prohibited. This is prohibited even if the Public Official or commercial person rejects the offer, or it fails to bring about the desired outcome.

Remember that
improper
payments include
**anything of
value**

All employees must take all reasonable steps and actions to avoid unintentionally making improper payments.

Bribery is prohibited irrespective of the value of the advantage, its results, perceptions of local customs, the tolerance of such payments by local authorities, or the alleged necessity of the payment in order to obtain or retain business or other improper advantage.

5. Prohibition on Money Laundering

Konecranes does not accept participation in or support of money laundering under any circumstances. Konecranes does not accept cash payments in excess of equivalent of 1,000 euros under any circumstances.

6. Prohibition on Facilitation Payments

Facilitation payments are small payments made to Public Officials to secure or expedite the performance of a routine or necessary action to which the payer of the facilitation payment has legal or other entitlement. Konecranes prohibits the use of facilitation payments, unless the failure to make a requested payment would present an immediate risk to the life, health or liberty of Konecranes employees or their family members ("Safety Exception"). If a facilitation payment is made under the Safety Exception, it must be reported immediately to the Compliance & Ethics Officer and recorded accurately in Konecranes' books and records to reflect the amount and purpose of the payment.

7. Typical Risk Situations

Specific attention must be paid to following risk situations:

- a) Gifts, hospitality or other benefits to Public Officials, customers or counterparties who are expected to decide / act in the near future on an application, proposal or matter related to Konecranes.
- b) Offers, gifts or hospitality to Public Officials, customers or counterparties who have recently taken a decision benefiting Konecranes.
- c) A Public Official, customer or counterparty requests a political or charitable donation, or requests some free or discounted products or services on a personal project.
- d) Any unwillingness by an agent, customer or counterparty to adhere to applicable anti-corruption laws.
- e) A close relationship between an agent, customer or counterparty and a Public Official, or a referral by the Public Official.
- f) Frequent or lavish dinners, travel or entertainment arrangements for Public Officials, customers or counterparties.
- g) Excessive or unusual payment requests—payments in a different country, to a third party, to a foreign bank account, or in cash.
- h) Undocumented payments or payments for “work” that cannot be substantiated.

8. Business partners

Konecranes is committed to creating mutually benefitting long-term relationships with business partners that are committed to full compliance with laws and ethical business practices. Konecranes may be held liable for actions taken by third parties with whom we have a business relationship, or which act for us, and it is essential to seek to ensure the integrity of any third parties engaged.

Therefore, Konecranes must always conduct appropriate due diligence and background checks and secure needed internal approvals before we engage business partners and actively monitor the relationship. The requirements vary depending on the type and value of the particular relationship as well as the risks arising from the relationship.

All background checks must be properly documented and related documents shall be maintained. Konecranes should avoid dealing with any business partners that are known to engage in corruption or other illegal activities. The conduct and performance of third parties must be regularly monitored with respect to corruption, trade sanctions, and other illegal activities.

Konecranes or its employees **must not** (i) **kick back** any portion of a contract payment to any third party or (ii) utilize intermediaries such as agents, sub-contractors, consultants or

other third parties, to channel payments to Public Officials, or to directors, officers or employees of any contracting party, or their relatives, friends or business associates.

Please see below where to find specific rules on different kinds of business partners.

Annex 1 for rules for engaging **Agents and Distributors and other sales intermediaries**

Procurement intranet pages for rules on engaging **suppliers**

Group **Credit Policy** for know-your-**customer** requirements

9. Mergers and Acquisitions, Joint Ventures

Adequate due diligence, background checks and risk assessments considering corruption and other compliance risks must be performed prior to entering into any joint venture arrangements and as part of any external mergers and acquisitions process.

Konecranes expects its joint ventures to conduct their business in compliance with the same ethical principles as Konecranes and Konecranes should take measures within its power to ensure consistency. The Konecranes Code of Conduct and this Anti-Corruption Policy is to be clearly communicated to the joint venture partners to set a proper expectation level to their conduct and their performance needs to be monitored in this respect.

The conduct and performance of joint ventures must be regularly monitored with respect to corruption and other illegal activities. This includes seeking for auditing rights to Konecranes particularly in respect of joint ventures where Konecranes has managerial responsibility.

10. Gifts, Hospitality, Travel and Expenses

These rules do not apply to internal gifts and hospitality. Employees should never feel compelled to give gifts to managers or colleagues. We appreciate that employees may want to follow customary courtesy by giving personal gifts, but when doing so remember to be mindful of cultural differences.

10.1. General rules

As a general matter, Konecranes employees, and third-party representatives acting on behalf of Konecranes or in the interest of Konecranes, **are allowed to**

- **accept** from suppliers or potential suppliers **or**
- **provide** to customers or potential customers

Please see **Annex 2** for specific rules and monetary limits on **gifts and hospitality**

a gift or hospitality, including meals and other entertainment, **of limited value only** that does **not exceed reasonable and customary standards of hospitality**.

In addition, the following **mandatory principles** must be complied with:

- **Made for the right reason and openly:** the gift or hospitality is given clearly and openly as an act of appreciation or in accordance with normal business practice;
- **No obligation:** the gift, hospitality or reimbursement of expense does not place the recipient under any obligation;
- **Legality:** the gift or hospitality or reimbursement of expense conforms to the laws of the country where it is made;
- **Conforms to the recipient's rules:** the gift, hospitality or reimbursement of expenses meets the rules or code of conduct of the receiving organisation.
- **Infrequent:** such giving or receiving is not a regular happening between the giver and the recipient;
- **No expectations:** expectations are not created in the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction;
- **Accords with stakeholder perception:** the transaction would not be viewed unfavourably by stakeholders if it were made known to them;
- **Reported:** the gift, hospitality or expense is recorded and reported in accordance with this Anti-Corruption policy; and
- **Appropriate:** the nature of the gift, hospitality or reimbursed expense is appropriate to the relationship and accords with general business practice and accepted principles of morality (e.g. adult entertainment is not allowed).

When evaluating the acceptability of a gift or hospitality one must also consider the timing of the gifts and /or hospitality. Gifts and hospitality that would be otherwise acceptable may be questionable when a contract is to be awarded or important decision is to be made.

Gifts given should preferably consist of Konecranes-branded marketing souvenirs, and luxury items are not allowed. Giving or receiving cash and cash equivalents (including also gift cards that are cash equivalent) as a gift is not permitted. Please contact Compliance & Ethics in case you receive a gift that is not in compliance with this Policy.

Depending on the **value and recipient** of the gift and/or hospitality **reporting or pre-approval requirements** may apply. Please see the specific monetary limits and rules on when to report or seek for a pre-approval in **Annex 2**.

The relevant employee is always responsible for making sure that the gift and hospitality is done in accordance with applicable laws, this Policy and Annex 2.

Managers are responsible for verifying that the given or received gift or hospitality is justified from business point-of-view and take reasonable steps to ensure that this Policy, including Annex 2, is complied with.

10.2. Gifts and Hospitality to Public Officials

Gifts or hospitality to Public Officials are **generally not allowed** at all as providing gifts or hospitality, even when done on good faith, may be misinterpreted as trying to improperly influence the Public Official. However, ordinary business courtesy of nominal value, such as offering refreshments (such as tea or coffee) to Public Official guests visiting our sites is allowed provided that it is also allowed under the local laws and rules applicable to the Public Official recipient.

If in an exceptional situation you consider it being necessary to provide gifts or hospitality beyond such nominal value courtesy you must seek a **prior written approval** from your immediate manager and the Compliance & Ethics Officer prior to providing **any** gift or hospitality, including meal, entertainment or travel to a Public Official, unless the **Public Official Customer Exception** set forth in **Annex 2** apply.

Please see instructions on how to seek for a pre-approval in **Annex 2**.

Further, you must in all cases separately verify that offering such gifts or entertainment is legal in the country in question. This also applies in respect of invitations to Public Officials to business promotional events.

10.3. Travel and expenses

Paying for or reimbursing travel or visitor expenses with the intention or appearance of **improperly influencing** a Public Official or private individual in order to obtain or retain a business advantage for Konecranes, or for any other corrupt purpose, **is strictly prohibited**.

Normally a visitor would pay for his or her own **travel and accommodation** when visiting Konecranes or its work sites, or Konecranes employees visiting business partner's sites, especially if sightseeing or side trips are involved. If expenses are legitimate, reasonably and properly incurred and which reasonably relate to the promotion, demonstration or explanation of Konecranes or the supplier's products or services, respectively, or another reasonable business purpose, Konecranes may pay the travelling and accommodation expenses. The participants, distance and duration of the travel must be justified by good faith business reasons.

Payments and reimbursements by Konecranes

Offering and paying for travelling and accommodation to business partners require a pre-approval from direct manager and Compliance & Ethics Officer in accordance with this Policy and **Annex 2** unless the reimbursement is done based on **explicit, legitimate and reasonable need** that has been **documented** in a **valid sales or purchasing contract**.

If travelling and/or accommodation is paid for visitors by Konecranes **first class air travel and luxury hotels are not permitted**. Also, travelling and accommodation should as a general rule always be paid to the service provider or the employer of the traveler, not to the traveler him or herself. As a general rule, Konecranes will also not pay for the cost of family members accompanying the invitee.

Cash travel allowances for any visitors are prohibited, except as permitted by relevant local law and if requested in writing by a local authority or Konecranes' client. In such case the cash travel allowance must be **pre-approved** in writing by the Compliance & Ethics Officer and an acknowledgement of receipt of the allowance must be obtained from the recipient.

Participation to events organized by suppliers or business partners

Participation to events organized by suppliers or other business partners must be pre-approved in writing by direct manager and Compliance & Ethics Officer in accordance with this Policy and **Annex 2**, in case travelling and /or accommodation is needed which is paid or offered to be paid by the suppliers or other business partners.

Note that reporting and pre-approval limits may apply to participation in supplier's events

11. Political Contributions

Konecranes does not provide financial or other support to political parties or other political organizations or to individual candidate's election campaigns. This includes participation in any seminars organized by political parties as part of political fund raising unless participation is justified purely due to the contents of such seminars being on work related topics with high quality speakers and a person would participate in the seminar also if such seminar were organized by a commercial provider.

12. Charitable Contributions and Marketing Co-operation

Marketing co-operation may be used as a marketing communication tool for reaching specific target groups and building brand awareness and image. The co-operation must develop Konecranes' business and it must support our safety, environment and risk assessment policies, and it has to be according to Konecranes approach and character.

All co-operation activities must support the Konecranes mission, brand promise and brand values. All co-operation projects and charitable contributions must be approved in accordance with the **Konecranes Donations, Sponsorships and Marketing Co-operations Policy**.

Please see the **Donations, Sponsorships and Marketing Co-operations Policy** in the Intranet

13. Record Keeping

Internal controls

Konecranes will maintain a system of internal controls sufficient to reinforce compliance with this Policy as determined and reviewed continuously by financial management and to provide reasonable assurance that:

- (a) Transactions are executed in accordance with required approvals (as may be delegated to senior management or others within Konecranes)
- (b) Transactions are recorded appropriately to;
 - (i) Provide adequate and correct financial information according to generally accepted principles, accounting standards, compliance with laws and regulations; and
 - (ii) Secure Konecranes' assets.
- (c) Access to Konecranes' assets and funds is permitted only based on delegation of authority.

Books and records

All accounts, invoices, memoranda and records relating to dealings with counterparties should be accurate and complete in all material respects. Such documentation must be kept for a period of time determined by local law or for a minimum of five years after the termination of the business relationship with the relevant counterparty, whichever is longer.

No payments or transactions shall be kept "off the books" to facilitate or conceal improper payments. There should be no false or misleading accounting entries or expense claims relating to any payments.

Gifts and hospitality

All gifts, meals, travel and entertainment expenses, irrespective of the value, must be **accurately and fully documented** in writing and reflected **in Konecranes' books and records**. Details to be provided should include:

- (d) who received the gift, meal, travel, or entertainment;
- (e) the date the gift, meal, travel, or entertainment was provided;
- (f) the purpose of such gift, meal, travel, or entertainment and associated costs; and
- (g) the cost of the gift, meal, travel, or entertainment.

Records of gifts given, hospitality and travel expenses incurred (including receipts and the approval form) must be maintained at the local unit for a minimum of five years or for a longer period if required by local law. Records of gifts and hospitality received that require reporting in accordance with **Annex 2** are maintained by the Compliance & Ethics.

Employees must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our relevant policies and procedures and specifically record the reason for the expenditure. Whenever pre-approval is needed for providing gifts, hospitality, travel or expenses, the approval form (MySupport report or Annex A) must be attached to the expense claim.

14. Implementation and Responsibilities

This Anti-Corruption Policy will be implemented through the entire Konecranes Group. Konecranes Group management will organize training programs so that the contents of the policy become known to all relevant persons. It is the responsibility of each manager to communicate this policy within their organization and to secure the implementation of this policy in daily work.

In case of any concerns or questions regarding potential violations of this Anti-Corruption Policy or the Konecranes Code of Conduct, the Compliance & Ethics Officer is the primary contact. The Compliance & Ethics Officer is responsible for judging the seriousness of possible violation and deciding on further actions. Employees must always feel free to discuss all possible questions or potential violations regarding these principles with the management. In case of any questions about the rules of this policy, you should contact the Compliance & Ethics team.

Based on **Konecranes Compliance & Ethics Committee's** recommendation **Konecranes Leadership Team (KLT)** will review the policy regularly and propose changes to the policy when necessary for Audit Committee and Board approval. The Compliance & Ethics Committee is authorized to make technical and minor changes to the policy. The Compliance & Ethics Committee is authorized to issue more detailed guidance, including the Annexes to supplement this Policy.

15. Monitoring and Reporting

Employees are encouraged to notify any potential risk areas or any non-compliance of this policy to the management or the Compliance & Ethics Officer.

Konecranes has established a confidential reporting channel through an externally hosted Whistleblowing Channel (<https://report.whistleb.com/Konecranes>). The Whistleblowing Channel is managed by the Compliance & Ethics team.

**Whistleblowing
Channel:**
<https://report.whistleb.com/Konecranes>

All notices of suspected incidents (made either in person, through the confidential Whistleblowing Channel or by other means) will be investigated by the Compliance & Ethics team and findings are reported to the Konecranes Compliance & Ethics Committee and Audit Committee. Each potential violation will be taken extremely seriously and will be investigated with due care. Actions will be taken when necessary.

The conduct under this policy in the Konecranes Group will be audited by the Internal Audit and management. The internal audit and senior management will report the results and relevant findings of any audits carried out regularly to the Audit Committee.

16. Sanctions

Non-compliance or breach of this Anti-Corruption policy is a serious breach of an employee's obligations under his or her employment at Konecranes and may lead to termination of employment. In addition, a person may be subject to criminal or other sanctions of the relevant jurisdiction.

ANNEXES

Annex 1 Agents and Distributors

Annex 2 Gifts, Hospitality, Travel and expenses

Annex A Reporting / pre-approval format for gifts and hospitality

For internal version control:

Created and reviewed by: Konecranes Leadership Team

Approval: By the Board of Directors

Published: September 1, 2021

In force: September 1, 2021