

# **KONECRANES ANTI-CORRUPTION POLICY**

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## 1. Our commitment

***Konecranes is committed to work against corruption in all its forms, including extortion and bribery. Konecranes or its employees*** must not accept, make seek or offer bribes or 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 improper business or personal gain. Konecranes does not accept participation in or support of money-laundering under any circumstances.

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. 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. 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.***

- a) Under no circumstance shall any Konecranes employee make, promise, offer or accept an improper payment, and all employees must take all reasonable steps and actions to avoid unintentionally making improper payments.

- Under this Policy:
  - i. **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. "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.
  - ii. **a public official** means:
    1. 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;
    2. any officer or employee of a State-owned Enterprise (e.g., a state owned steel company or bank with a significant state shareholding);
    3. any officer or employee of a public international organization (such as the United Nations, the World Bank or the International Monetary Fund);
    4. 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);
    5. any political party, official of a political party, and any candidate for political office; and

6. the relatives of any public official.

iii. **State-owned Enterprises** are enterprises where a government authority or state has significant control, through full, majority, or significant minority ownership. Ownership may be direct or indirect but are generally understood to amount to at least 10% of the ownership of the enterprise. Other considerations 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 traditional government function.

- 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 Policy prohibits an offer or promise of an improper payment, even if the public official or commercial person rejects the offer, or it fails to bring about the desired outcome.
- Konecranes employees must not offer, provide, authorize, approve, direct, request or receive improper payments or anything that could give the perception of an improper payment, either directly or indirectly, to or from any intermediaries such as agents, sub-contractors, consultants or other third parties. No employee may perform his or her functions improperly, in anticipation or in consequence of any improper payment.

b) **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.

Konecranes or its employees **must not** (i) **kick back** any portion of a contract payment to any entities or persons mentioned under (a) above, 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 the contracting party, or their relatives, friends or business associates.

**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.**

#### **4. Typical Risk Situations**

- a) Offers, gifts or hospitality 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.

#### **5. Agents and Other Intermediaries**

Konecranes has issued instructions for the use of agents in business relationships. The principles for Agency relationships include the following:

1. Use of agents is allowed only when sound business reasons exist. This may be the case in certain type of businesses or in countries where Konecranes does not have its own operations. The business reasons for the use of an agent must be properly documented prior to engaging an agent. The use and selection of Agents must be approved by Business Area Executive Vice President based on the proposal by the respective BU head in case of BA Industrial Equipment and BA Port Solutions and head of the respective Region in case of BA Service.
2. Prior to engaging an agent, the qualifications and background of the agent must be sufficiently verified to ensure proper business conduct. When evaluating a

prospective agent particular attention must be paid to potential warning signs which could indicate that there could be some potential illegal activities or violations of Konecranes policies.

3. All agency relationships with Konecranes companies must be based on written agreements. No separate oral agreements outside the written principal agreement are allowed.
4. The agency agreements must in all material respects comply with the model agreement templates available at Konecranes Legal Department.
5. The agents must undertake to follow the Konecranes Code of Conduct and this Anti-Corruption Policy in all material respects. The Konecranes Code of Conduct and this Anti-Corruption Policy must be attached to the agency agreement and must form an integral part of the agreement.
6. The agent must be required to act in full compliance of laws and regulations that are applicable to the agent's activities.
7. The commissions payable to the agent under the agency agreement must reflect the real added value the agent brings and the services the agent carries out. The commission payments must be at acceptable levels and must not exceed the maximum commission levels defined and revised from time to time by the Business Area Executive Vice Presidents.

Payment of reasonable so called finder's fees for bringing in business leads for Konecranes is possible provided that local withholding, tax and other regulations regarding such payments are followed.

8. The basis for the calculation of the commission must be specified in the written agency agreement. No separate oral side-agreements regarding commissions are allowed. All final commission payments must correspond to what has been agreed in writing beforehand and the payments may be made only to the agent's verified bank account in a bank situated in the Agent's country of domicile.
9. In case the order value of the potential contract which the agent has transmitted to Konecranes appears unusually high compared to expected value levels under the particular circumstances, it must be verified to the extent possible that no illegal elements like bribery or kick-back arrangements exist between the agent and the representative of the potential purchaser.

10. The conduct and performance of agents must be regularly monitored. The agent must submit regular written reports on a quarterly basis detailing its performance during the past quarter.

## **6. Business partners and other contractual Parties**

Konecranes should always conduct appropriate due diligence and background checks on its business partners and other contractual parties before entering into a business relationship. Such background checks should be properly documented and related documents should be maintained at the local unit. Konecranes should avoid dealing with any counterparties that are known to engage in corruption or other illegal activities.

## **7. Joint Ventures and Outsourcing Agreements**

Konecranes expects its joint ventures, suppliers and subcontractors 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, suppliers and subcontractors to set a proper expectation level to their conduct and their performance needs to be monitored in this respect.

Konecranes should always conduct appropriate due diligence and background checks on its business partners and other contractual parties before entering into a business relationship. Such background checks should be properly documented and related documents should be maintained at the local unit. Konecranes should avoid dealing with any counterparties that are known to engage in corruption or other illegal activities. The conduct and performance of suppliers and subcontractors must be regularly monitored with respect to corruption and other illegal activities.

## **8. 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.

## **9. 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 Marketing Co-operation Policy](#), which can be found at Konecranes Brand Portal.

## 10. Gifts, Hospitality, Travel and Expenses

As a general matter, Konecranes employees are not allowed to accept or provide a personal gift or entertainment, including meals, from suppliers or potential suppliers or to customers, except for gifts or entertainment, including meals, of limited value not exceeding reasonable and customary standards of hospitality.

When evaluating the acceptability of a gift or entertainment, including meals, the following principles should be considered:

- **Made for the right reason:** the gift or hospitality should be given clearly 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;
- **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;
- **Made openly:** if made secretly then the purpose will be suspect;
- **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 should be recorded and reported in accordance with this Anti-Corruption policy to the Compliance Officer;
- **Reasonable value:** the size of the gift is small; the value of the hospitality or reimbursed expense accords with general business practice;
- **Appropriate:** the nature of the gift, hospitality or reimbursed expense is appropriate to the relationship and accords with general business practice;
- **Legality:** it 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;
- **Timing must be correct:** Gifts and entertainment otherwise acceptable may be questionable when a contract is to be awarded or important decision is to be made;
- **Branded:** Gifts should typically consist of Konecranes-branded marketing souvenirs.

**Meals and entertainment:** In addition to the aforementioned guidelines, employees and third party representatives acting on behalf of Konecranes or in the interest of Konecranes must ensure that any expenses related to meals are reasonable and appropriate for the jurisdiction where the meal occurs. For example, and as a general matter, meals in large urban centers that cost under €100 per guest would typically be considered reasonable, whereas in developing nations and smaller cities, meals should typically cost less than €50 per guest.

With respect to reporting

- Meals and entertainment below €100 in large urban centers and €50 in developing countries and smaller cities do not need to be reported separately nor approved in advance;
- Meals and entertainment in excess of €100 euros in large urban centers and €50 in developing countries and smaller cities need to be reported to the employee's immediate manager and the Compliance Officer after the event.
- Meals and entertainment in excess of €150 in large urban centers and €80 in developing nations and smaller cities should be pre-approved in writing by the relevant employee's immediate manager and the Compliance Officer, or reported to such persons without delay after the event if pre-approval is not possible.

**Gifts:** In addition to the aforementioned guidelines, gifts provided by Konecranes employees and third party representatives acting on behalf of Konecranes or in the interest of Konecranes should not exceed €100 per recipient without obtaining pre-approval in writing by the relevant employee's immediate manager and the Compliance Officer. Gifts received by Konecranes employees exceeding €100 must be reported to the employee's immediate manager and the Compliance Officer.

**Public Officials:** Generally speaking gifts or entertainment to public officials are not allowed at all but if in exceptional situations it is deemed necessary it must be separately verified that offering such gifts or entertainment is legal in the country in question, including invitations to public officials to business promotional events. An approval (see Annex A) must be sought from the relevant employee's immediate manager and the Compliance Officer prior to providing any gift, meal, entertainment or travel to a public official. Any approval forms must be retained by the Compliance Officer.

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 a business advantage for Konecranes, or for any other corrupt purpose, is strictly

prohibited. While it is acceptable to promote, demonstrate and explain the benefits of the products and services that Konecranes offers, there should be no attempt to influence decisions or offer improper personal benefits to public officials or private individuals who are visiting or interacting with Konecranes.

Normally a visitor would pay for his or her own travel and accommodation when visiting Konecranes or its work sites, especially if sightseeing or side trips are involved. In case of participation to events organized by suppliers or business partners, training sessions or conferences hosted by Konecranes which require travelling to another location or accommodation, such participation must be pre-approved in writing by the superior who normally accepts the business expenses and the Compliance Officer (see Annex A). If participation is deemed acceptable, expenses are legitimate, reasonably and properly incurred and which reasonably relate to the promotion, demonstration or explanation of Konecranes products or services or another reasonable business purpose, Konecranes will pay the travelling and accommodation expenses to such an event.

First class air travel and luxury hotels for visitors at Konecranes' expense are not permitted. Cash travel allowances for any visitors are also prohibited, except as permitted by local law and if requested in writing by a local authority or Konecranes' client. These limitations do not apply when Konecranes purchases goods or services from the company employing the person visiting Konecranes and the expenses are invoiced by the company with which Konecranes has a contract. All cash travel allowances must be pre-approved in writing by the Compliance Officer (see Annex A) and an acknowledgement of receipt of the allowance must be obtained from the recipient. Konecranes will also not pay for the cost of family members accompanying a public official.

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:

- (a) who received the gift, meal, travel, or entertainment;
- (b) the date the gift, meal, travel, or entertainment was provided;
- (c) the purpose of such gift, meal, travel, or entertainment and associated costs; and
- (d) 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.

In case of any questions or doubts about these rules, you should contact the Compliance Officer.

## **11. Record Keeping**

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.

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.

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.

## **12. 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.

## **13. 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 Officer and recorded accurately in Konecranes' books and records to reflect the amount and purpose of the payment.

## **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 Officer is the primary contact. The Compliance 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.

Konecranes has also established a confidential reporting channel through e-mail ([compliance@konecranes.com](mailto:compliance@konecranes.com)). This e-mail address is managed by the Compliance Officer in cooperation with Internal Audit function which reports directly to the Audit Committee of Konecranes. Each potential violation will be taken extremely seriously and will be investigated with due care. Actions will be taken when necessary.

## **15. Monitoring and Reporting**

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

Konecranes Group Executive Board (GXB) will review the policy regularly and propose changes to the policy when necessary for Audit Committee and Board approval.

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. Furthermore, all notices of suspected incidents (made either in person or through the confidential e-mail reporting channel ([compliance@konecranes.com](mailto:compliance@konecranes.com))) will be investigated by Internal Audit and findings are reported 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 / 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.

Until the Compliance Officer is appointed, reporting and approvals will be taken care of by the employee's immediate manager. In case of any concerns or questions please contact Ms. Sirpa Poitsalo, Senior Vice President, General Counsel, Ms. Katja Tauriainen, Legal Counsel, or Ms. Satu Soinola, Legal Counsel.

*For internal version control:*

*Created and reviewed by: Group Executive Board*

*Approval: By the Board of Directors*

*Published: February 5, 2018*

*In force: April 1, 2018*

**Annex A**

**Gift & Entertainment Reporting/Approval Form**

**Report** \_\_\_\_\_

**Approval request** \_\_\_\_\_

**Details of the gift and / or entertainment:**

Gift description (flowers, chocolate etc.) or details of the entertainment (travel, visit or event):

\_\_\_\_\_

EUR Value of Gift Item/ Entertainment (approximate each if not known): \_\_\_\_\_

Purpose of providing the gift or entertainment: \_\_\_\_\_

\_\_\_\_\_

**Complete this section to document *who* provided the gift / entertainment:**

Individual's Name \_\_\_\_\_

Position: \_\_\_\_\_

Company \_\_\_\_\_

Relationship of Provider to Applicant (supplier, subcontractor, customer) and is there any on-going business negotiations?

\_\_\_\_\_

**Complete this section and provide your information:**

Name of the Applicant / Reporter: \_\_\_\_\_

Title: \_\_\_\_\_

Business area / Unit: \_\_\_\_\_ Country/Location: \_\_\_\_\_

By signing / sending this form, I confirm that the gift will not be used to influence or reward the recipient in the performance of the present, past or future activities or functions or to influence or reward the recipient for having improperly performed a relevant function or activity.

Signature of the Applicant / Reporter: \_\_\_\_\_

**Approval:**

Superior's/Manager's Name : \_\_\_\_\_ Approver Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Compliance Officer' Name : \_\_\_\_\_ Approver Signature: \_\_\_\_\_

Date: \_\_\_\_\_