

PEOPLE, CULTURE AND INTEGRATION

CMD | Düsseldorf | Dec 14, 2017
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THREE MAJOR AREAS OF FOCUS

CULTURE



ENGAGEMENT

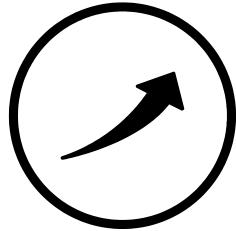


PERFORMANCE



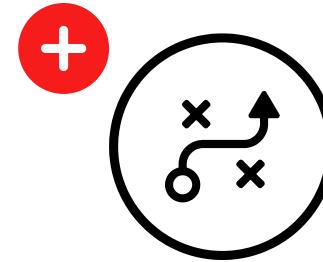
KONECRANES' HIGH-PERFORMANCE CULTURE HAS THREE CHARACTERISTICS

KONECRANES' HIGH-PERFORMANCE CULTURE IS ONE IN WHICH ...



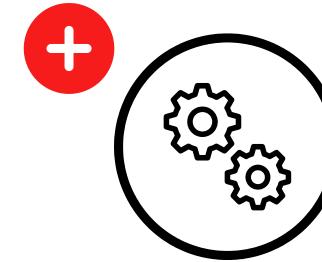
1.

Individuals and teams are engaging for results



2.

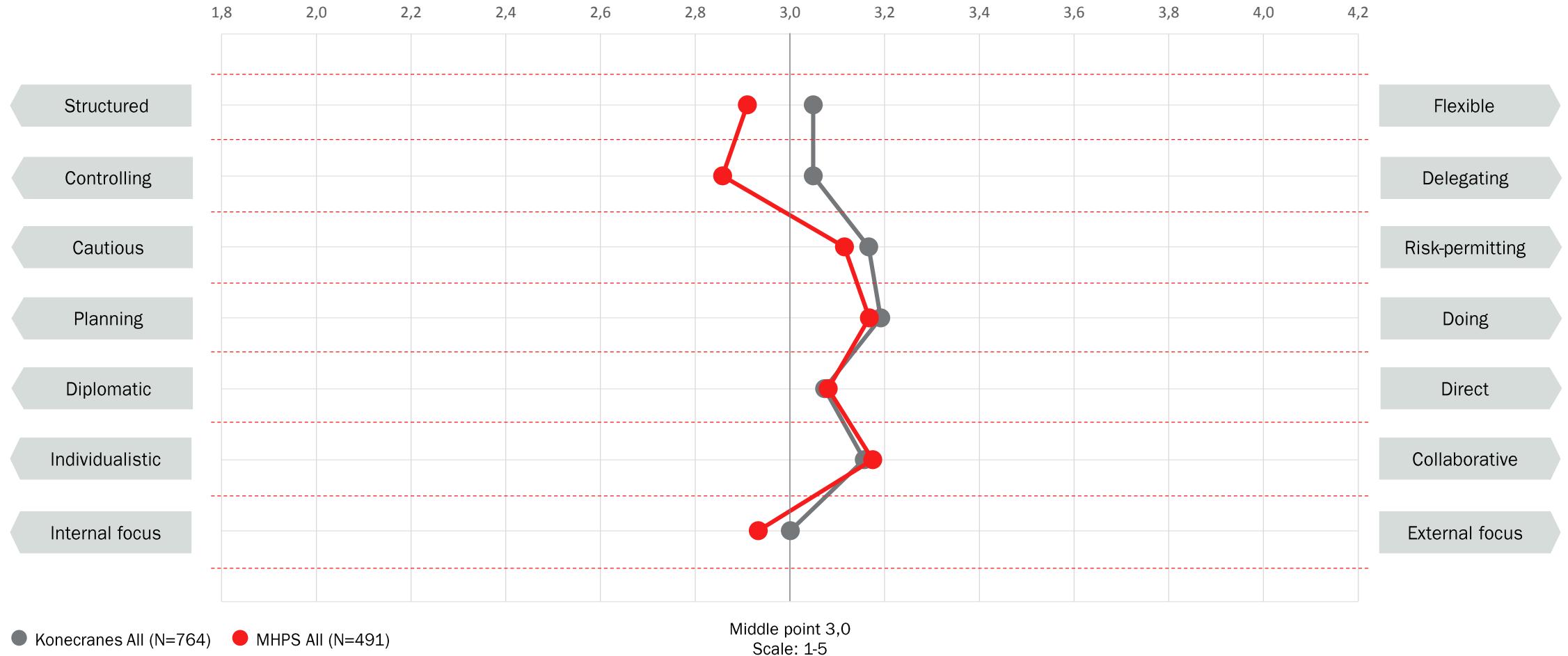
Culture is aligned with strategy



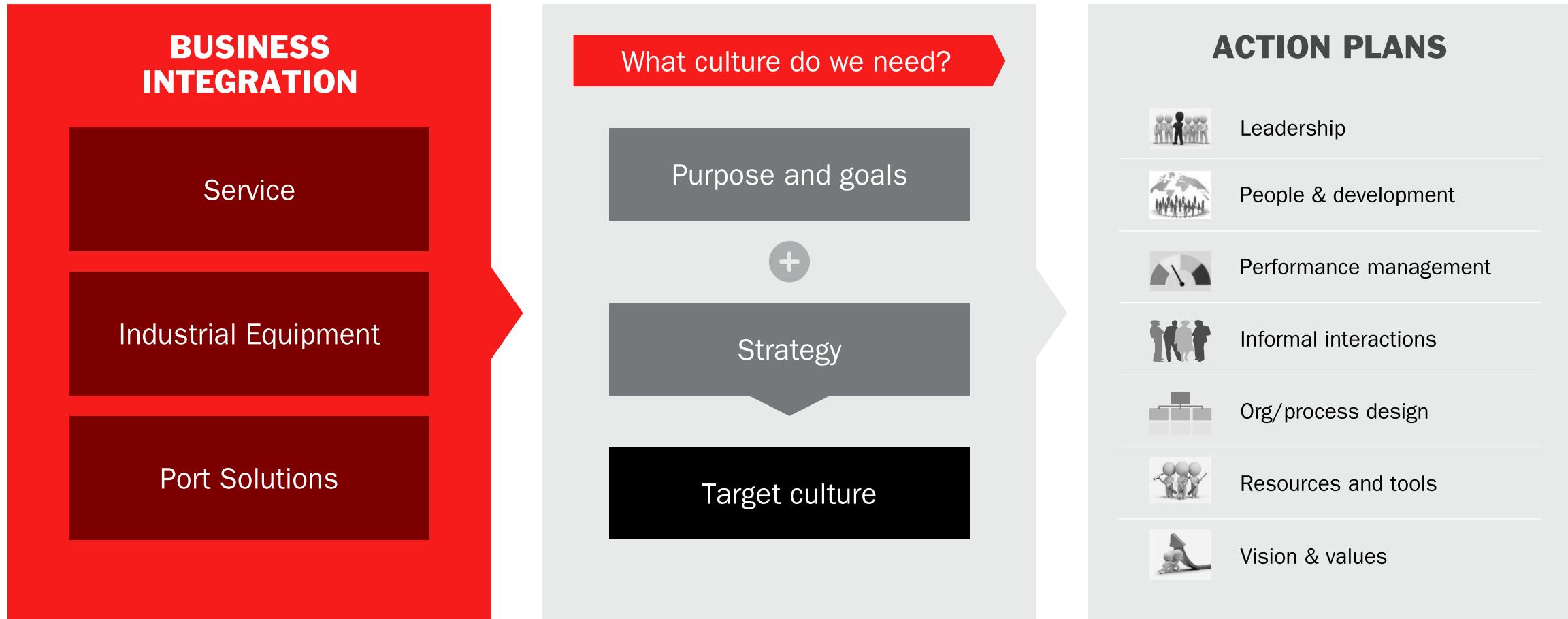
3.

Context reinforces culture

LEGACY KONECRANES AND MHPS CULTURES ARE WELL ALIGNED



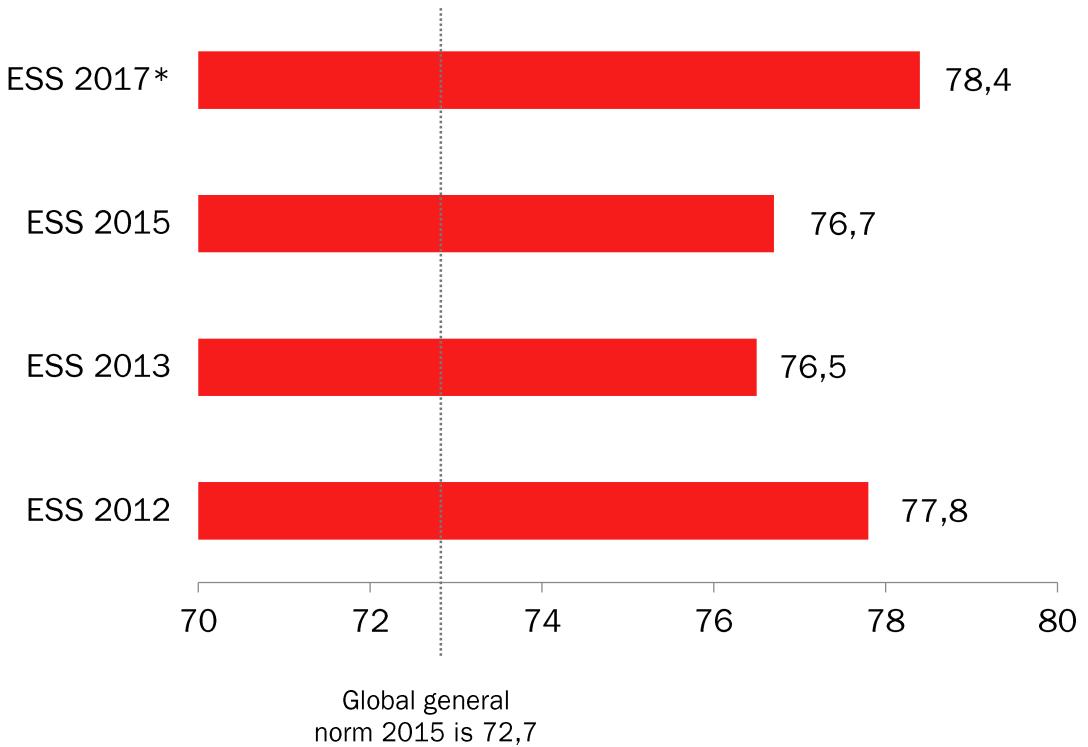
CULTURE WORK IS PART OF BUSINESS INTEGRATION STREAMS



KONECRANES AND LEGACY MHPS CULTURES – SOLID FOUNDATION FOR GROWTH

- Konecranes' and legacy MHPS' cultures are similar – good foundation for integration and growth
- The strengths of Konecranes' culture is built on
 - **Performance and action orientation**
 - **Collaboration, trust and accountability**
- More than 85% of the employees accepting, onboard and committed with the integration
- Employee engagement is above comparison companies and pre-integration
- Cultural differences and engagement level are systematically followed-up and facilitated

Engagement index (values 0-100)



*ESS pulse check March 2017

FAIR AND STRUCTURED PROCESS FOR ORGANIZATION EFFICIENCY DECISION MAKING WITH CLOSE INVOLVEMENT OF EMPLOYEE REPRESENTATIVES EARLY ON

REVIEW OF STARTING POINT ('BUSINESS DATA')

- Review preliminary synergy plans, and conduct internal analysis of current financial & operational performance
- Define KPIs for future decision making and our global targets
- Identify high-level scenarios for outcomes

SCENARIO EVALUATION

- Review factual reasons for the planned actions
- Jointly identify potential alternatives for the actions
- Plan for carrying responsibility of our employees (if there is reductions in force)

IMPLEMENTATION PLANNING

Concluding on action plan and consequences



Genext Works Council



Role

- Top Management and WC collaboration forum on global level incl. countries outside Europe

European Works Council

Official collaboration forum related to:

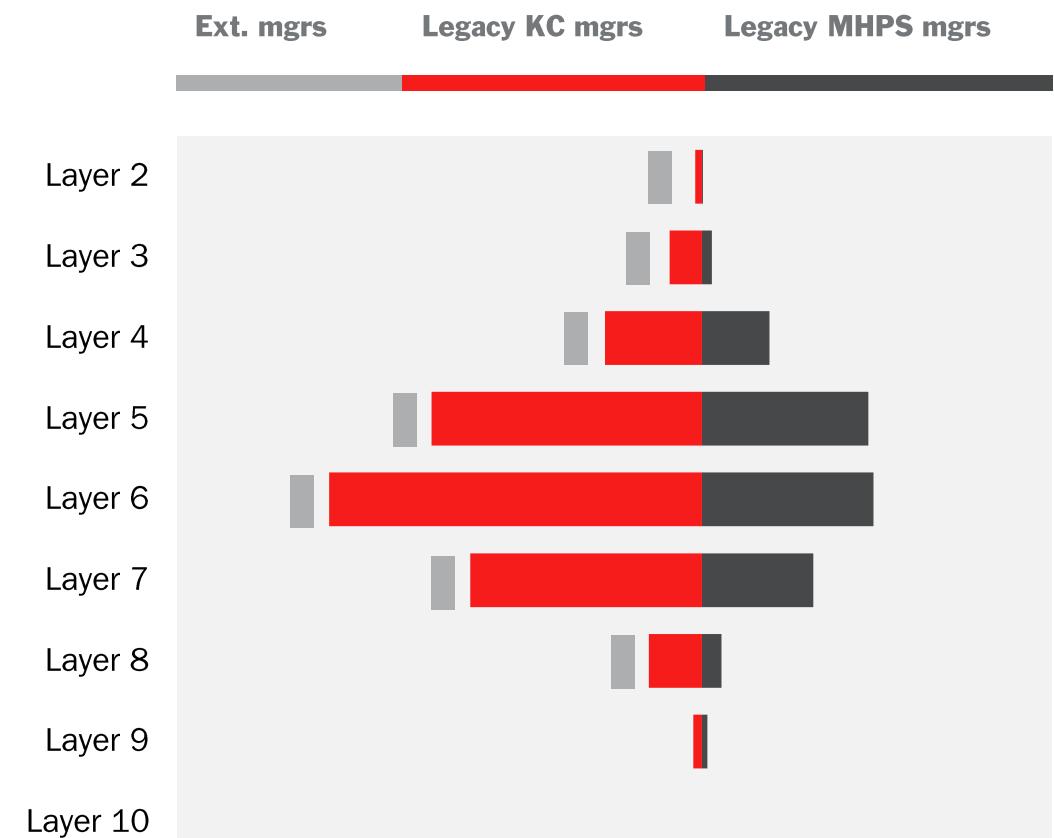
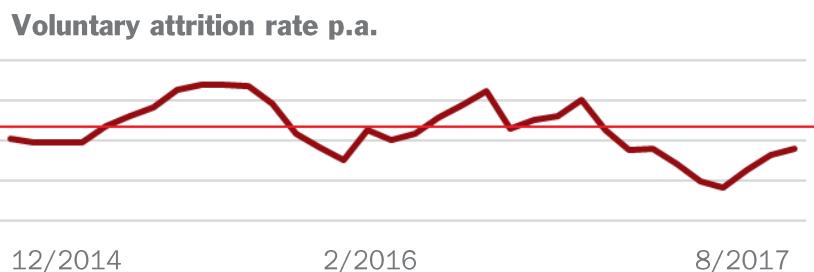
- Economic and financial situation of the Group
- transfers of production mergers, cut-backs or closures of comp. or operations, or important parts of them, and collective redundancies

Local Works Council

- Official collaboration forum on a country level related to topics with country-wide relevance
- Responsible for all legal entities in one country

TALENT RETENTION HAS BEEN SUCCESSFUL DURING THE ORGANIZATION INTEGRATION

- Fair, structured and objective process used in key executive selections to drive best of talent approach
- Selection process of management were conducted using internal and external assessment. More than 70 executives were assessed by 3rd party and more than 450 managers by internal assessors
- Employee voluntary turnover below long term Konecranes average and below global comparison
- Managerial positions have been distributed based on competence and potential between legacy Konecranes and legacy MHPS managers





**NOT JUST LIFTING
THINGS, BUT ENTIRE
BUSINESSES**