

Sustainability Report Data Calculation Methodology 2017

1. General information

The data and information presented in our Corporate Responsibility Report have been collected using our own internal data collection procedures, aligned with the industry best-practices. The reported data has been obtained from the databases kept in the respective corporate systems. Unless otherwise stated, the report covers all Konecranes operations in all the countries we operate, focusing our core business excluding joint ventures and subsidiaries.

2. Verification

The following data is verified by an external party annually:

- Safety: Lost time accident frequency (LTA1) figure
- Environment: Scope 1, scope 2 and scope 3 (business travel) energy and GHG emission data

3. HR data

With regard to social data, these cover the initiatives taken by each subsidiary individually as well as the actions carried out by MYTILINEOS HOLDINGS S.A., which represents the entire Group. The present Report contains data obtained from direct measurements, while –to help comparisons– the corresponding data series for last three years are also given, where available.

4. Safety data

LTA1 = Lost Time Accident Frequency = Number of work related accidents causing at least one day of lost time / working hours performed over the reference period * 1 000 000 hours

A work related accident is an accident that

- causes an injury that requires medical treatment and
- results in absence from work

5. Environmental data

5.1 Environmental data base year

- For legacy-Konecranes locations, base year is 2013. This is the earliest year we have reliable data.
- For combined company (KC+MHPS), base year is 2017. This is the earliest year we have reliable data from MHPS.

5.2 Environmental Data Recalculation Policy

The following cases shall trigger the recalculation of historical environmental data, if sufficient data is available:

- Mergers, acquisitions, divestments, outsourcing, insourcing and structural changes in the organization that result in over 10% impact on the historical environmental data
- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in over 10% impact on the historical environmental data
- Discovery of significant errors, or a number of cumulative errors, that are collectively significant.

If the historical figures are revised, this is noted in the reported data.

5.3 Energy data

Four different kind of energy consumption categories are reported:

- Fuel consumption: consists of diesel and petrol (manufacturing and service)
- Natural gas and LPG consumption (manufacturing only, service excluded)
- Electricity consumption (manufacturing only, service excluded)
- District heat consumption (manufacturing only, service excluded)

Also a figure for total energy consumption is reported: this includes all the above energy sources.

Service operations' natural gas, LPG, electricity and district heat figures are excluded from the report as collecting this data from our service network is challenging, and the consumption amounts are estimated to be significantly smaller than the respective figures of our manufacturing locations.

5.4 Greenhouse Gas emissions

Konecranes uses the operational control approach described in The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard: Company accounts for 100 percent of the GHG emissions from operations over which it has control. It does not account for GHG emissions from operations in which it owns an interest but has no control.

Emissions from service operations' natural gas, LPG, electricity and district heat figures are excluded from the report as collecting this data from our service network is challenging, and the emission amounts are estimated to be significantly smaller than the respective figures of our manufacturing locations.

The latest available emission factors are always used. CO₂, CH₄ and N₂O included. GWP: 2014 IPCC Fifth Assessment Report.

Three different types of emissions are calculated:

- Scope 1, direct emissions:
 - o Scope 1 includes emissions from direct energy usage: diesel, petrol, natural gas and LPG consumption
 - o Calculated by using emission factors from GHG Protocol's Excel file *GHG emissions from stationary combustion*.

- Scope 2, indirect emissions
 - o 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.
 - o *Location-based calculation method*: Electricity emission factors are taken from GHG Protocol's Excel file *GHG emissions from purchased electricity*. District heat emission factors are taken from Motiva's webpage.
 - o *Market-based calculation method*: In the market-based calculation method, renewable electricity instruments/certifications are taken into account. For locations, which have purchased renewable energy, the emission factors are collected from the electricity suppliers. For locations, which do not purchase renewable energy, the emission factors are chosen according to GHG Protocol's Scope 2 Guidance. District heat emission factors are taken from Motiva's webpage.
 - o Konecranes Finland Oy acquired RES-GO guarantees of origin for electricity (Renewable Energy Sources - Guarantee of Origin), which are subject to EECs (European Energy Certificate System). These guarantees of origin covered 15,800 MWh electricity consumption for the year 2017. Production method was Finnish bioenergy.

- Scope 3, emissions from business travel
 - o Includes emissions only from business travel flights
 - o Business travel emissions are reported by our travel management company. This emission figure is extrapolated to cover all our operations by using employee headcount data.
 - o GHG Protocol emission factors used.

Total emissions include scope 1 and scope 2 (market-based method). Scope 3 is not included in the total emission figures, as collecting comprehensive Scope 3 data is still under progress.

5.5 Waste and water calculations

Waste and water data includes our manufacturing locations' data. Service locations are excluded from the report as collecting this data from our service network is challenging, and the waste/water amounts are estimated to be significantly smaller than the respective figures of our manufacturing locations.

Four different waste categories are reported:

- Metal scrap: waste streams are directed to recycling
- Cardboard, paper and wood: waste streams are directed to recycling
- Hazardous and electronic and electrical waste: waste stream handling split into recycling, incineration and other adequate treatments depending on location
- Other waste: Includes plastic, organic, mixed and energy waste. Waste stream handling split into recycling, incineration, composting, and landfill depending on location.