

**KONECRANES DEMAG UK LTD**

**2021 ANTI SLAVERY AND HUMAN TRAFFICKING STATEMENT**

As a signatory of the United Nations (UN) Global Compact, Konecranes is committed to respecting internationally recognized human rights. We uphold the work-related rights defined by the International Labour Organization (ILO). We also support the protection of human rights and promote the principles set in the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals, and the Declaration on Fundamental Principles and Rights at Work of the ILO.

**Our organization, structure and supply chain**

As a leading manufacturer of lifting equipment, Konecranes Group offers a vast range of advanced lifting solutions and services to different industries worldwide. The solutions provided by our three Business Areas – Service, Industrial Equipment and Port Solutions – compliment each other and enable our customers to meet the bulk of their lifting needs through one supplier. In addition, we provide specialized maintenance services and spare parts for all types and makes of industrial cranes, hoists and port equipment. The Group has approximately 16,780 employees at 600 locations in 50 countries.

Konecranes Demag UK Limited (Konecranes UK) is a wholly owned subsidiary of Konecranes Plc (“Konecranes”). Konecranes UK employs 430 employees. As a wholly owned subsidiary, Konecranes UK follows Konecranes group policies and procedures. Konecranes UK has a supply chain network that exists to support its installation, modernisation and service operations. Konecranes factories in different parts of the world forms an important part of the Company’s supply chain. Equipment is procured from Konecranes factories on a regular basis.

**Internal policies and actions in relation to slavery and human trafficking**

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 labor. The Code of Conduct is currently available in 35 languages and is publicly available at [https://www.konecranes.com/sites/default/files/2020-04/Code\\_of\\_Conduct%20English\\_20200403.pdf](https://www.konecranes.com/sites/default/files/2020-04/Code_of_Conduct%20English_20200403.pdf).

During 2020 a new group-wide training was launched on our Code of Conduct, which was rolled out as a mandatory course to all UK employees. More than 99% of the UK employees completed the training in 2020. The Code of Conduct training addresses human rights matters. The Code of Conduct is also part of the new employee induction training. We have a group executive-level Compliance & Ethics Committee to oversee the implementation and development of our Compliance and Ethics program, which is managed by the group Compliance & Ethics team. During 2020, the global Compliance & Ethics team led by the Head of Compliance & Ethics was reinforced with three new Compliance & Ethics Officers.

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 implemented in 2018 which gives our employees an additional means to raise concerns relating to compliance with laws and ethical conduct. This process is managed by the Head of Compliance & Ethics.

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. Our goal is to evaluate and set requirements that help to ensure that environmental and social impacts are managed properly through responsible procurement.

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. To receive approved supplier or subcontractor status, our suppliers and subcontractors must commit to the requirements of our Supplier Code of Conduct introduced in 2018. The Supplier Code of Conduct forbids the use of child and forced labor. The Supplier Code of Conduct is available in 11 language versions. The suppliers are encouraged to raise compliance and ethical concerns and concerns can also be sent directly to the group headquarters.

### **Due Diligence and Audit Process**

In the spring of 2020, Konecranes conducted a corporate level human rights risk screening. By analysing what kind of supplier and subcontractor categories and in which countries we are working with, forced labor was identified as a potential risk, for example when dealing with recruitment agencies and when using in our facilities low-skill work, such as in cleaning and in canteens. To avoid these screened and other risks from realizing, Konecranes performs supplier evaluations which are divided into two categories: pre-assessment and on-site auditing. During a pre-assessment, we carry out a background check before the supplier or subcontractor relationship begins, and we evaluate whether the potential supplier or subcontractor is following our Supplier Code of Conduct. Audits are conducted for selected new and existing suppliers based on identified risks. In 2020, we executed on global level 19 on-site audits for our existing suppliers, concentrating particularly on the compliance with our Supplier Code of Conduct.

Statement has been approved by the Board of Directors of Konecranes Demag UK Ltd, who will review and update it as necessary on annual basis. This Statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015.

Mark Bennett   
**Managing Director Konecranes Demag UK Ltd**  
**1<sup>st</sup> May 2021**