

TAX POLICY

Konecranes is present in many countries in which by its presence it contributes to society through various taxes and charges such as corporate income taxes, indirect taxes, customs duties, payroll taxes, and property taxes. Konecranes is committed to a tax strategy which is both open and compliant. Our business has a strong focus on corporate responsibility, and we see responsible administration and payment of taxation as a social responsibility of our business. We operate in an environment where we consider tax in the context of our reputation and brand as well.

We are committed to conducting our business in compliance with all applicable tax laws, rules and regulations; to comply with all reporting requirements; and to file all tax returns and fulfil all tax obligations to high ethical standards within the time requirements of local regulations. We are committed to meet all statutory compliance obligations in each jurisdiction and to consider the tax impact in major or complex business decisions such as mergers and acquisitions. We apply the OECD standards in cross-border transactions, and we ensure that our transfer pricing is in accordance with the "arm's length principle". We also meet the transfer pricing and Country-by-Country ("CbC") reporting requirements in each jurisdiction as required. The Group Tax Policy is aligned with our corporate strategy and values as well as our Code of Conduct.

Tax Governance and risk management

Konecranes is operatively organized through business areas divided in business units based on its products and service as well as geographical areas. The legal set up is based on separate companies that include subsidiaries, associated companies, and joint ventures. Group companies may include the operations of multiple business areas and business units. They must comply with operative and legal governance in their decision making.

We understand the importance of tax in the wider context of business decisions and have a Group Tax Policy in place to ensure tax is considered as part of our decision-making process. Group tax policy and strategy is reviewed by Group Audit Committee annually. Konecranes Tax Department task is to ensure that our tax governance and tax risk management is appropriate, provide a high quality of tax compliance in every jurisdiction we operate and there is Board of Directors oversight into this. We want our tax affairs to be transparent and compliant with tax legislation and recognise that managing tax compliance is increasingly complex.

The management and monitoring of tax-related matters is centralized in the Group's Finance department. Our Global Tax Department is divided into the tax team at Corporate Head Office in Finland as well as regional and country organizations outside Finland. The day-to-day tax affairs are managed by Global Tax Department together with the relevant local finance team. Each group company shall properly document and retain all information required to determine the taxable amount and related taxation, such as accounting workbooks and sheet, files and other documentation during legal retention period as required by applicable tax legislations. Local finance teams are obliged to report tax audit notifications, audit findings, reassessments to the Global Tax Department. Global Tax Department closely works with business to manage operational tax risks. It manages tax audit processes especially which comes to cross-border transactions. Due to Group's significant international operations, the Group is involved in a number of tax audits all to time. Tax matters are included in Group's internal controls and audit framework.

Significant matters of principle are presented to Group's Chief Financial Officer and further to the Board of Directors for decision-making. The Group's Chief Financial Officer reports regularly on tax-related issues to the

Group's Audit Committee and there is open and constant dialog between the parties and those individuals tasked with the operation of our finance function, regarding the way our business manages its tax risk. The key aim of the management of tax-related issues is to safeguard that all Group companies comply with the regulations of tax legislation in all countries of operation as well as manage both financial and non-financial tax risks. Tax-fraud actions are strictly prohibited. Tax risk management is conducted and monitored by the Global Tax Department in cooperation with the respective business areas, units and supporting functions.

Tax planning

We support the business by ensuring a sustainable effective tax rate, mitigating tax risks in a timely and cost-efficient way while complying with national regulations in the countries where the business is performed. We continuously enhance the shareholder value by aiming for efficient, optimal and cost-effective tax processes, business transactions and structures.

Konecranes does not practice aggressive tax planning that aims to decrease the Group's taxable income artificially by, for example, exploiting differences and mismatches in the architecture of the international tax system to shift profits to places with little to no economic activity or taxation, nor use tax havens, low tax jurisdiction, which are ambiguous or against the spirit of the law, for the purpose of avoiding taxes. We use structures and arrangements that are driven by commercial considerations, are generally acknowledged by the law and court practice and have genuine substance. We do not seek abusive tax and tax treaty benefits.

In all material operative transactions, investments, divestments, and restructuring of operations or legal structure we are committed to meet all statutory compliance obligations in each jurisdiction and to consider tax impacts in business decisions. We have a responsibility to minimise our tax risk and our exposure to negative publicity through non-compliance.

Co-operation with stakeholders

Konecranes promotes collaboration and open communication with all of our stakeholders including tax authorities and other public institutions and aims at constructive dialogue with them. Information to tax authorities and other public institutions shall be made available completely, transparently, accurately and timely as well as in the format required. We seek to get a certainty to tax impacts in advance when needed and it is possible. Predictability of tax treatments is very important to us.

We have relationships with professional advisers that allow us to seek expert advice on specialist areas of tax or where the tax treatment of something is unclear. We select carefully the tax advisors, which to engage, and use professional and acknowledged advisors who have committed to follow all applicable regulations, good code of conduct, ethics and compliance standards. Engagements with tax advisors are guided not to include success fees based on ambiguous tax benefits or specific non-disclosure clauses related to tax benefits.

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