

**KONECRANES AND DEMAG PTY LTD****ANNUAL REPORT AGAINST AUSTRALIA MODERN SLAVERY ACT****Reporting period: January–December 2024**

Konecranes is committed to operating in a manner consistent with internationally recognized human rights as defined in the International Bill of Human Rights and International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. (ILO principles covering occupational safety and health; freedom of association & collective bargaining; non-discrimination in employment and occupation; elimination of slavery and forced labour; and abolition of child labour.) Konecranes is also committed to the United Nations Guiding Principles on Business and Human Rights and the ten principles of the United Nations Global Compact.

**Our structure, activities and supply chain**

Konecranes Plc is the parent company of the Konecranes group of companies, headquartered in Hyvinkää, Finland. Konecranes is a global leader in material handling solutions, serving a broad range of customers across multiple industries, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity enhancing lifting solutions as well as services for lifting equipment of all makes. The Group has approximately 16,800 employees in over 50 countries.

Konecranes and Demag Pty Ltd. ("Konecranes and Demag Australia") is fully owned subsidiary of Konecranes Group with Konecranes Plc being the ultimate parent company. As a company belonging to Konecranes Group, Konecranes and Demag Australia follows Konecranes Group policies and procedures.

Konecranes and Demag Australia operates under four key business segments: Industrial Cranes Operations, Industrial Service Operations, Port Solutions Operations and Port Service Operations.

**Industrial Cranes Operations** focuses on the sale of standard and customised cranes, catering to a diverse range of industries in Australia (and potentially New Zealand). This segment includes a dedicated manufacturing facility located in Smithfield, Sydney, which specializes in the production of industrial crane girders and platforms.

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**Industrial Service Operations** provides comprehensive support for customers' cranes in Australia and New Zealand, offering repair and maintenance services, end-of-life assessments, replacement hoists, modernizations, spare parts, and emergency repair services. Additionally, the Maintenance Services Operation supplies components and parts directly to end customers who do not engage Konecranes Australia for repair and maintenance. These components align with those used in the company's service operations.

**Port Solutions Operations** is dedicated to the sale of port handling equipment, serving both seaport and intermodal port operators across Australia and New Zealand. The Port Solutions business encompasses the full range of port equipment offered globally by Konecranes.

**Port Service Operations** delivers services for port handling equipment in Australia and New Zealand, including equipment from third-party suppliers. Services include repairs and maintenance, service agreements, inspections, modernisations, retrofits, and the supply of spare parts.

All business segments import products produced outside Australia while also sourcing products locally. Purchases outside of Australia include products such as radio controls, electrical materials, and steel plates. Konecranes' global manufacturing facilities form an integral part of the company's supply chain, supporting efficient operations and high-quality product offerings.

#### **Our Konecranes policies and due diligence processes in relation to forced labour and child labour**

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 and child labour. The Code of Conduct is currently available in 35 languages and is publicly available at [https://www.konecranes.com/sites/default/files/2023-03/Code\\_of\\_Conduct-2023-English.pdf](https://www.konecranes.com/sites/default/files/2023-03/Code_of_Conduct-2023-English.pdf). In addition, Konecranes Human Rights Policy states Konecranes key human rights commitments and describes the human rights due diligence process. The



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policy is publicly available at:

<https://www.konecranes.com/about/sustainability/policies-and-principles>.

On top of the public policies, forced labour and child labour prevention are addressed in more detailed level in an internal Konecranes Fair Labour Frame.

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. The Supplier Code of Conduct forbids the use of child and forced labour. The Supplier Code of Conduct is publicly available in 24 languages at <https://www.konecranes.com/suppliers-code-of-conduct-other-languages>.

Konecranes and Demag Australia has a Know Your Supplier Policy of Konecranes in use, which is established to ensure that the suppliers and subcontractors that are able to meet the requirements set out in Konecranes' Supplier Code of Conduct and other Konecranes' policies.

As part of our human rights' due diligence process, we regularly assess human rights risks and impacts, engage with affected stakeholders and develop and implement procedures for preventing, mitigating and monitoring potential and actual adverse human rights impacts in our own operations and business relationships. We also regularly track our performance and report about our process. We work to continuously improve our due diligence process.

### Risks of forced or child labour

Konecranes has not identified its own operations as being at significant risk of incidents of forced labour or compulsory labour or incidents of child labour.

Forced labour has been identified as a potential risk in supply chain, for example when using low-skill workers in our facilities, such as in cleaning and in canteens, due to their generally seen weaker position to protect labour rights. Other risk areas include sourcing of minerals "deep" in our supply chains. If the extraction is done in conflict-affected areas, it increases the risk of workers related to those activities being subjected to forced labour. Migrant workers have been identified as a vulnerable group of supply chain workers, who are known to face a higher risk of being negatively impacted by forced labour.



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## Steps taken to assess, prevent and manage forced labour and child labour risks

Konecranes has in place governance, regular risk assessment and a variety of appropriate measures to manage identified risks.

### Governance

Konecranes has in place roles and responsibilities to reduce and manage human rights risks, including forced and child labour risks. For example, site management has overall responsibility for legal compliance on-site, while People and Culture organisation is responsible for execution of different people processes. The Sustainability organisation is responsible for the Group's Human Rights policy and general human rights processes, like due diligence process and target setting. The Legal organisation, including Compliance and Ethics, is responsible for whistleblowing and remedy process, enterprise risk management process and advising on legal compliance. The Procurement organisation 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. A group executive-level Compliance & Ethics Committee oversees the implementation and development of our Compliance and Ethics program and Sustainability Council defines, guides and reviews the overall sustainability strategy, short-term targets and action plans.

### Risk and impact assessment

Konecranes human rights risks and impacts identification and assessment is done with a cross-functional internal team and includes input from external human rights experts. Severity of the risks is defined based on the scale, scope and the ability to remediate, and likelihood of each individual risk is estimated based on country context, information from our monitoring channels and on expert knowledge. We review this analysis annually, taking into account changes in our business and the results we get from our monitoring channels, such as from our Whistleblowing Channel and from social responsibility assessments and supplier audits. We seek to collect input for the analysis from



affected people through different means, such as with employee surveys and discussions with employee representatives.

#### **Risk prevention and management**

To avoid forced labour and other human rights risks from occurring, we have in place different measures.

Konecranes manages its material impacts and risks by setting high ethical and legal principles and requirements for its suppliers and subcontractors in its Supplier Code of Conduct. Compliance with the requirements set in Konecranes' Supplier Code of Conduct is a standard clause in the company's purchase agreements and subcontracts, and when defined mandatory, Konecranes requires suppliers and subcontractors to sign a separate contractual commitment to comply with the ethical and legal principles and requirements of the company's Supplier Code of Conduct.

Furthermore, during 2024, Konecranes updated its Know Your Supplier Policy and the process applicable to all new and existing suppliers and subcontractors, while the depth of the know-your-supplier process as well as the mandatory appropriate measures to prevent or mitigate the risk vary based on our risk-based approach. During the know-your-supplier process Konecranes assesses whether suppliers and subcontractors comply with the requirements of the Supplier Code of Conduct through a supplier's self-assessment questionnaire.

Konecranes monitors and evaluates at Group level how suppliers and subcontractors comply with its Supplier Code of Conduct through its Supplier Code of Conduct audit program. Audits are conducted on site by an external third-party auditor specialising in social responsibility audits. After the audits, Konecranes follows the closure of audit findings together with suppliers through the corrective action planning process.

Besides the aforementioned measures, to prevent and mitigate forced labour risk specifically related to the sourcing of minerals, Konecranes continued conducting on Group level due diligence on conflict minerals and aims to ensure that minerals come from smelters or refineries audited to be conflict-free. As

conflict minerals are essential in the manufacture of a variety of devices, including electrical components, and as a member of the Responsible Minerals Initiative (RMI), Konecranes utilizes an industry-level approach in its due diligence. Konecranes offers training materials for suppliers targeted at its conflict minerals due diligence.

### Training

Konecranes has a regular group-wide Code of Conduct training program where staff employees are required to complete a Code of Conduct training every year and operatives every second year. During 2024, the Code of Conduct training was required by all employees and 98% of the employees in the Australia and 100% in New Zealand completed the training. Code of Conduct basic training is also part of the new employee induction and human rights are embedded in new managers' training. More detailed child and forced labour risk information is shared for employees making purchasing decisions, for example in connection with Supplier Code of Conduct audit process and in relation to conflict minerals due diligence.

### Speaking-up and remedy

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 which gives our employees an additional means to raise concerns relating to compliance with laws and ethical conduct. The Whistleblowing Channel is also open and available for externals at <https://www.konecranes.com/about/sustainability/compliance-ethics/whistleblowing>.

If Konecranes causes or contributes to negative human rights impacts, we seek to provide access to a remedy for the affected people either by ourselves or through cooperating in remediation through legitimate processes.

### Assessment of effectiveness

Appropriateness and effectiveness of child and forced labour risk prevention measures and remedies are assessed by responsible functions by different means, including employee surveys and analysis of audit results conducted both in own operations and in



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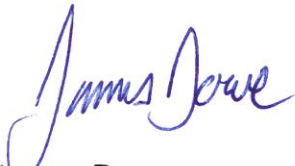


supply chain. In 2024 Konecranes started to conduct Supplier Code of Conduct re-audits with the aim of better understanding the effectiveness of its stakeholder engagement and corrective action planning process.

Related to the Whistleblowing Channel, incoming complaints are continuously monitored and assessed to understand possible changes in risks. In addition, the effectiveness of the complaints procedure is reviewed and evaluated at least once a year in line with our compliance annual clock by analysing complaints received in a more comprehensive manner to evaluate any enhancements that may be needed to policies and procedures or internal controls.

### Approval

This statement was approved by the Board of Directors of Konecranes and Demag Pty Ltd. on 20<sup>th</sup> June 2025.



James Dowe  
Managing Director  
Konecranes and Demag Pty Ltd.