KONE

Sustainability Statement 2024

Dedicated to
People Flow™

Contents

General information

Sustainability reporting principles

Basis of preparation

This Sustainability Statement forms the core of KONE's annual sustainability reporting. The Statement has been prepared pursuant to the Corporate Sustainability Reporting Directive (CSRD) and structured around European Sustainability Reporting Standards (ESRS) with the objective of providing transparent and harmonized information on the material sustainability topics relevant for KONE. The reporting scope is aligned with KONE's consolidated financial statements unless otherwise indicated in connection with the disclosed information. In addition to this Sustainability Statement, KONE publishes a separate Sustainability Supplement that includes complementary information about specific sustainability matters.

The sustainability information included in this Statement is based on the double materiality assessment (DMA), conducted under the CSRD framework. KONE has identified sustainability-related risks and opportunities most relevant to KONE's business and stakeholders, and KONE's broader societal impacts on people and environment. In this Sustainability Statement, KONE's value chain is defined to cover upstream activities related to component and raw material production, and downstream activities related to the use of KONE's products and to the disposal and recycling of equipment at the end of the building's life cycle. KONE has also mapped its activities according to Sustainability Accounting Standard Board's (SASB) sustainability accounting standards for Electrical and Electronic Equipment. Read more about the SASB disclosure and information regarding KONE's climate-related risks and opportunities in accordance with the Task Force on Climate Related Financial Disclosures (TCFD) requirements on kone.com.

This is KONE's first year of reporting under CSRD, and consequently certain sustainability information is not presented for the comparison period. For those parts of the report where comparative information has been included, the reporting framework has remained the same. There have been no material restatements to the previously disclosed sustainability information. The environmental data includes both net and gross emissions for Scope 1 data. KONE reports net emissions for renewable natural gas, to show the total emissions reductions achieved during the reporting year. This approach aligns with the evolving reporting guidelines, concerning the purchase of biomethane certificates, which currently cannot be calculated into gross Scope 1 emissions.

Sustainability data, management judgment and uncertainty

The sustainability data used as the basis for the Sustainability Statement is sourced from various KONE's internal information systems. All financial data has been collected through KONE's enterprise resource planning and financial reporting systems. All financial information presented in this report are based on KONE Corporation's consolidated and audited financial statements, unless otherwise indicated.

Sustainability data is collected from KONE's subsidiaries and operative units, and controls are in place to ensure that the information is complete and accurate. In the absence of accurate datapoints, sustainability reporting requires the use of assumptions, estimates, projections, and management judgment which inherently include uncertainties. Further information on these uncertainties is presented in connection with the disclosed information.

Sustainability governance

Sustainability governance structure and roles

KONE's governance model for sustainability and corporate responsibility within the organization is designed to ensure that sustainability is embedded into all levels of decision-making, from strategic oversight to operational execution. The key governance bodies for sustainability at KONE include the Board of Directors, the President and CEO and the Executive Board, Sustainability Disclosure Board, Safety, Quality and Sustainability Board, and Global Sustainability Forum.

The Board of Directors holds the overall responsibility for overseeing the company's sustainability strategy. The Board regularly reviews sustainability performance, addresses potential risks, impacts and opportunities, and ensures that the company complies with all relevant regulations and standards. The Board members' strong conviction in the strategic importance of sustainability for KONE's business places significant weight on it in KONE's overall strategy. The board is well-versed in key sustainability matters relevant to the industry and products, such as carbon neutrality. The Board of Directors consists of non-executive members with a gender ratio of 67% male and 33% female. The Vice Chair of the Board, Jussi Herlin has a separate employment contract for his role as Executive Vice Chair of the Board at KONE. There are no other separate employment contracts for the members of the Board of Directors. Of the Board members, 78% are independent of the Corporation and 67% are independent from significant shareholders.

The President and CEO is responsible for integrating the sustainability strategy approved by the Board of Directors into the company's daily operations.The Executive Board implements the sustainability strategy across all business units. Each executive member is responsible for embedding sustainability within their respective areas, ensuring that initiatives are effectively executed and aligned with the company's overall objectives.

Specific sustainability-related executive boards have been established to focus on critical areas such as environment, safety, quality, global compliance and sustainability governance. Various sustainability related forums act as platforms that bring together representatives from various areas, business lines and global funcions to share best practices, discuss challenges, and align on global sustainability priorities.

KONE's Global Compliance Committee, which comprises four Executive Board members, the Corporate Controller and VP, Global Compliance, assists the Executive Board in ensuring that KONE has an effective program to conduct business in an ethical and compliant manner. The Global Compliance Committee has expertise in topics critical to compliance, and provides advice to the Executive Board, management and audit committee in meetings and through reports. The Audit Committee monitors compliance matters which are reviewed by the Board of Directors at least annually.

The Board members are experienced in addressing sustainability-related impacts, risks, and opportunities, for

instance related to carbon neutrality and health and safety topics, within the company's industry, products and operating environment. The Board's annual review cycle and governance structure are established to ensure continuous monitoring of progress towards sustainability targets, associated risks and opportunities as well as development of relevant skills. These reviews are conducted by KONE's or external subject matter experts.

Risk management and internal controls

KONE's sustainability reporting is based on the group-level principles of risk management and internal control. The aim of risk management is to identify risks and opportunities in relation to the achievement of sustainability objectives and assess the likelihood and magnitude of the impacts these may have, as well as to identify actions to manage the impacts. The identified risks and opportunities are managed through KONE's sustainability, risk management and internal control governance models.

KONE's internal control framework is built and based on corporate values, the KONE Code of Conduct, a culture of honesty and high ethical standards. The framework is supported by a dedicated leadership, training programs, a positive and diligent corporate culture and working environment as well as by attracting and promoting dedicated and competent employees. Global and local policies and principles are a key part of the internal control framework.

KONE's internal controls are designed to manage relevant sustainability reporting risks, as part of KONE's processes and employee job roles. Internal controls over sustainability reporting are supported by global and local policies and principles that are continuously maintained by incorporating changes and developments from the business operations and information systems.

KONE's Global Risk Management function facilitates risk assessments which includes the assessment of risks and opportunities in relation to sustainability reporting. Dedicated sustainability risk and impact or materiality assessments are conducted to ensure systematical identification, assessment, and treatment of risks, impacts and opportunities. Risks and opportunities are prioritized according to KONE's Risk Management Policy which applies to sustainability reporting.

The Executive Board reviews and evaluates the risk assessment results minimum twice a year and agrees on risk management priorities. The Executive Board members for

Areas and global functions are owners of the key risks and opportunities relevant to the objectives of their organization. They are ultimately accountable that the risks are managed appropriately and shall allocate resources and delegate responsibility to efficiently manage the risks. The Board of Directors and the President and CEO are jointly responsible for overseeing impacts, risks, and opportunities, with this responsibility further delegated to committees focused on safety, quality, sustainability, and global compliance, along with their respective members.

KONE's Global Risk Management function facilitates sustainability risk assessments, including double materiality analysis (DMA) and the assessment of impacts, risks and opportunities (IROs), which are reviewed and managed jointly with relevant functions. The Executive Board and the President and CEO receive updates on material IROs or other relevant risk assessments bi-annually by the global risk management function. The Board of Directors are informed on the material risks and opportunities on an annual basis by the General Counsel.

KONE integrates the findings of its risk assessment and internal controls to business practices and processes through management systems and considers those in the sustainability related processes and reporting. This is done by appointing identified risks, opportunities, actions and controls with relevant risk owners and responsible stakeholders. These actions and controls vary from corporate business risks and climate change related mitigation strategies to operational and location specific environmental mitigation actions. Internal control activities to manage the identified material risks related to the accuracy and timeliness of sustainability reporting are adopted as part of KONE's processes that produce sustainability information.

The Board of Directors monitors and evaluates the effectiveness of KONE's risk management systems according to their role defined in KONE Risk Management Policy, in addition to the review of key risks and action plans. The Board's Audit Committee monitors the efficiency and functioning of the internal control environment, including internal controls over sustainability reporting. The management is responsible for establishing and maintaining adequate internal controls and for monitoring their effectiveness as part of operative management. The Board's Audit Committee is informed on internal control findings on an annual basis.

Sustainability-related performance in incentive plans

KONE drives sustainability performance also through compensation. KONE's long-term incentive plan, approved and updated by the Board of Directors, emphasizes sustainability alongside profitable growth to ensure a strong focus in driving transformation towards the achievement of KONE's sustainability ambitions. KONE's Sustainability KPIs have a total 20% weight in the long-term incentive plan and are related to KONE's targets to reduce its Scope 1, 2 and 3 carbon emissions (10% weight), as well as diversity and safety related targets (10% weight).

Sustainability due diligence

KONE integrates due diligence into its governance and strategy by adhering to the Finnish Corporate Governance Code and embedding sustainability into its operations. The company's due diligence and its integration to key processes are supported by KONE Global Management System, Health and Safety Policy Statement, Environmental Policy Statement, Human Rights Policy, Code of Conduct, and Supplier and Distributor Codes of Conduct, which are detailed in the policy sections of the material sustainability topics. KONE emphasizes engagement with stakeholders, including employees, suppliers, and communities. Refer to ESRS 2, Interests and views of stakeholders for more information on engaging with the affected stakeholders.

Supporting KONE's sustainability due diligence, the continuous assessment and identification of impacts, risks, and opportunities is embedded into its processes and policies. More information is presented in the corresponding material topics throughout this Sustainability Statement in the following sections: Material impacts, risks and opportunities, Policies, Engaging with the affected stakeholders, Remediating negative impacts, Actions, and Metrics. In addition to complying with applicable laws, rules, and regulations, KONE has established internal requirements to uphold high environmental and social standards in global activities, as well as for its suppliers and partners. Refer to S2, Respect for Human Rights, and Supplier Due Diligence for detailed descriptions of KONE's human rights and supplier due diligence processes.

Sustainability in operations

Strategy

In 2024, KONE launched a new strategy 'Rise' for years 2025–2030 where leading in sustainability is part of the strategic ambition and 'Cut Carbon' is one of the four strategic shifts. In this strategic shift, the focus is both on reducing KONE's own emissions as well as on helping KONE's customers to decarbonize with sustainable solutions. Sustainability continues to also be one of KONE's core principles together with safety and quality.

Progress toward the sustainability-related strategic ambition is measured using an internal sustainability index. Under the 'Cut Carbon' strategic shift, KONE measures emission reductions in the value chain, revenue from sustainable solutions, and market share in sustainable opportunities. More concretely, KONE aims to radically cut down emissions from its products and solutions by adopting and developing energy efficient technologies, exploring new low-carbon materials and innovating together with its suppliers and partners. In services, sustainability advancements are achieved through leveraging digitalization to reduce unnecessary callouts and for smart planning of the service operations.

With the new strategy, KONE remains committed to provide the most sustainable solutions to its customers and help them decarbonize throughout the buildings' life cycle with the following key objectives:

- Overall reduction of product related Scope 3 emissions: Reducing emissions related to the materials used and lifetime energy consumption per product ordered
- Smart use of materials and circularity: Optimizing material use and reducing the materials, energy, and other resources used in KONE's solutions and operations
- Extending product lifetime: Extending lifetime of equipment through service and modernization including intelligent KONE 24/7 Connected Services and predictive maintenance
- End-user safety: Having safety as KONE's top priority in all operations
- Accessibility: Providing accessible, safe, and convenient solutions for all groups of End-users

Business model and value chain

KONE has a lifecycle business model where it provides elevators, escalators, building doors and related smart solutions for buildings and urban mobility. KONE maintains and modernizes the equipment to ensure the longevity, safety, and efficient operation of equipment, thereby contributing to sustainability by extending the product life cycle. By offering energy-efficient and sustainable products, KONE aims to reduce environmental impact throughout the entire product life cycle, from raw material sourcing to end-of-life. Furthermore, KONE requires that its supply chain partners adhere to sustainability requirements, including ethical sourcing and minimizing environmental impact.

A significant part of the value KONE creates is the result of collaboration with the large network of customers, partners, and suppliers, as well as through the use of elevators and escalators manufactured and/or maintained by KONE. Key customer groups include construction companies, building owners, facility managers, developers, and housing associations. Architects, authorities, and consultants are also key influencers in the decision-making process regarding elevators and escalators. Refer to Notes to the consolidated financial statements - Sales for a description of KONE's key products and most significant markets. No new bans on products or services were implemented during 2024.

KONE creates value to its customers by providing innovative, safe, and energy-efficient solutions that enhance the flow of people in urban environments. The company's digital solutions, such as predictive maintenance and smart elevators, offer improved user experience, safety and uptime. KONE strives to ensure health and safety for employees through high safety standards and practices. For its employees, KONE promotes diversity, inclusion, and continuous learning within its workforce. For its shareholders, KONE creates value through its resilient, sustainable and capital light business model, which creates strong and stable cash flow.

KONE has identified the following strategic inputs that are crucial in creating value for customers, shareholders and society:

- Competent and engaged people and strong leadership
- Innovative sustainable offering and global processes and systems
- Best partners
- Efficient manufacturing and delivery chain
- A solid financial position
- Environmentally sustainable operations

- High safety record, strong brand, solid reputation and commitment to safety
- Life cycle business model and the existing maintenance base

KONE ensures the availability of key inputs in its value chain through a combination of strategic sourcing, supplier management, and risk mitigation. To secure key talent, KONE invests in continuous employee development, diversity and inclusion, and retention through a supportive and innovative culture.

Interests and views of stakeholders

Sustainability is embedded into KONE's strategy and business model. The table Stakeholder engagement summarizes KONE's key stakeholders, their interests, and KONE's engagement with them. KONE collaborates and maintains an active dialogue with its stakeholders to understand their needs and expectations, also related to human rights matters, and to provide input for KONE's planning processes as well as to the continuous improvement of KONE management system, thus creating a predictable business environment for everyone. Applicable administrative, management and supervisory bodies are informed about the outcomes by the responsible topic owners and subject matter experts through various channels, and appropriate actions are taken to address the material impacts.

Stakeholder views have been considered as part of the strategy setting process. To enable employee's participation and to ensure employee consultation in health and safety matters, KONE runs and participates in local safety forums and councils with employees and their representatives. To represent the interests of employees and actively involve them in shaping the company, an employee engagement survey 'Pulse' is conducted annually. Refer to S1, Metrics for KONE's headcount of employees per geographical area. The learnings from the various stakeholder engagement activities including the employee engagement and customer surveys were taken into account in strategy development by lifting the key findings to the relevant Executive Board discussions.

The views of employees, value chain workers and equipment users are also collected through KONE management system which harmonizes safety management practices across KONE and sets minimum requirements to protect the health and address the safety of KONE equipment users, employees and anyone else KONE works with. KONE

considers the interests, views, and rights of its value chain workers in KONE's strategy and business model as feasible, mainly through management level discussions.

Stakeholder engagement

Stakeholder	Interest	Channels of dialogue	Assessment method
Customers, consumers and end-users	• Reliable and safe solutions, as well as service and modernization • Competitive pricing, value	• Meetings, events, seminars and conferences • Dialogue through solution support • Information shared through company reports, marketing materials, website, and social media channels • Continuous dialogue through daily interactions, digital solutions, user feedback, social media channels	• Net promoter score • Customer surveys • KONE Compliance Line • Monitoring feedback
Own workforce (Employees and non-employees)	• Safe working environment • Well-being • Career development • Fair compensation	• Daily interactions • Regular employee performance discussions • Internal channels and forums for company-wide discussions • Training opportunities and innovation tools	• Pulse employee engagement survey • Annual employee performance discussions • Idea management system, innovation tool • KONE Compliance Line
Investors and analysts	• Sustainable financial performance and growth • Transparency	• Financial and other company reports, stock exchange releases, company website • Events, such as annual general meetings and capital markets days • Investor and analyst meetings	• Direct feedback from financial market representatives • Feedback from the financial community also through surveys
Suppliers and subcontractors (Workers in the value chain)	• Long-term partnerships • Fair business practices • Safe working environment	• Continuous one-to-one dialogue with suppliers • Trade fairs, steering group meetings, supplier workshops and an annual supplier day for selected strategic suppliers • Supplier assessments including audit and an annual supplier excellence certification program	• Annual supplier survey • Supplier quality audit and performance assessment with the Supplier Maturity Certification Program • Monitoring of high-risk suppliers • KONE Compliance Line
Distributors and agents (Workers in the value chain)	• Market reach • Efficiency • Logistical expertise • Risk mitigation	• Daily interactions, account planning, regular country visits and distributors' meetings • KONE tools • Reward programs and business development initiatives	• Monitoring of sales-related activities and direct feedback from distributors • KONE Compliance Line
Partners	• Collaboration • Resource sharing • Innovation	• Continuous one-to-one dialogue • Developer portal for application programming and interface building • Engaging in co-innovation programs • Industry and innovation events and competitions, such as hackathons	• Bi-annual partner information review • Annual partner feedback survey • Feedback from 1-to-1 partner discussions
Media	• Content • Engagement • Transparency	• Press releases and events, interviews, background briefings and visits • Publications, as well as the company website and social media channels • Monitoring and analyzing media coverage about KONE	• Surveys and media analysis
Educational and research institutions	• Research opportunities • Internships • Knowledge sharing • Partnerships	• KONE's apprentice programs and summer traineeships • KONE is a member of the CEMS global alliance of academic and corporate institutions • Collaborations to provide information about KONE in schools, universities, and other relevant institutions • Thesis opportunities, recruitment fairs, projects, guest lectures, and research programs	• Most attractive workplace surveys, online tracking • School collaboration and social media visibility in order to enhance KONE's brand as an employer and to attract talent
Countries KONE operates in	• Environmental impact • Contribution to local development	• Company website and social media channels • Sustainability surveys and reputation studies • Volunteer work through the KONE Centennial Foundation	• Sustainability surveys and reputation studies • KONE Compliance Line

Sustainability-related impacts, risks and opportunities

Identification and assessment

KONE's double materiality assessment (DMA) approach consisted of four phases to determine material topics and provide input for the strategy development. These phases included value chain mapping, impact assessment, financial assessment, and final materiality determination. The DMA was completed in 2024. The DMA results will be reviewed annually and updated when necessary. KONE's earlier materiality assessment, human rights impact assessment and third-party due diligence process, non-financial risk assessment, and climate change scenario analysis, which have been integrated into KONE's risk management processes, were used as a starting point for the DMA. Refer to E1, Scenario analysis for a description of the scenario analysis and related assumptions.

The results of the DMA including the material impacts, risks and opportunities (IROs) were reviewed by a management steering group consisting of KONE Executive Board members and other management members. These members were selected based on their ownership, roles and responsibilities in the area of sustainability and reporting. The results of the DMA were reported to the Audit Committee of the KONE Board of Directors. Internal control over the DMA process was ensured through the reviews of the results and the adopted systematic assessment methodology.

In the initial phase of the DMA, KONE mapped its value chain and listed the main business activities across upstream, own operations, downstream, and cross-cutting activities through interviews with key internal stakeholders. The geographical locations and key external stakeholders affected by these activities were identified for each, in line with the reporting principles. Specific geographies, high-risk areas, and at-risk functions were taken into account.

The impacts, risks, and opportunities were evaluated by KONE's subject matter expert teams on a scale from 1 to 5, aligning with the ESRS criteria. These results can be easily compared with KONE's risk management process and tool, allowing for the consideration of sustainability risks alongside other business risks in terms of relative position and priorities. The views of KONE's stakeholders were provided through summarized input by the involved subject matter experts

ESRS Topics		Sub-topic	Material to KONE
E-Environment	E1 Climate change	E1 Climate change adaption	Yes
		E1 Climate change mitigation	Yes
		E1 Energy	Yes
	E2 Pollution	E2 Pollution of air	No
		E2 Pollution of water	No
		E2 Pollution of soil	No
		E2 Pollution of living organisms and food resources	No
		E2 Substances of concern	No
		E2 Substances of very high concern	No
		E2 Microplastics	No
	E3 Water and marine resources	E3 Water	No
		E3 Marine resources	No
	E4 Bio-diversity and eco-systems	E4 Direct impact drivers of biodiversity loss	No
		E4 Impacts on the state of species	No
		E4 Impacts on the extent and condition of ecosystems	No
		E4 Impacts and dependencies on eco-system services	No
	E5 Resource use and circular economy	E5 Resources inflows, including resource use	No
		E5 Resource outflows related to products and services	No
		E5 Waste	No
S-Social	S1 Own workforce	S1 Working conditions	Yes
		S1 Equal treatment and opportunities for all	No
		S1 Other work-related rights	No
	S2 Workers in the value chain	S2 Working conditions	Yes
		S2 Equal treatment and opportunities for all	No
		S2 Other work-related rights	No
	S3 Affected communities	S3 Communities' economic, social and cultural rights	No
		S3 Communities' civil and political rights	No
		S3 Rights of indigenous peoples	No
	S4 Consumers and end-users	S4 Information-related impacts for consumers and/or end-users	No
		S4 Personal safety of consumers and/or end-users	Yes
		S4 Social inclusion of consumers and/or end-users	No
G-Governance	G1 Business conduct	G1 Corporate culture	Yes
		G1 Protection of whistle-blowers	Yes
		G1 Animal welfare	No
		G1 Political engagement and lobbying activities	No
		G1 Management of relationships with suppliers including payment practices	No
		G1 Corruption and bribery	Yes

through their interaction with affected stakeholders and engagement with the users of KONE's Sustainability Statement.

During the impact assessment phase, KONE evaluated, scored, and prioritized the various impacts (positive or negative) and activities within its value chain that could affect people or the environment based on their scale, scope, likelihood, and irremediability, which was considered for negative impacts. In case of a potential negative human rights impact, the severity of the impact was prioritized over its likelihood.

The financial assessment phase included identification of key risks and opportunities posing financial implications, together with an assessment of their magnitude and likelihood, as well as the timeframe. The following scales were applied:

Likelihood of occurrence:
1. Highly unlikely to occur: >0–1%
2. Unlikely to occur: >1–10%
3. Possible to occur: >10–30%
4. Likely to occur: >30–60%
5. Highly likely to occur: >60–100%

Magnitude of financial impacts:
1. Nominal financial impact
2. Moderate financial impact
3. High financial impact
4. Significant financial impact
5. Critical financial impact

Timeframe:
Short   <1 year
Medium   1–5 years
Long   >5 years

The connections between impacts, and dependencies with the risks and opportunities, were considered as part of the identification of IROs, mainly in relation to geographical locations and IRO contents in the subtopics, however not systematically cross-referencing all connections and dependencies. Each prioritized risk, opportunity or impact is assigned to a risk owner. The risk owner appoints a person in a relevant role to be responsible for the specific IRO. The responsible person implements the necessary IRO treatment actions, and reports regarding progress to the risk owner.

As a result of the DMA, a comprehensive overview of KONE's IROs relating to each sustainability topic was formed. When an impact and/or risk or opportunity score of any topic exceeded a certain threshold, the topic was identified as material to KONE. The treatment of such IROs were prioritized to meet KONE's strategic sustainability objectives and ensure alignment with stakeholder expectations. In principle, all mandatory data points have been included and disclosed following the materiality principle of the ESRS standard. No material entity specific IROs were identified.

Material ESRS topics

KONE's material ESRS topics based on the DMA process are presented in the table on the previous page.

KONE has identified material risks and negative and positive impacts related to climate change and energy, negative health and safety impacts related to own employees, value chain workers and end-users, and positive impacts related to corporate culture, protection of whistle-blowers and corruption and bribery. IROs, relevant for each ESRS topic, are described in summary tables in the beginning of topical sustainability sections accompanied by the relevant information on time-horizon, value chain information and the management actions taken to address the IROs.

Current financial effects of KONE's material risks and opportunities do not expose KONE's financial position, financial performance or cash flows to significant risks for material adjustments to the carrying amounts of assets and liabilities. During 2024, KONE's strategy and business models showed resilience in harnessing the material opportunities and addressing material impacts and risks stated in this report, mainly driven by healthy geographic and business line mix, supported by robust supply chain. The conclusion was supported by a qualitative assessment based on KONE reaching the set strategic targets and KPIs during the reporting period. Refer to E1, Scenario analysis for a description of KONE's resilience regarding material climate change topics.

Refer to ESRS 2, Sustainability in operations for a description of KONE's new strategy 'Rise'. Progress in strategy execution and performance in strategic sustainability KPI's is monitored and as part of quarterly reporting in line with KONE's governance structure. KONE Risk Management Policy defines the roles and responsibilities for The Executive Board and the Board of Directors. These roles and

responsibilities apply when they oversee and monitor the material impacts, risks and opportunities related to KONE's strategy implementation and targets. KONE's material impacts, risks and opportunities have been considered thoroughly in the planning of the new strategy and during strategy implementation in 2024.

Standard-specific considerations

Climate change

KONE has assessed and screened its major greenhouse gas (GHG) emission sources in its own operations, products, and value chain for all relevant business activities. The majority of the emissions stem from KONE's value chain due to the long lifetime of KONE's products with the expectation of the future emission profile remaining similar. To deepen the understanding of climate-related physical and transition risks and opportunities, KONE has conducted a climate change scenario analysis based on TCFD recommendations. Refer to E1, Scenario analysis for definitions of the climate scenarios.

Climate-related physical hazards were screened under the high emission scenario considering the geospatial mapping of KONE's own and key suppliers' manufacturing locations and logistics hubs and the projected climate change related physical exposures on these locations. The hazards were assessed taking into account their likelihood, magnitude and duration.

The climate-related risks and opportunities were identified and assessed in the short (<1 year), medium (2-5 years) and long terms (>5 years). The short-term horizon is aligned with KONE's short term target setting and budgeting, whereas the medium-term links to mid-term financial planning, and the long-term horizon to the strategic planning period and beyond.

Based on the assessment, KONE recognizes that severe weather events may expose the operations of KONE's own or suppliers' manufacturing sites and logistics routes to physical damage and consequent business interruption. However, the likelihood and magnitude of the events are relatively low and non-material in the short-term, increase over the medium term, and divert in the long term, when the frequency and severity of disruptive events continue to increase in the high emission scenario.

Climate-related transition risks and opportunities and their drivers were identified and assessed in KONE's subject matter expert interviews considering likelihood, impacts and duration of the transition events in a range of scenarios

including a Paris-aligned scenario of limiting climate change to 1.5°C.

KONE supports its customers by offering them sustainable solutions that are energy efficient, durable, and easy to disassemble and recycle. Customer demand is driven by policy and regulatory changes as well as technological advancements in renewable energy, energy efficiency and materials. KONE's reputation and brand image as a sustainability leader in the industry is at risk if KONE is not able to offer customers solutions that meet their needs to mitigate climate change.

Environmental risk assessments

Based on the DMA, pollution, water and marine resources, biodiversity and ecosystems, resource use and circular economy are not among the most material sustainability topics for KONE.

KONE continuously screens and manages environmental-related impacts through the ISO14001 certified management system, which sets common requirements for KONE units to assess and mitigate any material environmental risks identified considering their activities, products, and services in their control and the associated life-time impacts. Risk identification and management are further ensured through regular audits. In addition, KONE constantly monitors risks arising from the supply and value chain for environmental matters. These risks are tracked in real time through automation with geolocation information provided.

KONE has not organized separate consultations with affected communities, but regularly co-operates with the relevant parties, such as local authorities to identify any material impacts, risks, and opportunities arising from the environmental topics. In addition, consultations are conducted as part of the environmental risks assessments.

KONE's management system is complemented with more detailed environmental assessments that are described in the following sections.

Pollution

Due to KONE's automated manufacturing systems and assembly lines, the amount of NOx, SOx and VOC emissions KONE produces is minuscule. These emissions are monitored as required by the local environmental permits and applicable regulatory frameworks.

Water and marine resources

Based on conducted water risk assessments, only a few of KONE's manufacturing units are located in areas recognized with high levels of water stress. Manufacturing units' water stress impact is rated minor because KONE's processes do not require significant water usage.

Biodiversity and ecosystems

Based on conducted assessments, KONE's manufacturing units are not located in or near United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage sites, Nature 2000 sites or other conservation parks, or biodiversity-sensitive areas. Biodiversity mitigation measures have not been concluded to be necessary.

However, KONE continues to assess and monitor its impacts on biodiversity to better plan for future actions by conducting a more detailed assessment of the impacts and dependencies of the value chain on biodiversity in the future.

Resource use and circular economy

KONE constantly tracks all waste consumption in its manufacturing units as part of regular facility monitoring. The waste generated by the manufacturing processes are negligible, and most of the waste is recycled or incinerated. The key material flows and raw materials are systematically monitored on a component or module basis through automated warehousing systems. Still, KONE's most significant environmental impacts emerge from the energy use and the associated emissions of the products over their long lifetime.

Business conduct

KONE's third-party due diligence process, supplier screenings and audits, internal assessments and surveys, and local compliance risk assessments, as well as the Compliance Line reports support the identification of impacts, risks and opportunities related to corporate culture and governance. In addition, specific functions and areas, particularly Asia-Pacific, the Middle East and Africa, and Greater China, have been considered in terms of bribery and corruption risk in the global anti-bribery and corruption risk assessments.

Appendices

Data points that derive from other EU legislation

The following table illustrates the data points in ESRS 2 and topical ESRS that derive from other European Union (EU) legislation as listed in ESRS 2 Appendix B. The table indicates where the data points can be found within the Sustainability Statement, which data points are not material, and whether a phase-in has been used.

Disclosure requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		Sustainability governance
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		Sustainability governance
ESRS 2 GOV-4	30	Statement on due diligence	x				Sustainability governance
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		Not material
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Not material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		Not material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		Not material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	Scenario analysis, Actions and targets, Reporting principles
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		Reporting principles
ESRS E1-4	34	GHG emission reduction targets	x	x	x		Scenario analysis, Actions and Targets
ESRS E1-5	37	Energy consumption and mix	x				Metrics
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				Metrics
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				Metrics
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		Metrics
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		Metrics
ESRS E1-7	56	GHG removals and carbon credits				x	Metrics
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Phase-in used
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk		x			Phase-in used
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			Phase-in used
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		Phase-in used

Disclosure requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	x				Not material
ESRS E3-1	9	Water and marine resources	x				Not material
ESRS E3-1	13	Dedicated policy	x				Not material
ESRS E3-1	14	Sustainable oceans and seas	x				Not material
ESRS E3-4	28 (c)	Total water recycled and reused	x				Not material
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	x				Not material
ESRS 2- SBM 3 - E4	16 (a) i	Activities negatively affecting biodiversity sensitive areas	x				Not material
ESRS 2- SBM 3 - E4	16 (b)	Material negative impacts with regards to land degradation, desertification or soil sealing	x				Not material
ESRS 2- SBM 3 - E4	16 (c)	Operations that affect threatened species	x				Not material
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x				Not material
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				Not material
ESRS E4-2	24 (d)	Policies to address deforestation	x				Not material
ESRS E5-5	37 (d)	Non-recycled waste	x				Not material
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Not material
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	x				Not material
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	x				Not material
ESRS S1-1	20	Human rights policy commitments	x				Policies
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		Policies
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Policies
ESRS S1-1	23	Workplace accident prevention policy or management system	x				Policies
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				Remediating negative impacts on own workforce
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	x		x		Metrics
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				Phase-in used
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		Not material
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				Not material
ESRS S1-17	103 (a)	Incidents of discrimination	x				Remediating negative impacts on own workforce
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	x		x		Remediating negative impacts on own workforce

Disclosure requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				Material impacts, risks and opportunities
ESRS S2-1	17	Human rights policy commitments	x				Policies
ESRS S2-1	18	Policies related to value chain workers	x				Policies
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		Policies
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x		Policies
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				Actions
ESRS S3-1	16	Human rights policy commitments	x				Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	x		x		Not material
ESRS S3-4	36	Human rights issues and incidents	x				Not material
ESRS S4-1	16	Policies related to consumers and end-users	x				Policies
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x		Policies
ESRS S4-4	35	Human rights issues and incidents	x				Actions
ESRS G1-1	10 (b)	United Nations Convention against Corruption	x				Policies, Prevention and detection of corruption and bribery
ESRS G1-1	10 (d)	Protection of whistle-blowers	x				Not material
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x		Not material
ESRS G1-4	24 (b)	Standards of anti- corruption and anti-bribery	x				Not material

Disclosure requirements incorporated by reference

Disclosure requirement	Description	Reference
DP 40 a ii	Information on KONE's significant markets and customer groups	Annual Review: Financial Statements: Sales
DP 40 f	Information on the significant products and services	Annual Review: Financial Statements: Sales
DP 29 c i	Information on KONE's total research and development costs	Annual Review: Financial Statements: Costs and Expenses

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ESRS 2 General disclosures		Section name
BP-1	General basis for preparation of sustainability statements	Sustainability reporting principles
BP-2	Disclosures in relation to specific circumstances	Sustainability reporting principles, Sustainability-related impacts, risks and opportunities, Appendices
GOV-1	The role of the administrative, management and supervisory bodies	Sustainability governance, Sustainability-related impacts, risks and opportunities
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Sustainability governance, Sustainability-related impacts, risks and opportunities
GOV-3	Integration of sustainability-related performance in incentive schemes	Sustainability governance
GOV-4	Statement on due diligence	Sustainability governance
GOV-5	Risk management and internal controls over sustainability reporting	Sustainability governance
SBM-1	Strategy, business model and value chain	Sustainability in operations
SBM-2	Interests and views of stakeholders	Sustainability in operations
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability reporting principles, Sustainability-related impacts, risks and opportunities
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Sustainability reporting principles, Sustainability-related impacts, risks and opportunities
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Sustainability-related impacts, risks and opportunities, Appendices
E1 Climate change		**Section name**
E1-1	Transition plan for climate change mitigation	Material impacts, risks and opportunities, Scenario analysis, Actions and Targets, Reporting principles
E1-2	Policies related to climate change mitigation and adaptation	Policies
E1-3	Actions and resources in relation to climate change policies	Actions and Targets
E1-4	Targets related to climate change mitigation and adaptation	Scenario analysis, Actions and Targets, Metrics
E1-5	Energy consumption and mix	Metrics
E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	Metrics
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Metrics
E1-8	Internal carbon pricing	Metrics
GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS 2, Sustainability governance
IRO-1	Description of the processes to identify and address material IROs	ESRS 2, Sustainability-related impacts, risks and opportunities
SBM-3	Material IRO and their interaction with strategy and business model(s)	Scenario analysis
S1 Own Workforce		**Section name**
S1-1	Policies related to own workforce	Policies
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Engaging with own workforce
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Remediating negative impacts on own workforce
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Actions
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets
S1-6	Characteristics of the undertaking's employees	Metrics
S1-14	Health and safety metrics	Metrics
S1-17	Incidents, complaints and severe human rights impacts	Remediating negative impacts on own workforce
SBM-2	Interests and views of stakeholders	ESRS 2, Sustainability in operations
SBM-3	Material impacts, risks and opportunities and their interaction of with strategy and business model	Material impacts, risks and opportunities

S2 Workers in the value chain		Section name
S2-1	Policies related to value chain workers	Policies, Respect for human rights
S2-2	Processes for engaging with value chain workers about impacts	Engaging with value chain workers
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Remediating negative impacts on value chain workers
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Actions, Respect for human rights
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets
SBM-2	Interests and views of stakeholders	ESRS 2, Sustainability in operations
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities
S4 Consumers and end-users		Section name
S4-1	Policies related to consumers and end-users	Policies
S4-2	Processes for engaging with consumers and end-users about impacts	Engaging with consumers and end-users
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Remediating negative impacts on consumers and end-users
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	Actions
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Targets
SBM-2	Interests and views of stakeholders	ESRS 2, Sustainability in operations
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material impacts, risks and opportunities
G1 Business conduct		Section name
G1-1	Business conduct policies and corporate culture	KONE culture, Policies, Mechanisms for identifying, reporting and investigating concerns, Prevention and detection of corruption and bribery
G1-3	Prevention and detection of corruption and bribery	Mechanisms for identifying, reporting and investigating concerns, Prevention and detection of corruption and bribery
GOV-1	The role of the administrative, supervisory and management bodies	ESRS 2, Sustainability governance
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	ESRS 2, Sustainability-related impacts, risks and opportunities

Environmental information

EU Taxonomy disclosure

EU Taxonomy is a classification system for environmentally sustainable activities that was established to translate the EU's climate and environmental objectives into criteria for specific economic activities. It recognizes environmentally sustainable economic activities that make a substantial contribution to at least one of the EU's climate and environmental objectives, while at the same time not significantly harming any of the other objectives and meeting minimum social safeguards. The purpose is to help investors to make environmentally sustainable investments by identifying businesses that contribute to the transformation to an economy that supports the EU's environmental objectives and to steer investments for the realization of the Paris Agreement.

The elevator and escalator industry is currently not directly in the scope of the Taxonomy because it is not among the most high-emitting industries. Nonetheless, KONE has identified certain taxonomy-eligible and aligned activities within its business. As the Taxonomy Regulation continues to be developed over time and is subject to interpretation, KONE continuously re-assesses its activities' contribution to the environmental objectives of the Taxonomy.

Assessment of taxonomy-eligible activities

An eligible activity is an economic activity that is described and has technical screening criteria set out in Annex I of the Climate Delegated Act of the Taxonomy Regulation. In 2024, KONE identified the following taxonomy-eligible activities under climate change mitigation and circular economy.

Activity 5.2 'Sale of spare parts' relates to products and spare parts that are used in products manufactured by economic activities classified under the NACE code C28.22 'Manufacture of lifting and handling equipment' and is therefore applicable to KONE's business. As part of KONE's Service business, KONE sells spare parts to maintenance companies that are maintaining products manufactured by KONE. This activity fits into the description of activity 5.2.

KONE's DX Class elevators are manufactured with built-in 24/7 Connected Services connectivity, and maintenance of

these elevators fits into the description of the activity 4.1 'Provision of IT/OT data-driven solutions'.

In addition to elevators and escalators, KONE's offering includes automatic building doors. The description of the economic activity 3.5 'Manufacture of energy efficiency equipment for buildings' includes NACE code C25.12, comprising manufacture of metal doors, windows and their frames, shutters and gates as well as metal room partitions for floor attachment. KONE's revenue related to manufacture of different types of doors and gates falls within this scope. The installation, service, and repair of these door and gate solutions is also considered Taxonomy-eligible based on the description of activity 7.3 'Installation, maintenance and repair of energy efficiency equipment'.

KONE's vehicle fleet consists of about 19,000 vehicles. Based on the description of activity 6.5 'Transport by motorbikes, passenger cars and commercial vehicles', KONE has concluded that the capital expenditure on leasing costs of KONE's entire vehicle fleet are Taxonomy-eligible as related to category C 'Purchase of output from other companies' Taxonomy-eligible economic activities'. KONE did not identify any capital expenditure related to categories A or B.

Taxonomy-alignment has not been pursued at this stage for the above-mentioned activities.

Assessment of taxonomy-aligned activities

An eligible activity is considered to be aligned if it is making a substantial contribution to at least one of the six environmental objectives, while also doing no significant harm to the other environmental objectives as well as meeting the minimum standards on human rights and labor standards. In 2024, KONE identified taxonomy-aligned activities under climate change mitigation and circular economy and is reporting alignment for the following activities.

One of KONE's pioneering eco-efficient solutions is the regenerative drive. When descending with a heavily loaded car or ascending with a lightly loaded car, elevators equipped with a regenerative drive can recover energy by converting the stored mechanical energy into electrical energy in the motor, which acts as a generator. Energy is pushed back into the electrical grid of the building, where it can be used by other building appliances, such as HVAC. From EU Taxonomy, the economic activity 3.6 'Manufacture of other low carbon technologies' was found to be best suited for manufacturing elevators with regenerative drive.

KONE 24/7 Connected Services offers intelligent predictive maintenance through a cloud connection, enabling the connected equipment to provide a constant stream of data that helps to make intelligent, predictive decisions on how to solve potential problems before they cause disruption. Advanced analytics determines if an issue is critical and needs to be addressed immediately or if it can be solved during the next scheduled maintenance visit, resulting in more efficient maintenance. Any elevator or escalator can be connected to 24/7 Connected Services by installing a connectivity device. KONE's DX Class elevators are manufactured with built-in 24/7 connectivity. These activities fit into the description of economic activity 4.1 'Provision of IT/OT data-driven solutions'.

The lifetime of elevators and escalators is typically long and can be further extended with regular maintenance and modernization of the equipment. KONE's Modernization business offers solutions for prolonging the product life cycle with upgrades in terms of energy efficiency, safety, and visual appearance. The description of the economic activity 5.1 'Repair, refurbishment and remanufacturing' entails repair and refurbishment of goods that have been used for their intended purpose before by a customer, and KONE's partial modernization business for elevators and escalators fits into the activity description. As well as activity 5.2, activity 5.1 relates to products that are manufactured by economic activities classified under the NACE code C28.22 'Manufacture of lifting and handling equipment' and is thus applicable to KONE's business.

Activity 4.1 includes revenue from manufacturing DX Class elevators without regenerative drive; other elevators and DX Class elevators equipped with a regenerative drive are included in activity 3.6.

Substantial contribution criteria

KONE has reviewed the substantial contribution criteria for economic activities 3.6, 4.1 and 5.1 and assessed its activities to be aligned.

Per the substantial contribution criteria set out in Annex I to regulation 2020/852 for activity 3.6, elevators equipped with regenerative drive demonstrate substantial life cycle GHG emission savings compared to the best performing alternative solutions available on the market, such as a modern elevator drive technology without the ability to feed electricity back to the building network. The amount of regenerated energy of

the regenerative drive varies according to the building type; the saving can potentially amount up to 20-40% of the elevator consumption in mid-rise buildings and up to 35-45% in high-rise buildings. By meeting the criteria, elevators manufactured with regenerative drive make a substantial contribution to climate change mitigation.

With regards to substantial contribution to circular economy, remote monitoring and predictive maintenance through KONE 24/7 Connected Services meets the criteria of activity 4.1. The service provides information on upcoming maintenance needs and identifies any potential issues before they cause problems. Round-the-clock monitoring increases safety and improves accessibility of the equipment, and fact-based maintenance recommendations help prolong the equipment lifetime. As for the activity 5.1, partial Modernization extends the products' lifetime by repairing and refurbishing them, thereby also substantially contributing to the transition to circular economy.

Do No Significant Harm assessment

A Do No Significant Harm (DNSH) assessment was conducted for the activities for which KONE meets the substantial contribution criteria, as listed above. KONE has a total of seven global R&D units and 10 manufacturing units in the US, Mexico, EU, China, and India, with 200 most strategic material suppliers located near KONE's supply units. Elevators with regenerative drive, DX Class elevators, the connectivity devices for 24/7 Connected Services as well as partial modernization components are manufactured or assembled at KONE's factories, thus the same manufacturing operations-related DNSH assessments apply for all the taxonomy-aligned activities.

Climate change adaptation

KONE has performed physical climate risk and vulnerability assessment as part of KONE's annual risk assessment process. KONE's risk and opportunity assessment includes a Climate Change Scenario Analysis based on International Panel for Climate Change RCP scenarios to help to ensure that KONE's strategy is resilient to climate change in a range of possible future states. The risk assessment focused on the qualitative implications of climate-related risks and opportunities in key strategic performance areas of KONE's operations: direct material purchases, manufacturing operations, logistics and product and service design.

Based on the assessment, physical climate risks are not considered material. KONE has taken mitigating actions to ensure continued operations globally and actively develops business continuity management capabilities to reduce the impact and likelihood of disruptions within its supply chain.

Sustainable use and protection of water resources

Throughout KONE's global manufacturing operations, water is mainly used for sanitary purposes. Water consumption in KONE's Service and Modernization activities is minimal. KONE sources water mainly from municipal water supplies, and wastewater is released into municipal wastewater treatment systems that abide by local regulations. Some of KONE's manufacturing units use minor quantities of water in their industrial processes, for example, in painting and coating processes with closed loop water circulation, and for cooling purposes. Those manufacturing units monitor their water consumption and wastewater discharge parameters, perform the necessary sampling, and report to the local authorities according to the local regulation. Two out of KONE's ten manufacturing units have their own wastewater treatment systems, with regular third-party monitoring and permits in place.

Based on water risk assessment, some of KONE's manufacturing units are located in areas recognized with high levels of water stress. However, manufacturing units' water stress impact is rated minor in the 2023 environmental assessment.

Environmental impact assessments as part of ISO 14001 certification including water impact assessment have been performed for all of KONE's manufacturing units.

Pollution prevention and control

Pollution prevention and control criteria require that the activity does not lead to the manufacture, placing on the market or use of substances listed in a number of EU's regulations addressing the production and use of chemical substances. KONE has assessed its aligned activities against the criteria for the DNSH to pollution prevention and control and found to meet the criteria.

KONE has systematic practices and code of conducts with environmental annex requiring that the substances, materials, components, parts, sub-assemblies, assemblies, products, labels affixed to products or used in the manufacturing of the products and their components comply with the regulation laid out by the EU. KONE is constantly striving to limit the amount

of restricted substances in its products and aims to use only articles which are sustainable from environmental, technical and economical perspective.

Certain components used in KONE's products contain substances addressed in the DSNH pollution prevention and control criteria. As lead is the most significant substance, KONE has done an assessment by analyzing if the components containing lead have suitable alternatives on the market and whether using these alternatives is technically and economically feasible. The assessment was conducted by KONE's subject matter experts from product design and R&D Sustainability teams. Based on the analysis, KONE is not aware of suitable alternative technologies on the market that would be technically and/or economically feasible.

Transition to a circular economy

KONE's contribution to circular economy focuses on reducing the materials, energy and other resources used in solutions and operations. KONE strives to optimize material use, for example, through robotics and automation, product design, recycling waste wherever possible, and reusing packaging materials. KONE aims to maximize the positive environmental impacts and minimize the adverse ones throughout the life cycle of our solutions. This extends from raw material extraction to end-of-life treatment such as recycling the materials. Up to 90% of the materials in KONE's solutions can be recovered. Modernization solutions contribute to the renovation and repurposing of buildings. KONE's products are fit for disassembly and can be reused and recycled.

The current share of recycled content in KONE's products is relatively low, and KONE works closely with its suppliers to increase the recycled content in metals, without compromising the safety or quality of the equipment.

Protection and restoration of biodiversity

Environmental impact assessments as part of ISO 14001 certification have been performed for all of KONE's manufacturing units. All required mitigation and compensation measures for protecting the environment are implemented based on the local regulatory requirements and included in KONE's ISO 14001 certification and auditing processes.

KONE conducted a screening in 2024 and found that none of its manufacturing units are in or near biodiversity-sensitive areas. KONE has a long-term (2030) and annual biodiversity target, which states that KONE's manufacturing units must not be located in or near UNESCO World Heritage sites, Nature

2000 sites or other conservation parks, or biodiversity-sensitive areas.

Minimum social safeguards

Based on the assessment of the Minimum safeguards criteria on human rights, bribery and corruption, taxation and fair competition, which are laid out by the EU Platform on Sustainable Finance, KONE has found its activities to be aligned.

KONE's Code of Conduct, Human Rights Policy, Anti-Bribery and Corruption Policy, Competition Compliance Policy and other related policies set out the principles and standards expected from KONE employees, KONE companies, suppliers, distributors and other business partners. KONE is committed to respecting and endorsing internationally recognized labor and human rights standards in its operations and across the value chain. KONE has a human rights due diligence process, consisting of impact assessments, third party due diligence, supplier screenings and internal assessments and surveys. To prevent bribery and corruption, KONE has developed a comprehensive anti-bribery and corruption program which includes thorough risk assessments, clear policies, mandatory training, and proactive measures.

OpEx

For OpEx, KONE has defined the total operational expenditure (denominator), EUR 282 million, based on the methodology specified in the Taxonomy Regulation. It includes research and development costs of KONE, in addition to cost related to maintenance and repair of the facilities and buildings, as well as short-term lease expenses.

KONE did not identify any turnover-related or standalone Taxonomy-eligible or aligned operational expenditure.

Changes in KONE's Taxonomy reporting after 2023

KONE has re-categorized the revenue from sales of DX Class elevators equipped with regenerative drive from economic activity 4.1 to 3.6. This has resulted in a slightly higher taxonomy-alignment for the activity 3.6 and vice versa a

Nuclear and fossil gas related activities

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

slightly lower alignment for 4.1 compared to the 2023 disclosure.

As for activity 4.1, the 2024 reported revenue includes the total value of the service contracts which include 24/7 Connected Services. The 2023 disclosure included only the extra value of 24/7 Connected Services, which was charged on top of a regular service contract. Since 2023, KONE has significantly developed its service strategy to fully leverage benefits from connectivity. Today, 24/7 Connected Services is integrated into KONE's overall way of doing service and is no longer considered a separate value-add service.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

Economic activities	Code	Turnover	Proportion of turnover, year N	Substantial contribution criteria						DNSH criteria						Minimum safeguards	Proportion of taxonomy aligned (A.1) or eligible (A.2) turnover, year N-1	Category enabling activity	Category transitional activity
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	1,850	16.7 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	16.8 %	E	
Provision of IT/OT data-driven solutions	4.1	1,976	17.8 %	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	18.3 %	E	
Repair, refurbishment and remanufacturing	5.1	1,101	9.9 %	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	8.6 %		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**4,927**	**44.4 %**	**37.6 %**	**0.0 %**	**0.0 %**	**0.0 %**	**62.4 %**	**0.0 %**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**43.7 %**		
Of which Enabling		3,827	34.5 %	16.7 %	0.0 %	0.0 %	0.0 %	17.8 %	0.0 %	Y	Y	Y	Y	Y	Y	Y	35.1 %	E	
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of energy efficiency equipment for buildings	3.5	17	0.1 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2 %		
Provision of IT/OT data-driven solutions	4.1	52	0.5 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.4 %		
Sale of spare parts	5.2	10	0.1 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1 %		
Installation, maintenance and repair of energy efficiency equipment	7.3	77	0.7 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**155**	**1.4 %**	**60.2 %**	**0.0 %**	**0.0 %**	**0.0 %**	**39.8 %**	**0.0 %**								**1.2 %**		
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		**5,082**	**45.8 %**	**38.2 %**	**0.0 %**	**0.0 %**	**0.0 %**	**61.8 %**	**0.0 %**								**44.9 %**		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		6,016	54.2 %																
TOTAL		**11,098**	**100.0 %**																

EL = Eligible; N/EL = Non-eligible

Total turnover as per KONE group reported figures. KONE's principles for defining turnover and capital expenditure can be found in notes 2.1. and 4 in the financial statements.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Economic activities	Code	CapEx	Proportion of CapEx, year N	Substantial contribution criteria						DNSH criteria						Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1	Category enabling activity	Category transitional activity
				Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity				
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and commercial vehicles	6.5	160	30.6 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								17.4 %		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**160**	**30.6 %**	**100.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**								**17.4 %**		
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		**160**	**30.6 %**	**100.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**								**17.4 %**		
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		363	69.4 %																
TOTAL		**523**	**100.0 %**																

EL = Eligible; N/EL = Non-eligible

Total CapEx as per KONE group reported figures. KONE's principles for defining turnover and capital expenditure can be found in sections 2.1., 4.3 and 4.4. in the financial statements.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

Economic activities	Code	OpEx	Proportion of OpEx, year N	Substantial contribution criteria						DNSH						Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year N-1	Category enabling activity	Category transitional activity
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		MEUR	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
Of which Enabling																			
Of which Transitional																			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	**0.0 %**																
A. OpEx of Taxonomy eligible activities (A.1+ A.2)		**0**	**0.0 %**																
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		282	100.0 %																
TOTAL		**282**	**100.0 %**																

EL = Eligible; N/EL = Non-eligible

E1 Climate Change

Material impacts, risks and opportunities

Environmental and climate change related risks and opportunities were identified as part of the DMA process, building on previous climate-related assessments and understanding of KONE's main climate impacts. Climate change adaptation and mitigation and energy were identified as material topics for KONE. Refer to ESRS 2, Sustainability-related impacts, risks and opportunities for a description of the materiality assessment methodology. Material IROs are described in the table Material impacts, risks and opportunities related to climate change.

KONE has screened all its major emission sources. The emissions arising from the use of KONE's products, i.e. locked-in emissions, are relevant where non-renewable energy sources are used in KONE's solutions over their lifetime. Product and value chain (Scope 3) emissions involve activities outside of KONE's direct control and decarbonization speed in related industries might affect the ability to reduce Scope 3 emissions. Therefore, KONE engages systematically with its main suppliers and customers to reduce material-related emissions and find new innovative energy solutions in countries where its solutions are used. Refer to the table Greenhouse gas emissions for more information on the direct use-phase GHG emissions calculations (Scope 3 category 11) and E1, Reporting principles for the calculation methodology.

Scenario analysis

The identification and assessment of climate-related risks and opportunities

KONE's first climate change scenario analysis was kicked off in 2022 and finalized in early 2023. Resilience assessment of KONE's critical-to-continuity activities with respect to climate-related risks was part of the analysis. The analysis continues to be reviewed annually as part of KONE's overall risk assessment process and assessed and updated regularly. Refer to ESRS 2, Standard specific considerations for a description of the applied time horizons. Critical assumptions, inputs and key drivers to the scenarios, including those driving the transition to a lower-carbon economy, are presented in the table Scenario comparison.

Material impacts, risks and opportunities related to climate change

Material topic (time horizon)	Material impacts, risks and opportunities[1]	Management response
Climate change adaptation in own operations and up- and downstream value chain (long-term)	**↓ Physical risk** Severe weather events may interrupt operations and increase the cost of doing business in KONE's factories or in the upstream supply chain or downstream delivery chain, including logistics routes.	• KONE develops business continuity management capabilities and harmonizes its products to increase resilience in case of disruptive events • KONE develops services helping customers with prior weather event loss prevention, stand-by maintenance during events and post-event status check and repairs
Climate change mitigation in up- and downstream value chain (long-term/ continuous)	**↑ Positive impact** KONE's solutions are designed for life cycle use with a long lifetime aiming for circularity, with professional maintenance and modernization, enabling lower lifetime energy consumption and GHG emissions. **↓ Negative impact** Product-related emissions – lifetime energy consumption and materials – account for the majority of KONE's emissions **↓ Transition risk** Reputational damage if KONE fails to meet its promised sustainability/climate-related targets in time	• KONE continues to develop low carbon offering to meet customer expectations and support them to meet their climate targets • KONE actively engages with its suppliers on climate topics
Energy in downstream value chain (long-term/ continuous)	**↓ Negative impact** KONE solutions are designed to last long (25 years for the elevators and 15 years for escalators). During their lifetime KONE solutions consume electricity.	• KONE continues to develop its energy efficient low carbon offering

[1] Please note that the table includes impacts, risks and opportunities with the further division of climate-related risks into physical or transition.

In the first phase of the scenario analysis, KONE focused on the qualitative implications of climate-related risks and opportunities in key strategic performance areas of its operations considering the inherent and residual risk after existing treatment actions. KONE aims to quantify the anticipated financial impacts of material physical and transition climate risks upon a future analysis update.

Climate-related risks and opportunities were considered in terms of key strategic performance areas, which covered direct material purchases (representing KONE's upstream value chain), logistics (value chain cross-cutting activity), manufacturing operations and product and service design (representing KONE's own operations). Although KONE's downstream value chain was not directly in the scope, product and service design is closely linked to the downstream value chain. KONE's analysis included how KONE can advise and help customers in preventing damage when their facilities, together with KONE equipment, are exposed to severe weather events, such as hurricanes and floods.

Climate scenarios

The climate scenario assessment utilized several information sources, including the 6th Assessment Report of The Intergovernmental Panel on Climate Change (IPCC) Working Group I, Swiss Re CatNet, and combined SSP-RCP scenarios, i.e. Shared Socioeconomic Pathways (SSPs) informed by the Representative Concentration Pathways (RCPs).

Real world political and societal dynamics may deviate from the assumptions of the SSP-RCP scenarios, such as the

level of global cooperation, affecting the feasibility of mitigation and adaptation measures. Other constraints relate to assumptions on the availability and use of natural resources, the feasibility of technological advancements and their implementation and the effectiveness and implementation of policies.

The selected scenarios are considered representative of KONE's risks and uncertainties, as they combine a range of plausible warming pathways and related socio-economic developments, which may influence the global megatrends that support KONE's strategy, and which will have a direct impact in KONE's day-to-day operating environment.

KONE's resilience under the scenarios

KONE has a climate pledge with science-based targets for significant GHG emissions reductions in line with limiting global warming to 1.5°C, which is currently the most ambitious criteria for setting science-based targets. Refer to E1, Actions and targets to read more about KONE's targets.

In the '1.5°C low carbon' scenario, KONE's business strategy is resilient, as demand for energy efficient, sustainable and climate resilient solutions increases already in the short term, and in the medium term there is full transformation to renewable energy and electrification that creates opportunities for KONE. Physical changes may cause occasional disruptions to KONE factories and supply chain. However, KONE's efforts to enhance its ability to anticipate, prepare for, respond to, and adapt to disruptions will keep business interruptions limited and mainly recoverable without material losses.

In the '2.7°C, middle of the road' scenario, in the short to medium term, tighter policies promote demand for KONE's energy efficient product offering, but only in selected markets and countries committed to the Paris Agreement. KONE's business strategy faces some resilience challenges, as with less policy incentive to innovate, the advancement in material efficiency, recycling infrastructure and new materials is slower in the short to medium term, but may accelerate in the long term, when regulators recognize the need to take actions. Global supply chains and logistic routes may face notable disruptions, affecting KONE's business.

In the '4°C high carbon' scenario, emissions continue to rise, the transition to a low-carbon economy is disorganized, economic growth is preferred over climate action and overconsumption of resources continues over the medium to long term. In this scenario, KONE's business strategy faces

Scenario comparison

	SSP1	SSP2	SSP4
Reference temperature scenario from IPCC	1.5°C warming pathway	2.7°C warming pathway	4°C warming pathway
Key inputs	Tightening regulation	Tightening regulation, supply chain interruptions, extreme weather events	Projected temperature and precipitation changes, expected severity of climate related weather events
Key drivers	Policies/regulations, technological change	Policies/regulations, technological change, resource use, extreme weather events	Extreme weather events, demographic changes, social and economic development, resource use
Scenario description	• Ambitious, globally consistent regulations aiming at low-carbon economy • Increased demand for sustainable and climate resilient solutions creating opportunities for KONE • Full transformation to renewable energy and electrification and focus on energy efficiency • GHG emissions significantly reduced by 2050	• Current socio-economic development patterns continue • Disruptions in the availability of certain raw materials and increased price volatility in the long term • Global supply chains and logistic routes may face notable changes, affecting KONE's business • GHG emissions moderately increase until stabilizing around 2035 and turning to decrease around 2050	• Disorganized transition to low-carbon economy, economic growth preferred over climate action • Non-integrated carbon markets, and increased carbon leakage due to differences in carbon regulations between countries • The demand for sustainable and climate resilient solutions grows in advanced economies, whereas in developing markets customers are not willing to pay for such solutions • Disruptions in supply chains and logistic routes due to extreme weather leading to significant logistic cost increase for KONE • GHG emissions continue to rise but at a slightly reduced rate

the most resilience challenges, as the demand for sustainable and climate resilient solutions grows only in advanced economies or among select customer groups. Even so, most of KONE's strategic choices will still be relevant. Particularly in the long term, extreme weather conditions increase disruptions in supply chains and logistic routes, which may lead to significant logistic cost increases. In the medium term, changes may be required in KONE's product design for the equipment to bear extreme heat and humidity in order to operate under such conditions.

KONE considers the current and future projected exposures to acute and chronic physical climate change impacts when investing into and selecting new manufacturing or distribution center locations or expanding existing ones. However, KONE's ability to influence suppliers or customers in the selection of their operating locations is limited. Due to

KONE's global footprint, KONE is able to diversify its supply and delivery chain, making KONE less dependent on particularly exposed locations from time to time. Furthermore, KONE utilizes special, location-based software tools to regularly monitor its supply chain locations, including supplier manufacturing locations and physical risks relevant to climate change. This increases KONE 's speed to switch to predefined alternative supply chains, if needed.

KONE's new strategy, 'Rise', emphasizes actions to cut carbon emissions in alignment with the Paris Agreement and the '1.5°C low carbon' scenario. Sustainability is integrated into the strategy as a key driver of profitable growth and differentiation. Refer to ESRS 2, Sustainability in operations.

for a description of driving down GHG emissions, one of KONE's strategic shifts.

When conducting the scenario assessment, KONE has not identified any assets or business activities that are incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy. There are no critical climate-related assumptions in KONE's financial statements.

Policies

Climate change adaptation

Key policies related to climate change adaptation and mitigation are introduced in the table Key policies related to climate change. KONE Business Continuity Management Standard sets company-wide minimum requirements on crisis and disruption preparedness and business recovery and supports KONE's resilience and adaptation to climate change. It guides to identify critical activities, impacts, risks, and mitigation actions to prevent the disruptions or recover within the set time objectives.

The impactful business disruption scenarios including physical climate change are documented in business continuity plans, which include roles and responsibilities relevant to the prevention and preparedness, emergency and crisis response and business recovery of each scenario. The plans and the sufficiency and effectiveness of risk mitigations are reviewed annually at minimum, in connection with crisis and business continuity management exercises and audits.

Climate change mitigation and energy

KONE's commitment to the ten principles of the United Nations (UN) Global Compact initiative are embedded in its strategy, policies, and procedures, including KONE Environmental Policy Statement which emphasizes KONE's pledge to reduce GHG emissions and minimizing the environmental impacts of its solutions through durable, energy-efficient products and maintenance offerings. KONE Executive Board reviews quarterly and Board of Directors reviews annually the progression against the environmental targets.

KONE's business processes are set under the ISO standards. Of these standards, ISO 14001 Environmental management system and ISO 50001 Energy management system specifically relate to enhancing KONE's sustainability performance in climate change mitigation in its own and

Key policies related to climate change

Management system	Material topics addressed	Scope	Management bodies
Business Continuity Management Standard	Climate change adaptation	All KONE units	Supply Chain leadership team
Business continuity plans	Climate change adaptation	All KONE units	Head of unit/function
Environmental Policy Statement	Climate change mitigation, energy efficiency	All KONE units and global operations	President and CEO
ISO 14001 integrated in KONE Management System	Climate change mitigation, energy efficiency	All KONE units and key suppliers	EVP Supply Chain
ISO 50001 Energy Management System	Climate change mitigation, energy efficiency	4 (2023: 3) local units	Local leadership teams and assigned function
Global Facilities Policy	Renewable energy	All KONE units	Executive Board, CFO

partners' daily operations and culture in alignment with the UN sustainable development agenda, Paris Pledge for Action climate initiative and KONE's science-based targets.

Although KONE's material topics focus on the impacts of GHG emissions and energy in the value chain, KONE is also committed to reduce emissions and energy consumption in its own operations. KONE Global Facilities Policy demonstrates KONE's dedication to increasing the usage of renewable electricity at its facilities worldwide to 100% by 2030. All KONE units report renewable electricity as part of their quarterly reporting. Refer to E1, Reporting principles to read more about KONE's data collection and monitoring process.

KONE's everyday work is guided by KONE Code of Conduct alongside other company policies and guidelines. KONE's Code of Conduct requires compliance with applicable laws and regulations to maintain high environmental standards across KONE's operations, suppliers, and customers. KONE Supplier and Distributor Codes of Conduct mandate KONE's suppliers to comply with all relevant environmental laws and KONE requirements, secure necessary permits, and manage materials, energy, and emissions effectively. Refer to G1, Policies and S2, Policies to read more about KONE's Codes of Conduct and their implementation.

All policies are available on KONE's internal systems, such as intranet, or publicly.

Actions and targets

Climate change adaptation

KONE aims to adapt to the physical impacts of climate change by harmonizing the engineering, delivery and manufacturing structures of its existing and new products. This helps KONE to maintain and improve its resilience when the delivery chain or logistics routes may be disrupted and material or component suppliers, KONE factories, distribution centers or logistics routes for shipments need to be quickly replaced with feasible alternatives. In 2024, KONE conducted the first phase release of product harmonization which will be followed with selected component harmonization implementations in Europe and Americas in 2025.

In 2024, KONE conducted simulated crisis and business continuity management exercises at some of its manufacturing facilities to ensure business continuity and to reduce the impact and likelihood of disruptions within its full delivery chain. While KONE's 10 manufacturing facilities in seven countries, multiple distribution centers and a large supplier network across the globe help to mitigate the impacts from potential disruptions in individual locations or countries, KONE aims to secure the availability of supply by implementing alternative sourcing channels, long-term agreements, and last-buy options for critical components and services. KONE also has a global property damage and business interruption insurance program in place.

In terms of downstream adaptation, KONE continuously develops services, which help its customers with weather event loss prevention, stand-by maintenance during events and post-event status check and repairs.

Climate change mitigation and energy

KONE is committed to a 50% cut in the Scope 1 and 2 emissions from its own operations by 2030, compared to a 2018 baseline, and has pledged to have carbon neutral operations by 2030. This target is in line with limiting global warming to 1.5°C, which is currently the most ambitious criteria for setting science-based targets. Additionally, KONE targets a 40% reduction in the emissions related to its products' materials and lifetime energy use (Scope 3 emissions) over the same period, relative to orders received.
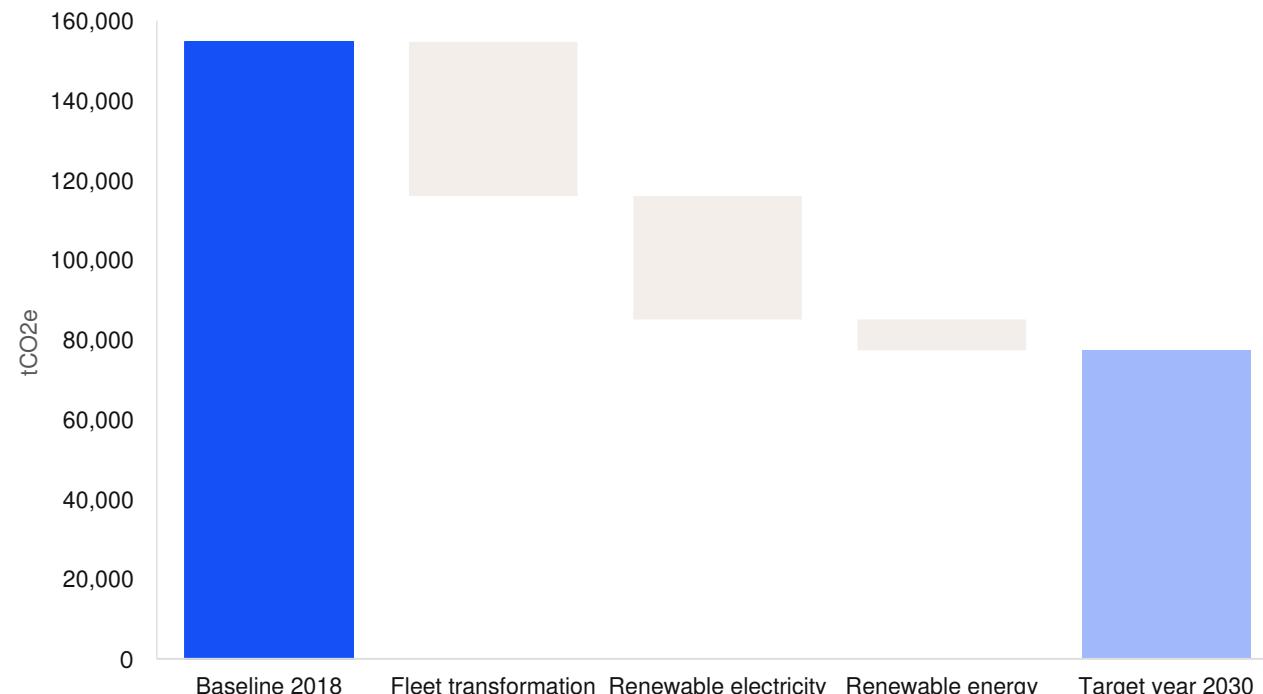
In addition, KONE is committed to reduce electricity consumption in its own operations and has set a target to increase the share of renewable electricity to more than 90% by the end of 2023 and to 100% by 2030. KONE has also increased the share of renewable electricity faster than originally planned by reaching 97% already in 2023. Due to this progress and systematic work in 2024, KONE set the target to increase the share of renewable electricity to 98% during 2024. In 2024, KONE reached a 99% share of renewable electricity.

KONE's new strategy has a strong emphasis on emission reduction targets as one of the core strategic shifts. Refer to ESRS 2, Strategy for details about KONE's new strategy. To support the ongoing green transformation, KONE has a Climate and Environmental Excellence Program which is centered around four focus areas: partner with customer, offering, operations, and mindset and behavior.

Internally, KONE promotes environmental and climate actions, for example, during dedicated theme days. During 2024, KONE continued to grow awareness and ownership of its environmental targets and progress. The company organized for example sustainability and climate-related information sharing and training sessions for various employee groups. KONE also responds to customers' increasing demand for sustainable products and services.

During the reporting year 2024, KONE has successfully implemented emission reduction activities by investing into the energy efficiency of KONE's solutions, increasing, and expanding the low carbon offering and engaging with suppliers to improve material efficiency in its solutions. The emissions reduction activities will be continued in 2025 and

Levers to reach Scope 1 & 2 emission reduction target by 2030

beyond to ensure KONE meets its 2030 targets. All of KONE's emissions reduction activities in 2024 are aligned with its climate change scenario analysis work to ensure long-term success in line with the 1.5°C pathway of the Paris Agreement. Refer to E1, Scenario analysis for further information. KONE's constant focus is on actual emission reductions both in its own operations and in products and value chain. However, to reach carbon neutral operations by 2030, KONE is planning to compensate the remaining emissions.

KONE has identified the following key decarbonization levers to reach its science-based targets by 2030 in its own operations (Scope 1 and 2) and value chain (Scope 3):

- Scope 1: fleet transformation to electrical vehicles (EVs) and increasing use of renewable energy

- Scope 2: increase use of renewable electricity and other renewable energy sources
- Scope 3: increase share of energy-efficient electrification systems and regenerative drives, increase material efficiency, systematically engaging with suppliers, product innovations and partnerships

Scope 1 and 2 emissions

During the reporting year 2024, KONE reached net Scope 1 and 2 emission reduction of 29% (2023: 25%) compared to its 2018 emissions of 154,700 tCO2e, exceeding the emission reduction target of -25% (2023: -21%). As described in the general information section, the environmental data includes both net and gross emissions for Scope 1 data. KONE reports net emissions for renewable natural gas, to show the total emissions reductions achieved during the reporting year.

Gross emissions are visible in the table 'GHG Emissions', footnote [6].

KONE focuses on decreasing Scope 1 emissions by primarily transitioning to zero and low emission vehicle fleet or no fleet. KONE's vehicle fleet accounts for approximately 95% (2023: 92%) of its Scope 1 and 2 GHG emissions. The total carbon footprint of KONE's vehicle fleet decreased by 2% compared to 2023 and decreased by 4% compared to its 2018 emissions (109,000 tCO2e).

During 2024, KONE developed a comprehensive plan to reduce vehicle emissions in collaboration with its partners by for example identifying the technicians who could utilize electrical vehicles (EVs), incorporating EVs in subsidiaries local car policies, encouraging KONE employees to select low-emission vehicles and providing EV charging points. Accelerating the transition to electric vehicles is imperative to achieve KONE's 2030 reduction targets.

Renewable energy and energy efficiency
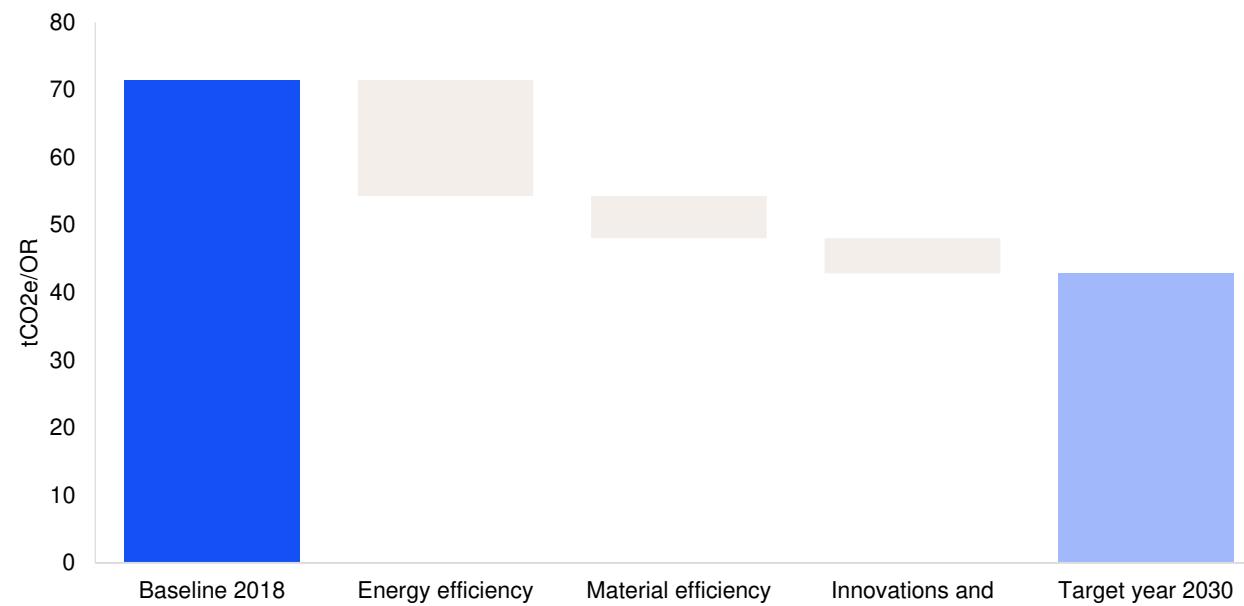
KONE's ten global manufacturing units have reduced their net Scope 1 and 2 emissions by 83% (2023: 81%) at the end of 2024 compared to the 2018 baseline. In 2024, solar panels were used in six out of ten manufacturing units and green district heating in one manufacturing unit. All units have been purchasing 100% renewable electricity since the beginning of 2023. In 2024, KONE also increased the use of biofuels in its facilities in North America and continued to optimize energy usage in heating, ventilation, air conditioning and lighting systems in KONE's manufacturing units. KONE has also invested in manufacturing line robotics and automation to further improve both the material and energy efficiency of its manufacturing process.

In addition, KONE has taken significant actions to reduce market-based Scope 2 emissions by systematically improving energy efficiency and increasing the use of renewable electricity across its facilities. KONE's total energy consumption remained stable in 2024 compared to 2023 and increased by 6% compared to 2018.

Product and value chain (Scope 3) emissions: energy and material efficiency

In 2024, KONE's Scope 3 (product and value chain) emissions per product ordered (62.2 tCO2e/order) decreased by 8.7% compared to 2023 (68.2 tCO2e/order) and by 12.8% compared to 2018 (71.4 tCO2e/order). KONE's absolute product and value chain emissions decreased by 8.8%

Levers to reach Scope 3 emission reduction target by 2030

compared to 2023 and 9.8% compared to 2018. KONE's Scope 3 GHG absolute emissions from its products' annual energy consumption decreased by 9.8% compared to 2023 (364,000 tCO2e) and by 15.3% compared to 2018 (387,600 tCO2e).

During 2024 and onward, one of the major contributing emissions reduction factors is further improved energy efficiency of KONE's products. This was achieved, for instance, through an increased share of energy-efficient electrification systems and regenerative drives in ordered elevators and systematically engaging with suppliers to increase the material efficiency of KONE's solutions. KONE also collaborates with its suppliers to increase the recycled content in the materials used for KONE's products. KONE actively looks for new partners and ways of working to find alternative materials with lower embodied carbon emissions and to develop processes to reuse and recycle materials more effectively.

In 2024, KONE launched KONE Energy Management feature which optimizes energy consumption of elevator groups over passenger waiting time and time to destination in off-peak hours while minimizing the waiting time and time to destination during peak hours. This results in annual energy savings in elevator groups due to optimized energy use during low-traffic periods. Additionally, KONE Service Business introduced KONE Remote Services which enables resolving issues remotely. This lowers the need for service site visits and KONE technicians driving between the sites, resulting in GHG emission reductions.

KONE's offering also holds the widest range of externally assured product information in the industry, such as Environmental Product Declarations (EPD) in compliance with the EN 15804 standard, and energy efficiency documentation according to ISO 25745. In 2024, KONE published six (2023: four) EPDs and had in total 27 (2023: 21) third-party verified EPDs. Through Health Product Declarations (HPDs), KONE

also provides information about the material content and associated health effects of its products, responding to a growing need for healthier living environments. By 2024, KONE holds a total of six HPDs.

KONE was the first in the industry to launch a carbon neutral service offering, the KONE Care DX, in 2021. By 2024, KONE has introduced a carbon-neutral elevator and escalator and continued to expand its carbon neutral offering to further markets. In the future, KONE aims to increase the number of elevators with regenerative drive-in line with the company's ambitious emission reduction targets, thus also increasing the Taxonomy-aligned share of revenue. Refer to E1, EU Taxonomy to read more.

Product and value chain (Scope 3) emissions: supplier engagement, innovations and partnerships

In 2024, KONE identified its suppliers accounting for the majority of KONE's Scope 3 emissions from purchased goods, and actively collaborates with them to reduce these emissions. This collaboration entails actions such as continuous dialogue with suppliers, emissions reporting development, emission reduction targets setting and supplier trainings. From 2025 onwards, KONE will start to measure the commitment of its suppliers in reducing their CO2 emissions.

Requirements for smart and sustainable materials, solutions and buildings are increasing, presenting KONE with sustainable growth opportunities. To understand the emerging needs and technologies in sustainable, resilient urban environments and people's behavior in them, KONE actively participates in large-scale research projects and consortiums, such as Veturi, which is a four-year innovation program, co-funded with Business Finland. In this program, KONE collaborates with customers and partners to tackle climate change and urbanization challenges to create smart and sustainable cities.

KONE's R&D expenditure includes the development of new sustainable solutions as well as the further development of existing solutions and services. In 2024, sustainability-linked R&D expenditure was EUR 43.1 million, including the development of KONE's new generation regenerative drives. In addition, KONE constantly invests in systems and tools driving operational efficiency, improving the sustainability of its operations and manufacturing. Refer to KONE Annual Review, Costs and Expenses for further information on the R&D costs.

Target setting

KONE's science-based targets for Scope 1 and 2 as well as Scope 3 were set in 2020, validated by the Executive Board and approved by the Board of Directors. The aim was to align KONE's emission reduction activities with the overall business strategy and financial planning.

The science-based targets cover 100% of KONE's Scope 1 and market-based Scope 2 emissions and almost 99% of KONE's Scope 3 emissions (category 1: purchased goods and services and category 11: use of sold products).

The science-based targets coupled with annual renewable electricity and carbon neutral operation targets form KONE's emission reduction plan and its global Climate Pledge to drive the needed emission reduction activities in both KONE's own operations and related to its products and value chain. KONE's strategy and business model are compatible with the transition to a sustainable economy, and with the limiting of global warming to 1.5 °C in line with the Paris Agreement.

The science-based targets were set in collaboration with relevant internal stakeholders and global business units including R&D, Innovation and procurement. In addition, Science Based Target initiative (SBTi) standards and criteria were followed at the time in line with a cross-sector emission pathway compatible with limiting global warming to 1.5°C accounting for business growth in different geographical areas and business lines. The 2018 baseline was chosen in line with SBTi guidelines and criteria for a representative year which covered the most recent period for which the data was available at the time. SBTi has assessed and approved the targets, and the progress against the targets is externally assured annually. The emission reduction roadmap and business growth estimations are also reviewed annually to align with KONE's overall business outlook.

All of KONE's emission reduction targets (Scope 1,2 and 3), renewable energy target, and action plans are in line with its global environmental policies and standards. As part of KONE's annual budgeting process, all emission reduction targets are reviewed by the global sustainability team and validated by top management. Through this process KONE ensures that both annual progress and long-term 2030 goals are met.

KONE's annual and long-term (2030) emission reduction targets and base year information are further detailed in the table Greenhouse gas emissions. KONE's GHG intensity per net revenue is introduced in the table Greenhouse gas emissions intensity. Please also see KONE's energy consumption and mix in the tables Energy consumption by energy sources and Energy consumption. The energy intensity of KONE's own operations is introduced in table Energy intensity.

Carbon credits

KONE compensates for direct and indirect CO2 emissions of service activities related to KONE Care DX service contracts. KONE also offers its customers the option to compensate the embodied CO2 emissions until handover of selected KONE DX elevators. In addition, after active emission reduction at all manufacturing units, KONE compensates the remaining CO2 emissions to achieve carbon neutral manufacturing units globally.

KONE compensates for its emissions through a third-party partner via carbon credits. KONE has chosen projects from different continents and representing different climate benefits: reforestation in Colombia, solar power in Thailand, hydro power in China and Laos, clean cookstoves that avoid deforestation in Mali. All projects are conducted outside of the EU and are Gold Standard® certified. In addition to having a positive climate effect, the projects support other United Nations Sustainable Development Goals (UNSDG) providing social and environmental benefits to local communities.

A total of 28 tCO2 equivalent outside of KONE's value chain was cancelled in the reporting period covering emissions in 2024 and 2025. KONE does not consider compensation in its science-based GHG emission reduction targets. Compensation is used only as a last measure to support KONE's customers to reach carbon neutrality.

Internal carbon pricing

KONE rolled out a pilot program for an internal carbon cost over the period 2021-2024 to facilitate the change and to encourage all units to reduce their carbon footprint. The internal carbon cost is a shadow cost in KONE's operative profit and loss statement, i.e. it is used in KONE's internal reporting and does not trigger actual cash flows inside or outside the company. The internal carbon cost covers KONE's total Scope 1 (108,600 tCO2e in 2024) and market-based Scope 2 emissions (1,400 tCO2e in 2024), which contribute approximately 1% and 0.01% to KONE's total GHG emissions, respectively. The actual price used is EUR 100 per metric ton CO2e, which is reviewed annually. It is based on

the price of emissions allowances (EUA) traded on the EU Emissions Trading Scheme (ETS) which is widely used in the industry as a shadow price. KONE's carbon pricing scheme is not aligned with the screening criteria in EU Taxonomy.

Metrics

Energy consumption and mix

Energy consumption

MWh	2024	2023
Fuel from coal and coal products	0	0
Fuel from crude oil and petroleum products (of which 99% from vehicle fuels) [1]	419,900	421,700
Fuel from natural gas	11,900	28,700
Fuel from other fossil sources	0	0
Purchased or acquired electricity, heat, steam, and cooling from fossil sources	8,600	14,700
Total fossil energy consumption	440,400	465,100
Consumption from nuclear sources	0	0
Fuel consumption from renewable sources, including biomass	500	700
Renewable natural gas [2]	19,600	0
Purchased or acquired electricity, heat, steam, and cooling from renewable sources	70,600	65,100
The consumption of self-generated non-fuel renewable energy	8,900	6,200
Total renewable energy consumption	99,600	72,000
Total energy consumption	**540,000**	**537,100**

[1] Majority of crude oil and petroleum products comprise of vehicle fuels (414,000 MWh)
[2] Natural gas RECs/GOs

Energy consumption by energy sources

%	2024	2023
Fossil	82%	87%
Nuclear	0%	0%
Renewable	18%	13%

Energy intensity

Energy intensity [1]	2024	2023
Energy intensity in KONE's own operations (MWh/MEUR)	49	49

[1] Energy intensity in our own operations is not an operation target for KONE, but an ESRS reporting requirement. However, KONE constantly improves the energy efficiency of its products. Pursuant to EU regulation (EC) No 1893/2006, all KONE's revenue stems from operations in high climate impact sector including the manufacture of elevators, escalators and doors (NACE code C28.22 'Manufacture of lifting and handling equipment'). However, a substantial share (59%) of the total revenue can be attributed to the non-high climate impact sectors, such as our Service and Modernization business. The energy intensity is calculated based on total energy consumption per the net sales from the consolidated activities. Refer to Section 2.1 of the consolidated financial statement for information on the net sales.

GHG emissions

Greenhouse gas emissions

	Retrospective [2]				Milestones and targets [3,4,5]			
	Base year 2018	2023	2024	% change between 2023 and 2024	2025, %	2030, %		Annual % target/base year
Scope 1 GHG emissions								
Net Scope 1 GHG emissions (tCO2eq)	119,600	114,000	108,600 [6]	-5%	-32%		-50%	-9%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) [1]	0	0	0	0	0		0	0
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO2eq)	36,900	32,000	32,600	2%				
Gross market-based Scope 2 GHG emissions (tCO2eq)	35,100	2,500	1,400	-44%	-32%		-50%	-96%
Significant Scope 3 emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)		12,652,900	11,555,700					
1. Purchased goods and services	4,285,300	4,410,400	4,125,400			-40% (per product order)		
4. Upstream transportation and distribution		108,600	107,400					
5. Waste generated in operations		2,600	1,900	-27%				
6. Business traveling		18,000	20,200	12%				
11. Use of sold products								
Lifetime (included in total Scope 3)	8,308,800	8,113,300	7,300,800			-40% (per product order)		
Annual (excluded from total Scope 3)	387,600	364,000	328,500					
Total GHG emissions								
Total GHG emissions (location-based) (tCO2eq)		12,798,400	11,696,900					
Total GHG emissions (market-based) (tCO2eq)		12,769,400	11,665,700					

[1] KONE is not regulated under emission trading schemes.
[2] Biogenic emissions, not accounted for in the table, totaled 2,800 tons of CO2e.
[3] KONE has a combined target for Scope 1 and 2 emissions and an intensity target for the significant Scope 3 categories (1 & 11).
[4] KONE's Scope 3 intensity target (set in 2020) results in absolute emission reductions by 2030 based on Science-Based Target initiative's guidelines.
[5] In addition to KONE's official science-based targets, KONE measures its comparable operational carbon footprint (Scope 1&2) annually. KONE set to reduce its comparable operational carbon footprint by 28% in 2024 and achieved 30% reduction compared to baseline 2019 (144,400 metric tons CO2).
[6] Net Scope 1 emissions 108,600 tCO2 includes natural gas RECs/GOs certificates, gross emissions without certificates 112,500 tCO2. Total gross GHG emissions (location-based) were 11,700,800 tCO2eq and total gross GHG emissions (market-based) were 11,669,600 tCO2eq.

Greenhouse gas emissions intensity

GHG intensity per net revenue [1]	2024	2023
Total GHG emissions (location-based) per net sales (tCO2eq/MEUR)	1,054.3	1,168.6
Total GHG emissions (market-based) per net sales (tCO2eq/MEUR)	1,051.5	1,165.9

[1] The GHG emission intensity is calculated based on gross total location-based or market-based GHG emissions divided by the net sales from the consolidated activities. Refer to Section 2.1 of the consolidated financial statements for information on net sales.

Reporting principles

KONE applies an operational control approach for consolidating the energy and GHG emission metrics. Data is first consolidated at the subsidiary or manufacturing unit level and entered into the environmental performance system. The data is further consolidated globally. Manual data collection and the use of estimations and emission factors introduces a level of uncertainty into the environmental data. To reduce uncertainty, KONE has established consistent emission reporting practices over the years including reporting guidelines, training and internal reviews and validations.

KONE follows the three standards provided by the Greenhouse Gas Protocol of the World Resource Institute and the World Business Council for Sustainable Development in its GHG accounting: the GHG Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance, and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The collected energy data covers 99% of KONE's Scope 1 and 2 emissions. Reporting principles and scope cover countries globally, including all KONE manufacturing sites.

Calculation principles for Scope 1 and 2 emissions

Energy consumption covers indirect and direct energy usage of non-renewable and renewable electricity, liquefied petroleum gas (LPG), natural gas, district heating and self-generated electricity (e.g. solar). The data sources include invoices and third-party service provider reports. Activity data is collected on a quarterly basis from the manufacturing units.

Scope 1 emissions have been calculated using the energy consumption data and national emission factors from the UK Department for Environment, Food and Rural Affairs (DEFRA) and some supplier-specific emission factors, such as biofuels in Finland. Scope 1 net emissions presented in this document include renewable natural gas RECs/GOs. Gross emissions (in the table 'GHG emissions', footnote [6]) are calculated without them. This approach aligns with the evolving reporting guidelines, concerning the purchase of biomethane certificates, which currently cannot be calculated into gross Scope 1 emissions. KONE purchases renewable natural gas in USA and Canada through biomethane RECs and in France through Biomethane Guarantees of Origin.

Scope 2 emissions have been calculated following market- and location-based methods. Renewable energy guarantees of origin subject to European Energy Certificate System (EECS) and Energy Attribute certificates (e.g. Renewable Energy Certificates (RECs), International Renewable Energy Certificates (I-RECs), Tradable Instruments for Global Renewables (TiGRs)) have been acquired for the purchased renewable electricity. In 2024, KONE's purchased renewable electricity consumption consisted close to 100% of contractual instruments, approximately 30% of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation, and about 70% of contractual instruments used for sale and purchase of unbundled energy attribute claims. Over 99% of KONE's Scope 2 energy comes from renewable electricity. In 2024, market-based Scope 2 emissions were 1,400 tCO2, with half from non-renewable electricity and half from district heating.

For the market-based method, supplier-specific emission factors are used for Finland and the Czech Republic supplemented with the Association of Issuing Bodies (AIB) European Residual Mix Report and Reporting principles and scope International Energy Agency (IEA) Emission Factors for untracked purchased electricity. For the location-based method, emissions factors from AIB and IEA are used.

The direct biogenic carbon emissions are calculated by multiplying the energy in TJ (2024: 51TJ) of used biofuels with emission factors from Statistics Finland.

Calculation principles for Scope 3 emissions

KONE has reported all significant and relevant Scope 3 categories based on GHG Protocol Scope 3 Inventory guidelines. Annually, KONE assesses the relevance and magnitude of all Scope 3 categories and updates the inventory when needed.

Emissions from purchased goods and services are calculated for KONE's two main product types, elevators and escalators, for new construction, and for those modernization projects where new elevator units are delivered to the customer. The total emissions are based on the most sold products in each region multiplied by the number of all products ordered during the reporting year. The emission factors are from the Ecoinvent V3.4 database or EPDs from the material manufacturers.

Logistics data covers the transportation of products from KONE's manufacturing units to distribution centers. Transportation to local warehouses or installation sites is included for cases where KONE's manufacturing units are responsible for transportation. Spare part deliveries are also within the reporting scope, while inbound logistics of materials to KONE's manufacturing sites is excluded. Product and spare parts logistics data has been calculated using an in-house logistics emission calculation tool and emission factors from DEFRA.

Emissions for waste in own operations is calculated by multiplying the collected waste data with the emission factors retrieved from DEFRA for each waste type and treatment method. The calculation does not cover waste from KONE's installation sites, which is normally treated according to KONE customers' waste management processes and applicable laws and requirements.

Business air travel data has been collected from KONE's biggest travel agency and few local travel agencies. The emission calculations are aligned with DEFRA's methodology.

The operational carbon emissions of sold equipment are calculated based on lifetime energy consumptions and emission factors from the latest publication of the IEA. The average annual energy consumption is calculated from KONE's delivered products according to the ISO 25745 standards for the most sold configurations and expected usage profiles in each geographical region. The average annual energy consumption of the products is multiplied by the expected lifetimes of 25 and 15 years for elevators and escalators, respectively, to obtain the lifetime energy consumption values. The emission factors represent the order quantity-weighted average emission factor for each region. The total global operational carbon emissions are calculated by multiplying the average operational carbon emissions of each region with the region-specific order quantities and then aggregating the results. KONE's product-related Scope 3 emissions calculations are in line with its third-party verified EPDs, and KONE is constantly improving them by working with suppliers and partners for more transparent and efficient data collection.

Data estimation methods

Energy consumption and waste data may not in all cases be available in real time or immediately after quarter close. For this reason, energy and waste consumption and Scope 1 and 2 and Scope 3 (category 6) data are projected for the fourth quarter, extrapolated from the previously known data in the third quarter in the reporting year. For consistency, Scope 3 (categories 4 and 5) are extrapolated in a similar manner.

Similarly, KONE estimates the yearly order quantities required for Scope 3 category 1 and 11 calculations for the fourth quarter based on previously known data.

EU Paris-aligned Benchmarks

Considering the exclusion criteria stated in the Article 12 of the Commission Delegated Regulation (EU) 2020/1818, KONE is not excluded from the EU Paris-aligned Benchmarks.

Social information

S1 Own Workforce – Health and Safety

KONE's own workforce consists of three groups: KONE employees, agency workers and self-employed contractors. The KONE employee group includes permanent employees, fixed-term employees and trainees. The majority of KONE's own workforce are KONE employees. KONE's own workforce spreads across close to 70 countries globally, working in KONE offices, factories and client sites.

Material impacts, risks and opportunities

Working conditions in own operations, particularly health and safety, was identified as a material topic for KONE in connection with the 2024 DMA. Refer to ESRS 2, Sustainability-related impacts, risks and opportunities for a description of the materiality assessment methodology. Material IROs are described in the table Material impacts, risks and opportunities related to own workforce.

Given that KONE undertakes installation and service activities globally, KONE has recognized various potential health and safety impacts and risks for its own workforce and acknowledged that inadequate safety precautions can lead to higher incident rates, severe accidents, and even fatalities.

By embedding the core principles – safety, quality and sustainability – into KONE's operations and strategy, KONE ensures that it addresses material impacts on its workforce effectively. KONE's integrated management system, and the establishment of specialized boards and committees support this by providing comprehensive oversight and development of integrated management practices.

KONE Risk Management Policy, aligned with its strategy and business model, states that all KONE processes, procedures, facilities and premises shall be safe without compromising the health of employees, and are designed and maintained in accordance with established safety standards.

Due to the nature of the work at construction sites, certain groups of workers may be exposed to hazards especially in the installation and maintenance sites. Findings in KONE Safety Solution (KSS) confirm that workers on New Building Solution projects and maintenance sites face the greatest safety risks at KONE.

Material impacts, risks and opportunities related to own workforce

Material topic (time horizon)	Material impacts, risks and opportunities	Management response
Health and safety in own operations (medium-long-term)	↓ **Negative impact** KONE operates in an industry that poses multiple safety risks. With installation and service operations conducted worldwide, we have identified several potential health and safety impacts on our workforce, particularly those involved in tasks on the mentioned sectors. A failure in safety measures can result in increased incident rates, serious accidents, and even fatalities.	• Integrated management system, including health and safety, as well as risk management framework, applicable to the full scope of own workforce • Inclusive approach to health and safety practices, involving non-employees into company safety initiatives such as safety campaigns, and setting requirements for their competency, methods and tools

KONE has defined core safety principles to guide in controlling the most significant health and safety risks and avert serious incidents in its operations. The main scenarios causing serious injuries at KONE are contact with moving objects and falling from heights, whilst the identified main types of work-related injuries are cuts, strains, bruises, and contusions.

Policies

Managing workplace safety

KONE Global Management System integrates Quality, Environmental, Health and Safety management to drive strategic initiatives, and to improve and standardize practices. It includes all activities, offerings, and services globally to add value to customers and ensure business success in a safe and sustainable way. KONE Global Management System also provides directives for occupational health and safety in addition to local laws. Safety management adheres to the ISO 45001 standard, covering KONE's entire own workforce (100%), including contractors. The key health and safety indicators are detailed in the table S1, Global key performance indicators for health and safety – Own workforce. KONE also certifies its units to reinforce its safety commitment. Refer to S4, Policies for more information on ISO certifications.

Possible tensions between the prevention or mitigation of material negative health and safety impacts and other business pressures are tackled with KONE's cross-functional safety governance model. The Safety Core Team, KONE's global safety leadership body, collaborates to ensure

community support through open dialogue, and the effectiveness and alignment of safety initiatives with KONE's strategic direction. The team reviews the monthly safety performance, achievements, and plans for the next month, focusing on opportunities and risks, and agreeing on short- and long-term actions and cross-functional support needs within the team.

Policies are introduced in the table Key policies related to own workforce. Adherence to KONE policies, rules, and established working methods are evaluated with KONE management system audit scheme covering 100% of its units. KONE uses the results from the audit scheme to improve safety systematically through corrective action planning and implementation follow-up meetings.

KONE Health and Safety Policy Statement demonstrates KONE's commitment to the applicable safety requirements and provides a framework for safety objectives and responsibilities.

KONE Risk Management Policy, an integral part of KONE Global Management System, sets KONE's risk management objectives and defines roles, responsibilities, and risk tolerance. It is guided by the principles, framework and risk management process outlined in ISO 31000 Risk Management.

KONE Global Facilities Policy creates a harmonized selection and management for KONE facilities. One of the key objectives is to provide a safe and secure workplace for every user of the facility.

KONE Premises Security Policy outlines physical security measures for KONE-operated premises, whether owned or leased. Each facility must have documented, executed, and

tested emergency procedures, including annual evacuation and rescue drills with recorded outcomes.

KONE Installation Policy explains the requirements applicable to KONE's installation works and sets the expectations to ensure correct and safe installation. Adherence to the policy is verified with regular frontline audits. KONE products must be installed using methods and tools that are KONE approved. If KONE method does not exist, site or delivery specific risk assessment needs to be conducted.

KONE Travel Policy gives guidance on how to plan and execute work-related travel. In addition, the country or region-specific risk assessment and security advice must be reviewed to ensure that the trip is safe. To maintain a healthy work-life balance and employee well-being, there are strict recovery periods that are also emphasized during travel.

Respect for human rights

Health and safety is a salient human right and as such, one of KONE's core principles. KONE is committed to respecting and endorsing human rights including those set out in the:

- International Bill of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- Basic labor rights as defined by the International Labour Organization (ILO) including the ILO Declaration on Fundamental Principles and Rights at Work
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises

The KONE Human Rights Policy details KONE's role, objectives, and responsibilities with respect to its human rights commitment. Read more about the KONE Human Rights Policy, which is reviewed annually and is publicly available, on kone.com.

KONE recognizes that it operates in countries where child and forced labor exist. Regarding KONE's own operations, facility service companies (e.g., cleaning, catering, security) have been assessed to pose an elevated risk of forced labor. In South-East Asia, the risk concerning child labor is also heightened. KONE's highest risks lie in its supply and delivery chains, especially in Africa, Asia, South-East Asia and Greater China. In the Human Rights Policy, KONE strictly prohibits any form of child labor and, in line with ILO standards, does not hire workers under the age of 15 or under local mandatory

Key policies related to own workforce

Management system	Material topics addressed	Scope	Management bodies
Global Management System	Health and safety	All activities, offerings, and services; own workforce as well as contractors and partners	Executive Board
Health and Safety Policy Statement	Health and safety	Own workforce, partners and users of KONE equipment	President and CEO
Risk Management Policy	Health and safety	All KONE entities	Executive Board
Global Facilities Policy	Health and safety	All KONE units, covering offices and warehouse spaces for KONE operations; own workforce and value chain workers	EVP Supply Chain, The Global Category Manager Facilities, Local Owners
Premises Security Policy	Health and safety	All new or significantly renovated KONE facilities	Executive Board
Installation Policy	Health and safety	All KONE entities and units; own workforce	Head of Delivery Operations Development
Travel Policy	Health and safety	Own workforce	Executive Board
Human Rights Policy	Health and safety	All KONE entities; own workforce and value chain workers	Executive Board

schooling age, whichever is higher. KONE's policy mandates that the minimum age for hazardous work is always 18 years. The Human Rights policy outlines prohibition of any form of modern slavery, in KONE's operations and supply chains. KONE ensures timely compensation for employees, including contractors, temporary, and part-time staff, with no unlawful deductions or withdrawals.

KONE adheres to all applicable local laws, relevant ILO conventions and industry standards with respect to working hours, wages, benefits, and overtime. Situations in which local laws conflict with ILO or other relevant standards are addressed by the Global Compliance Committee, which is accountable for human rights at KONE. As a committed participant in the UN Global Compact, KONE has embedded its principles, including those related to human rights, into the company's policies and procedures.

The human rights working group, consisting of members from all areas of KONE, monitors national and international policy developments to ensure compliance with regulatory requirements and The United Nations Guiding Principles on Business and Human Rights (UNGPs) standards. Health and safety, along with other human rights matters, are regularly discussed. In 2024, KONE diligently followed up on safety

outcomes from the 2023 human rights impact assessment, aligning with the action plan to mitigate identified risks. KONE identifies, assesses, and prioritizes human rights impacts throughout its business, aiming to prevent and mitigate these impacts continuously. For its own workforce, KONE conducts regular human rights impact assessments and internal surveys to ensure compliance within its operations. Anonymous surveys are also used to identify issues of discrimination, bullying, and harassment within KONE units. Refer to S2, Respect for human rights for more information on KONE's human rights due diligence process.

In cases where a compliance incident investigation establishes that a Code of Conduct violation has occurred, relevant functions and stakeholders agree on remedial steps based on the facts of the case and local law, following a standardized process.

Engaging with own workforce

KONE is committed to positioning itself as a great place to work, empowering its people and involving them in shaping their employee experience. KONE's annual global employee engagement survey, Pulse, is a key tool in enhancing

transparency and understanding its employees' journey at KONE. The results are shared yearly through an online dashboard with people leaders and Unit people partners.

Clear responsibilities and roles are established to ensure the collection and effective utilization of relevant data. Leaders are held accountable for creating action plans as part of their role and communicating results to their teams, with a focus on translating the survey outcomes into tangible actions to enhance the working environment and drive lasting improvements.

The 2024 results show a positive development in the Engagement index and a high survey response rate. The responsibility of enabling and delivering the survey sits with the global Talent and Culture Center of Expertise, reporting to the Senior Vice President (SVP) Talent and Culture.

Considering the perspectives of employees who may be particularly vulnerable, KONE incorporates inclusion and well-being indexes in the Pulse survey. Another engagement mechanism for involving particularly vulnerable employees in dialogue are KONE's three Employee resource groups (ERGs), independently led by voluntary employees. Each of these ERGs has a sponsor from the organization at the executive board level and receives corresponding organizational support and budget.

KONE's people leaders are in continuous dialogue with their respective team members and host performance discussions with them regularly. KONE's internal communication channels offer everyone, also non-employees who have access to KONE systems, the opportunity to participate in company-wide discussions, like the quarterly live CEO Q&A event.

To enable worker participation and ensure employee consultation in health and safety matters, KONE conducts local safety forums involving mainly employees and their representatives. Management teams actively contribute to these safety committees' activities, with agendas, agreements, and action plans currently managed at a local level. KONE collaborates with Workers' Councils, tailored to local setups in accordance with country-specific regulations.

The annual European Employee Forum, overseen by the People and Communications Executive Vice President (EVP), brings together employee representatives and top management to discuss various issues, including safety, business development, and strategy. The primary objective is to foster dialogue between council representatives and KONE, contributing to the company's goal of becoming an exemplary workplace.

Remediating negative impacts on own workforce

Safety incident management process and reporting

KONE Safety Solution (KSS) is used globally for reporting and managing all own workforce, subcontractor, third-party, and user-related (including consumers and end-users) near-misses and incidents. Access to KSS is provided to all KONE employees and to non-employees within KONE's workforce with a few exceptions. Independent contractors and agency workers without a KONE account are required to report to KONE supervisors. For units with restrictions on providing direct access due to regulations, KONE offers an option to report through local channels. Furthermore, with some exceptions due to local laws, the KSS app was installed in 2024 on all KONE phones globally, ensuring straightforward access to KSS.

KONE's incident management process follows a standard workflow. For every accident, root causes are identified and resolved with corrective actions. High or moderate risk incidents and near misses are investigated and analyzed by local safety personnel with the support from global. Remedial actions address root causes with plans specifying timeframes and responsibilities. Actions might encompass, for instance, tool redesign or the implementation of training programs. In case of injuries, KONE offers health services to its own workforce to facilitate speedy and complete recovery.

The success of corrective measures is regularly evaluated within the context of safety performance review processes and routine meetings, where safety managers address issues and share best practices. Should any corrective action prove ineffective, it will undergo reassessment for additional measures until the risk level is proved acceptable. Lessons learned are disseminated worldwide, and incidents are reported monthly to global functions.

KONE's own workforce can report any concerns through internal reporting channels, which include reporting to management, Human Resources, Legal, or Compliance. Refer to G1, Mechanisms for identifying, reporting and investigating concerns for details on KONE's confidential reporting channel, the KONE Compliance Line.

Voice of the employee

There are multiple forums and channels in place to address employee concerns. Qualitative inputs are collected in the Pulse survey and passed on to managers. Refer to S1, Engaging with own workforce for further information on the Pulse process and forums for employee engagement. Refer to G1, Mechanisms for identifying, reporting and investigating concerns for methods by which KONE assesses that its own workforce is aware of and trusts these channels. Pulse survey results also help to identify trust issues or needs related to KONE's reporting channels.

KONE encourages employees to report near-misses and incidents to improve safety, using various communication methods like global campaigns, internal articles, and safety network meetings. KONE provides 'Incident and Near Miss Reporting' training that is translated into most languages. To gain an understanding of the awareness level related to KSS, KONE monitors the number of reports and completed eLearning on incident reporting, and tracks safety passport training completions locally.

KONE's Supplier and Distributor Codes of Conduct, complementing the KONE Code of Conduct, highlight KONE's non-retaliation policy against anyone who reports a concern in good faith. Refer to G1, Policies to read more.

Incidents and complaints

In 2024, KONE received a total of 261 compliance reports, of which 33% were received through the Compliance Line. Of the total number of reports, 84 were cases related to harassment and discrimination. 63 were fraud or corruption-related, 31 related to conflicts of interest, and the remaining 83 fell under various other categories. 239 cases were closed in 2024. Some of these were reported in previous years. Of the cases closed in 2024, 98 were either substantiated or partially substantiated, and disciplinary actions in those cases ranged from coaching discussions to termination of employment. 92 employees were dismissed or resigned as a result of the investigations.

In 2024, there were two unfortunate work-related fatalities within KONE's own employees. KONE was not subject to any material fines, penalties or compensation associated with these accidents.

In 2024, KONE encountered one report that was human rights related. Similarly to 2023, KONE had zero incidents of child or forced labor reported through its compliance reporting channels in 2024. KONE's target is to maintain zero incidents going forward. KONE also had zero incidents that resulted in court proceedings or fines or concerned the use of child or forced labor or other severe human rights incidents.

Actions

Actions to mitigate negative impacts

Annually, KONE establishes a detailed health and safety priority action plan with global objectives, while allowing some flexibility for areas and business units to specify their particular needs. Based on 2023 safety performance and lessons learned, as well as its ambitions, KONE's 2024 Safety Budget Instructions for units addressed the following priorities:

- Fundamentals – Actions related to monthly progress review, subcontractor safety engagement, near miss incident reporting, and fall prevention plan
- Data and Innovation – Actions related to KSS, including full use of the solution for injury and near miss reporting, improving data quality, and focusing on minor injury reporting
- People and Communications – Actions related to practicing and improving open culture, utilizing pre-work risk assessment tools, sharing end-user incidents, organizing campaigns, and participation in global safety team meetings

Determining the actions involves a collaborative, cross-functional effort, following KONE's health and safety governance model. Refer to S1, Policies for an outline of the governance model. KONE's global safety development function initiates and coordinates company level actions to address actual and potential impacts. A summary of key company level actions to mitigate negative health and safety impacts on KONE's own workforce are introduced in the table KONE's global actions, outcomes and contributions.

KONE is dedicated to addressing and remedying situations where its actions have negatively impacted its workforce by refining KONE's processes, services, and products, and boosting safety awareness. Despite KONE's efforts, its workforce still occasionally faces negative work-related health and safety impacts. If an accident occurs,

KONE's global actions, outcomes and contributions

Summary of global actions in 2024 to improve H&S	Expected global outcomes	Contribution to the achievement of policy objectives and targets
Subcontractor safety development program 2024–2025	• Improved subcontractor safety performance in the 13 countries currently participating • Global standardized approach on subcontractor management	Improvement in partner safety performance – objective 1
Incident investigation development program 2024–2026	• Improved incident investigation methods to better understand root causes and how incidents can be prevented, aimed at all employees involved in incident investigations • Investigation competency development program	Improvement in employee and partner safety performance – objective 1
Two global safety awareness campaigns – Safety Week and Year-end safety campaign	• Enhanced safety awareness and competencies – own workforce and workers in the value chain, customers and partners • Local and global activities covering all KONE businesses and areas	Continually improve our health and safety performance – objective 2
Global training implementation in local languages	• Raised employee risk awareness, safety reporting competency and electrical safety method awareness e-learnings	Continually improve our health and safety performance – objective 2
Data and innovation development	• KSS improvements and piloting AI to enhance data analysis internally • Intelex app pushed to all KONE mobiles	Be the benchmark for health and safety in our industry – objective 3
Reforming global Health and Safety management practices	• Alignment with the new strategy • To pursue identified opportunities emerging from the ESRS requirements, work to continue in 2025	Be the benchmark for health and safety in our industry – objective 3
Global KONE Installation Safety and Method Passport update	• Improved installer competency in applying KONE methods and safety requirements, own workforce (S1) and installer workers in the value chain (S2) • 2024 pilot phase to be followed by planning of global expansion	Be the benchmark for health and safety in our industry – objective 3

KONE's priority is to offer immediate crisis support and ensure the safety of everyone involved, followed by an internal investigation to determine root causes and implement remedial actions to prevent similar accidents. Refer to S1, Remediating negative impacts on own workforce to learn how KONE's incident management process addresses actual impacts with remedial actions.

Refer to S1, Targets and S1, Metrics for information on how KONE evaluates its health and safety related actions and initiatives by setting targets and monitoring the progression against them.

Tracking the progress of KONE's own workforce's safety performance takes place in several ways and forums. KONE carries out, for example, monthly safety performance follow-

ups in every area, in global safety meetings, and by the Executive Board.

KONE's internal audit program also ensures the effectiveness of preventive and remedial actions with a robust follow-up process for remedial actions in case of any non-conformity.

Well-being

KONE has a global benefits and well-being plan which gives central guidance on developing local practices, services, and benefits offerings. KONE has a global framework and program for well-being, Elevate Your Health, which is accessible to all our employees and non-employees who have access to KONE intranet. As one example of financial well-being, KONE wants to provide life insurance to all KONE employees to protect them and their families against the risk of financial loss. KONE helps its leaders support their teams' well-being through various e-learning programs, toolkits, and short guides.

KONE has set up a well-being champions program consisting of volunteers from its workforce in selected countries. The purpose of the program is to raise awareness and promote well-being activities, programs, and services throughout the organization, and to inspire colleagues to take care of their well-being.

KONE units organize healthcare for KONE employees according to local practices and regulations. In 2024, KONE established an occupational health principle, integrated as part of its global management system, which stands as the global guidance and describes the minimum requirements on occupational health. KONE also reviews medical insurance data annually to provide recommendations and enable preventive actions.

In 2024, KONE continued to expand the possibilities for flexible working, such as remote and hybrid work, flexible working time, job sharing, compressed work week and part-time work. To further support the work-life balance of its diverse workforce, KONE provides family support, for example, via childcare and elderly care services and family leave in many of its local units.

Targets

KONE monitors and analyzes various leading and lagging indicators to evaluate material occupational safety impacts, risks, and opportunities for its workforce, and the effectiveness of health and safety measures. Continual improvement of safety performance is pursued through target setting. Targets are presented in the table Global key performance indicators for health and safety – Own workforce.

Industrial Injury Frequency Rate (IIFR) has been used for target setting at KONE for years. KONE aims to reach a long-term IIFR target of 0.6 by 2030, with a target of 7% reduction

Global key performance indicators for health and safety – Own workforce

Key Performance Indicator - H&S	2022	2023	2024	Target
The coverage of KONE's integrated health and safety management system [1]	100%	100%	100%	• 2024 target: 100% • 2025 target: 100% • 2030 target: 100%
The number of employee fatalities as a result of work-related injuries [2]	3	0	2	• 2024 target: 0 • 2025 target: 0 • 2030 target: 0
The number of employee recordable work-related accidents [3]	-	-	351	-
Total Recordable Incident Rate (TRIR), employees [4]	-	2.8	3.0	• 2024 target: N/A • 2025 target: -11% from 2024 • 2030 target: N/A
Industrial Injury Frequency Rate (IIFR), employees [5] (KONE's main H&S KPI)	1.4	1.1	1.3 [6]	• 2024 target: -7% from 2023 • 2025 target: -11% from 2024 • 2030 target: 0.6
The number of days lost to work-related injuries, employees [7]	-	-	3,909	-

[1] The percentage of people in own workforce covered by KONE's integrated health and safety management system, based on legal requirements and ISO 45001 Occupational Health and Safety Management standard. The system is audited both internally and by an external party.
[2] Does not include fatalities as a result of work-related ill health.
[3] The number of work-related accidents (injuries) that result in any of the following: death, days away from work, restricted work or job transfer to another job, medical treatment beyond first aid, loss of consciousness; or significant injury diagnosed by a physician or other licensed healthcare professional. Does not include cases of work-related ill health due to restrictions on collecting the data.
[4] Total number of recordable work-related employee accidents (injuries) divided by the number of total employee theoretical hours worked, multiplied by 1,000,000.
[5] Voluntary KPI: Number of severe and moderate work-related employee incidents divided by the number of total employee theoretical hours worked, multiplied by 1 000 000.
[6] IIFR increased slightly in 2024 due to a rise in moderate and serious injuries. Although long-term trends remain positive, progress has plateaued at these low levels. Proactive safety initiatives are anticipated to drive future improvement in IIFR.
[7] Lost days are counted as total calendar days lost from work due to a work-related injury, including injuries that occurred in the previous year but contributed lost days in the reporting year, counted up to maximum of 180 days per injury. Does not include cases of work-related ill health due to restrictions on collecting the data.

in 2024 compared to 2023 performance. Yearly targets are set at the beginning of each year based on the previous year's progress. Total Recordable Incident Rate (TRIR) has been monitored since 2023. Since IIFR is still KONE's main health and safety management indicator, a specific short or long term TRIR target has not been set yet.

KONE's objective is to eliminate all work-related fatalities and severe injuries, and reach zero in both.

Establishing health and safety targets is a collaborative process that relies on various factors, including safety performance, external requirements, identified opportunities, and the strategic direction of KONE as a company. KONE

collects feedback from its own workforce through global safety and quality networks and communities encompassing all KONE operations. Additionally, results from the Pulse survey and supply chain safety maturity assessment provide valuable input from the workforce.

Global health and safety performance is tracked by the global safety development function. KONE also has monthly reviews at local and global level in cross-functional meeting practices. A performance report highlighting safety activities and incidents from the past month is distributed to the Executive Board every month. Progress is also reviewed in quarterly Global Safety Team meetings together with all safety

professionals, as well as in collaborative discussions in global Safety and Quality Network meetings. Furthermore, the global Safety Core Team, comprising leadership representatives from each area and major business lines and global functions, evaluates performance on a monthly basis. Refer to S1, Engaging with own workforce to learn how workers are engaged to identify any lessons or improvements as a result of KONE's performance.

Metrics

Safety performance

The progress of KONE's health and safety performance over the years has been positive. Nonetheless, KONE understands that innovative strategies are needed to further improve the current relatively low figures. Key metrics are presented in the table Global key performance indicators for health and safety – Own workforce. Due to the current configuration of KSS, only own employees are included in these figures.

As stated in S1; 'Actions', the management of occupational health within KONE is structured at the unit level in adherence with national regulations. There are often legal restrictions on the collection of data, which sets challenges to consolidate meaningful data on a company level. Therefore, the figures exclude cases of work-related ill health.

KONE's workforce characteristics and numbers

The number of employees is reported as a headcount. All demographic information is collected through the HR system at the end of the reporting period. This information excludes certain KONE units for which detailed personnel information is not available e.g. due to their recent acquisition. The employee number disclosed elsewhere in the Board of Directors' Report is based on full-time equivalents (FTEs) and it includes also the employees of recent acquisitions. As a result, the disclosed number of employees may differ within the report. The differences are not material. Employee headcount and turnover are disclosed in the tables in the following pages.

Employee headcount by gender

Gender	Number of employees (headcount)
Male	56,269
Female	7,631
Other [1]	13
Not reported [2]	489
Total employees	64,402

[1] In some countries it is possible for persons to legally register themselves as having a third, often neutral, gender, which is categorized as 'other' in the table above.
[2] Employees migrated from other system without recorded gender or recent hires who have not yet recorded their gender data in KONE HR system.

Employee headcount in top 10 countries

Country	Number of employees (headcount)
China [1]	21,783
India	5,731
United States of America	5,721
France	3,287
Germany	2,922
Finland	2,643
Italy	2,097
United Kingdom	1,800
Australia	1,169
Mexico	1,147

[1] China is the only country that falls under the ESRS disclosure requirement, all other countries are voluntarily disclosed.

Number of employees who have left KONE during the reporting period

	Number of employees (headcount)
Number of employees who have left KONE during the reporting period	7,793
Total rolling 12-month turnover rate [1]	11.5%

[1] Total turnover (11.5%) = Permanent employee + Expatriate leavers (7,315) divided by average headcount in last 12 months (63,873). Fixed term and Trainee employees (478 leavers) are not counted in the turnover.

Employee headcount by contract type and gender

Headcount	Female	Male	Other [1]	Not reported	Total
Number of employees	7,631	56,269	13	489	64,402
Number of permanent employees	7,435	55,353	12	388	63,188
Number of temporary employees [2]	196	916	1	101	1,214
Number of non-guaranteed hours employees [3]	n/a	n/a	n/a	n/a	n/a
Number of full-time employees [4]	7,263	55,855	13	479	63,610
Number of part-time employees [4]	368	414	0	10	792

[1] Gender as specified by the employees themselves
[2] Includes students and trainees
[3] Currently, non-guaranteed hours for employees cannot be reported because the data is currently not collected in HR systems. Reporting capability is being set up to report the number next year.
[4] Voluntary disclosure

Employee headcount by contract type and region

Headcount	Americas	APMEA	Europe	Greater China	Total
Number of employees	7,961	12,407	21,070	22,964	64,402
Number of permanent employees	7,955	12,146	20,266	22,821	63,188
Number of temporary employees [1]	6	261	804	143	1,214
Number of non-guaranteed hours employees [2]	n/a	n/a	n/a	n/a	n/a
Number of full-time employees [3]	7,959	12,376	20,311	22,964	63,610
Number of part-time employees [3]	2	31	759	0	792

[1] Includes students and trainees
[2] Currently, non-guaranteed hours for employees cannot be reported because this data isn't collected in HR systems. Reporting capability is being set up to report the number next year
[3] Voluntary disclosure

S2 Workers in the Value Chain – Health and Safety

In addition to KONE's own workforce, many workers perform work within KONE's value chain. Workers who are likely to be materially impacted can be divided into four categories:

1. Workers of KONE's upstream first tier component suppliers who are engaged in manufacturing activities
2. Workers of KONE's downstream subcontractor suppliers engaged in dismantling, installation or maintenance activities (e.g. subcontractors installing KONE elevators)
3. Workers of KONE's service provider suppliers performing services at a KONE site (e.g. consulting and IT services on site, facility and cleaning services)
4. Workers of KONE's distributors engaged in installation activities for KONE products

Material impacts, risks and opportunities

Working conditions among value chain workers, particularly health and safety, were identified as material topic for KONE in connection with the 2024 DMA. Refer to ESRS 2, Sustainability-related impacts, risks and opportunities for a description of the materiality assessment methodology. Material IROs are described in the table Material impacts, risks and opportunities related to workers in the value chain.

KONE addresses negative impacts on value chain workers and incorporates their mitigation or elimination into its processes by pre-planning works, enhancing worker competencies, and robust risk management.

Negative impacts to subcontractors are individual incidents related to hazards in the working environment when installing or dismantling KONE equipment. The most severe injuries among subcontractors are related to falls from heights, electrical work, energy isolation, and manual handling. KONE directly contracts downstream subcontractors for installation and modernization work.

KONE also uses distributors to sell and install its products. These value chain workers are not under KONE supervision or at KONE sites. While KONE monitors and collaborates with distributors to promote ethical practices, ensuring compliance

Material impacts, risks and opportunities related to workers in the value chain

Material topic (time horizon)	Material impacts, risks and opportunities	Management response
Health and safety in own operations and downstream value chain (short-long-term)	↓ **Negative impact** KONE is conducting installation and service operations globally. There are risks related to value chain workers' health and safety especially in the installation and service/maintenance operations. Safety hazards related to installation operations might cause accidents leading to short-term absences due to injuries, long-term permanent disabilities or even fatalities, if neglecting appropriate health and safety measures. ↓ **Negative impact** Distributors' employees and outsourced labor may not work in a safe or clean environment and/or may not respect KONE's quality and safety requirements or equivalent. Serious injuries or deaths may occur.	• Inclusive approach to health and safety practices such as involving value chain workers into company safety initiatives, setting requirements for their competency, and applying methods and tools • Identifying gaps, development areas and best practices, for example through the Subcontractor Safety Development Program, to further develop KONE processes and collaboration with its value chain workers for improved health & safety in the work environment

with labor laws and ethical standards is the responsibility of the distributors.

Certain categories of workers in the value chain are more susceptible to potential dangers while engaging in KONE-related tasks. Based on health and safety data, value chain workers working on New Building Solutions and Modernization projects are at an increased risk of injury. A considerable portion of these downstream labor suppliers are located in Greater China. To avoid possible negative health and safety impacts, and to support subcontractors and distributors to have the required skills, equipment, safeguards and guidance to remain safe, KONE sets standards for minimum health and safety measures.

Furthermore, the locations of KONE's highest risks regarding child and forced labor can be found in S1, Policies. The supplier sustainability team is working closely with the global compliance team to address any serious issues flagged in the on-site or online Human Rights Assessments, with a particular focus given to suppliers in China, India and Mexico.

Policies

KONE's safety management is integrated into its Global Management System, guiding continual improvement of

safety practices. Refer to S1, Policies for more detail on the KONE management system.

Refer to G1, Policies for KONE's expectations for employees and business partners, which are set out in KONE Code of Conduct. Policies are introduced in the table Key policies related to workers in the value chain. Read more about all of these policies, which are reviewed yearly in line with KONE's policy review process, on kone.com.

KONE Supplier Code of Conduct is available in over 30 languages. It sets out the ethical business practice requirements that KONE expects from suppliers, including health and safety, zero tolerance to bribery and corruption, and the standards KONE requires from suppliers in terms of internationally recognized labor and human rights, and environmental issues.

KONE Distributor Code of Conduct covers topics similar to the Supplier Code of Conduct and is currently available in seven languages. KONE requires all of its suppliers and distributors to sign the Codes and tracks and monitors the signatures of the policies. KONE may terminate contracts for failure to adhere to the Codes.

KONE's safety management framework follows the ISO 45001 standard on occupational health and safety management systems and is extended to the workers of

KONE's value chain. Refer to S4, Policies for more detail on ISO certification.

KONE Human Rights Policy details KONE's role, objectives and responsibilities with respect to its human rights commitment also for value chain workers. Refer to S1, Policies for more information on the Human Rights Policy and human rights working group.

Engaging with value chain workers

KONE supports its suppliers with their commitment to responsible and sustainable business conduct, including human rights, through safety, quality, and environmental practices. In addition to continuous one-to-one dialogue with suppliers, KONE meets them at trade fairs, steering group meetings, and supplier workshops. Supplier collaboration includes audits and assessments on the environment, ethics, compliance, human rights, and quality. In addition, KONE has an annual supplier excellence certification program for direct material suppliers.

KONE supports distributors' business growth by providing commercial, technical, and training support, fostering collaboration and synergy. KONE engages with subcontractors, distributors, and partners through regular forums to improve working methods, operational collaboration, and safety performance.

All companies providing external workforce for KONE in specified categories are included in its Global Supplier Relationship Management. Health and safety topics are regularly discussed, and possible actions taken within this level. Operational engagement in health and safety is done regularly in several levels of the organization based on local practices. Engagement frequency and depth of the cooperation varies based on the work requirements.

KONE also actively engages with representatives from its distributors to gain insights into the performance of health and safety measures. Together with the distributors, periodic operational assessments are conducted to evaluate and enhance performance across various distributor countries. KONE identifies opportunities and shares best practices related to health, safety, and quality with the distributor representatives, who communicate the requirements to their employees and subcontractors.

In general, there are monthly, quarterly, and annual meeting practices with the subcontractor companies in different organizational levels to discuss and develop working

Key policies related to workers in the value chain

Management system	Material topics addressed	Scope	Management bodies
Supplier Code of Conduct	Health and safety, corruption and bribery	All suppliers, including suppliers' own workforce, suppliers, and third parties	VP Global Compliance
Distributor Code of Conduct	Health and safety, corruption and bribery	All distributors, including distributors' own workforce, customers, suppliers, and third parties	VP Global Compliance

conditions and health and safety practices of KONE's value chain workers. Leaders in all levels conduct Gemba walks at KONE sites, with own employees and subcontractors discussing and collaborating on developing safety in the daily work. KONE also has annual initiatives and campaigns in which all of KONE's subcontractor workers are welcome to participate.

KONE holds monthly meetings with various tiers of distributors. These meetings facilitate ongoing engagement and collaboration. In addition to these regular interactions, KONE conducts an annual Field Operations assessment, tailored to the performance, maturity, and growth opportunities of each distributor. Furthermore, once a year, KONE hosts a distributor meeting with top management representatives. This meeting focuses on critical areas such as safety and quality, operations, and business, ensuring alignment and continuous improvement across all levels of the organization.

KONE Global Installation, Safety and Procurement are responsible for creating and developing processes to engage with value chain labor suppliers and the value chain workers. Managing Directors of KONE's frontlines are responsible for ensuring that these processes are followed and for monitoring that KONE requirements are met.

KONE monitors the health and safety performance of subcontractors daily as allowed by local law and the contract with the subcontractors. Internal and external meetings review safety data to identify trends and improve subcontractor safety. The effectiveness of these actions is reviewed with subcontractors and internally at KONE. The certified health and safety management system ensures external evaluation of risk mitigation processes.

KONE gathers safety related data into KSS from internal and external operations conducted by its own workforce and value chain workers. This data is used systematically improve

safety at KONE. Refer to S1, Remediating negative impacts on own workforce for more information on this process.

Remediating negative impacts on value chain workers

KONE provides several channels for collaboration, development, and raising concerns about health and safety topics for value chain workers. These include the KSS system, safety initiatives and campaigns, local meeting practices, and day-to-day operational processes with KONE representatives at the worker level. Additionally, KONE participates in global industry forums, such as the Global Elevator Safety Forum, to improve health and safety in the elevator and escalator industries. KONE does not have direct responsibility for distributor installation worker health and safety, but closely monitors and works with distributors to encourage and support ethical practices.

KONE engages with its workforce and value chain to improve health and safety, using data from the KSS reporting system, audits, site visits, and worker feedback to develop products and procedures. Incidents and non-conformities are managed locally, with root causes identified and corrective actions taken. Trends are analyzed to develop strategies and actions.

Subcontractor workers report incidents to their supervisors, who then manage these within KSS. Health and safety incidents are documented internally as lessons learned. Safety representatives from distributors gather and submit reports which are reviewed monthly with KONE to uphold safety standards. Subcontractors do not have direct access to KSS; they communicate issues through local channels. This information is collected via real-time digital platforms before being forwarded to KSS for analysis.

KONE management and supervisors closely collaborate with subcontractors to share safety information. Subcontractor workers are encouraged to engage in health and safety discussions via toolbox talks, regular meetings, and KONE events. The success of these initiatives is tracked through safety KPIs, audits, and ongoing dialogue with value chain companies and workers. Following KONE's continual improvement principles, all employees and subcontractors are responsible for suggesting and identifying ways to improve workplace safety. The KONE Compliance Line is available to the public including value chain workers to report concerns, including human rights grievances. Refer to G1, Mechanisms for identifying, reporting and investigating concerns for more information on KONE Compliance Line.

KONE's non-retaliation policy is also highlighted in KONE Supplier and Distributor Codes of Conduct emphasizing that both suppliers and distributors should provide their employees with the means to raise concerns about any topics in the Codes. Any person making such a report in good faith should be protected from retaliation. In its supplier human rights assessment questionnaire, KONE has included questions assessing whether the suppliers have effective grievance mechanisms in place. Additionally, KONE assesses whether its suppliers are aware of KONE's Compliance Line dedicated to suppliers, and the procedures for raising concerns or grievances during onsite assessments. KONE has included similar questions in its annual distributor due diligence questionnaire to assess the accessibility and trust of the reporting channel.

Actions

KONE initiated the Global Subcontractor Safety Development Program in 2024 to address potential negative impacts on workers within its value chain, as well as to enhance positive outcomes by establishing a framework for effective collaboration with the subcontractor companies and standardizing their safety management practices. The program focuses on worker groups and areas most affected by potential negative impacts related to KONE operations.

In the Global Subcontractor Safety Development Program, a guiding framework addresses specific topics for mitigating health and safety risks. Topics such as risk awareness and site supervision improvements were selected based on analyzed safety data consolidated from incidents, near misses, and root causes.

During the year, the program assessed ongoing subcontractor management practices in prioritized geographies and businesses to identify development actions for better safety performance. The effectiveness of these actions is constantly reviewed to achieve maximum impact. The program is expected to continue until the end of 2025.

KONE's incident management process and integrated safety management system extend to value chain workers. The data gathered from incidents helps identify development areas within KONE's internal processes and supports value chain companies in improving their safety performance and culture. Refer to S1, Remediating negative impacts on own workforce for more information about KONE's incident management process.

In addition to mitigating negative impacts, KONE also aims to deliver positive impacts for value chain workers proactively. For example, KONE invites value chain partners to participate in health and safety initiatives and campaigns. These campaigns are designed to raise risk and safety awareness, thereby positively impacting workers' health and safety. Refer to S1, Actions for more information about KONE's initiatives and campaigns.

KONE has processes to assess the effectiveness of actions in mitigating negative impacts for value chain workers. Regular meetings and forums evaluate health and safety data points to understand progress. If progress is insufficient, adjustments are made for continual improvement.

Value chain worker related health and safety data in KSS, internal and external management system audit findings and actions arising from KONE's close collaboration with value chain companies help KONE to identify and prioritize remedies needed to mitigate potential negative impacts in its value chain.

KONE sets minimum requirements for subcontractor training, tools, and personal protective equipment (PPE). Mandatory health and safety training requirements are related to the safe working methods needed to install and maintain KONE products. Based on the local practices and legislation KONE is providing e-learning, hands-on and project or product specific trainings for subcontractors. In addition, KONE Supplier and Distributor Codes of Conduct require that suppliers provide a safe and healthy working environment in compliance with all relevant laws and regulations. Suppliers must ensure their employees receive proper health and safety training, information, and equipment.

KONE constantly monitors and identifies broader health and safety impacts on its value chain workers by analyzing trends and channels in place for value chain workers to raise issues. These processes and their effectiveness are validated and reviewed in internal and external audits to identify development needs and prioritize actions for continual improvement. In 2024, KONE had no severe human rights issues or incidents connected to its upstream and downstream value chain reported.

KONE provides detailed method instructions for its products to promote safety in installation and maintenance. KONE also seeks feedback from its value chain workers and companies to further develop KONE products and installation methods. Close collaboration with subcontractors and distributors enables effective mitigation actions if any negative impacts caused by KONE emerge. The collaboration is done in several levels including KONE procurement, sales, delivery operations, global functions, and local KONE entities.

The line organization is accountable for health and safety of own employees at KONE as well as those workers in the value chain under KONE supervision at KONE sites. The local KONE line organization has the required competencies and resources to enable, support and ensure compliance of safe working methods of its value chain workers, mainly in New Building Solution and Modernization projects.

KONE has dedicated health and safety experts working for local KONE entities and areas. KONE also has a global Safety and Quality function dedicated to area and business safety development. Within this function the global safety development team is supporting and guiding health and safety development throughout KONE operations including the workers in the value chain. KONE global health and safety related initiatives, programs, tools and campaigns are led and resourced by the global safety development team.

Respect for human rights

Human rights policy commitment

KONE is a committed participant of the UN Global Compact and continuously improves its understanding of human rights impacts and take steps to remediate such impacts. The Supplier and Distributor Codes of Conduct set out the expectation for KONE's business partners to respect the same internationally recognized human rights that KONE is committed to respecting.

In 2024, KONE revised both its distributor annual due diligence questionnaire and supplier online human rights assessment questionnaire and included questions on how these ethical guidelines are communicated to their employees. KONE has not become aware, through any of its reporting channels, of any cases involving the non-respect of the UN Guiding Principles on Business and Human Rights, the ILOs Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises, related to workers in the upstream or downstream value chain.

KONE's Supplier and Distributor Codes of Conduct explicitly prohibit use of forced labor under any circumstances (including trafficked, indentured, or bonded labor) or contracting with subcontractors or suppliers using child labor or forced labor, mental and physical coercion, slavery and human trafficking.

KONE is committed to taking appropriate action to remediate situations where its activities have caused or contributed to an adverse human rights impact. Any human rights issues can be escalated to the human rights working group, reporting to the Global Compliance Committee. If Code of Conduct violations are uncovered through compliance investigations, the relevant functions and stakeholders, such as management, Compliance, Legal, and Human Resources, collaborate to agree on corrective measures based on the facts of the case and applicable local laws. When necessary, specific individuals are designated to oversee the implementation of the corrective actions to ensure they are carried out.

Human rights due diligence

KONE continuously develops and monitors its human rights due diligence program to identify and address potential risks in KONE's own operations and supply chain, ensuring that the program aligns with international human rights standards. The processes within the program are discussed in KONE's human rights working group regularly. KONE's human rights due diligence program consists of impact assessments, internal assessments and surveys, and third-party due diligence and screening.

KONE carries out regular human rights impact assessments to identify risks within its organization and across its supply chain. The scope of these assessments considers risks in the value chain, both in upstream and downstream, also covering end-users, customers and local communities. KONE prioritizes potential impacts based on the severity of the impact on potentially affected individuals and groups, the associated risks to the business and the likelihood of such impacts occurring. Based on findings from the human rights impact assessments as well as KONE's annual risk assessments, KONE creates action plans to mitigate the risks.

The latest global human rights impact assessment conducted in 2023 found that KONE's salient human rights issues remain the same as in 2019: the health and safety of employees and workers throughout the supply and delivery chains and respect for individuals' labor rights.

KONE uses internal surveys to assess human rights compliance in its own operations, as well as anonymous surveys to identify discrimination, bullying and / or harassment issues within a unit. Additionally, KONE carries out periodic on-site assessments of KONE-provided accommodation to identify and address any impacts on human rights and on employee safety.

Supplier due diligence

In 2024, KONE continued to extend the volume of third parties in its compliance screening solution. The solution currently covers suppliers representing 78.3% (2023: 78.2%) of KONE's total spend, as well as customers and other third parties included on the basis of selected risk criteria.

The tool manages third parties through five key stages: onboarding, risk assessment, due diligence, risk mitigation and monitoring. Adverse findings on human rights are flagged to the relevant KONE contract owner or category manager for follow-up.

In 2024, a dedicated supplier sustainability team was established to develop and implement KONE's human rights due diligence. Online and on-site supplier human rights assessments were conducted to identify potential and actual human rights risks in KONE's supply chain. Based on the assessment results, the team collaborates with suppliers and other key stakeholders to prevent potential adverse effects and mitigate adverse human rights impacts. An action plan with measurable targets is agreed upon with the suppliers along with a timeline. The tracking and follow-up process and designated resources has also been established and adopted into supplier human rights practices.

Targets

KONE wants to ensure that its business partners follow the same standards that KONE follows on health and safety, zero tolerance to bribery and corruption, internationally recognized labor and human rights, and environmental issues. Therefore, KONE has set targets for signatories of KONE Distributor and Supplier Codes of Conduct, measuring against base years of 2020 and 2021, respectively. These targets were set according to a strategic and systematic process. Though stakeholders are not directly involved in the target setting process, KONE considers how they may be affected. KONE requires all its distributors to sign KONE's Distributor Code of Conduct. By the end of 2024, 97% (2023: 92%) of KONE's Distributors had done so due to the gradual phase-out of certain distributors. KONE aims at achieving the target of 100% compliance during 2025.

According to KONE purchasing policy, all KONE suppliers are required to agree to and sign the Supplier Code of Conduct and demonstrate compliance with the behaviors expected by KONE. Deviations from this requirement may be permitted if the supplier's own Code of Conduct is verified and deemed to align with KONE's standards, subject to approval by the legal department. The target for Supplier Code of Conduct compliance is set annually through a thorough analysis of supplier performance and their adherence to this critical policy. By the end of 2024, 87% (2023: 86%) of KONE's total spend with regular trade suppliers and installation subcontractors was with parties who had signed KONE's Supplier Code of Conduct or equivalent. KONE's 2024 target was 87%.

KONE aims to decrease both the number and severity of injuries among subcontractors involved in dismantling and installation activities for New Building Solutions and Modernization projects by 2030. KONE has not set a specific quantitative target for reducing injuries among value chain workers due to challenges in collecting and verifying data. Working hours and other key information are generally confidential, making it difficult to compare them with the level of health and safety of your own employees. Despite these limitations, KONE closely monitors injury numbers and trends to improve worker safety in the value chain.

For occupational health and safety, the process for target setting is a collaborative effort, based on legal aspects, subcontractor health and safety performance, and interactions with subcontractors. All subcontractor related incidents are communicated and discussed with subcontractors in regular

meetings to ensure collaboration on corrective and preventive measures for continual improvement. KONE is currently working on setting a long-term target for the number of subcontractor injuries, including the subcontractors in the value chain worker category 2, in alignment with KONE's own employee health and safety target setting for 2030.

Workers' feedback for health and safety target setting purposes is gathered through global safety and quality networks and communities covering all KONE operations. Additionally, the Compliance Line and KSS give KONE valuable feedback for its target setting from both own workforce and value chain workers. In the target setting process, KONE is also utilizing information from industrial forums like the European Lift Association, along with other public data, to place targets in a broader context.

KONE monitors the safety performance of its subcontractors, particularly those engaged in elevator installations, through KSS. Refer to S1, Remediating negative impacts on own workforce for details on KSS. Subcontractor near misses, moderate and serious injuries, and the rare cases of fatalities, are part of monthly global reporting to Executive Board and routine health and safety performance reviews in global and local management meetings.

Considering the human rights impact assessment, DMA results, Subcontractor Safety Development Program findings, and KSS reports, KONE has identified a need to further support its partners in improving their health and safety management practices. KONE is confident that enhancing Code of Conduct compliance monitoring and KONE's ongoing Subcontractor Safety Development Program will effectively reduce material negative health and safety impacts for workers within the value chain while fostering positive outcomes.

KONE has prioritized supporting and monitoring the health and safety management of downstream subcontractor suppliers with workers involved in dismantling and installation, upstream first-tier component suppliers in manufacturing, and service providers working at a KONE site. Going forward, KONE aims to establish more effective processes for overseeing the health and safety of all worker groups in its value chain, including workers of distributors involved in installation activities.

S4 Consumers and End-Users – Health and Safety

Material impacts, risks and opportunities

Personal health and safety of consumers and end-users was identified as material topic for KONE in connection with the 2024 DMA. Refer to ESRS 2, Sustainability-related impacts, risks and opportunities for a description of the materiality assessment methodology.

KONE is dedicated to ensuring that all consumers and end-users who are likely to be materially impacted by its operations, value chain, products, and services are thoroughly included within the scope of KONE's disclosures. Material IROs are described in the table Material impacts, risks and opportunities related to consumers and end-users.

KONE recognizes that its products are used by a broad and diverse range of consumers and end-users. These include individuals with varying levels of mobility, such as the elderly, people with disabilities, children, and those transporting heavy or large objects. Additionally, KONE's products are frequently used in high-traffic environments such as hospitals, shopping centers, and public transportation hubs, where safety and reliability are of utmost importance.

When it comes to consumer and end-user safety, the majority of incidents are related to misuse or inappropriate personal behavior on or with the equipment. Naturally, children and young adults are more prone to incidents caused by mis- or unintended use of the equipment.

Incidents involving KONE products are often influenced by factors like property maintenance, building conditions, improper use and supervision, and other variables impacting end-users beyond KONE's manufacturing and marketing.

Safety is embedded in the product development process, where potential hazards affecting the full product life cycle are systematically identified. While some hazards cannot be completely eliminated, they are minimized to acceptable levels or addressed through maintenance requirements to replace parts before they become safety risks, ensuring product safety before market introduction. Existing products are continuously developed to further improve their safety and functionality.

Through continuous engagement with customers over the whole life cycle of their building and KONE's equipment, KONE is able to address potential safety risks or actual

Material impacts, risks and opportunities related to consumers and end-users

Material topic (time horizon)	Material impacts, risks and opportunities	Management response
Health and safety in downstream value chain (medium-term)	↓ **Negative impact** Misuse of KONE equipment, neglecting maintenance instructions or other unforeseen events may lead to equipment failures and cause severe incidents or fatalities to end-users. ↓ **Risk** Equipment malfunctions related injuries due to error in design or maintenance. Inadequate maintenance level, including by subcontractors. Postponement of modernization by the building owner.	• Safety is embedded in the product development process • Retrofit of identified safety hazards in KONE products. • Modular Based Maintenance (MBM) using preventive maintenance methods • Regular training of KONE's maintenance technicians • Safety promotion campaigns for customers and end-users • Develop modernization solutions for upgrading or replacing existing equipment with new solutions that meet or exceed the latest safety standard

material impacts and provide solutions that may go beyond the locally required safety standards.

Policies

KONE's Quality, Health and Safety statements provide ambition and objectives applicable to all KONE units. Read more about the policy statements, which are publicly available, on kone.com.

Codes, standards and regulations set technical and operational requirements for KONE's solutions and services throughout their entire life cycle from design, manufacturing and installation to service, modernization and dismantling. Codes and regulations are legally enforceable by an authority when adopted by a city, state or country, and compliance with them is set mandatory at KONE.

KONE Codes and Standards Policy sets out KONE's expectations for compliance by its units and employees with applicable codes, standards and regulations concerning KONE solutions and services. KONE Customer Solutions Engineering Policy outlines key principles to ensure that the engineering work for customer deliveries is safe, high-quality, and complies with applicable laws, codes, and standards. Policies are introduced in the table Key policies related to consumers and end-users.

Risk management is an integral part of KONE's business processes associated with the safety of solutions and services throughout their life cycle. Refer to S1, Policies for a description of the KONE Risk Management Policy.

KONE Human Rights Policy details KONE's role, objectives and responsibilities with respect to its human rights commitment and in relation to KONE's employees and workers across the supply and delivery chain. In relation to end-users, the policy acknowledges that safety is a shared responsibility that extends to all stakeholders, including end-users. Refer to S1, Policies for more information on KONE Human Rights Policy and alignment with internationally recognized instruments. Refer to S2, Respect for human rights for additional information about the engagement of consumers and end-users regarding human rights, and G1, Mechanisms for identifying, reporting and investigating concerns for details about the remedy process.

ISO certification coverage

KONE operates a global integrated management system comprising Quality management (ISO 9001), Environmental management (ISO 14001) and Occupational Health and Safety management (ISO 45001). Refer to S1, Policies for further information on KONE's management system.

To ensure continual improvement, KONE is certifying its units in line with ISO standards. Many KONE units are either covered as part of the KONE group certificates (OneISO) or maintain their own certificate, certified by a local accredited body. KONE aims to broaden its group ISO certificate scope and incorporate the local certificates within it.

Although KONE is expanding the coverage of group certificates year by year, not every KONE unit is certified against each of those international standards. The table Share

of KONE employees working in an ISO certified unit demonstrates the coverage of KONE's employees by the three main ISO management system certification (either local or OneISO) and their respective unit headcount compared to KONE global headcount.

In addition to the mentioned standards, some units are certified according to further international, local or area specific standards, such as Information Security management (ISO 27001), Energy Efficiency Management (ISO 50001) and/or the Lifts Directive 2014/33/EU.

All these certifications enhance the health and safety of both consumers and workers by verifying KONE's standard management approach.

Share of KONE employees working in an ISO certified unit

ISO standard	Share of employees
ISO 9001	90%
ISO 14001	87%
ISO 45001	68%

Engaging with consumers and end-users

KONE units engage with trade associations, standardization forums and organizations that aim to shape and influence the development of industry standards, practices and objectives. To capture even wider safety improvement opportunities KONE is, for example, an active member in the European Lift Association (ELA) where actual incident data from a number of original equipment manufacturers (OEMs) in the industry and industry associations is collected and analyzed. In Americas, KONE also supports the Elevator and Escalator Safety Foundation through its industry trade association.

At KONE, consumer and end-user perspectives are integrated into decision-making through structured feedback mechanisms, including surveys, incident management, and direct customer engagement. Insights gathered influence product design, safety enhancements, and service improvements. KONE's Global Quality and Safety Function oversees these efforts, with the Senior Vice President of Quality and Safety holding operational responsibility. This role ensures consumer feedback informs key strategies, reporting directly to the Executive Board.

Key policies related to consumers and end-users

Management system	Material topics addressed	Scope	Management bodies
Codes and Standards Policy	Health and safety	All KONE units	Executive Board
Customer Solutions Engineering Policy	Health and safety	All KONE units; Target audience: KONE Supply Units and Front Lines	Executive Board

Safety communications

Safety is a collaborative effort, also involving the owners, passengers and users of elevators, escalators, and automatic building doors. KONE equipment is designed for safe use when instructions for operation, daily inspections and maintenance are followed. KONE educates its customers to help prevent or lessen impacts from situations that could lead to safety risks and provide product safety training and materials to support the safety of customers' workers. KONE also organizes safety awareness campaigns for its equipment users in cooperation with customers to support safe behavior and closely monitor safety occurrences related to KONE products. Building owners and maintenance service providers are responsible for ensuring the equipment is professionally maintained and kept in good condition. Consequently, building owners need to inform the service provider if they identify any hazards, such as unusual noises or debris on any part of the equipment.

KONE works closely with its customers to help them operate KONE equipment safely, identify potential safety hazards, and to deal with situations that could lead to safety risks. KONE communicates actively about safety, organizes safety-related activities, and provides training and educational resources to its customers and the public to help them use the equipment in a safe way.

Special attention is paid to children as one of the most vulnerable groups of users. KONE's safety mascots, Bob and Max, have visited many shopping centers, kindergartens, and customer premises around the world to promote safety in a fun and engaging way. On its website, KONE provides specific informative materials also for children.

Further insights are gathered through KONE's annual customer loyalty survey. It comprises more than 19,000 (2023: more than 15,000) customer interviews, and more than 65,000 (2023: more than 60,000) customers take part in

KONE's transactional surveys each year. KONE's local teams review the results and work to embed actions into their plans.

KONE's human rights impact assessment, renewed in 2023, considered end-users and customers from health and safety perspective to identify any related human rights risks. KONE updates its impact assessments regularly and creates action plans to cease and mitigate identified risks. No specific groups of end-users or customers were identified as high risk for human rights impacts in KONE's assessment. Refer to S2, Human rights due diligence for more information.

Remediating negative impacts on consumers and end-users

When incidents involving users of KONE equipment occur, KONE's incident management process is applied. Refer to S1, Remediating negative impacts on own workforce for details on the process. The incident management process is applicable for all KONE units globally with the exception of its operations in the United States. Due to legal requirements, incidents involving users in the United States are not recorded in KONE's central data base in KSS, but each is investigated for potential corrective and preventative actions with the same diligence on a local platform.

KONE maintains a retrofit process to address identified actual or potential safety risks, and where appropriate, notifies customers and/or the industry of known defects that are subject to product recall and repairs. Sources include, but are not limited to, actual user incidents, near misses, quality or warranty claims, Quality Issue Management (QIM) tickets, audits, third party inspections and technical callouts. When required, KONE works closely with local authorities to remediate potential negative impact for users of its equipment.

For any compliance-related concerns, the KONE Compliance Line reporting channel is available to all KONE stakeholders, including customers, consumers, and end-

users. The line is open to all and available at all times on KONE's website. Refer to G1, Mechanisms for identifying, reporting and investigating concerns for more information on the Compliance Line. KONE requires its suppliers and distributors to provide its employees with a whistleblowing channel for reporting violations of the KONE Supplier and/or Distributor Code of Conduct. This requirement is set forth in the KONE Supplier and Distributor Code of Conduct and addressed in human rights questionnaires directed to these groups. Additionally, KONE highlights the availability of the Compliance Line in the customer contract templates, providing a clear channel for raising concerns.

Internal and external audits of KONE's management system ensure the consistent implementation and effectiveness of the incident management process and reporting channels. Refer to S1, Policies and S1, Remediating negative impacts on own workforce to read more about KONE's auditing practices.

Actions

KONE is committed to effectively managing the material negative impacts associated with its operations, products, services, and value chain. To ensure the safety, reliability, and sustainability of its elevators, escalators, and building doors, KONE has allocated resources across various functions within the organization.

At the completion of installation, KONE provides the owners with product owner documentation, hazard warning signs and information about the correct use of the equipment.

KONE maintains the safety of elevators, escalators, and automatic doors using preventive maintenance methods. KONE's maintenance technicians receive comprehensive training, coaching and mobile tools to ensure they have the required competence and up-to-date information to perform their work safely. All KONE's methods for installation, service and modernization are defined and risk assessed with user and third-party risks considered.

KONE develops modernization solutions for upgrading or replacing existing equipment, where possible, with new solutions that meet or exceed the latest safety standards, improving equipment reliability and user safety.

Onboarding of further KONE units and their management systems under the relevant KONE group certificate (OneISO) for quality (ISO 9001), environment (ISO 14001), occupational health and safety (ISO 45001) and lifts directive (2014/33/EU)

aims to harmonize the management practices globally and control their compliance with relevant standards and KONE operating model (KONE Way).

Various product development and continual improvement initiatives applying Lean Six Sigma or similar methodology are initiated to improve KONE processes, service and products. Inputs for continual improvement are collected for example from KONE Front Lines using the QIM process. During the reporting period more than 2000 define, measure, analyze, improve and control (DMAIC) or change request (CR) projects have been initiated, out of which a share is focusing on end-user safety improvements.

In 2024, KONE piloted an escalator video monitoring system which can automatically detect unsafe passenger behavior or other pre-defined scenarios that could potentially lead to user incidents. In case of a recognized incident, the passengers can be guided towards safer behavior by audio-visual responses. Furthermore, this system records each observation and thus provides insights, which enables a targeted approach to further improve the safety of end-users. An extension of this solution to elevators is currently in progress.

KONE is participating and contributing to the development of national and international standards improving safety and accessibility for lifts and escalators. For example, the ISO 8100 standard series intends to provide globally recognized requirements for ensuring safe design, installation, maintenance, and operation of elevators and escalators.

In 2024, KONE published two new end-user safety promotion videos for the safe use of elevators and escalators, available for anyone, including customers, to utilize freely for safety promotion. Targeted materials for children, such as a safety playbook, are also available. Read more about the promotion videos and materials for children on kone.com.

In relation to other severe human rights incidents, KONE is not aware of, such incidents connected to its consumers or end-users during the reporting period.

KONE identifies actions to address negative impacts on consumers and end-users by analyzing incident data, conducting risk assessments, and gathering stakeholder feedback. KONE tracks and monitors the effectiveness of its actions in mitigating material risks and impacts through ongoing safety performance tracking and incident response procedures. This includes reviewing safety incidents involving end-users and third parties. KONE's process adheres to a standard workflow, which incorporates an evaluation of

existing risk assessments. Refer to S1, Remediating negative impacts on own workforce and S1, Actions for more details on how KONE's incident management process addresses actual impacts with corrective measures.

Targets

KONE's ultimate goal of zero injuries reflects its commitment to consumer and end-user safety. The process for setting health and safety targets is collaborative and data-driven, involving inputs from safety performance metrics, regulatory requirements, identified improvement opportunities, and KONE's strategic objectives and policies. Customer feedback, obtained through customer loyalty surveys and from KONE's global safety and quality networks, directly informs these targets, ensuring they address the specific safety needs of consumers and end-users across all KONE operations.

To evaluate progress towards zero injuries, KONE tracks the number of consumer and end-user safety incidents, which helps assess performance and identify common causes. Incident data is recorded in KSS (excluding KONE Americas) and analyzed to inform preventative actions and minimize the recurrence of similar issues. Although no specific quantitative injury reduction target has been set due to data collection challenges, tracking and analyzing near misses enables KONE to proactively address safety risks of consumers and end-users by preventing potential incidents before they occur.

Maintaining the equipment and ensuring that their technical condition is on the required level is one key element to ensure end-user safety. Therefore, KONE has identified 'field operational enablers' since 2020 with increasing numeric targets for all its Frontlines to ensure high standards in equipment maintenance. In 2024 those targets included:

- Modular based maintenance (MBM) visits completion (>98%)
- MBM audits completion by KONE supervisors (four audits/SPV/month)
- 24/7 Connected Services need completion (>98%)

To reinforce consumer and end-user safety at every level, KONE has established a global target of at least 12 management workplace visits per leadership team member and one safety promotion event or meeting per 2,000 units in service. This goal supports the material impact of enhancing safety awareness and compliance. Unit-level management meetings closely monitor progress, ensuring these targets

remain aligned with KONE's broader safety objectives and policies for consumers and end-users and contribute to KONE's zero-injury vision.

Unit annual budget planning takes place every year to set the targets. The annual budget plan defines the unit's budget, objectives, targets, and an action plan explaining how the unit will support KONE to achieve its financial and non-financial targets.

The annual budget plan is created based on:

- The stakeholders' needs, expectations and requirements, e.g., KONE financial targets and budget instructions, considering associated risks and opportunities
- Regular unit performance reviews
- Area Quarterly Business Review

Refer to S1, Targets to learn more about KONE's approach on establishing health and safety targets and performance tracking.

G1 Business Conduct

Material impacts, risks and opportunities

The DMA assessment highlighted KONE's positive influence of corporate culture, the protection of whistleblowers, and the widespread prevention of bribery and corruption. However, KONE also recognizes that the complete elimination of all negative impacts related to material topics may not be achievable. As a result, KONE has incorporated preventive measures to mitigate these risks and enhance the transparency of the disclosures. Refer to ESRS 2, Sustainability-related impacts, risks and opportunities for a description of the materiality assessment methodology. Material IROs are described in the table Material impacts, risks and opportunities related to business conduct.

KONE culture

KONE's culture is the foundation for everything it does, which is built on safety, quality, sustainability, and KONE values: care, customer, collaboration, and courage. These values are embedded in the ways people at KONE collaborate, how they view and impact the world, and how they bring KONE culture and values to life.

During 2024, KONE continued developing its culture to ensure that it supports strategic targets. KONE focused on embedding cultural development into existing processes and transformational activities thus strengthening inclusive culture by establishing, for example, new ERGs.

KONE Code of Conduct forms an integral part of KONE's company culture and is the foundation of its ethical business practices. Furthermore, inclusivity is deeply embedded in KONE's culture and values. KONE believes that future success relies on its collective ability to build inclusive teams, communities, and networks. When individuals are valued for their authentic selves, they are happier and perform at their best. To reinforce the importance of KONE's values as part of its culture, KONE has embedded the values as a criterion in its annual performance evaluation which indirectly links to KONE's global short-term incentive program.

Policies

KONE Code of Conduct sets out the responsible and ethical conduct expected of KONE employees and companies. A

Material impacts, risks and opportunities related to business conduct

Material topic (time horizon)	Material impacts, risks and opportunities	Management response
Corporate culture in own operations (medium-term)	↑ **Positive impact** A positive corporate culture prioritizes ethical practices and sustainability and can improve responsible decision making throughout the value chain. This benefits the society.	• KONE's culture, built on the core principles and values, is the foundation of everything at KONE • Corporate culture related KPI's are included in KONE's Sustainability program monitoring, such as values, ethics, and compliance • In 2024, KONE assigned an annual, mandatory Code of Conduct e-learning for all employees
Protection of whistle-blowers in own operations (medium-term)	↑ **Positive impact** Protecting whistleblowers empowers the workforce and value chain to speak up about potential code of conduct violations, fostering transparency and accountability. This benefits the society by promoting responsible business practices, which, in turn, leads to increased consumer trust and positive societal perceptions. The KONE Compliance Line allows for KONE employees, suppliers, distributors, and the public to report specific concerns relating to violations of the KONE Code of Conduct.	• The KONE Compliance Line is available for employees, suppliers, distributors, and the public at all times • KONE's Code of conduct emphasizes KONE's non-retaliation policy: no form of retaliation is tolerated against anyone who has made a compliance report in good faith
Corruption and bribery in own operations (medium-term)	↑ **Positive impact** Effective prevention and detection of corruption support transparent and fair business practices that benefit the entire society. This fosters public trust and confidence in the business sector, leading to increased societal cooperation and support for sustainable initiatives. KONE's new Anti-bribery and Corruption (ABC) Policy and mandatory e-learning set out KONE's zero tolerance towards bribery and corruption and explain preventive measures KONE takes to mitigate risks identified in its 2021 ABC risk assessment.	• Global Compliance works closely with KONE's Assurance, Internal Controls and Risk Management teams to identify ABC risks and track the effectiveness of KONE's ABC program • Implementation of a conflict-of-interest declaration tool throughout KONE in 2024

revised version of the Code of Conduct was published in 2024. The Code addresses a range of topics such as conflicts of interest, corruption, competition compliance, third-party due diligence, human rights, fraud and theft, and how to report violations of the Code. The Code also emphasizes KONE's non-retaliation policy: KONE does not tolerate any form of retaliation against anyone who has made a compliance report in good faith. As a committed participant of the United Nations Global Compact, KONE upholds its ten principles on human rights, labor, environment, and anti-corruption. KONE's general Code of Conduct is complemented by KONE Supplier and Distributor Codes of Conduct. Refer to S2, Policies for

details on the Codes. Refer to G1, Prevention and detection of corruption and bribery for a description of KONE's Anti-Bribery and Corruption (ABC) Policy. KONE's Global Delegation Authority policy defines when matters need to be escalated to Executive Board Members, CEO or Board of Directors. Policies are introduced in the table Key policies related to business conduct.

The development of KONE's culture through training and awareness building remains the most important action when it comes to the internal mitigation of compliance risks and continued to be a focus in 2024. Regular online, video and face-to-face compliance training is provided to employees.

KONE refreshes and assigns its key compliance e-learnings (including Code of Conduct, Competition Compliance, and Anti-bribery and corruption) on a regular basis ensuring each year one mandatory compliance training is rolled out covering all KONE employees, Executive Board members included.

KONE's 2021 Code of Conduct e-learning was refreshed and re-issued to all KONE employees globally in 2024. KONE also extended the 2024 Code of Conduct training to the Board of Directors. The refreshed e-learning course is a 20-minute online module that provides an overview of the Code and includes real-life scenarios employees may encounter in their daily work covering topics such as corruption and fraud, conflicts of interest, gifts and hospitality, how to apply the Code, and how to report actual or potential misconducts. The Code is available in over 30 languages on kone.com. All new joiners at KONE are required to complete the most recent Code of Conduct e-learning, and the competition compliance e-learning (refreshed in 2022) is also assigned as mandatory training to all new staff and supervisors at KONE.

Mechanisms for identifying, reporting and investigating concerns

All KONE employees are expected to understand and abide by KONE's Code of Conduct and to report any violations using the channels available for this purpose. KONE's internal reporting channels include reporting to management, Human Resources, Legal, or Compliance. KONE also has a confidential reporting channel, the KONE Compliance Line, available 24/7 for its employees, suppliers, distributors, and the public (including consumers and end-users) worldwide. It is highlighted to employees in all compliance trainings and awareness materials, such as articles, posters, and shared on info screens. The Compliance Line is also highlighted in KONE Supplier and Distributor Codes of Conduct. More information, including clear instructions on how to report suspected violations of KONE Codes of Conduct, can be found on kone.com. The Compliance Line is operated by an independent third party and is accessible via phone and/or web in over 30 languages. Reports can be made in the reporter's native language and can be anonymous where permitted under data protection laws. Reports can be submitted on a range of topics related to the Code of Conduct violations and other topics relevant to the Code, such as fraud, theft, corruption, harassment, conflicts of interest, human rights, environment, and safety.

Key policies related to business conduct

Management system	Material topics addressed	Scope	Management bodies
Code of Conduct	Corporate culture, Corruption and bribery, Protection of whistle-blowers	Own workforce and all KONE companies	Executive Board
Anti-Bribery and Corruption (ABC) Policy	Corruption and bribery	Own workforce	Executive Board
Global Delegation of Authority Policy	Corruption and bribery	Own workforce	Executive Board

KONE has implemented the requirements set forth by the local implementations of the EU Whistleblowers Directive (EU 2019/1937) in KONE's operating locations. Where required by local whistleblower laws, KONE subsidiaries have local reporting lines and processes allowing for the local reporting of compliance concerns. The local staff have been given virtual training on how to handle reports coming through the local reporting lines covering the background requirement of the reporting line, how the process works, what to do if they receive a report, and the basics of compliance investigations.

KONE investigates reported concerns independently, objectively and in a timely and professional manner by a dedicated, impartial KONE compliance team, free from any conflicts of interest. Corrective actions are taken when necessary, including disciplinary action (including termination of employment or business relationships), process improvements, and further training. In cases where a compliance investigation establishes that a Code of Conduct violation has occurred, relevant functions and stakeholders, e.g. Compliance, Management, Legal and Human Resources, agree on remedial steps based on the facts of the case and local law. When appropriate, individuals are assigned to follow up on specific remedial actions to ensure that it has taken place. KONE's case management system integrates the web, phone, and other reporting channels to allow for a secure and confidential system for managing reports and follow up. KONE consistently monitors such reports by area, type, country, and other criteria, looking for any trends or other meaningful information. To ensure the effectiveness of its reporting channels, KONE uses multiple communication methods to make people aware of the ways they can report concerns, such as Code of Conduct and other policies, regular communications, trainings, postings on the Intranet and others. KONE conducts periodic surveys and assessments to test the awareness level of its reporting channels and the willingness of employees to report such concerns. Refer to

S1, Remediating negative impacts on own workforce for details on incidents and complaints.

Key compliance cases and statistics on all compliance cases are reported to the Global Compliance Committee on a quarterly basis. Individual compliance cases are also discussed as necessary with the Committee, KONE's President and CEO and/or the responsible Executive Board member during the intervening period. A summary of key compliance cases and statistics is provided to the Audit Committee and external auditors annually.

KONE clearly communicates in its Code of Conduct, the Supplier and Distributor Codes of Conduct and other policies, training materials and Compliance Line Speak up Guidelines, that it prohibits retaliation against any individual who reports a Code of Conduct violation in good faith. A report is made in good faith when the reporting person has reasonable grounds to believe that the information provided was true at the time of reporting. In addition, to the extent allowed by local law, KONE maintains the confidentiality of reporters' identities to further reduce the risk of retaliation. In countries where anonymous reporting is not allowed, all other reporting channels are available. All the reports are kept confidential on a strict need to know basis, while maintaining KONE's prohibition against retaliation. Access to the reporting system is limited to dedicated trained individuals tasked with handling compliance reports.

Prevention and detection of corruption and bribery

KONE's operations are divided into seven global functions: Commercial and Operations, Technology and Innovation, Supply Chain, Strategy and Transformation, People and Communications, Finance and Legal and four geographical areas: Americas, Europe, Greater China, and Asia-Pacific, Middle East and Africa. To enhance its efforts in preventing

and detecting bribery and corruption, KONE conducted a comprehensive global anti-bribery and corruption risk assessment in 2021. In the assessment KONE identified procurement, sales, and marketing to have an elevated risk for bribery and corruption. These high-risk functions are categorized under Supply Chain and Commercial and Operations. In addition, some geographical areas pose a greater risk for bribery and corruption namely Asia-Pacific, Middle East and Africa and Greater China. These risks are evaluated internally on an annual basis. KONE reports metrics at a global function level to ensure consistent coverage of all relevant roles with elevated risk for corruption and bribery.

This approach accounts for variations in role names and descriptions, which may not always capture all at-risk positions. In addition, when KONE reports training completions of these functions, only active KONE employees are included. Those on leave are excluded from the scope and are assigned the course upon return to work.

Anti-bribery and corruption program and training

To prevent bribery and corruption, KONE has developed a comprehensive anti-bribery and corruption program. As a part of ongoing efforts to prevent bribery and corruption, KONE published a new Anti-Bribery and Corruption (ABC) Policy in 2023. The ABC Policy builds on the Code of Conduct to provide guidance to employees on how to deal with risky ABC situations. Read more about the ABC Policy, which is available both internally and externally in over 30 languages, on kone.com. The policy states KONE's zero tolerance towards bribery and corruption, explains prohibited arrangements (including direct and indirect bribery, facilitation payments, excessive gifts and hospitality, and inappropriate donations and sponsorships), outlines third-party risks, describes KONE's risk-based approach towards the prevention of bribery and corruption, gives examples of practical risk situations that employees should look out for, and provides guidance on how to report any suspected violations. KONE's Anti-Bribery and Corruption policy is aligned with the United Nations Convention against corruption, reinforcing KONE's dedication to ethical standards.

KONE accompanied the ABC policy with a related training and assigned mandatory ABC e-learning courses for all KONE employees in 2023, including Executive Management. Two versions were issued comprising different risk scenarios for staff and operatives. Both versions cover the definition of corruption and bribery, KONE's zero-tolerance policy, and

provide guidance on preventing, detecting, and responding to corrupt business practices. Additionally, employees are instructed on how to report misconduct. The training includes clear confirmation from employees that they agree to comply with the ABC Policy. Respectively 85% of all active KONE employees (close to 54,000 completions) had completed the training by year end 2023. 86% of employees in functions with higher risk for bribery and corruption had completed the training. The ABC e-learning is part of onboarding and assigned to all new employees. Separate targeted training to frontlines and corporate functions on anti-bribery and corruption as well as gifts and corporate hospitality continued during 2024. KONE is planning to reissue the ABC training annually to at risk functions for bribery and corruption. In addition to KONE's ABC e-learning course, bribery and corruption are addressed in the Code of Conduct e-learning covering the definition of corruption and bribery, KONE's policy on it and procedures for handling suspicion and detection. Please see the completion rates of the annual Code of Conduct e-learning in the table Code of conduct training. For more information on business conduct policies and Code of Conduct training see G1, Policies.

Code of conduct training in 2024 [1]

	Target group	Completions
Employees	65,673	95%
Employees in at-risk functions	37,464	98%
The Board of Directors and Executive management	21	100%

[1] All mandatory compliance training courses are monitored through KONE's learning management system, which records completion rates for each training module. In China, operatives are trained on a separate China Learning Management system (China LMS). The Greater China Compliance team monitors and tracks completions through the China LMS and reports these to Global Compliance function periodically.

Preventive measures and actions

KONE continues to implement frontline compliance risk assessments and localized programs with a strong focus on addressing bribery and corruption. In 2023, KONE initiated local assessments in eight countries across KONE Middle East, Türkiye, and Africa (KMTA) and in 2024 continued the

work in the remaining seven countries. During 2023-2024, 100% of the KMTA countries were assessed. KONE's regional compliance manager conducted face-to-face training sessions on the Code of Conduct and the KONE Compliance Line for employees in eight different countries. In 2024, KONE extended the same process to Europe.

Furthermore, KONE issued global instructions on gifts and corporate hospitality in 2022 and continued to implement these measures in 2024. Additionally, KONE's cross-functional fraud working group actively identifies fraud risks and implements controls to mitigate those risks.

KONE actively seeks reliable and fair relations with suppliers, distributors, and other partners for mutual benefit. To ensure transparency and compliance, KONE has a third-party due diligence process in place for distributors and centralized information on global distributor management. Refer to S2, Respect for human rights for details on the process. Additionally, KONE conducts annual distributor training sessions, covering essential topics such as sanctions, bribery, corruption, and human rights. These trainings were conducted also during 2024. KONE ensures that the latest version of the distributor Code of Conduct has been signed by active KONE distributors. In 2024, KONE revised its distributor annual due diligence questionnaire and included more detailed questions on bribery and corruption, as well as working conditions. KONE holds its suppliers to the same high standards regarding anti-bribery and corruption. KONE Supplier Code of Conduct includes an extensive chapter dedicated to these critical issues, emphasizing KONE's shared commitment to ethical business practices. Refer to S2, Policies for more information on KONE Distributor and Supplier Codes of Conduct.

In global customer contract templates, KONE has incorporated a new anti-bribery and corruption clause in 2024 to better align business relationships with customers with KONE's stringent anti-corruption policies. In addition, Global Compliance systematically screens target entities during mergers and acquisitions as part of KONE's risk management strategy. This process helps KONE maintain its commitment to ethical conduct and compliance with anti-bribery regulations.

In 2024, KONE created a new conflict of interest declaration tool integrated into KONE's HR system. Employees can disclose any potential conflicts of interest to their manager through the tool, where all relevant information is documented including any necessary resolutions. The tool

also provides the capability for requiring employees to "self-affirm" that they do not have any conflicts. The tool serves as a risk mitigation mechanism to detect and prevent situations where employees' personal interests may conflict with those of the company. In addition, all employees are encouraged to speak up if they suspect or become aware of a violation of the Code of Conduct, including those related to corruption and bribery.

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