



ANTI-BRIBERY AND CORRUPTION POLICY

1 POLICY STATEMENT

KONE Corporation, its subsidiaries and affiliates are committed to complying with all applicable anti-bribery and anti-corruption laws worldwide.

KONE promotes a culture of honesty, integrity, transparency and openness in order to create a healthy and safe work and business environment and build trust with our co-workers, customers and business partners.

KONE prohibits all forms of bribery and corruption. This means we do not offer, give, authorize, accept or request anything of value to or from any person or third party with the corrupt intent to gain or give an improper business or personal advantage.

We do not engage in or tolerate improper or corrupt business arrangements with any third party, including customers, consultants, agents, distributors, suppliers and subcontractors, and we do not permit any third party to do so on our behalf.

2 PURPOSE AND SCOPE

2.1. Purpose

The purpose of this policy is to clearly state KONE's zero tolerance towards bribery and corruption, to explain KONE's risk-based approach towards the prevention of bribery and corruption, and to provide guidance on how to comply with this policy and how to report any suspected violations. Examples of red flag situations that employees should watch out for are set out in Annex 1.

This policy must be read in conjunction with KONE's Code of Conduct and other KONE policies, procedures, instructions and guidelines (see section 7 below for key related policies and instructions). If local laws impose stricter requirements, they must be complied with at all times.

2.2. Scope

This policy applies to all of KONE's directors, officers, managers and employees globally, and covers all subsidiaries, branches and other entities in which KONE owns a majority share or otherwise exercises management control. Executive Board Members, Managing Directors and Unit Heads are responsible for ensuring that employees in their organizations comply with this policy.

KONE's prohibition on bribery and corruption extends to KONE's suppliers, agents and distributors through dedicated policies, such as the Supplier Code of Conduct and Distributor Code of Conduct.

3 DEFINITIONS

Bribe: a payment, gift, favor or anything else of value that is offered, accepted or requested in exchange for an improper advantage. **Bribery** is a form of corruption.

Community investments: community benefits, such as funding infrastructure or an educational/medical facility. In some countries community investments are required under local legislation.

Conflict of interest: when an employee's personal interests conflict with their work responsibilities at KONE or the interests of KONE.

Corporate hospitality: dinner, lunch, drinks, travel, accommodation, events or entertainment provided for a business purpose.

Corruption: the abuse of entrusted power to obtain an improper advantage for oneself or another person or business. Corrupt activities are often carried out in intentionally misleading ways, not transparently.

Distributor: an independent reseller, who purchases from KONE and signs sales agreements with customers in its own name.

Donation: a financial or non-financial type of contribution given (typically to a charity) without KONE expecting to receive a direct benefit in exchange for its commitment. Contributions to industry associations or membership fees for organizations that serve business interests are typically not donations.

Facilitation payment: a small unofficial payment, benefit or gift given to a public official to induce them to perform a routine non-discretionary function that they are otherwise obligated to perform, such as processing visa applications, customs clearance, business permits or other similar administrative procedures.

Gift: cash, cash equivalent (such as a voucher or gift certificate), or an object, service or other benefit that has value for the recipient, e.g. a watch, subscription, benefit or service such as home improvements, or a personal favor such as an internship.

Improper advantage: any inappropriate or undue benefit, payment, arrangement or thing of value, to which the beneficiary is clearly not entitled.

Influence peddling: accepting a bribe in order to use one's influence to persuade a third party (usually a public official) to perform a corrupt act.

Kickback: a form of negotiated bribery in which a commission is paid to the bribe-taker in exchange for services rendered.

Public official: any person holding a legislative, administrative or judicial position, whether appointed or elected; any person exercising a public function, including working



for a public agency or a wholly/majority state-owned or controlled enterprise; or any official or agent of a public international organization. This definition includes public-private partnerships and employees of, for example, public schools and hospitals.

Sales agent: a person or entity that represents KONE, but does not sign and/or execute sales agreements either in its own name or on behalf of KONE.

Sponsorship: an investment of mutual benefit in an event, individual or concept to promote the KONE brand, our image, products and services.

4 PROHIBITED ARRANGEMENTS

4.1. Direct and indirect bribery

Bribery is prohibited by KONE whether it is carried out directly by a KONE employee or carried out indirectly by a third party acting on behalf of KONE.

4.2. Facilitation payments

KONE prohibits facilitation payments regardless of their size or purpose. Nevertheless, in an emergency situation, a facilitation payment can be made to ensure the health, security or safety of a KONE employee at imminent risk. Any such payment must be immediately reported in writing to the employee's manager, or to Legal or Compliance. It must be accurately recorded in KONE's books and records (e.g. in expense reports).

4.3. Inaccurate books and records

Financial transactions must be recorded transparently, accurately, in a timely manner and follow KONE's accounting standards and other applicable local rules. No account is permitted to be kept "off-book".

Financial and non-financial reporting and records must not contain any false, misleading or artificial entries or information.

4.4. Excessive gifts or corporate hospitality

Gifts or hospitality that are excessive, inappropriate in nature or timing, given secretly and not openly, or which attempt to influence business decisions, may be considered bribes and are prohibited by KONE.

To ensure that gifts, corporate hospitality and factory visits are not considered potential bribes, they must have a legitimate business purpose, be appropriate, comply with KONE's Code of Conduct, and be approved in accordance with KONE's internal instructions on gifts and corporate hospitality and local rules on expenses.

4.5. Inappropriate donations, sponsorships or community investments

Charitable donations, sponsorships and community investments are an important part of KONE's social responsibility actions. However, they may be considered bribes if they benefit public officials with decision-making power over contracts, or channel funds inappropriately.

In all circumstances, such payments or contributions must comply with applicable regulatory requirements, be approved in accordance with the applicable global or local Delegation of Authority and KONE's internal instructions on sponsorships and donations, and be recorded accurately in KONE's books and records.

4.6. Influence peddling and inappropriate lobbying

KONE follows all applicable laws when engaging with public authorities. Influence peddling and inappropriate lobbying are prohibited. We do not use our influence or connections to obtain corrupt benefits on behalf of KONE or any third party. KONE is registered on official lobbying registers where required, and employees must comply with KONE's Code of Conduct and Competition Compliance Policy at all times.

4.7. Conflicts of interest

Conflicts of interests can increase the risk of corruption, as conflicted employees or third parties are more likely to use their position for private gain.

Employees are required to disclose actual or potential conflicts of interest to their manager, HR, Legal or Compliance in writing, in order to mitigate this risk and protect the reputation of both KONE and its employees. Managers are responsible for addressing and mitigating any conflicts of interests disclosed to them.

4.8. Third party risks

KONE collaborates with authorized distributors, agents, consultants and other third parties across the world. KONE may be held responsible for the actions of third parties carried out on our behalf. Consequently, third parties may pose specific bribery and corruption risks to KONE, particularly when they engage with governments and/or public officials.

To mitigate these risks, employees must ensure that KONE always has a legitimate business need for working with a third party, and only works with third parties who act ethically, lawfully and with integrity.

KONE expects third parties to uphold similar levels of ethics and compliance as KONE and requires them to sign our Supplier or Distributor Code of Conduct as appropriate. As reflected in these Codes of Conduct, KONE expects its suppliers and distributors to have zero tolerance towards bribery and corruption. KONE will hold them accountable for any act of bribery or corruption and reserves the right to terminate the business relationship in the event of bribery or corruption.



KONE employees are prohibited from requesting third parties to offer bribes to KONE customers in an express or implied manner.

Mergers and acquisitions: KONE should not enter into an acquisition or joint venture agreement if the seller or counterparty, the target company or any senior employee of the target company is currently the subject of a bribery or corruption investigation or has recently been found guilty of bribery or corruption.

In accordance with KONE's Acquisitions Policy, appropriate due diligence on targets must be performed prior to signing the definitive agreement. Any suspicion of bribery or corruption must be thoroughly investigated before proceeding.

Distributors and sales agents: Distributors and sales agents are strictly prohibited from engaging in bribery or other corrupt activities on KONE's behalf.

Suppliers: Suppliers must not engage in any form of bribery or kickback scheme or otherwise offer any incentive to KONE employees or their family or friends in order to obtain or retain any business from KONE.

Permits and licensing: Governments and authorities collect revenue from permits and licensing fees. Obtaining permissions, approvals and licenses can create a risk of bribery because of the significant interaction between KONE, third-party intermediaries and public bodies. KONE does not pay or authorize facilitation payments or bribes to obtain permits or licenses. KONE must ensure that third parties interacting on KONE's behalf with authorities are appropriately qualified and reputable.

5 PREVENTIVE MEASURES

5.1. Actions to mitigate bribery and corruption risks

KONE conducts regular risk assessments in order to identify the parts of its business that present the highest risks of bribery and corruption, and to prioritize mitigating actions.

All KONE employees are expected to understand the importance of the following preventive measures.

Transparency: KONE promotes a culture of transparency. Transparency is fundamental to the detection and prevention of bribery and corruption. All employees are expected to ensure that actual or potential conflicts of interest are disclosed, and that data and records (including cost allocations and expense claims) are transparent, accurate and complete.

Incentives: KONE does not compromise its ethics and integrity in order to achieve a business goal. We strive to ensure that employee incentives do not encourage improper behavior.

Policies, processes, procedures and training: KONE's policies (including those mentioned in section 7 below), processes and procedures limit opportunities for bribery and corruption and thereby help KONE to prevent bribery and corruption. It is the responsibility of the owner of any policy, process or procedure to ensure that suitable training is provided to relevant audiences throughout KONE. It is every employee's responsibility to read and comply with policies relevant to their work.

Third party risk management: KONE carries out due diligence on third parties appropriate to the risk posed by the country, type of business and type of third party in question. The global compliance team continually monitors country-related bribery and corruption risks, screens higher risk third parties for bribery and corruption risks, designs and implements know-your-counterparty measures, and recommends appropriate remediation actions.

Controls: KONE develops and adopts adequate internal controls and other financial, accounting and administrative measures to prevent and detect bribery and corruption with the aim of ensuring that no KONE asset could be used for the purpose of bribing or hiding bribery.

5.2. Consequences of failing to comply

Failure to comply with local and international anti-bribery and corruption laws could expose KONE and its employees to serious consequences, including penalties, fines, criminal liability, loss of business (including losing our license to operate or being excluded from public tenders), or serious reputational damage.

Any violation of this policy by an employee will lead to appropriate disciplinary action, which may include termination of employment.

6 RAISING CONCERNS AND NO RETALIATION

All employees are encouraged to speak up if they suspect or become aware of a violation of this policy, in particular if they are offered a bribe, are asked to make a bribe, or suspect that a particular transaction involves bribery.

You may report any concerns to your manager, HR or local Legal or Compliance team. You can also contact the Global Compliance team directly by email at compliance@kone.com.

Reports can also be made anonymously (where local legislation allows) through the KONE Compliance Line, available on the Ethics and Compliance global intranet and kone.com.

KONE will investigate all suspected infringements of this policy. KONE prohibits retaliation against anyone who makes a report in good faith and will take disciplinary action against anyone found to have engaged in retaliatory measures.

ANNEX 1

Red flags

Bribery and corruption can take many forms. Bribes are often misdescribed (for example, as sales and marketing expenses, travel or entertainment costs, service fees, write-offs, consulting fees, commissions, discounts or miscellaneous expenses) in order to be hidden in books and records.

KONE employees should watch out for the following scenarios, which could indicate bribery or corruption:

- An embassy official suggests that a visa application process could be speeded up if KONE pays him personally a special fee.
- A KONE employee takes a customer on an all-expense paid trip to visit a KONE factory with a number of days simply dedicated to sightseeing with family members.
- A competitor offers a benefit to a KONE employee if KONE agrees not to participate in a tender.
- As a requirement for a sale, a customer requests a donation to a charity for which they sit on the board.
- A KONE employee works on the side for a competitor or supplier of KONE.
- A KONE unit makes a significant number of purchases without following the Global Purchasing policy.
- A customer or a public official asks KONE to hire a relative.
- A KONE employee receives a cash payment from a subcontractor.
- A KONE employee refuses to sign off a subcontractor's work unless the subcontractor pays a fee to the employee.
- A KONE employee pays an architect/customer to include KONE-favourable specifications in a tender.
- A sales agent or consultant receives a commission for a project on which they have not worked, or receives a very high commission for a project on which they have done very little work.



- Items have been added to invoices for work or services not performed, or an invoice has been paid in full even though less work has been performed than stipulated in the contract.
- A supplier or customer requests a payment to be made to a third-party account or to a different country.
- An employee requests reimbursement for expenses with insufficient or inaccurate documentation.
- An employee or third party acting on behalf of KONE in a M&A deal receives a gift from a potential target during acquisition discussions that might influence their decision whether or not to close the deal.