Kongsberg Gruppen ASA - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

KONGSBERG is a leading global technology group, delivering mission-critical solutions to customers operating in extremely challenging environments. Throughout our proud two hundred year history, we have continuously advanced, applying innovative solutions to the needs of our customers, partners and society at large.

Today, we work for organisations across a number of sectors including: deep-sea, digital, defence, merchant marine, oil and gas, fisheries, aerospace and space industries. While our business areas are diverse, our focus is single-minded, we operate as a 11,000 strong team, dedicated to delivering technical excellence, at a world-class level. Our headquarters is in Norway, and we have operations in more than 40 countries. Per 31. December 2020 we had almost 11 thousand employees, and total revenue was MNOK 25.612.

Kongsberg Gruppen ASA is listed on the Oslo Stock Exchange and is subject to Norwegian securities legislation and stock exchange regulations. The Norwegian state owns 50.001 per cent of the shares in the company. KONGSBERG's deliveries are often of strategic importance for our customers, and contribute to the satisfaction of important societal needs and development trends within sectors such as safety, energy, transport and climate. It is important for KONGSBERG to hold technological and product positions where we are either world-leading or have the potential to become world-leading in the long term. KONGSBERG's strategic goal is to utilise our technologies to develop sustainable solutions for today's societal challenges. Our deliveries are facilitating a green switch in shipping, optimal management of the ocean's resources, monitoring of the condition of the oceans using data and information from satellites, as well as greater security for society.

Our Business areas are:

Kongsberg Defence & Aerospace (KDA)

Two decades of innovation, change and a focus on results have made Kongsberg Defence & Aerospace (KDA) a respected global technology leader and a leading supplier within defence, monitoring, space and aircraft structures, and within maintenance, repairs and service. We take great pride in developing advanced solutions and products of strategic importance, for markets around the world, with applications spanning from underwater to surface, land and air to space.

Kongsberg Maritime (KM) develops and supplies technology which is helping to realise sustainable management of the ocean space. The market lies within traditional merchant vessels, fishing vessels, offshore and research vessels, as well as advanced offshore installations linked to aquaculture, oil and gas.

Kongsberg Digital (KDI) was established in 2016 to deliver next-generation software and digital solutions to customers in the maritime, oil and gas and renewable energy sectors. KDI possesses leading domain and digital expertise in areas which support increased automation and autonomous operations in the industry.

Sustainability and consideration for climate and the environment form an integral part of KONGSBERG's business strategy. We are developing innovative products and solutions for our customers which reduce greenhouse gas emissions, particularly within "Green Shipping" with the development of autonomous vessels, hybrid solutions and electric ferries. We are developing technology through collaboration and the use of "cross-over" technology between our business areas within defence, maritime and digital. We are contributing through collaboration in order to reduce harmful impacts on the oceans via management systems for fish farms, monitoring of marine areas for illegal fishing, plastic in the oceans, port monitoring, fishing quotas, trawler management, etc.

Sustainability in a business context for KONGSBERG is about business development; identifying opportunities and growth areas, improving our operations and practice, understanding regulatory, technological and market risks, ensuring political influence, goodwill and impact on framework conditions together with communication and branding.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Australia
Brazil
Canada
China
Croatia
Finland
India
Norway
Poland
Republic of Korea
Singapore
Spain
Sweden
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

NOK

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	The Chair of the Board has the highest level of responsibility for the Sustainability strategy including climate strategy, and approval of the Climate and Environmental Accounts in the Group. The Board has Sustainability and ESG on their agenda throughout the year, and approves the strategy and reporting in a yearly process. An example of a strategic decision made by the board and board chair, is that we will implement a new climate plan in 2021 for our internal operations, with the goal of contributing to Norway's climate targets for 2030, and fulfillment of the Paris Agreement's intention. Another example is related to our r&d, and the decision to spend MNOK 1,350 (950 in 2019) on r&d. A significant portion of this, around MNOK 400 (up from 350 in 2019), was spent on what we categorize as sustainable innovation and the development and innovation of new products and services.
Chief Executive Officer (CEO)	The CEO has the administrative responsibility for the Sustainability strategy including climate strategy, and the Climate and Environmental Accounts in the Group. This includes risk assessments for climate and environmental issues, development of plans to adress such risks and opportunities, and follow up of plans throughout in the organisation. The Corporate Management Team has Sustainability and ESG on their agenda throughout the year, and approves the strategy and reporting in a yearly process.
Chief Sustainability Officer (CSO)	Group Executive Vice President Public Affairs, Communication and Sustainability has the operative responsibility in the Corporate Management Team for Sustainability strategy including climate strategy, and the Climate and Environmental Accounts in the Group. This includes risk assessments for climate and environmental issues, development of plans to adress such risks and opportunities, and follow up of plans throughout in the organisation. Group EVP Public Affairs, Communication and Sustainability has the responsibility for developing the Sustainability strategy and reporting for the Group in a running process, including developing goals, objectives and KPI's.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Board review and approve strategy, risk assessments, plans, budgets etc where climate-issues are integrated according to a scheduled yearly plan. If any important matter arise this will be addressed promptly.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Group Executive Vice President Public Affairs, Sustainability and Communication)	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Group Vice President Sustainability & Governance)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Kongsberg Gruppen consist of three diverse Business Areas, with individual management and organisation. The Group has developed a Sustainability strategy, including Climate strategy and ambitions, which is mandatory for all Business Areas to base their individual Climate risk-and opportunity plans upon. All Business Areas report as a minimum annually on risk- and opportunities, plans for the coming year, and results for the plans. This is aggregated on Group-basis and discussed in the Corporate Management Team (CMT) , and the BoD. Group Vice President Sustainability & Governance is the operating officer when it comes to the day-to-day contact, assistance, guidance and monitoring towards the Business Areas, and reports to Group Executive Vice President Public Affairs, Sustainability and Communication who is a member of the CMT. The CEO has the ultimate responsibility for climate-related issues, and reports to the BoD at least annually on this. The risk analyses, plans and reports are discussed and approved in the CMT before presented and discussed in the BoD, who approves the Group strategies and plans.

The rationale for organizing the responsibilities and monitoring related to climate issues, is to have a clear tone-at-the-top from CMT and BoD with regard to strategy, ambitions, follow-up and monitoring, and at the same time empowering and making the Business Areas accountable for their own results. This follows the Governance model in the Group in general.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Our CEO has as a part of his KPI's incentives related to climate-issues in the value chain. This is also included in the score cards for the Presidents in each of the Business Areas.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Environmental criteria included in purchases Supply chain engagement	KPI's incentives related to climate-issues in the value chain, constitutes a part of the bonus-scheme for top management.
President	Monetary reward	Environmental criteria included in purchases Supply chain engagement	KPI's incentives related to climate-issues in the value chain, constitutes a part of the bonus-scheme for top management, including President in our three Business Areas.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	Assessment of short-term risk is in general connected to our assessment of operational and tactical risk, where the risks can influence our on-going operations and/or the actual years objective, plans and results.
Medium-term	3	5	Assessment of medium-term risk is in general connected to our assessment of operational and tactical risk, where the risks can influence our on-going operations and/or the following 1-2 years objective, plans and results.
Long-term	5	30	Assessment of long-time horizon has in our operations no defined end-date, especially due to our participation in the aerospace- and defence industry, which can involve very long lead times . It is connected to our assessment for strategic risk, which can influence on our long-term strategic plans.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

We have defined different levels for consequences; from very low, low, medium, high to very high. Each level is defined with EBITA impact according to % of revenue for financial consequences, from less than 1%, to 20% or more impact on EBITA. A substantive financial or strategic impact on our business, is defined as all risks and opportunities over 10% of our EBITDA (In 2020 EBITDA was 3 250 MNOK, and 10% was 325 MNOK). The likelihood is rated from very low, low, medium, high to very high. Each level is defined from less than 10% chance that the risk will happen in the future (operational: near future / tactical: 12-24 months / strategic level more than 36 months). The criteria also include what will be deemed as consequences for Safety, Health & Environment (HSE), reputation and consequenses for not meeting objectives.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Our process for identifying, assessing and responding to climate-related risks and opportunities, is that all our Business Areas conduct risk and opportunities analysis which identifies any potential negative impact on environment and climate as a result of the BAs own operations and value chain, and report to Group Vice President Sustainability & Governance in a structured process, who will aggregate the risk assessment on Group level and report to CMT and BoD for their discussion and approval. Our response

to each risk is rooted in our ISO 14001 Environmental Management. All our business areas are certified in accordance with ISO 14001, where risk management is a key element. As a result, we are dealing with environmental problems before, during and after their inception. All Business Areas conduct business reviews quarterly, including risk management process according to ISO 14001. In addition to the ISO 14001 processs, KONGSBERG has started evaluating and reporting on climate related risks and opportunities, supporting the Task Force for Climate-related Financial Disclosures (TCFD). Our managers and Board design our business strategy, fundamental components of which are sustainability and climate issues. Our overall risk assessments involve a range of scenarios including geopolitical conditions, climate-related conditions, market conditions, etc. We evaluate opportunities and risks on the basis of what we regard as the most probable scenarios. Our business areas perform continuous risk assessments, including climate risk. Our risk assessments are provisional and will be further developed and updated on an ongoing basis. As a case study of how our risk processes have been used for physical risks, our ISO 14001 process thoroughly surveyed all production sites and offices. Hurricanes, other extreme weather events, could pose a risk to personnel working offshore or in offices exposed to more extreme weather (e.g. US and Asia). Through the process, we ensured that they have relevant safety measures in place for the locations that could be affected by incidents such as flooding. Our subsidiary Kongsberg Technology Park, which administer the property for a large part of the industry in Kongsberg , comprising 5.500 employees, has build physical flood control, safety measures and emergency preparedness routines which are continuously tested. Other results of the surveys was that we determined that physical risk resulting from climate change, in the form of costs caused by physical damage such as floods, hurricanes, drought, fires, etc., is low in our operations. As a case study for how our processes have been utlized for identifying, assessing transitional climate-related opportunities, we can mention how we are developing a circular economy in our operations. We identified that land-based systems in Kongsberg Defence & Aerospace, can offer solutions and services throughout the life-cycle of its products. The assesment was that we could ensure that the systems has a longer lifespan. One of the results was to give our customers the opportunity to return products when they have finished using them. This has also been included in a separate business area, where Kongsberg Maritime also offers to take products back after the end of their life. With these initiatives, we are helping to reduce waste when systems become outdated and making it possible to secure components for reuse and resale Another case study and example related to transitional risks, is that we have identified that the current development in oil prices, combined with the transition to more sustainable solutions and energy sources We have assessed that this will affect investment levels in a number of segments. Our response is to increase r&d. In 2020, we spent MNOK 1,350 (950 in 2019) on r&d. A significant portion of this, around MNOK 400 (up from 350 in 2019), was spent on what we categorize as sustainable innovation and the development and innovation of new products and services. Developing more sustainable solutions will provide increased opportunities both in markets where we already have strong positions, but also in new markets where Kongsberg technology will be part of the solution.

Value chain stage(s) covered
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Our process for identifying, assessing and responding to climate-related risks and opportunities, is that all our Business Areas conduct risk and opportunities analysis on a quarterly basis. This process should identify any potential negative impact on environment and climate as a result of the BAs own operations and value chain. Reporting to Group Vice President Sustainability & Governance shall be done in a structured process, who will aggregate the risk assessment on Group level and report to CMT and BoD for their discussion and approval. The quarterly risk management process is done according to ISO 14001, and includes a range of scenarios including geopolitical conditions, climate-related conditions, market conditions, etc. From 2020 our risk assessments includes our supply chain and logistics. KONGSBERG has more than 9,000 suppliers globally, and it is a challenge to ensure that all subcontractors, throughout the value chain, comply with our requirements. We follow up our responsibilities through clear requirements in our agreements with suppliers as well as risk-based follow-up and audits. Our suppliers are committed to making similar requirements to their sub suppliers. We divide our total supplier portfolio into different risk classes where, among other things, volume of purchases, countries, and the extent to which we are dependent on the goods and services we purchase, constitutes assessment factors. The risk assessment includes existing and new suppliers and includes assessments of environmental conditions, HSE, and business ethics. Based on the result of the initial risk assessment, the suppliers are followed up with further assessments and mitigating actions and audit visits. Suppliers who, due to initial risk assessments, were followed up more closely in 2020 accounted for about 15 per cent of our total supplier portfolio. All identified conditions that were categorized with high risk were clarified and concluded within given deadlines. Our risk identification process, has seen increases in flight prices that could result in increased costs. Our assessment is that this also applies to other parties in the market and is not expected to have a major effect on our competitiveness. As a case study for how our processes have been utlized for identifying, assessing climate-related transitional opportunities, we can mention the implementation of e-learning and webinars for our suppliers on sustainability and ESG-issues. We identified the need to onboard and educate our suppliers. The assessment was to contribute to this through e-learning, and the response to arrange supplier conferences for our largest suppliers. Through this initiative we can evaluate and further develop our work towards a sustainable value chain.

Value chain stage(s) covered
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Our process for identifying, assessing and responding to climate-related risks and opportunities, is that all our Business Areas conduct risk and opportunities analysis on a quarterly basis. This process should identify any potential negative impact on environment and climate as a result of the BAs own operations and value chain. Reporting to Group Vice President Sustainability & Governance shall be done in a structured process, who will aggregate the risk assessment on Group level and report to CMT and BoD for their discussion and approval. All Business Areas conduct business reviews quarterly, including risk management process according to ISO 14001. KONGSBERG has started a process of evaluating and reporting for climate related risks and opportunities, in line with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). Our overall risk assessments involve a range of scenarios including geopolitical conditions, climate-related conditions, market conditions, etc. One of areas where we have identified both risks and opportunities, is for Kongsberg Maritime and the maritime sector, where climate related issues may impact on demand for our products and services. Changes in climate policy could result in changes to constraints, such as more stringent legislation or an increase in carbon pricing with the aim of reducing emissions. As a leading technology company, Kongsberg will have considerable opportunities to develop competitive technology which responds to the market's changing demands for low-emission products and services. We invest significantly in research and development for innovative and sustainable solutions for our customers to meet this risk and seize opportunities. Our assessment is that our technology is part of the solution and is helping towards the transition to a zero emission

society. As a case study for how our processes have been utlized for identifying, assessing both climate-related transitional risks and opportunities, we can use examples from the maritime sector. Our processes have identified transitional risks linked to a need for new technology such as autonomous and / or remotely operated systems, and hybrid and electrical propulsion. In our assessment, we identified a need for a broad portfolio of new products, enabling the maritime industry to reduce emissions. Our response has been to participate in a series of environmental research projects during 2020, with focus on safe and sustainable sea transport. An example of our efforts is the AUTOSHIP project – Autonomous Shipping Initiative for European Waters. The project responds to EU's need to increase multimodal transport and relieve road congestion. It will develop, equip and run full scale operational demonstrations of autonomous functionality for two vessels and related shore control infrastructure, accelerating the future adoption and commercialization of autonomous shipping. Another example of the results of our efforts is HYSEAS - The world's first sea-going hydrogen-powered RoPax ferry and a business model for European islands. The project is constructing and testing the vessel hybrid fuel cell power system at full scale and producing the final specification for the vessel fuelling infrastructure that will influence the transition to zero-carbon marine transport. Another example is

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Knowledge and compliance with current legislation is a cornerstone in our risk assessments. Examples of risk types considered, are regulations related to installing new equipment, new buildings and choice for transportation for goods.
Emerging regulation	Relevant, always included	Knowledge of trends and emerging regulations is crucial for our development of new technology, to ensure we meet our customers demands and expectations. This influences on both risk and opportunities. As examples of risk types considered are emerging regulations for the maritime sector, such as a possible in cap and trade schemes (i.e. EU/ETS) and sector regulations on emissions, fuels, particulate matter etc. from IMO (Internatinal Maritime Organization).
Technology	Relevant, always included	As a technological company, with products and services within maritime, aerospace, defence and digital businesses, we will strive to be in front when it comes to improvements and innovations that support the transition to a lower-carbon, energy-efficient economic system. As a leading technology company, KONGSBERG will have considerable opportunities to develop competitive technology which responds to the market's changing demands for low-emission products and services. As examples of transitional risks and opportunities,is that transportation by sea is moving from fuel-intensive to hybrid and electrical technology, while also exploring opportunities for using alternate technologies for the propulsion systems. Another example is autonomous and / or remotely operated systems. As a technology company we have to be in the forefront of the technological development, understanding the risks and opportunitires this development involves for the industry, and for us as a company.
Legal	Relevant, always included	We consider liability risk in connection with our risk assessments, in the form of claims for damages linked to decisions or the lack of decisions which can in any way be connected to climate policy or climate change. Examples of this risk type is pollution due from our products, by leakage etc. which can involve a liability risk.
Market	Relevant, always included	We include assessment of transitional risks, which is the financial risk associated with the transition to a low carbon or net zero society. Examples of Market risks to Kongsberg, is that we have a significant part of our revenue from the maritime sector. This sector is generally exposed to transitional risks, with their dependency on fossil fuels, and close relation to oil and gas business. Transportation by sea is moving from fuel-intensive to hybrid and electrical technology. Other examples of risk types include increased demands from customers, reduced activity in the oil & gas sector, and increased focus on value chains and circular economy. As examples of opportunities, Kongsberg sees opportunities in carbon reduction, diversification (including aquaculture and offshore wind), delivering optimisation, navigation, and digitalization technology, and satellite-related solutions to monitor climate changes.
Reputation	Relevant, always included	We include assessment of reputational risk, which can affect the company if it is considered to have contributed to climate change or have not done enough to limit the effects of climate change. Our assessment is that our technology is part of the solution and is helping towards the transition to a low carbon and net zero society, and therefore a positive factor regarding reputational risk. Examples of risk types include negative incidents (such as leakages), and related to attracting talent. Examples of opportunities is our products and services are considered part of the green transition, and that our innovative technology enables a customer to reduce emissions substantially, e.g. as for the autonomous electrical vesselproject "YaraBirkeland" , or HYSEAS and Autoship projects.
Acute physical	Relevant, always included	We include assessment of acute physical risk resulting from climate change, in the form of costs caused by physical damage such as floods, hurricanes, drought, fires, etc., in our operations. We thoroughly surveys production sites and offices and have relevant safety measures in place for the locations that could be affected by incidents such as flooding. Examples of acute physical risks, is flooding (in Kongsberg Technology Park and Houston), or Hurricane activity (USA ands Asia), which can imply shutdown for shorter or longer time.
Chronic physical	Relevant, always included	We include assessment of chronic physical risk resulting from climate change on our operations, and includes in long-term planning. Examples of Chronic physical risks include chronic higher temperatures and more frequent heatwaves in exposed regions, affecting our ability to render services in due time.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Technology	Transitioning to lower emissions technology

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The business area Kongsberg Maritime has a significant part of its revenues from Oil & Gas and Offshore vessels chartered in the Oil & Gas Value chain. In a scenario where Offshore Oil & Gas exploration and production are declining due to a market shift towards green energy, newbuilds and aftermarket related to these segments will

gradually decline.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
400000000

Potential financial impact figure – maximum (currency)
600000000

Explanation of financial impact figure
Estimated yearly EBITDA from Oil & Gas Activities based on 2020 revenues of NOK 16.3 bilion and EBITDA of 9.4%. Long term reduction in EBITDA from Oil & Gas and Offshore related business estimated at a range of 25-40% = 400 to 600 MNOK. A major decline is not expected within the next 10 years.

Cost of response to risk
5000000

Description of response and explanation of cost calculation
We have used a case study, including an annual cost of 3 FTE's monitoring market development. KM has operated in cyclic markets for decades and is highly adaptive to increasing and declining demands. The long term nature of this risk, and the fact that KM vessel products are used largely across marked segments, indicated that this risk should not trigger a high cost. Cost calculation 1 FTE = 1,6 MOK x 3 = 5 MNOK.

Comment
We have ascertained that transition risk, which is the financial risk associated with the transition to a zero emission society, is low to moderate for KONGSBERG. At the same time, it may involve a risk to us that the maritime sector is generally exposed to market and transition risk, especially related to oil and gas business, which in turn may impact on demand for our products and services. New technology could also lead to disruptive market changes

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Identifier
Risk 2

Where in the value chain does the risk driver occur?
Upstream

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Kongsberg/KDA develops technology for a wide product range from deep sea to outer space. Products are made from raw materials, such as different metals and composites, electric components and all sorts of mechanical parts, optics, sensors and other fittings. Together with software and internal development, technologically advanced products are offered. Kongsberg/KDA rely on suppliers for delivery of raw materials and components for production. To be able to reduce Kongsberg's/KDA's carbon footprint and stay competitive we need to ensure that our suppliers follow the same standards. 97-98% of emissions in KDA are from supply chain. Reduction of emissions requires suppliers to adapt and change and this will potentially lead to increased material cost for Kongsberg/KDA. Increased cost if lack of ability to set standards and requirements to KDA's suppliers, and a lack of ability to create an efficient system for implementation, including monitoring of tiers.

Time horizon
Long-term

Likelihood
About as likely as not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
810000000

Potential financial impact figure – maximum (currency)
1350000000

Explanation of financial impact figure
In 2020 our material cost 2020 = 2.7 billion NOK. We have used a rough estimate of 3-5 % for the increased cost, and calculated these costs over a 10 year period. 81 MNOK - 135 MNOK x 10 years = range from 810 MNOK to 1350 MNOK over a ten year time horizon.

Cost of response to risk
30000000

Description of response and explanation of cost calculation
Our case study for mitigating these risks includes competence building, establishing dialogue and cooperation with suppliers, setting standards and implementing requirements for our supply chain. These efforts will have a combined estimated cost range of 0-30 MNOK. We have applied the upper range in the cost of risk.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Technology	Unsuccessful investment in new technologies

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Kongsberg Gruppen (KONGSBERG) is an international technology group that delivers advanced and reliable solutions that improve safety, security and performance in complex operations and under extreme conditions. KONGSBERG works with demanding customers in the global defence, maritime, oil and gas, fisheries and aerospace sectors. Our business is mainly towards markets that to a large degree is influenced by technological developments, ones that may affect KONGSBERG's leading position with regards to technology. There are huge opportunities in this development, but risks related to the success of investments in new technologies. Cyclical fluctuations will also influence the markets to various degrees and at different points in time. Offshore wind farms are set to boom over the next few years, becoming an ever more important way of meeting the world's sustainable energy needs. KM is providing the state-of-the-art technology solutions needed for this green power revolution. High complexity vessels, with high level of integration is required. KMs portfolio for vessel specific green vessel upgrades is wide, combined with new digital technology for evaluation and verification of emission savings Combined with stricter regulations on emissions reductions and market pull towards verification of CO2 savings. Decreased revenues is these segments is a risk.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
150000000

Potential financial impact figure – maximum (currency)
300000000

Explanation of financial impact figure
There are significant uncertainties related to measuring the risk related not being part of a projected growth in offshore wind farms will be, but it seems reasonable that yearly profits from this segment could be 10-20% of our EBITDA within 5 years.. In 2020 KM had a EBITDA of NOK 1532 million and a risk of losing 10 - 20% of this would be 150 MNOK - 300 MNOK.

Cost of response to risk
400000000

Description of response and explanation of cost calculation
Every year, the Group invests significant funds in developing new and existing products to win new business and maintain our market position. In recent years, KONGSBERG have spent between a third and half of its R&D investments on the development and innovation of new products and services, and in 2020 this amounted to around NOK 1.350 million. A significant portion of this, around NOK 400 million, was spent on what we categorize as sustainable innovation. This cost must be seen together with other opportunities, short term and long term, hence only a portion of the NOK 400 million is related to this opportunity. We have reported 100% of the total 400 MNOK R&D in sustainable innovation (400x100%= 400 MNOK) KM continues to invest our R&D in integration. Integration capabilities and digital verification will combined with our broad product portfolio be key to continue to grow in delivering green upgrades to the market.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Offshore wind farms are set to boom over the next few years, becoming an ever more important way of meeting the world's sustainable energy needs. KM is providing the state-of-the-art technology solutions needed for this green power revolution. KMs product portfolio fit for offshore wind market is strong. High complexity vessels, with high level of integration is required. KM has seen significant growth in orders from this segment during the last period. An example of this revenue is the US $40 million contract signed by KM in 2021 to supply a comprehensive integrated technology solution for a Wind Turbine Installation Vessel (WTIV), to be built at Keppel AmFELS shipyard in the USA.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
150000000

Potential financial impact figure – maximum (currency)
300000000

Explanation of financial impact figure
There are significant uncertainties related to measuring the opportunity related to how large the increase in offshore wind farms will be, but it seems reasonable that yearly profits from this segment could be 10-20% of our EBITDA within 5 years, and increasing from that point. In 2020 KM had a EBITDA of NOK 1532 million and 10 - 20% of this would be 150 MNOK - 300 MNOK.

Cost to realize opportunity
400000000

Strategy to realize opportunity and explanation of cost calculation
We have applied case studies where we have seen that many of the competences required for surveying, building and maintaining offshore wind infrastructure are similar to those deployed on projects involving traditional oil and gas platforms. This is an area in which we have long had a presence. In recent years, KONGSBERG have spent between a third and half of its R&D investments on the development and innovation of new products and services, and in 2020 this amounted to around NOK 1.350 million. A significant portion of this, around NOK 400 million, was spent on what we categorize as sustainable innovation. This cost must be seen together with other opptunities, short term and long term, hence only a portion of the NOK 400 million is related to this opportunity. We have reported 100% of the total 400 MNOK R&D in sustainable innovation (400x100%= 400 MNOK)

Comment
Offshore wind power is rapidly becoming a more affordable than fossil fuels, thanks to innovation in the design of wind turbines and their infrastructure, installation and maintenance. Several countries can already meet much of their national demand for energy using only wind power: building on this and helping the world to achieve 100% clean and sustainable energy production is at the heart of KONGSBERG's mission.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Kongsberg Maritime (KM) develops and supplies technology which is helping to realise sustainable management of the ocean space. The market lies within traditional merchant vessels and fishing vessels, offshore and research vessels, as well as advanced offshore installations linked to aquaculture, wind power, and oil and gas. KMs

portfolio for vessel specific green vessel upgrades is wide, combined with new digital technology for evaluation and verification of emission savings - the potential market for upgrades is significant. Combined with stricter regulations on emissions reductions and market pull towards verification of CO2 savings, this is a good possition for KM. Example of contract is the signed upgrade of three Hurtigruten Norwegian Coastal Express passenger vessels with comprehensive equipment packages for hybrid operation. The company aims to cut CO2 emissions from their operation along the coast of Norway by at least 25 percent.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
400000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
We have calculated the financial impact of Green upgrades related revenues, and their expected increase to a yearly revenue level of 400 MNOK within the next few years .

Cost to realize opportunity
400000000

Strategy to realize opportunity and explanation of cost calculation
KM continues to invest our R&D in integration. Integration capabilities and digital verification will combined with our broad product portfolio be key to continue to grow in delivering green upgrades to the market. In recent years, KONGSBERG have spent between a third and half of its R&D investments on the development and innovation of new products and services, and in 2020 this amounted to around NOK 1.350 million. A significant portion of this, around NOK 400 million, was spent on what we categorize as sustainable innovation. This cost must be seen together with other opptunities , short term and long term, hence only a portion of the NOK 400 million is related to this opportunity. We have reported 100% of the total 400 MNOK R&D in sustainable innovation (400x100%= 400 MNOK)

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Kongsberg/KDA develops technology for a wide product range from deep sea to outer space. Products are made from raw materials, such as different metals and composites, electric components and all sorts of mechanical parts, optics, sensors and other fittings. KDA products contains raw materials and parts suitable for recycling and circular economy. At the current stage there is an opportunity for KDA to take a leading role in the defence market segment with regards to circular economy. This will give a competitive advantage and contribute to increased sales and earnings.

Time horizon
Long-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
510000000

Potential financial impact figure – maximum (currency)
850000000

Explanation of financial impact figure
When calculating the potential increased sales and earnings by KDA taking a leading role in the defence market segment with regards to circular economy, our rough estimate is a 3-5 % increase in earnings based on KDA's 2020 turnover of NOK 8,5 billion and EBITDA of NOK 1,7 billion over a ten year period. Calculation of financial impact figure: 1700 MNOK (EBITDA) x 3-5% = range of 510 MNOK to 850 MNOK.

Cost to realize opportunity
30000000

Strategy to realize opportunity and explanation of cost calculation

Our case study is related to the competence building, preparing for new legal requirements / customer demands, assessing our product portfolio wrt. opportunities for circularity. Additional costs to realize the opportunity is calculated to be in the range of 0-30 MNOK, and we have used the upper end of the estimate as our figure for cost to realize opportunity.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	Yes, in the next two years	Yes, we intend to include it as a scheduled AGM resolution item	Through 2021 Kongsberg has been working on the strategies and targets for environmental performance, and continued work on climate related risks and opportunities. This will be included in our Low Carbon Transition plan.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Science Based Target methodology/scenarios are drawn primarily from the Integrated Assessment Modeling Consortium (IAMC) and the International Energy Agency (IEA).)	We have carried out a pilot project for the use of the "Science Based Target" (SBT) methodology in our defence division. SBT scenarios are drawn primarily from the Integrated Assessment Modeling Consortium (IAMC) and the International Energy Agency (IEA). How the scenarios were identified: In the SBTi manual: "Foundations of Science-based Target Setting", it is stated that SBTi scenarios are drawn primarily from the Integrated Assessment Modeling Consortium (IAMC) and the International Energy Agency (IEA). The IAMC hosts an ensemble of more than 400 peer-reviewed emissions pathways, which have been compiled and assessed by the authors of the Intergovernmental Panel on Climate Change (IPCC) Special Report on Global Warming of 1.5˚C (SR15). Areas of our organization considered: The scenario analysis and SBT process, was used for our defence division. Time horizons: The project included assessment for several time horizons; short/medium/long term; 2020-2030, 2030-2040 and 2040-2050. The relevance for our business, is that many of our stakeholders (customers, investors etc.) use 2030 as a target year for actions and reduction initiatives. The 2040 and 2050 time horizons are relevant for seeing the long term perspectives for our business, while it also are the milestones for the Paris agreement. Results: The project showed that the estimated scope 3 emissions in the division are much higher than our combined Scope 1 and 2 emissions, and is mainly related to purchased goods and services. The summary report was presented and distributed to relevant personell in the Group for learning and inspiration. How it has informed our objectives and strategy: The pilot project gave us valuable insight in where to prioritize our efforts going forward, and has informed us that we need to intensify our strategies and obejctives regarding our supply chain. Many of the emissions reduction initiatives identified in the project are general reduction initiatives that are probably applicable to most business areas. The plan is to initiate GHG reduction workshops at unit/BA level to build further upon these findings, build awareness and knowledge and to identify BA/unit unique initiatives. As a case study of how the sceanrio analysis has informed our objectives and strategies, the learnings from the project will be utilised in the development of a revised Climate Strategy. The goal of the pilot project, was to increase our internal expertise and provide us with a basis for evaluating whether the methodology is suitable for identifying effective goals for reducing greenhouse gas emissions within our value chain. We will also continue our efforts to further develop climate requirements in our internal operations, for our suppliers, climate-friendly logistics, the circular economy and climate-friendly buildings.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Mitigating risks and seizing opportunities is at the heart of our business. Several climate-related business opportunities have been identified related to our products and services. Our ambition is to be at the forefront of the green transition, balanced with strong economic and environmental performance and value creation. Our technology is part of the solution. This is the rationale behind our efforts, which also includes need for diversification into other industries and segments, as well as development of new products and services within existing business areas. Climate-related risks and opportunities has informed our maritime and digital businesses and led to increased R&D and increasing offerings for the "green transition". If we are not able to migrate fast enough we can experience reduced demand for our products and services, and competitors might take market-shares. If we do not succeed in technology development according to the markets expectations this can be a substantial risk. As a case study of how the most substantial business decision in 2020, we spent MNOK 1,350 (950 in 2019) on r&d. A significant portion of this, around MNOK 400 (up from 350 in 2019), was spent on what we categorize as sustainable innovation and the development and innovation of new products and services. Kongsberg delivers a wide range of products and services for technological developments which can reduce our customers GHG emissions substantially. Our business strategy for 2020-2024 includes continous investments in R&D to meet this development, and to be in forefront as a technology-leader in our segments.
Supply chain and/or value chain	Yes	The rationale behind our efforts with climate related risks and opportunities for our supply chain and value chain are that over 95% of the emissions in our value chain are made by our suppliers and our customers. Our strategy has been influenced by our scenario analysis, where we identified that requirements to our suppliers and enabling our customers would be the areas where we could contribute to the largest emission reductions. We have cooperation with business partners for development of products which can reduce GHG emissions substantially compared to traditional products. We have focus on climate reduction in our supply chain through our Supplier Conduct Principles, and is working on developing more specific weighting of climate factors when choosing new suppliers, and renewals of contracts. We have included goals and KPI's related to our supply chain in our strategic goals, including the CEO and top management in the Group. As a case study of how we have engaged with our suppliers, one of the most substantial strategic decisions was to distribute e-learning to our suppliers, with particular emphasis on the environment, climate and human rights. As part of this process, we arranged supplier conferences for our largest suppliers. Kongsberg has 9,000 suppliers globally, and we will continuously assess the need to update governance documents, methodologies, tools and training for our suppliers. We will evaluate experiences from our current initiatives and further develop work with a sustainable value chain.
Investment in R&D	Yes	Kongsberg have been investing heavily in the upgrading of our existing product portfolio and the development of new products. The rationale behind our efforts has been our ambition to be at the forefront of the green transition, and that our technology is part of the solution. Upgrades and improvements to the product portfolio are focused on ensuring that our customers have access to new versions and improvements where required. It is also important to invest in existing products to ensure that they can continue to be produced and maintained throughout their lifecycle. Climate related risks and opportunities has influenced our strategy by identifying what sectors, products and services will be in demand in the short, medium and long term. As a case study of how the most substantial business decision in 2020, we spent MNOK 1,350 (950 in 2019) on r&d. A significant portion of this, around MNOK 400 (up from 350 in 2019), was spent on what we categorize as sustainable innovation and the development and innovation of new products and services. Our business strategy for 2020-2024 includes continous investments in R&D to meet this development, and to be in forefront as a technology-leader in our segments.
Operations	Yes	For our own operations, our risk and opportunity strategies are rooted in our ISO 14001 Environmental Management. All our business areas are certified in accordance with ISO 14001, where risk management is a key element. The rationale for our efforts is that we wish to deal with environmental issues, at the earliest stage possible, and be prepared to mitigate risks preferably before, but also during and after their inception. All Business Areas conduct business reviews quarterly, including risk management process according to ISO 14001. For our own operations our strategies has been influenced by needs for circular business processes, our goals for reducing CO2 (carbon dioxide) emissions in our own operations, sustainable buildings and sustainable purchasing. This strategy is followed up with risk based plans in each Business Area, including setting goals and KPI's for internal operations. As a case study of the most substantial strategic decision for our operations in 2020, it is our boards decision to align our strategies with Norways goals, and the overall goals of the Paris agreement. As a result of this strategic decision, we will set ambitious reduction targets in 2021. Kongsberg's strategic goal is to utilise our technologies to develop sustainable solutions for today's societal challenges. Our products and solutions have strong focus on green solutions and the digital transformation towards higher operational efficiency, safety and reliability for our customers.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs	Climate related risks and opportunities have influenced our financial planning. As a case study of how, Kongsberg have spent between a third and half of its R&D investments on the development and innovation of new products and services, and in 2020 this amounted to around MNOK 1,350 (950 in 2019). A significant portion of this, around MNOK 400 (up from 350 in 2019), was spent on what we categorize as sustainable innovation. We budget for further R&D investments on short- and long term perspective, as an assumption for being a market leader in our segments including digitalization, hybrid solutions for maritime sector etc. This will thus both affect direct cost in a short- and long term perspective, and revenues in a longer perspective as the basis for future growth in revenues. The time perspectives for many of our reduction targets, investments, and r&d projects use time horizons until 2030. During 2021, we will implement a new climate strategy with effect from 2021 to 2030, with the aim of being in line with Norway's climate plan and the EU's objectives.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

KONGSBERG has a long-term commitment to the reduction of greenhouse gases and other negative environmental effects. Our most important contribution is to use our technology and expertise to develop even more climatefriendly solutions for our customers. This effort will often coincide with the desire to reduce costs and increase efficiency and security. Our competitiveness will be strengthened as a result of these efforts.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2015

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based) +3 (upstream & downstream)

Base year
2015

Covered emissions in base year (metric tons CO2e)
39268

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2020

Targeted reduction from base year (%)
20

Covered emissions in target year (metric tons CO2e) [auto-calculated]
31414.4

Covered emissions in reporting year (metric tons CO2e)
18430.79

% of target achieved [auto-calculated]
265.320489966385

Target status in reporting year
Achieved

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
We have been aiming to cut our own CO2 emissions by 20 per cent by the end of 2020, based on the figures for 2015. We achieved our goal. During 2021, we will set new goals for the period through to 2030. The target covered our Scope 1 and 2 emissions, and business travel in Scope 3.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	1	185
Implementation commenced*	2	1374
Implemented*	3	1558
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Compressed air

Estimated annual CO2e savings (metric tonnes CO2e)
12

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
3-5 years

Comment
Reduced energy consume due to replacement/upgrade of air compressor in the Workshop at site Ulsteinvik. (60% reduction).

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment
Refers to new waterborne radiators as well as new heat regenerators and new ventilation and upgrade of KNX control system (KDA)

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Reduction business travel)

Estimated annual CO2e savings (metric tonnes CO2e)
1361

Scope(s)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
60000000

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
3-5 years

Comment

Work Smarter program in Business Area KDA, to reduce office use by combination work from home and work from office in pilot areas, by 30 % compared to 2019 when rolled out. Reduce business travels by 30 % compared to 2019 level.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
185

Scope(s)
Scope 1
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
550000

Investment required (unit currency – as specified in C0.4)
0

Payback period
1-3 years

Estimated lifetime of the initiative
16-20 years

Comment
Installed new HVAC system (Replaced oil) at site Brattvåg. In production from February 2021. Oil volume for 2020 was 116000 litre .

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal incentives/recognition programs	Our Sustainability Strategy require all Business Areas to improve energy class for new buildings, rehabilitation and new leases.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Group of products

Description of product/Group of products
Activities related to renewable energy, grid, low-carbon or hybrid transportation are classified and meets the screening criteria for the EU Taxonomy.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
The EU Taxonomy for environmentally sustainable economic activities

% revenue from low carbon product(s) in the reporting year
8

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
KONGSBERG has a long-term commitment to the reduction of greenhouse gases and other negative environmental effects. Our most important contribution is to use our technology and expertise to develop even more climatefriendly solutions for our customers, especially in the maritime sector. Manufacturing of low carbon technologies for transportation, and retrofitting of sea and coastal freight and passenger water transport are classified and meets the screening criteria for the EU Taxonomy (partially). We have conducted a preliminary screening according to the EU Taxonomy, resulting in 8% percent aligned, and 29 percent eligible but not fully aligned, for our maritime and digital business areas. We will further develop the taxonomy screening and reporting in line with the development of the EU Taxonomy.

Level of aggregation
Product

Description of product/Group of products
Activities related Wind Energy: manufacturing of renewable energy technologies, are classified and meets the screening criteria for the EU Taxonomy.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
The EU Taxonomy for environmentally sustainable economic activities

% revenue from low carbon product(s) in the reporting year
1

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
We have conducted a preliminary screening according to the EU Taxonomy. We will further develop the taxonomy screening and reporting in line with the development of the EU Taxonomy.

Level of aggregation
Product

Description of product/Group of products
Activities related to digital solutions for vessels; data-driven solutions for GHG emissions reductions, are classified and meets the screening criteria for the EU Taxonomy.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
The EU Taxonomy for environmentally sustainable economic activities

% revenue from low carbon product(s) in the reporting year
1

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Digitalization; software, advisory, controlsystems, simulator training for maritime sector, etc. These products are enablers for automatizing and digitalization which minimizes energy consumption by e.g remote services and functions reducing travel and on-site services, and thus reduces GHG emissions. We have conducted a preliminary screening according to the EU Taxonomy. We will further develop the taxonomy screening and reporting in line with the development of the EU Taxonomy.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
943

Comment

Scope 2 (location-based)

Base year start
January 1 2015

Base year end
December 31 2015

Base year emissions (metric tons CO2e)
10094

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
1229

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
13891

Scope 2, market-based (if applicable)
50236

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have looked into how this category can be calculated, but do not yet have figures to publish.

Capital goods

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have looked into how this category can be calculated, but do not yet have figures to publish.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
210

Emissions calculation methodology
GHG Protocol - Corporate Value Chain (Scope 3) Standard

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Calculated emissions using our own fuel consumption and DEFRA WTT emission factors with GWP 100.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
17590

Emissions calculation methodology
GHG Protocol - Corporate Value Chain (Scope 3) Standard

Percentage of emissions calculated using data obtained from suppliers or value chain partners
80

Please explain
Emissions data gathered from approx. 80% of our spend on transportation. Emissions calculated by transport providers.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
277

Emissions calculation methodology
GHG Protocol - Corporate Value Chain (Scope 3) Standard

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Calculated emissions using our own waste data, and applying DEFRA emission factors with GWP 100.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
7979

Emissions calculation methodology
GHG Protocol - Corporate Value Chain (Scope 3) Standard

Percentage of emissions calculated using data obtained from suppliers or value chain partners
70

Please explain
Air Travel is reported from travel agent, using emission factors with GWP 100.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
10653

Emissions calculation methodology
GHG Protocol - Corporate Value Chain (Scope 3) Standard

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Employee commuting calculation is based on a study of how employees travel to work in Kongsberg Norway, creating an average CO2 emissions per employee per year, combined with Quantis emission factors for global employees. Both calculations have GWP 100.

Upstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
216

Emissions calculation methodology
GHG Protocol - Corporate Value Chain (Scope 3) Standard

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Upstream leased assets are offices where we can`t provide Scope 1 or 2 data. and was calculated using Quantis emission factors with GWP 100.

Downstream transportation and distribution

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have looked into how this category can be calculated, but do not yet have figures to publish.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
There is rarely further processing of Kongsberg products, and not to an extent that contribute to a relevant amount CO2 emissions

Use of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have looked into how this category can be calculated, but do not yet have figures to publish.

End of life treatment of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
We have looked into how this category can be calculated, but do not yet have figures to publish.

Downstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
6

Emissions calculation methodology
GHG Protocol - Corporate Value Chain (Scope 3) Standard

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Estimated emissions per sqm for office locations we own, but have leased out. Used Norwegian average consumption of electricity per sqm and AIB emission factors for electricity with GWP 100.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Kongsberg group do not have franchises.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Investments in other listed companies, as described in the GHG Protocol - Corporate Value Chain (Scope 3) Standard is not part of Kongsberg Groups business.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C-CG6.6

(C-CG6.6) Does your organization assess the life cycle emissions of any of its products or services?

	Assessment of life cycle emissions	Comment
Row 1	No, but we plan to start doing so within the next two years	

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.59

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
15120

Metric denominator
unit total revenue

Metric denominator: Unit total
25612

Scope 2 figure used
Location-based

% change from previous year
33

Direction of change
Decreased

Reason for change
2020 ended up being a significantly different year than we planned, especially due to the COVID-19 pandemic. This will also show in the climate accounts. The trend from previous years showed a relatively flat development for our greenhouse gas emissions. 2020 has shown that we have moved in the right direction, by achieving a significant reduction in emissions measured relative to turnover, by 33 per cent from the base year 2015.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
China	72
Norway	435
India	12
Poland	54
United States of America	406
Canada	80
Brazil	14
Australia	3
United Kingdom of Great Britain and Northern Ireland	152

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Kongsberg Defence and Aerospace (KDA)	375
Kongsberg Maritime (KM)	813
Kongsberg Teknologipark (KTP)	40

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
China	1609	1189	2138.44	0
Brazil	32	35	465.41	0
Norway	5365	42082	107296.03	0
India	223	184	268.68	0
United Kingdom of Great Britain and Northern Ireland	305	258	740.35	0
Poland	2181	2240	3876.05	0
United States of America	1955	1685	3922.1	0
Canada	90	75	547.91	0
Singapore	288	277	569.43	0
Australia	143	119	175.31	0
Croatia	92	135	262.56	0
Finland	931	1256	4865.17	0
Republic of Korea	449	387	813	0
Spain	184	218	635.49	0
Sweden	46	96	2779.83	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Kongsberg Defence and Aerospace (KDA)	3060	15809
Kongsberg Maritime (KM)	9194	22465
Kongsberg Teknologipark (KTP)	1469	11637
Kongsberg Digital (KDI)	168	325

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	In 2019, we used 35 MWh biofuel, in 2020 we used 225 MWh biofuel. This is an increase of 190 MWh. Emissions calculation: (0 / 35) x 100 = 0%
Other emissions reduction activities	0	No change	0	2020 ended up being a significantly different year than we planned, especially due to the COVID-19 pandemic. This will also show in the climate accounts. The trend from previous years showed a relatively flat development for our greenhouse gas emissions.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other	803	Decreased	5	Combined Scope 1 + 2 emissions in 2019 was 15923 tCO2, and Combined Scope 1 + 2 emissions in 2020 was 15120 tCO2, this constitutes a reduction of 803 tCO2. Calculation: (803 / 15923) x 100 = 5%

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C-CG7.10

(C-CG7.10) How do your total Scope 3 emissions for the reporting year compare to those of the previous reporting year?

Decreased

C-CG7.10a

(C-CG7.10a) For each Scope 3 category calculated in C6.5, specify how your emissions compare to the previous year and identify the reason for any change.

Fuel and energy-related activities (not included in Scopes 1 or 2)

Direction of change

First year of reporting this category

Primary reason for change

<Not Applicable>

Change in emissions in this category (metric tons CO2e)

<Not Applicable>

% change in emissions in this category

<Not Applicable>

Please explain

<Not Applicable>

Upstream transportation and distribution

Direction of change
Decreased

Primary reason for change
Other emissions reduction activities

Change in emissions in this category (metric tons CO2e)
6819

% change in emissions in this category
28

Please explain
2020 ended up being a significantly different year than expected, especially due to the COVID-19 pandemic. The data quality and scope of the figures for the climate accounts have also been significantly improved in the period 2015–2020, especially related to air flights and freight.

Waste generated in operations

Direction of change
First year of reporting this category

Primary reason for change
<Not Applicable>

Change in emissions in this category (metric tons CO2e)
<Not Applicable>

% change in emissions in this category
<Not Applicable>

Please explain
<Not Applicable>

Business travel

Direction of change
Decreased

Primary reason for change
Other emissions reduction activities

Change in emissions in this category (metric tons CO2e)
25803

% change in emissions in this category
76

Please explain
2020 ended up being a significantly different year than expected, especially due to the COVID-19 pandemic, and significant reduced business travel. The data quality and scope of the figures for the climate accounts have also been significantly improved in the period 2015–2020, especially related to air flights.

Employee commuting

Direction of change
First year of reporting this category

Primary reason for change
<Not Applicable>

Change in emissions in this category (metric tons CO2e)
<Not Applicable>

% change in emissions in this category
<Not Applicable>

Please explain
<Not Applicable>

Upstream leased assets

Direction of change
First year of reporting this category

Primary reason for change
<Not Applicable>

Change in emissions in this category (metric tons CO2e)
<Not Applicable>

% change in emissions in this category
<Not Applicable>

Please explain
<Not Applicable>

Downstream leased assets

Direction of change
First year of reporting this category

Primary reason for change
<Not Applicable>

Change in emissions in this category (metric tons CO2e)
<Not Applicable>

% change in emissions in this category
<Not Applicable>

Please explain
<Not Applicable>

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?
More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	230	5821	6051
Consumption of purchased or acquired electricity	<Not Applicable>	0	122343.39	122343.39
Consumption of purchased or acquired heat	<Not Applicable>	0	9304.19	9304.19
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	0	2749.68	2749.68
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	230	140218.26	140448.26

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Biodiesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
230

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0

Unit
metric tons CO2e per liter

Emissions factor source
DEFRA

Comment
Used TTW emission factor

Fuels (excluding feedstocks)
Liquefied Petroleum Gas (LPG)

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
61.24

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.93881

Unit
metric tons CO2 per metric ton

Emissions factor source
DEFRA

Comment
Reclaculated m3 to tons

Fuels (excluding feedstocks)
Burning Oil

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
1720.29

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.00254

Unit
metric tons CO2e per liter

Emissions factor source
DEFRA

Comment

Fuels (excluding feedstocks)
Natural Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
3446.32

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.00203

Unit
metric tons CO2e per m3

Emissions factor source
DEFRA

Comment

Fuels (excluding feedstocks)
Other Petroleum Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
592.98

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.6011

Unit
metric tons CO2e per metric ton

Emissions factor source
DEFRA

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
None (no purchases of low-carbon electricity, heat, steam or cooling)

Low-carbon technology type
<Not Applicable>

Country/area of consumption of low-carbon electricity, heat, steam or cooling
<Not Applicable>

MWh consumed accounted for at a zero emission factor
<Not Applicable>

Comment
Kongsberg group has not purchased any zero emission electricity, heat, steam or cooling in 2020.

C-CG8.5

(C-CG8.5) Does your organization measure the efficiency of any of its products or services?

	Measurement of product/service efficiency	Comment
Row 1	Yes	

C-CG8.5a

(C-CG8.5a) Provide details of the metrics used to measure the efficiency of your organization's products or services.

Category of product or service
Power transmission, transformation and distribution equipment

Product or service (optional)
Hybrid diesel/battery installation on vessels. Kongsberg Maritime's SAVe Energy Storage system powers the complete system, eliminating the need for running engines. The AZP 120L-PM thrusters provides propulsion and maneuvering, whilst the electric power system, generators, motors, switchboards, power management system, ACON integrated automation system provides power. The Energy Management System provides real-time information about the vessels operation, fuel consumption and emission levels.

% of revenue from this product or service in the reporting year
0

Efficiency figure in the reporting year
20

Metric numerator
tCO2

Metric denominator
metric ton of product

Comment
KONGSBERG's hybrid diesel/battery installation reduces Hurtigruten's fuel consumption and emissions on its new Polar Expeditionary cruise ships. Hurtigruten and shipbuilder Kleven worked with KONGSBERG on MS Roald Amundsen and MS Fridtjof Nansen. Their goal is to ensure they operate emission-free in sensitive areas while meeting environmental and reliability requirements dictated by the harsh polar conditions. A 'first phase' system onboard the Roald Amundsen reduces fuel consumption. Fridtjof Nansen features a larger capacity 'second phase' battery pack. This enables fully electric sailing across greater distances for longer periods and zero-emission port operation. Hurtigruten aims to upgrade the first ship to the same battery system. For zero-emissions mode, Kongsberg Maritime's SAVe Energy Storage system powers the complete system, eliminating the need for running engines. KONGSBERG's AZP 120L-PM thrusters provides propulsion and maneuvering, whilst Kongsberg Maritime's electric power system, generators, motors, switchboards, power management system, ACON integrated automation system provides power. The Kongsberg Energy Management System provides real-time information about the vessels operation, fuel consumption and emission levels. The decision to invest in a hybrid solution was an important milestone in Hurtigruten's goal of sailing fully electric expeditionary ships in the Arctic and Antarctic. The technology, in combination with the design of the hull and effective use of electricity onboard, reduce fuel consumption by approximately 20 per cent. CO2 emissions are reduced by a similar amount equaling more than 3,000 tonnes of CO2 annually. We do not disclose the exact %revenue from these products, since it can be competitive-sensitive information.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Please select

Metric value

Metric numerator

Metric denominator (intensity metric only)

% change from previous year

Direction of change
<Not Applicable>

Please explain

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	With our significant research and development investments in sustainable innovation, KONGSBERG demonstrates our long-term commitment to the environmental sustainability agenda. Our most important environmental contribution is to use our technology, capabilities and expertise to develop ever more climate friendly solutions for our customers, with focus on industrial efficiency while strengthening the safety, security and reliability of their operations. In addition to our investments in sustainable R&D, KONGSBERG invests heavily in marketing our innovative green solutions and in supporting our customers in the green transition to integrate more eco-friendly products and solutions. Our proactive end-to end approach is made to ensure these sustainable options are not only available but are implemented so they can deliver their positive environmental contribution as soon as possible. KONGSBERG is investing heavily in the upgrading of our existing product portfolio and the development of new products. The upgrades and improvements to the product portfolio are focused on ensuring that our customers have access to new versions and improvements where required. It is also important to invest in existing products to ensure that they can continue to be produced and maintained throughout their lifecycle. In recent years, KONGSBERG have spent between a third and half of its R&D investments on the development and innovation of new products and services, and in 2020 this amounted to around MNOK 1,350 (950). A significant portion of this, around MNOK 400 (350), was spent on what we categorize as sustainable innovation. We continue this strategic initiative, alongside to developing our methods for categorizing economic activities according to the EU Taxonomy, both as a driver of technology development, and to prepare for new reporting requirements.

C-CG9.6a

(C-CG9.6a) Provide details of your organization's investments in low-carbon R&D for capital goods products and services over the last three years.

Technology area
Machinery automation

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
21 - 40%

R&D investment figure in the reporting year (optional)
88000000

Comment
Automation & Bridge technologies for maritime sector. The products in the portfolio will be in different stages, some also commercialized. Estimated % and numbers of total R&D.

Technology area
Smart systems

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
≤20%

R&D investment figure in the reporting year (optional)
50000000

Comment
Software for management and control on digital platforms for maritime sector. The products in the portfolio will be in different stages, some also commercialized. Estimated % and numbers of total R&D.

Technology area
Energy storage

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
≤20%

R&D investment figure in the reporting year (optional)
61100000

Comment
Energy Storage Technologies for maritime sector. The products in the portfolio will be in different stages, some also commercialized. Estimated % and numbers of total R&D.

Technology area
Other energy efficient products or efficiency drivers

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
21 - 40%

R&D investment figure in the reporting year (optional)
52900000

Comment
Sensors and robotics for maritime sector. The products in the portfolio will be in different stages, some also commercialized. Estimated % and numbers of total R&D.

Technology area
Other energy efficient products or efficiency drivers

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
≤20%

R&D investment figure in the reporting year (optional)
52900000

Comment
Electrification of vessels, to replace older fuel based technology . The products in the portfolio will be in different stages, some also commercialized. Estimated % and numbers of total R&D.

Technology area
Smart systems

Stage of development in the reporting year
Small scale commercial deployment

Average % of total R&D investment over the last 3 years
≤20%

R&D investment figure in the reporting year (optional)
21300000

Comment
Remote smart systems . Estimated % and numbers of total R&D.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Kongsberg CDP Verification Letter 2021.pdf

Page/ section reference
1 - 4 (Scope 1 figures on page 2)

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Kongsberg CDP Verification Letter 2021.pdf

Page/ section reference
1 - 4 (Scope 2 figures on page 2)

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Kongsberg CDP Verification Letter 2021.pdf

Page/ section reference
1 - 4 (Scope 2 figures on page 2)

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
Kongsberg CDP Verification Letter 2021.pdf

Page/section reference
1 - 4 (Scope 3 figures on page 2)

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

Page/section reference
1 - 4 (Scope 3 figures on page 2)

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
No

C11.3

(C11.3) Does your organization use an internal price on carbon?
No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism
Code of conduct featuring climate change KPIs
Climate change is integrated into supplier evaluation processes

% of suppliers by number
84

% total procurement spend (direct and indirect)
86

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
KONGSBERG include climate change in our collaboration with our suppliers, for the reason that our suppliers constitute the major part of the climate emissions in our value chain . We acknowledge that the largest contribution to climate reductions has to come through our supply chain, and we work with our suppliers by setting requirements in our Supplier Conduct Principles (SCP), we rate climate as an individual factor in our supplier evaluations and onboarding, and we follow up in our supplier questionnaires and audits. The KONGSBERG Supplier Conduct Principles (SCP) cover all mandatory requirements for our suppliers including the environment. The chapter on the environment covers pollution prevention, hazardous substances, waste, water, air emissions and greenhouse gases, sustainable technologies and environmental permits and reporting. We include the (SCP) in Supplier Contracts and Purchase Orders (or accept equvalent) in all our contracts. The evaluation and follow up processes are risk based. We do initial risk assessments and categorize our suppliers by different factors, where potential climate impact is one. and The SCP is available on KONGSBERG website.

Impact of engagement, including measures of success
We aim for net-zero emissions by 2050, and will use the Science Based Target initiative methodology to set targets, focusing on the period 2021-2030. This will also include further developing target setting for our supplier engagement. We have started up a process to analyse and identify the suppliers covering the major part of the emissions in scope 3. A preliminary target is to engage our major part of our suppliers by spend to have set science-based targets by 2025.

Comment
The % of supplier-related Scope 3 emissions as reported in C6.5, is 0, because we haven`t fully developed our methodology for calculating emissions for Category 1, Purchased goods and services. We have conducted initial screenings and are working on improvement of the data quality.

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Climate change performance is featured in supplier awards scheme
Other, please specify (KONGSBERG is auditing our suppliers to verify compliance with our requirements, with selection audits being risk based)

% of suppliers by number
100

% total procurement spend (direct and indirect)
100

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
All our suppliers are included in our management process for the supply chain. Our engagement with our suppliers are risk based, and the rationale behind our engagement and incentivization, is to guide and help supplier as necessary in reaching compliance targets. KONGSBERG is auditing our suppliers to verify compliance with our requirements, with selection audits being risk based. When KONGSBERG identifies non-conformance, active measures are taken to address and close the issue. KONGSBERG are conducting annual supplier conferences where Responsible Business Conduct, including climate change, are included as central topics. KONGSBERG are also promoting and supporting industry organizations with similar seminars for our major suppliers.

Impact of engagement, including measures of success
All Business Areas in KONGSBERG has risk based annual audit plans for supply chain, and KPIs for conducting audits.

Comment
The % of supplier-related Scope 3 emissions as reported in C6.5, is 0, because we haven`t fully developed our methodology for calculating emissions for Category 1, Purchased goods and services. We have conducted initial screenings and are working on improvement of the data quality.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement
Run a campaign to encourage innovation to reduce climate impacts on products and services
Other, please specify (KONGSBERG are conducting annual supplier conferences , and do specific training for Resp. Bus. Conduct where Climate change is a significant topic. We are also promoting and supporting industry org. with similar seminars for our major suppliers.)

% of suppliers by number
50

% total procurement spend (direct and indirect)
50

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
All our suppliers are included in our management process for the supply chain. Our engagement with our suppliers are risk based, and the rationale behind our campaign to encourage innovation and reduction of their climate impacts is that we have identified most of the emissions in our value chain to come from our suppliers. This is a continuous, dynamic process. We use training and conferences to raise awareness in our supply chain, We acknowledge that the most material climate reduction in our operations is dependent on our suppliers cooperation.

Impact of engagement, including measures of success
We have included climate change strategies including target setting as KPIs for top management in all Business Areas.

Comment
The % of supplier-related Scope 3 emissions as reported in C6.5, is 0, because we haven`t fully developed our methodology for calculating emissions for Category 1, Purchased goods and services. We have conducted initial screenings and are working on improvement of the data quality.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Collaboration & innovation

Details of engagement
Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
1

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
The rationale behind the collaboration projects, is that together with our business partners we can innovate and commercialize digital, eco-friendly solutions which can replace older environmentally harmful technology.

Impact of engagement, including measures of success
Hybrid ships: KONGSBERG's hybrid diesel/battery installation reduces Hurtigruten's fuel consumption and emissions on its new Polar Expeditionary cruise ships. Hurtigruten and shipbuilder Kleven worked with KONGSBERG on MS Roald Amundsen and MS Fridtjof Nansen. The goal is to ensure they operate emission-free in sensitive areas while meeting environmental and reliability requirements dictated by the harsh polar conditions. A 'first phase' system onboard the Roald Amundsen reduces fuel consumption. Fridtjof Nansen features a larger capacity 'second phase' battery pack. This enables fully electric sailing across greater distances for longer periods and zero-emission port operation. Hurtigruten aims to upgrade the first ship to the same battery system. For zero-emissions mode, Kongsberg's SAVe Energy Storage system powers the complete system, eliminating the need for running engines. KONGSBERG's AZP 120L-PM thrusters provides propulsion and manoeuvring, whilst Kongsberg Maritime's electric power system, generators, motors, switchboards, power management system, ACON integrated automation system provides power. The Kongsberg Energy Management System provides real-time information about the vessels operation, fuel consumption and emission levels. The decision to invest in a hybrid solution was an important milestone in Hurtigruten's goal of sailing fully electric expeditionary ships in the Arctic and Antarctic. The technology, in combination with the design of the hull and effective use of electricity onboard, reduce fuel consumption by approximately 20 per cent. CO2 emissions are reduced by a similar amount equalling more than 3,000 tonnes of CO2 annually. The % of supplier-related Scope 3 emissions as reported in C6.5, is 0, because we haven`t fully developed our methodology for calculating emissions for all categories. We have conducted initial screenings and are working on improvement of the data quality.

Type of engagement
Collaboration & innovation

Details of engagement
Other, please specify (Collaboration in projects for proactive bio-fouling control on ships and offers the potential to reduce fuel costs and CO2 emissions on vessels.)

% of customers by number
0

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
The rationale behind the collaboration projects, is that together with our business partners we can innovate and commercialize proactive bio-fouling control on ships and offers the potential to reduce fuel costs and CO2 emissions on vessels. KONGSBERG works with Jotun to bring innovative solutions to market. The Jotun Hull Skating Solutions delivers an always clean hull and help ship operators combat early stage fouling, significantly reduce fuel costs, greenhouse gas emissions and the spread of

invasive species.

Impact of engagement, including measures of success
HullSkater is the first solution developed for proactive bio-fouling control on ships and offers the potential to reduce fuel costs by around US$3.6 million and CO2 emissions by 12.5% annually, on a typical vessel. The % of supplier-related Scope 3 emissions as reported in C6.5, is 0, because we haven`t fully developed our methodology for calculating emissions for all categories. We have conducted initial screenings and are working on improvement of the data quality.

Type of engagement
Collaboration & innovation

Details of engagement
Please select

% of customers by number
0

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
We are continuously working on developing a circular economy in our operations, giving customers the opportunity to return products when they have finished using them.

Impact of engagement, including measures of success
With this initiative, we are helping to reduce waste when systems become outdated, and making it possible to secure components for reuse and resale.

Type of engagement
Collaboration & innovation

Details of engagement
Other, please specify (Future proofing subsea services through low-emission, cost-effectiv remote and autonomous operations.)

% of customers by number
0

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Kongsberg Maritime and Massterly, which is a a joint venture between Kongsberg Maritime and Wilhelmsen; has established a unique partnership between a leading technology provider and an innovative shipping group. The aim for Massterly is to enable a shift in transport from road to sea; through cost-effective, safe and environmentally friendly logistics. Short-sea shipping is today competing with cheap, but polluting trucks that are stuck in traffic. Autonomy reduces operating expenses and opens up a new market for the maritime industry. The project, named Reach Remote, is carried out in cooperation with renowned industrial partners , and is also supported by a grant from Innovation Norway.

Impact of engagement, including measures of success
The first stage of Reach Remote is to introduce Unmanned Surface Vehicles (USVs) dedicated to survey, inspection, and light repair projects. These USVs will serve as mobile power banks, data centres and communication modules for underwater ROVs (Remotely Operated Vehicles), with both the USVs and ROVs operated from an onshore control centre. Features for both real time operator control and autonomous operations will be incorporated, as well as hybrid modes blending remote and semi-autonomous control. The goal is to be in the market with the first two USVs in 2022, with the ambition of providing a full portfolio of subsea services from a low-emission, cost-effective remote and autonomous fleet by 2025.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We are working with business partners in different projects, to form a whole eco-friendly concept. One example is the project with customer Hurtigruten and shipbuilder Kleven working with KONGSBERG on MS Roald Amundsen and MS Fridtjof Nansen.

The partners in our value chain who was part of this project were Klaveness shipping company, the (Norwegian) Institute of Marine Research and the Norwegian Shipowners' Association to develop a mapping concept for plastics in the ocean.

KONGSBERG also has a partnership with Norway's ministry of Climate and Environment to combat tropical deforestation .

Norway's Ministry of Climate and Environment has entered partnership with Kongsberg Satellite Services together with Planet and Airbus to provide universal access to high-resolution satellite monitoring of the tropics in order to support efforts to stop deforestation and save the world's tropical forests. The contract is valued up to 405M NOK (~$43.5M, ~37M €). Through this program, the coalition of three geospatial organizations will bring new technologies and transparency to advance the mission which is to protect the world's tropical forests and provide sustainable pathways to economic development for forest communities and countries. This unique and distinct partnership between the public and private sectors is the result of a comprehensive public procurement process led by Norway, with the ambition to utilize technology and data to help facilitate solutions towards the global challenge of tropical deforestation.

Another example is Satellites for monitoring illegal fishing. Illegal fishing is a global problem and a serious threat to fish populations and marine ecosystems. Kongsberg Satellite Service (KSAT) communicates with satellites every time they pass over the ground station on Svalbard. Much like the Troll research station in Antarctica, they receive information from the satellites that circle the Earth in as little as 100 minutes. In the fight against illegal fishing, these satellites can supply radar images or high-resolution images to identify vessels, etc. Combined with the AIS (automatic identification system), this can help detect vessels that are in places where they are not supposed to be.

Case study: HYSEAS - The world's first sea-going hydrogen-powered RoPax ferry and a business model for European islands The project is constructing and testing the vessel hybrid fuel cell power system at full scale and producing the final specification for the vessel fuelling infrastructure that will influence the transition to zero-carbon marine transport. Total funding for the project is MEUR 12.3.

Case study: AUTOSHIP – Autonomous Shipping Initiative for European Waters The project responds to EU's need to increase multimodal transport and relieve road congestion. It will develop, equip and run full scale operational demonstrations of autonomous functionality for two vessels and related shore control infrastructure, accelerating the future adoption and commercialization of autonomous shipping. Total funding for the project is MEUR 20.1.

Case study: NEXUS – Greener offshore wind operations The main objective of the NEXUS project is to develop new Service Operation Vessel (SOV) designs and business concepts to meet the urgent and growing needs of the offshore wind operations and industry. The project aims to reduce the costs of maintaining wind farms and thus securing the growth of offshore wind energy sector. New designs will contribute to a 30 per cent reduction in C02 emissions compared to existing vessels. Total funding for the project is MEUR 3.3

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Energy efficiency	Support	EVP Communication, Public Affairs and Sustainability is Chairman of the Board in Maritime Forum (Norway). Maritime Forum is an organisation that brings together the entire Norwegian maritime industry, with purpose and ambition is to influence an active maritime policy.	Examples for engagement: The Maritime Forum asks for a larger condoning scheme must be established for decommissioned Norwegian vessels. Maritime Forum expresses disappointment and misses bigger ambitions related to the Government's hydrogen strategy; The strategy, which is the first of its kind ever, will lay the groundwork for the government's further work on hydrogen. The NOx Fund is launching a support programme for fleet renewal in shipping with investment support for new buildings that replaces older ships with taxable emissions. The support is NOK 10 million per new build, with the possibility of higher support in some cases. A framework of up to NOK 300 million is set aside for the support programme.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?
Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
Norsk Industri (The Federation of Norwegian Industries which is part of the overall NHO (Confederation of Norwegian Enterprise).

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The largest association in Norway, within the NHO with 25 percent of the total employees (full time equivalents) in NHO member companies. The federation represents more than 2,850 member companies with approx. 127,500 employees. Member companies' interests are the Federation's main focus. The Federation of Norwegian Industries engages in the most important industrial and business policy issues of the day.

How have you influenced, or are you attempting to influence their position?
Group Executive Vice President Public Affairs, Communication and Sustainability is a member of the Board.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
Yes

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Group Executive Vice President Public Affairs, Communication and Sustainability is a member of the Board of Fafo which is an independent social science research foundation that develops knowledge on the conditions for participation in working life, organisational life, society and politics, the relationship between politics and living conditions, as well as on democracy, development and value creation. Fafo was founded by the Norwegian Confederation of Trade Unions (LO) in 1982 and reorganised to become a non-profit foundation in 1993.

KONGSBERG is a member of The Sustainable Ocean Business Action Platform of the United Nations Global Compact convenes leading actors from business, academia and Government institutions to determine how ocean industries can advance progress towards the Sustainable Development Goals (SDGs). The work of the platform also builds upon the Ten Principles of the UN Global Compact, which outline business responsibilities in the areas of human rights, labour, environment and anti-corruption.

KONGSBERG support the science centre Kongsberg Vitensenter, (Innovation Center) which is free to schools and kindergartens, where our employees can bring their children and experiment with drones, robots and visualisation. The centre is also used in connection with visits from local school classes and educational institutions and students that we collaborate with. Children are introduced to the natural sciences through play and experiments, as well as teaching modules in subject areas such as energy, mechanics, mathematics, technology and animation with more for the older ones. We collaborate with a number of lower and upper secondary schools, colleges and universities in Norway. Here we hold motivational lectures, invite people to visit the company, participate in career days and take on students for work placement.

KONGSBERG support selected student projects where the students wish to write their master's degree in collaboration with KONGSBERG.

KONGSBERG has collaborated with NTNU (Norwegian University of Science and Technology) world's first professorship in Big Data Cybernetics, which combines the fields of chemometrics and cybernetics. The agreement involves a five-year endowed professorship sponsored by KONGSBERG.

KONGSBERG is the main sponsor for two multi-disciplinary student projects at NTNU where students get to set theory into practice. The summer project SmartShip ran for the first time in 2018. The project is based on the zero-emission, electric, autonomous container ship, Yara Birkeland.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our business strategy is based on a business perspective, balanced with the sustainability perspective. The point is that there should not be any contradiction between the two – we are looking for solutions that are BOTH responsible AND profitable. KONGSBERG's business areas possess expertise and technology that will provide our customers with better opportunities to accomplish their goals on the path toward a more sustainable society. For instance, our products have the potential for large emissions savings for many of our customers.

Our governance system consist of a range of governing documents which are mandatory to comply with for all subsidiaries in the Group. The Business Areas implement the governing documents in their management systems, and follow up compliance through business reviews and internal audits. All Business Areas report risk based plans and results annually to the Group on climate, the supply chain, buildings and rentals etc.

Our direct and indirect activities supports the strategy, both in a short- and long term perspective. E.g. we are dependent on attracting the best resources and capacities to our operations; hence we are investing in education related activities within the area of natural-sciences.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
X
Kongsberg annual report and sustainability report 2020.pdf

Page/Section reference
Information on many of the content elements is found throuhout the report, but can also be found for Governance on page 89, Strategy page 89, Risks and opportunities page 88 and 90, Emission figures page 90, Emission targets page 87,

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment
Emissions reported in the annual report have been changed, due to an update in emission factors used.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	EVP Public relations, Communication, and Sustainability	Other C-Suite Officer

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

In the same way as we work with our suppliers, we will like to engage with our customers to answer to their questions about our operations. We have established our Supplier Conduct Principles to ensure safe working conditions throughout KONGSBERG's supply chain, ensuring that workers are treated with respect and dignity, impartially and fairly, that business operations are environmentally sound, and that business is conducted in accordance with internationally recognised principles and relevant international conventions (including UN global Compact, ILO conventions, OECD Guidelines for Multinational Enterprises, United Nations Guiding Principles on Business and Human Rights, and UN Conventions on Children's Rights). KONGSBERG expects all its suppliers to act in accordance with the Principles, and of course we will strive to act in accordance with them in all our operations. To reduce KONGBERG operational risks, we regularly perform commercial evaluations and screening of our suppliers. KONGSBERG expects our suppliers to familiarize themselves with KONGSBERG's values, which are available at www.kongsberg.com. KONGSBERG takes a partnership approach to suppliers in an effort to pursue the Principles by: Proactively seek continuous improvement on the part of suppliers within the areas covered by the Principles. If suppliers fail to comply with the standards in the Principles, KONGSBERG's general policy is to encourage improvement and not terminate the contract. We encourage rather than penalise suppliers that identify activities that do not measure up to these standards (by themselves or with subcontractors) and who agree to pursue improvements. We consider a similar ethical trading standard as a reasonable alternative, if suppliers are already working to achieve similar standards.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	25612000000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	NO	0003043309

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
U.S. General Services Administration - OMB ICR #3090-0319

Scope of emissions
Scope 1

Allocation level
Commodity

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
34

Uncertainty (±%)
10

Major sources of emissions
Direct emissions (Scope 1): Emissions from the use of fuel oil and gas for heating and processes, as well as from the production of district heating at Kongsberg Technology Park.

Verified
Yes

Allocation method
Allocation based on the energy content of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Climate and environmental data shall be reported from companies in which KONGSBERG own a share of 50% or more, and from all locations having more than 40 employees. Emissions are allocated according to relative share of customer revenue/total revenue.

Requesting member
U.S. General Services Administration - OMB ICR #3090-0319

Scope of emissions
Scope 2

Allocation level
Commodity

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
413

Uncertainty (±%)
10

Major sources of emissions
Indirect emissions from electricity (Scope 2): Emissions from electricity consumption and district heating or cooling from external suppliers. The CO2 emission factors used for electricity are location-based and in accordance with GHG Protocol Scope 2 Guidance.

Verified
Yes

Allocation method
Allocation based on the volume of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Climate and environmental data shall be reported from companies in which KONGSBERG own a share of 50% or more, and from all locations having more than 40 employees. Emissions are allocated according to relative share of customer revenue/total revenue.

Requesting member
U.S. General Services Administration - OMB ICR #3090-0319

Scope of emissions
Scope 3

Allocation level
Commodity

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
760

Uncertainty (±%)
10

Major sources of emissions
Emissions from flights and the transport of goods and products (Scope 3): Emissions from flights and emissions associated with the transport of goods and merchandise.

Verified
Yes

Allocation method
Allocation based on mass of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Climate and environmental data shall be reported from companies in which KONGSBERG own a share of 50% or more, and from all locations having more than 40 employees. Emissions are allocated according to relative share of customer revenue/total revenue.

Requesting member
Cellnex Telecom SA

Scope of emissions
Scope 1

Allocation level
Commodity

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
0

Uncertainty (±%)
10

Major sources of emissions
Direct emissions (Scope 1): Emissions from the use of fuel oil and gas for heating and processes, as well as from the production of district heating at Kongsberg Technology Park. Indirect emissions from electricity (Scope 2): Emissions from electricity consumption and district heating or cooling from external suppliers. The CO2 emission factors used for electricity are location-based and in accordance with GHG Protocol Scope 2 Guidance. Emissions from flights and the transport of goods and products (Scope 3): Emissions from flights and emissions associated with the transport of goods and merchandise.

Verified
Yes

Allocation method
Allocation based on mass of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
For Cellnex Telecom SA the sales for 2020 from Kongsberg are so low that allocation of all scopes results in 0. Climate and environmental data shall be reported from companies in which KONGSBERG own a share of 50% or more, and from all locations having more than 40 employees. Emissions are allocated according to relative share of customer revenue/total revenue.

Requesting member
Airbus SE

Scope of emissions
Scope 1

Allocation level
Commodity

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
34

Uncertainty (±%)
10

Major sources of emissions
Direct emissions (Scope 1): Emissions from the use of fuel oil and gas for heating and processes, as well as from the production of district heating at Kongsberg Technology Park.

Verified
Yes

Allocation method
Allocation based on mass of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Climate and environmental data shall be reported from companies in which KONGSBERG own a share of 50% or more, and from all locations having more than 40 employees. Emissions are allocated according to relative share of customer revenue/total revenue.

Requesting member
Airbus SE

Scope of emissions
Scope 2

Allocation level
Commodity

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
413

Uncertainty (±%)
10

Major sources of emissions
Indirect emissions from electricity (Scope 2): Emissions from electricity consumption and district heating or cooling from external suppliers. The CO2 emission factors used for electricity are location-based and in accordance with GHG Protocol Scope 2 Guidance.

Verified
Yes

Allocation method
Allocation based on mass of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Climate and environmental data shall be reported from companies in which KONGSBERG own a share of 50% or more, and from all locations having more than 40 employees. Emissions are allocated according to relative share of customer revenue/total revenue.

Requesting member
Airbus SE

Scope of emissions
Scope 3

Allocation level
Commodity

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
760

Uncertainty (±%)
10

Major sources of emissions
Emissions from flights and the transport of goods and products (Scope 3): Emissions from flights and emissions associated with the transport of goods and merchandise.

Verified
Yes

Allocation method
Allocation based on mass of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Climate and environmental data shall be reported from companies in which KONGSBERG own a share of 50% or more, and from all locations having more than 40 employees. Emissions are allocated according to relative share of customer revenue/total revenue.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Please see:

https://www.kongsberg.com/globalassets/corporate/investor-relations/annual-report/annual-report-and-sustainability-report-2020.pdf

Pages 91-94.

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer level	Development of a general accepted international standard for accurately climate and environmental accounting for each product/product line to be able to allocate and report emissions to our customers.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

We are working on further developing our internal processes for reporting Life Cycle Assessments at product level, including reporting on climate and environmental data.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?
No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?
No, I am not providing data

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms