



KONGSBERG

Human Rights Report 2023

#protectingpeopleandplanet

Human Rights Progress Report 2024

CEO Statement

In 2024 we celebrate 210 years as a company, and our purpose is to protect people and planet by innovating technology today for a better tomorrow.

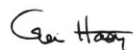
Respect for human rights has been vital to our business throughout the years and we are always focused on improving our impact on people, communities, and the society.

We live in a turbulent world with increased geopolitical tension and power rivalry, which unfortunately has led to reduced international cooperation and increased conflict-levels in many parts of the world, including the Middle east and Europe.

At the same time, the world is facing an escalating climate crisis, which has accelerated an extensive global energy transition where large amounts of renewable energy are being developed. This situation and transition has also consequences for nature, humans and their rights.

In today's changing and challenging world the protecting of human rights is more important than ever.

At KONGSBERG we want to make a difference. Our ambition is having respect and to be at the forefront of integrating human rights in our business and respecting human rights in practice.



Geir Håøy,
President & CEO



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Our Approach

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Respect for human rights at the core of our vision

Setting human rights objectives and standards has been and continues to be of strategic importance for KONGSBERG. We have embedded human rights due into our governance, strategies, day to day business and due diligence procedures.

Our human rights standards

Human rights are inextricably linked to our shared future and a fundamental aspect of our business.

We are committed to respecting internationally recognised human rights including forced labour, child labour and labour rights, as set out in the United Nations (UN) International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Governance

We have an established policy on human rights which links to the standards that we set out in our Code of Ethics and Business Conduct. We have also embedded human rights due diligence into our "Know your partner" process and audit programs.

Our Human Rights Policy, approved by the Board of Directors, governs how we treat people and underpins our commitment to operate responsibly whilst seeking not to cause or contribute to adverse human rights impacts. Governance is determined with tone from the top at a corporate level with the requirements being flowed down into the respect business areas through their business management systems.

We also flow-down fundamental principles of our human policy to suppliers through our Supplier Conduct Principles ('SCP'). The SCP is published on our website and is translated into six languages: English, Norwegian, Mandarin, Polish, Portuguese and Finnish.

Our human rights standards apply to all companies in the KONGSBERG group which are either wholly or majority owned. Each business area is responsible for compliance and implementation of the human rights policy.

We have established channels for our employees as well as externals to speak up and raise concerns and, a dedicated link to human rights requests on our website.

If a human rights impact is identified, we work to address it. In our supply chain, this is either bilaterally with our business partners or collaboratively with other stakeholders, depending on our influence and the scale of the impact.

Our Standards

Child labour

Diversity, inclusion and belonging

Environment and Climate

Fair reward

Health and Safety

Humanitarian Law

Minority Rights

Privacy

Resourcing and Mobility

Slavery, Human Trafficking and Forced Labour

Working time

[Read more about our standards on our website](#)

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Human Rights Impact Assessments

Each Business Area is required to perform Human Rights Impact Assessments. In performing assessments, we aim to review our business against international human rights standards and identify actual or potential human rights impacts. The aim is to take a 360-degree view of our entire value chain to understand both the inherent, actual, and potential risks. In performing this assessment, we will review our salient issues with a goal to achieve continuous improvement.

We have now completed a human rights assessment for each of our business areas. The assessments are used to enable us to take a risk-based approach to addressing potential risks.



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Human Rights Due Diligence

Our human rights impact assessments are supported by the due diligence that we perform. KONGSBERG shall conduct human rights due diligence across all business partners in line with the OECD guidelines for Multinational Enterprises to identify, assess, mitigate, and prevent human rights impacts. KONGSBERG's due diligence is risk based and our business partners are subject to continuous monitoring, periodic reviews, and where appropriate audits.

When human rights risks are identified they are considered, managed and/or remediated as appropriate. Given the complexity and interconnectivity of human rights, our due diligence process combines a wide range of compliance topics, including but not limited to bribery and corruption, sanctions and trade regulations and enforcements.

Risk Management

Significant risks are managed through the Enterprise Risk Management Process which is embedded in each business area and communicated up to corporate to get a holistic and resourceful approach from the complete KONGSBERG. The Board follows up risk management and internal controls through its annual plan and agenda. This includes a quarterly review of strategic and operational risks, central discretionary items related to financial reporting and non-financial compliance and climate related risks.





Our Business

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Our Operations

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 collaborates with global customers in the defence, energy, maritime, fisheries, renewable and aerospace sectors.

KONGSBERG as a group employed 13341 in 2023 of which 81 per cent were in Europe (10,785). We have a presence in 39 countries, but our head office and a significant part of our business is established in smaller communities across the Nordic region and is a significant employer with a large presence.

We have 4 established business areas: Defence & Aerospace, Maritime, Discovery and Digital. Other activities also include real estate, renewables and the corporate staff.

Through our activities, we create jobs, both directly through our own operations and indirectly through our supply chain. This helps to promote economic growth, welfare and the development of people and society. KONGSBERG prides itself with the positive impact it has on communities but also acknowledges the responsibilities for human rights that comes with such influence.

The human rights assessments made by the business areas covers a wide list of potential human rights risks and the following risks mentioned in this report is a summary of those risks. Some risks were found in all or several business areas and will not be repetitively mentioned.



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Supply Chain

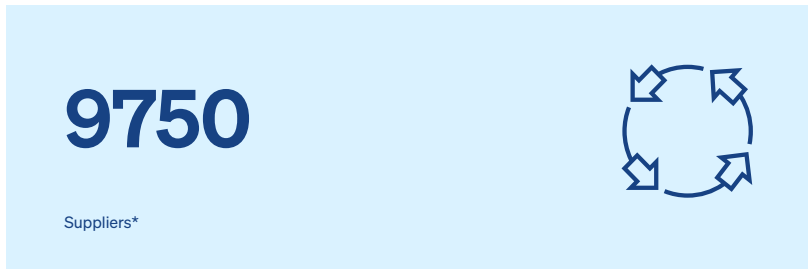
KONGSBERG have 9750 global suppliers, of which over 4000 are Norwegian.

We provide data related to our supply chain at a group level due to confidentiality requirements inherent to the defence aspects of our business.

Our operations positively influence job creation and security and foster advanced technology expertise among us and our suppliers, which also indirectly attract local investment. Our suppliers play a key role in our value creation, as we do in theirs.

We place great emphasis on having a sustainable supply chain that manages its social and environmental impacts responsibly. We aim to establish a socially responsible supply chain by collaborating with our suppliers, fostering sustainable job growth locally in our operational areas, and use local suppliers to the greatest extent possible, together with no tolerance for forced labour, discrimination, or corruption.

We seek suppliers who align with our values and adhere to our responsible business conduct requirements, outlined in our “Supplier Conduct Principles” included in our supplier agreements and purchase orders.



*To note: further 607 suppliers identified in KDI for further evaluation in 2024

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Our Business / Supply Chain

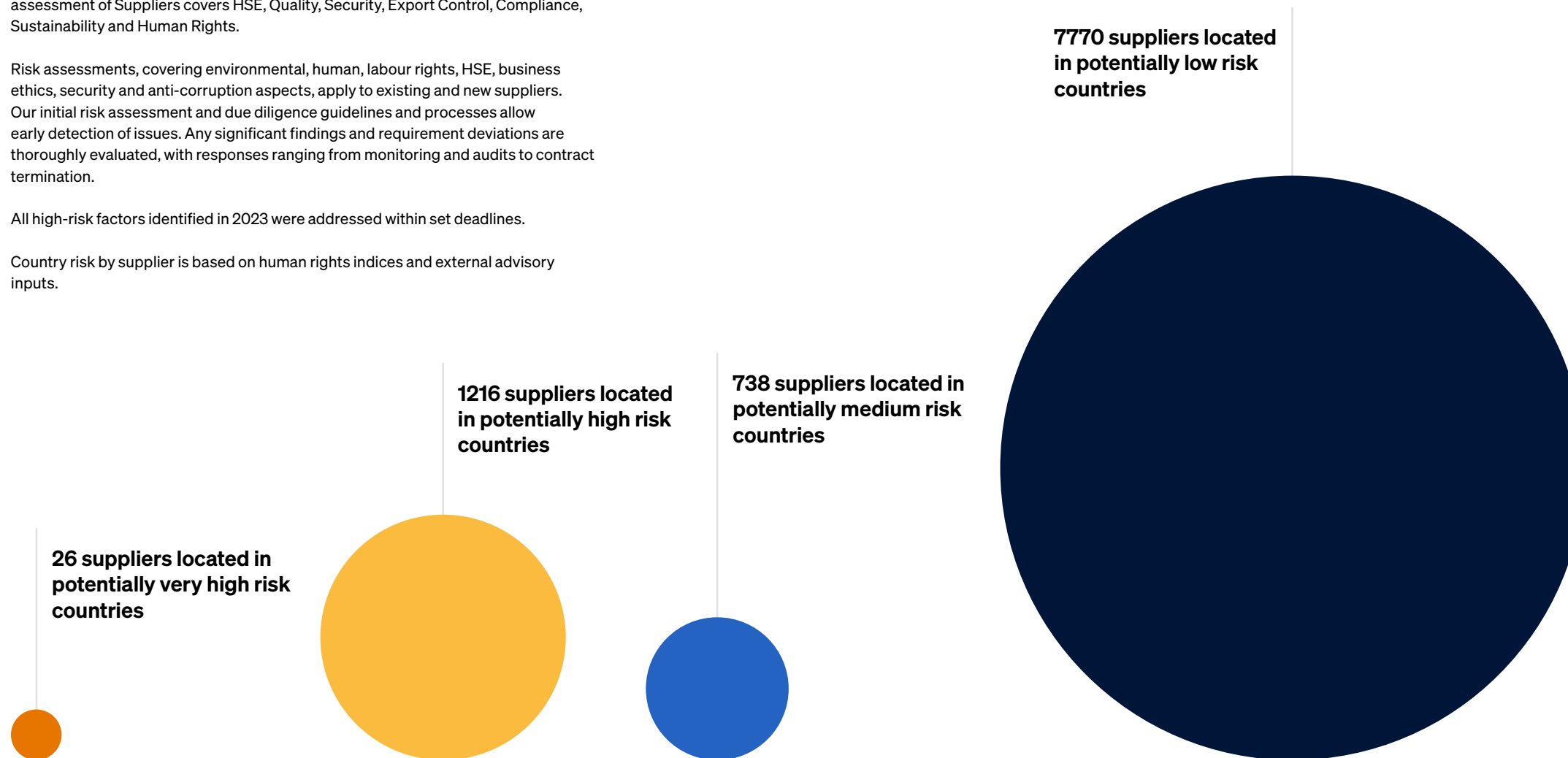
In 2023, our total global material costs were above NOK 15 billion (NOK 11 billion in 2022), of which purchases from our 100 largest suppliers accounted for around 62 per cent (75 per cent in 2022).

Our business areas have supplier risk assessment processes and systems. We categorize suppliers into risk classes based on factors including purchase volume, country, and dependency on purchased goods and services. Our ESG risk assessment of Suppliers covers HSE, Quality, Security, Export Control, Compliance, Sustainability and Human Rights.

Risk assessments, covering environmental, human, labour rights, HSE, business ethics, security and anti-corruption aspects, apply to existing and new suppliers. Our initial risk assessment and due diligence guidelines and processes allow early detection of issues. Any significant findings and requirement deviations are thoroughly evaluated, with responses ranging from monitoring and audits to contract termination.

All high-risk factors identified in 2023 were addressed within set deadlines.

Country risk by supplier is based on human rights indices and external advisory inputs.





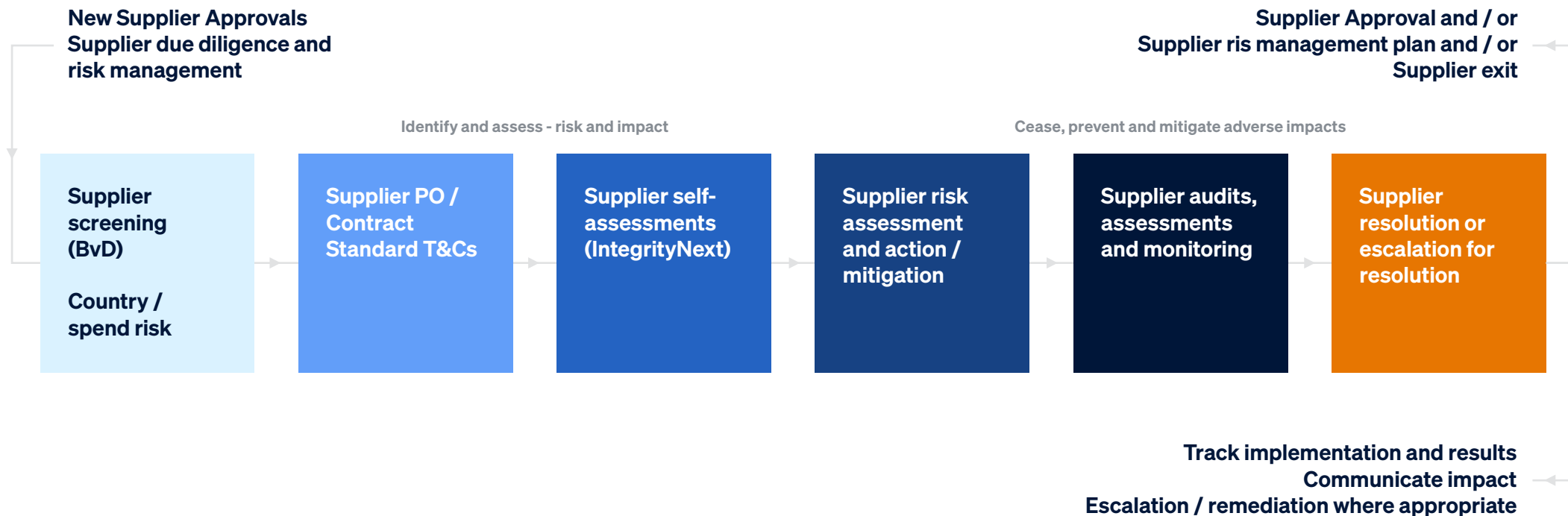
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In 2023, Supplier ESG due diligence and risk management has been undertaken by all KONGSBERG Business Areas for direct and indirect suppliers, according to the steps defined below.

Supplier ESG due diligence and risk management in 2023:

- 14 ESG-related high risks were identified and mitigated, from all Business Areas
- It was identified that two suppliers in high-risk locations had incidents in their facilities in 2023, not related to Kongsberg Maritime products or employees. These incidents were of a severe nature and Kongsberg Maritime did an on-site audit of both Suppliers. This led to findings which were later satisfactory closed, and it was agreed that the suppliers could continue working for Kongsberg Maritime.
- Overall 119 supplier audits were completed globally and 35 ESG-related audit findings identified were identified, assessed and mitigated.



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Kongsberg Maritime

Kongsberg Maritime aims to be a leading technology partner for the maritime industry. It is a particularly important role as marine industries now seek new energy solutions. From advanced offshore vessels to cruise ships, and from fishing vessels to high-tech naval vessels, we strengthen the entire maritime industry through ground-breaking technology and solutions. 2023 shows that we are on the right track. Together with customers and research partners, we solve technology challenges in new markets and make smart improvements to existing fleets and offshore installations.

Kongsberg Maritime conducted a human rights impact assessment in 2023 which considered its own operations and value chain.

To determine the inherent risks within the maritime industry we have assessed country risk ratings, risk factors and considerations from public sources covering human rights globally, including ILO, HRRD, BSR, WEF in addition to our operational data

We have then assessed inherent risks alongside data from day-to-day operations which included business partner due diligence, internal and third-party audits, health and safety statistics and concerns raised.

34 countries



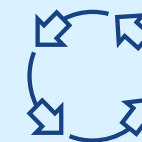
Operating in # of countries



6643

Employees

7300



Suppliers

Our Business / Kongsberg Maritime

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Country Risk

KONGSBERG Maritime operates globally, and our employees play a significant role in sourcing and supply goods and services responsibly and sustainably. We recognise that where and what our operations do can give rise to inherent risks.

Our Goal

Apply consistent human rights standards wherever we operate.

Key activities

We have established human rights standards which are applied across all locations where we operate, irrelevant of whether a specific country requires a lower standard.

We manage potential risks by performing an annual program of audits, site visits and testing. We assess inherent risk by considering both the country risk level and risk factors such as gender balance, percentage of temporary workers and the percentage of blue colour workers. We also consider site-based data related to concerns raised, compliance concerns, health and safety events and site assessments.

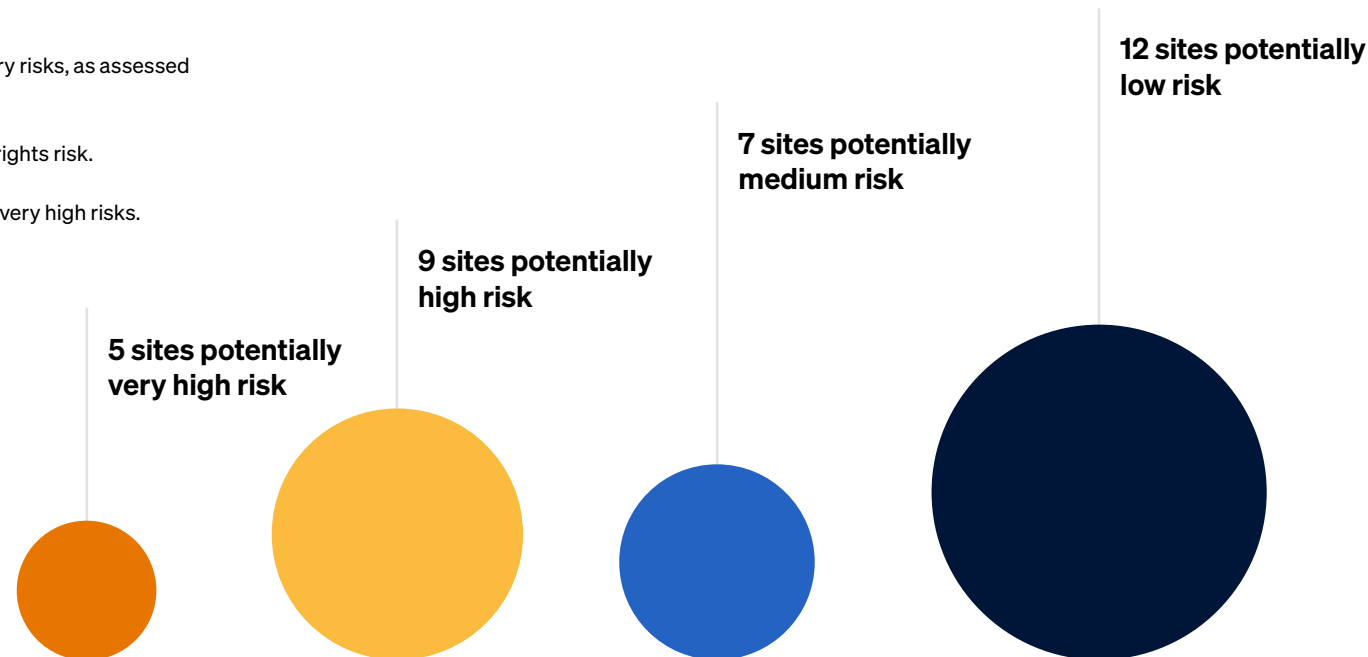
14 locations show a high or very high risk based on inherent country risks, as assessed in the human rights impact assessment.

316, out of 2,025 direct suppliers received a high inherent human rights risk.

No intermediaries or joint ventures were identified to have high or very high risks.



The map identify the presence of Kongsberg Maritime.



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Salient issues

Gender imbalance & Diversity

Globally women make up a smaller percentage of the workforce in the Maritime industry. Gender imbalance can be a key driver for gender bias in the workplace.

Our Goal

We are committed to equal opportunities and will not tolerate any form of discrimination. We shall attract, recruit, develop and retain a diverse and dynamic workforce with the right skills and mindset to support our overall business strategy and goals.

Key activities

This risk is inherent in large engineering companies such as Kongsberg Maritime. Nevertheless, Kongsberg Maritime has through 2023 taken proactive steps to improve the gender imbalance.

In 2023 our diversity, inclusion and belonging team ran a series of seminars, workshops and physical gatherings aimed at fostering a deeper understanding of all the aspects of diversity and promoting a more inclusive work environment. The participants included 45 leaders from different global locations of which were 40% female. The course also focused on aspects like neuro diversity and unconscious bias. The aim is that the recruiting workforce in Kongsberg Maritime should be educated and informed of the risks of biases, of stereotypes and that leaders should be more inclusive and open.

We have also focused on implementing a standardised recruitment process which includes checks and balances to ensure objective individual assessments based on technical competency, motivation, and personal fit.

Temporary Workers

Temporary, part-time or seasonal workers may be subject to unequal protection of benefits and working conditions (e.g., underpayment, lack of benefits) and is particularly represented in the Maritime industry.

Our Goal

Even though temporary workers are an inherent industry risk in the maritime industry, Kongsberg Maritime seeks to not actively use temporary workers. On the contrary we favor permanent workers in order to secure individual development and predictable deliveries to our customers.

Key activities

Of our workforce the temporary employees represent 2% compared with our permanent employees. When the occasion requires a temporary hire (irregular project, stand in due to leave of absence, etc) we ensure that these workers always have contracts in place which regulate wages, working hours and are generally provided with the same benefits as our permanent employees. On the whole, Kongsberg Maritime considers the risk of temporary workers to be low.

Supply chain in high risk locations

For Kongsberg Maritime, based on spend and country risk, China is the highest risk location with 395 suppliers.

Across Kongsberg Maritime, most direct suppliers are in low-risk locations.

Our Goal

We know who our suppliers and sub-suppliers are, and that we are ensuring our Supplier conduct principles are being followed.

Key activities

We have a degree of indirect suppliers that are located all over the world. Both direct and indirect suppliers are audited.

In 2023, extensive Sustainability and ESG training was completed with our Supplier auditors. An audit of internal supply chain in China was conducted in 2023. Based on data from 2023, none of the audits revealed any breaches of Human Rights in our suppliers. One major HSE incident was reported, as stated on previous summary.

For 2024, we continue to deploy our supplier due diligence process including supplier screening, self-assessments and supplier audits. Supplier engagement is through Webinars, Conferences, Site visits and training. For Chinese suppliers, Norwegian Transparency Act training is being conducted in Mandarin. We are continuing to improve our supplier risk management including focused audits and increased sub-supplier transparency.

For Kongsberg Discovery, the business has a low number of suppliers in high risk countries. The supplier due diligence and risk management process is being managed according to the same process as Kongsberg Maritime.

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A KONGSBERG Success Story

In India there were contingent workers that were working in the offices as utility workers. These workers had been seconded through an agency for several years, and the agency did not offer benefits such as insurance or pension plan. The leadership in India identified that this was not fair to personnel that had been working in our offices for a long time, so they made an agreement to permanently hire the contingent workers with all the benefits anyone in Kongsberg Maritime India would have.



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Kongsberg Discovery

Kongsberg Discovery develops technology to ensure sustainable management of marine resources, monitor climate change and critical infrastructure, and safeguard national security. The technology and solutions are aimed at areas such as offshore operations, fisheries, marine research, maritime operations, ocean-based energy production, as well as for the Navy.

Kongsberg Discovery operates in 17 countries, with legal entities in 7 countries and hosting agreements with Kongsberg Maritime in 10 countries. Kongsberg Discovery was previous a division in Kongsberg Maritime and therefore a part of the annual KM audit program throughout 2023.

Kongsberg Discovery was established in 2023 and will conduct a human rights impact assessment in 2024.

17 countries



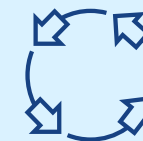
Operating in # of countries



1074

Employees

657



Suppliers



Our Business / Kongsberg Discovery

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Country Risk

Work in high-risk locations

KONGSBERG Discovery was created in 2023 and operates globally with legal entities in 7 countries and additional employees in KM locations by hosting agreements.

We recognise that where and what our operations do can give rise to inherent risks. We know that the technology industry is considered prone to certain types of issues and assess inherent risk by considering both the country risk level and risk factors such as gender balance, percentage of temporary workers and the percentage of blue colour workers.

Our Goal

Apply consistent human rights standards wherever we operate and have legal entities.

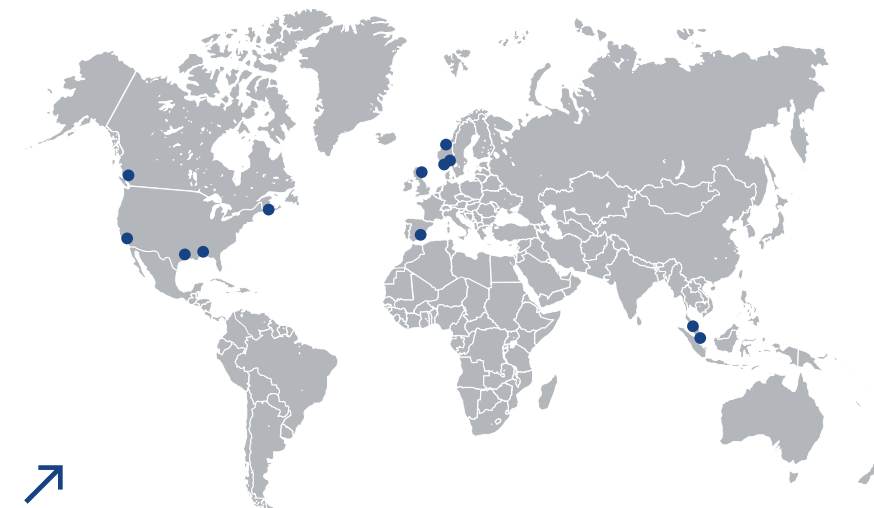
Key activities

We have well established human rights standards which are applied across all locations where we operate irrelevant of whether a specific country requires a lower standard.

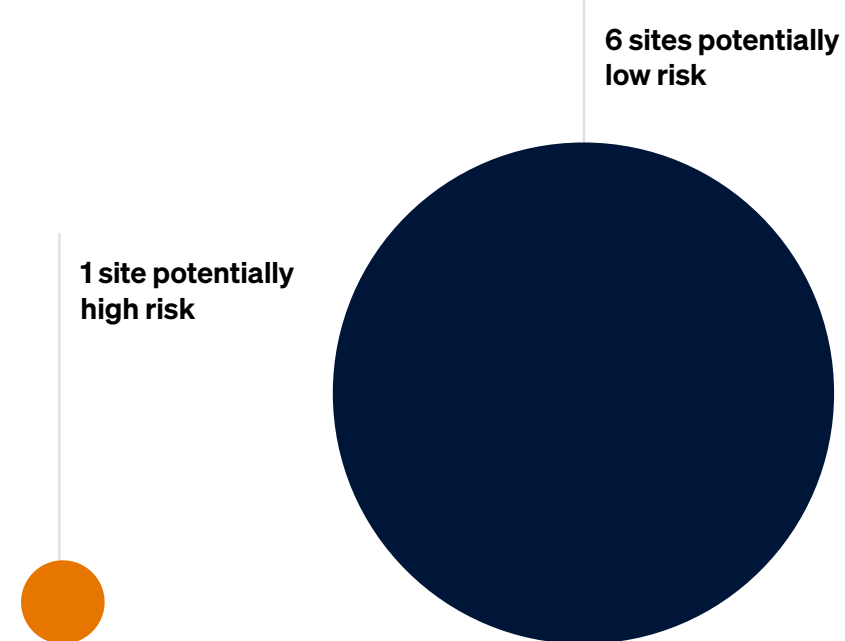
Since KONGSBERG Discovery is newly created, it has only had few audits during 2023. Plans for audits in 2024, as well as a human rights risk assessment is already established.

KONGSBERG Discovery is globally present with strategically positioned center of excellence in Canada, USA, Spain and Norway.

Out of 7 locations only 1 is considered to be a high risk based on inherent country risk.



Kongsberg Discovery is present in Horten, Trondheim and Oslo in Norway, in addition to Alicante in Spain, Aberdeen in Great Britain, Seattle, Houston and New Orleans in USA, Vancouver and Halifax in Canada, Kuala Lumpur in Malaysia and Singapore.



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Our Business / **Kongsberg Discovery**

Salient issues

Health, Safety & Wellbeing

As a result of our 2023 HSE risk assessments and monitoring activities we have identified that a lack of work-life balance, new tools and re-organization are additional risk drivers and are key risks to our employees' wellbeing.

Our Goal

We shall ensure a safe and healthy workplace for all. People are at the heart of our business so taking care of our employees, business partners and the communities we operate in is extremely important. To have great people who are engaged, reflect the communities they serve, are healthy and have opportunities to develop in their chosen field. As a company our employees wellbeing is important to us. We have established clear working standards both in our internal policies but also in our supplier conduct principals.

Key activities

Kongsberg Discovery has a high focus on HSE with special attention to near misses and observations. We have furthermore actively focused to raise management awareness of the staff well being, resulting in an action list consisting of better monitoring of working hours of employees and consultants, monitoring of working conditions and a structured process for follow-up of all employees in order to make sure we help enable a healthy work life balance. In addition, we have run mental health campaigns in 2023 and created a new procedure for vetting which is improving the preparations and following up employees working on deployment projects, which are considered to be particularly vulnerable.



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Kongsberg Defence & Aerospace

Kongsberg Defence & Aerospace's solutions protect people and critical infrastructure in countries worldwide. Our defence systems, including air defence, surveillance, tactical communication, weapon stations, and missiles are at the forefront of development, contributing to enhancing countries' ability to defend themselves against external threats. We are also a growing player in the field of space exploration, where we provide microsatellites, solutions for maritime surveillance, and critical equipment for expeditions to Jupiter and Mars

Kongsberg Defence & Aerospace conducted a human rights impact assessment in 2023 which considered its own operations and value chain.

To determine the inherent risks within the defence industry we have assessed country risk ratings, risk factors and considerations from public sources covering human rights globally, including ILO, HRRD, BSR, WEF in addition to our operational data

We have then assessed inherent risks alongside data from day-to-day operations which included business partner due diligence, internal and third-party audits, health and safety statistics and concerns raised.

16 countries



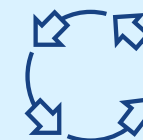
Operating in # of countries



4365

Employees

2105



Suppliers



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Country Risk

KONGSBERG Defence & Aerospace operates globally, and our employees play a significant role in sourcing and supply goods and services responsibly and sustainably. We recognise that where and what our operations do can give rise to inherent risks.

Our Goal

Apply consistent human rights standards wherever operate.

Key activities

We have established human rights standards which are applied across all locations where we operate irrelevant of whether a specific country requires a lower standard.

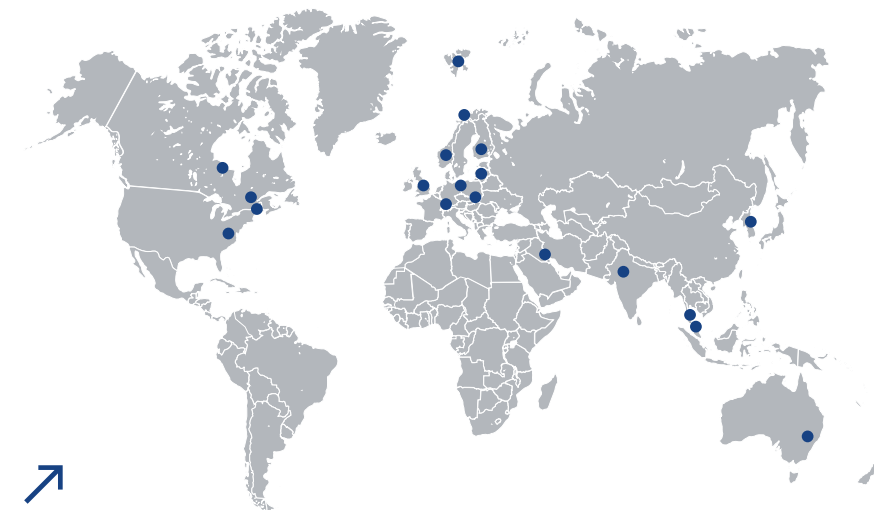
We manage potential risks by performing an annual program of audits, site visits, testing and employee feedback. We assess inherent risk by considering both the country risk level and risk factors such as gender balance, percentage of temporary workers and the percentage of blue colour workers. We also consider site-based data related to concerns raised, compliance concerns, health and safety events and site assessments.

Out of 5 locations where the risk assessment has shown a high or very high risk based on inherent country risk as well as input from internal assessment, Kongsberg Defence & Aerospace has over the past years conducted country audits.

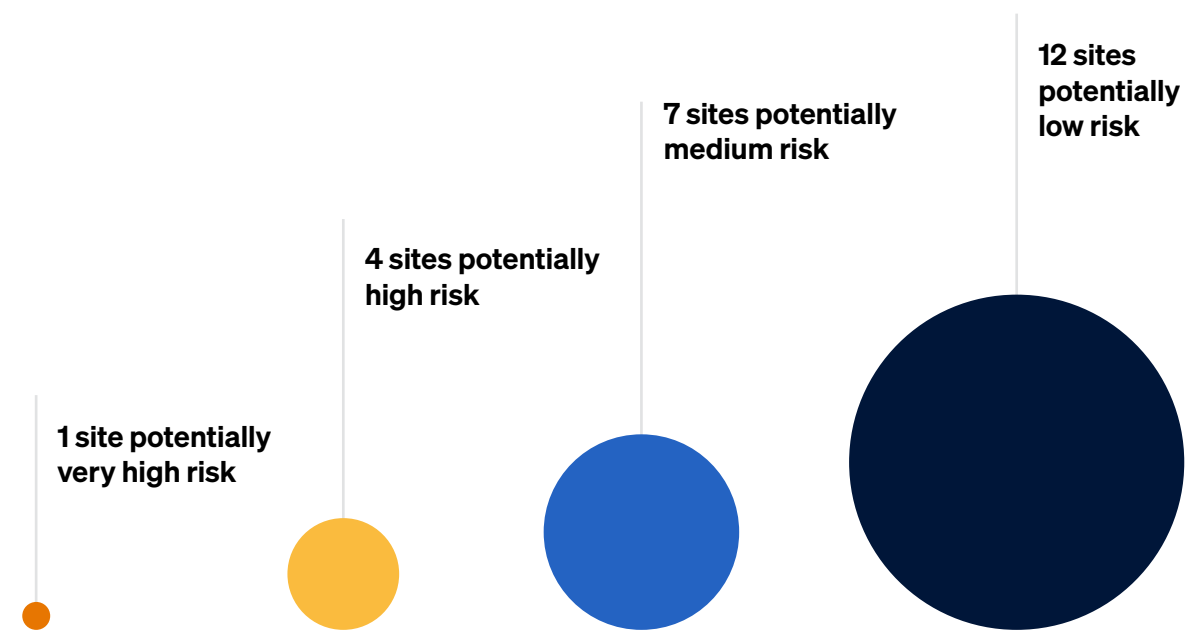
201 out of 788 direct suppliers received a very high, or high level inherent human rights risk score.

India is the only country in which KONGSBERG Defense & Aerospace is operating which has a very high human rights risk score.

17 Business Partners are registered and/or are operating in countries considered high-risk in terms of human rights.



Kongsberg Defence & Aerospace is present in 16 countries.



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Salient issues

Blue collar workers

Blue collar work often involve physical labor and is associated with occupational health and safety risks, as well as less employment rights and benefits. Kongsberg Defense & Aerospace has blue collar workers both within its own operations and the supply chain.

Our Goal

KONGSBERG aims to have safe and sound working conditions for all its employees and demands the same throughout the supply chain. Before entering into an agreement with a Business Partner, we shall know that the Business Partner's ethical standard is satisfactory for all types of workers.

Key activities

KONGSBERG have a strong and sound Supplier Code of Principles, ensuring adherence to human rights and decent working conditions throughout the supply chain. We also have mechanisms, such as audits and spot checks, to monitor compliance with these requirements and react to non-compliance, should that be necessary. Termination rights in the event of misconduct is one such mechanism.

The speak up campaign promoted during 2023 also help raise awareness of what to do if working conditions are not satisfactory and gives employees, both from KONGSBERG and in the supply chain, an easy way to access corporate awareness to such issues.

Low speak up culture

The number of concerns raised within the Defence & Aerospace was consistent but is regarded as low for a business of its size and structure. Therefore, whilst there has been an improvement from 2022 this remains a risk.

Our Goal

KONGSBERG encourages all employees and stakeholders to inform us regarding any potential ethical concerns or misconduct.

We believe that creating an environment where employees are comfortable raising issues and concerns without fear of retaliation enables openness which can lead to improved business performance and supports demonstrating our values.

Key activities

The promotion of speak up and ethics is a fundamental aspect of the compliance program. Communications and tone from the top related to speak up is a permanent requirement in our annual plan. In 2023 we introduced a new Speak-up campaign through posters, all-hands, management awareness, training of middle management. We have also developed new channels for employees to raise concerns including a QR Code and several links directly to our raising concerns platform.

In 2023 we also implemented a new case management system which enables us to more effectively establish trends and themes related to speak up as well as identifying countries or sites which specifically have low speak up.



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Kongsberg Digital

Kongsberg Digital is an industrial software company with a clear vision to shape the future of work for a better tomorrow. We enable heavy industries to work smarter, safer, and greener through data collection. By combining expertise, technology development, and domain knowledge, we extract valuable insights from industrial data. This enables us to transform heavy industries to reach net-zero emissions and more sustainable solutions. By connecting physical installations and collecting all data streams, we at Kongsberg Digital deliver an Industrial Work Surface that gives operators one common infrastructure for all decision-making throughout the value chain.

Kongsberg Digital conducted its first human rights impact assessment in 2022 which considered its own operations and value chain.

To determine the inherent risks within the industry we have assessed country risk ratings, risk factors and considerations from public sources covering human rights globally, including ILO, HRRD, BSR, WEF in addition to our operational data

We have then assessed inherent risks alongside data from day-to-day operations which included business partner due diligence, internal and third-party audits, health and safety statistics and concerns raised.

8 countries



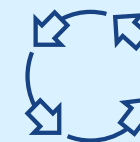
Operating in # of countries



1188

Employees

50



Suppliers



Our Business / Kongsberg Digital

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Country Risk

Work in high-risk locations

KONGSBERG Digital operates globally and consider our biggest supply chain risks to be linked to computer hardware and mechanical hardware. By computer hardware, we refer to computers, mouses, keyboards, headphones, and similar equipment for employees. By mechanical hardware, we refer to hardware purchased to be components in our simulator deliveries.

Our goal

Apply consistent human rights standards wherever we operate

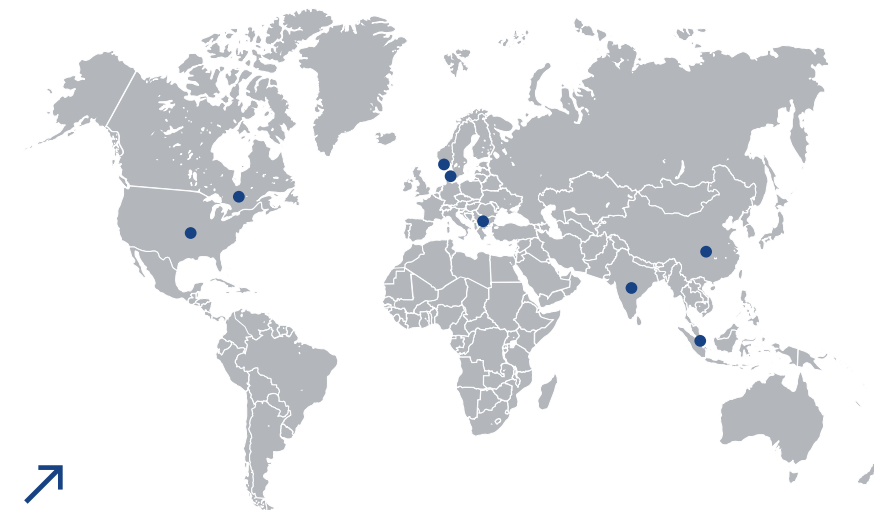
Key Activities

Increased management involvement has facilitated input from a bigger part of the organization and a wider set of tools available to receive input from employees and other stakeholders have led to a quality increase in our data available in 2023.

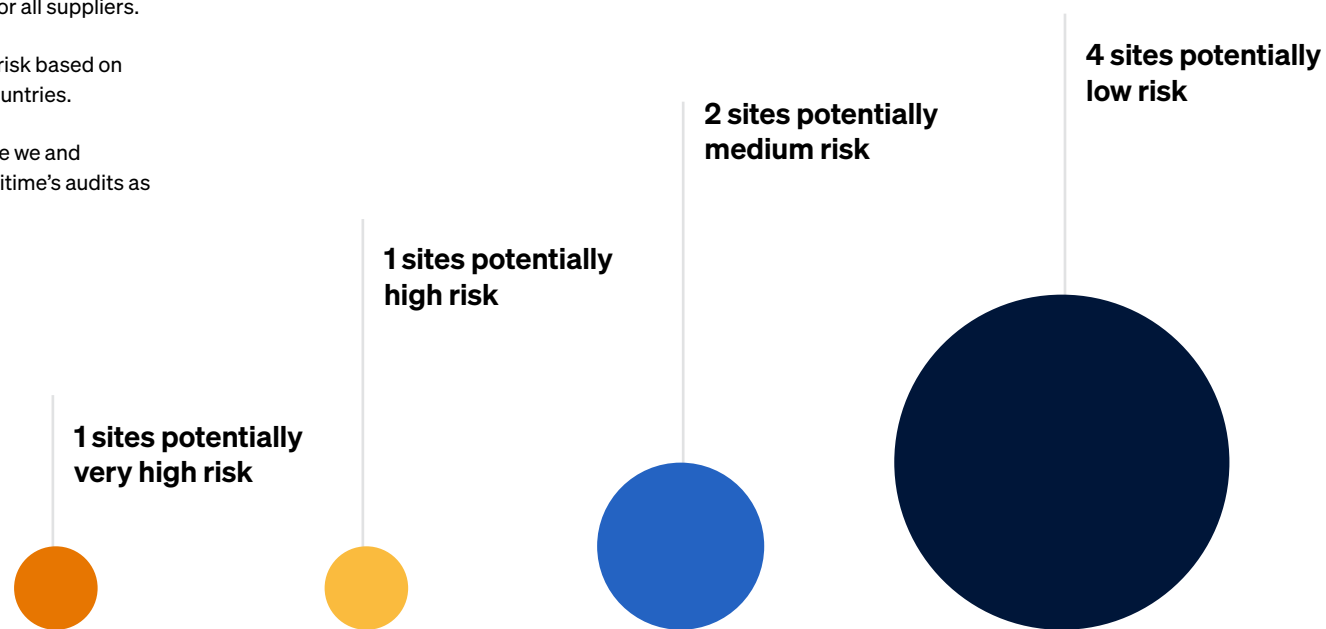
We have well established human rights standards which are applied across all locations throughout our supply chain. Compliance with KONGSBERG's supplier code of conduct is a mandatory part of our Non-Functional Requirements for all suppliers.

Out of 8 locations, the risk assessment has shown a high or very high risk based on inherent country risk as well as input from internal assessment in 2 countries.

We regularly conduct audits of suppliers in Norway and abroad. Where we and Kongsberg Maritime have the same suppliers, we use Kongsberg Maritime's audits as a basis to seek improvements in line with the "biggest user principle".



Kongsberg Digital is present in Oslo, Norway, as well as in Europa, USA, Canada, China and India.



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Salient issues

Discrimination & unequal opportunities

We recognize that unequal opportunities are evident in both the industries we work and the countries in which we operate. This risk was identified during risk workshops which were performed in 2022. In 2023 impact studies were undertaken in the form of bi-weekly pulse surveys with employees. Whilst no actual negative impacts were identified and substantiated in 2023, the feedback from the pulse survey in line with speak up concerns indicates that this remains a potential concern.

Our Goal

People are at the heart of our business so taking care of our employees, business partners and the communities we operate in is extremely important. To have great people who are engaged, reflect the communities they serve, are healthy and have opportunities to develop in their chosen field. As a company our employees wellbeing is important to us. We have established clear working standards both in our internal policies but also in our supplier conduct principals.

We are committed to equal opportunities and will not tolerate any form of discrimination. We shall attract, recruit, develop and retain a diverse and dynamic workforce with the right skills and mindset to support our overall business strategy and goals.

Key activities

In order to keep focus on these issues we have continued to work on management awareness and included bi-weekly pulse surveys in a software solution. To attract a diversified workforce we have created gender neutral vacancy announcements, and made sure our candidates are screened with the help of questions on inclusion and acceptance of all people. This is in order to safeguard a safe work environment for all employees in KONGSBERG. We have also conducted a salary benchmarking process and continue to work towards making manager oversight more accessible.

Mental health and safety

Impact studies we have done indicate a good focus on “traditional HSE” in our global operations, but that there is room for improvement when it comes to focusing on mental health. A first step has been to establish a mental health risk assessment for the organization.

The technology industry has a high risk of excessive workload. Excessive working hours over time can cause burnout or other mental distress, but also other conditions such as back pain or sleep deprivation. This risk is even greater in companies that are scaling up fast.

Our Goal

People are at the heart of our business so taking care of our employees, business partners and the communities we operate in is extremely important. To have great people who are engaged, reflect the communities they serve, are healthy and have opportunities to develop in their chosen field, this is a key cornerstone in our operations. We have established clear working standards both in our internal policies but also in our supplier conduct principals.

Key activities

In order to keep focus on these issues we have continued to work to collect data through bi-weekly pulse surveys for all employees, through management awareness and all hands meetings on mental health. This matter has been a focus area for our management and will continue to be focused on through leadership training in 2024. Employee satisfaction is a metric that the executive management is measured on continuously.

In October 2023, we marked the World Mental Health Day globally, in collaboration with KONGSBERG. The focus was on the importance of our workplace for our mental health and how small changes in our everyday behavior can contribute to our colleagues’ wellbeing. This is in order to safeguard a safe work environment for all employees in KONGSBERG.

Privacy

Privacy is an inherent risk in the technology industry as data is processed through cloud-based infrastructures across global operations. The global nature of our business across several legal regimes is an additional risk driver. As an organization growing fast, employees are using several different tools and systems where personal data is processed. This increases the risk.

Whilst no actual negative concerns were identified, this is regarded as a potential risk.

Our Goal

We shall carefully consider whether and how our products, services, or technology, including if altered, may pose a potential risk to the right to privacy. Where such risk is identified, we shall put in place measures to prevent or mitigate the risk.

Key activities

To prevent risk of privacy breaches, all employees must complete privacy training. We are SOC 2 compliant, which means that we have strict procedures and processes in place to ensure data security and privacy for our employees and customers. We have processes in place to assess the security of new software, integrations and solutions.



2023 Key Achievements and Findings

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4. Continuous Focus

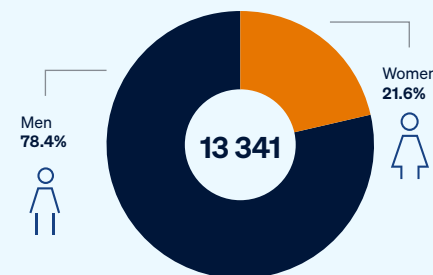
2023 Key Achievements and Findings

We started our human rights journey in 2006 but year on year build on our commitment to the UN Global Compact Initiative. Here are some of our achievements and highlights from 2023:

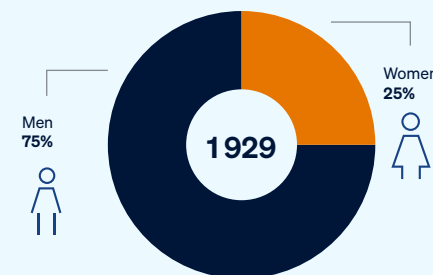
Diversity

- We strive to have a gender-neutral pay system. The ambition is stipulated in our global compensation guideline, which sets a goal of equal pay for women and men in equal positions, and with comparable competence and experience. For 2023, the average salary of female employees was 92 per cent of male salaries. The ratio represents our employees in Norway, but are representative given that Norway make up 60 per cent of all our employees globally. We achieved a 40% share of women recruited to managerial positions and have increased the share of women in the organisation in line with our longer term target to improve gender balance.
- 89% of employees globally completed performance appraisals in 2023.
- In our Maritime business, we launched a Diversity, Inclusion and Belonging Leadership program. We held 2 webinars and on physical gathering which was attended by 45 leaders from 13 different countries. The aim was to provide a platform to develop the skills and knowledge of our leaders in Diversity, inclusion and belonging.
- KONGSBERG are part of Norway’s Diversity and Inclusion network with other key businesses who come together to share good practise and initiatives to provide diversity and inclusion.
- We have established frame agreements with Unicus to ensure we have the resources and support for colleagues within our business with autism.
- KONGSBERG celebrated PRIDE.

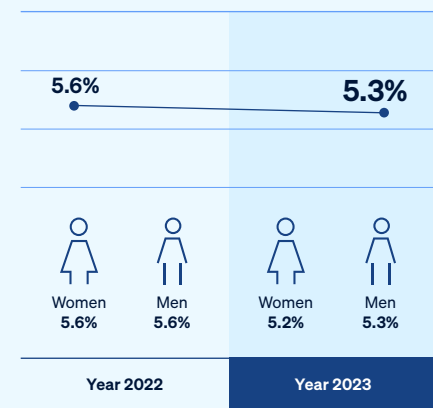
Total number of employees



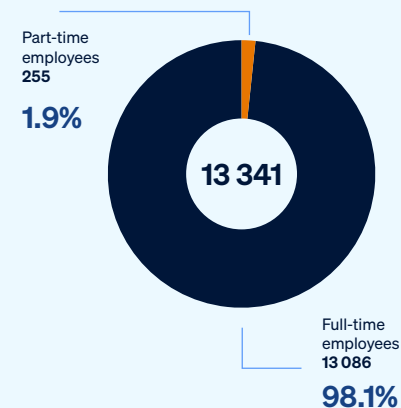
Total number of new employees



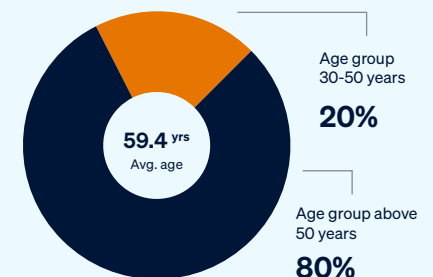
Total turnover



Number of employees



The Board



2023 Key Achievements and Findings

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Communities









- Every year we welcome students to work on different projects. In the summer of 2023, we had 146 summer students. These summer jobs provide students an opportunity to gain valuable experience and an idea of the opportunities after graduation, as well as a motivation to perform in their studies. The summer program is also an important recruitment arena in our search for young talents. We place particular emphasis on gender diversity in our recruitment. We will continue to evolve our efforts and initiatives to deliver on our mission as a company, while supporting women's employment in technology at the societal level.

Sustainability

- We received improved ratings from several external analysis providers and was once again recognised as an ESG industry Top Rated company by Sustainalytics.

KONGSBERG's socio-economic value creation in 2023 in our most important operating sites by region

	Number of employees ¹⁾	Number of suppliers	Total spend on supply chain	Value added ²⁾ (revenues)	Tax contributions ³⁾
Total (globally) in MNOK	13 341	9 750	21 190	40 617	1 049
Europe	10 785	82.0%	80.9%	50.8%	78.7%
Asia	1 509	6.7%	7.7%	17.3%	11.1%
North America	664	4.7%	10.3%	23.9%	6.0%
South America	205	5.4%	0.6%	1.8%	2.7%
Oceania (including New Zealand)	89	0.2%	0.3%	3.7%	1.2%
Africa	28	0.6%	0.1%	0.9%	0.4%
Middle East	61	0.3%	0.2%	1.5%	0.0%

	Score: A- (Score: B)		Read more on our website ↗
	ESG risk rating: 23.2 Medium Risk (Score: 24.0 Medium Risk)		Read more on Sustainalytics website ↗
	Score: A (Score: A)		Read more on Position Green website ↗
	Score: AAA (Score: AA)		Read more on MSCI website ↗

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2023 Key Achievements and Findings

Health and safety

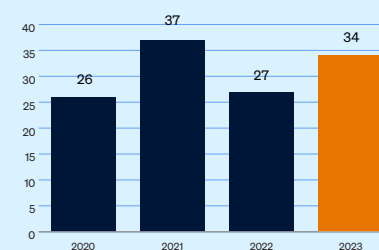
- We proactively work to identify and increase the number of reports of near misses and improvement reports with high risk and damage potential (HRI)3. We view positively the organisation's sharing of best practices and lessons learned from these incidents. In 2023, 12 HRI incidents were reported and followed up in accordance with our procedures, including the implementation of risk-reducing measures. All HRI incidents are reported to the Group management and the Board. We have improved the performance related to safety (TRI) and sick-leave, and our new tool for reporting of HSE incidents has contributed to improved reporting. TRI1) reduced to 1.92 for 2023, from 2.01 in 2022.

Value chain

- In 2023, approximately 200 of our subcontractors gathered for a conference, where selected HSE events were presented, best practices were shared, and our requirements and expectations for HSE were highlighted.
- 80% of suppliers registered for self assessment of social and environmental criteria
- In 2023, a total of 119 (104 in 2022) audits of our suppliers were conducted, including climate, environmental, social and governance (ESG) requirements. If necessary, we perform extended audits with a particular focus on ESG. We found no significant negative environmental and/or social impacts during the 2023 audits.
- We have continued to roll out our supply chain management system in IntegrityNext. The platform enables monitor risk, conduct due diligence and track key measures such as suppliers' CO2 emissions reporting and certification status to ISO 14002 Environmental Management.
- Our targets include a target for our suppliers' climate engagement, where two-thirds of our suppliers by spend are to set their own science-based targets for reducing CO2 emissions over the next five-year period. As of the end of 2023, we have achieved 15% of our target at the group level. We are on track to reach 22% of our target in 2024.

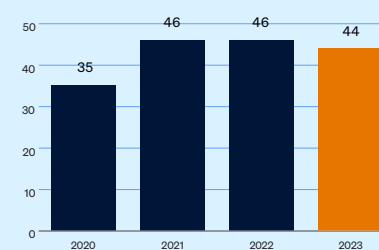
LTI-incidents

Total number of Lost-time-injuries per year



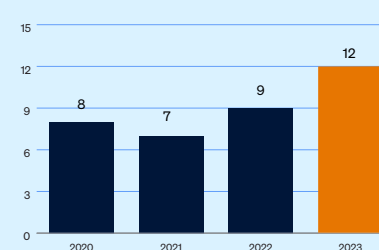
TRI-incidents

Total number of injuries per year

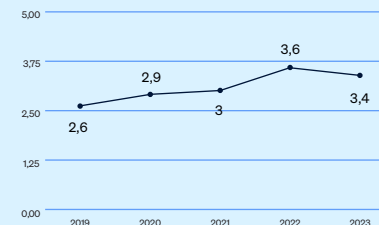


HRI-incidents

Total number of incidents per year

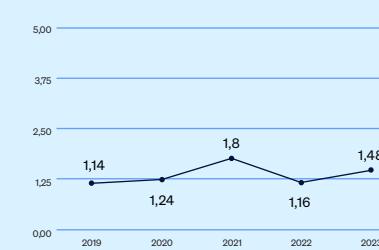


Sick leave Global



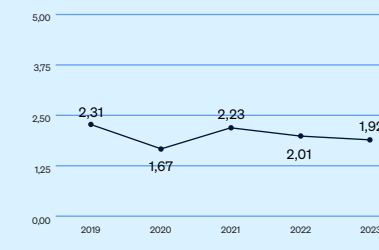
LTI-rate

Injuries per 1,000,000 hours worked



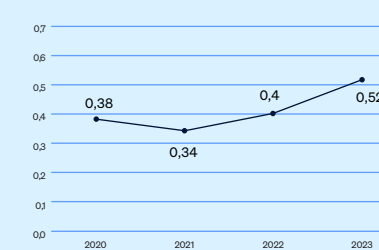
TRI-rate

Injuries per 1,000,000 hours worked

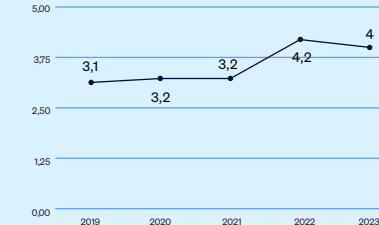


HRI-rate

Injuries per 1,000,000 hours worked



Sick leave Norway



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Engagement with Stakeholders

Feedback from our internal and external stakeholders plays an important role in forming our actions and ambitions to create sustainable value. The views of our stakeholders are important to determine our material topics. We have regular dialogue with stakeholder groups which include employees, investors, Governments, customers, local communities, suppliers, academia, research institutions and civil society. This ongoing dialogue gives us valuable insight into our stakeholders' interests and expectations and makes it possible to establish relationships built on respect and trust, which are essential to realise our ambitions and deliver our strategy effectively.

Stakeholders	Why we engage	How we engage	Prioritised topics
Employees	To create an understanding of our employees' needs and expectations, to ensure that their interests are taken care of. To inform employees about the strategic goals of the organisation, facilitate for high performance and wellbeing. Nurture a value-based culture.	Regular performance dialogues, employee surveys, townhalls, team building events, development initiatives, collaboration in various arenas.	Work-life balance, purpose-driven company culture, flexible working possibilities, health and well-being, diversity & inclusion, equal opportunities, and responsible business conduct.
Shareholders/investors	To communicate specific, regular, and consistent information on our company's activities supporting our shareholders/investors in taking informed decisions.	Dialogue through stock exchange disclosures, press releases, general assemblies, presentations and one-to-one meetings with both investors and analysts. External information on our website, such as annual reports, quarterly reports, and company presentations.	Climate and environment, supply chain, cyber security, governance.
Governments	To understand and impact regulatory frameworks affecting KONGSBERG.	Direct dialogue through meetings and other arenas, public hearings, and public discussion at events and in media.	Regulations and framework conditions, including technology development, market access, education, energy transition, and others.
Customers	To create a good understanding of our products and services, capabilities, and deliveries, and to build good relationships, partnerships, and trust.	Regular live and digital meetings with customers. Exhibitions, conferences, and other industry-specific arenas.	Technology, system integration and product offerings. Look after customer needs and deliveries.
Local communities	To build trust, understand local needs and expectations and ensure our license to operate.	Dialogue with local politicians, other businesses in our communities, NGOs working with local communities or business issues. Direct dialogue through meetings and other arenas, common events, and joint statements, press releases.	Local issues such as ensuring an attractive local community for potential employees and their families, business issues for local suppliers, education, and supporting local events.
Suppliers	We engage with our suppliers through daily business interface and strategic relationships to ensure good and productive collaboration, working towards responsible supply chain.	Direct engagement through meetings, webinars, site visits, and conferences.	Responsible supply chain, environmental and social issues.
Academia and research institutions	To ensure knowledge exchange, promote research, influence new areas of study, and motivate students.	Direct dialogue, collaboration initiatives, research programs.	Climate change, innovative technologies, research and development, collaboration.
Civil society	To inform, enhance and challenge our sustainability priorities. We exchange views and knowledge on relevant climate and environmental policies to align with the goals of the Paris Climate Agreement and promote sustainable ocean management.	Regular dialogue in meetings, locally and internationally. We engage in several arenas, including labour unions, industry associations, NGOs, and the UN system.	Sustainability related themes where we have a significant opportunity for positive impact such as climate change and threats to the environment and ecosystems. Topics across the ESG agenda such as responsible business conduct, employee relations and human rights.



Continuous Focus

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Continuous Focus

We have made some significant changes in 2023. As we embed human rights impact assessments into our annual compliance program we will continue to assess our salient issues.

We will continue to implement our annual audit program across different countries for both our own operations and the extended supply chain.

We will continue to look for ways to improve how we review risk to make sure we can identify any trends, root causes and remediate issues effectively.

The environment we operate in is dynamic so due diligence will be continuous to help us identify new and emerging issues. We will continue to develop our reporting to provide to a clear and transparent account of our progress in addressing human rights impacts whilst ensuring we respect the confidentiality and security requirements established in our business.

You can request further information in accordance with the Transparency act by contacting us at human.rights.requests@kog.kongsberg.com

If you identify a concern regarding KONGSBERG's business, you can raise it through our **whistleblowing hotline**.





KONGSBERG