



Chapter 3

# Sustainability Statement

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# General Information

## General Basis for Preparation

### Consolidation

The Corporate Sustainability Reporting Directive entered into force in the EU on 5 January 2023 and was implemented in Norwegian law on 1 November 2024.

As a listed company, KONGSBERG must comply with the regulation for the 2024 reporting period.

The sustainability statement for 2024 has been prepared on a consolidated basis with the same scope as the financial statement.

We have worked to establish the capacity and competence to meet the reporting requirements of the CSRD and ESRS over several years. To create a common ground of understanding and application we started the work as a project based top-down approach and have over time taken steps to move us in a direction of a process driven bottom-up approach. As an example, this year the functional owners at corporate took a more defined lead on the identification and assessment of material impacts, risks, and opportunities in connection with our third update of the double materiality assessment. This allowed for a wider involvement of functional owners at business area level and has contributed further to prepare them to deliver their own double materiality assessment during 2025. The strategic decision to move to a bottom-up process recognises the diversity of our business and the need for a tailored approach within each business area, while at the same time maintaining a unified direction for the Group.

### Value chain

This sustainability statement covers KONGSBERG's upstream and downstream value chains. The value chains were mapped as part of a circularity project in 2023 and were also applied in the update of the double materiality assessment performed during 2024. The identification of impacts, risks and opportunities was connected to relevant activities in the upstream- and downstream value chains, and own operations.

Our policies, actions and targets apply to the value chain for several reporting topics. Suppliers need to comply with the Supplier Conduct Principles, and we have internal directives that define the due diligence requirements for our upstream- and downstream value chains. To meet our sustainability targets and initiate appropriate actions, we depend on collaboration with value chain stakeholders. Examples are the

reduction of scope 3 emissions, ensuring of workers' rights in the supply chain, and development of strategy, products and business models.

### Estimation

The metrics presented in this report generally apply to KONGSBERG's own operations. However, some metrics under E1 Climate change (scope 3 emissions) and E5 Resource use and circular economy include the upstream- and downstream value chains. Estimations are disclosed with the relevant metrics where they are applied.

### Omitted information

As an actor in the defence sector, we are subject to the Norwegian Security Act. As such, it is important that we do not provide information that could help identify supplier or production locations. This affects the level of detail in information related to who is particularly vulnerable to our impact for our own employees, workers in the value chain and affected communities. We refer to countries and geographies to avoid the possibility of identifying locations.

Certain reporting requirements are phase-in requirements in 2024. We have chosen not to include information related to these, except a data point related to training and competency development for our own employees (number of employee surveys performed).

### Disclosures in Relation to Specific Circumstances

We disclose the required information necessary to understand the basis for our reporting as prescribed by the ESRS alongside the respective disclosure requirements. This includes:

- Deviations from ESRS definition of short-, medium-, and long-term time horizons
- Estimations related to upstream or downstream value chain data
- Quantitative and monetary amounts that are subject for a high level of measurement uncertainty

- Changes in preparation or presentation of sustainability information
- Errors in previous reports
- Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Requirements to comply with Norwegian Accounting Act section 2-2 are included in the sustainability report where relevant.

### Incorporation by reference

A list of disclosure requirements as an outcome of the materiality assessment and a table of data points that derive from other EU legislations, as required by IRO-2, are incorporated in the appendix to the Annual report on [page 195](#).

Description of significant groups of products and services, and significant markets and customers is reported on under the chapter on About KONGSBERG on [page 8](#). An overview of head count by geographical areas is presented in the Own workforce chapter on [page 85](#).



# Sustainability Governance

## Board of Directors

Name	Position	Gender	Categories	Board committee
Eivind Reiten	Chair of the Board	Male	Independent, non-executive	Compensation Committee (chair)
Per A. Sørli	Deputy of the Board	Male	Independent, non-executive	Audit and Sustainability Committee
Kristin Færøvik	Member of the Board	Female	Independent, non-executive	Audit and Sustainability Committee (acceded on 30 May 2024) Compensation Committee (resigned on 30 May 2024)
Merete Hverven	Member of the Board	Female	Independent, non-executive	Compensation Committee
Morten Henriksen	Member of the Board	Male	Independent, non-executive	Audit and Sustainability Committee (chair)
Kjersti Rød	Member of the Board	Female	Employee-elected	Audit and Sustainability Committee
Rune Fanøy	Member of the Board	Male	Employee-elected	Compensation Committee
Oda Ellingsen	Member of the Board	Female	Employee-elected	Audit and Sustainability Committee

KONGSBERG's Board is a unitary board that consists of eight members, including five independent, shareholder-elected members, and three employee-elected members. The Board maintains a balanced gender representation with 50 per cent female members. 62.5 per cent of the Board are independent, and all members are non-executive. The Board is composed to ensure that expertise with regard to sectors and geographic locations we operate in, our products, corporate governance, risk management, financial and non-financial compliance, and sustainability and ESG issues are covered as a whole. The Board members have extensive experience from related sectors such as offshore, resource-based industries, oil, energy, and software. All members are Norwegian citizens with backgrounds from Norwegian businesses with a strong international presence.

The Board actively engage to gain insight into the Group's business activities. In that connection, the Board makes excursions to different locations with the purpose to improve the Board's insight into the different commercial activities of the business.

See the separate report on corporate governance available from our [website](#).

## Roles and responsibilities

The Audit and Sustainability Committee is a preparatory body for the Board and consists of at least two shareholder-elected directors and one employee-elected director. Group Executive Vice President & CFO and the Auditor normally participate in the meetings. The President & CEO and the other Board Members are entitled to attend if they wish.

Sustainability related impacts, risks, and opportunities are the responsibility of the Board. The Audit and Sustainability Committee performs an oversight function to monitor progress on sustainability and compliance, and review internal control mechanisms. The responsibilities are reflected in our Corporate governance instruction for the Audit and Sustainability Committee. The management of impacts, risks, and opportunities is delegated to the Group Executive Vice President & CFO, who reports to both the Corporate Management Team and the Board, and regularly participates in the Audit and Sustainability Committee meetings. The Board and Corporate Management Team monitors the setting of targets and progress related to material impacts, risks, and opportunities through the Audit and Sustainability Committee meetings.

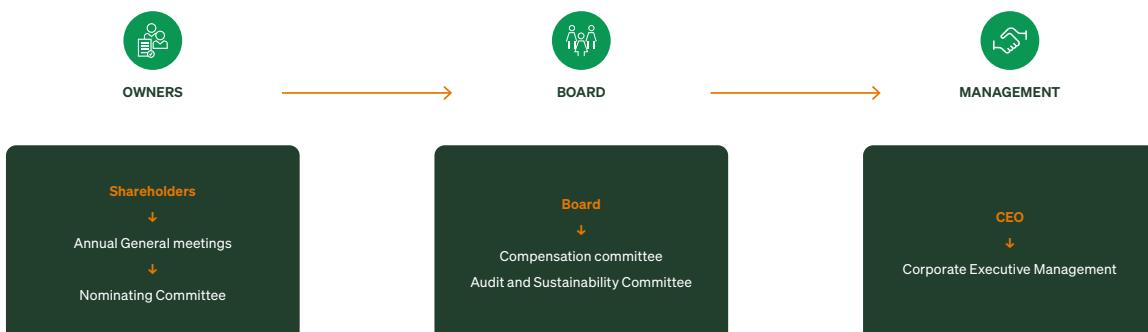
We have a decentralised management model featuring delegated responsibility for operations. As a result, the control function parallels the Group's management model, and it is the responsibility of the individual unit to make sure that it has the capacity and competence required to carry out responsible internal control. The Corporate Management Team and the functional owners at the corporate centre are responsible to ensure that the business areas have implemented the appropriate internal controls. An update to our Directive for internal control for financial reporting has been updated to also cover the scope of sustainability and will be applicable for the reporting for 2025.

## Directors' liability insurance

Kongsberg Gruppen ASA has a directors' liability insurance applicable to the company's board members, CEO, and senior employees. This insurance covers legal and financial claims directed at the board or management based on their actions in their respective roles. It applies to both the parent company and all subsidiaries of KONGSBERG where KONGSBERG holds more than a 50 per cent ownership stake. The insurance is placed with a reputable insurance company with a good rating.

## Skills and expertise

The need for relevant competence and experience for our Board and supervisory bodies is evaluated through the Boards annual self-assessment and the Nominating Committee makes evaluation in connection with nomination of new Board members. The Board has relevant experience related to the material sustainability topics from an



The Annual General Meeting elects five representatives of the owners to the Board based on a recommendation from the Nominating Committee. They are elected for a two-year term of office.

The Board decides in all significant matters and has overall responsibility for the strategy and management of the company. It provides advice and monitors management.

Strategy and operational management.



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industrial and strategic perspective. In-house specialist competence on climate-related issues such as Science Based Target initiative, GHG protocol and CDP reporting, is available both on administrative and management level. In addition, we have general competence on compliance, anti-corruption, export control, sanctions and security and cybersecurity. External specialists across all Environment, Social and Governance (ESG) topics are available through framework agreements. Administrative functions within sustainability and finance have undergone extensive external training. Courses and other relevant activities are offered as needed to secure that the Board has the appropriate ESG skills and expertise to secure sufficient monitoring of the relevant sustainability matters identified by our materiality assessment.

**Governance related to business conduct**

The Group has compliance functions at both a corporate level and in the business areas and these functions maintain a close collaboration. Similar to the financial reporting, the internal control is established in accordance with a decentralised management model. Our compliance programme is coordinated and monitored from a corporate level where routines have been established for notification and follow-up of any alleged misconduct. Our guidelines are continuously updated to ensure compliance with the Norwegian Working Environment Act and other relevant legislation. We have a whistleblower system with a web-based notification channel available to all employees globally, which allows for external notifications and secure anonymity for whistleblowers.

The Board follows up risk management and internal controls through its annual plan. This includes a quarterly review of strategic and operational risks, and central items related to financial reporting and non-financial compliance. Our values, and Code of Ethics and Business Conduct are an integral part of our operations, and we expect our employees and partners to demonstrate high ethical standards and compliance with applicable rules and regulations. We continuously work on systematic development and follow-up of important areas for compliance with regulations, rules and internal guidelines. We focus on the anti-corruption programme with emphasis on employee training, cooperation with business partners on anti-corruption measures, as well as training and review of market representatives. Further, we have a particular focus on export control and sanctions, along with robust processes to ensure compliance with Data Privacy regulations.

## Sustainability-Related Performance in Incentive Schemes

The Board's Compensation Committee functions as a preparatory body for the Board in cases relating to the remuneration of the President & CEO, and other members of the Corporate Management Team (CMT). The committee annually assesses whether the salary and remuneration schemes are appropriate and competitive. The remuneration shall be composed in such a way that it motivates to make an extra effort to the continuous improvement of the business and the company's financial performance. In addition, the remuneration shall be regarded as clear and acceptable both internally and externally. The schemes must therefore be transparent and in line with the principles of good corporate governance. Further, the remuneration shall be flexible to allow for adjustments when change is required, while also promoting a system that encourages collaboration. Detailed information on remuneration to the management and the Board will be presented in a separate Executive Management remuneration report 2024. The report will be published on our [websites](#) in connection with the notice of the Annual General Meeting.

Remuneration for members of the CMT consists of fixed and variable compensation elements. Variable compensation is made up of a bonus scheme (short-term incentive: STI) and a share scheme (long-term incentive: LTI). The purpose of the STI scheme is to motivate the participants to achieve the short-term targets that support the company's long-term strategic objectives and sustainable development. The scheme consists of four key performance indicators (KPIs) as illustrated below.



The President & CEO and Executive Vice Presidents have individual goals related to several sustainability topics, which account for 46 per cent of individual goals. Climate-related goals account for eight per cent of individual goals and are linked to Group climate targets to reduce absolute GHG emissions in own operations, as well as to achieve the annual target for the Supplier Engagement Program to contribute to have our suppliers to set their own science based targets aligned with the Paris agreement.

## Governance Over Sustainability Matters

The Board and the Audit and Sustainability Committee receive regular updates from the sustainability functions at corporate on material impacts, risks, opportunities (IROs), due diligence implementation, and the outcomes and effectiveness of policies, actions, metrics, and adopted targets. During 2024, sustainability matters have been on the agenda at the Audit and Sustainability Committee at three meetings throughout the year. The chair of the committee informs the Board on the minutes of meeting from these meetings. The functions in charge of the sustainability reporting have also presented to the Board the process related to the update of the double materiality assessment for 2024. Through these interactions, the Board is informed about both financial and non-financial impacts.

Sustainable change and operational excellence are core philosophies that underpin all our activities and processes in seeking to achieve long-term sustainable improvements that create value. Further, we have several Corporate directives that aim to include evaluation of sustainability in our decisions on major transactions and risk management processes:

- Directive for sustainability assessments in decision making, such as mergers & acquisitions, investments in financial positions, fixed assets and facilities
- Directive for compliance due diligence, risk management and follow-up of the supply chain
- Directive for compliance due diligence of business partners
- Directive regarding corporate approval of significant bids contracts and framework contracts

During 2024, the Board and its supervisory bodies have addressed IROs across all material topics. They have been involved in the approval of the double materiality assessment, reviewed and contributed to the strategy update process, engaged in updates related to compliance audits of suppliers and market representatives, and M&A due diligence processes.



## Sustainability Due Diligence

The following table shows where and how the application of the main steps in our due diligence process are reflected in the sustainability statement. We have established due diligence processes for sustainability assessments that target selection of suppliers and market representatives, as well as processes related to mergers, acquisitions, larger bids and contracts. The activities towards the supply chain is the main focus of the sustainability statement.

Core elements of due diligence	Paragraphs in the sustainability statement
(a) Embedding due diligence in governance, strategy and business model	<ul style="list-style-type: none"> <li>Sustainability related performance in incentive schemes, <a href="#">page 43</a></li> <li>Governance over sustainability matters <a href="#">page 43</a></li> </ul>
(b) Engaging with affected stakeholders in key steps of the due diligence	<ul style="list-style-type: none"> <li>Governance over sustainability matters <a href="#">page 43</a></li> <li>Stakeholder engagement <a href="#">page 48</a></li> <li>Double materiality assessment <a href="#">page 50</a></li> <li>Process for engagement for own workforce <a href="#">page 87</a> and <a href="#">93</a></li> <li>Process of engagement for workers in the value chain <a href="#">page 96</a></li> </ul>
(c) Identifying and assessing adverse impacts	<ul style="list-style-type: none"> <li>Double materiality assessment <a href="#">page 50</a></li> <li>Material impacts, risks and opportunities for: <ul style="list-style-type: none"> <li>Climate change <a href="#">page 56</a></li> <li>Resource use <a href="#">page 71</a></li> <li>Own workforce <a href="#">page 85</a> and <a href="#">92</a></li> <li>Workers in the value chain <a href="#">page 95</a></li> <li>Affected communities <a href="#">page 98</a></li> <li>Business conduct <a href="#">page 101, 103</a> and <a href="#">104</a></li> <li>Security and cybersecurity <a href="#">page 106</a></li> </ul> </li> </ul>
(d) Taking actions to address those adverse impacts	<ul style="list-style-type: none"> <li>Actions and resources for: <ul style="list-style-type: none"> <li>Climate change <a href="#">page 60</a></li> <li>Own workforce <a href="#">page 88</a> and <a href="#">93</a></li> <li>Workers in the value chain <a href="#">page 97</a></li> <li>Security and cybersecurity <a href="#">page 107</a></li> </ul> </li> </ul>
(e) Tracking the effectiveness of these efforts and communicating	<ul style="list-style-type: none"> <li>Targets and metrics for: <ul style="list-style-type: none"> <li>Climate change targets <a href="#">page 58</a> and <a href="#">64</a></li> <li>Own workforce targets <a href="#">page 89</a> and <a href="#">94</a></li> <li>Workers in the value chain <a href="#">page 97</a></li> <li>Security and cybersecurity <a href="#">page 107</a></li> </ul> </li> </ul>

## Risk Management and Internal Control Related to Sustainability Reporting

Sustainability reporting according to ESRS requires detailed disclosures across Environmental, Social, and Governance (ESG) factors, involving several functional owners at corporate. The data to be reported are both qualitative and quantitative. Quantitative data relies on robust data collection processes across various systems, while qualitative data often requires meticulous documentation and analysis, as it is not recorded on an ongoing basis. Even though the quantitative data are covered by existing internal control mechanisms, we identified a need for system support that enabled an effective consolidation of quantitative data and ability to document internal control mechanisms for qualitative data. As a result, we acquired and implemented a new disclosure management solution during 2024. Our new disclosure management solution secure that all material disclosure requirements are covered and that the reporting undergoes a review process to secure accuracy.

The existing risk assessment approach includes presenting the material topics to the CMT and Board, as well as reporting streams for numerical data points related to climate, HR, HSE, compliance, and security and cybersecurity. Key challenges related to the reporting of the 2023 data has been highlighted to the Audit and Sustainability Committee during 2024. For the 2024 risk prioritisation we rely on past experience and general market maturity on an ESG topical level.

The Enterprise Risk Management (ERM) system addresses sustainability reporting risks on a quarterly basis. Findings and updates are regularly communicated to the Board, ensuring ongoing oversight and alignment with strategic objectives.

Our directive for internal control was revised in 2024 to also cover sustainability data, the change is valid from 2025. This will among other things add an improved risk prioritisation methodology. The updated directive sets requirements for integrating the findings of risk assessments and internal controls in the internal control function. A directive related to climate data reporting has also been updated during 2024 that will introduce quarterly reporting of key elements of our climate accounts as well as waste management starting from Q1-2025. The reporting of climate-related data relies on a number of assumptions and newly established reporting structures and is targeted for additional controls in our 2025 reporting cycle. An improved data collection process has been put in place that makes use of an improved and tested data model, as well as increased attention to evaluate year-over-year changes in reported data. In more general terms, the following key risks and mitigation strategies have been identified:

### Key risks

- Completeness and integrity of data
- Accuracy of estimations
- Availability of upstream and downstream value chain data
- Timing and availability of information

### Mitigation strategies

- Upskilling and raising awareness among staff
- Reporting from key locations and units
- Continuous improvement of data and methodologies
- Engagement with the Sustainability Forum



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# Sustainability Strategy, Business Models and Value Chain

## Sustainability Related Goals and Strategy

### Connection to strategy and main challenges ahead

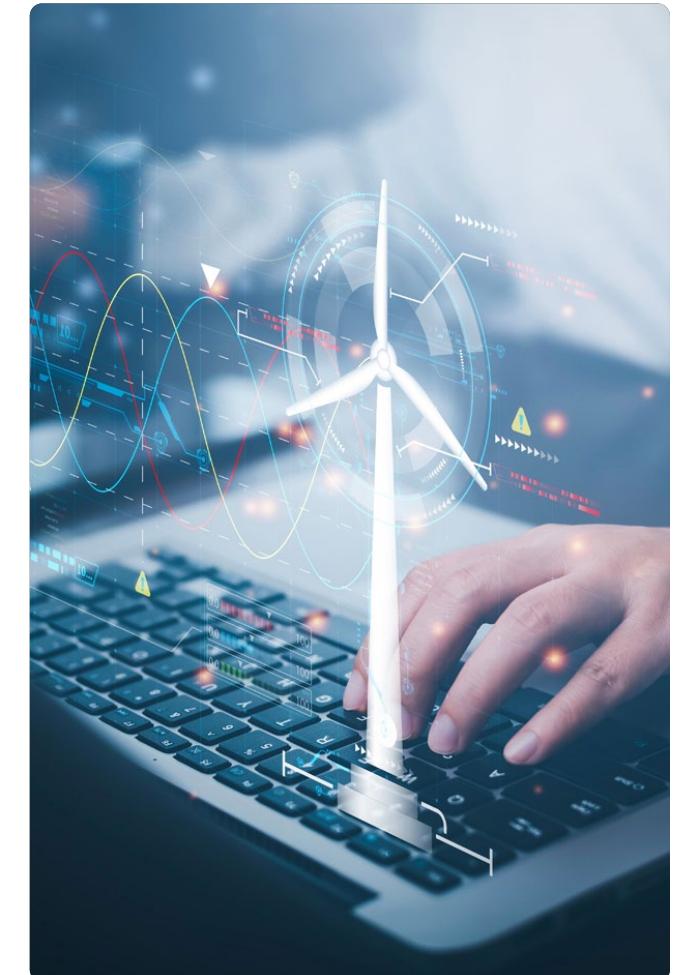
KONGSBERG's strategic ambition is to be a group of leading technology companies, delivering advanced technology solutions to solve critical challenges for our customers that enhance and support the security and safety of people in our society and contribute to a more sustainable future.

"Sustainable change and operational excellence" and "A thriving workplace" are two of the focus areas of our strategy that relate to our impact on environment, employees and societies. Sustainable change and operational excellence are core philosophies that underpin all our activities and processes. We aim to move the company in a sustainable direction and focus on improvements and solutions that create lasting value for our customers and society as a whole. We value our people as our most important resource. We shall have a skilled, dedicated, and diverse workforce and a safe and thriving culture that encourages for agility and collaboration which allows for our employees to perform at their best.

Meeting our growth ambitions while simultaneously delivering on our sustainability-related goals will raise challenges for us. From a climate perspective, we have ambitions to reduce our GHG emissions across the entire supply chain. As we grow, we will have a larger and potentially more complex value chain to manage. We must ensure that we continue to build a robust and resilient supply chain with suppliers who are also committed to sustainable change. Collecting and analysing sufficient and relevant operational data remains a challenge in being able to measure our progress to achieving our goals.

Our customers and suppliers can be affected by changes in attitude and market sentiment towards sustainability-related themes. This can have an impact on the speed of transition and the willingness to pay for more sustainable solutions. It is key that reliable and clear requirements, regulations and incentives are in place to assist in the uptake of solutions, technologies and practices that support sustainable change.

As we grow, we must ensure that we are correctly organised and prepared for an increasingly diverse workforce, with a broader range of demands and needs.



### Sustainability goals

Our sustainability-related goals relate to all our business areas, across all geographies. The goals are not dedicated to specific product or services, customer categories or relationships with stakeholders. We are well positioned to capture leading positions in fields such as green shipping, offshore wind, security and surveillance, sustainable ocean management, environmental monitoring, and digitisation of heavy industry. Circularity and decarbonisation form a basis in the development and design of new technology. Each of our business areas contributes to the decarbonisation and digitalisation transitions, and capturing relevant opportunities is a core part of our strategy.

The table on the right summarise our sustainability goals across environmental, social and governance (ESG) dimensions. Further details about our work within each of these areas is described in the topical chapters of this sustainability statement.

Topic	Sub-topic	Long term target	Target description	Affected stakeholders	
<b>Climate change</b>	Climate change mitigation	Net-zero emissions from our value chain by 2050	55% reduction in absolute scope 1GHG emissions from 2019 by 2030.	Nature <sup>1</sup>	
			Engage 67% of suppliers (by spend) to set their own science-based targets by 2027.	Nature <sup>1</sup> Suppliers	
			25% reduction in absolute GHG emissions from the use of sold products from 2021 by 2030.	Nature <sup>1</sup> Customers	
			30% reduction in GHG emissions (per employee) from non-chargeable business travel by plane from 2019 by 2030.	Nature <sup>1</sup> Own workforce	
	Energy		25% reduction in GHG emissions (CO2e per tkm) from transport and distribution from 2019 by 2030.	Nature <sup>1</sup> Suppliers	
			100% of annual procurement of electricity from renewable sources annually by 2030.	Nature <sup>1</sup>	
			25% reduction in energy consumption (per employee) through energy efficiency measures from 2019 baseline by 2030.	Nature <sup>1</sup>	
<b>Own workforce</b>	Working conditions	A thriving workplace	Reduce total recordable injuries rate (TRI) to 1.82 for 2025.	Own workforce	
			Reduce sick leave to 3.4% for operation in Norway in 2025.	Own workforce	
			Not exceed turnover <sup>2</sup> of 4.5% in 2025.	Own workforce	
			92% of employees should have formal performance review with immediate manager in 2025.	Own workforce	
	Equal treatment for all		Engage 100 people for job training in 2025.	Own workforce	
			Increase the share of women in the organisation to 23% in 2025.	Own workforce	
			Maintain share of women recruited to managerial positions on level 1-3 of 35% in 2025.	Own workforce	
<b>Workers in the value chain</b>	Working conditions and other work related rights	We are committed to responsible business conduct throughout our business and value chain	70% of suppliers assessed for Human Rights and Labour requirements each year.	Suppliers	
			At least 130 supplier audits to be completed in 2025.	Suppliers	
	Corporate culture, corruption and bribery		All business areas should update their actual human rights risk assessment in 2025.	Business partners, suppliers and own workforce	
			100% of senior management should complete declaration regarding any actual or potential conflicts of interests in 2025.	Own workforce	
			70% of employees should complete declaration regarding any actual or potential conflicts of interests in 2025.	Own workforce	
			100% of business areas should be external audited with third-party certification each year.	Own workforce	
			100% of emergency personnel should complete four trainings per year.	Own workforce	

<sup>1</sup> Nature is considered a silent stakeholder

<sup>2</sup> Only includes employees who have chosen to resign. Employees who leave due to retirement, involuntary termination or internal job changes are not included.



## Business Model and Value Chain

We collaborate with over 13,400 global suppliers, including more than 5,000 based in Norway. Our suppliers are key in our value creation, just as we are in theirs. In the supply chain, we depend on workers in the value chain, the communities surrounding our suppliers, as well as nature as a silent stakeholder. Our own operation involves a range of activities, such as product and system assembly, product testing, software and product development, as well as design and prototyping. Our employees, academic and research institutions, investors, and customers represent some of the most critical stakeholders related to our own operations.

Our products and services reach the market through various distribution channels, including direct sales, partnerships and alliances, online platforms, market representatives and dealers. At the end of our value chain are our customers and end-users, which include ship-owners and yards, energy companies, governments and public institutions, and defence organisations. Our customers, governments, and communities that are impacted by the use of our products are important stakeholders in our downstream value chain. At our products end of life, we aim to ensure effective

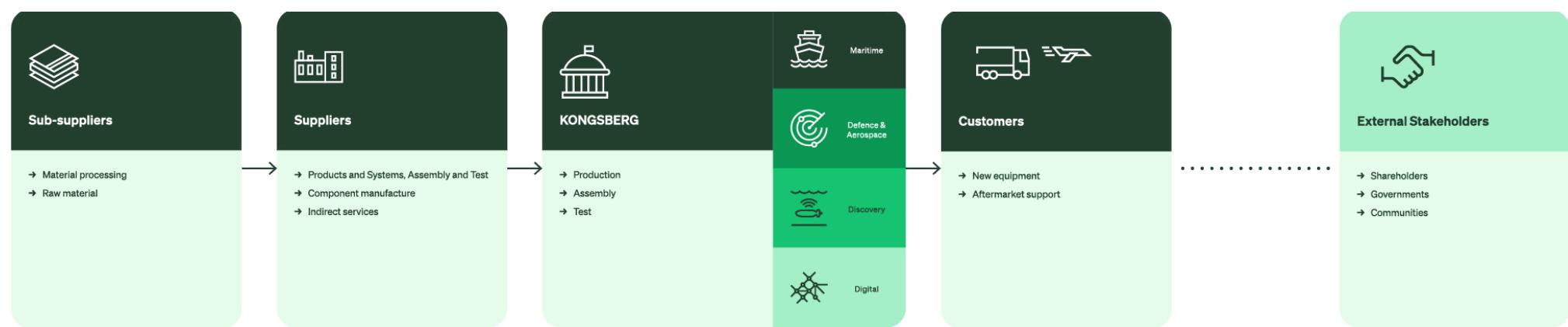
waste management. This includes promoting circularity through maintenance, overhauls and repairs to enhance product lifetimes, as well as recycling and material recovery.

### Inputs

Raw materials, such as steel, iron, aluminium, composites, and titanium, are inputs for developing our advanced technologies and solutions. These raw materials are processed into critical components, including parts and assemblies, castings and forgings, electrical equipment and cables, and hydraulics. The supply chain for these input factors involves a network of direct and indirect suppliers. To ensure a secure and reliable supply, our business areas implement rigorous supplier risk assessment processes and systems. Suppliers are categorised into risk classes based on criteria such as purchase volume, country of origin, and dependency on the supplied goods and services.

We maintain active engagement with our suppliers through daily operations, as well as through conferences and webinars that address commercial, and environmental, social, and governance (ESG) aspects of our business relationships. Our procurement practices are aligned with industrial and security policies, ensuring that we uphold high standards of integrity and sustainability throughout our supply chain. By fostering open dialogue and collaboration with our suppliers, we aim to enhance the resilience and sustainability of our operations.

KONGSBERG is a group consisting of companies who delivers advanced technology solutions to solve critical challenges for our customers. We are involved in activities such as software and product development, design and prototyping, product and system assembly along with product testing. Our organisation is built on knowledge and expertise, valuing our people as our most important resource in delivering our strategy and purpose and creating value for our customers and stakeholders. The commitment, expertise, and cooperation from all our employees is essential to providing the best



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solutions to our customers. Therefore, we invest in their development, well-being, and career growth, striving to be an employer that offers opportunities, challenges, and recognition to allow our employees to perform at their best.

## Outputs

Delivering advanced and reliable solutions that enhance safety, security, and performance in complex operations and extreme conditions is at the core of our mission. Our business model is centred around innovation and sustainability to provide superior benefits to our customers, investors, and other stakeholders.

For our customers, we offer cutting-edge technology and comprehensive support, ensuring operational efficiency and reliability. Investors benefit from our strong financial performance, diversified portfolio, and commitment to sustainable growth. Additionally, we foster employee development and maintain robust supplier relationships. We believe that long-term shareholder value is best achieved by addressing risks and opportunities from environmental, social, and economic perspectives, and by engaging openly and transparently with all stakeholders. Our purpose, "to protect people and planet by innovating technology today, for a better tomorrow," guides our actions and ensures that we continue to create value for all.

## Engagement with Stakeholders

Feedback from our internal and external stakeholders plays an important role in forming priorities, actions and ambitions to create sustainable value. As part of the double materiality assessment, the perspectives of stakeholders were considered by an internal working group that engage directly with our most important stakeholders. The members of the working group are in regular dialogue with stakeholders, which gives us valuable insight into their interests and expectations. This makes it possible to establish relationships built on respect and trust, which are essential to realise our ambition and deliver our strategy effectively. In addition, these dialogues are enhanced by desktop research on topics relevant for stakeholders to ensure we gain a thorough understanding of their interests. The Board and supervisory bodies are informed about the views and interests of stakeholders through the double materiality assessment and regular updates.

Stakeholders	Why we engage	How we engage	Prioritised topics	Outcome of engagement
<b>Employees</b>	To create an understanding of our employees' needs and expectations, to ensure that their interests are taken care of, to inform about the strategic goals of the organisation, and facilitate for high performance and well-being. Nurture a value based culture. Secure a competent workforce that contribute to our growth ambitions.	Regular performance dialogues, employee surveys, townhalls, team building events, development initiatives, collaboration in various arenas, recruitment activities towards students and other potential employees.	Work-life balance, purpose driven company culture, flexible working arrangements, health and well-being, diversity and inclusion, equal opportunities, and responsible business conduct.	<ul style="list-style-type: none"> <li>Monitoring of employees' well-being, and motivation through performance dialogue and engagement surveys</li> <li>Investment in learning management system and HMS system</li> <li>Offer flexibility to ensure a good work-life balance</li> <li>Focus on diversity and social responsibility in recruitment</li> <li>Summer project and summer jobs for students</li> <li>Affected communities identified as material topic</li> <li>Creating a thriving workplace is one of the focus areas of KONGSBERGs strategy</li> </ul>
<b>Shareholders/investors</b>	To communicate specific, regular, and consistent information about our company's activities that support 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, cybersecurity and governance.	<ul style="list-style-type: none"> <li>Setting a SBTi climate target</li> <li>Expanding our Cyber Security Center</li> </ul>
<b>Governments</b>	To understand and impact regulatory frameworks affecting KONGSBERG.	Direct dialogue through meetings and other arenas, public hearings, and public debates at events and in media.	Regulations and framework conditions, including technology development, market access, education, energy transition, and others.	<ul style="list-style-type: none"> <li>Continuously strengthening ESG reporting and developing first CSRD aligned report for 2024</li> <li>EU Taxonomy reporting</li> <li>Interaction and collaboration with Norway's leading trade unions, business organisations, NGOs and think tanks</li> <li>Product development</li> <li>Participation in EU research programme and access to funding</li> </ul>
<b>Customers</b>	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.	<ul style="list-style-type: none"> <li>Product development that focuses on energy saving, electrification, and digitalisation.</li> </ul>
<b>Suppliers</b>	We engage with our suppliers through daily business interface and strategic relationships to ensure a good and productive collaboration, working towards responsible supply chain.	Direct engagement through meetings, webinars, site visits, and conferences.	Responsible supply chain, inducing quality, health, environment, safety, human rights, compliance, security and export control	<ul style="list-style-type: none"> <li>Global deployment of risk-based supplier due diligence, including self-assessments and audits</li> <li>Supplier engagement and collaboration to meet business and governance requirements</li> <li>Integration of requirements in procurement processes and training</li> </ul>
<b>Academic and research institutions</b>	To create knowledge exchange, promote research, influence new areas of study, and motivate students.	Direct dialogue, collaboration initiatives and research programs.	Climate change, innovative technologies, research and development, and collaboration.	<ul style="list-style-type: none"> <li>Collaboration and partnerships with leading research environments worldwide</li> <li>Collaboration to promote competence development in Kongsberg together with USN</li> <li>Access to funding from the Research Council</li> <li>Yearly case competition at universities (USN and NTNU): Your extreme</li> </ul>
<b>Civil society</b>	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.	<ul style="list-style-type: none"> <li>Increased engagement in UNs Ocean Stewardship Coalition</li> <li>Improved sustainability reporting</li> <li>Added focus on human rights</li> <li>Improved communication of values and ambitions</li> </ul>

As part of the double materiality assessment, affected communities and workers in the value chain were identified as stakeholder groups. Currently, we do not have a process to engage directly with these groups. Our channel of raising concerns is open for everyone, including affected communities. More details about our channel to raise concerns is provided in the Governance chapter on [page 101](#).



Sustainability Statement / General Information / **Sustainability Strategy, Business Models and Value Chain**

## Resilience of Strategy

KONGSBERG is committed to ensuring the resilience of our strategy and business model across environmental, social, and governance (ESG) dimensions. Our approach includes regular updates to both the Board and the Corporate Management Team on global macro trends, supported by an annual strategy process. We have completed an evaluation on the resilience of our strategy, which includes a comprehensive review of macroeconomic, geopolitical, and social developments, focusing on identifying material impacts, risks, and opportunities related to ESG factors. We employ scenario testing and engage external consultants to provide insights and validate our strategies, allowing us to anticipate potential challenges and adapt accordingly. Our analysis considers various time horizons to ensure both short-term agility and long-term sustainability.

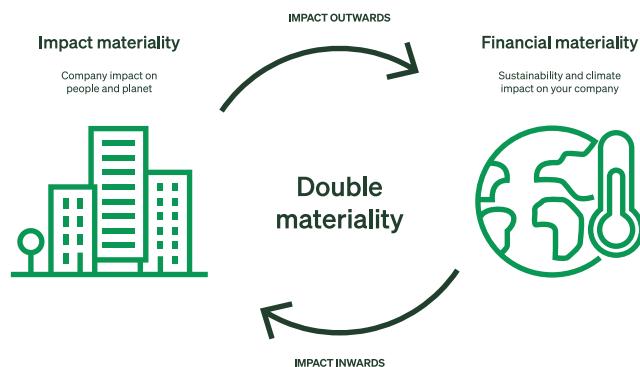
As a Group, we maintain a dynamic approach to external changes and developments. We perform regular quarterly reports, ensuring that the Corporate Management Team and business areas are informed of developments that may impact our operations. Our Public Affairs team and subject matter specialists across the Group stay updated on trends relevant to their areas of expertise. A sustainability forum has been established to assist in coordinating ESG-related discussions across the Group. In addition, both our Board and the Corporate Management Team are regularly updated through our Enterprise Risk Management process.

Through our resilience analysis we address material impacts and risks while capitalising on opportunities across the ESG spectrum. In the analysis, we applied the same time horizons as for our climate risk analysis. Qualitative assessments contribute to identify key areas for strategic focus, ensuring that our business model remains robust and competitive. Quantitative insights, where applicable, support decision-making and strategic planning. Detailed information on the resilience of our strategy in light of climate change is provided in the Climate change chapter on [page 56](#).



## Double Materiality Assessment

During 2024, we conducted a comprehensive double materiality assessment. Our assessment was conducted through a process that aimed to manage (identify, assess, prioritise and monitor) potential and actual impacts on people and the environment, as well as risks and opportunities that may have financial effects on the company. This process included our own operations, supply chain, and downstream activities and involved participants from various functions across the business areas to ensure a holistic approach. The methodologies and assumptions for the double materiality assessment are consistent with the principles and guidance of the ESRs. Our process has evolved over the last years to incorporate existing analyses, such as the GRI materiality assessment and TCFD-aligned climate-related risk analysis, which serve as inputs for the 2024 assessment. The management of impacts and risk is integrated in the Enterprise Risk Management process and part of our general risk management process.



### Phase 1: Understand

In this phase, we mapped our value chain activities within a sustainability context. The value chain was divided into main activities, each associated with various impacts, risks, and opportunities across environmental, social, and governance topics.

### Phase 2: Identify

Actual and potential impacts, risks, and opportunities across the entire value chain were identified. This was achieved by leveraging existing sustainability knowledge and engaging in dialogue with internal and external stakeholders. The focus was on mapping impacts and dependencies, and identifying risks and opportunities linked to these.

### Phase 3: Evaluate

In this phase, we evaluated and scored the identified impacts, risks, and opportunities based on their consequence and likelihood. This evaluation followed a structured methodology, assessing the significance of each impact, risk and opportunity to determine its priority level.

### Phase 4: Decide

We established thresholds for material topics using a matrix approach. This allowed for the inclusion of high consequence but low likelihood impacts, ensuring a nuanced and precise analysis. The matrix helped identify which impacts, risks and opportunities were material and required further attention.

In the previous years of the double materiality assessment update, focus has been to build a common expertise and methodology across the organisation. These efforts will continue while we shift from a top-down project execution to a bottom-up process-driven approach. Previous work to map stakeholders and value chains has been reviewed and we have updated the media analyses to secure a solid foundation to the identification of material topics. In 2025 we will continue the journey to establish the process bottom-up, and during the year the business areas will perform their own double materiality assessment to validate and update the corporate assessment.

The management of impacts has considered relevant activities, business relationships, geographies and other factors across the business areas. We apply a dynamic approach to how our business relationships are considered in the impact assessment based on their relative dependence. Insights from our stakeholder, value chain and media analyses inform our evaluation of actual and potential impacts. To understand our stakeholders, we currently rely on internal evaluation, external experts such as consultants and auditors, and public reports, including the Ministry of Trade, Industry and Fisheries' white paper on ownership policy. Moving forward, we intend to develop this approach to improve our understanding of their views and interests. The materiality of impacts is determined in accordance with ESRs 1, section 3.4 Impact materiality.

Our process to manage risks and opportunities is guided by relevant impacts and dependencies. The risks and opportunities identified in the double materiality assessment process are evaluated and reported as part of the Enterprise Risk Management process. We apply consistent thresholds for magnitude and likelihood in both the double materiality assessment and the Enterprise Risk Management process. The materiality of risks and opportunities is determined in accordance with ESRs 1, section 3.5 Financial materiality.

Functional owners at corporate, across the Environmental, Social, and Governance (ESG) topics, have been responsible to execute workshops to identify Impacts, Risks, and Opportunities (IROs) within their area of expertise. Subject matter experts from the business areas have contributed in the identification workshops to secure a comprehensive and precise overview of relevant IROs. Their involvement has facilitated the creation of a more detailed and thorough understanding of the respective IROs. Central resources from the sustainability team at corporate have provided training and tools for documentation of the workshops. Corporate sustainability has led the management of IROs with significant contributions by Group functional owners.



Sustainability Statement / General Information / **Double Materiality Assessment**

and sustainability resources from the business areas. Particular emphasis has been on securing a balanced reporting of positive and negative impacts, and risks and opportunities.

The draft output of the double materiality assessment was presented to the Corporate Management Team, the Audit and Sustainability Committee, and the Board. These groups provided valuable input for the final review before the assessment was concluded and approved by the Board. The involvement of subject matter experts across the business areas and corporate functions, along with corporate management, has played a crucial role in ensuring robust internal controls in the process of updating the material topics for the 2024 reporting.

**Evaluation related to material topics**

KONGSBERG is committed to understanding and addressing the impacts of climate change on our strategy and business model. We have taken significant steps towards completing a comprehensive resilience analysis, starting with our climate risk assessments. Our ambition is to achieve net-zero emissions across our value chain by 2050, aligning with international standards like the GHG Protocol and Science Based Targets Initiative (SBTi). We manage GHG emissions from all operations and key parts of our value chain, focusing on scope 1, 2, and 3 emissions. This management is crucial for understanding our impact on climate change and guiding our mitigation efforts.

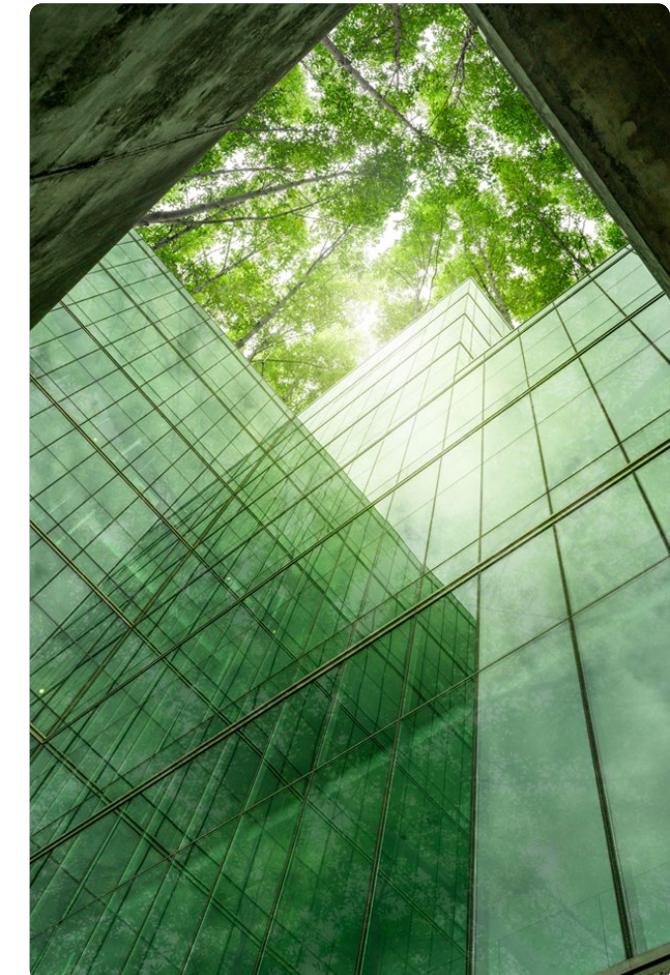
Since 2019, we have conducted annual climate-related risk assessments, enhancing our understanding each year. In 2024, we further developed our analysis, and in 2025, we plan to transition from a top-down to a bottom-up approach for more detailed insights. This shift will allow for greater detail from business area analysis before consolidating results for the Group.

This year's assessment served as a valuable competence-building exercise, conducted through a full-day workshop involving sustainability, HSE, supply chain, and financial functions. We applied two scenarios for our analysis: the IPCC's SSP1-RCP1.9 (low emissions) and SSP3-RCP7.0 (high emissions), focusing on a more targeted approach than in previous years and therefore excluding a medium emission scenario. Our scenario analysis assesses risks over short, medium, and long-term horizons, focusing on high-impact vulnerabilities and opportunities.

An internal working group identified, reviewed, and prioritised 20 climate risks and opportunities, resulting in a semi-quantitative analysis with some financial estimations. Three of the 20 were physical risks from acute and chronic events like hurricanes and extreme weather, impacting personnel, operations, and supply chains. Transition risks involve regulatory changes and increased production costs, while opportunities include developing low-emission solutions such as green shipping and sustainable ocean management. The net financial effects are expected to be negative, however they are not anticipated to significantly impact our overall business model. This comprehensive preparation ensures we are well-positioned to meet future requirements and effectively quantify financial impacts from 2025 onwards.

We recognise resource use and circular economy as strategic priorities. We have screened our assets and activities across the value chain to identify actual and potential impacts, risks and opportunities related to resource inflows, outflows, and waste. This comprehensive analysis utilised standard methodologies and assessment tools. Although direct consultations with affected communities were not conducted, we engaged in stakeholder dialogues to gather insights and address broader concerns. These efforts reflect our commitment to integrating circular principles across our operations and supporting global sustainability goals.

We have identified impacts, risks, and opportunities related to business conduct by evaluating key criteria such as location, activity, sector, and transaction structure. We assessed our main locations, suppliers, business partners, and activities to identify potential heightened impacts and risks, including historical industry-related challenges with business ethics and corruption.



#### Evaluation related to non-material topics

We have conducted a comprehensive assessment of our activities and main locations to identify impacts, risks and opportunities related to pollution, water and marine resources, and biodiversity and ecosystems across our value chain. This evaluation was part of our double materiality assessment, utilising aggregated activity descriptions and the LEAP method developed by the Taskforce on Nature-related Financial Disclosures (TNFD). The methodology for this is the same as for all topics in the double materiality analysis, where desktop research and input from internal and external stakeholders were used to identify impacts, risks and opportunities, and internal experts assessed their severity. Although direct consultations with affected communities were not conducted, stakeholder assessments informed our approach. The details of each evaluation for each topic are described below:

- **Pollution:** While site specific screenings were not conducted, we applied the results from our stakeholder assessment to address broader concerns and align with environmental standards. The analysis concluded that pollution is not a material topic for our operations.
- **Water and marine resources:** The LEAP analysis in 2023 indicated that few sites are in areas experiencing water stress, with significant dependencies identified in the upstream value chain. This topic was also deemed non-material.
- **Biodiversity and ecosystems:** The assessment revealed minimal direct interaction with nature at our production sites, indicating low risk. Our Alicante site, near a key biodiversity area, showed no negative impacts from our activities. Transition, physical, and systemic risks were evaluated, with findings included in our 2023 Annual and Sustainability Report. However, we acknowledge that we have not fully assessed dependencies on biodiversity and ecosystems or the specific criteria for these assessments. We do not have a complete overview of our sites near areas defined as particularly vulnerable, or whether there is a need for specific biodiversity measures. We have, however, implemented some biodiversity mitigation measures around our facilities in Kongsberg, including constructing a salamander hotel and restoring their summer habitat.

#### Material Topics

In 2024, we updated our double materiality assessment for the third time. Over the past three years, we have developed our approach to meet the ESRs requirements. We will continue to develop our methodology and transition from a top-down project approach towards a bottom-up process approach.

The outcome of our double materiality assessment identified six out of the ten topical standards from the ESRs to be material. In addition, we identified security and cybersecurity as an entity specific topic.





### E1 Climate change

Climate change is one of the topics with the highest impacts. Both direct and indirect procurement generate GHG emissions at our suppliers themselves as well as the required logistics. Our own manufacturing, assembly and testing of products as well as operation of offices requires energy. Business travel and employee commute to work contribute to GHG emissions. The transportation of our products to customers and the operation of data centres required to deliver our digital solutions are other sources of greenhouse gas emissions. However, our products also make positive impacts as they enable the installation, maintenance and operation of renewable and green energies such as offshore wind. All negative impacts are relevant in a short-term horizon, while the positive impacts are relevant in the medium- to long-term horizon.

Our key risks in the upstream value chain relate to regulation such as the Carbon Border Adjustment Mechanism and physical climate related risks that may interrupt production or logistics. We strongly believe that low-carbon technologies will be in demand and regard this as an opportunity to take a larger share of the market by monitoring and answering these customer demands on time. These risks and opportunities will likely materialise in a medium to long-term perspective.



### E5 Resource use and circular economy

Resource use and circular economy is regarded as an area of strategic importance. Negative impacts have been identified in connection with inbound and outbound resources, as well as waste across our value chain.

We make use of primary- and critical raw materials, such as nickel, cobalt and copper in our products which may impact environment, availability and costs. Plastic, paper, cardboard and wood are used in packaging for both inbound and outbound goods, which may lead to environmental issues. Our deliveries to the defence- and space industries are subject for strict regulations which may affect resource efficiency. We generate waste throughout the value chain, from procurement of raw materials to delivery of finished products. In addition, we rely on IT equipment with limited useful life to deliver our products and services.



### S1 Own workforce

#### S2 Workers in the value chain

Our policies and practices affect more than 14,600 permanent employees globally. We have more than 13,400 suppliers globally which employ a significant number of workers in our value chain. Our suppliers and us operate in countries and regions where the risk of poor working conditions is higher. This is especially linked to working conditions in the short term. Part of our own workforce is exposed to manufacturing processes that have a higher exposure to health and safety hazards. Our commitment to invest in training and skills development can have a positive impact on employees' personal growth and well-being. We also work to be an inclusive workplace by offering on-the-job-training to people who have been left outside the job market. This can prepare them for further challenges and equip them with the necessary skills and experience to succeed in their careers. These positive impacts are both relevant in the short-term horizon.

The growth we experience, and the ambitions we have for the future can put pressure on the organisation and contribute to increase the risk related to working time, and health and safety should it not be managed properly. Possible insufficient working conditions for the workers in our value chain may damage our reputation.



### S3 Affected communities

We develop technology that safeguards security and stability in a changing geopolitical landscape. Our solutions contribute to secure nations' defence capabilities and peace. At the same time, our products may affect communities negatively during war and crisis situations, and when civilians are affected.

We may face reputational risks and erode trust among stakeholders in the long term. Without stringent controls, this could disrupt operations, lead to legal challenges, and financial penalties.



### G1 Business conduct

As a Norwegian organisation, we are exposed to strict regulations and high expectations related to corporate culture and business ethics. In our international operations, we take with us a high standard related to these areas, which represents a positive impact in the short term.

Regulations around sanctions are quickly developing and high focus from several authorities contribute to increase the inherent risk in the short term related to our supply chain. Actors in the defence industry have a higher exposure to governments and their representatives which may pose a risk in our own operations in the medium-term. The use of market representatives and agents, both in the defence and maritime industries, represents risks related to corruption and bribery, corporate culture and management of relationships with suppliers in the short-term.

Security and Cybersecurity have been identified as an entity specific disclosure and is not covered by the ESRS.



## Financial Effect of Risks and Opportunities

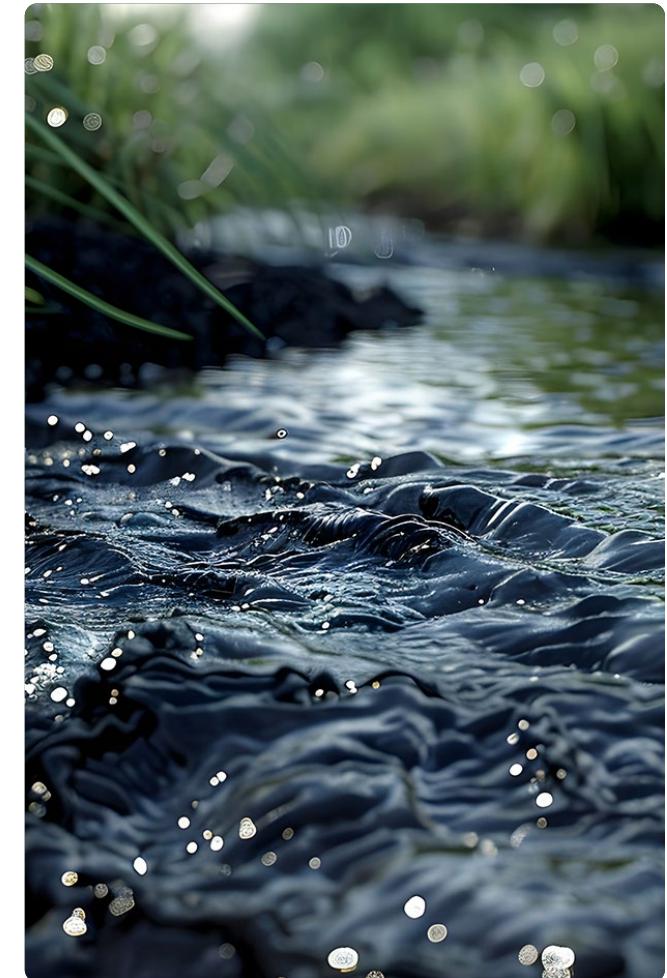
Our impacts, risks and opportunities, including climate-related risks and opportunities, inform our financial planning. Current, and anticipated future financial effects are mainly related to the material topic Climate change. To achieve our targets related to our material impacts, risks and opportunities, there is a need for investments in both existing technologies to reduce GHG emissions, and in the development of new technologies, solutions and business models that can drive the energy transition. Most of our investments are linked to product development, where sustainability, safety and efficiency are all important factors.

In 2024, no financial effects to address risks and opportunities was considered to be above our significance threshold, which was determined during the double materiality process. An evaluation of which risks and opportunities that are most likely to be materially adjusted in the next reporting period has not been performed in 2024.

### Disclosure Requirements in ESRS Covered by the Sustainability Statement

Our sustainability statement is prepared with reference to the outcome of the double materiality assessment. The data reported has been assessed by the corporate functional owners for materiality in accordance with ESRS 1, section 3.2.

Please refer to the Appendix on [page 195](#) for a content index of the Disclosure Requirements complied with, and a table of datapoints that derive from other EU legislation.



Sustainability Statement / **Environment**

# Environment



# Climate Change

KONGSBERG is committed to and recognises the need to take an active role in the transition to a net-zero emissions society. To achieve the global climate goals, we must swiftly move from words to actions. Our ambition is to support our value chain in reaching its targets by 2050. At KONGSBERG, we are both impacted by and contribute to climate change through our operations. As a Group, we are exposed to physical climate risks in all future scenarios, while our business areas face varying degrees of exposure. We aim to take leading positions and seek opportunities in developing low-emission solutions, such as green shipping, sustainable ocean management, and offshore wind, actively contributing to the energy transition. Addressing these challenges and seizing opportunities is crucial for fostering strategic growth and sustainable innovation.

## Material Impacts, Risks, and Opportunities

The double materiality assessment identified several material impacts, risks, and opportunities for the sub-topics climate change mitigation, climate change adaptation, and energy.

ESRS sub-topic	Type	Description	Value chain location	KONGSBERG's involvement with impact	Time horizon
<b>Climate change mitigation</b>	Actual negative impact	KONGSBERG's sourcing of materials and components, such as steel, iron, and aluminium, results in emissions from production and transportation, negatively impacting climate change mitigation.	<b>Upstream</b>	Contributes indirectly	Short term
<b>Climate change mitigation</b>	Actual negative impact	Our activities necessitate staff travel by air and ground, both locally and internationally, contributing to increased emissions.	<b>Own operations</b>	Contributes indirectly	Short term
<b>Climate change mitigation</b>	Potential positive impact	Delivering solutions to renewable and green industries, such as wind power and carbon capture, contributes to reducing GHG emissions. Additionally, our technology can aid high-emission industries in lowering their operational GHG emissions.	<b>Downstream</b>	Contributes indirectly	Medium term
<b>Climate change mitigation</b>	Risk	Carbon pricing may lead to increased costs due to the additional expenses associated with emissions from our operations and supply chain.	<b>Upstream</b> <b>Own operations</b>	Not relevant for risks	Medium term
<b>Climate change mitigation</b>	Risk	Failure to meet our climate ambitions can have financial impacts across several areas, such as reduced access to capital or higher capital costs, and reputational risks that could lead to decreased sales.	<b>Upstream</b>	Not relevant for risks	Medium term
<b>Climate change mitigation</b>	Opportunity	The green transition will increase the demand for green business solutions. If effectively monitored and addressed, this presents an opportunity for KONGSBERG to strengthen our competitive advantage by positioning us as a leader in green solutions.	<b>Downstream</b>	Not relevant for opportunities	Medium term
<b>Energy</b>	Actual negative impact	We deliver solutions that depend on data centres, which rely on significant amounts of energy.	<b>Downstream</b>	Contributes directly	Short term
<b>Energy</b>	Actual negative impact	The assembly and manufacturing of KONGSBERG's products, along with the use of servers and IT infrastructure, result in significant energy consumption.	<b>Own operations</b>	Contributes directly	Short term
<b>Energy</b>	Risk	A lack of energy, or limited access to it, can hinder our growth ambitions, as energy is essential for the production of our products and services.	<b>Upstream</b>	Not relevant for risks	Long term
<b>Climate change adaptation</b>	Risk	There is a risk that increased extreme weather events may affect unprepared production facilities of our suppliers, potentially leading to significant production and delivery delays, which could impact our revenue.	<b>Upstream</b>	Not relevant for risks	Medium term



## Climate Change Mitigation and Energy

Our production and assembly processes rely on energy and materials that emit greenhouse gases, contributing to climate change. Many of our products require fuel to operate, resulting in significant emissions in our downstream value chain. Additionally, we are responsible for indirect scope 3 emissions from purchased goods and services in our upstream activities, including transport and distribution. Part of our product portfolio comprises a significant amount of secondary materials and energy-intensive input factors including categories such as fabrications, castings, forgings and electronics, made up of materials that include steel, copper, iron and aluminium.

Some of our products are fuel and energy agnostic, meaning they can operate using various energy sources. This flexibility allows them to adapt to different energy sources across land, sea, and space. Our products are designed to be long-lasting and efficient, supported by infrastructure for repairs and retrofitting, which helps keep materials and equipment in use longer.

We identify and measure greenhouse gas emissions from our operations and significant parts of our value chain. Our methodologies align with international standards, including the GHG Protocol and Science Based Targets Initiative (SBTi).

## Climate Adaptation

Adapting to climate change is essential for maintaining the resilience and efficiency of our operations and value chain. Key risks include physical risks like extreme weather events and regulatory changes, while opportunities lie in developing innovative, energy-efficient solutions.

We face physical climate risks across all future scenarios, with varying degrees of exposure in different business areas. Acute and chronic risks, such as hurricanes, extreme weather events, and changes in precipitation patterns, pose threats to personnel, operations, and supply chains. These risks can lead to operational disruptions and increased costs. Our transition risks are particularly related to increased costs of production inputs and regulatory changes. The transition to a renewable society presents uncertainty in timing and scope, impacting demand for our products and services. Regulatory frameworks, such as the IMO climate strategy and the EU's

emission reduction targets, drive a shift towards cleaner fuel alternatives. We can play a role in this transition by providing products that contribute significantly to energy saving, electrification, and efficiency improvements, such as energy-efficient ship designs and advanced propulsion systems.

Our strategic adaptability is explained in further detail in the Strategy, Business Model, and Value Chain chapter on [page 45](#).

## Policies

Type and name of governing document	Overall summary of content	Relevance for climate change
<b>Code of Governance</b>	Main governing document for KONGSBERG.	Establishes that KONGSBERG has a strategic focus in driving innovation to provide technical solutions that support the climate transition. Sustainability is acknowledged as a Group wide business priority.
<b>Code of Ethics and Business Conduct</b>	Outlines the principles for business conduct, including a chapter on reducing footprint in own operations and value chain.	Principles included for climate change mitigation and adaptation in own operations and value chain.
<b>Directive for Environmental Reporting</b>	Describes the methodology used to calculate KONGSBERG's GHG emissions and how climate and environmental data should be reported.	Establishes quarterly reporting for GHG emissions to integrate with the financial reporting cycle, main tool to monitor progress for climate change mitigation.
<b>Sustainability assessment in decision-making</b>	Outlines the principles for sustainability assessments in relation to decisions regarding investments and business development.	Establishes main principles for investment decisions including: 1) Climate targets (GHG emission reduction targets), 2) Impact on EU Taxonomy eligibility and alignment (CAPEX, OPEX and revenue), 3) Identification of, and eligibility towards relevant project categories towards KONGSBERG's sustainable finance framework, 4) Circularity, 5) Environmental risk assessment.
<b>Supplier Conduct Principles</b>	Describes KONGSBERG's expectations for suppliers.	A paragraph included on expectations for suppliers in terms of a precautionary approach to climate challenges and minimising adverse effects on the environment and natural resources.
<b>Directive for Compliance due diligence, risk management and follow-up of the supply chain</b>	Establishes the process to conduct supplier due diligence.	Mapping of climate and environment-related risks among KONGSBERG's suppliers.



All policies included in this overview apply to the whole Group, including all business areas, and are published on KONGSBERG's internal platforms. The documents that are relevant for suppliers and business partners are made available in appropriate channels. Business areas may have additional policies, strategies and procedures in relation to climate change mitigation and adaptation. In addition, certain business areas have developed their own sustainability strategies to support our overarching goals. The highest senior level accountable for all policies is the President & CEO, except for Code of Governance and Code of Ethics and Business Conduct, which is the responsibility of the Board. The execution and implementation of all KONGSBERG sustainability related policies is the responsibility of the sustainability leads of all relevant business areas and functions. The interest of key stakeholders is considered by placing emphasis on safeguarding affected communities and ensuring robust supplier relations and conditions in the content of the governing documents<sup>1</sup>.

Overall, climate change mitigation and adaptation are covered in multiple aspects in our governing documents, as seen in the table above. Energy efficiency and renewable energy deployment are not mentioned specifically but are included as part of our climate goals approved by the Board and followed up by regular reporting. The policies are monitored through regular reporting (as specified in the governing documents), the business areas' business reviews, internal systems for monitoring and internal control, and control by external auditors specifically for climate accounting and reports.



## Transition Plan for Climate Change Mitigation

The Net Zero strategy and transition plan are an integral part of our overall business strategy. The Board has the overall responsibility to review and approve the Group strategy and transition plan. This section will outline the goals, actions and resources allocated to meet our climate ambitions.

Our climate transition plan was published in the 2023 annual report and approved by the Board on 14 March 2024. During the development of the climate transition plan, action packages were defined to achieve our climate goals. Additionally, we developed a toolkit addressing how to influence downstream scope 3 emissions. This toolkit is anchored in the Board through the approval of the double materiality analysis, which was approved on 11 December 2024.

As of 31 December 2024, we have not prepared a plan that is fully in line with the requirements of the ESRS. The financial implementation of the plan is calculated for some specific measures, but not for the plan as a whole. The business areas will include this in their routines for financial planning from 2025. We are transparent about the status quo and the CAPEX and OPEX dispositions for which we have calculations, such as the Johnstown measures and the purchase of guarantees of origin. The reductions presented in the figure on page 60 are to be considered as estimates and will be detailed and specified as part of the work on the action plan for following up on our climate goals.

The overall responsibility for executing the transition plan within the business areas lies with the sustainability function.

### Targets

In November 2023, KONGSBERG's climate targets for 2030 were verified by SBTi and our scope 1 and 2 targets were assessed to be compatible with limiting global warming to 1.5 degrees Celsius in accordance with the Paris Agreement.

The transition plan is based on four main targets to reduce the climate impact of our operations and to create business opportunities by enabling our customers and other stakeholders to do the same. Our GHG emission reduction targets include:

- Reduce absolute scope 1 greenhouse gas emissions from 2019 by 55 per cent by 2030
- Increase annual procurement of renewable energy certificates from 0 per cent in 2019 to 100 per cent by 2030 (scope 2, market-based).
- Engage 67 per cent of KONGSBERG's suppliers to set their own science-based targets by 2027 (scope 3), using 2021 as the base year.
- Reduce absolute greenhouse gas emissions from the use of sold products from 2021 by 25 per cent by 2030 (scope 3, category 11). Under Reassessment and potential resubmission.

In addition, we have established the following intensity targets:

- 25 per cent reduction in energy consumption per employee through energy efficiency measures from 2019 by 2030.
- 25 per cent reduction of greenhouse gas emissions from transport and distribution from 2020 by 2030 through optimization of the mode of transport, in collaboration with our carriers to reduce the total emissions per tonne-kilometre.
- 30 per cent reduction in greenhouse gas emissions per employee from business travel by air from 2019 by 2030.
- The action packages were developed in consultation with the business areas in 2023, and quarterly meetings were implemented in a sustainability forum across business areas and relevant functions.

All targets address our impacts and risks related to climate change. Our intensity measures are not approved by SBTi. The targets are not explicitly described in any of our governing documents but are approved by the Board and communicated through the 2023 annual and sustainability report. The effectiveness of our actions is tracked through our quarterly climate accounting, illustrating progress towards our targets. Our climate change targets are based on a scientific approach, approved by the Science Based Targets Initiative. The targets cover all our activities across the Group, including

<sup>1</sup><https://www.kongsberg.com/kda/Who-we-are/sustainability/>



## Sustainability Statement / Environment / E-1 Climate Change

our upstream and downstream value chain. Our targets align with the Paris Agreement's goal of limiting global warming to 1.5 degrees, in scope 1 and 2, and therefore also align with the political goals in Norway and the EU.

#### Process of setting targets

The work to set our emission reduction targets was initiated by the Corporate Management Team and sustainability leaders in 2021. The targets were developed without direct stakeholder involvement, but the Ministry of Trade, Industry and Fisheries has clearly stated that state-owned Norwegian companies, like KONGSBERG, should set reduction targets in line with the Paris Agreement. Furthermore, a scientific approach to target setting is required, with SBTi highlighted as the leading standard in the field internationally.

#### Progress towards target

We are building knowledge and assigning greater responsibility for our climate targets to the business areas to ensure desired progress. 2024 marks the second year we have a comprehensive scope 3 accounting and the first year we have implemented quarterly climate data reporting.

Through this work we have also improved our data quality which has helped us make adjustments in our climate accounts for scope 3, category 11. This is further explained under Recalculations and moving forward on [page 63](#). The recalculation had implications for our target connected to scope 3, category 11 and we are in dialogue with SBTi about a possible adjustment. We are still publishing the target as we have publicly committed to it.

The increase in scope 1 emissions from the 2019 baseline has several causes. From 2019 to 2023, more units have been included in the reporting, and some units have reported additional sources of fossil fuel consumption. Thus, our reporting has improved in quality and scope over time, alongside increased activities.

In 2025, we will focus specifically on our scope 1 emissions. Despite being a rapidly growing company, we expect to reduce emissions from fossil sources in line with our 2030 target. The emission reductions at Kongsberg Technology Park in 2024 provide a foundation to continue this work towards achieving our goals. We have not made specific calculations on expected emission reductions but will develop this work in 2025.

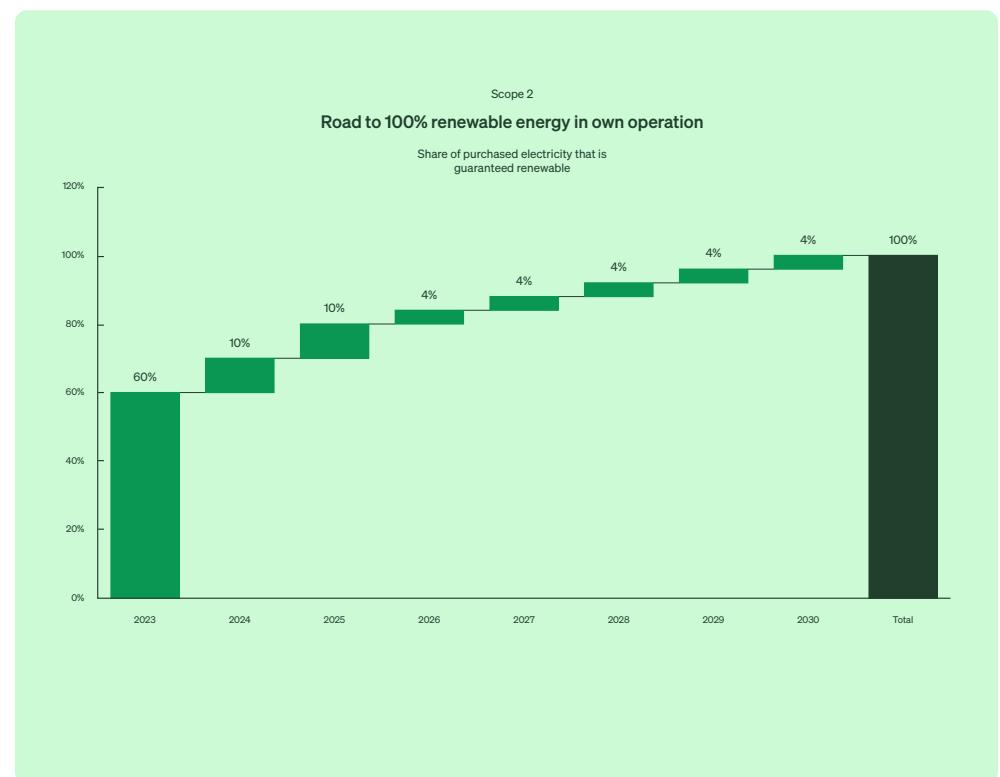
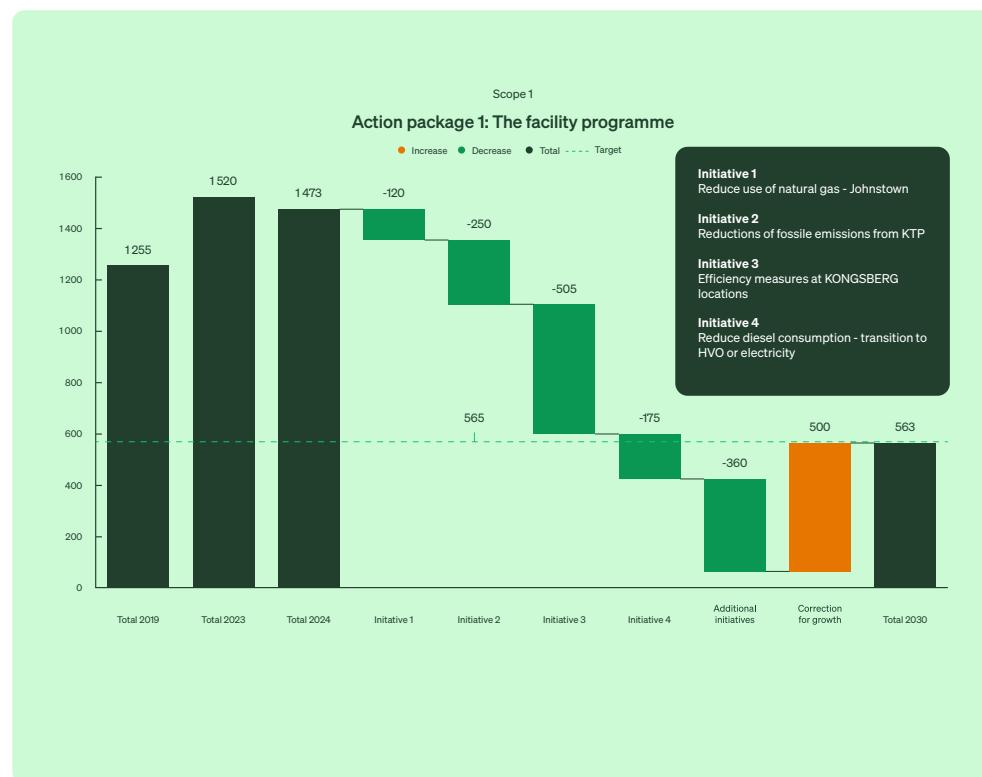
Progress on our targets is described in the table below. We make progress towards the SBTi targets not covered by scope 3, category 11. In addition, it is worth noting that even though we grew in 2024, we operated with approximately the same electricity consumption as in 2023. The climate targets therefore contribute to a more efficient operations at KONGSBERG.

Kongsberg has an ambition to reach net zero by 2050, corresponding to a 90 per cent reduction in absolute emissions. We have not specified this in our transition plan and have not fully studied the consequences of this. Nevertheless, this sets a direction for our work, and we will work to make plans for how this is possible to achieve. The most significant emissions in our greenhouse gas inventory are related to our value chain, in particular purchased goods and services (scope 3, category 1) and use of sold products (scope 3, category 11). To achieve results in scope 3, we must collectively decarbonise production facilities, produce for circularity, engage on commitment targets with stakeholders in the value chain, and recycle resources already in use. Our transition plan does not require the use of nature-based solutions, carbon credits, or carbon removals.

Climate targets	Scope	Decarbonisation measures	Action packages and measures	Progress towards target
Reduce absolute scope 1 greenhouse gas emissions from 2019 by 55% by 2030	1	Reduce the use of fossil fuels by switching to environmentally friendly fuels and energy sources	<b>Package 1: Operational Improvements</b>	17% increase in absolute greenhouse gas emissions since the base year. Reduction of 3% from 2023 to 2024. Emissions in the base year were 1,255 tons of CO <sub>2</sub> e, in 2024 the emissions were 1,473 tons and will be reduced to 565 tons of CO <sub>2</sub> e in 2030.
Increase annual procurement of renewable energy from 2019 to 100% by 2030	2	Procurement of certified renewable electricity. 80% by 2025 and 100% by 2030	<b>Package 2: Facility Programme</b>	The target of 70% guaranteed renewable electricity was achieved in 2024. Actual emissions in the base year were 59,974 tonnes CO <sub>2</sub> e and 22,071 tonnes CO <sub>2</sub> e in 2024. Emissions in 2030 will be 0.
Engage 67% of KONGSBERG's suppliers to set their own science-based targets by 2027, using 2021 as the base year	3	Program for our suppliers which includes conferences and webinars with information on how to set science-based climate targets and requirements for climate accounting. Follow up is conducted through IntegrityNext. This will contribute to the reduction of emissions from our purchased products and services.	<b>Package 3: Scope 3 Upstream</b>	By the end of 2024, 33% of our suppliers by spend are committed to SBTi or equivalent science-based targets.
Reduce absolute greenhouse gas emissions from the use of sold products by 25% by 2030	3	Research and development of optimal solutions for, and together with customers. Strategic projects for increasing electrification, partnerships for the maritime transition and digitalisation.	<b>Measures for Scope 3 Downstream</b>	The target for scope 3, category 11 is under review and recalculation.
25% reduction in energy consumption per employee through energy efficiency measures from 2019 by 2030.	1 & 2	Continuous energy analysis for existing buildings to identify and prioritise opportunities, costs, and investments in energy efficiency. This includes both maintenance and major investments such as the transition to alternative energy sources for buildings and sites. Assessment of the most climate-friendly solutions in the lease or purchase of new buildings. This is part of the KONGSBERG Facility Programme.	<b>Package 2: Facility Programme</b>	15% reduction per employee from the base year.
25% reduction of greenhouse gas emissions from transport and distribution from 2020 by 2030 through optimization of the mode of transport in cooperation with our carriers to reduce the total emissions per tonne-kilometre.	3	Optimise the mode of transport in cooperation with our carriers to reduce the total emissions per tonne-kilometre.	<b>Package 3: Scope 3 Upstream</b>	The plan for annual intensity reductions is on track and the reduction in 2024 was 3%. Actual emissions in the base year were 18,051 tonnes CO <sub>2</sub> e and 21,584 in 2024. Actual emissions in 2030 have not been estimated.
30% reduction in greenhouse gas emissions per employee from business travel by air from 2019 by 2030	3	Reduce flights per employee through use of online meetings, reduce the number of employees travelling to conferences etc.	<b>Not Relevant</b>	69% reduction in relative emissions per employee from the base year. Actual emissions reduced by 17%. Actual emissions in the base year were 33,782 tonnes CO <sub>2</sub> e, reduced to 13,795 tonnes CO <sub>2</sub> e in 2024. Estimated emissions in 2030 are 40,250 tonnes CO <sub>2</sub> e.



## Actions and Resources



We understand action packages as ways to group climate change mitigation efforts, ensuring that planned actions are designed to meet our reduction targets. In 2024, we worked to establish these packages based on our climate risk analysis, considering two scenarios, including one compatible with the 1.5-degree goal. The climate risk analysis mapped relevant developments related to environmental and societal changes, including physical and transition risks. The action packages are as follows:

- **Scope 1, 2 and 3, Operational improvements:** Shift from a top-down to bottom-up approach for the sustainability strategy to improve data quality, ensure more targeted actions, increased competence in business units, and strengthen the integration of financial functions.
- **Scope 1 and 2, Facility programme:** A working group consisting of facility managers from the business areas and other relevant functions.
- **Scope 2, Renewable energy certificates:** Purchase guarantees of origin for all scope 2 market-based emissions in Norway and international locations.
- **Scope 3, Upstream:** Supplier engagement, upstream transportation and distribution, including business travel and commuting.

All of the actions included in these levers are approved or pending approval by the appropriate functions in KONGSBERG or relevant business areas, to ensure the allocation of necessary resources.

The financial impact of implementing this plan has been calculated for some of the specific measures, but not for the plan as a whole. The business areas will include this in their financial planning routines from 2025. As of 31 December 2024, the Group has not prepared a plan in compliance with the EU taxonomy.

#### **Operational improvements (scope 1, 2 and 3)**

In 2024, the sustainability functions in the business areas were strengthened as part of the transition from a top-down to a bottom-up sustainability strategy. The aim is to improve data quality and ensure more targeted actions. This shift began in 2024 and will continue in 2025, with business areas responsible for:

- Conducting and completing double materiality analysis that will be aggregated at Group level.
- Conduct business area specific climate risk analysis
- Deliver autonomous and complete climate inventories for scope 1, 2 and 3
- Deliver business area specific transition plans to support and strengthen the Group transition plan
- In 2024, we implemented quarterly reporting on climate and environmental data, and we will continue in 2025 to align this reporting with the deadlines of quarterly financial reporting.

These actions do not require significant financial investments but will demand additional resources in the business areas for implementation and increased responsibilities. We have not made calculations of the expected reduction in emissions for the operational improvements.

#### **Facility Programme (scope 1 and 2)**

The reduction of our own greenhouse gas emissions will primarily occur through transitioning from fossil fuels to biofuels, increasing electrification of our operations, actively improving energy management, and continuing the shift to more electric vehicles. In 2023, we analysed our portfolio of Norwegian-owned buildings to map and plan climate and environmental measures. This work continued through the Facility Programme, a working group consisting of facility managers from business areas and other relevant functions. The Facility Programme is tasked with monitoring and implementing necessary actions to ensure we meet our targets for scope 1 and 2 emissions and achieve a 25 per cent reduction in energy consumption through efficiency measures by 2030. Our goal is to increase revenue and the number of employees without a corresponding increase in energy consumption, achieving growth while reducing emissions in line with our SBTi targets for scope 1 and 2. These actions are ongoing and align with the overall timeframe of our climate strategy. Important measures have been identified and implemented, however, the work is ongoing and to fully achieve our targets we depend on identifying and implementing further measures. A complete CAPEX plan for these measures has not yet been calculated and will be developed by individual business areas. We do not expect CAPEX costs to be significant.

#### **Johnstown**

In 2024, several global measures were initiated to support the Facility Programme's goals. The Kongsberg Defence & Aerospace facility in Johnstown, Pennsylvania, USA, accounts for approximately 16 per cent of KONGSBERG's top five scope 1 emission points. About 15 per cent of Johnstown's energy consumption currently comes from natural gas (scope 1), primarily used for heating.

In 2024, Kongsberg Defence & Aerospace approved an investment plan to transition to fully electric heat pumps at the Johnstown facility, aiming to significantly reduce natural gas usage. Seventeen outdated ventilation units will be replaced by electric heat pumps by 2028, reducing scope 1 emissions by approximately 45 per cent. Allocated resources to the Johnstown project has an approved frame of MNOK 3.5 to 4.5 (CAPEX) in phase 1 (2026-2028).

#### **Mawson Lakes Facility**

The Kongsberg Defence and Aerospace facility in Mawson Lakes, Adelaide, Australia, opened in 2024 and aims to achieve LEED Platinum status, the highest level of sustainability under the international Leadership in Energy and Environmental Design principles. The Mawson Lakes facility demonstrates how we can pursue growth towards 2033 while focusing on energy-efficient solutions to align with our scope 1 and 2 climate targets.

Initiatives at the Mawson Lakes facility include using lower-carbon concrete, installing a 99 kW solar system, maximizing natural light, reducing reliance on air conditioning with heated flooring, and implementing digital environmental controls. A complete CAPEX for these environmental measures has not been calculated. We have not made calculations of the expected reduction in emissions for this measure at Mawson Lakes.

#### **Kongsberg Technology Park (KTP)**

At Kongsberg Technology Park, we continued in 2024 to work on energy efficiency measures, reducing the use of fossil fuels, and increasing efficiency in the production of district heating, cooling, and compressed air for businesses in the technology park.



## Results in 2024:

- Scope 1 emissions reduced from 400.0 tonnes in 2023 to 296.0 tonnes.
- Use of electricity reduced from 34,569 MWh in 2023 to 31,651 MWh.
- Use of LPG (Liquefied Petroleum Gas) reduced from 134.6 tonnes in 2023 to 100.1 tonnes.
- Use of HVO (Hydrotreated Vegetable Oil) reduced from 101.5 tonnes in 2023 to 68.7 tonnes.

Recovered energy produced at the KTP Energy Recovery Facility increased from 25,090 MWh in 2023 to 28,978 MWh in 2024. The main contributor to enable these positive results is related to energy efficiency improvements at the Energy Recovery Facility.

The total reduction in scope 1 emissions at KTP from 2023 to 2024 is 26 per cent.

This action did not require significant monetary amounts to implement. We have made assumptions on the expected reduction in emissions for these measures.

### **Renewable energy certificates - 100 per cent renewable energy in own operations**

In 2024, the sustainability and finance functions at Group structured the plan to increase annual procurement of renewable energy to 100 per cent by 2030. In the plan, we have outlined the roadmap to cover energy use in all Norwegian and international facilities, as well as the financial plan for the purchase of renewable energy from 2025 to 2030. The roadmap to 2030 will be further developed in 2025. The current plan started in 2023, where we purchased guaranteed renewable electricity for a volume of 75,078 MWh covering 60 per cent of our total electricity consumption in 2023.

For 2024, 97,013 MWh of our electricity consumption is guaranteed renewable power, corresponding to 71 per cent of total electricity consumption. Of this, 97 per cent were unbundled guarantees of origin, while the remaining 3 per cent were unbundled guarantees of origin. The purchase of 94,254 MWh of unbundled guarantees in the Norwegian market in 2024 corresponds to an emission reduction of 56,458 tonnes CO<sub>2</sub>e calculated using a market-based approach. In 2025, we will increase to 80 per cent and aim for 100 per cent for 2030. We spent MNOK 6.9 of operating costs on the purchase of renewable energy certificates for 2024, and purchases are budgeted for in 2025.

### **Activities related to indirect GHG emissions (scope 3)**

#### **Upstream action packages**

We are committed to a target that 67 per cent of our suppliers (by spend) will have their own science-based targets in line with the Paris Agreement by 2027. This applies to all business areas. The supplier follow-up process is supported by IntegrityNext, a digital supplier portal for ESG and compliance, including a greenhouse gas emissions module for suppliers. Phased KPIs have been established to reach the 2027 target, with a Group achievement of 33 per cent in 2024, against a target of 22 per cent.

Kongsberg Maritime and Kongsberg Discovery contributed 25 per cent, while Kongsberg Defence & Aerospace contributed 42 per cent. This action did not require significant investment or operational expenses in 2024.

For scope 3 upstream transportation, we have set a target to reduce our carbon intensity emissions by 25 per cent (gCO<sub>2</sub>e/tkm) by 2030. In 2024, we achieved a three per cent reduction, on track to meet the target. Initiatives include transitioning from air freight to lower carbon intensity transport, volume consolidation, and logistics optimization with strategic partners.

This action did not require significant monetary amounts to implement.

#### **In addition to these action packages, we have measures that demonstrate our active contribution to emission reductions in the value chain:**

#### **Downstream measures**

This package covers our engagement and collaboration with authorities, academia, central trade unions, industry and business organisations, and NGOs working towards a zero-emission society. Since the majority of scope 3, category 11 emissions are linked to Kongsberg Maritime's sold products, these measures are specific to Kongsberg Maritime. Measuring the impact of scientific research on our scope 3, category 11 emissions is challenging, but funding and conducting research is essential to support emission reductions in line with the Paris Agreement.

Other actions are being evaluated in line with a possible resubmission of the target for scope 3, category 11. Regardless, Kongsberg Maritime continues to play a crucial role as a stakeholder in relevant organisations, forums, and scientific research, collectively working towards achieving the International Maritime Organization (IMO) targets and the green transition at sea.

**SEAEurope (Shipyards' & Maritime Equipment Association of Europe):** SEA Europe represents the civil maritime and marine technology industry in Europe. We are represented on the board and in several relevant working groups, including the working groups for technology and the environment. This provides us with the opportunity to address and give input to IMO's climate strategy and the EU's Net-Zero Industry Act.

**Waterborne Technology Platform:** The European research and innovation platform for waterborne industries. Kongsberg Maritime is represented in the Partnership Board and in relevant working groups.

**Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping:** The Mærsk Mc-Kinney Møller Center is a non-profit, independent research and development centre looking to accelerate the transition towards a net-zero future for the maritime industry. The centre facilitates the development and implementation of new technologies, builds confidence in new technological concepts, and develops strategies to drive necessary systemic and regulatory changes. Kongsberg Maritime became a "Mission" ambassador for the centre in 2024.

**The Green Shipping Programme:** A Norwegian public-private partnership aimed at establishing the world's most effective and environmentally friendly shipping. This includes collaboration to find sustainable logistics solutions, cost-effective emission reductions, and green jobs.

**Maritim Forum:** An interest organisation that unites all segments of the Norwegian maritime cluster, including employers and employees, and represents the cluster's common interests to national decision-makers. KONGSBERG currently holds the chairmanship of the central organisation. In 2024, Maritim Forum continued to be a key player in collaboration between the government and industry in developing measures to achieve national climate goals. The ambition is for the maritime climate partnership to accelerate the maritime transition while supporting the export of green technology.

These measures are not linked to any significant monetary amounts for 2024.



## Scientific collaboration and research initiated in 2024:

Project name	Scope	Objective	Relevance for scope 3
<b>WIND</b>	Total budget of 15 MNOK with 12 MNOK support from the Research Council. Project owner is Sintef Ocean. Kongsberg Maritime is an industry partner.	Optimisation of wind-assisted propulsion.	Reduce energy consumption by optimally utilising wind-assisted propulsion potential.
<b>AirOcean</b>	Total budget of 15 MNOK with 12 MNOK support from the Research Council. Project owner is Sintef Ocean.	Study the effect of air lubrication on ship resistance and identify solutions for optimal utilisation of this technology.	Reduced resistance through water to lower energy consumption.
<b>PulsJet</b>	Total budget of 13 MNOK with 6 MNOK support from the Research Council. Project owner is Kongsberg Maritime.	Utilise hydrodynamic effects known from the animal kingdom (e.g., squid) to achieve higher efficiency in propulsion systems during DP operations.	Reduced energy consumption in DP operations.
<b>CALIPSO</b>	Total budget of 25 MEUR, 100% funded by the European Defence Fund (EDF).	Integrate green technology developed in civilian applications into military ships and vehicles, adapting them to military requirements. Focus on green fuels and energy efficiency.	The goal is that military ships and vehicles also meet Green Deal requirements

## Recalculations and Moving Forward

### Scope 1 and scope 2 corrections for Johnstown, USA

In 2024, we discovered errors in the previously reported scope 1 and scope 2 greenhouse gas emissions at our Johnstown unit in the USA, related to natural gas and electricity consumption. This prompted corrections to the 2023 data for Johnstown. However, the errors accounted for less than one per cent of the base year for the SBTi target, so no changes were made to the base year emissions.

### Errors in Dataset for Scope 3, Category 11 Use of Sold Products

At the end of 2024, we identified an error in the scope 3 dataset related to emissions from sold products. Several products in the controllable pitch propeller (CPP) segment were omitted from calculations for the base year, 2022, 2023, and 2024. Including this product in the calculations exceeds the thresholds for recalculation according to SBTi and internal directives. Therefore, scope 3, category 11 emissions were recalculated for the base year, 2022, 2023, and 2024 in this report. After confirming the error, we notified SBTi of the need for recalculation. This error also affects our ability to meet the approved target in its current form. We have begun reassessing the target for scope 3, category 11, and are considering submitting a new and updated target to SBTi in 2025.

### Moving forward

Until 2030, we will work diligently towards the targets defined in our commitment to SBTi. We will create a roadmap for how we can continue to drive emission reductions towards 2050. In 2024, we continued work on business area-specific transition plans. In October 2024, Kongsberg Defence & Aerospace published the first draft of such a plan. The roadmap will be accompanied by assessments of relevant climate-related risks and opportunities for KONGSBERG and the business areas.

Each year, we will measure and report the status of our targets. Greenhouse gas emissions will be reported for each category, every year from the base year to the reporting year. Progress towards targets may vary each year and by category. Whether emission reductions occur immediately or more towards the end of the period will vary between categories, units, and types of actions. Each target and annual progress will be continuously assessed throughout each reporting year, including evaluations of the need for additional efforts to ensure the target is met on time.

### Potential locked-in emissions

Our emissions from scope 3, category 11, are our most significant greenhouse gas emissions. These emissions are calculated by multiplying the sales volume of products in the reporting year by the estimated direct emissions during their use phase, over an estimated 25-year lifespan. This equates to 28 million tCO<sub>2</sub>e if the current fuel mix is used, discounted to 2024. However, we do not consider these emissions to be locked in due to the agnostic nature of our products. Our thrusters and controllable pitch propellers can be powered by both fossil and renewable energy sources, allowing the products, with an estimated 25-year lifespan, to be used throughout the green transition in the maritime industry. In our 2024 climate accounts, we present our emissions adjusted for the IMO climate targets for scope 3, category 11 use of Sold Products. These illustrate how emissions from our products sold in 2024 will decrease until 2049, when the international shipping fleet will operate with net-zero technologies. As our products are agnostic, we have not identified any business activities in our portfolio that are incompatible with the transition to a net-zero society.



## Metrics for Climate Change Mitigation

### Energy Consumption and Mix

Energy consumption and mix related to own operations		2024
Coal and coal products (MWh)		0
Crude oil and petroleum products (MWh)		1,550
Natural gas (MWh)		3,678
Other fossil sources (MWh)		1,402
Purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)		60,242
<b>Total fossil energy consumption (MWh)</b>	<b>66,872</b>	
Share of fossil sources in total energy consumption		36%
<b>Nuclear sources (MWh)</b>	<b>0</b>	
Share of nuclear sources in total energy consumption		—%
Renewable sources, incl. biomass (MWh)		1,626
Purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)		97,013
Self-generated non-fuel renewable energy (MWh)		18,042
<b>Total renewable energy consumption (MWh)</b>	<b>116,681</b>	
Share of renewable sources in total energy consumption		64%
<b>Total energy consumption (MWh)</b>	<b>183,553</b>	
<b>Total energy intensity (MWh/MNOK)<sup>1</sup></b>	<b>3.76</b>	
<hr/>		
<b>Energy production and mix</b>	<b>2024</b>	
Non-renewable energy production (MWh)		0
Renewable energy production (MWh)		28,986
<b>Total energy production (MWh)</b>	<b>28,986</b>	

<sup>1</sup> All KONGSBERG activities are classified as climate-intensive. Therefore, intensity is calculated based on total energy consumption relative to the company's total net revenue as reported in the financial statements on page 110.

### Gross scope 1, 2, 3 and total GHG emissions

	Base year	GHG Emissions (tCO2e)				Milestones and target years			Annual % Target / base year
		2023	2024	Change from 2023	2025	2030	2050		
<b>Scope 1 GHG emissions<sup>1</sup></b>									
Gross scope 1 GHG emissions (tCO2eq)	1,255	1,520	1,473	-3%				-55%	
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)		0	0						
<b>Scope 2 GHG emissions<sup>1</sup></b>									
Gross location-based scope 2 GHG emissions (tCO2eq)	9,582	7,126	8,100	14%					
Gross marked-based scope 2 GHG emissions (tCO2eq) <sup>2</sup>	54,974	28,535	22,071	-23%				-100%	-70%
<b>Significant scope 3 GHG emissions</b>									
Total gross indirect (scope 3) GHG emissions (tCO2eq) <sup>3</sup>		15,451,617	13,561,458	-12%					
1 Purchased goods and services	1,456,421	1,868,339	1,826,892	-2%					
2 Capital Goods	8,447	368	575	56%					
3 Fuel and energy-related activities (not included in scope 1 or 2)	2,485	2,463	2,944	20%					
4 Upstream transportation and distribution <sup>4</sup>	18,051	21,687	21,584	—%	n.a.	-25% intensity	n.a.	n.a.	
5 Waste generated in operations <sup>5</sup>	206	326	42	-87%					
6 Business travel <sup>6</sup>	33,782	16,585	13,795	-17%					
7 Employee commuting <sup>7</sup>	10,890	11,432	5,360	-53%					
8 Upstream leased assets	0	701	791	13%					
9 Downstream transportation and distribution <sup>4</sup>	14,881	13,313	19,257	45%	n.a.	n.a.	n.a.	n.a.	
11 Use of sold products	28,171,443	31,350,764	28,327,337	-10%					
11 Use of sold products (IMO adjusted)	13,307,272	13,503,387	11,570,713	-14%					
12 End-of-life treatment of sold products		160	132	134	2%				
13 Downstream leased assets		5	261	335	28%				
15 Investments <sup>8</sup>		12,766	12,624	99,035	684%				
<b>Total GHG emissions</b>									
Total GHG emissions (location-based) (tCO2eq)	n.a.	15,460,263	13,571,031	-12%					
Total GHG emissions (market-based) (tCO2eq)	n.a.	15,481,672	13,585,002	-12%					
GHG intensity, location based (tCO2e/mill NOK net revenue) <sup>9</sup>	n.a.		0.278						
GHG intensity, marked based (tCO2e/mill NOK net revenue) <sup>9</sup>	n.a.		0.278						

<sup>1</sup> Scope 1 and scope 2 for Kongsberg Defence & Aerospace in Johnstown for 2023 have been corrected for errors in previous reporting. The error was not sufficient to trigger recalculation of emissions in the base year.

<sup>2</sup> Scope 2 target achievement is measured in percentage of purchased guarantees of origin in relation to consumption. The target for 2024 was 70 per cent.

<sup>3</sup> Total scope 3 emissions based on category 11 Use of products sold (IMO adjusted). Reported scope 3 emissions are based on a combination of supplier-specific primary data and estimates based on static data and generic conversion factors, see further description under the chapter Methodology below.

<sup>4</sup> As part of continuous improvement work, the data scope has been improved and more deliveries have been included in consultation with our transport suppliers. Historical figures have been corrected based on this. Target achievement is an intensity measure measured in gCO2e/tkm.

<sup>5</sup> Excludes emissions from business travel by air, based on reports from the travel agencies that cover the majority of our business travel.

<sup>6</sup> Reduction from 2023 to 2024 is mainly due to changes in conversion factors from Defra.

<sup>7</sup> Non-calculated method produced for 2024 based on updated travel habits survey.

<sup>8</sup> KONGSBERG's share of emissions from KSAT (50% ownership) and Patria (49.9% ownership). For 2024, emissions from Patria include scope 1, scope 2 (market-based) and scope 3. KSAT includes scope 1 and scope 2 (market-based). The increase from 2023 to 2024 is mainly due to the inclusion of scope 3 for Patria.

<sup>9</sup> Total greenhouse gas emissions (scope 1, 2 and 3) relative to net sales as reported in the Group's financial statements, see the Income Statement on page 110.



Biogenic CO<sub>2</sub> emissions from the use of HVO and other biodiesel in KONGSBERG units are estimated at 307 tonnes CO<sub>2</sub> in 2024, based on reported consumption and conversion factors from Defra. Biogenic emissions from HVO and additional biodiesel are not included in the reported scope 1 emissions.

The calculations of categories 4, 5 and 15 are based on primary data delivered from suppliers or other stakeholders in our value chain. This only amounts to 0.4 per cent of our total scope 3 emissions in 2024. The remaining categories in scope 3 are based on direct data from our own activities such as data related to production and spend in combination with emission factors from different sources such as Defra and Emisoft. For a more detailed description of the categories see the following Methodology section.

## Methodology

The purpose of this section is to describe the methods we use, the emission factors, the inclusion of the value chain in the accounts, uncertainties along with a description of the data collection process, assumptions and extrapolations used for the greenhouse gas emissions data.

Our GHG inventory is prepared in accordance with the GHG Protocol, specifically the GHG Corporate Standard, Corporate Value Chain (scope 3) Standard, scope 2 Guidance, and scope 3 Calculation Guidance. We use the operational control consolidation method, meaning emissions from companies we control are included, specifically those we own more than 50 per cent of. We report on all locations that are not offices, and offices with more than 10 full-time equivalents (FTE), as a minimum. The reporting covers more than 98 per cent of all FTEs, and emissions from excluded units are estimated to be below two per cent.

The reporting period for our GHG metrics aligns with our financial reporting period, from 1 January to 31 December each year. Quarterly reporting of environmental and climate data was introduced in 2024 to strengthen internal control and the strategic capacity of each business area.

Emission calculations use factors from the Department for Environment, Food and Rural Affairs UK (Defra), Association of Issuing Bodies (AIB), U.S. Energy Information Administration (EIA), and climate transparency reports. The Global Warming

Potential (GWP) of the emission factors used in calculating CO<sub>2</sub>e is based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report over a 100-year period. The GHG inventory provides emissions in CO<sub>2</sub> equivalents (CO<sub>2</sub>e), including CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Emissions of other GHG gases are not significant.

The aim of our reporting processes is to provide data that is complete, accurate and relevant to our operations. If any data is later found to be materially incorrect or if conversion factors have materially changed, this will be clearly indicated, and the data will be updated.

### Baseline years for climate change submission inventory

Our targets for reducing greenhouse gas emissions include a 55 per cent reduction in scope 1 emissions by 2030, starting from the base year 2019. For scope 2, we have committed to purchase guaranteed renewable electricity (100 per cent) by 2030, starting in 2023. The choice of base year 2019 for scope 1 and 2 is based on the fact that this was the last year before Covid-19 with comparable operations. We have chosen 2021 as the base year for our scope 3 targets due to challenges in obtaining reliable and complete historical data. However, there are two exceptions to this. For business travel we have chosen 2019 as the base year, as this was the last year of comparable operations before the Covid-19 pandemic. For transport and distribution we have chosen 2020 as the base year, as this was the first year we had comparable data. The engagement target, where 67 per cent of our suppliers (by spend) should have science-based targets, is to be achieved in 2027 (covering categories 1, 2 and 4). The target of a 25 per cent reduction in emissions from the use of sold products (category 11) shall be achieved by 2030, however the target is under revaluation and with possible resubmission.

### Recalculations principles

To ensure that GHG accounting is consistent, comparable, and accurate across time, calculations and targets must be reviewed and, if necessary, recalculated and revalidated. A retroactive recalculation will take place in the case of significant changes or identified prior period errors that increase or decrease base year emissions by a minimum of the chosen significance threshold of five per cent. Our principles are defined in accordance with the GHG Protocol's guidance tracking emissions over time.

### SBTi methodology

KONGSBERG has followed the methodology and guidance documents from SBTi in

setting targets. This ensures that the reductions KONGSBERG has committed to are in line with the latest science and the 1.5°C degree ambition of the Paris Agreement. Since KONGSBERG is not defined to be in any of the sectors where SBTi has developed a Sectoral Decarbonization Approach (SDA), the targets are in line with a general methodology. These methods are constructed from three main elements: a greenhouse gas (GHG) budget, a set of emission scenarios, and an allocation approach. The SBTi's procedure for developing a method begins with determining a representative set of emissions scenarios that are considered plausible, responsible, objective, consistent, and aligned with a specific temperature goal (1.5 °C or WB-2 °C of global warming). SBTi scenarios are drawn primarily from the Integrated Assessment Modelling Consortium (IAMC) and the International Energy Agency (IEA)

### Updated methodology on Use of sold products (scope 3, category 11)

In accordance with the IMO transition plan, we report on scope 3, category 11 with two different methodologies as outlined below.

- 1. Conservative method:** The methodology used in the 2023 Annual and Sustainability report. This is an estimate based on no change in emissions in the maritime industry.
- 2. Method with adopted emission reductions:** A methodology that includes the IMO's adopted emissions reductions towards 2050.

To succeed in reducing emissions in scope 3, category 11 at the scale required, KONGSBERG depend on innovation and collaboration throughout the value chain, and we expect our suppliers and markets to develop in line with global climate goals. Essential to our targets is the 2023 IMO Strategy on Reduction of GHG Emissions from Ships and the following indicative checkpoints:

- 2030: Reduce total annual GHG emissions from international shipping by at least 20 per cent compared to 2008.
- 2040: Reduce total annual GHG emissions from international shipping by at least 70 per cent, striving for 80 per cent, compared to 2008.

Our emission reduction targets in scope 3, category 11 are thus subject to externalities where our impact is limited.



### Direct GHG emissions (scope 1)

Scope 1 includes emissions from the use of fuel and gas for heating processes and fuel for vehicles and equipment, as well as from the production of district heating at Kongsberg Technology Park. The small amounts of emissions related to the burning of biofuels are included in scope 1, and their value chain emissions are included in scope 3 (Fuel and energy related activities). No biogenic CO<sub>2</sub> emissions are reported in other scope 3 accounts. Out-of-scope emissions have not been calculated or included in this report. Currently, zero per cent of scope 1 GHG emissions are regulated by emission trading schemes. The higher heating value is applied for fuels used in scope 1 reporting.

### Indirect GHG emissions from purchased electricity, heat and cooling (scope 2)

Scope 2 includes emissions from electricity consumption, district heating and district cooling from external suppliers. The CO<sub>2</sub>e emission factors used for electricity include both market-based and location-based method, in accordance with GHG Protocol Scope 2 Guidance. Emission factors for district heating are site- and supplier-specific. Purchases of guarantees of origin for electricity are made with approved certificates, covering 70 per cent of electricity consumption.

### Value chain GHG emissions (scope 3)

The scope 3 emissions inventory accounts for indirect greenhouse gas emissions from sources in our value chain. For scope 3, we have screened all categories and established a GHG inventory that covers all relevant categories in the value chain. The categories that are not relevant are: 10 Processing of sold products and 14 Franchises.

All relevant categories have been calculated and included in the inventory. Our calculations and estimates show that categories 1 Purchased goods and services, and 11 Use of sold products constitute over 90 per cent of our total GHG inventory (scope 1, 2 and 3 emissions).

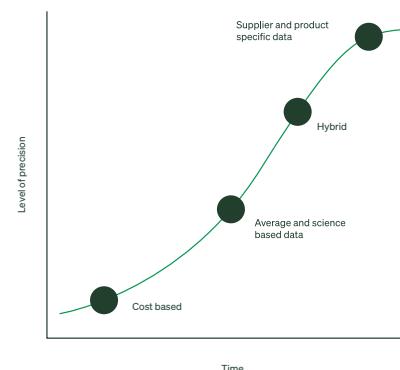
### Purchased goods and services and Capital goods

We have used a spend-based method where each expenditure is defined according to its category (Purchased goods and services or Capital goods), then categorised, mapped and matched with emission factors per product type. Expenditures covered by scope 1, scope 2 or other scope 3 categories are removed from the calculations to avoid double counting. Capital goods are defined as fixed assets or plant, property, and equipment (PP&E). In financial accounting, capital goods (sometimes called "capital assets") are typically depreciated or amortised over the life of the asset. For

scope 3, category 2 Capital Goods, we account for the total cradle-to-gate emissions of purchased capital goods in the acquisition year, according to the GHG Protocol methodology. We have used spend-based emission factors in our 2023 and 2024 reports but will increase precision over time as illustrated below.

### Fuel and Energy related activities

The calculation uses the same consumption data as reported for scope 1 and 2, based on data from internal sources (invoices etc.). Emission factors for the value chain emissions (well-to-tank) for all fuel consumption reported in scope 1 is applied. For all electricity consumption reported in scope 2, we apply emission factors related to the generation of electricity and transmission and distribution losses in the grid. The emission factors for the scope 3 emissions from electricity are country specific. The source for emissions factors is Carbon Footprint - Country specific electricity grid greenhouse gas emission factors - 2024<sup>2</sup>.



<sup>2</sup> Refer to "Country specific electricity grid greenhouse gas emission factors - 2024", published by Carbon Footprint Ltd. on 31 July 2024.

<sup>3</sup> Refer to "Greenhouse gas reporting: conversion factors 2024", published by the Department for Energy Security and Net Zero (UK Government) on 8 July 2024.

### Upstream transportation and distribution

For the calculations of category 4 Upstream transportation and distribution, we have used supplier-specific data and emissions calculations. The transport providers use fuel-based calculations.

### Waste generated in operations

Waste data is gathered from each reporting site within KONGSBERG. The data includes information about waste type, weight and disposal method, using emission factors based on a waste-type-specific method. The source for emission factors is Defra 2024 data<sup>3</sup>.

### Business travel

For booking flights, we use various travel agencies. These agencies calculate CO<sub>2</sub> emissions for all flights and report passenger kilometres and emissions to KONGSBERG.

### Employee commuting

For 2024, we updated our methodology for calculating employee commuting based on an internal global survey covering most business units. The survey provided information on commuting habits worldwide. We assigned specific emission factors for different transportation modes in the four largest countries by FTEs. For employees outside these countries, we used international standards. These emission factors are based on gCO<sub>2</sub>e/km and are multiplied by the commuting distance. Emissions are adjusted for the average number of weekly home office days reported in the survey.

### Upstream leased assets

This category includes emissions from the operation of assets that are leased by a KONGSBERG unit and not already included in the scope 1 or scope 2 GHG inventories. Emissions are calculated based on reported area (square metres) leased and an average estimated electricity consumption per square metre, and country-specific location-based emission factors for electricity.

### Downstream transportation and distribution

For calculating emissions from downstream transportation, we use the GHG Protocol's scope 3 guidance. The average result of category 4 calculations is used as a proxy for more generic emission factors. This average is combined with the number of shipments, assuming that emissions and transport types paid for by us and by customers are similar.



**Use of sold products**

This category accounts for indirect emissions associated with the lifetime emissions occurring in the use phase of products sold within a given year. Products from business areas Kongsberg Maritime and Kongsberg Defence & Aerospace were mostly treated as final products, with their own assumptions of use and emissions through their expected lifetime. The summary below describes how emissions from products sold by Kongsberg Maritime are calculated in this category. The number of units delivered is accounted for by using data from our ERP system and sales orders. The most significant emission sources (propulsion and winch) have been included. Some ERP data have been considered insignificant and not been included. The excluded products are typically electronic equipment consuming a smaller amount of energy.

MDO (Marine Diesel Oil) has been used as the fuel source for reporting in accordance with the IMO DCS report.

For some products, maximum nominal power has been based on assumptions when data was unavailable, with validation performed by product owners.

A 25-year lifetime is assumed for all units. This assumption is in line with the GHG Protocol for calculating category 11 (Use of sold products) emissions.

Internal sales, spare parts, and upgrades are removed from calculations to avoid duplicate reporting.

**End-of-life treatment of sold products**

All products sold during a reporting year are included in the reporting and calculated by using their weight, then divided into waste groups. Assumptions are made on treatment methods combined with similar waste-type emission factors as used for category 5.

**Downstream leased assets**

This category includes greenhouse gas emissions from the operation of assets that are owned by a KONGSBERG unit and leased to a third party, and where GHG emissions are not already included in scope 1 or scope 2. Emissions are calculated based on reported area (square metres) leased, average estimated electricity consumption per square metre, and the country-specific location-based emission factors for electricity.

**Investments**

Reported greenhouse gas emissions represent emissions from jointly controlled operations, associated companies, and other subsidiaries we own but do not have operational control over, proportional to our equity share in these companies. Emissions are gathered directly from the companies.

**GHG removals and GHG mitigation projects**

We have several targets setting a clear course towards a net-zero society by 2050. However, we have not yet determined the specific methods and frameworks to neutralise residual greenhouse gas emissions by 2050. This includes achieving approximately 90–95 per cent reduction in emissions, with potential sectoral variations aligned with recognised decarbonisation pathways. We will continuously evaluate options to neutralise these emissions.

**Internal carbon pricing**

Not relevant.

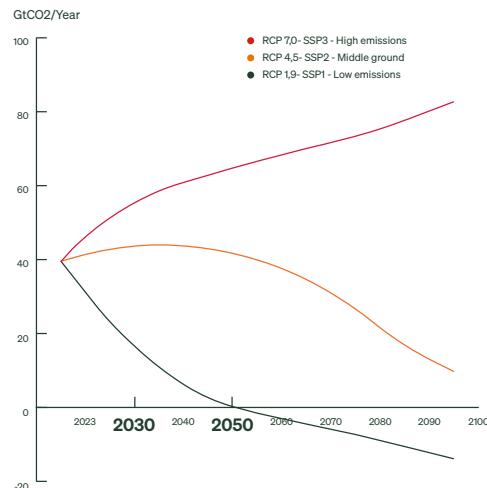


## Climate Change Adaptation

In addressing climate change, our approach to climate adaptation is crucial for ensuring long-term sustainability. We have identified significant climate risks through thorough analyses based on IPCC scenarios and are continuously working to integrate these into our strategic planning. To assess the strategy's adaptability against our material themes, we conducted a climate risk analysis to gain insight into the risks we face. Although we have not defined specific goals or measures for climate adaptation, we are continuously managing and monitoring these risks.

In 2022, we conducted our first climate risk analysis, introducing low-emission and high-emission scenarios. In 2023, we added a "middle scenario" based on current trends. The well-established global scenarios published by the IPCC are SSP1-RCP1.9 (low emissions), SSP2-RCP4.5 (medium emissions), and SSP3-RCP7.0 (high emissions). In 2023, we also expanded the analysis to include assessments against selected scenarios up to 2050. These scenarios align with the climate-related assumptions in our financial statements.

In 2024, we continued working on these scenarios to further assist our business areas in conducting their own climate risk analysis in 2025. Business areas will take full ownership of climate risk in 2025, based on Group requirements, with an approach based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). From 2025, risk assessments will be aggregated at the Group level, based on specific risk analyses from each business area. To build the necessary competence in the business areas, a workshop was held in autumn 2024 with representatives from the sustainability functions of the Group and business areas, HSE, compliance, and supply chain experts. Relevant financial functions from the business areas and the Group's finance department also participated to prepare for reporting the financial impacts of climate change. The results of the climate risk analysis is the foundation for our reporting climate risk in [note 4](#). Management of capital and financial risks.





## Summary of Our Assessment of Climate Risks and Opportunities in 2024

With this background, we can summarise our analysis of climate risks and opportunities for 2024. We have identified both transition and market risks, as well as physical risks that may impact our operations. This insight is crucial for shaping our future strategy and ensuring we are well-positioned to address the challenges and opportunities presented by climate change.

- In the transition scenario, we expect to experience net costs in the three assessed years (2025, 2030, and 2050). Opportunities related to technology development have been identified, where KONGSBERG delivers cutting-edge technologies and meets the demand for increased volumes of sustainable products, but the potential risks are considered greater.
- Market risks and opportunities are expected to pose the greatest challenges for KONGSBERG. This includes declining revenues from oil and gas, increased costs for components and materials, and the possibility that sustainable products may become less competitive in markets outside Europe.
- Risks related to changes in guidelines, regulations, and regulatory requirements are expected to increase over time.

### Physical risks and opportunities

As climate change continues, it may lead to increased demand for some of our technologies and products. Increasing storms and extreme weather could boost demand for solutions and technology of particularly high quality and robustness. However, the opportunities are expected to be smaller than the consequences of physical risks, leading to a net negative effect.

Our process for identifying, assessing, and addressing climate risks and opportunities from 2025 onwards will be conducted by the business areas on a quarterly basis, as part of the ordinary risk management process according to ISO 14001. Both risks and opportunities are assessed, and possible economic or strategic impacts and actions are identified. These assessments are elevated to relevant decision levels and evaluated quarterly by the Board.

Scenario	Category	Description	Risk / opportunity	2025	2030	2050
High emissions	Physical risks and opportunities	Acute risk pose physical threats to personnel and asset operations, creating barriers to fulfil contract agreements	Risk	1	2	4
		Acute and chronic, such as extreme weather events and precipitation changes, risks cause supply chain disruptions	Risk	2	3	4
		Increased demand for e.g., communication and surveillance technology and products adapted to extreme weather conditions	Opportunity	1	3	4
Low emissions	Market risks and opportunities	Need to establish new revenue streams, such as renewable energy, to replace decline in oil and gas revenue	Risk	2	3	4
		Lost competitiveness in markets outside the EU that have less stringent sustainability-related requirements	Risk	1	2	3
		Reduced supply of components and materials due to geopolitical conditions, changes in global value chains or physical risk	Risk	2	3	4
		Reduced access to capital due to inability to meet sustainability requirements or targets	Risk	1	2	3
		May manage to benefit from early entry or supply to new industries or technologies (e.g. aquaculture, offshore wind, hydrogen)	Opportunity	2	3	4
Low emissions	Technology risks and opportunities	Increased demand for service and MRO-activities.	Opportunity	2	3	4
		Transition to renewable revenue streams and green investments not balanced with market demands for new technologies	Risk	2	3	4
		Increased demand for sustainable and circular products make existing products and services more attractive and competitive	Opportunity	2	3	4
Low emissions	Policy & legal risks and opportunities	Disruptive technologies (maritime transition/low-carbon) contribute to increased demand for integrated solutions and products	Opportunity	2	3	4
		Introduction or increase of carbon tax, carbon pricing, volatile energy prices	Risk	2	4	4
		More stringent criteria related to energy efficiency and sustainability for real estate and facilities	Risk	1	1	2
		Reduced access to public funding for R&D due to stricter requirements for sustainable solutions/climate-related projects	Risk	1	1	2
		Increased requirements for documentation and reporting related to climate and sustainability	Risk	2	3	3
Low emissions	Reputation risks and opportunities	Tougher regulatory requirements (e.g., IMO, EU ETS, Fit for 55) create demand for our solutions	Opportunity	1	3	3
		Increased access to public funding for sustainable R&D due to prioritisation by governments on energy transition	Opportunity	2	3	3



We have focused on the vulnerabilities and opportunities considered to have the greatest impact on us and those with the highest degree of uncertainty.

We are working to adapt our business to the impacts of climate change but do not currently have formalised targets and actions. We are mapping the opportunities within climate change and adapting our business model accordingly. We see a clear opportunity linked to innovation and new business areas.

In 2023, we assessed the physical climate risk at our ten most important locations in Norway, aiming to implement necessary measures to protect employees, property, and business operations. This analysis ranked the priority locations based on nine risks such as flooding, rising sea levels, and landslides. The main conclusions of the report were that the short-term risk was not acute. We considered these conclusions to remain valid in 2024 and will continue to monitor them in 2025. However, we have assessed that acute and chronic risks can cause supply chain disruptions, site closures, contract breaches, etc. Considering that many of our deliveries are critical to ensuring national security and defence capability, it is a high priority to effectively identify, manage, and mitigate risks associated with our ability to deliver as agreed. We have thus identified critical components and suppliers to establish alternative procurement strategies, qualify secondary suppliers, remediate project planning and inventory management, and adapt products to identify alternatives to single-sourced products.

As a Group, we see increased demand for communication and surveillance equipment adapted to extreme weather conditions in all future scenarios. Our product range across the business areas is well-positioned to deliver in this market.

#### Market and technology risks and opportunities

Parts of our operations are exposed to the oil and gas industry, making them particularly susceptible to climate-related transition risks. However, our broad product portfolio in the maritime sector is particularly well-positioned to deliver technologies that contribute to a net-zero ocean economy.



#### Policy and legal risk

We monitor regulatory developments with external experts and distribute monthly newsletters to all relevant business areas about these developments. In 2024, we also conducted workshops on EU and Norwegian regulatory developments at our quarterly sustainability forums. The sustainability function in the business areas is responsible for implementing necessary actions to comply with stricter and more comprehensive environmental legislation.

#### Reputational risk

Our science-based climate targets were approved by the Science Based Targets initiative in 2023. We continue to take an active role in the transition to a zero-emission society and have not identified significant areas where reputational risk could impact KONGSBERG.

# Resource Use and Circular Economy

KONGSBERG aims to play an active role in the global transition towards a circular economy and to enhance the circularity of our products. We aim to integrate circular principles across our operations and value chain.

We rely on a steady supply of raw materials, including rare and primary materials, to meet our commercial commitments. Success in resource use and circular economy is crucial for maintaining and further developing our business model and meeting the market's growing expectations for sustainable solutions.

Our approach to circular economy incorporates definitions from the OECD and CSRD. This ensures compliance with EU regulations, promotes transparency, and aligns with global sustainability standards.

## Material Impacts, Risks, and Opportunities

KONGSBERG's double materiality assessment has identified several impacts, risks, and opportunities related to resource use and the circular economy. Those considered material are described in the table to the right. These impacts are particularly significant for Kongsberg Defence & Aerospace and Kongsberg Maritime, as these business areas rely on larger quantities of resources to fulfil long-term contractual obligations.

As part of our materiality assessments, we have identified non-material risks and opportunities related to end-of-life product management, efficient use of raw materials and components, and the implementation of green steel. Although these were not considered material, we believe these areas could become important for KONGSBERG in future analyses.

ESRS sub-topic	Type	Description	Value chain location	KONGSBERG's involvement with impact	Time horizon
<b>Resource inflows</b>	Actual negative impact	We use critical raw materials (CRMs) such as nickel, cobalt, and copper in our products. To support the decarbonisation of energy systems, significant amounts of critical minerals like lithium, nickel, cobalt, copper, and rare earth elements (REEs) are required. These materials are associated with high risks of human rights violations and poor environmental management. The demand for CRMs can affect the global availability and prices of these materials, potentially leading to supply chain challenges and increased costs.	Upstream	Contribute indirectly	Short term
<b>Resource inflows</b>	Actual negative impact	Our revenue depends on the delivery of resource-intensive products, which require the procurement of raw materials, including primary materials, and components for production. Many of these materials are limited, and their extraction and use can have significant negative environmental impacts. This dependency poses a risk to sustainable resource management and can lead to increased costs and supply chain challenges.	Upstream	Contribute indirectly	Short term
<b>Resource inflows</b>	Actual negative impact	We procure products for our own operations, which are often packaged in materials such as plastic, paper, cardboard, and wood. Packaging is necessary to protect incoming goods during transport and upon arrival. However, the need for packaging poses environmental risks, particularly related to waste management and recycling. Additionally, improper handling of packaging materials can lead to increased waste and potential breaches of environmental regulations.	Upstream	Contribute indirectly	Short term
<b>Resource outflows</b>	Actual negative impact	We use materials such as plastic, paper, cardboard, and wood to package products sent to customers. Packaging is essential to protect goods during transport and upon arrival. However, the need for packaging poses environmental risks, particularly concerning waste management and recycling. Additionally, improper handling of packaging materials can increase waste and potentially violate environmental regulations.	Downstream	Contribute directly	Short term
<b>Resource outflows</b>	Actual negative impact	Many of our deliveries to the defence and aerospace industries are subject to regulations, including export restrictions, safety stock requirements, delivery reliability, and limited product lifespans. These regulations can in some cases lead to inefficient resource use and environmental challenges, such as overproduction. This poses a risk, as it can impact both operational efficiency and environmental considerations.	Downstream	Contribute directly	Short term
<b>Resource outflows</b>	Actual negative impact	We generate waste throughout the entire value chain, from the procurement of raw materials to the production and delivery of finished products. This waste generation poses a risk of environmental impact, including challenges related to waste management, recycling, and compliance with environmental regulations.	Upstream, Own operations and Downstream	Contribute directly and indirectly	Short term
<b>Waste</b>	Actual negative impact	We rely on IT equipment for the delivery of our products and services. This equipment has a limited lifespan and eventually becomes waste. In the defence sector, there are also special considerations for electronic waste containing memory, which requires these products to be incinerated upon disposal. This process poses a risk of environmental impact and can present challenges related to secure waste management and regulatory compliance.	Own operations	Contribute directly	Short term



## How We Work with Resource Use and Circularity

We have not yet established policies or actions to address the identified impacts, nor have we planned how to facilitate the reduction of primary raw materials in our products and increase the use of recycled or renewable resources. We also have not set overarching objectives for resource use and circularity, or targets to track the effectiveness of initiated activities. Currently, we have not set any timeframe for establishing these targets.

Variations in resource inflows and outflows across business areas highlight the need for tailored approaches to ensure that each unit's unique impacts and dependencies are effectively managed. To fully understand which policies, actions, and targets will have the greatest impact on the Group, we need deeper insights than we currently have to comprehend the challenges of each business area.

In the following sections, we will describe our existing approaches and strategies at a higher level. We will focus on the business areas with the greatest impact in this domain: Kongsberg Defence & Aerospace and Kongsberg Maritime.

### Policies

KONGSBERG's Principles for Supplier Conduct are mandatory requirements that we expect all our suppliers to follow. Key requirements related to circularity include waste reduction, material reuse, safe handling of hazardous materials, and compliance with waste legislation. These principles are further detailed in the chapter 'Workers in the Value Chain' on page 95. In addition, Kongsberg Maritime has established its own procurement conditions based on these principles, which more specifically cater to their operations.

The directive 'Sustainability Assessments in Decision-Making' integrates sustainability assessments into all decision-making processes, including investments, mergers, acquisitions, and real estate. The directive applies to all entities where we have dominant influence and at all decision-making levels. In line with the CSRD's definition of a circular economy, the directive encourages designing products and materials according to circular principles, emphasising the EU's nine R-strategies<sup>4</sup>. Additionally, the directive highlights sustainability principles such as durability, reuse, repairability, disassembly, remanufacturing, or upgrading, and recycling. The directive is further detailed in the Policies chapter in Climate Change on page 56.

### Kongsberg Defence & Aerospace's Sustainability and ESG Strategy

Circular economy is strategically important in the defence industry. Over the past year, Kongsberg Defence & Aerospace has developed a comprehensive ESG strategy that includes key circular economy principles.

The strategy has been developed in line with the Paris Agreement, OECD guidelines, EU CSRD, and SBTi. The strategy is implemented through collaboration with strategic suppliers, including setting emission reduction targets and conducting due diligence to reduce the use of primary resources. Within the organisation, Kongsberg Defence & Aerospace focuses on efficient resource use, waste reduction, and promoting the use of regenerative resources. Efforts include considering material selection and product lifespan in product design, working to find innovative solutions, and enabling the reuse, recycling, and upgrading of materials.

### Kongsberg Maritime's Circular Economy Initiatives

Kongsberg Maritime has established tailored packaging and shipping requirements for suppliers, approved and implemented in 2018. The requirements encourage suppliers to use recycled and recyclable materials. The packaging should be appropriately sized to minimise waste while protecting the product.

In 2023, Kongsberg Maritime established its own guidelines to promote sustainable product development and circular economy, focusing on the use of secondary raw materials. The guidelines require compliance with legal requirements and the Group's strategy, emphasising ISO 14001, life cycle assessment (LCA), the EU Waste Framework Directive (WFD), the EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), and the EU Directive on the Restriction of Hazardous Substances (RoHS).

In 2024, Kongsberg Maritime developed a waste management procedure outlining the minimum requirements for waste management for wholly-owned companies and subsidiaries. The procedure can also guide subsidiaries with less than 50 per cent ownership. Management is responsible for ensuring resources for compliance. It integrates legal requirements, the EU Waste Framework Directive, HSE principles, and

industry standards. Roles and responsibilities are clearly defined, and compliance is monitored through gap assessments and periodic HSE rounds. The use of authorised waste contractors ensures environmentally responsible disposal. The procedure includes circular economy principles such as waste segregation and the waste management hierarchy, prioritising prevention, reuse, and recycling before disposal. Waste segregation and appropriate storage facilitate recycling and reuse, encourage resource management, and promote the use of secondary resources.

### The Thruster Support Pool-Initiative

Kongsberg Maritime has established a Thruster Support Pool to meet customer demand for high quality and efficiency, as well as to ensure the longest possible lifecycle for our products. When a thruster is removed, it is sent to one of our specialised workshops, where it is cleaned, sandblasted, and primed. The unit is disassembled, inspected, and overhauled according to our specifications with original parts. Any model upgrades are included. The unit undergoes spin tests to detect leaks, and measurements of vibration and temperature before final adjustments. The thrusters then enter the support pool with new zinc anodes, approved coating, and the same warranty and classification as new thrusters. In 2024, 177 thrusters were refurbished and replaced, with a total weight of 1,421 tonnes.

### The Circularity Mapping-Project

In 2023 and 2024, KONGSBERG conducted a comprehensive Circularity Mapping project. The aim of this initiative was to define our approach to the circular economy, assess current practices, and establish a foundation for future actions and goals. We mapped KONGSBERG's regulatory landscape and value chains, focusing on resources and waste. Led by our unit managers, this project has been crucial in understanding the flow of materials, products, and value across our business areas. By distinguishing between activities under our control and those managed by external parties, we can further identify targeted and impactful initiatives to enhance our positive impact on resource use and circularity.

In 2024, Kongsberg Defence & Aerospace conducted its own double materiality analysis, based on the Circularity Mapping project. Actions were planned from a comprehensive list of identified impacts, risks, and opportunities, in line with

<sup>4</sup>[https://circularconomy.europa.eu/platform/sites/default/files/categorisation\\_system\\_for\\_the\\_ce.pdf](https://circularconomy.europa.eu/platform/sites/default/files/categorisation_system_for_the_ce.pdf)



KONGSBERG's double materiality analysis and overarching circular economy strategy. Initial workshops were held to map Kongsberg Defence & Aerospace's value chains, and a preliminary project focusing on Life Cycle Assessment (LCA) was initiated. The project was expanded in 2024 to include Kongsberg Maritime's product portfolio.

The LCA process has enabled both Kongsberg Defence & Aerospace and Kongsberg Maritime to identify activities within their control and influence. The analysis reveals opportunities for cost savings, efficiency, and reduced ecological footprints, while also promoting innovation and strengthening corporate responsibility. The primary focus for future efforts is data collection, which is currently manual and limited in both business areas. The LCA project aims to assess data needs and establish a comprehensive strategy to improve this practice.

In 2025, we plan to expand these workshops and project initiatives related to resource use and circular economy across KONGSBERG. This will help us further identify specific focus areas and develop a comprehensive mitigation and action plan.

As part of the circular economy program initiated in 2023, we have identified the following key areas that will form the foundation for developing future actions.

- Sustainable product design: Reducing the use of primary material, integrating recycled and reused materials, and phasing out hazardous waste.
- Efficient resource use: Promoting modular design principles ensuring upgrades and repairability, increasing the use of secondary materials, and promoting sustainable packaging solutions.
- Sustainable waste management and reduction: Exploring recycling solutions for hazardous waste and optimising the end-of-life cycle enhancing recycling and material recovery.

Through these initiatives, we commit to promoting resource efficiency and the circular economy, ensuring compliance with regulatory requirements, and addressing future environmental challenges. The first step will be to evaluate the relevance of these initiatives for each of KONGSBERG's business areas and their current level of engagement. Where possible, initiatives will be integrated into existing workflows.

## Metrics

### Resource Inflow

The provided data for resource inflows has been disaggregated to highlight KONGSBERG's various types of resource inflows. Resource inflows consist of 44,058 tonnes of purchased goods and 1,421 tonnes of refurbished and reused thrusters from Kongsberg Maritime's Thruster Support Pool. We have estimated the reused packaging for Kongsberg Maritime to be zero.

Resource Inflows	Metric ton	Per cent
Inflows Kongsberg Maritime	39,584	87.04%
Thruster Support Pool	1,421	3.12%
Reused packaging (pure wood)	0	—%
<b>Total Kongsberg Maritime</b>	<b>41,005</b>	<b>90.16%</b>
Inflows Kongsberg Defence & Aerospace	3,200	7.04%
<b>Total Kongsberg Defence &amp; Aerospace</b>	<b>3,200</b>	<b>7.04%</b>
Inflows Kongsberg Discovery	1,176	2.59%
<b>Total Kongsberg Discovery</b>	<b>1,176</b>	<b>2.59%</b>
Inflows Kongsberg Digital	98	0.22%
<b>Total Kongsberg Digital</b>	<b>98</b>	<b>0.22%</b>
<b>Total KONGSBERG</b>	<b>45,479</b>	<b>100.00%</b>

Weight data from purchases is sourced from transport information collected from our logistics companies and suppliers and is summarised in our Sustainability Logistics Dashboard. The data reflects the actual weight of KONGSBERG's total purchases and includes incoming deliveries from all suppliers in 2024. We assume that goods purchased in 2024 have also been used in the production of our products during the same period.

Weight data from the Thruster Support Pool consists of actual weight data, obtained directly from Kongsberg Maritime's workshops.

Weight data for reused packaging (clean wood) is estimated to be zero due to limited data. This conservative approach is taken because our systems lack structured data, making it difficult to accurately assess the reuse rate. Additionally, this approach ensures that we do not overestimate the impact of the action.

Since we do not have data for resource inflows to report on biological materials, we have assumed that the resource inflows consist of technical materials.

Considering the small amounts of biological materials in our products, including wood and cardboard for packaging, rubber, and potentially oils and greases for machinery lubrication, relative to the total weight of resource inflows, and the associated procurement costs for wood and rubber being less than 0.4 per cent at the Group level, we estimate that biological materials will constitute a marginal share of resource inflows in 2024. Therefore, we assume that approximately 100 per cent of resource inflows are technical materials. Additionally, we assume that biofuels are not used for non-energy purposes in our production processes. These assumptions are underscored by the lack of certification schemes known to KONGSBERG's procurement team.

We aim to establish a more robust data foundation for future reporting.

### Description of Resource Inflows

Since 90 per cent of our resource inflows are used in our maritime business area, and the types of resource inflows are similar across other business areas, we base our description of KONGSBERG's resource inflows on Kongsberg Maritime's activities. This applies to both our own operations and upstream in the value chain. The description also includes materials used in the Thruster Support Pool and reused packaging that Kongsberg Maritime uses for transporting products to its downstream customers.

In our maritime value chain, we use a variety of products, including components for shipping and maritime solutions, as well as IT equipment. Components for ship production are primarily made of metals such as aluminium (Al) and steel, along with small amounts of rubber and potentially oils and greases for machinery lubrication. IT equipment typically includes plastics, rubber, and small amounts of precious



metals such as nickel (Ni), cobalt (Co), and copper (Cu). Packaging usually consists of plastic, paper, cardboard, and wood. Critical raw materials and rare earth elements are also important. In IT equipment, tantalum (Ta) and gold (Au) are used in electronic components, while neodymium (Nd) is used in magnets. In the maritime industry, neodymium (Nd) and dysprosium (Dy) are crucial for high-performance magnets in motors and generators, and titanium (Ti) is used for its corrosion-resistant properties.

## Key Products and Materials Related to Outflow and Waste

We are working to integrate sustainable and circular economy principles across our business areas. Each business area focuses on aspects such as product life cycles, recyclability, and alignment with international standards, aiming to meet industry criteria and future sustainability requirements. The following sections will provide information about Kongsberg Defence & Aerospace and Kongsberg Maritime, as they generate the largest share of KONGSBERG's total resource outflows.

Kongsberg Defence & Aerospace designs products that meet stringent criteria in the military and aerospace sectors, focusing on reliability and durability. Although they are not specifically designed for circularity, the products support a circular economy through maintenance, repairs, and upgrades. Military products have a lifespan of 15 to over 30 years, with integrated maintenance and upgrades. The design supports lifecycle management and the establishment of end-of-life processes for safe decommissioning and recycling. Aerospace products are designed for over 15 years of operation, with recyclable packaging materials such as aluminium.

Kongsberg Defence & Aerospace uses recyclable materials such as aluminium, steel, and copper. Although military waste regulations may limit waste treatment to energy recovery, selected product lines are highly recyclable. Due to the long lifespan of the products, disposal is expected in the 2050-60s. Future waste management methods are expected to further increase recyclability. To meet evolving sustainability requirements, Kongsberg Defence & Aerospace is improving its approach by aiming for a mature methodology for lifecycle assessments, such as ISO 14040/44.

Kongsberg Maritime is dedicated to optimising products and services to ensure maximum performance over an installation lifecycle of up to 40 years. With a strong focus on sustainability and continuous improvement, Kongsberg Maritime integrates lifecycle management into its product development and management processes. The

products are designed for longevity, with digital solutions to monitor performance and simplify upgrades. A good example is the company's Thruster Support Pool, where damaged thrusters are refurbished and reused. Kongsberg Maritime is committed to sustainable practices throughout the product lifecycle, from raw material selection to recycling processes. Kongsberg Maritime is actively working to reduce and recycle plastics in logistics and production, with initiatives set to implement improvements by 2025. In compliance with the EU Ship Recycling Regulation, Kongsberg Maritime aligns its practices with industry standards for safe and environmentally friendly recycling.

The products and packaging from Kongsberg Defence & Aerospace and Kongsberg Maritime have significant potential for recyclability, due to favourable markets and the availability of recycling solutions for waste fractions consisting of pure raw materials. However, we estimate that a negligible amount of these materials is actually recycled. This conservative estimate arises from the lack of structured data in our systems to accurately assess the recycling rate of our outflows, helping us avoid overestimating recycling rates.



## Waste Data

The disclosed waste data relates to all business areas.

Waste generated (tonnes)	Non-hazardous	Hazardous	Total
a. Preparation for reuse	2	9	11
b. Recycling	2,818	275	3,093
c. Other recovery	1,333	342	1,674
<b>A. Total diverted from disposal (a. + b. + c.)</b>	<b>4,152</b>	<b>626</b>	<b>4,778</b>
d. Incineration	12	70	82
e. Landfill	225	19	244
f. Other disposal	801	692	1,493
<b>B. Total directed to disposal (d. + e. + f.)</b>	<b>1,038</b>	<b>781</b>	<b>1,819</b>
<b>TOTAL WASTE (A. + B.)</b>	<b>5,190</b>	<b>1,406</b>	<b>6,597</b>
Non-recycled waste (d)			3,493
% Non-recycled waste (d)			53%
"Non-recycled waste" means any waste not recycled within the meaning of "recycling". "Recycling" means any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations			
Total amount of radioactive waste			0

Aligned with the EU's Circular Economy Action Plan and Sustainable Finance directives, Kongsberg Defence & Aerospace and Kongsberg Maritime categorises waste into material-related streams such as metal, glass, paper, cardboard, clean wood, and plastic, as well as product-related streams like electronic waste, cables, and batteries.

Waste data has been collected from our production and office locations. Based on feedback from the various locations, we assume that 94 per cent of the reported data is actual weight data. Six per cent of the reported data is estimated, based on comparable locations, activity, and number of employees.

## Composition of the Waste

The overview below shows waste categories that are relevant to our sector and business and indicates the largest waste categories as well as an overall description of the remaining waste fractions.

Waste relevant to KONGSBERG's sector and operations	Ton	Waste composition
<b>Metals</b>	2,060	Over 50% consists of iron and ferrous alloys. The rest is various mixed metals and specific metals. All metal waste is delivered for recycling.
<b>Wood</b>	1,040	Mainly clean wood. Less than 2% CCA treated wood.
<b>Mixed residual waste</b>	880	Unsorted mixed waste is sent to incineration with energy recovery or to landfill depending on the waste's content and local regulations and established practices in relevant geographies.
<b>Oil waste</b>	610	Various oils delivered to approved hazardous waste recipients.
<b>Paper and cardboard</b>	450	Sorted paper and cardboard delivered for recycling.
<b>Acids and bases</b>	250	Various acids and bases, for example from surface treatment of metals. Delivered to approved hazardous waste recipients.
<b>Other waste</b>	1,307	Various other waste fractions, such as EE waste, plastic materials, solvents and paint, construction waste, etc.



# EU Taxonomy

## Our Scope of Reporting

KONGSBERG reports on the full scope of the EU Taxonomy for 2024. We report on eligible and aligned economic activities for all three KPIs; Revenue<sup>5</sup>, OPEX and CAPEX. Non-eligible activities are those activities that the EU Taxonomy Regulation has not described and where no criteria to evaluate sustainability has been established. The EU Taxonomy Regulation prioritises economic activities related to sectors with the highest potential to fulfil the goals of the environmental objectives. Consequently, activities deemed non-eligible are not necessarily unsustainable, but the EU Taxonomy does not provide any criteria to evaluate them on.

Total operating revenue for KONGSBERG was NOK 48.9 bn. for 2024. Please refer to the Financial statements on [page 109](#) and notes 6 and 7 on [pages 122 and 128](#).

Total EU Taxonomy relevant CAPEX for KONGSBERG was NOK 3.1 bn. for 2024. Please refer to notes 12, 13 and 14 in the Financial statements on [pages 138, 141 and 144](#).

Total Personnel and Other operating expenses for KONGSBERG was NOK 23.2 bn. for 2024. Please refer to Financial statements, [page 110](#). The part of our OPEX that meet the definition of EU Regulation 2021/2178 Annex I, point 1.1.31 is estimated to be NOK 2.1 bn. and form the denominator of the OPEX KPI. For each business area we have evaluated the R&D OPEX and estimated the share of direct expenses according to the EU Taxonomy description. In addition, we have evaluated the direct expenses from our property activities that meet the EU Taxonomy description to give the total estimated OPEX denominator. No portion of operating expenses is related to other expenses related to the daily maintenance of assets, plant and equipment.

We report only on OPEX and CAPEX that are associated with taxonomy-aligned activities since we do not have a CAPEX plan, and data related to purchase of output of Taxonomy-aligned activities is not available.

The evaluation of relevant activities has been performed by the business areas (BAs) with support of the corporate centre to ensure consistent reporting and to perform consolidation for KONGSBERG. The BAs have identified relevant activities from the EU Taxonomy and financial data related to eligible activities have been extracted from the respective ERP systems to prepare the reporting. Economic activities have only been evaluated against the most relevant activity, which avoid double counting.

<sup>5</sup> Expressed as 'Turnover' by the EU Taxonomy regulation

## Activity level performance

- 1 Substantially contribute to one objective
- 2 Do no significantly harm to other objectives

Climate change mitigation

Climate change adaptation

Sustainable use and protection of water and marine resources

Transition to circular economy

Pollution prevention and control

Protection and restoration of biodiversity and ecosystems

## Company level performance

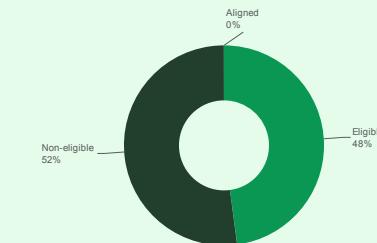
- 3 Comply with minimum safeguards

OECD guidelines for Multinational Enterprises

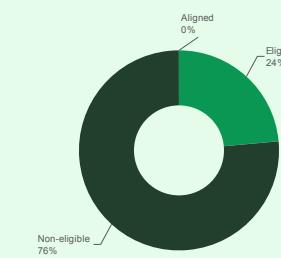
UN Guiding Principles on Business and Human Rights

Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work

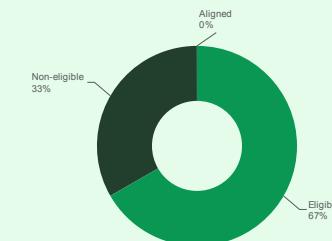
## Revenue



## OPEX



## CAPEX



## Overview of activity categories



● All activities   ● 'Eligible' activities   ● 'Aligned' activities



## Summary of Performance

11 activities have been identified as eligible and assessed against the criteria for alignment. The non-eligible scope of our revenues remains high at 52 per cent, which means that the majority of our activities are not yet captured by the EU Taxonomy. Sales of spare parts and Provision of IT/OT data-driven solutions are the activities that contributes the most to eligibility under the revenue KPI. R&D activities related to Provision of IT/OT data-driven solutions is the largest driver for eligibility under the OPEX KPI, while Construction of new buildings and Manufacturing of aircraft are the activities that contribute the most under the CAPEX KPI. Access to relevant data from internal and external sources to perform the necessary evaluations against the Technical screening criteria remains a challenge which limits the share of aligned KPI performance. A summary of the KPI reporting is found on the previous page, while more detailed tables in line with the format established by the EU Taxonomy are available at the end of the chapter.

In our 2024 taxonomy reporting we have focused on our core business, and as a result, we have cut reporting on five activities this year. Our 2023 report included very moderate shares of aligned revenue, CAPEX and OPEX related to activities that are no longer included in the reporting.

Our 2023 report consisted of mandatory reporting on the activities described in the EU Commission Delegated Regulation related to the environmental objectives for climate change mitigation and climate change adaptation. In addition, we voluntarily reported on the revenue KPI for the activities under the remaining four environmental objectives. We did not report on the CAPEX or OPEX KPIs for the voluntary scope of our 2023 report. A direct comparison of our 2024 report with 2023 is therefore not possible.

### **Manufacture, installation, and servicing of high, medium, and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation**

#### (Climate Change Mitigation – 3.20)

Kongsberg Maritime develops, installs, and services Electrical Power Systems (EPS) which contributes to GHG emission reductions through integration of renewable energy solutions and efficient power conversions to vessels. All our deliveries of EPS meet the description of the activity and are therefore considered eligible. We include activities by our Global Customer Support where these are not already reported under other activities.

The following activities from the Substantial contribution criteria have been identified as relevant:

- Low voltage electrical products, equipment and systems, that increase the controllability of the electricity system, and contribute to increasing the proportion of renewable energy or improve energy efficiency, and
- high and medium voltage switchgears and control gears that increase the controllability of the electricity system, are integrated to increase the proportion of renewable energy or improve energy efficiency.

Switchgear insulations avoid gases with Global Warming Potential above 10 and exclude sulphur hexafluoride (SF6) in circuit breakers. All products comply with EU directive 2009/125/EC, however we are not able to document compliance with standards IEC 60364 and IEC 62271. As a result, we do not meet the Substantial contribution criteria.

An evaluation against Do no significant harm criteria has not been performed, provided that no activities have been assessed to meet the Substantial contribution criteria. As a result, the activity is reported as eligible.

### **Manufacturing of aircraft**

#### (Climate Change Mitigation – 3.21)

Kongsberg Defence & Aerospace manufactures airframe parts for the F35 fighter jet and performs maintenance, repair, and overhaul (MRO) of helicopters and aircrafts.

Our activities are aimed at military, and search and rescue aircrafts where priority is given to other factors rather than GHG emissions. Hence, none of the activities are

aligned as they do not meet the Substantial contribution criteria. No evaluation against Do no significant harm is performed due to lack of compliance to the Substantial contribution criteria. As a result, the activity is reported as eligible.

### **Retrofitting of sea and coastal freight and passenger water transport**

#### (Climate Change Mitigation – 6.12)

Kongsberg Maritime delivers projects related to retrofit and upgrade of vessels designed and equipped for sea and coastal transport of freight or passengers as described by the EU Taxonomy.

We continue to apply the definition of relevant vessels which we have established in prior years' reporting. For example, we do not restrict eligibility to tugs solely dedicated to port operations. Further, we include Offshore Supply and similar vessels on the basis that they transport freight between the shore and offshore operations. Vessels that do not have the primary function to transport freight or passengers, such as naval, fishing, and research vessels are not considered eligible in our reporting. We also exclude vessels that does not have their own propulsion, such as barges.

We have only evaluated deliveries that provide improved functionality from the original design. Activity 5.1 Repair, refurbishment and remanufacturing under the Environmental objective related to Circular Economy captures other aspects and is presented later in this chapter.

We have delivered several projects during 2024 that improve fuel consumption and are expected to meet the Substantial contribution criteria. However, only a limited scope of projects has been documented to meet these criteria. Applicable projects may consist of several product deliveries, both physical and digital, under the same contract to meet the Substantial contribution criteria. CAPEX and OPEX are tied to the individual products and solutions, which by themselves typically do not meet the Substantial contribution criteria.

We have evaluated the Do no significant harm criteria that are relevant for the activity and concluded that we are not able to report compliance with the requirements as several of them require vessel-specific data that we are not able to access or assess. As a result, the activity is reported as eligible.



### **Construction of new buildings**

#### **(Climate change mitigation – 7.1)**

To meet increasing demand for our products we increase our capacity through, among other things, investments in new buildings. During 2024, we have invested in new buildings in the town of Kongsberg as well as Adelaide, Australia. The Adelaide facility aims to become the first defence facility in Australia to achieve LEED Platinum status. However, documentation of the primary energy demand (PED) of these are not available. As a result, it has not been possible to determine if the investments meet the Substantial contribution criteria.

An evaluation against the Do no significant harm criteria has not been performed, provided that no activities have been assessed to meet the Substantial contribution criteria. As a result, the activity is reported as eligible.

### **Acquisition and ownership of buildings**

#### **(Climate Change Mitigation – 7.7)**

KONGSBERG own and lease real estate, which mainly supports our own operation. We have CAPEX and OPEX spend related to these and also generate revenue from renting out to external parties, especially at the Kongsberg Technology Park (KTP). Real estate includes properties consisting of land and the buildings on it and may also include undeveloped land.

We report IFRS16 CAPEX against an evaluation of the real estate's performance of the real estate itself against the criteria for Acquisition and ownership of buildings. We believe this approach is most aligned with the spirit of the EU Taxonomy, as it helps to create incentives in favour of sustainable real estate. Once we apply this interpretation to CAPEX, it also makes sense to consider external revenue of sub-letting to be evaluated against this activity to create symmetry. By doing so we treat both CAPEX and revenue from the real estate in question equally. During 2024 IFRS16 CAPEX makes up most of the CAPEX under this activity.

No properties have been evaluated to meet the Substantial contribution criteria defined by the EU Taxonomy. Buildings built before 31 December 2020 do not have an Energy Performance Certificate (EPC) of class A. There are currently no available statistics in Norway that allow us to assess whether these buildings are in the top 15 per cent of the national or regional building stock. The Ministry of Finance has communicated that they will align with other relevant ministries to evaluate how this can be made available. As a

consequence, we will wait for this update to assess if our buildings can be considered differently. A couple of buildings are built after 31 December 2020, including the Space & Surveillance production and office facility (Cosmos) and a new missile factory (Nexus). Where we have information about the EPC class or PED, we have not been able to verify that the building meets the Substantial contribution criteria. For other buildings, including leased property, information on EPC class or PED is not available to evaluate performance against the Substantial contribution criteria.

An evaluation against the Do no significant harm criteria has not been performed, provided that no activities have been assessed to meet the Substantial contribution criteria. As a result, the activity is reported as eligible.

### **Data-driven solutions for GHG emissions reductions**

#### **(Climate Change Mitigation – 8.2)**

Kongsberg Digital delivers maritime simulators that fit the description of data-driven solutions for GHG emission reductions.

The simulators allow training to be performed virtually rather than on actual ships, thereby contributing to reduce fuel consumption and GHG emissions.

To meet the Substantial contribution criteria, third-party verified life-cycle GHG emission reductions compared to the best performing alternative solution is required. Such analysis has not been performed yet, and we are not able to confirm alignment.

An evaluation against Do no significant harm criteria has not been performed, provided that no activities have been assessed to meet the Substantial contribution criteria. As a result, the activity is reported as eligible.

### **Manufacturing of electrical and electronic equipment**

#### **(Transition to a Circular Economy – 1.2)**

Manufacturing of electrical and electronic equipment for industrial, professional and consumer use is a broad economic activity that can fit a wide scope of the activities we perform. To ensure a consistent application of the activity we have established three key interpretations of the activity description.

With reference to other EU Taxonomy activities, we interpret "manufacturing" to be an intentional limitation in scope. The implication is that physical products, which

are developed and designed, loaded with KONGSBERG software and algorithms, and sold under KONGSBERG brand must also be manufactured by us to be eligible. Second, we consider any product that relies on electrical or electronic equipment to function as intended to be in scope. Finally, an evaluation of the boundaries related to the "industrial, professional, and consumer use" is required. There is little guidance available to help us determine what would be appropriate boundaries, but we believe the specification of this boundary has been intentional to limit the scope of the activity. Our interpretation is that products need to be generally commercially available, and as a consequence products sold solely for military use are excluded. These products are not available for purchase on a general commercial basis, which is made evident by the need for export control licence for instance.

Only revenue related to sale of stand-alone products (which may be custom built) are evaluated. When physical products are sold as part of a project the delivery is an integrated delivery which also include aspects such as product and software development, training, testing, calibration etc.

The activity is relevant for most of our business areas, with the majority of the eligible contribution from Kongsberg Discovery.

Several requirements to meet the Significant contribution criteria exist for products that do not have EU Ecolabel, like ours. The requirements are many, and not always easy to interpret, which makes the documentation of compliance demanding and costly. We have not yet evaluated the relevant products against the requirements but will consider the benefits for our business in closer detail during 2025.

An evaluation against the Do no significant harm criteria has not been performed, provided that no activities have been assessed to meet the Substantial contribution criteria. As a result, the activity is reported as eligible.

### **Provision of IT/OT data-driven solutions**

#### **(Transition to a Circular Economy – 4.1)**

Both Kongsberg Maritime and Kongsberg Digital offer data-driven solutions. Activities connected with subscription service, necessary hardware, as well as setup and installations are all evaluated to meet the eligibility criteria of the EU Taxonomy. We continue to rely on the activity-specific criteria to evaluate relevant lock-in principle considerations.



We have performed a re-evaluation of the activities previously reported under Data-driven solutions for GHG emission reductions (Climate change mitigation 8.2) and found that most of our products better align with this activity. This change reflects that our products focus on operational efficiency with circular economy as a by-product, rather reduction of GHG emissions.

Kongsberg Digital offer data-driven solutions which enable more efficient use of assets and reduce impact from unwanted future events. K-IMS is a digital solution offered by Kongsberg Maritime, similar to the Vessel Insight solution from Kongsberg Digital, where both solutions provide data and analytics that offer decision-making support for customers to improve the operational performance of vessels. We have also reported Health Management monitoring services from Kongsberg Maritime as eligible since it ensures that assets receive service and maintenance follow up that allow them to operate under optimal conditions.

Relevant products and solutions have been assessed against the Substantial contribution criteria and found to meet the relevant requirements.

However, we are not able to confirm that the relevant products and solutions meets the requirements set out in the Do no significant harm criteria to pollution prevention. As a result, the activity is reported as eligible.

#### **Repair, refurbishment and remanufacturing (Transition to a Circular Economy – 5.1)**

The repair, refurbishment and remanufacturing activity is a relevant activity for most of our business areas. The description of the activity specifies that the “goods have been used for their intended purpose before” and we understand this to mean any product that has been used, i.e. which is not new out-of-the-box. We understand that the aim of the activity is to extend the life of the products covered by the activity.

The Global Customer Support division in Kongsberg Maritime is established specifically to meet the purposes of this activity. Kongsberg Digital perform repair and maintenance work related to their maritime simulator business. Kongsberg Discovery reports eligible activities linked to the product portfolios of Ocean Technologies and Seatex. In Kongsberg Defence & Aerospace maintenance, repair, and overhaul (MRO) is provided by division Aerostructures & MRO, while other divisions provide field- and upgrade support.

Since waste management plans are not formalised in the operation yet, none of the activities meet the Substantial contribution criteria and the Do no significant harm criteria have consequently not been evaluated. As a result, the activity is reported as eligible.

#### **Sale of spare parts**

##### **(Transition to a Circular Economy – 5.2)**

The sale of spare parts is another activity relevant for most of our business areas. Spare parts are separate parts of a product that can replace a part of a product with the same or similar function. The product cannot function as intended without that part of the product.

The major contributor to the eligible revenue reported under this activity is from Kongsberg Maritime and the Global Customer Support division. Kongsberg Discovery reports eligible revenue linked to the product portfolios of Ocean Technologies and Seatex. The Defence Systems division of Kongsberg Defence & Aerospace also have eligible revenue under this activity.

Kongsberg Maritime and Kongsberg Discovery report that packaging does not meet the requirement of the Substantial contribution criteria. Kongsberg Defence & Aerospace meets the Significant contribution criteria. However, the use of substances such as Cadmium and Lead results in non-compliance with EU Directive 2011/65/EU (RoHS). Consequently, the Do no significant harm criteria are not met, and the activity is reported as eligible.

#### **Product-as-a-service and other circular use- and result-oriented service models**

##### **(Transition to a Circular Economy – 5.5)**

Kongsberg Discovery operate a rental business within their Ocean Technologies and Uncrewed Platforms units that meet the description of the activity. We believe that the activity increases the use intensity of the product and meets the other Substantial contribution criteria but have not performed the necessary work to document this. We will evaluate the benefits to invest in the required documentation for our business in closer detail during 2025.

An evaluation against the Do no significant harm criteria has not been performed, provided that no activities have been assessed to meet the Substantial contribution criteria. As a result, the activity is reported as eligible.



## Minimum Safeguards

Minimum safeguards criteria are outlined in the EU Taxonomy regulation (EU 2020/852) Article 3 and 18 and establish that compliance is required on entity level to qualify activities as environmentally sustainable. We rely on the final report advice presented by the Platform on Sustainable Finance on the application of Minimum safeguards<sup>6</sup> to evaluate compliance. In their advice, four criteria are identified where compliance is required: Human Rights, Corruption, Taxation, and Fair Competition.

We have not been convicted of violating laws within these areas in 2024.

### Human Rights

We have carried out a gap analysis between the Norwegian Transparency Act and the requirements established by the Platform on Sustainable Finance and concluded that there is an overlap. Hence, we consider ourselves to be compliant with the Human Rights requirements of the Minimum safeguards of the EU Taxonomy through the legislative requirements established by the Transparency Act.

### Corruption

KONGSBERG has a zero tolerance for corruption and our attitude is expressed explicitly through our Code of Ethics and Business Conduct which is accepted by all employees on employment and periodically attested to. Further, we have endorsed the UN Global Compact, the OECD's Guidelines for Multi-National Enterprises and is a member of Transparency International, the International Forum on Business Ethical Conduct (IFBEC) and Maritime Anti- Corruption Network (MACN). As a part of the overall assessment every third year, the program is subject to an audit. In 2023 an audit was executed by a US law firm who found the program to be adequate and effective, and observed that significant improvements had been made since their prior review in 2020. As such, we consider to be compliant with the Anti Corruption requirements of the Minimum safeguards of the EU Taxonomy.

### Tax

Our international presence means that we must comply with a wide variety of tax systems in many countries. In our opinion, a responsible approach to taxation is essential for our long-term activities in the countries in which we operate. This includes identifying and complying with current tax legislation, disclosing all the necessary information to the relevant authorities and taking prudent tax positions where tax legislation allows different interpretation or choices.

We have a central tax department that reports to corporate management, and whose primary purpose is to ensure compliance with our Tax Policy throughout the Group. The tax department and local management within the Group companies ensure compliance with local tax reporting requirements in the countries in which we operate, in cooperation with internationally recognised tax advisers. The tax department regularly monitors the external advisers.

KONGSBERG prioritise the work on an improved version of a tax framework, with more emphasis on roles, responsibilities, and internal controls for the future. This aligns with growing requirements from Governments not only to adhere to a responsible tax policy, but also to document such adherence. As such, we consider ourselves to be compliant with the Tax requirements of the Minimum safeguards of the EU Taxonomy.

### Fair Competition

All employees accepted the Code of Ethics and Business Conduct, which includes a chapter on Fair Competition, on employment. In addition, specialised training and awareness activities related to competition laws and regulations are carried out regularly towards employees in senior management positions, as well as other positions identified to be of high relevance. As such, we consider ourselves to be compliant with the Fair Competition requirements of the Minimum safeguards of the EU Taxonomy.

### Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.

No

The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.

No

The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.

No

### Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.

No

The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.

No

The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.

No

<sup>6</sup> Platform on Sustainable Finance, (October 2022) 'Final Report on Minimum Safeguards': [https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards\\_en.pdf](https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf)



## Sustainability Statement / Environment / EU Taxonomy

## Revenue KPI

Financial year 2024		Year		Substantial Contribution Criteria				DNSH criteria ('Does Not Significantly Harm')									
		Code (2)	Turnover (3)	Climate Change Mitigation (5)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or -eligible (A.2), turnover year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Economic Activities (1)		MNOK	%	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y, N, N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b> 47.9%																	
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>					0	-%	-%	-%	-%	-%	-%	Y	Y	Y	Y	Y	-%
None					0	-%	-%	-%	-%	-%	-%	Y	Y	Y	Y	Y	-%
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)					0	-%	-%	-%	-%	-%	-%	Y	Y	Y	Y	Y	0.0%
Of which enabling					0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	0.0%
Of which transitional					0	0.0%	0.0%					Y	Y	Y	Y	Y	0.0%
<b>A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																	
					EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL						
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation		CCM 3.20	437	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL						
Manufacturing of aircraft		CCM 3.21	2,133	4.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL						
Retrofitting of sea and coastal freight and passenger water transport		CCM 6.12	2,980	6.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL						
Acquisition and ownership of buildings		CCM 7.7	66	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL						
Data-driven solutions for GHG emissions reductions		CCM 8.2	278	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL						
Manufacturing of electrical and electronic equipment		CE 1.2	2,585	5.3%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL						
Provision of IT/OT data-driven solutions		CE 4.1	4,894	10.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL						
Repair, refurbishment and remanufacturing		CE 5.1	4,039	8.3%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL						
Sale of spare parts		CE 5.2	5,885	12.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL						
Product-as-a-service and other circular use- and result-oriented service models		CE 5.5	110	0.2%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL						
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)				47.9%	12.1%	-%	-%	-%	35.8%	-%							
Total (A.1+A.2)			23,408	47.9%	12.1%	-%	-%	-%	35.8%	-%							
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																	
Turnover of Taxonomy-non-eligible activities				25,464	52.1%												
Total (A+B)				48,872	100.0%												



Sustainability Statement / Environment / EU Taxonomy

**CAPEX KPI**

Financial year 2024		Year Code (2)	Turnover (3) M NOK	Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or -eligible (A.2, turnover, year 2023 (18))	Category enabling activity (19)	Category transitional activity (20)	
Economic Activities (1)	Proportion of Turnover year 2024 (4)			Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
A. TAXONOMY-ELIGIBLE ACTIVITIES	66.7%																	E	T	
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																				
None	0	-%	-%	-%	-%	-%	-%	-%	Y	Y	Y	Y	Y	Y	Y	Y	2.8%			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	-%	-%	-%	-%	-%	-%	-%	Y	Y	Y	Y	Y	Y	Y	Y	2.9%			
Of which enabling	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	Y	0.0%	E	T	
Of which transitional	0	0.0%	0.0%						Ja	Ja	Ja	Ja	Ja	Ja	Ja	Ja	0.0%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
									EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL				
Manufacturing of aircraft (CapEx A)	CCM 3.21	360	11.7%	EL	N/EL	N/EL	N/EL	N/EL												
Construction of new buildings (CapEx A)	CCM 7.1	471	15.3%	EL	N/EL	N/EL	N/EL	N/EL												
Acquisition and ownership of buildings (CapEx A)	CCM 7.7	827	26.9%	EL	N/EL	N/EL	N/EL	N/EL												
Data-driven solutions for GHG emissions reductions (CapEx A)	CCM 8.2	24	0.8%	EL	N/EL	N/EL	N/EL	N/EL												
Manufacturing of electrical and electronic equipment (CapEx A)	CE 1.2	66	2.1%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Provision of IT/OT data-driven solutions (CapEx A)	CE 4.1	285	9.3%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Repair, refurbishment and remanufacturing (CapEx A)	CE 5.1	1	0.0%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Product-as-a-service and other circular use- and result-oriented service models (CapEx A)	CE 5.5	15	0.5%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	2,049	66.7%	54.7%	-%	-%	-%	-%	11.9%	-%											
Total (A.1+A.2)	2,049	66.7%	54.7%	-%	-%	-%	-%	11.9%	-%											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of Taxonomy-non-eligible activities		1,023	33.3%																	
Total (A+B)		3,072	100.0%																	



Sustainability Statement / Environment / EU Taxonomy

**OPEX KPI**

Financial year 2024		Year		Substantial Contribution Criteria				DNSH criteria ('Does Not Significantly Harm')				Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1) or -eligible (A.2.) turnover year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)	
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover year 2024 (4)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystem (10)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
		MNOK	%	Y,N,N/EL	Y,N,N/EL	Y,N,N/EL	Y,N,N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																
None			0	-%	-%	-%	-%	Y	Y	Y	Y	Y	Y	—		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0	-%	-%	-%	-%	Y	Y	Y	Y	Y	Y	2.1%		
Of which enabling			0	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	0.0%	E	
Of which transitional			0	0.0%	0.0%			Y	Y	Y	Y	Y	Y	0.0%		T
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																
Manufacture, installation, and servicing of high, medium and low voltage electrical equipment for electrical transmission and distribution that result in or enable a substantial contribution to climate change mitigation (OpEx A)	CCM 3.20	14	0.7%	EL	N/EL	N/EL	N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL			
Manufacturing of aircraft (OpEx A)	CCM 3.21	2	0.1%	EL	N/EL	N/EL	N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL			
Retrofitting of sea and coastal freight and passenger water transport (OpEx A)	CCM 6.12	21	1.0%	EL	N/EL	N/EL	N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL			
Acquisition and ownership of buildings (OpEx A)	CCM 7.7	81	3.8%	EL	N/EL	N/EL	N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL			
Data-driven solutions for GHG emissions reductions (OpEx A)	CCM 8.2	47	2.2%	EL	N/EL	N/EL	N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL			
Manufacturing of electrical and electronic equipment (OpEx A)	CE 1.2	91	4.3%	N/EL	N/EL	N/EL	N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL			
Provision of IT/OT data-driven solutions (OpEx A)	CE 4.1	243	11.5%	N/EL	N/EL	N/EL	N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		499	23.6%	7.8%	-%	-%	-%	15.8%	-%							
Total (A.1+A.2)		499	23.6%	7.8%	-%	-%	-%	15.8%	-%							
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																
OpEx of Taxonomy-non-eligible activities			1,621	76.4%												
Total (A+B)			2,121	100.0%												



Sustainability Statement / **Social**

## Social



## Own Workforce - Working Conditions and Equal Treatment for All

### Introduction to the Topic

We aspire to be a thriving workplace. We value our employees as our most important resource and strive for a competent, dedicated, and diverse workforce. We promote a safe culture that supports flexibility and collaboration, enabling our employees to perform at their best. As a company built on knowledge and expertise, we recognise that our employees are crucial for achieving strategic goals. Fostering a culture of diversity and inclusion is crucial for cultivating a sense of belonging, driving innovation, and supporting growth. Our shared values are our strength and are vital for being an attractive employer that positively impacts our employees.

To fully leverage our employees' expertise, we offer a thriving workplace with a strong focus on diversity, inclusion, and belonging. We believe this creates an environment where all employees can excel. We are committed to promoting equality and preventing discrimination in line with the Equality Act.

### Material Impacts, Risks, and Opportunities

The double materiality assessment identified positive and negative impact, risks and opportunities related to working conditions, equal treatment and equal opportunity for all.

ESRS sub-topic	ESRS sub-sub topic	Type	Description	Value chain location	KONGSBERG's involvement with the impact	Time horizon
<b>Working conditions</b>	Working time, Adequate wages, Social dialogue, Freedom of association, Collective bargaining	Potential negative impact	We operate in countries and regions where the risk of breaches in work-related rights is high. This is especially related to our own operations in Asia, Middle East, and South America. In these regions labour unions are less common, which may increase the potential systematic risk of breaches in rights related to working hours, adequate wages and the possibility to unionise. Thus, we may contribute to poor working conditions for employees if not handled correctly.	Own operations	Contribute directly	Medium term
<b>Working conditions</b>	Working time and work-life balance	Risk	As a company, we have high growth ambitions and work with time-critical deliveries which may lead to long working hours for our employees. Risks for KONGSBERG related to long working hours for employees are mainly operational and include poor productivity and staff turnover, resulting from health issues, or decrease of employees' satisfaction and engagement. We depend on a thriving workforce to deliver on strategic objectives.	Own operations	Not relevant for risks	Medium term
<b>Equal treatment and opportunities for all</b>	Gender equality and equal pay for equal value, Diversity	Potential negative impact	The industries we operate in are widely characterised by relatively low representation from women and minority groups. Lack of diversity may have a negative impact on groups that are most likely to be discriminated against, such as minorities and women. Lack of diversity within the workforce may lead to negative economic consequences for the impacted people.	Own operations	Contribute directly	Medium term
<b>Equal treatment and opportunities for all</b>	Training and skills development, Diversity	Potential positive impact	By investing in training and skill development, KONGSBERG might have a positive impact on all employees' personal growth and well-being.	Own operations	Contribute directly	Short term
<b>Equal treatment and opportunities for all</b>	Training and skills development, Diversity	Actual positive impact	We focus on including people who have been left outside the job market. When these people become a part of our workforce, it prepares them for further challenges and equip them with the necessary skills and experience to succeed in their careers.	Own operations	Contribute directly	Short term
<b>Equal treatment and opportunities for all</b>	Diversity	Risk	A lack of diversity may lead to homogeneous thinking, stifling creativity and problem-solving. We rely on being perceived and experienced as a workplace that values diversity to ensure we come up with the best solutions.	Own operations	Not relevant for risks	Medium term



## Sustainability Statement / Social / S-1 Own Workforce - Working Conditions and Equal Treatment for All

We identified no material potential negative or positive impacts on our workforce related to our ambition to be an active participant in sustainable change and energy transition. Other work-related rights, such as forced labour and child labour, were not deemed material for our workforce. Therefore, information regarding types of incidents, countries, and geographic areas with significant risks is not relevant to disclose. Unless otherwise specified, all descriptions apply to all employees within the Group.

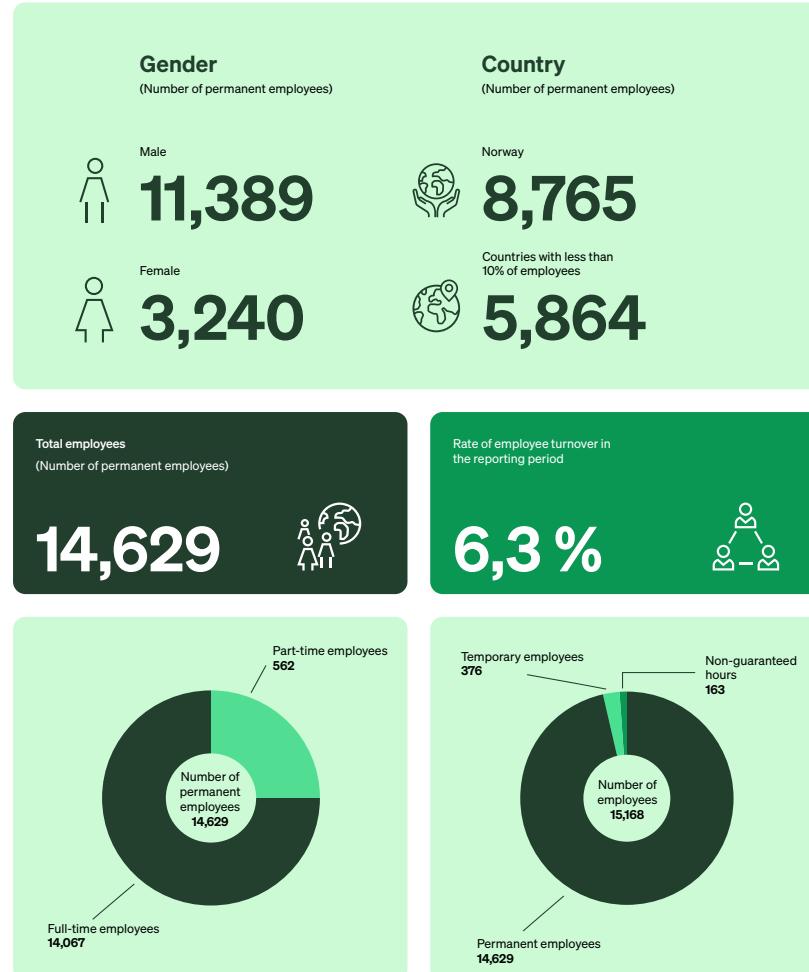
## Description and Characteristics of Own Workforce

### Description of type of workers included in own workforce

We are a global company with a unique and strong culture that helps us attract and retain the right people to solve the challenges of the future. Developing a diverse workforce is crucial for us. Employees and non-employee workers in our workforce can be materially impacted by our operations. The tables below describe who our employees and non-employees are.

### Characteristics of our employees

Definition	
<b>Permanent employee</b>	A person who works permanently in KONGSBERG. Includes employees on maternity leave and long term absence.
<b>Temporary employee</b>	A person on a temporary contract, where start- and end date is defined.
<b>Full-time</b>	A person who is employed in a full position during the year.
<b>Part-time</b>	A person who is employed in a part time position during the year.
<b>Non-guaranteed hours</b>	A person without a guaranteed minimum number of working hours who works on demand according to our workload in the business.
<b>Agency Worker (temporary agency person)</b>	A person who is hired from an agency company to cover an increased workload or gaps in capacity.
<b>Contractor</b>	A person who is hired in project work with defined deliverables, the work is typically result oriented and time-limited. Self-employed employees are counted in this category.
Management level (0-3) Description	
<b>Level 0</b>	President & CEO
<b>Level 1</b>	Corporate Management Team
<b>Level 2</b>	Business Area Management Team
<b>Level 3</b>	Managers reporting to level 2



		Number of employees (head count)									
<b>Gender</b>											
Male		11,389									
Female		3,240									
Other		n/a									
Not Reported		—									
<b>Total employees</b>		14,629									
Comment: Data reported are headcount of permanent employees (not full-time equivalents)											
		Number of permanent employees									
		(head count)									
<b>Country</b>											
Norway		8,765									
Other countries with less than 10% of employees		5,864									
<b>Total employees</b>		14,629									
Comment: Data reported are headcount of permanent employees (not full-time equivalents)											
2024											
		Female	Male	Other	Not disclosed	Total					
Number of employees		3,388	11,780	n/a	—	15,168					
Number of permanent employees		3,240	11,389	n/a	—	14,629					
Number of temporary employees		100	276	n/a	—	376					
Number of non-guaranteed hours employees		48	115	n/a	—	163					
Number of full-time employees		3,052	11,015	n/a	—	14,067					
Number of part-time employees		188	374	n/a	—	562					
2024											
		Other	Norway	Europe	America	Asia	Africa	Australia	TOTAL		
Number of employees		9,012	3,313	999	1,686	39	119	119	15,168		
Number of permanent employees		8,765	3,069	986	1,658	35	116	116	14,629		
Number of temporary employees		128	216	13	12	4	3	3	376		
Number of non-guaranteed hours employees		119	28	—	16	—	—	—	163		
Total											
Number of employees who have left during the reporting period									840		
Rate of employee turnover in the reporting period									6.3%		



#### Sustainability Statement / Social / S-1 Own Workforce - Working Conditions and Equal Treatment for All

All data is reported as headcount at the end of the reporting period. For 2024 we have not reported on the gender category "other", but plan to make this available in 2025. Gender reporting is based on employees' self-disclosure. The reporting of the total number of employees who left during the reporting period includes permanent employees who left voluntarily, due to dismissal, retirement, or death in service. Employee turnover is calculated as number of employees who left KONGSBERG, divided by the number of permanent employees at the start of the reporting period (1 January). Headcount numbers are not presented in the financial statements, however average FTE is reported in Note 9 Personnel expenses, remuneration to Executive Management and the Board on [page 130](#).

## Policies

Respecting human rights is a fundamental value for KONGSBERG and is an integral part of all policies related to our employees. These policies are developed in line with internationally recognised human rights, including, but not limited to, those outlined in the International Bill of Human Rights and International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. Refer to our disclosure on due diligence in the Human Rights Report. The report will be published on our website in connection with the notice of the Annual General Meeting.

### Directive for Human Resources

At KONGSBERG, we recognize that our success is built on the strength and dedication of our employees. We aim to attract, recruit, develop and retain a diverse and dynamic workforce with the right skills and mindset to support our overall business strategy and goals. We use strategic business priorities and data-driven insights to identify and focus on the most critical priorities. This is reflected in our Directive for Human Resources, which includes guidelines related to diversity, leadership, and competence. The directive is applicable and available to all employees worldwide via our intranet. The document is owned by the President & CEO and maintained by the corporate HR-function. The business areas are responsible for establishing clear ownership, accountability, and resources to implement, manage and monitor compliance with this document. They are also responsible for embedding the requirements of this document into HR processes and the business management systems.

### Employee handbook

The Employee handbook shall give our employees information about rights and obligations associated with their employment. The handbook is available to all employees on our intranet, and the HR functions within the business areas are responsible for its implementation. The handbook includes guidelines on the following topics:

- **Employment:** This guideline includes topics such as probation periods, job titles, secondary employment, and roles outside KONGSBERG.
- **Work and overtime:** This guideline includes topics such as working hours, core- and flexible hours, working from home, rest breaks and reduced working hours, overtime and travel time, overtime compensation according to the Working Environment Act, and guidance and guidelines for time registration.
- **Sickness, vacation, and absence:** This guideline includes topics such as personal sick leave, child or caregiver's illness, care for close relatives, vacation and compensatory time off, leave of absence, and application and registration of absence.
- **Salary:** This guideline includes topics such as salary, holiday pay, and overtime pay.
- **Pension and insurance:** This guideline includes topics such as pension and employee insurance, health insurance, and travel insurance.
- **Resignation:** This guideline outlines the three main reasons for resignation (resignation by the employee, retirement age, measures by the employer in case of underperformance or rule violations) as well as rules and routines for resignation, including a checklist for resignation, non-compete clauses, equipment and system access, and exit interviews.

### Employment contract

All employees, including part-time and temporary employees, shall have a signed employment contract according to local law. The contract shall be written in a language understandable to the employee. All employees shall be informed about their rights and obligations associated with their employment. The employment contract is based on the principles described in the employee handbook.

### Code of Ethics and Business Conduct

The Code sets clear expectations for how we expect our employees and leaders to behave and that we expect from our suppliers and business partners. The Code covers areas related to labour rights, such as;

- a good, safe and secure working environment,
- avoidance of child labour and compulsory labour,
- non-discrimination, based on gender, ethnicity, religion, and sexual orientation
- acceptable working hours and reasonable wage conditions
- freedom of association and the right of collective bargaining

We monitor whether our employees have conducted training related to the Code of Ethics and Business Conduct. Further details about the Code of Ethics and Business Conduct can be found in the Governance chapter [page 101](#).

## Process for Engagement

We have robust systems to address employees' needs and expectations through regular performance dialogues and employee engagement surveys. The Executive Vice President Business Support is operationally responsible for ensuring engagement with our workforce. The effectiveness of this process is evaluated by reviewing the results of the engagement survey, where we ask employees if they are aware of how to engage and report concerns at KONGSBERG.

### Engagement through unions

We have established well-founded forums for cooperation with trade unions and organisations, which provide valuable contributions to addressing our challenges in a constructive manner. About half of our employees are unionised. In some countries, employers do not have the right to ask employees for this type of information. The Corporate Committee has been established to ensure good communication and coordination between KONGSBERG's management and the various trade unions in Norway. Regular meetings are held to discuss issues of common interest. The committee consists of the President & CEO, central managers at corporate and at the business area levels, in addition to union representatives from each of the business areas.



Sustainability Statement / Social / S-1 Own Workforce - Working Conditions and Equal Treatment for All

#### Engagement survey

We measure employee engagement globally to identify strengths and areas for improvement. Previously conducted every other year, in 2024, we introduced a new system to provide continuous feedback and meaningful insights, enhancing performance and supporting successful transformation. The Peakon platform offers real-time visibility into employee engagement, sentiment, and productivity throughout the employee lifecycle.

#### Performance dialogues, including exit interviews

Business areas are responsible for ensuring a process is in place for performance and development dialogues. These dialogues should be conducted for all employees at least once a year. Employees should be aware of the requirements for their position/role. Topics such as life phase, mobility, competence development, and career plans are covered during these dialogues. Employees can raise concerns with their line manager during the annual performance dialogue.

Employees leaving the company have the opportunity to provide feedback through an exit survey and interview. These processes help us understand the reasons for departures and gather valuable information on how we can become a better and more attractive employer.

### Process to Remediate Negative Impacts and Reporting Channels

We adhere to the OECD principles of responsible business conduct, in line with our Directive for Human Rights risk assessments and the Norwegian Transparency Act, ensuring remediation where required. Each case is handled individually to ensure the best outcome for the individual and community.

The Group has a management response plan which ensures that we respond in a timely manner to incidents and minimise adverse consequences. The plan describes the procedure and internal responsibilities between the Board and management for handling compliance incidents. When a concern about a potential negative impact is reported, and investigation is started. The Corporate Compliance Officer (CCO) evaluates if the incident is high-risk and consults with the General Counsel (GC). An independent investigation lead and team are then assigned to submit an interim report,

including a summary of facts, conclusions, root cause analysis, and remedial actions. The CCO and GC review the report and submit recommendations for further follow-up to the President & CEO, including any sanctions or other responses against a company and employee, or others acting on behalf of KONGSBERG.

We ensure that our activities do not cause or contribute to significant negative impacts on our own workforce through strict policies and regular evaluations. Our HR processes include continuous monitoring and improvement of working conditions, as well as training in ethical guidelines. We have also established a whistleblowing channel to capture and address any concerns.

When we detect incidents that require remediation, the case will be assigned to a dedicated action owner who is responsible for taking appropriate actions and management will be kept updated as necessary according to internal procedures. The effectiveness of the actions is assessed against the desired effect of the change and possible unintended consequences this may have had on other parties. The same process is followed regardless of whether the incident concerns our own employees, suppliers, workers in the value chain, affected communities or other stakeholder groups.

Our whistleblowing channel, through which we ensure effective handling of whistleblowing and that no one experiences retaliation for whistleblowing, is described in more detail in the chapter on Governance on [page 101](#).

#### Actions and Resources

HR in each business area is operationally responsible for implementing measures to support our employees. Each area has action plans linked to HR goals. We measure the effectiveness of these actions through continuous feedback from employees via various communication channels, either directly between managers and employees or indirectly through engagement surveys or dialogue with employee representatives. These actions apply globally unless specified otherwise.

We will now describe the key actions undertaken in 2024, particularly related to working conditions, equal treatment, and equal opportunities for all. As these actions are part of general operations and ongoing improvement, we have not calculated the financial resources allocated to each action.

#### Actions to limit negative impact

In response to findings on harassment and discrimination, we have implemented several measures, including prevention training, ensuring protection for those using the reporting channels, and reducing barriers for reporting concerns. Stakeholders feedback has been a key focus in business area leadership meetings.

#### Actions related to working conditions

To help employees manage an at times high workload and ensure a healthy work-life balance, we offer flexible working hours and, where possible, the opportunity to work from home. Working hours are also discussed during performance dialogues. These guidelines and rights are detailed in the employee handbook. Success is indirectly assessed through employee satisfaction surveys and dialogue with employees and managers.

We prioritise monitoring turnover to retain employees and their expertise, with a particular focus on understanding those who leave within two years of starting. Exit interviews with HR or line managers help us pinpoint areas for improvement. To reduce early departures, we are refining our onboarding processes and conducting follow-up meetings during probation to address any issues promptly. Success is measured by tracking turnover rates.

#### Actions related to equal treatment and opportunities for all

We aim to increase the proportion of women, especially in leadership roles. To achieve this, we actively ensure qualified female candidates are selected in recruitment processes. We also provide diversity training for leaders and highlight women as role models in recruitment campaigns and internal events. We focus on recruiting women externally and motivating them internally to apply for leadership positions. Success is measured by tracking gender balance and the proportion of women in levels 1-3.



## Sustainability Statement / Social / S-1 Own Workforce - Working Conditions and Equal Treatment for All

We do not have specific governing documents related to the inclusion of vulnerable groups in society, but we are dedicated to including individuals who have been out of the workforce by offering job training and engagement opportunities. This initiative targets those with CV gaps, partial disabilities, or wage subsidies. We work closely with NAV and partners like Unicus to facilitate job training. Success is measured by the number of individuals participating in job training or engagement each year.

See the Gender Equality Report 2024 Kongsberg Gruppen ASA for more information on the status of gender equality and what is being done to fulfil the activity obligation of the parent company. The report is published on our [website](#).

**Actions planned**

In 2025, we will continue to focus on improving our efforts related to all targets, such as enhancing diversity, skill development, and ensuring our employees are motivated and engaged.

**Targets and Metrics**

KONGSBERG has several key HR targets to manage our impact and risks related to our workforce and to track the effectiveness of our actions. These targets reflect the focus areas in the HR Directive and aim to ensure qualified employees. The targets related to working conditions are designed to ensure that every employee has development opportunities and remains motivated. Performance dialogues provide employees with the chance to give feedback on their job satisfaction and discuss topics such as working hours. The targets related to equal treatment and opportunities for all are directly linked to the fact that we operate in an industry with low female representation, and we aim to increase the proportion of women. Additionally, we are committed to including individuals who are outside the workforce.

**Process of setting targets**

HR representatives from each business area are involved in setting targets, alongside the People Committee, which includes a representative from corporate management, a representative from the corporate HR function, and the Executive Vice President Business Support from each business area. HR targets are updated and presented quarterly to the Board. Our employees are indirectly involved in the goal-setting process through regular performance reviews and employee surveys, which ensure that their perspectives and needs are reflected in our HR goals and strategies.

**Progress towards targets**

To ensure employees are prioritised in training, skills, and development, close dialogue between employees and managers is essential. Performance dialogues facilitate this interaction, both through annual reviews and ongoing feedback. Employees do not participate in tracking progress towards the goals directly, but through elected representatives and employee representatives. Through performance dialogues, they contribute with possible areas for improvement.

The completion rate for annual performance dialogues increased from 89 per cent in 2023 to 90 per cent in 2024. Although we aimed for 91 per cent, there is a continuous focus on these dialogues in each business area, as reflected in the 2024 status. Turnover has decreased over recent years, from 6.4 per cent in 2021 to 4.5 per cent in 2024, outperforming our target of maintaining the previous year's rate of 5.3 per cent. We closely monitor early leavers, defined as those with less than two years of service, to understand their reasons for leaving through the exit process. We also focus on onboarding to ensure new hires have a strong start.

2024 was a strong growth year for KONGSBERG. This is reflected in the increase in the number of employees from 2023 to 2024 of 9 per cent. Progress in female representation has been a focus for many years, since 2015. When we look at the years from 2015 to today, we have steadily increased the share of female employees overall. We started in 2015 with 21 per cent, 22 per cent women in 2019, after the acquisition of Rolls Royce Commercial Marine we fell to 20 per cent, and in 2024 we are back to over 22 per cent women in total in KONGSBERG. The focus going forward will be the same as in previous years, to work to be a t workplace for women, as well as men. Female representation at management levels (levels 1-3) is 25 per cent. The recruitment of women to management positions was 31.9 per cent in 2024. Both the share of women in management positions, and recruitment to these, decreased last year. In particular,

Target	Measured by (metric)	Status 2023 (base year)	Status 2024	Target 2024	Connection to IRO
91% of employees globally should have at least one formal performance review with immediate manager in 2024	Number of total completed annual performance reviews registered/number of employees who are entitled to have a performance review <sup>1</sup>	89%	90%	91%	<ul style="list-style-type: none"> <li>Impact connected with Working conditions</li> </ul>
Not exceed external turnover of 5.3 % in 2024	Number of terminates during the year divided by the number of employees at the beginning of that period <sup>2</sup>	5.3%	4.5%	5.3%	<ul style="list-style-type: none"> <li>Impact connected with Working conditions</li> </ul>
Increase the share of women in organisation to 21.8 % in 2024	Number of female representation divided by total number of all employees	21.6%	22.1%	21.8%	<ul style="list-style-type: none"> <li>Impact and risk connected with Equal treatment and opportunities for all</li> </ul>
Maintain share of women recruited to managerial positions of 35 % in 2024	Number of female managers with personnel responsibility on level 1-3 divided by total number of managers on level 1-3 <sup>3</sup>	39.7%	31.9 %	35.0%	<ul style="list-style-type: none"> <li>Impact and risk connected with Equal treatment and opportunities for all</li> </ul>
Engage 70 people for job training for 2024	Number of engagements through the year <sup>4</sup>	80	87	70	

<sup>1</sup>Employees who are ineligible are primarily due to long-term absence or new hires undergoing the probationary follow-up process, etc.

<sup>2</sup>Voluntary turnover is not total (as defined by CSRD); it only includes employees who have chosen to resign voluntarily, excluding retirees, involuntary terminations, or employees transferring internally within KONGSBERG.

<sup>3</sup>Recruited leaders include both internal and external hires.

<sup>4</sup>This includes individuals in job training or positions where we receive partial or full support from the authorities while they work in the company. Employees supported by NAV or those requiring accommodations are also included in this number.



## Sustainability Statement / Social / S-1 Own Workforce - Working Conditions and Equal Treatment for All

the share of female leadership recruitment, from 39.7 per cent to 31.9 per cent. We aim to include individuals who are, or have been, outside the job market through job engagement or training. We achieved the goal of including more people than our target for 2024.

## Metrics for Working Conditions

### Collective bargaining coverage and social dialogue

We adhere to all legal regulations concerning collective bargaining agreements, which cover over 100 per cent of our employees in the EEA. Some countries have different arrangements according to country-specific practices, traditions and local labour legislation. We have established well-founded forums for cooperation with trade unions and organisations, providing valuable contributions to address our challenges in a constructive manner. All employees in Norway are represented by union representatives in the corporate and company committees. All employees in EU countries are represented by union representatives in the European Works Council.

### Adequate wages

We offer a competitive compensation to all our employees. Regardless of location, we will ensure that wages and working conditions comply with local laws and regulations. We remunerate our employees based on both achieved results and desired behaviours. We have a global compensation policy to maintain a fair, competitive and financially responsible remuneration structure across the organisation. We also utilise the Korn Ferry salary benchmark database to maintain an up-to-date understanding of current standards across different regions. This approach allows us to ensure consistency and fairness in our compensation practices globally.

## Metrics for Equal Opportunities for All

To fully leverage the extensive knowledge of our employees, we provide a thriving workplace with a strong focus on diversity, inclusion, and belonging. We believe this creates an environment where all employees can perform at their best. We are committed to promoting gender equality and preventing discrimination in violation of the Norwegian Gender Equality Act. As previously described, short- and long-term goals have been established to increase the proportion of women in recruitment and leadership positions.

### Remuneration metrics

We strive to maintain a gender-neutral pay system. Our ambition, outlined in our global compensation guideline, is to achieve equal pay for women and men in equivalent positions with comparable competence and experience. In 2024, the average compensation for women was 8.4 per cent lower than for men. This calculation is based on actual base salary. Figures beyond base salary, such as bonuses, car allowances, pensions, and insurance, are based on actual financial data with assumptions for gender distribution. These calculations are limited to employees within the career system, representing 83 per cent of permanent staff.

The remuneration ratio between the highest-paid individual and the median of the remaining employees is calculated at 14.2. The highest-paid employee is the President & CEO, while the median remuneration for the remaining employees is estimated using the same data basis as the compensation gap described above.

### Training and skill metrics

It's essential that all our employees have clear performance and development goals and a solid understanding of our guidelines and procedures. We believe a systematic approach facilitates successful development, including identifying training needs and opportunities for internal transfers. Strong development opportunities are crucial incentives for recruiting and retaining valuable employees. We invest in knowledge and skill sharing through internal and external training programs, as well as on-the-job development. Many of our training programs are digitalised, particularly for onboarding new employees and leaders. We have also implemented game-based training, especially for process and IT system training. We will report on the total number of training hours by gender starting next year.

All employees should have at least one formal performance dialogue with their line manager annually. In 2024, 90 per cent of employees globally completed this dialogue.

Coverage rate	Employees EEA (significant countries)	Employees non-EEA (significant regions)	Workplace representation (significant EEA countries only)	Social dialogue
0-19%	n/a			
20-39%	n/a			
40-59%	n/a			
60-79%	n/a			
80-100%	Norway	n/a		Norway

Gender	Number (head count)	Percentage
Female	89	25%
Male	271	75%
Other	n/a	n/a
Not reported	0	—%

**Comment:** Data reported are headcount of permanent employees (not full-time equivalents)

Age group	Number of employees (head count)
Under 30 years old	2,339
Between 30 and 50 years old	8,119
Over 50 years old	4,771

**Comment:** Data reported are headcount of permanent employees (not full-time equivalents)

Gender	%
Male	89.9%
Female	90.1%
Other	n/a
Total employees	89.9%

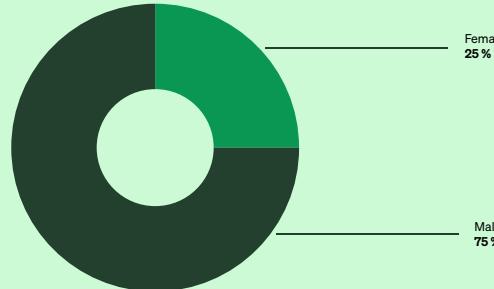
**Comment:** The proportion of employees who have completed their performance review is calculated based on the number of employees who had completed the process by the end of the reporting period, divided by the number of permanent employees who were sent the process



## Sustainability Statement / Social / S-1 Own Workforce - Working Conditions and Equal Treatment for All

**Gender diversity**

The proportion of female leaders in top and middle management (levels 1-3) in the company is 25 per cent in 2024, down from 26 per cent in 2023.

**Age diversity**

Average age is 42.5 years. We maintain an internal age limit of 72 years in most parts of our business.



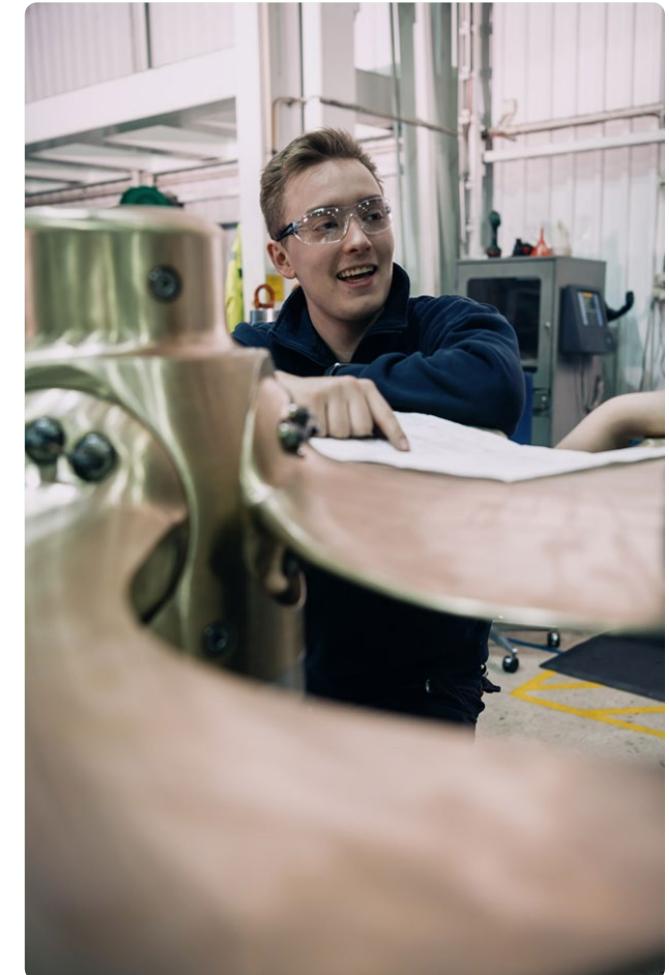
Number of women in management

**89**

Number of men in management

**271**

Share of completed performance dialogues

**89,9 %**

# Health and Safety

## Introduction to the Topic

Safety comes first in KONGSBERG. Integrating Health, Safety, and Environment (HSE) into strategic planning enhances adaptability, promotes sustainable growth, and builds a high-performance culture and a safe, thriving workplace essential for achieving our future growth ambitions. We are conscious of the importance of this work and actively strive to create a safe and inclusive work environment while reducing unhealthy work-related stress.

## Material Impacts, Risks, and Opportunities

The double materiality assessment identified material impact and risks related to the health and safety sub-sub topic.

ESRS sub-topic	ESRS sub-sub topic	Type	Description	Value chain location	KONGSBERG's involvement with impact	Time horizon
Working conditions	Safety	Potential negative impact	We operate in several labour intensive sectors that involve exposure to hazardous materials, working at heights, operating heavy machinery and dealing with complex electronic systems. A physically challenging job can cause physical injuries, health issues, stress and anxiety in employees.	Own operations	Contribute directly	Short term
Working conditions	Health	Potential negative impact	Psychological health issues can occur. A physically challenging job, extensive travels, chemical exposure, and ergonomic work tasks can cause health issues, stress, and anxiety in employees. For some employees this may cause negative impacts on workers mental health.	Own operations	Contribute directly	Long term
Working conditions	Health and safety	Risk	As a global company we depend on compliance with various legislations related to health, safety and working conditions to operate. Non-compliance with legislation is a risk that can have significant consequences for KONGSBERG including legal penalties, and may lead to suspended operations and negative publicity that can harm our reputation. We depend on protecting our employees from harm, to foster a positive, productive and sustainable work environment.	Own operations	Contribute directly	Short term



## Policies

KONGSBERG's Directive for Occupational Health and Safety outlines the minimum requirements to ensure the protection of the health, safety and work environment (HSE) for our employees, customer, contractor and partner across all business areas. The directive details purposes, roles and responsibilities, overarching goals, mandatory KPIs, and risk management prerequisites. It is based on ISO 45001 and ISO 14001, representing best practices. The directive aims to prevent accidents and ensure all employees are covered by management systems and relevant insurances. It is developed in collaboration with HSE functions in business areas, responsible for its implementation in their management systems. The directive is owned by the corporate HR and HSE functions, and employees can access it via our internal systems and intranet.

## Process of Engagement

At KONGSBERG, we respond positively to reported HSE incidents and work proactively to ensure a safe work environment by talking about HSE with employees in various forums, committees and events. We emphasise the importance of reporting near misses, observations, and accidents at all organisational levels and with our suppliers and contractors. By highlighting the significance of HSE work, we aim to create an open environment where employees feel safe to report dangerous conditions and issues. Our leaders are responsible for ensuring employee involvement. Annually, we gather around 100 subcontractors for a conference to share HSE best practices and highlight our requirements and expectations. We believe that our long-term engagement will lead to a reduction in accidents and foster a healthier, more motivating workplace.

## Process to Remediate Negative Impacts and Reporting Channels

KONGSBERG's reporting system for HSE incidents is called SYNERGI. High-risk incidents and personal injuries must be reported within 48 hours, and all high-risk incidents are investigated to identify root causes. The handling of incidents depends on their severity and type. All employees in Norway have access to occupational health services, while business areas outside Norway follow local practices and legislation. Additionally, all employees are covered by relevant insurance schemes. Our HSE

functions work closely with HR functions and local management on incidents related to occupational health, mental health, and well-being. Managers are responsible for implementing the right measures to mitigate potential negative consequences. Root causes, contributing factors, and preventive actions are compiled in lessons learned reports. The Group Director for HSE distributes relevant HSE reports, incidents, plans, strategy and status to the Corporate Management Team and the Board. We also seek experiences and best practices outside our organisation, participating in proactive work groups with the Federation of Norwegian Industries.

## Actions and Resources

HR in each business area is operationally responsible for implementing adequate measures to support our employees. Each business area has action plans linked to specific goals. The effectiveness of actions related to health and safety is evaluated by reviewing our progress towards set targets. As these actions are part of general operations and improvement, we have not calculated the financial resources allocated to each action. These measures apply globally unless specified otherwise.

### Actions related to health and safety

To create a robust HSE culture and proactive work environment, actions are required at all levels of the organisation. Training is fundamental, and all employees, contractors, and suppliers must receive relevant health and safety training. Information about risks, rules and requirements should be available before work can commence. Relevant HSE training is mandatory for all employees and can be conducted as e-learning, classroom learning, or role-playing, depending on the scope and location of the work.

In 2022, we invested in a new reporting tool, and in 2024, we ensured its availability across all business areas. The new tool has contributed to a record number of submitted reports by our employees. Corporate HSE functions conduct regular health and safety audits in selected business areas to support and review internal controls, especially after accidents and high-risk incidents, enhancing employee awareness, openness, and proactivity.

We have initiated the global roll-out and process to implement the Human and organisation performance (HOP) principles into our safety culture. HOP emphasises the interaction between people, technology and organisational conditions to achieve safe, efficient and psychological safe workplace.

### Actions related to mental health

We mark the World Mental Health Day annually, as health and well-being are crucial to us. All business areas have collaborated on the roll-out and development of our mental health campaign, including communication on how to give and receive help. President & CEO Geir Håøy emphasised the importance of caring, asking, listening, and opening up to all employees. To measure the impact of our initiatives, employee satisfaction has become a key company goal, creating a systematic focus on mental health issues. We have also implemented several risk-reducing measures:

- Leadership training for all managers consistent and reliable management
- Voluntary training focused on well-being and time management
- A mental health campaign in October with internal and external contributions
- Audits and controls covering employee mental health topics
- Serious cases are handled according to internal procedures with the employee and their manager

### Actions related to the environment

Our environmental processes and management systems monitor compliance with regulations, standards and legal requirements. Our internal reporting confirms no major environmental incidents, conflicts or accidents in 2024. We have also reviewed our environmental reporting processes to improve reporting quality. More information about our environmental work and our commitments can be found in the section on Environment on page 55.



## Sustainability Statement / Social / S-1 Own Workforce - Health and Safety

**Actions planned in 2025**

We will continue the global roll-out of the HOP principles in all regions of our operation. We will also continue to communicate that every employee and contractor working for KONGSBERG has the mandate and right to stop any work that poses acute threat to life and health. Another important action is to review our competence and training registers, and to verify the robustness of our processes. We will continue to map and mitigate all operational high-risk routine tasks and update our processes regarding contractor incidents reporting. We will also review our minimum training requirements for contractors and suppliers.

**Targets and Metrics**

We have a "Vision Zero" ambition related to health, safety and environment: no employees, customers, contractors, partners, or the environment should be involved in accidents and incidents. This target aligns with the objective of the Directive for Occupational Health and Safety, addressing identified impacts, risks, and opportunities related to health and safety. By evaluating our progress towards these targets, we assess the effectiveness of our actions in mitigating identified health and safety impacts and risks.

Target	Measured by (metrics)	Status 2023 (base year)	Status 2024	Goal 2024	Connection to IROs
<b>Reduce total recordable injuries (TRI) rate to 1.82 in 2024</b>	Total recordable injuries per 1 million hours worked, extending first aid <sup>1</sup>	1.92	2.24	1.82	Impact and risk related to safety
<b>Increase focus and awareness to high-risk incident (HRI) rate</b>	High-risk incidents per 1 million hours worked <sup>2</sup>	0.52	0.65	no goal defined	Impact and risk related to safety
<b>Reduce sick leave globally</b>	(Total days hours to absence / Total available working hours) × 100	3.4%	3.4%	no goal defined	Impact and risk related to safety
<b>Reduce sick leave to less than 3.4% for 2025 for operation in Norway</b>	(Total days hours to absence / Total available working hours) × 100	4.0%	4.0%	3.4%	Impact and risk related to safety
<b>Ensure that at least 75% of reported HSE cases are handled within deadline in 2024</b>	Percentage of reported HSE cases that are closed within the defined deadline <sup>3</sup>	New KPI	69%	>75%	Impact and risk related to safety

**Comment:** Our reporting system for HSE incidents covers all employees and non-employees.

<sup>1</sup> TRI includes injuries beyond first aid.

<sup>2</sup> The HRI rate is based on 19 incidents in 2024.

<sup>3</sup> Normal deadline is 14 days, which may be adjusted depending on the nature and complexity of the case.

Health and safety metrics	Status 2024
The percentage of own workforce covered by health and safety management system	100%
The number of work-related fatalities, including own workforce and other workers on our sites	0
The amount of recordable work-related lost-time injuries for own workforce (LTI)	59
The rate of recordable work-related lost-time injuries, per million hours worked, for own workforce (LTI)	2.24
The number of cases of recordable work-related ill health for own workforce	Cases of work-related illness are followed up at the individual level. We are currently working on reviewing the reporting processes.
The number of days lost to work-related ill-health, injuries and fatalities for own workforce	502

**Process of setting targets**

The Group's overarching targets and strategic work are based on risk assessments and collaboration with business areas in the Group's HSE Committee. The Corporate Management Team holds ultimate responsibility for HSE across the Group, including setting overall targets and priorities, and following up on results, challenges, opportunities, accidents, and high-risk incidents. The Board of Directors is responsible for monitoring and reviewing these targets.

**Progress towards targets**

The TRI rate increased in 2024 due to a rise in injuries. Most injuries were classified as minor, with 28 serious injuries and one major injury. Our underlying injury statistics show a slight upward trend over the past five years. We have identified causes and strategies to reverse this trend. We focus on high-risk incidents (HRI) due to their potential for severe damage, helping protect both people and the environment. The HRI rate is gradually increasing due to improved reporting and heightened awareness. Global sick leave remains stable, ending at 3.4 per cent, the same as in 2023. Norwegian sick leave is above target but stable, ending at 4.0 per cent, also the same as in 2023. All business areas perform better than the average in the Federation of Norwegian Industries. Our employees reported a record number of HSE observations and improvement suggestions in 2024, with 69 per cent of all reported HSE cases handled and closed within the deadline. The target is more than 75 per cent. All TRI, HRI incidents, and sick leave results are reported and followed up according to our procedures. HSE status reports are distributed to the Corporate Management Team, the Board, and other management teams and employees.



## Workers in the Value Chain

### Introduction to the Topic

We strive to respect and promote all internationally recognised human rights, including those against forced and child labour, as outlined in the UN International Bill of Human Rights. We also adhere to the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and applicable international humanitarian law standards. We require our suppliers to ensure compensation practices align with international standards and regulations, respect workers' rights, and provide a safe and healthy work environment.

Our suppliers play a crucial role in the value chain, enabling us to deliver products and services to our customers. How we and our supply chain manage workers in the value chain is essential for achieving our strategic goals. Sustainability and ESG requirements are integrated into our procurement processes and strategies to ensure effective supplier follow-up and risk management. Our impact on workers in the value chain is linked to our global sourcing of products and materials, including from high-risk countries.

### Material Impacts, Risks and Opportunities

Our double materiality assessment identified material actual and potential negative impacts and risks in KONGSBERG's value chain related to working conditions and human rights (other work-related rights).

ESRS sub-topic	ESRS sub-sub topic	Type	Description	Value chain location	KONGSBERG's involvement with impact	Time horizon
Working conditions	Secure employment, Working time, Adequate wages, Social dialogue, Freedom of association/participation rights, Collective bargaining	Potential negative impact	Our extensive supply chain includes suppliers in countries where the systematic risk for breaches in work-related rights is high, particularly concerning working time and fair payments. In these regions, labour unions are less prevalent, potentially increasing the risks that could impact workers' health.	Upstream	Contribute indirectly	Medium term
Working conditions	Health and safety	Potential negative impact	Our suppliers produce components, products, and systems that involve higher-risk HSE operations, such as casting, forging, welding, machining, electrical, and heavy products. High levels of systematic HSE performance in the supply chain are crucial to ensure the health and well-being of all workers.	Upstream	Contribute indirectly	Medium term
Other work-related rights	Child labour and forced labour	Potential negative impact	Some of our suppliers are located in countries where the risk of human rights breaches is relatively high, which can significantly impact both individual workers and communities.	Upstream	Contribute indirectly	Medium term
Other work-related rights	Child labour and forced labour	Risk	We may face reputational risks if poor labour conditions or human rights violations are identified in our supply chain. This risk arises from the identified potential negative impacts.	Upstream	Not relevant for risks	Short term

**Comment:** Our identified potential negative impacts cover all products and services, including those related to our green transition.



## Description of Workers in the Value Chain

Our suppliers deliver both direct and indirect products and services to our sites and customers. These suppliers employ workers to meet our requirements. Value chain workers are defined as blue-collar or white-collar workers who are employed by our suppliers. Blue-collar workers are considered to be at a higher risk of potential negative impacts due to their roles in manufacturing and production operations. Our direct procurement categories include fabrications, machining, castings, forgings, hydraulics, electrical, power products, and reference systems. Our indirect sourcing categories include logistics, IT, facility management, professional services, engineering services, production expenses, travel, and marketing.

As part of our due diligence requirements for supplier compliance risk management, country risk factors and sourcing categories are applied to identify very high-risk and high-risk countries with regard to identifying workers at greatest risk related to compliance, human rights and forced labour. The country risk factors are externally validated to provide latest risk information based on available external information and indices. To assess risks for forced and child labour, we use a cumulative risk rating based on the 2021 ITUC index, US Department of Child Labour and Forced Labour lists, Corruption Perception Index ratings, and the Global Gender Gap Report (WEF) country ratings. 1,832 of our suppliers are located in very high- and high-risk countries in 2024, while 92 per cent of suppliers (by spend) are in low or medium risk countries. High-risk countries include suppliers in Asia, Middle East and South America. Our inherent risk assessment identifies all direct procurement categories as having a high priority due to the type of products being managed in the supply chain. The Human Rights report for 2024 provides more detailed information on our human rights due diligence and can be found on our [webpage](#).

## Policies

All our supplier policies are implemented by the business areas. Supplier due diligence self-assessments and supplier audits are conducted by the business areas and are based on our Supplier Conduct Principles and Supplier Quality Requirements documents. These policies address how we manage potential impacts and risks related to workers in the value chain. The Supply Chain Vice President in each business area is responsible for ensuring that both documents are communicated to suppliers and that suppliers comply with the requirements.

### Supplier Conduct Principles

The Supplier Conduct Principles (SCP) describe mandatory requirements for all our suppliers, communicated through purchase orders and contracts. The objective is to ensure safe working conditions throughout our 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 relating to responsible business conduct. The SCP includes sections on human and labour rights, that suppliers should not practice retaliation on anyone raising or helping raise concerns quality and continuous improvement, the environment, business integrity, and implementation and administration. The directive explicitly addresses topics such as non-retaliation, human trafficking, forced, compulsory and child labour, alongside all the material topics related to working conditions identified in the double maturity assessment. The principles have been developed in accordance with OECD Guidelines for Multinational Enterprises and suppliers are expected to adhere to the core convention of the International Labour Organization (ILO). No breaches of the SCP have been reported in 2024. The directive is available to suppliers in six languages on our [webpage](#) and was updated on 1 July 2022 to include requirements to comply with the Norwegian Transparency Act. In 2024, we approved 14 suppliers to follow equivalent SCP documents.

### Supplier Quality Requirements

To meet our directives, business areas have established product-specific mandatory requirements for suppliers, in addition to the Supplier Conduct Principles. These are communicated through purchase orders and contracts. The documents, known as Kongsberg Maritime and Kongsberg Discovery Supplier Quality Requirements (SQR) and Kongsberg Defence & Aerospace Supplier Quality Assurance Requirements (SQAR), require compliance with regulations, ISO standards, and specific quality, HSE, sustainability, conflict minerals, security, export control, and business continuity requirements. These documents are available to suppliers on our [webpage](#).

### Process for Engagement

In accordance with the Supplier Conduct Principles and due diligence requirements, we engage with suppliers through meetings, site visits, self-assessments and audits. However, we do not engage directly with value chain workers employed by suppliers, unless invited to by the supplier. Risk management is integrated into our procurement

processes and strategies, including handling, mitigating, or escalating specific risks. This risk-based approach considers factors such as country risk, spend, and product or category type to identify risks that need addressing. The business areas are responsible for managing the due diligence process with their supply chains. Our due diligence requirements are described in our Directive for Compliance due diligence, risk management and follow-up of the supply chain and addresses working conditions, human rights and other sustainability topics.

We regularly engage with key suppliers to ensure that our supply chain impacts and risks are identified and addressed. Since we do not have direct contact with value chain workers, we work with our suppliers to enable transparency and collaboration to ensure that our risk assessments and engagement strategies are effective. We evaluate outcomes of our assessments on an ongoing basis to improve our work. In 2025, we plan to further improve our risk-based due diligence activity with suppliers in very high- and high-risk countries by increasing the share of suppliers who have completed the human rights and labour rights modules in IntegrityNext and increasing the number of supplier audits. See Targets and metrics section below for more information.

Further information on the steps of the supplier due diligence process can be found in the chapter Management of relationship with suppliers on [page 104](#).

## Process to Remediate Negative Impacts and Reporting Channels

As part of our supplier due diligence process, we provide remediation to affected parties when required. Preventive work is crucial to ensure that we do not cause harm to workers in the value chain and to manage risks. We regularly conduct human rights due diligence with a risk-based approach to proactively mitigate risks before they require remediation. Country risk factors are applied with focus on very high- and high-risk countries. Other factors as part of the evaluation include spend, and sourcing- or product category type. In 2024, 19 high-risks were identified in our supply chain related to HSE, ESG compliance and human rights, with 11 closed with corrective actions in 2024 and 8 are in-process (as registered in Q4 2024). The identified high-risks as defined by theme: HSE (6), lack in requirements flow-down (3), compliance (2), social Responsibility (1), IntegrityNext/system red flags to follow-up (7), with none considered to be severe human rights violations.



In cases where negative impacts have been identified that require remediation, the appropriate remediation action is evaluated on an individual case-by-case basis. All incidents are handled according to a standardised process, that follows the same steps as for incidents related to own workforce. The general approach, and how effectiveness is evaluated is described in more detail in the chapter Own Workforce on [page 85](#).

Workers in the value chain can engage with us through our whistleblowing channel, available to everyone on our [webpage](#). Information about the channel is shared with suppliers through regular communications, including conferences and webinars, and is part of our Supplier Conduct Principles. We expect suppliers to inform their employees about the channel, though we do not have processes to ensure this information is forwarded. No supplier whistleblower cases were registered in 2024. Further description of the channel and how to access it is provided in the Channels to raise concerns section under the Governance chapter on [page 101](#).

## Actions and Resources

Supplier relationship management and engagement is a central part of the procurement processes, with regular communication at all levels and including supplier due diligence follow up and risk management. Extensive communication to suppliers took place in 2024 with three supplier conferences and one global webinar held, with good attendance and engagement. Themes covered included our requirements and expectations for human rights (Norwegian Transparency Act, SCP, and whistleblower channel) HSE, ESG compliance, sustainability, security and export control. Additional engagement events in 2024 included the Group Indirect Supplier Forum at the Kongsberg Agenda, held for the first time and Kongsberg Maritime and Kongsberg Discovery business areas awarding the Sustainability Supplier of the Year for 2024. As these actions are part of our everyday operations, we have not calculated the specific financial resources allocated towards supplier management. We expect this to have increased suppliers' awareness about SCP ESG requirements, transparency on suppliers, and sub-contractors work, including work with human and labour rights of workers. The effectiveness of these communication forums is assessed continuously by observing participation and suppliers' ESG work, through self-assessments and audits.

Remediation actions are managed through our supplier due diligence requirements, including those resulting from supplier screening, self-assessment and audits. We did not have any incidents that required remediation action in 2024.

## Targets and Metrics

We have not set, nor do we plan to set, targets that directly measure how we reduce our potential impact or manage material risks related to value chain workers. We engage with suppliers at a company level and not directly with workers. The principles outlined are mandatory requirements, and we expect suppliers to communicate them to workers and subcontractors, but we cannot measure the effectiveness of these guidelines and actions in reducing our potential impact and risk. However, we have set targets for risk-based supplier due diligence to follow up on ESG requirements, including human and labour rights. These targets are in line with the mandatory Supplier Conduct Principles and Supplier Quality Requirements documents and relate to all business areas. Steps to be taken for supplier self-assessment of ESG requirements and supplier audits are described in detail in the Directive for Compliance due diligence, risk management and follow-up of suppliers.

## Process of setting targets

Targets have been developed in-compliance, sustainability and governance functions in KONGSBERG. We have not directly engaged with value chain workers or their representatives, all supplier interactions are managed with designated supplier contacts. All targets are monitored and reviewed regularly and are part of the Supply Chain Management Reviews by Supply Chain Vice President.

## Progress towards target

In 2024, 70 per cent of suppliers (by spend) completed the human rights and labour requirements module in our IntegrityNext system, a two per cent increase from 2023. Supplier audits increased to 134 in 2024, up from 119 in 2023, reflecting results from our inherent risk assessment.

The Supply Chain Vice President in each business area is responsible for monitoring progress towards our targets, and value chain workers are not directly or indirectly involved in this process. Overall, we have achieved the goals set for 2024. This work has laid the foundation for the actions planned for 2025 to enhance our activities with suppliers and workers within our value chain.

Target	Measured by (metric)	Status 2023 (base year)	Status 2024	Goal 2024	Connection to IROs and actions
70% of suppliers should be assessed for human rights and working conditions in IntegrityNext in 2024	Percentage of suppliers registered in IntegrityNext who have completed the human rights and labour rights questions asked <sup>1</sup>	70%	70%	70%	<ul style="list-style-type: none"> <li>Impacts and risks related to human rights and working conditions</li> </ul>
130 supplier audits completed globally based on risk-based assessment and impact priority	Number of suppliers audits conducted <sup>2</sup>	119	134	130	<ul style="list-style-type: none"> <li>Impacts and risks related ESG (including human rights and working conditions)</li> </ul>

**Comment:** All numbers are collected by the business areas and consolidated at the Group level.

<sup>1</sup> The percentage is based on 3,083 suppliers who have completed the human rights and labour rights module in IntegrityNext. Through the module, suppliers conduct a self-assessment of their work.

<sup>2</sup> Supplier audits include climate, environmental, social and governance requirements and are a key part of our supplier due diligence requirements.



# Affected Communities

## Introduction to the Topic

KONGSBERG protect people and critical infrastructure and promote security and stability in a complex and dynamic geopolitical landscape. We recognise the potential impact and the human element in the use of our products, and how this may affect communities. The sale of defence-related products is governed by stringent regulations established and enforced in Norway and in the countries where we operate. Regulatory perspectives are built into our products. Our role as a supplier of defence solutions and technology is linked to Norway's national security policy and its international obligations as a member of the UN and NATO. Additionally, we deliver defence solutions from other countries we operate in with similar considerations.

Our reporting on affected communities is a relatively recent development, and the relevant processes, targets and metrics are therefore not yet standardised or fully documented. Parts of our business, such as suppliers and production locations, are subject to the Norwegian Security Law and will therefore not be reported on.

## Definition of Affected Communities

KONGSBERG is present in over 40 countries worldwide, and our potential impact on affected communities may be widespread. Our affected communities range from residents near manufacturing and testing facilities to those in areas where our products are produced and used. Our most vulnerable affected communities are civilians living in conflict areas. People in conflict areas are always vulnerable due to the compounded threats to their security and livelihoods, which may lead to unwanted negative consequences and a lack of access to basic necessities and rights.

## Material Impacts, Risks, and Opportunities

The double materiality assessment identified impacts, risks and opportunities that KONGSBERG may have in relation to our affected communities. These are described in the table below.

ESRS sub-topic	ESRS sub-sub topic	Type	Description	Value chain location	KONGSBERG's involvement with impact	Time horizon
Communities economic, social and cultural rights	Adequate housing, Adequate food, Water and sanitation, Land-related impacts, Security-related impacts	Potential negative impact	As a global actor, our products may have unintended negative impacts on communities and civilians, potentially resulting in loss of access to land, injuries, fatalities, or loss of livelihood.	Downstream	Contribute indirectly	Long term
Communities economic, social and cultural rights	Security-related impacts	Potential positive impact	Our defence solutions can protect people, communities, critical infrastructure, land, promoting security and stability worldwide in a complex geopolitical landscape.	Downstream	Contribute indirectly	Long term
Communities economic, social and cultural rights	Security-related impacts	Risk	Incorrect or irregular use of our products pose a potential reputational risk, which could weaken stakeholder trust. Without robust and stringent controls in place, this could impact operations, lead to legal challenges, and result in financial consequences.	Downstream	Not relevant for risks	Long term



## Policies

KONGSBERG does not have any internal policies or processes specifically concerning affected communities. However, our commitment to these communities is ensured through adherence to international legislation, regulations and conventions, such as the Universal Declaration of Human Rights and International Humanitarian Law. In the future, we will consider whether there is a need to make adjustments to existing guidelines. These principles are embedded in the KONGSBERG Code of Ethics and Business Conduct, guiding all our actions. More information about the guidelines can be found on [page 101](#).

### Controversial weapon declaration

KONGSBERG has signed a controversial weapons declaration, committing us to not be involved in the production, development, storage, trade, or sale of non-conventional weapons (e.g., cluster bombs, landmines, biological and chemical weapons, blinding laser weapons, incendiary weapons, depleted uranium weapons). Nor we have involvement in nuclear weapons production, storage, or maintenance activities. The declaration is available on our [website](#).

### Export control

Our approach to running a global business requires a strong focus on compliance with all applicable export, import, transit and trade regulations.

Norwegian rules for exporting defence material are among the most restrictive in the world and forms the core of our approach and risk management. Transparency around defence material exports is an important principle in Norway. KONGSBERG consistently complies with all requirements set by the Ministry of Foreign Affairs regarding the application process, reporting, and statistics.

The Norwegian Parliament has decided that defence products shall only be sold to countries that are approved for export through an export application. The current Norwegian export control regulations are strict and clear, and provide necessary predictability. This has become more important after Russia's invasion of Ukraine, which is also perceived as a threat to the peace in Europe. Stable and predictable export control regulations are crucial to ensuring a credible defence that contributes to the security of the nation and its citizens, and to giving the armed forces access to technology, expertise, and infrastructure in times of peace, crisis, and war.

KONGSBERG also holds shares in companies, and has partners, suppliers, and customers in other countries. Compliance with export control regulations in other countries must therefore also be ensured. KONGSBERG has a comprehensive program for internal control and training in connection with our export activities.

## Process for Engagement and Remediation of Negative Impacts

Currently, we do not have a formalised process to engage directly with our affected communities, which limits their influence on our decision making. However, our Code of Ethics and Business Conduct states that we will provide for or co-operate in remediation of negative impacts to society when appropriate. As described in the chapter on our own employees ([page 88](#)), the Group has a response plan to ensure that we limit negative consequences and find appropriate remediation. The same process also applies to incidents related to affected communities.

Our channel of raising concerns is open to everyone, including affected communities. We are continually working to improve our outreach to these communities, a commitment that will continue in the coming years. For more information about the channel and how KONGSBERG protects whistleblowers, please refer to the Governance chapter [page 101](#).

## Actions and Resources

We have not assessed specific actions that directly address the identified impacts, risks, and opportunities. Since our affected communities can be negatively affected in situations of war and crisis, it is difficult to implement measures aimed at these. However, we have launched a collaborative project with Patria, with the goal of collaborating on export controls.

## Launch of Trade Compliance Project with Patria

The Trade Compliance Project is a collaboration between Patria and KONGSBERG. The export of defence materiel is strictly regulated by national legislation and international treaties. Companies in the defence sector operating in international markets must therefore be well-versed in these regulations and continuously develop their expertise. This is why we launched a joint Trade Compliance project with Patria that seeks to strengthen both companies' expertise and operating models in the field of export control. For defence companies, having a strong compliance program is crucial. It demonstrates, to both the authorities and other stakeholders, that the company takes these matters seriously and is engaged in systematic efforts to comply with legislation and regulations.

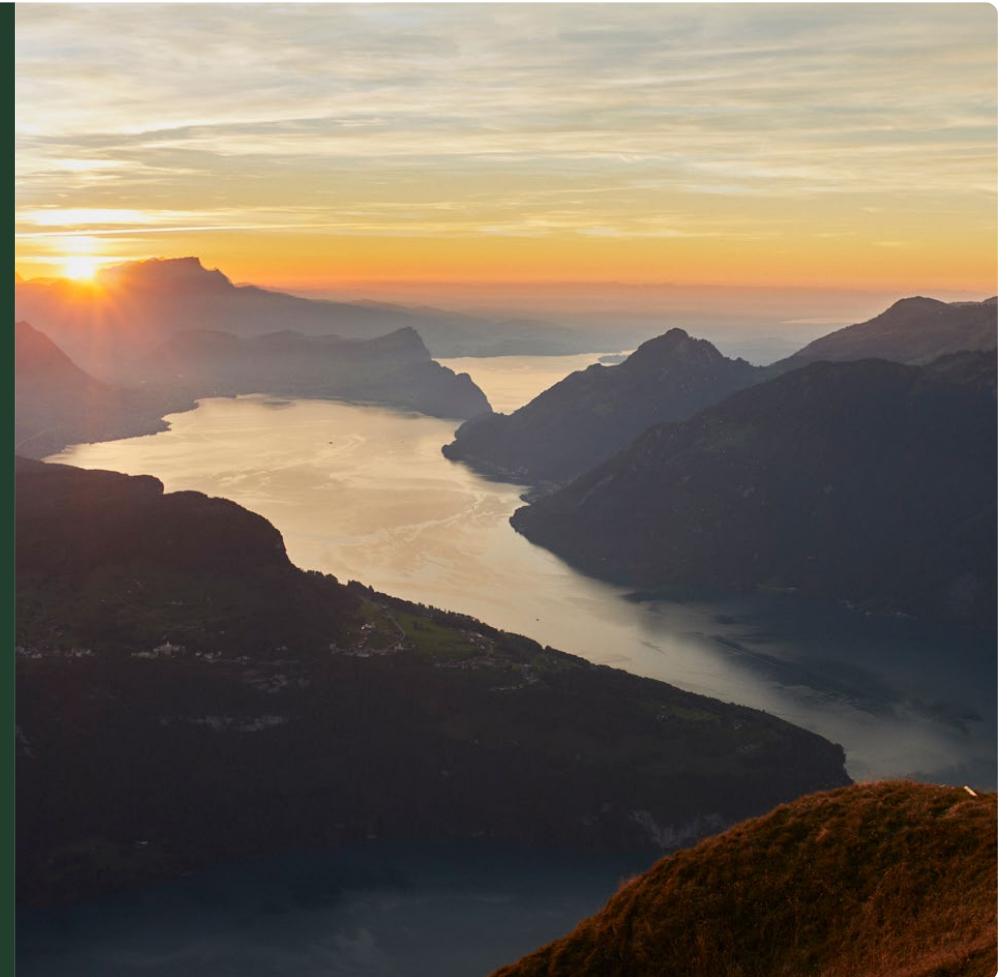
## Targets and Metrics

We do not have any targets and metrics concerning affected communities, but we consistently monitor the whistleblowing channel for issues raised that might be relevant to these communities.



Sustainability Statement / **Governance**

# Governance



# Business Conduct and Anti-Corruption

## Introduction to the Topic

We are dedicated to ensuring responsible business conduct throughout our operations and value chain. Our values are embedded in our Code of Ethics and Business Conduct, which provides the foundation and principles that underpin everything we do. We expect everyone at KONGSBERG, as well as our business partners, to demonstrate integrity, holding ourselves and everyone we work with to high standards. Our value creation relies on high ethical standards to build trust with employees, owners, partners and local communities. The Compliance function at KONGSBERG is responsible for commercial compliance, trade regulations, privacy and human rights.

A strong corporate culture and ethics are essential for achieving our goals and are integrated into our values. They guide employee behaviour and shape our identity and reputation. As a global company with an extensive supply chain, our approach to anti-corruption, bribery, and business conduct has implications for many people along our value chain. We have a robust quality and compliance regime to ensure that we always adhere to the laws, rules, and requirements set by the industries and countries that we operate in. We are committed to compliance with laws and regulations, ethical behaviour, sustainability, good governance and respect for human rights, maintaining an open dialogue on ethical issues. We aim to lead with a best-practice mindset, across the entire Group in reporting and transparency requirements. We will never compromise our values for results, and our Code of Ethics and Business Conduct is fully integrated into our business operations at every level of the organisation.

We have clear guidelines and principles towards internal compliance risk assessment, covering environmental, social, and governance (ESG) topics and these are applied in all business decisions and processes throughout the organisation. We align our processes with the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

## Material Impacts, Risks, and Opportunities

The double materiality assessment identified material impact and risks for the sub-topics corporate culture and avoiding corruption and bribery.

ESRS sub-topic	Type	IRO description	Value chain location	KONGSBERG's involvement with impact	Time horizon
Corporate culture	Potential positive impact	Our culture is defined by our corporate responsibility, and we strive to positively influence our global supply chain by holding them to high standards of integrity.	Upstream	Contribute directly	Short term
Corporate culture	Risk	An inherent risk in our operations is the potential lack of independence or falling victim to bribery and fraud. This can lead to financial losses and indirect effects through time spent managing incidents and the resulting productivity losses.	Own operation	Not relevant for risks	Short term
Corruption and bribery	Risk	As a global company, we operate in countries with high corruption risks. Without measures to mitigate this risk, we could face both financial losses and reputational damage.	Own operation	Not relevant for risks	Short term
Corruption and bribery	Risk	The highest risk for corruption and bribery is identified for downstream value chain, as the use of market representatives and agents limits our control. If not mitigated, this could also result in financial and reputational repercussions.	Downstream	Not relevant for risks	Short term

## Fostering a Strong Corporate Culture

Operating with integrity is not only essential to our licence to operate, but it also embodies our values. KONGSBERG's Code of Ethics and Business Conduct clearly outlines the culture and expectations for fundamental attitudes, setting standards for how to interact with employees, leaders, customers, suppliers, business partners, and society in general. Everyone who works at KONGSBERG, and all our business partners, must sign our Code of Ethics and Business Conduct, which is available on our website. The Code is approved by the Board and fully implemented throughout the organisation. The Code includes a description of our responsibilities, principles for how we treat people, commitment to sustainable operations, and reliable business practices. Topics covered include anti-corruption, avoiding conflicts of interest, fair competition, trade regulations and sanctions, anti-money laundering, and whistleblowing principles. The guidelines clearly state that there should be no retaliation against individuals who report objectionable matters. The Code is based on international standards and regulations, and guidelines related to social responsibility, including the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ILO Conventions, and membership of the Transparency International.

We have a robust compliance program with over 60 dedicated employees with effective tools for due diligence, traceability monitoring, and auditing. Our Ethics and Compliance Program ensures that our business practices are aligned with our values and applicable laws and regulations in the countries where we operate. We focus on three pillars:

### 1. Prevention

We seek to embed a culture of integrity and ethics across the Group and with the business partners in our value chain.

### 2. Detection

We encourage and support employees and third parties to speak up and raise concerns. We perform control and monitoring to measure compliance and to provide assurance.

### 3. Response

We have tools to investigate and perform due diligence. We take a risk-based approach and where appropriate, sanction confirmed breaches of our Code of governance. We also use concerns and due diligence to manage risk and improve our program. We continuously monitor our program to align with good practice and legal and legislative requirements.



## Sustainability Statement / Governance / Business Conduct and Anti-Corruption

We regularly review and monitor our programme to adopt it to best practice, and legal and regulatory requirements.

How our business partners behave can have a direct impact on our operations. It is critical to manage our relationships well, including how we select, contract and monitor them. We are committed to working with business partners who share our values and focus on integrity. Our processes include due diligence engagement processes, ongoing monitoring and assurance activities including, but not limited to, audits. Where we identify actual or potential risks, we manage or mitigate them as appropriate. Due diligence is being performed on all of our third parties using a risk-based approach. That means that those with a high-risk profile are getting more attention and a more thorough analysis than those with a low risk profile. This approach helps us stay efficient while still handling risks appropriately.

## Compliance Training

In 2024, we achieved over 90 per cent attestation of the Code of Ethics and Business Conduct. We conduct regular compliance training, both general and tailored, based on employees' role within the company and business area. KONGSBERG employees are informed of our expectations regarding business conduct and anti-corruption efforts as part of the onboarding process. Our guidelines require all employees to make annual declarations regarding any actual or potential conflicts of interest.

We offer targeted training based on company functions, delivered through both regular classrooms and web-based formats. The topics covered include, anti corruption and bribery, gifts and hospitality, and conflicts of interest. In 2024, all executive leadership groups completed compliance training, including anti-corruption and bribery training. All business areas are committed to conducting and reporting on the training program, which follows a three-year cycle.

All employees in positions assessed as high-risk receive regular training. The Board received training in 2023, and administrative bodies have received regular compliance updates alongside their training.

## Combating Corruption and Bribery

KONGSBERG has a robust anti-corruption program with established policies, preventative measures, and audits to ensure vigilance in this critical area. Concerns about unlawful behaviour or breaches of our Code of Ethics and Business Conduct are primarily identified through our whistleblower channel and supplier due diligence process. Our country risk analysis, part of the due diligence process, has identified the highest corruption risk among suppliers in Asia and South America. More information

about our procedures for ensuring independence and objectivity can be found in the description of our whistleblower channel in the next chapter.

We work to prevent unlawful behaviour by providing appropriate training and clear guidelines for employees on expected conduct. At a Group level, we have established a control environment that ensures the proper work routines, attitudes, capacity and skills, while business areas manage and implement these processes. Our anti-corruption training includes employees, business partners, and suppliers, focusing on follow-up routines particularly related to human- and worker's rights. We encourage our employees to report any unlawful or unethical conduct through our channels. Monitoring, audits, and follow-ups are our primary activities to identify, detect, and investigate potential corruption incidents. The corporate ethics and compliance team include independent investigators and conducts periodic quality assurance activities. A law firm is engaged to audit the program every three years.

The business areas provide the Chief Compliance Officer (CCO) with a comprehensive compliance report annually, as well as quarterly status reports. These reports cover all aspects of the compliance function, preventive actions, and KPI status. The CCO reports to the Board twice a year, the Audit and Sustainability Committee three times a year, and the Corporate Management Team on a regular basis. The compliance function is an independent organisation, with the CCO reporting to the President & CEO, the Audit and Sustainability Committee, and the Board.

We have not been fined or convicted for any corruption or bribery-related crimes during the year.

## Channels for Raising Concerns

KONGSBERG encourage all employees and stakeholders to report any potential ethical concerns or misconduct. We own and operate an openly available reporting channel on our [website](#) for employees and external stakeholders. Alternatively, concerns can be emailed to [ethics@kongsberg.com](mailto:ethics@kongsberg.com). The channel is anonymous to ensure that users feel safe to report concerns. Employees can also raise concerns through KONGSBERG's compliance management system, directly to managers, local HR representatives, business area or our corporate ethics and compliance team. We believe that fostering an environment where employees feel comfortable raising issues and concerns without fear of retaliation promotes openness, leading to improved business performance and supporting our values.

Information about the channel is made available to employees through internal information channels, training related to the Code of Ethics and Business Conduct, and anti-corruption training. All concerns raised are registered in our internal compliance management system and triaged by KONGSBERG's compliance team. Based on the

case's attributes, it is further assigned to an independent investigator. This process is in detail described in the Own Workforce chapter [page 85](#).

We promptly, independently, and objectively investigate business conduct incidents, including corruption and bribery. The ethics and compliance teams regularly train on investigation processes to ensure proper procedures are followed.

Our suppliers are informed about the channel as part of the onboarding process and when Supplier Conduct Principles requirements are flow-down through contracts and purchase orders. Currently, we do not have a specific process to ensure affected communities are aware of the channel, as this is a new focus for us. No whistleblower cases from suppliers were registered in 2024, despite communication about the channel at supplier conferences and webinars.

We find that the number of concerns reported to generally be low, especially related to the supply chain. To ensure that we receive reports from suppliers, we are working to strengthen the competence related to human rights and reporting for those who conduct supplier audits. Additionally, we provide information about the channel in dialogue with suppliers and make the information available by offering guidelines in multiple languages. To ensure a good reporting culture internally, we maintain a high focus on training related to ethical guidelines. Some business areas plan to conduct analyses in 2025 to identify barriers to reporting.

## Number of Incidents and Complaints Reported

In 2024, KONGSBERG had a total of 75 concerns raised through the various methods. 21 of the cases concerned accusations of discrimination and harassment. We have received two complaints of human and social rights coming from our own workforce, and no cases of severe human rights incidents. We had two cases related to corruption and bribery.



## Political Engagement

We actively engage in political processes in line with our commitments and strategic ambitions. Close collaboration with public and private parties has always been important in KONGSBERG's history and is crucial for delivering on our strategic ambition to create long-term value. Our government relations work provides an opportunity to enhance our positive impact on our surroundings, in line with our purpose and values. Our political engagement aligns with our business strategy and priorities, including our commitment to developing the company in a sustainable direction.

### Material Impacts, Risks, and Opportunities

The double materiality assessment identified one material risk for the sub-topic political engagement.

ESRS sub-topic	Type	Description	Value chain location	KONGSBERG's involvement with impact	Time horizon
Political engagement	Risk	The defence industry primarily conducts business with the public sector and is heavily regulated. Our business is a highly politicised, and if our activities are perceived as inappropriate, it could damage our reputation.	Own operation	Not relevant for risks	Medium term

### Political Influence and Lobbying Activities

The Group Executive Vice President Public Affairs is responsible for overseeing our government relations. In line with our strategy, we regularly interact with external stakeholders on the following key themes and topics:

- Global trends and developments:** We collaborate with authorities in the United States, the European Union Institutions, think tanks, NGOs and the United Nations on issues related to security and sustainability.
- European Union policy and regulations:** We focus on issues related to the defence industry, space, maritime, oceans, EU Taxonomy, and critical infrastructure.
- Norwegian authorities:** We engage with the government, parliament, and public support systems on various policy areas, such as Norway's Long-Term Plan on Defence, green maritime strategy, Norway's Climate Action Plan, the export control system, space policy, and critical infrastructure.
- International engagement:** Participation and coordination with the Norwegian government during state and official visits, as well as expo engagements, are priorities to showcase KONGSBERG's technologies in emerging markets.

Our goal is to increase participation in public debates on climate, the environment, and social issues, especially where collaboration and dialogue between public and private actors are crucial for developing leading technological solutions and practices.

A key part of our government relations efforts is interaction and close collaboration with trade unions, business organisations, NGOs and think tanks. These efforts will be increasingly important to mitigate risks, enhance the Group's reputation and brand value, and build strong relationships with key stakeholders.

We do not provide financial or in-kind contribution to political parties, their elected representatives, or individuals seeking political office. However, we are a member of various business organisations that actively influence decisions at both the Norwegian national, and EU levels. We are part of the Norwegian Confederation of Enterprise (NHO) and several of its subordinate trade associations, such as Norsk Industri. We are also members of Maritim Forum, an interest organisation for the Norwegian maritime cluster. Our total financial contribution to these organisations, in membership fees, amounted to MNOK 12 in 2024. Additionally, three KONGSBERG representatives have been appointed to serve on the boards in these business associations.

No members of the Board have held comparable position in public administration (including regulators) in the two years preceding 2024. However, a new member to the Public Affairs team joined the organisation in 2024, having previously served as Committee Secretary for the Norwegian Parliament's Standing Committee on Foreign Affairs and Defence. Our subsidiary Kongsberg Defence & Aerospace is registered in the EU Transparency Register with registration number 385881749297-85.



## Management of Relationships with Suppliers

### Introduction to the Topic

We aim to establish a responsible supply chain in collaboration with our over 13,400 global suppliers. We place great emphasis on maintaining a sustainable supply chain that responsibly manages our social and environmental impacts. KONGSBERG's diverse group of suppliers contributes to our global product deliveries, and systematic, effective cooperation with them is a key part of our strategy for responsible business operations. This approach improves our risk management and enhances quality throughout the value chain.

### Material Impacts, Risks, and Opportunities

ESRS sub-topic	Type	Description	Value chain location	KONGSBERG's involvement with impact	Time horizon
Management of relationship with suppliers	Potential negative impact	We play a crucial role in the operations of many of our suppliers and sub-suppliers. If we fail to pay our suppliers on time and they experience cash flow issues, it could negatively affect their employees.	Own operation	Contribute directly	Short term

### Supplier Payment Practices

Supplier payments are managed according to our Supplier Conduct Principles (SCP) and other internal requirements deployed in the business areas. We are committed to timely payments to suppliers, guided by the principles outlined in our Code of Ethics and Business Conduct and SCP. We have implemented a comprehensive source-to-pay system for indirect purchases and invoicing, facilitating the improvement and digitisation of payment processes. KONGSBERG's standard payment terms are focused on our strategic and high value suppliers, but we also look to support small and medium sized enterprises. This includes a supplier finance scheme offered by Kongsberg Maritime, which provides suppliers with the facility to improve their cash-flow. Our general approach to managing suppliers and our SCP are described in the Workers in the value chain chapter on [page 95](#).

The following table summarises our payment practices by business area.

Payment Practices	Kongsberg Maritime	Kongsberg Digital	Kongsberg Defence & Aerospace	Kongsberg Discovery
Average number of days to pay invoice	50	42	50	20
Standard payment terms in number of days	60	60	60	30
Percentage of payments aligned with standard payment terms	67%	67%	55%	92%
Number of outstanding legal proceedings for late payments	0	0	0	0

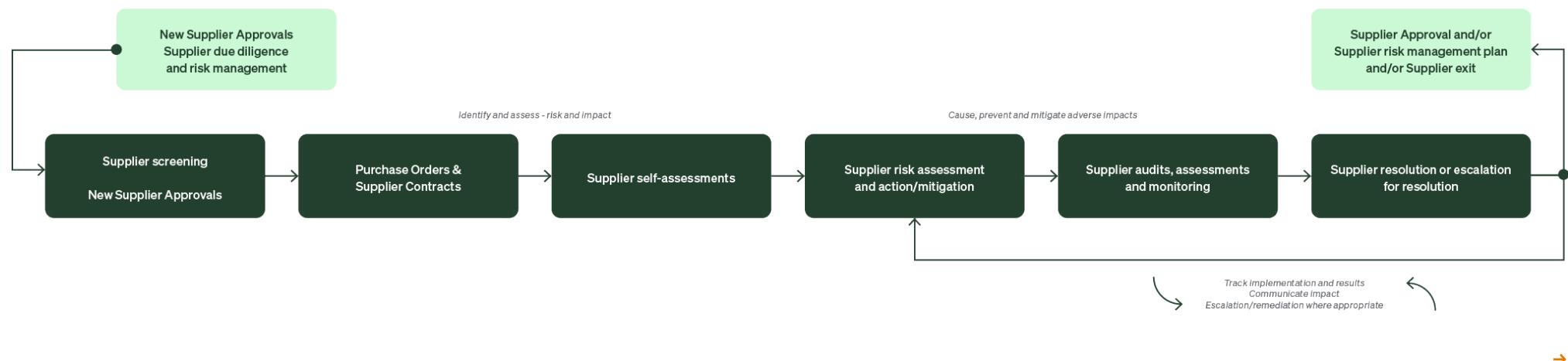
**Comment:** Data is directly from ERP and finance systems and no representative samples have been used.



## Supplier Due Diligence

We have a risk-based approach, aligned with OECD's due diligence principles in our selection of suppliers. The process includes supplier screening, requirements flow-down through contracts and purchase orders, supplier self-assessments via the IntegrityNext system, and supplier audits. Identified risks are evaluated and addressed as part of the procurement process. Several factors, referred to as "key principles", are evaluated including environmental, social and governance aspects.

KONGSBERG only collaborates with suppliers whose values align with our ethical standards. Suppliers must comply with all applicable laws and regulations. We conduct continuous due diligence and risk management when selecting, renewing, or managing supplier relationships, in accordance with OECD Guidelines for Multinational Enterprises.



# Security and Cybersecurity

## Introduction to the Topic

With our long-standing heritage of delivering mission-critical high-tech solutions to defence, space, maritime, and energy industries, we have consistently prioritised security. This includes the protection of personnel, information and property. In today's digital age and complex geopolitical landscape, addressing these security concerns has become increasingly vital for businesses. Security and privacy by design are fundamental principles in our software development and lifecycle management. Security is essential to deliver high-quality services, meet safety requirements and is a crucial element of our strategy and operations.

In the current geopolitical climate, KONGSBERG faces increased security challenges. As a provider of mission-critical high-tech solutions, we are especially exposed to cyber and physical threats from foreign intelligence services. Additionally, the rapid development of artificial intelligence introduces a new layer of uncertainty to the cyber domain. This chapter will focus on KONGSBERG's efforts related to security, including cyber-, personnel- and physical security.

## Material Impacts, Risks, and Opportunities

The double materiality assessment identified two material risks for the entity specific topic security and cybersecurity.

Entity specific topic	Type	Description	Value chain location	KONGSBERG's involvement with impact	Time horizon
Security and cybersecurity	Risk	We may be subjected to cybersecurity risks as we manage sensitive customer information, including data related to national defence. Failure to mitigate these risks could lead to operational disruptions, substantial financial losses, and reputational damage.	Own operation	Not relevant for risks	Short term
Security and cybersecurity	Risk	We face increasing risks of potential physical sabotage to property and assets. Companies involved in weapon donations to Ukraine are particularly at risk. The consequences can be operational, financial, and reputational.	Own operation	Not relevant for risks	Short term

## Policies

We have established governing documents to ensure security, cybersecurity, and emergency preparedness across the organisation. These documents are accessible via the management system or intranet and apply to all employees. While some business areas have additional security-related directives and policies, this overview focuses on Group-level directives.

### Directive for Security Management

KONGSBERG's Directive for Security Management outlines roles and responsibilities related to security management and covers all security disciplines. Its purpose is to set minimum requirements that all business areas must follow to ensure adequate protection of KONGSBERG. Our President & CEO is responsible for security and delegates the implementation and monitoring responsibilities to the EVP & President of each business area, which is followed up by the Group Chief Security Officer (Group CSO).

### Directive for Emergency Response Management

KONGSBERG's Emergency Response Management directive provides a structured approach to crisis management, aiming to establish a clear framework reflecting best practices in emergency response. It ensures all personnel understand their roles and responsibilities during an emergency and applies to all business units and subsidiaries where we own 50 per cent share or more. The Group CSO is responsible for this document and ensures a holistic approach to emergency preparedness.

### Travel Directive

KONGSBERG's Travel Directive outlines policies and procedures for business travel to ensure personnel safety during business travel. It aims to facilitate safe, efficient, and cost-effective travel for all employees and managers. Executive managers in the respective business areas are mutually responsible for this document.



## Actions and Resources

Security is a high priority in KONGSBERG and an integrated part of our risk management system to balance our business goals and efficiency. We will now describe the most important measures we have worked on in 2024 and where not described, we have not measured the effect of the measure. As these measures are considered part of general operations and continuous improvement, we have not calculated the financial resources allocated to each measure.

In 2024, Group-level security underwent reorganisation to better support KONGSBERG's growth. New resources were introduced, including the establishment of a new department supporting all business areas. This department, Security Advisory & Services, focuses on crisis incidents and emergency training to reduce the physical risk.

The Directives for Security Management and Emergency Response Management underwent significant revisions in 2024 to align with current threat levels and enhance future robustness. These updates aim to reduce the physical security risks by streamlining processes and establishing clear local responsibilities within each business unit. The Security Committee, led by the Group CSO reports directly to the President & CEO and includes representatives from all business areas, Chief Security Officers, Chief Information Security Officers, and export control representatives. The Group CSO also oversees the Group's overall security policy and ensures the security strategy reflects the Group's operations, risk landscape, and challenges. Each business area is tasked with establishing and maintaining adequate security measures.

We also improved the physical security of our head office in 2024, as well as other important sites in Norway. The restructuring of Kongsberg Defence & Aerospace has granted the divisions greater local responsibility for security, ensuring that our facilities remain secure and resilient against potential threats.

The Kongsberg Cyber Security Center (KCSC) has been a focus area and will continue to expand in 2025, enhancing and professionalising its services. In 2024, a new roadmap was developed to introduce new services across all business areas, supported by a significant increase in personnel at KCSC and a corresponding investment in a new security operations centre. This strategy aims to enhance our capabilities in monitoring and responding to cyber threats, ensuring robust protection for our digital assets and infrastructure.

External audits in accordance with ISO/IEC 27001 have been conducted across all business areas with the aim of reducing cybersecurity risk. Kongsberg Defence & Aerospace was also subject to an external audit from the Defense Industrial Base Cybersecurity Assessment Center. In 2025, Kongsberg Defence & Aerospace will continue to implement the Cybersecurity Maturity Model Certification program as mandated by the US Department of Defense. We measure the impact of the initiative by mapping the proportion of business areas that have been audited.

Employees are regularly required to undergo training to stay informed about cyber and physical security at KONGSBERG. In addition, emergency personnel must annually conduct four physical emergency training sessions. We measure the impact of the initiative by mapping the number of people who complete the training annually.

October is designated as our security month, featuring articles and presentations from external experts to raise employee awareness of security. All personnel nominated for positions in an Emergency Response Team (ERT) must have the necessary personal and professional qualifications. A minimum of four training sessions per year is required for each ERT member.

KONGSBERG has adopted Binding Corporate Rules (KONGSBERG BCR). These provide us with a legal basis for transferring personal data from Group companies established within the EEA to Group companies established outside the EEA. The Binding Corporate Rules have been approved by Norwegian and other relevant data protection authorities and are an important means of demonstrating compliance with the GDPR.

## Targets and Metrics

KONGSBERG has developed three targets to assess how effectively our measures reduce risks related to security and cybersecurity. The targets related to auditing and training in the table below align with the objectives of the Directive for Security Management, while the target related to emergency training aligns with the Directive for Emergency Response Management.

Target	Measured by (metric)	Status 2024 (base year)	Goal 2024	Connection to IROs
External audit of all business areas according to ISO/IEC 27001 each year	Share of business areas with external audit <sup>1</sup>	100%	100%	<ul style="list-style-type: none"> <li>Risks related to cybersecurity</li> <li>Conduct ISO audits</li> </ul>
80% of employees should conduct security e-learning each year	Share of employees completing e-learning on security and cybersecurity <sup>2</sup>	86%	80%	<ul style="list-style-type: none"> <li>Risks related to cyber, personnel, and physical security</li> <li>Mandatory training</li> <li>Marking October as security month</li> </ul>
All emergency personnel should conduct four emergency response trainings per year	Share of emergency personnel completing four emergency physical trainings per year <sup>3</sup>	75%	100%	<ul style="list-style-type: none"> <li>Risks related to personnel and physical security</li> <li>Improvement of physical security at offices and facilities</li> </ul>

<sup>1</sup> The percentage of business areas is based on the four business areas. During the ISO 27001 lifecycle, an annual surveillance audit by a third party is required. Audit firms conducting these audits include Nemko Scandinavia, Lloyd's, and DNV.

<sup>2</sup> Training figures include employees in Kongsberg Defence & Aerospace and Kongsberg Digital. Kongsberg Maritime and Kongsberg Discovery have introduced a new Learning Management System (LMS), hence we do not have sufficient data for reporting for 2024. Processes, expectations and requirements are the same for all business areas, but the content of the training vary to cater to the different industry sectors.

<sup>3</sup> Emergency personnel are employees with critical roles in management of all types of crises, and consist of less than 10 employees for each business area. The emergency training is developed in line with recommendations from the Norwegian Industrial Safety Organisation. After each emergency exercise, a report is written to document participant attendance. During 2024, three out of four business areas met the target for number of emergency response trainings.

## Process of setting targets

Chief Security Officers (CSO) and Chief Information Security Officers (CISO) in all business areas have been involved in setting targets. The target related to security training is a requirement in ISO/IEC 27001 implementation.

## Progress towards targets

Security and cybersecurity targets were established for the first time in 2024, so there are no figures for 2023. In line with our goals, all business areas have undergone third-party audits. Additionally, 86 per cent of employees received security training and all emergency personnel in three of four business areas completed the required emergency trainings. For 2025, we plan to release new targets and develop a process for monitoring and reviewing them. The targets will be reported to the Group SCO yearly.

