



KONGSBERG

Human Rights report for year 2024

CEO Geir Håøy

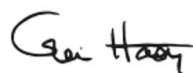
Contribute to Create a Better Future

In 2024, we celebrated 210 years as a company and continued our efforts to protect people and the planet by developing new technology.

The past year has been marked by war and conflict in many areas of the world, while climate change leads to natural disasters far more often and more severe than we are used to. Many people are pressured or deprived of basic rights as a result of the situation in the world, which means that human rights work is more important than ever.

At KONGSBERG, human rights are fundamental, and the human rights work we perform makes a difference. We want to lead the way for smaller companies without the same influence as a large company like KONGSBERG. We see that the Norwegian Transparency Act has created better opportunities for discussions across business areas and companies, and we want more transparency around problematic issues that may be better solved collectively rather than individually.

We at KONGSBERG continue to build on the foundations we already have in place and work to continuously improve our processes and systems within our human rights work. Our goal is to make a difference for both individuals and the planet, where respect for human rights is integrated into our business model, both in theory and in practice.



Geir Håøy,
President & CEO



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Our Approach

Respect for Human Rights at the Core of Our Goals

Setting goals and standards for our human rights work has been and continues to be of strategic importance for KONGSBERG. We have integrated human rights into our governance, strategies, daily operations, and due diligence assessments.

Our Human Rights Standards

Human rights are an integral part of our business, where we continuously work both preventively and reactively to ensure compliance with our external and internal requirements.

We are committed to respecting internationally recognized human rights, including the prohibition of forced labor, child labor, and the safeguarding of fundamental workers' rights, as set out in the UN International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

Risk Assessment for Human Rights Impact

Each business area conducts risk assessments to identify actual and potential negative impacts on human rights. The goal of these risk assessments is to align our business with internationally recognized human rights and to conduct a comprehensive assessment of our entire value chain to better understand inherent, current, and potential risks for negative impacts on human rights.

We have conducted human rights impact assessments across all our business areas. These assessments enhance our ability to apply a risk-based approach in managing both actual and potential risks.

Our Standards

Child labour
Diversity, inclusion and belonging
Environment and Climate
Fair reward
Health and Safety
Humanitarian Law
Minority Rights
Privacy
Resourcing and Mobility
Slavery, Human Trafficking and Forced Labour
Working time

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



Governance

We have well established guidelines for our human rights work, anchored in our Code of Ethics and Business Conduct. The due diligence work related to human rights is integrated into our due diligence process for for third parties, suppliers and our audit programs.

Our routine for human rights work is adopted by the board and sets the standard for how we treat people. The routine underpins our commitment to responsible business by actively working to avoid causing or contributing to negative impacts on human rights.. Governance and leadership are determined with the tone from the top at the corporate level, and the requirements are communicated down to the business areas through their business management systems.

We also extend fundamental principles in our human rights work routine to suppliers through our Supplier Conduct Principles (SCP). SCP is published on our websites and translated into six languages: English, Norwegian, Mandarin, Polish, Portuguese, and Finnish. Our human rights standards apply to all companies in the KONGSBERG group that are wholly or majority-owned and each business area is responsible for compliance and implementation of the human rights guidelines.

We have established channels for our employees as well as external parties to report and raise concerns, and we have a dedicated link for human rights inquiries on our website.

If negative impacts on human rights are identified, we take appropriate steps to address and mitigate them. In our supply chain, this is done either bilaterally with our business partners or in collaboration with other stakeholders, depending on our influence and the extent of our ability to impact.



Risk assessment

Data identification and collection

1

- **Employees and own operations**
- **Supply chain: first tier suppliers and market representatives**

Data analysis

2

- **Analysis in excel which combines Kongsberg data and risk information from public, internationally recognized sources.**

Risk overview

3

The output of the risk analysis is a overview of risk related to:

- **Own operation and subsidiaries**
- **Suppliers and market representatives**

Risk prioritization

4

- **Risk verification workshop for input and prioritization**
- **This report provides overview of salient human rights risks and recommendations for next steps.**

Risk assessment

5

Due Diligence Assessments

Our risk assessments for human rights are supported by the due diligence assessments we conduct. KONGSBERG conducts due diligence assessments of all our business partners in accordance with the OECD guidelines for responsible business conduct. The goal of the due diligence assessments is to identify, assess, reduce, and mitigate negative impacts on human rights. Our due diligence assessments are risk-based, and our business partners are subject to ongoing dialogue, periodic reviews, and, if necessary, audits.

When human rights risks are identified, they are assessed, managed, and/or remedied when required. Given the complexity and interconnection that human rights often have with regulatory compliance and integrity in general, our due diligence assessments include a wide range of compliance topics. Therefore, our due diligence assessments also include, among other things, anti-corruption and bribery, sanctions and export control regulations, as well as enforcement.

Risk Management

Significant risks are managed through our risk management process (Enterprise Risk Management Process), which is implemented in all our business areas. An important part of the process is that findings are communicated upwards to ensure a unified, holistic, and resource-strong approach from KONGSBERG. The board follows up on risk management and internal controls through their annual plan and agenda. This includes quarterly reviews of strategy and operational risks, key discretionary items related to financial reporting, and non-financial compliance such as human rights and climate-related risks.

Risk based approach





Our Business

Our Business

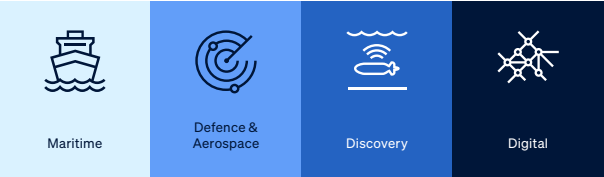
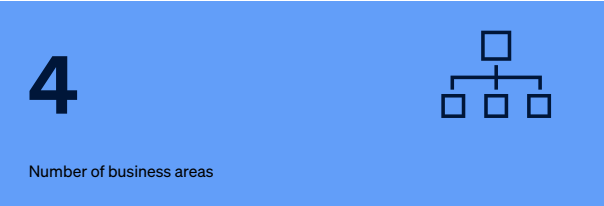
KONGSBERG is an international technology group that delivers advanced and reliable solutions that enhance safety, security, and performance in complex operations and under extreme conditions. KONGSBERG collaborates with global customers in the defense, energy, maritime, fisheries, renewable, and aerospace sectors.

Kongsberg Gruppen as a group employed 14,629 people in 2024, of which 81 percent were in Europe (11,834). We have a presence in over 40 countries, but the headquarters and a significant part of the business are established throughout the Nordic region and are a significant employer with a large presence and support for local communities.

We have four established business areas: Defence & Aerospace, Maritime, Discovery, and Digital. Other activities include real estate, renewable energy, and corporate.

Through our activities, we create jobs – both directly through our own activities and indirectly through our supply chain. This contributes to promoting economic growth, welfare, and the development of people and communities. KONGSBERG is proud of the positive impact we have on local communities, but we also recognize the social responsibility that comes with the ability to influence.

Our human rights risk assessment conducted by the various business areas reveals a wide range of potential risks for negative impacts on human rights, and the risks mentioned in this report are a summary of these risks.

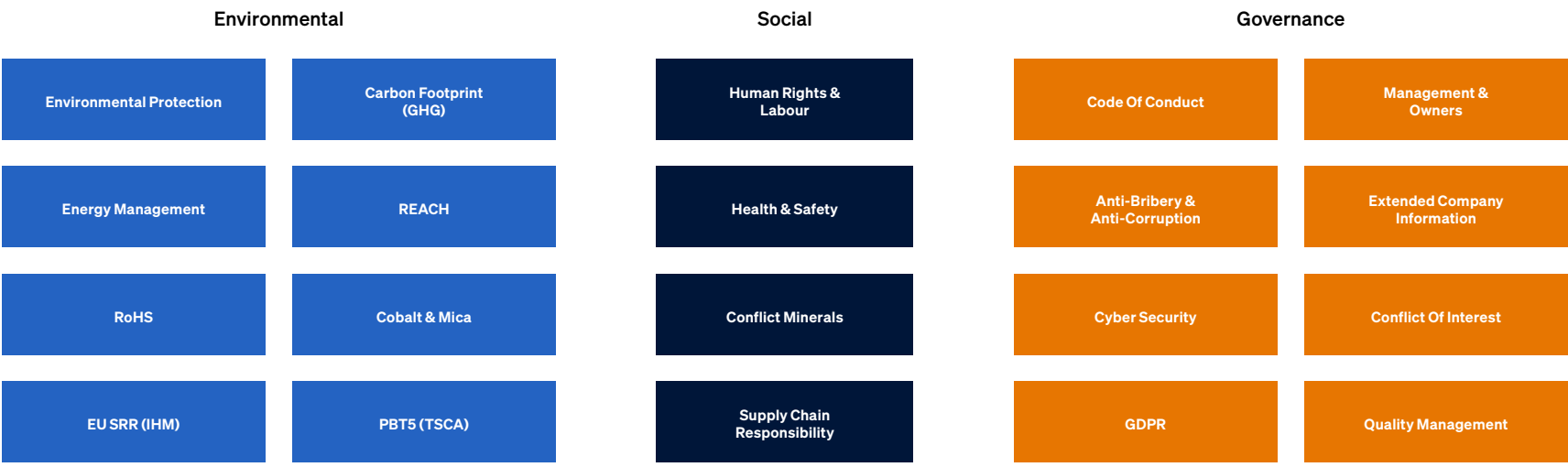


Supply Chain

The compliance due diligence of the supply chain is managed in accordance with our internal guidelines and is a risk-based approach that follows the OECD principles. The requirements are integrated into the business areas' supply chain and procurement processes.

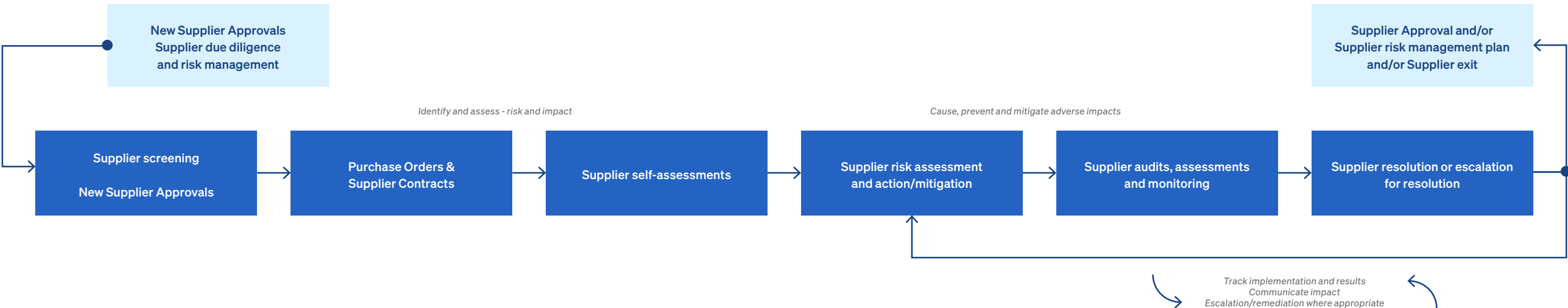
KONGSBERG's mandatory requirements for suppliers are outlined in our Supplier Code of Conduct (SCP) and the business areas' quality requirements for suppliers.

Supplier assessment is managed through internal screening, country/industry risk assessment, supplier self-evaluation (IntegrityNext), and on-site supplier audits, with identified risks evaluated and managed as part of the procurement process.



Mandatory Supplier self-assessment modules/questions required by KONGSBERG

Supplier compliance due diligence



Supply Chain

KONGSBERG’s inherent risk assessment includes purchasing expenses, country risk, and industry risk factors.



Total KONGSBERG purchases increased by **32%** compared to 2023, with the 100 largest suppliers accounting for **67%** of the expenses.



Direct product categories are defined as high-risk industries.

→ 73% of KONGSBERG’s purchasing expenses are related to direct product categories (**2,824 suppliers**).

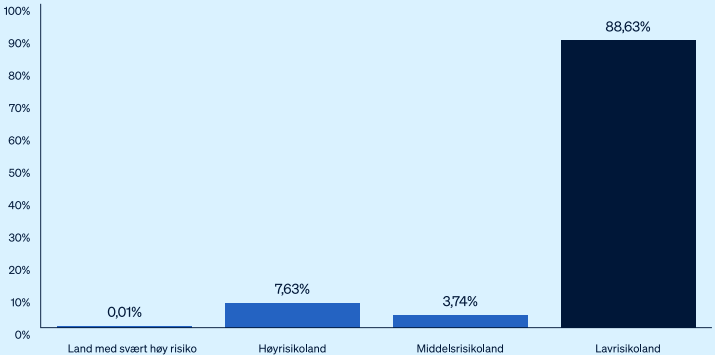
→ Direct product categories include **fabrications, machining, castings, forgings, hydraulics, electrical products, power products, reference systems, digital hardware/software, composites, cables, system components.**

The total number of direct suppliers is **13,464**, including **5,191** suppliers in Norway (39% of the expenses).

→ In 2025, an improvement project is underway to enhance the transparency of subcontractors through the use of digital tools and analyses.



Country risk based on human rights factors:



→ 5 suppliers in countries with very high-risk (**0.01 % of expenses**)

→ 1,854 suppliers in high-risk countries (**7.63 % of expenses**)

→ 768 suppliers in medium-risk countries (**3.74 % of expenses**)

→ 10,837 suppliers in low-risk countries (**88.63 % of expenses**)

Supply Chain

Suppliers self assessment (IntegrityNext)

→ **3,083 suppliers** have been self-evaluated for human rights and labor requirements in IntegrityNext, representing 72% of the expenses.

Supplier audits*

→ **134 supplier audits** completed globally in 2024, representing an increase of 11% compared to 2023.

→ **22% (30) of supplier audits** completed in countries with very high-risk or high-risk countries.

High risks identified based on the supplier’s due diligence, including the supplier’s self-evaluations (IntegrityNext) and supplier audits.

→ **19 high risks identified** related to HSE, ESG, and human rights, including 12 high-risks identified in high-risk countries.

→ **11 high risks** have been closed with corrective actions and 8 are under treatment (registered in Q4 2024).

→ High risks by theme: IntegrityNext red flags for follow-up (7), HSE (6), Continuation of requirements (3), Compliance (2), Social responsibility (1).

KONGSBERG’s Supplier Conduct Principles

→ 14 suppliers were approved by KONGSBERG in 2024 to follow similar documents as the Supplier Conduct Principles.

→ No whistleblowing cases from suppliers were registered in 2024 despite regular communication about the whistleblowing channel in supplier conferences/webinars.

Low-value and high-volume indirect suppliers represent 3.9% of purchasing expenses (4,244 suppliers).

→ In 2024, Kongsberg Maritime increased the coverage of indirect expenses across global locations, resulting in increased supplier information. This will be further addressed in 2025 as part of the due diligence activities for suppliers.

*Supplier audits are conducted in accordance with the KONGSBERG defined demands coming from the following documents:

- Supplier Conduct Principles ([SUPPLIERS – KONGSBERG](#))
- Supplier Quality Requirements ([Kongsberg Maritime and Kongsberg Discovery Supplier Quality Requirements](#), [Supplier Quality Assurance Requirements - Kongsberg Defence & Aerospace](#))



Improvement of Human Rights in the Supply Chain

Human rights in the supply chain were a main focus area in 2024, and this will continue in 2025.

In addition, we have prioritized HSE (Health, Safety, and Environment) for suppliers, including safe loading and safe operations, in collaboration with the HSE team and suppliers. We have also increased our focus on human rights in supplier audits, increased the number of supplier audits in high-risk countries, and completed human rights training for auditors.

In 2024, we communicated human rights requirements to suppliers in the following forums:

- **KONGSBERG supplier conferences**
 - KONGSBERG Agenda, Kongsberg Defence & Aerospace supplier conference – June 2024
 - Kongsberg Maritime and Kongsberg Discovery supplier conference – October 2024
- **KONGSBERG sustainable and responsible suppliers, webinar for all suppliers – December 2024.**

In 2025, we will focus on:

- Increasing the number of self-evaluations from suppliers and audits (including human rights) in high-risk and very high-risk countries
- Enhancing visibility and transparency for our subcontractors
- Increasing the focus on safety in our due diligence with suppliers
- Continuing the prioritization of HSE, ESG, and human rights in our due diligence, in collaboration with our suppliers





Kongsberg Maritime

Kongsberg Maritime is Kongsberg Group’s largest business area and is a leading supplier of maritime equipment. Kongsberg Maritime has operations in many parts of the world and has equipment on more than 34,000 ships and installations worldwide. Kongsberg Maritime is a growing company and is expected to continue growing in 2025 and beyond.

In the company, the Compliance function is primarily responsible for the practical work on human rights. Together with Compliance, Supply Chain, HSE, and HR are the most central contributors to the human rights work in 2024.

EVP Business Support is the sponsor for the human rights work in the business area. In 2024, all employees at Kongsberg Maritime had the opportunity to express their opinions on topics such as harassment, a safe workplace, modern slavery, and other elements through the first survey from Compliance to all employees. Some actions have already been taken as a result of the responses in this survey.

Kongsberg Maritime conducted a deep dive into human rights in a high-risk country in 2024.

Together with Supply Chain, Compliance has planned actions to strengthen human rights work towards our supply chain, as well as towards their subcontractors. This is an extensive project that will begin in 2025. As part of this, further findings in our supply chain cannot be ruled out next year.



Countries in operation

34



Number of employees

7,255



Suppliers

8,632

Our offerings to the maritime sector include:

Passenger Vessels

Our solutions prioritize safety, efficiency, and reliability in a segment with high capital costs and variable market conditions.

Offshore Energy

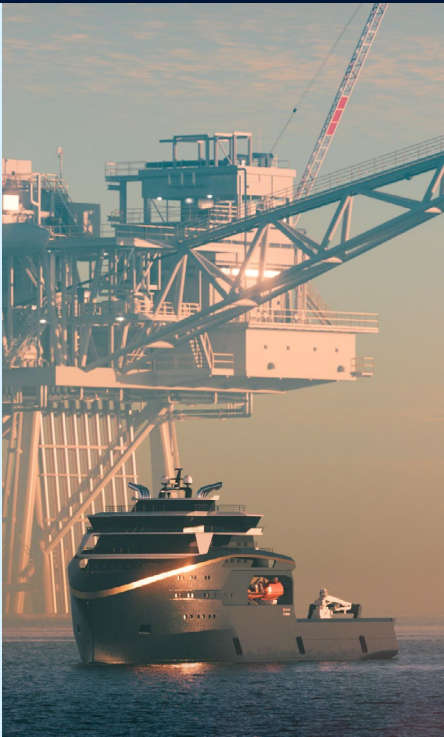
We support the industry with engineering expertise backed by our leading knowledge in the domain through digital technology and operational experience.

Merchant

We deliver efficiency and fleet management solutions that reduce operating expenses, creating a decisive advantage in a market driven by emission regulations.

Special Purpose

We find technical solutions for workboats, marine vessels, research vessels, and fishing boats that ensure efficiency and reliability.



Risk Management

Kongsberg Maritime operates in several countries with inherent risks of human rights violations and has a supply chain that also operates in countries with little recognition of human rights. Additionally, the maritime industry is an area with inherent risks of gender imbalance, work that poses health risks and, in some cases, life risks, as well as a dependence on raw materials such as steel, which involves mining at the lower end of the supply chain.

Our Goal

Our goal is to use risk analyses to identify the areas within our operations where there is the greatest risk of violations of international human rights and to compile this with data we have on our inherent risks. Together, this forms the basis for our work to identify focus areas to prevent or detect and remedy potential negative impacts on human rights.

Due Diligence Assessments

We conducted extensive due diligence assessments of our own operations within human rights in 2024, in addition to an external risk assessment made by a consulting firm in 2023.

The 2024 assessment includes, among other things, a survey sent to all employees, with approximately 40% of employees responding. In addition, through our audits of our own operations in countries, the supply chain, and third parties, we have collected data on what can be defined as the most pressing risks for us.

The due diligence assessments are based on a combination of our established standard from KONGSBERG's directives and internal processes. We use several tools in our work to uncover possible risks, such as GAN Integrity, Compliance Catalyst 2, and Integrity Next. Additionally, we make an assessment based on cases that come into our case management system, in relation to category and location. We compile this data with data on country risk and categories for the type of work performed

from Human Resources. Together, this forms a risk matrix for human rights in Kongsberg Maritime.

We will prioritize work at locations and with third parties that, based on our due diligence assessments, represent a high or very high risk.

Inherent Risk

At Kongsberg Maritime, we have an inherent risk that is considered high-risk in 13 countries. This is based on a compilation of several human rights standards, calibrated by both consulting firms and our Corporate Compliance.

Based on inherent risk only, we have certain third parties, such as market representatives or dealers, that represent an increased risk for us. These are representatives of Kongsberg Maritime who are located in countries/locations with an elevated risk of human rights violations. Of these, we have 6 third parties operating in high-risk countries.

Actual Risk

Based on the total sum of available data and due diligence assessments conducted, Kongsberg Maritime will focus on the following areas in 2025:

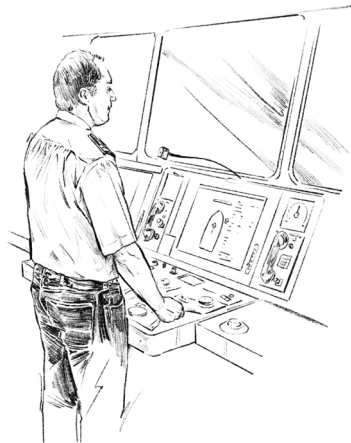
- Harassment/discrimination
- Equal treatment and equal pay for equal work
- Operations in areas with an increased risk of human rights violations
- Supply chain in areas with an increased risk of human rights violations



The selected focus areas above are further supported by findings through whistleblowing cases, where some form of harassment represents one of the main categories. These findings are mainly in countries with low inherent risk, but this is natural as the company's headquarters are in Norway and the majority of workers are there. We also have findings in other areas that cannot be directly linked to human rights but are still relevant for determining focus areas for the way forward with our risk-based approach.

Some locations with inherent high-risk underwent training in 2024, had the opportunity to speak one-to-one with someone in Compliance, and underwent a due diligence assessment. These have resulted in areas for improvement in Kongsberg Maritime in 2025.

Several other locations, which collectively pose a risk based on all available data, have been designated for an assessment in 2025. The goal is to conduct 2-3 internal human rights audits over the next year.



Suppliers and third parties

Number of audits on third parties:

In addition to the audits conducted on our supply chain (see details below), Kongsberg Maritime has conducted three audits on other high-risk third parties. This accounts for audits on 10% of our third parties. In these audits, no actual or potential findings of human rights violations were found. These are third parties that undergo a thorough process before we enter into a partnership with them, so the lack of findings here confirms that the process works as intended.

In the audits of our supply chain, 47 audits were conducted in 2024, of which 26 were carried out in areas with high or very high-risk. In these, actual negative consequences or potential risks for negative impacts on human rights were found in 26 cases.

Some of the findings were only improvement suggestions (6), while others constituted a serious deviation from the standard Kongsberg Maritime sets for its suppliers. Follow-up plans were created for these, and in some cases, the supplier was blocked until the deviations were corrected.

The findings varied from a lack of safety equipment for the supplier's employees to deviations in following our Supplier Conduct Principles and ensuring the flow-down of these requirements to their own suppliers. All findings are recorded in our systems, with a target date for closing the findings and a requirement for documentation of correction from the supplier.

Next year, we plan to intensify our focus on audits with a focus on human rights, which will give us further opportunities to uncover more issues.



Measures

At Kongsberg Maritime, efforts have been made to reduce the risk of human rights violations in several areas:

- Although we have internal operations in several countries with inherent high-risk, all our employees and temporary workers have employment contracts that meet at least the legal requirements in the area and often exceed them. Kongsberg Maritime also has mandatory training for all new employees that includes a focus on living by our Code of Ethics and Business Conduct.
- Within HSE (Health, Safety, and Environment), work continues to register deviations, improvements, incidents, and "near-misses" in the Synergy tool. HSE has also had campaigns throughout the year to improve the focus on a safe working environment. Stop Work is used by employees in situations that may pose a danger to life and/or health and has been used 120 times in 2024. The HSE function in the company continuously analyzes the reports that come into Synergy and works on measures to ensure a safe working environment for all our employees. Many employees work in shipyards or on board ships where there is sometimes insufficient safety and lack of satisfactory conditions. In these cases, employees are encouraged to communicate both to the customer and back to Kongsberg Maritime. The survey conducted by Compliance confirms that this is a risk area for the company.
- Within our supply chain, efforts are being made to ensure that all high-risk suppliers are required to register in Integrity Next, where their human rights work is evaluated, among other things. In addition, Kongsberg Maritime operates with our own Supplier Conduct Principles and requires that these are passed down the supply chain. We also conduct a risk-based audit program on suppliers, and in 2024 we conducted 47 audits. In these audits, we see a need for further training of those conducting the audits on human rights. This work was initiated in 2024.

- In 2024, we did not terminate any relationships with third parties based on due diligence assessments. All third parties with findings were given the opportunity to correct them. This also reflects the severity of the findings, as none were classified as so serious that termination was the appropriate measure.

Expected Impact of Measures

The measures Kongsberg Maritime took in 2024 have had the following effects:

- More employees report unsafe working conditions, and these are then followed up.
- In the supply chain, as well as with third parties, continuous monitoring of possible alerts/hits in tools indicating a change in the risk picture for Kongsberg Maritime is carried out. In addition, there is an audit program that is continuously evaluated throughout the year. Through audits, we will be better equipped to work proactively with gaps in the supply chain. At the same time, Kongsberg Maritime has a large number of suppliers, so proper prioritization of who should be audited is important.
- Findings made at internal locations may lead to changes in processes and regulations internally in 2025, as well as an improved working environment for employees.
- In 2025, Kongsberg Maritime will strengthen internal processes by updating them with an even clearer focus on human rights within our Compliance Due Diligence program. This will ensure that the focus on human rights is extended to all employees in the company and all subsidiaries. By updating internal processes for how to conduct a due diligence assessment before proceeding with a third party, this will lead to better and broader anchoring of human rights work throughout the company in 2025 and beyond.

- Kongsberg Maritime will also continue the work that has been started with training leaders and employees on an inclusive work environment and increased awareness of harassment and discrimination. Ongoing assessments are made on how the measures are working, including a repeat of the survey conducted by Compliance in 2024 and using data on whistleblowing cases and other incidents such as HSE incidents.
- In relation to our supply chain, we expect more findings as a result of our expanded work in 2025. These findings will be addressed through corrective action requirements from Kongsberg Maritime to the suppliers in the same way as this year's findings.

- *HRIA conducted late 2024.

Remidiation

- A stakeholder dialogue with the company's top management has been initiated as a measure against harassment and discrimination. This will include potential updates to work regulations with consequences, guidelines, and advice in cases of discrimination or harassment. Additionally, at Kongsberg Maritime, we will continue to conduct training for leadership groups and others for an inclusive and safe work environment. This will become a focus area for the entire company in 2025.
- An analysis of the wage gap between men and women in equivalent positions was conducted. The outcome showed that there is a gap, which we will seek to close over time by adjusting wage levels and further analyzing the impact of the measures. These measures have already begun in 2024.

Harassment and Sexual Harassment – Extensive Work in the Company

Despite preventive work on harassment and discrimination, Kongsberg Maritime continues to find issues in this area. Therefore, several measures are being introduced to mitigate the risk in the company.

One of these measures is comprehensive training on inclusive culture, which also includes specific training related to sexual harassment, whistleblowing, and potential barriers for whistleblowers. Since 2023, we have been working on this type of training for the most exposed groups in the company. This training will be further anchored through leaders and rolled out more broadly from what has already been initiated in previous years during 2025 and beyond.

The responsibility and ownership of this training are well anchored in top management to ensure a clear stance that we want a culture characterized by openness, inclusion, and belonging at Kongsberg Maritime.





Kongsberg Defence & Aerospace

Kongsberg Defence & Aerospace AS is Norway's leading supplier of defence products and systems for command and control, surveillance, spaceflight, tactical communications, external weapon stations and missile systems. In addition, Kongsberg Defence & Aerospace has extensive capabilities in advanced composite production and maintenance, repair and overhaul in the aircraft and helicopter market. Kongsberg Defence & Aerospace is a wholly-owned subsidiary of Kongsberg Gruppen ASA, and currently consists of three divisions and nine sub-groups. Kongsberg Defence & Aerospace is the majority owner of 17 operating companies, and has a total of 37 locations globally. In total, more than 4,600 people are employed by Kongsberg Defence & Aerospace AS and our subsidiaries.

Kongsberg Defence & Aerospace has anchored its work on human rights and decent working conditions through well-established processes with guidelines that demonstrate our values and fundamental principles. Kongsberg Defence & Aerospace's work on human rights and decent working conditions is a continuous process, and will always be a priority for us. Kongsberg Defence & Aerospace will be a driving force for responsible operations and will cooperate in the industry to solve common challenges related to human rights and decent working conditions.

The due diligence assessments for 2024 have been carried out by Kongsberg Defence & Aerospace's Compliance Department in collaboration with several other functions, including Health Safety & Environment, Human Resources and Supply Chain in Kongsberg Defence & Aerospace.



Countries in operation

17

Number of employees

4,648

Suppliers

2,276

Kongsberg Defence & Aerospace

Risk Work

Kongsberg Defence & Aerospace wants all our employees to feel safe at work. KONGSBERG's vision is zero injuries and accidents for all parts of our business. One way to be able to uncover negative consequences in terms of the safety of our employees is to have a good understanding of safety, responsibility and good management of risk. Kongsberg Defence & Aerospace has processes in place to ensure that employees are safe at work. Still, there will always be incidents. That is why we have a reporting system for Health, Safety and Environment related incidents. 52 incidents, with varying degrees of severity, have been registered in 9 locations in 2024. In order to be able to prevent more, as well as continue to work towards achieving the zero vision of injuries and accidents, it is particularly important to work on the measures.

A risk assessment has been carried out for our locations according to potential health, environmental and safety-related incidents. One of the measures is to implement a reporting system at several locations. This to ensure that all incidents are reported and handled according to established processes. This will provide information about which areas and types of work are particularly affected by incidents. The reporting system was made available on mobile in 2024. Access on mobile increases accessibility and also makes it easier to report. Furthermore, the objective will be to plan and carry out further HSE training at relevant locations.



*Discrepancy in number of sites depending on the discipline's responsibilities



Kongsberg Defence & Aerospace acknowledges that there may be negative conditions related to human rights and decent working conditions that we are not aware of. In addition to this, as Kongsberg Defence & Aerospace operates within the defence and military sector, there may potentially be inherent risks to this topic. That said, we have good processes, in accordance with laws and regulations, that help reduce this risk.

We also recognise that our products may consist of minerals that can be considered conflict minerals, and that Kongsberg Defence & Aerospace indirectly can contribute to continuing these challenges. We depend on a global network of suppliers to be able to deliver our products and have good processes and procedures in place to handle this.



Nevertheless, there will always be a risk in elements we do not have sufficient information about. In addition, it is worth mentioning that we operate and will, in line with our growth, continue to operate globally. This means that we have a responsibility towards the locations we influence, both in terms of proper operations and the environment, but also human rights and decent working conditions. We recognise that, among other things, our growth in Australia may entail a vulnerability with regard to the indigenous people. Nevertheless, minorities are considered through careful processes and participation in line with our values as well as legal obligations.

Kongsberg Defence & Aerospace manages risks related to human rights and decent working conditions by using a risk-based approach, and working in a structured way to minimise the potential risks we have identified across the organisation.

Our Goal

Kongsberg Defence & Aerospace's goal in the work on risk assessments in relation to human rights and decent working conditions is to ensure that where we operate or have business relationships, the conditions shall be good as well as focusing on the conditions that are not considered to be good enough compared to our values. Kongsberg Defence & Aerospace wants to be a company that contributes in the right direction for the conditions that are uncovered. Our goal is to be a safe and conscious actor with compliance with laws and regulations and to maintain ethical standards while protecting our employees and partners. We will also be a driving force to actively promote better practices in our value chain and contribute to a more ethical and transparent business environment.

Kongsberg Defence & Aerospace shall identify, assess and reduce potential risks of human rights violations, and suspend and remediate where we find actual violations of human rights and decent working conditions

Due Diligence assessments

The work on due diligence has been put on a significantly greater focus in 2024. In addition, there has been a broader internal focus on conducting due diligence assessments in accordance with the Transparency Act. Furthermore, training, seminars and discussions on the Act, has contributed to a better understanding of what is required to achieve good due diligence assessments.

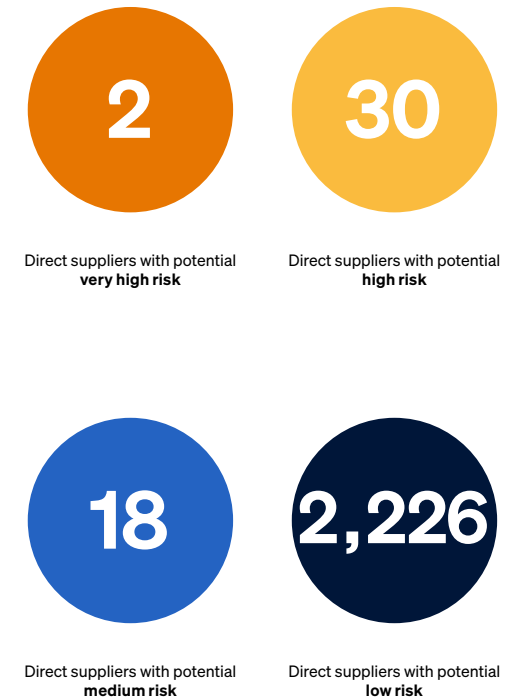
Kongsberg Defence & Aerospace has good processes and procedures for safeguarding human rights and decent working conditions in our value chains. We work continuously globally to operate in accordance with national and international laws in the field. Kongsberg Defence & Aerospace's goal is to be able to carry out in-depth analyses of the elements with the greatest risk distributed across our disciplines.

One of the risk areas already mentioned is our growth in Australia. We recognize that there is a risk of human rights violations for indigenous people, when operating in Australia. We have safeguarded this through external evaluations for cultural heritage and influence.

The result of the evaluation is that there is a low probability that our operations in Australia will affect the cultural heritage of the indigenous people. The positive effects are that we can contribute with safe and good workplaces as well as opportunities for the local population.

Other risks of operating globally are wages and good working conditions in cultures that do not correspond to our Norwegian standards or legal requirements. Some of the topics Kongsberg Defence & Aerospace has been working on are the placement of career systems, revision of contracts and benchmarking of salaries in locations other than Norway. The work has led us to ensuring that we are competitive in terms of salaries globally.

Kongsberg Defence & Aerospace's direct suppliers



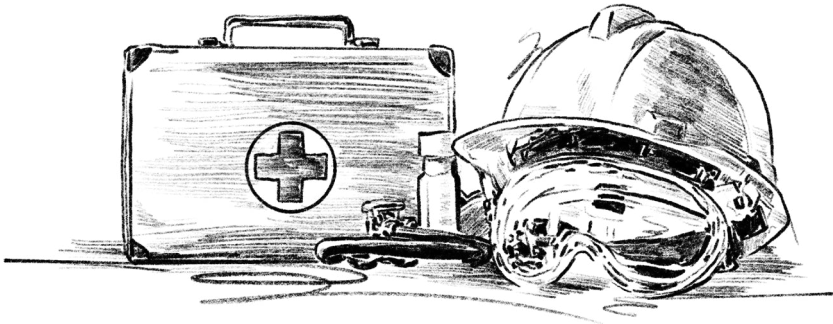
Inherent risks

In Kongsberg Defence & Aerospace's risk assessments, there are some variances between our standard country risk matrix and our human rights risks matrix. Our assessments of which suppliers are low, medium, high or very high-risk are based on inherent human rights risks. We have 2276 suppliers who had activity with us in 2024. This is excluding our market representatives. 65% of our suppliers are located in Norway, and that is considered an inherent low-risk. 72% of our suppliers are located in Scandinavia, which are countries that are considered an inherent low-risk. 95% of our suppliers are located in 10 different countries, where 1 has inherent medium-risk and nine of them have inherent low-risk.

In addition to regulations such as the Norwegian labour law, equality and anti-discrimination laws, Norway has signed the UN's Guiding Principles on Business and Human Rights. In addition, Norway is a member of the ILO and has signed a number of ILO conventions that deal with child labour, forced labour and the right to organise. These conventions provide a strong framework for protecting workers' rights. The fact that Kongsberg Defence & Aerospace has a large number of its direct suppliers in Norway and elsewhere in Scandinavia means that employees are safeguarded by strong labour rights and protection in the form of regulations, values and attitudes regarding a high degree of equality and diversity. In addition to other aspects that recognize workplaces in Scandinavia, there is a culture of openness, sustainability and respect for workers' rights. There is also a high degree of safe working conditions and opportunities for trade unions. Scandinavia is a region with strong legal frameworks and commitments to ethical business practices that are reflected in our rigorous evaluation processes, values, and policies.

Nevertheless, there will always be challenges in all value chains, and the main challenge is to ensure a commitment to human rights and that it is maintained throughout the entire value chain. Through our processes, this has led to 21 suppliers distributed globally, not being recommended to cooperate with.

We also have many suppliers in the United States. The general country risk for the US is medium, while the human rights risk is considered low. Nevertheless, we recognize that there are challenges in the US regarding labor rights.



95% of our suppliers are located in 10 different countries, where 1 has an inherent medium-risk and nine of them have an inherent low-risk



Scandinavia accounts for 72%, and is a region with low human rights risk



65% of our suppliers are located in Norway, which is a country with low human rights risk



21 potential suppliers who have not been recommended for collaboration

Actual risk

Kongsberg Defence & Aerospace's greatest risk is factors we do not have information about. It may concern information about subcontractors, companies that fail to report HSE-related incidents, issues that should have been reported, or employee-related matters that are missing or incomplete. We recognize that we do not have all the information about all conditions throughout our value chain.

It is still an ongoing process to implement the Kongsberg Defence & Aerospace Compliance Program in the subsidiaries and at the operational locations. There are various locations and companies that do not have access to all our systems. This means that we do not have access to all information about our value chain at all locations and subsidiaries. There are conditions in our value chain that are difficult to uncover, e.g. if subcontractors do not comply with the requirements that we set for our direct suppliers through, for example, KONGSBERG's Principles for Supplier Conduct. As earlier mentioned we have had an increase in the number of cases regarding raising concerns, but it is still a low number based on size and number of employees. We acknowledge that there may be circumstances of which we are not currently aware, which constitute an actual risk.



Kongsberg Defence & Aerospace started implementing Integrity Next (INX) in 2023, a work that has continued in 2024. It is Supply Chain that owns the tool and it is primarily used by them, as well as by the purchasers in the various divisions. INX is an online portal where Kongsberg Defence & Aerospace invites suppliers to register their profile, as well as to load relevant data and answer questions on key topics. Supply Chain uses this information for its risk assessment of the supplier portfolio within sustainability and ESG. As of today, just over 2300 suppliers have been invited, and about 75% of these have registered and started on their profiles. One of the topics covered is Conflict Minerals. The work of aggregating and analysing this information will start in 2025, and the plan is to have a CMRT (Conflict Minerals Reporting Template) for Kongsberg Defence & Aerospace ready during the year. This will provide relevant data that can be used in a human rights perspective.

Kongsberg Defence & Aerospace has focused on "Speak Up" in 2024, but despite an increase in the number of alerts from 2023, we will consider 21 alerts in 2024 to be a low number. This is believed to be due to a low "Speak Up"-culture or a lack of knowing where/how to report an incident. We want to put an even greater focus on this next year. Kongsberg Defence & Aerospace's compliance department has conducted training for managers globally this autumn, where "Speak-up" has been a focus. The hope is that this can result in an increased number of notifications. We have a realistic picture of the number of cases, and therefore expect a larger number in line with other international companies of the same size. Good handling of raising concerns cases contributes to good and necessary changes and builds trust in the organisation. It must also be mentioned that there may still be many cases that are resolved at a lower level, without this being documented in the raising concerns system, including through internal dialogues. We have several mechanisms in place to prevent cases from ending up at a level where there is a need for escalation.



In 2024, one alert has been received within the category of human rights. This case concerned business in a country with an inherent high human rights risk.

Through an investigation of the case, the conclusion was that Kongsberg Defence & Aerospace, in line with the Consumer Authority's recommendations, wants to continue to be present and instead manage risk and influence positive changes as part of our responsibility as a global actor. The notification contained no information about human rights violations in our business.

The goal for 2025 is to work with these findings across several disciplines in Kongsberg Defence & Aerospace to continuously improve and work in a more structured way towards the various disciplines.



Implementation is still ongoing at various sites and subsidiaries



Little or no information further down the supply chain presents an actual risk



Third parties

There is also a risk in the use of third parties operating on behalf of Kongsberg Defence & Aerospace in countries where we do not have a presence ourselves. Several of these countries have a high country and human rights risk. In addition, there are cultures where conditions are very different from those in Norway. Kongsberg Defence & Aerospace has 36 market representatives and 11 other third parties globally.

Of our market representatives, 16 are defined as potential high-risk, 1 as medium-risk and 19 as low-risk according to recognized human rights risk indexes. The greatest risk is considered to be the identification risk with the consequent reputational risk. Our third parties shall act in accordance with our policies, values and legal requirements.

This may have financial, operational, legal and ethical implications for Kongsberg Defence & Aerospace. Our third parties are managed through a rigorous process where we collect data, carry out risk assessment, training, interviews and audits to ensure that those who represent us are in line with our practices, standards and policies. As previously mentioned, we perform audits of our third parties and we take a risk-based approach to determine which third parties to include in the annual audit program.

Kongsberg Defence & Aerospace has performed 4 third-party audits in 2024, and one third-party was terminated. The termination was based on findings in the audit that did not reveal the facts, but identified such a high degree of uncertainty that we concluded to terminate the agreement. The termination was not based on human rights issues however, these audits include matters in the category of human rights and decent working conditions.

Trainings, audits and extensive evaluations have also been carried out to ensure that the third parties operate in accordance with the laws, guidelines and values applicable to us. These measures help to minimise the risk with operating with third parties. Next year, 8 audits of third parties are planned and we have used a risk-based approach when deciding the selection.

**Kongsberg Defence & Aerospace's
market representatives**



Market representatives with potential **very high risk**



Market representatives with potential **medium risk**



Market representatives with potential **high risk**



Market representatives with potential **low risk**



Actions

There are several actions that have been implemented to reduce risk. One of the measures is that we continuously work to improve our process for partners and our due diligence processes. Human rights and decent working conditions are to a greater and more structured extent part of our process now than before. There have also been reviews of employee contracts at several locations globally to ensure that we are on level with or better than the country's labour requirements. There has also been a review of the insurance policies we have, which have also been updated. This helps to ensure that the employee's working day and private life are safer.

A mobile app has also been launched for Synergy, which is the HSE reporting system. This means that it is more accessible and easier to report, so that we have more information about what is happening, and can take action more quickly and the working day becomes safer for the employee.

Work has also been done on Integrity Next, which ensures a more accurate and correct risk profile of our suppliers, and we can carry out better assessments of who we work with. A lot of time has also been spent building up information through seminars, courses and lectures on human rights that can contribute to more knowledge across the disciplines.

Expected effect of actions
We expect that our actions will lead to an increased workload to be able to implement the actions that are desired and expected of a global company of Kongsberg Defence & Aerospace's size.

This might also place a greater burden on small companies to meet all the requirements set by larger companies in order to collect sufficient data. Additionally, the workload will increase across various disciplines, potentially necessitating the involvement of more personnel over time to gather the necessary information for completing tasks.

Recovery
No actual findings have been made related to human rights, only mitigation of risk based on due diligence of third parties, suppliers, and better employment contracts.

-  **Synergy between Supply Chain & Compliance**
-  **Revision of employment contracts**
-  **Review of employee insurance policies**
-  **More information and knowledge transfers**
-  **Stricter due diligence process**
-  **IntegrityNext**
-  **Mobile app for Synergy**

Cloud-based collaboration

In a collaboration between Supply Chain and Compliance, a cloud-based tool has been implemented to generate a better and more correct risk profile for our suppliers. This is a collaboration project that consists of implementing systems, inviting suppliers, training personnel and updating the process, procedures and KPIs. This is a free service for the suppliers, which increases the chance that they will use it and gives us data to be able to monitor better. There are several positive effects of this. It automates more tasks and reduces work for buyers in your organisation. It also gives us better quality of the data than before, including data that contain human rights evaluations. The goal is to be able to get more people to respond to the module, which will give us more information and better risk assessments of suppliers in relation to human rights and decent working conditions.



Kongsberg Discovery

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

Kongsberg Discovery was established as a business area in 2023. As a business area, Kongsberg Discovery has conducted its due diligence assessments to map, assess and reduce risk in order to identify whether our business or supply chain leads to negative impacts on human rights or decent working conditions. Our goal is to prevent, stop and reduce any negative impact on our business activities for the people we employ, in our supply chain, with our business partners, and in communities and society incidentally.

Work on the risk assessment has been ongoing through 2024. Inherent risk to land, industry and presence from Kongsberg Discovery was the starting point for our assessment. The result of inherent risk was used as input for further assessment of actual risk.



Risk Work

Inherent risks in Kongsberg Discovery's business model have been identified in relation to the development and distribution of our products through partners and the supply chain, as well as where we have legal entities and employees in countries with low scores on indices such as ITUC, EPI, CPI, DOI, FFFI WEF. Through analysis of identified inherent risks, we have identified the most prominent human rights risks our business potentially affects.

Our goal

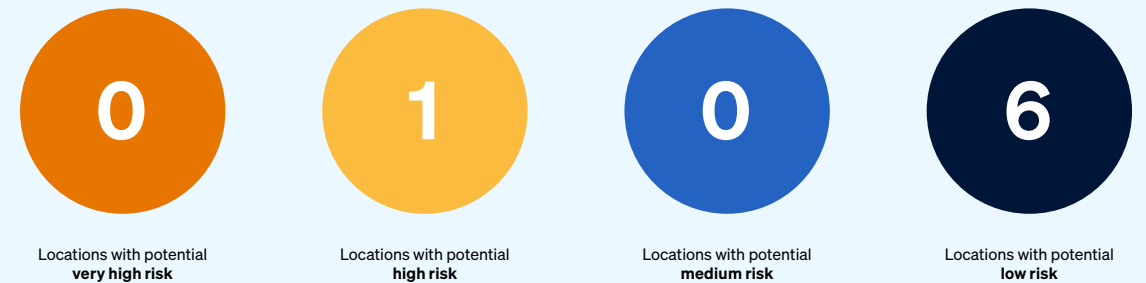
The goal of the work is to uncover actual or potential risks in relation to human rights that our business or supply chain contributes to. When Kongsberg Discovery identifies negative impacts on human rights or decent working conditions that we can actively prevent, stop, or mitigate, we will take action.

Due diligence assessments

The initial due diligence assessments are based on inherent risks. Of our inherent risks, we have identified two very high-risk risks and 21 high-risk risks. When assessing inherent risks, we have looked at what operations we have in the country in question and what measures we have implemented to mitigate inherent risks.

Inherent risks

The identified inherent risks have been assessed by Kongsberg Discovery's process owners and subject matter experts in the areas to which the risk applies in relation to our context. The responsible function has evaluated inherent risks and identified which processes and requirements are implemented in our management system that reduce risk. Furthermore, we have assessed whether inherent risk constitutes an actual risk to our operations from the perspective of human rights. Identified actual risks are established in a risk matrix with defined goals and defined measures that are to be followed up and evaluated to see if mitigation measures produce the expected results. We have used the OECD method for the Due Diligence process and support measures.



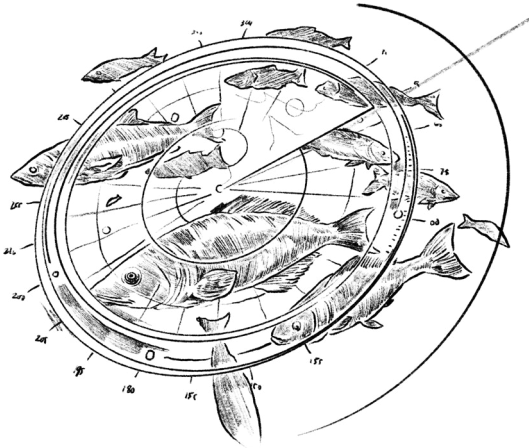
Actual risk

Based on the Due Diligence Assessment – Business Partners

Due diligence assessments of our business partners are carried out in accordance with the defined process before they are established as intermediaries/distribution links for us.

The assessment is documented by defining business needs, obtaining information from third parties, compliance due diligence and obtaining an external report where identified risks are described. If the identified risk cannot be reduced to an acceptable level, the agreement will not be signed with the third party. If the identified risk can be reduced, Kongsberg Discovery will establish actions together with the concerned third parties. Throughout the agreement period, third Parties are monitored and in the event of a single sale, they are screened. The process is documented in our Compliance Management System.

Kongsberg Discovery's business partners are audited on a regular basis, and the scope of the audit is based on the contract requirements and our Code of Business Ethics, which also includes our principles related to human rights.



Based on the Due Diligence Assessment – Kongsberg Discovery Legal entities

Kongsberg Discovery has no legal entities in countries with an inherently very high-risk. Of the countries that have an inherently high-risk, Kongsberg Discovery has a legal entity in Malaysia. In Malaysia, we have an office with 12 Kongsberg Discovery employees and 2 Kongsberg Digital employees.

Kongsberg Discovery is 100% owner of the Malaysian legal entity. Our Malaysia office conducted an internal audit in 2023 where non-conformities within HSE were uncovered, but none directly relevant to human rights. These have been registered and followed up. Kongsberg Discovery Malaysia complies with the requirements regarding the age of permanent employees who are 18 years old, even though local law allows permanent employment at 15 years of age. The Malaysia office has completed training on Compliance and HSE. Employees are included in the KONGSBERG career system in terms of pay, and working hours are regulated in accordance with the Employment Act 1955 (Section 60A), which regulates working hours, overtime and holidays.

For our employees in high-risk countries, we ensure that they have standard employment contracts, working conditions, training, wages, benefits, etc. that satisfy local law or international standards, following the one that sets the highest requirements.

Based on the Due Diligence Assessment – Supply chain

Due diligence of our supply chain is conducted before entering into a contract through assessment of country risk and industry risk as well as other due diligence assessments. When approving a supplier, Kongsberg Discovery enforces requirements through the Supplier Conduct Principles. Suppliers with annual purchases exceeding NOK 500,000 must also be included in Integrity Next, where they are responsible for reporting on various elements, including human rights.



Kongsberg Discovery is conducting audits of its subcontractors and in 2024 Kongsberg Discovery carried out 9 audits of subcontractors. No human rights violations were uncovered.

In 2024, Kongsberg Discovery did not have any purchases from subcontractors in very high-risk countries. The total purchases from high-risk countries represent 0.1% of Kongsberg Discovery's total purchases in 2024.

Based on the Due Diligence Assessment – audit

Audits of Kongsberg Discovery's business partners are selected through a risk-based approach. The criteria for selection are Corruption Perceptions Index, Human Rights Index, Category Products for Distribution, Category End Customer, Commission Payout, Sales Revenues and Total Risk Profile. In 2024,

Kongsberg Discovery has carried out 3 audits of its business partners.

Two of the audits identified potential for improvements in terms of human rights. The findings will be followed up and closed when Kongsberg Discovery has received documented information.

Based on the Due Diligence Assessment – Raising concerns cases

In 2024, Kongsberg Discovery received 3 Raising concerns cases. Two of the cases deal with ethics and behaviour in Norway that can be considered relevant to this report. The cases have been concluded that the reports of concern are substantiated and partly substantiated. Both cases have been closed with further follow-up from HR.

Actions

Kongsberg Discovery Business Partners

Kongsberg Discovery has not undertaken any restoration operations. Based on the 2024 due diligence assessment, further evaluations will include actions that Kongsberg Discovery will follow up on.

Regarding business partners, Kongsberg Discovery has conducted human rights training for some of our partners. Human rights considerations are also integrated into our audit process.

Throughout 2024, the dialogue between Kongsberg Discovery and its business partners has been strengthened.

As a result of the 2024 due diligence assessment, two business partners have not had their contracts renewed until risk-reducing measures have been implemented and documented.

Kongsberg Discovery Legal entities

Regarding Kongsberg Discovery’s high-risk legal unit in Malaysia, internal audits conducted in 2023 identified deviations, and corrective actions were taken in 2024 to address these issues. By ensuring compliance with our management system, process owners and stakeholders will be able to uncover actual risks in relation to human rights so that we can actively prevent, stop and reduce any negative impact.

Kongsberg Discovery’s management system is constantly improving in order to be able to meet requirements and represent our best practice at all times.

Kongsberg Discovery Supply chain

One area Supply Chain will continue to strengthen is the risk-based approach through its due diligence steps and supplier audits, including a focus on human rights and training. The focus for 2025 will be to follow up suppliers in high-risk countries. Supply Chain is also looking to improve the transparency of subcontractors, and this will be an improvement project in 2025.

Raising concerns cases

When it comes to the number of employees in Kongsberg Discovery, the number of cases of concern is considered to be too low and the focus on the topic will be continued. The planned survey in Q1 2025 will provide a basis of data for analysis. The analysis can reveal who and where in the world we need to emphasise more attention and training when it comes to reporting raising concerns cases in Kongsberg Discovery. We see the need to maintain a strong focus on training and information regarding when an employee observes or experiences elements that should be informed by submitting a raising concerns case.





Kongsberg Digital

Kongsberg Digital is an industrial software company with a vision to shape the future of work for a better tomorrow. We enable smarter, safer and greener working methods for heavy industry through data collection. By combining expertise, technology development and domain knowledge, we extract valuable insights from industrial data. This enables us to transform heavy industry to achieve net-zero emissions and more sustainable solutions. By connecting physical installations and collect all data streams, we deliver an industrial workspace that provides operators with a single common infrastructure for all decision-making throughout the entire value chain.

Kongsberg Digital conducted its first human rights due diligence in 2022, which covered both its own operations and value chain. Since then, we have systematically reviewed operational data collected through due diligence, surveys, audits, control and monitoring activities, and dialogue to identify salient issues and mitigate our greatest risks.

In 2024, we have focused on following up on the actual risks identified in previous years: mental health, privacy, equal opportunities and a low threshold for raising concerns.

For the first time in 2024, we have included human rights in the annual management review. This gives our management team an opportunity to follow these risks and risk mitigation measures more closely.

Creating a real impact requires time and commitment from management and various operational and supporting functions. To achieve this effect and follow progress, we need high-quality data. Improving our tools and data quality has therefore been a focus area for 2024.



Countries in operation

13



Number of employees

1,204



Suppliers

696



Kongsberg Digital

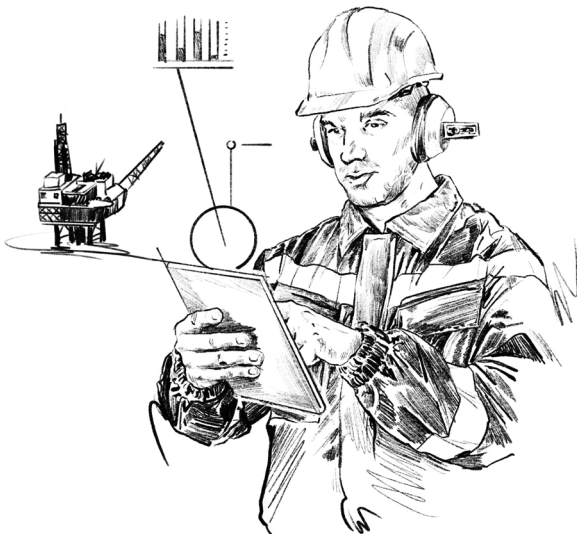
Risk Work

We are present in 13 countries.

The core of our business is to develop software that we sell and distribute to customers around the world. Our employees are highly qualified and work in an office environment.

We provide services and support to large industrial companies that require fast, high-quality deliveries, around the clock. The markets in which we operate are developing rapidly, and we face strong competition. This ever-changing landscape requires agility, flexibility, and resilience from employees in all functions of the company.

On this background, we see that our greatest human rights and HSE risk is mental health. Our employee's well-being is therefore an area of focus throughout the organization, and is measured through KPIs set by management that flow down to all employees.



Locations with potential
very high-risk



Locations with potential
high-risk



Locations with potential
medium-risk



Locations with potential
low-risk



Our business

Inherent risks

- Presence in high-risk countries: Poor working conditions, child labour, gender equality and equal opportunities, forced labour, privacy and freedom of expression, low threshold for whistleblowing.
- Technology industry: Overtime work, mental health, privacy.
- Support services: Overtime work, mental health.

Actual risk

- Mental health
- Privacy
- Speak up culture
- Gender equality and equal opportunities

Actual risks are based on inherent risks, due diligence findings, audits/control/investigation activities, QHSE reports, employee surveys, and other available data. Actual risks form the basis for prioritising risk-reducing measures.

Mental health

Risk description

Where a significant risk of negative impact has arisen, relevant internal stakeholders, such as managers, HR, compliance or HSE, have been involved as needed.

Risk reduction actions

- Employee satisfaction has become a company goal. This creates a systemic and company-wide focus on mental health issues.
- Management training for all managers to ensure consistent and reliable management of employees.
- Voluntary training with a focus on well-being and time management.
- A mental health campaign was carried out in October with internal and external contributions.
- Auditing and controlling activities covering topics related to employee mental health.
- In more serious cases, this is handled with the employee and their manager in accordance with our internal procedures.

Supply chain

Inherent risks

- Computer hardware: Child labor, forced labor
- Software and professional services: Overtime work, mental health, privacy.
- Industry-specific risks: bad working conditions, discrimination, forced labour, abuse, child labour, health and safety, freedom of association, impact on the local community.

Actual risk

In addition to our inherent risks, we have identified the following actual risks in our supply chain.

- Privacy
- Speak up culture

Actual risks are assessed on the basis of inherent risks, due diligence findings, audits/control/investigation activities, QHSE reports and other available data. Actual risks form the basis for prioritising mitigation measures.

The quantity of information we have available to suppliers varies. For suppliers outside the EU/EEA and smaller companies, less information is available. In such cases , inherent risk, country risk, etc. will constitute a more important part of our risk assessment.

Supply Chain

Kongsberg Digital has implemented Integrity Next to collect information about our suppliers. Suppliers with an annual turnover of NOK 500,000 or more are registered in the tool.

Our supply chain is service-heavy, and a large part of our expenses come from software and professional services. Based on the information we have available, the risks we see in our own organization are similar for these suppliers.

Suppliers of computer hardware and mechanical engineering are where we see the greatest risk for human rights. Like everyone else who buys computers and mobile phones for their employees and similar hardware, this risk is difficult to eliminate from our operations.

In accordance with the principle of largest user, suppliers we have in common with other KONGSBERG business areas are administered by that business area. As the smallest KONGSBERG business area, many important suppliers are administered by other KONGSBERG units.



Main supplier: ATEA

ATEA is a supplier of computer hardware to all KONGSBERG-companies.

As our main supplier of computer hardware, this is the supplier that handles the greatest human rights risks on behalf of Kongsberg Digital.

In accordance with the principle of largest user, this framework agreement is administered centrally for all KONGSBERG business areas.

In its report for the Transparency Act from 2024, ATEA documents an active management of its human rights risks through certifications, an active compliance program, training, interest dialogue, handling of complaints and non-conformities, as well as continuous improvements.

90

90 Supplier relationships monitored in Integrity Next

460

Norwegian suppliers

Country Supply Chain Risk

0

Countries with potential
very high risk

49

Countries with potential
high risk

12

Countries with potential
medium risk

635

Countries with potential
low risk

Actions

HR management and training

Key improvements in 2024

- Compensation module. We introduced an improved compensation module in our HR system. This module ensures more consistent remuneration and compensation across the company.
- Module for performance evaluation. We have integrated evaluation and feedback into our HR system and have improved the templates we use for performance reviews.
- Management training and mentoring program. We have launched leadership training for all managers. The mentoring program started with 200 mentors.
- A new learning management system (LMS) has been introduced. This system offers a wide range of voluntary training modules in areas such as time management, management skills, and more.

Auditing our operations

- In 2024, 16 audits were carried out by Kongsberg Digital. 2 of these were external audits carried out by third parties.
- Of these 16 audits, 8 audits had ISO45001 (working environment and safety) in scope. 4 of these audits also included human rights in the scope. Both standards are relevant for assessing human rights under the Transparency Act.
- 24% of the findings in the audits of Kongsberg Digital were related to human rights and HSE.
- 3.5% of the findings were related to human rights only.



Policies and procedures



Training and awareness



QHSE



Human rights included in the management's review



Due diligence



Control and monitoring



Investigations and inspections



Analytics and reporting



Continuous improvement

Due diligence

- We follow KONGSBERG’s internal due diligence procedures, which are based on international best practices. In addition, Kongsberg Digital uses ISO 14001, ISO 45001, ISO 26000, ISO 30000, SOC2 and JQS Magnet as guidelines and standards for human rights due diligence.
- All customers, suppliers and other third parties we work with undergo due diligence. We take a risk-based approach to ensure that we devote the majority of our efforts to high-risk exposures.
- When risks are identified in due diligence assessments, we consider whether or not this risk can be mitigated. Examples of risk mitigation measures are training of relevant personnel, additional contractual measures, audits and follow-up with the third party.
- In some cases, the risk has been so high that we have decided not to realise the opportunity. Examples are:
 - High-risk jurisdictions. We have turned down opportunities in high-risk jurisdictions with business partners who have not been able to adequately mitigate the risk.
 - Risk of sanctions evasion. For one possibility, we decided not to proceed because it was too difficult to reduce the sanction risk.
 - Export control. We have turned down opportunities because export licenses would probably not be granted.
 - Violation of regulations. We have terminated our relationship with a business partner due to violations of EU laws and regulations.

Privacy & AI

- Like all other SaaS-companies, Kongsberg Digital processes personal data about employees and customers. Risks related to privacy may therefore arise.
- We mitigate our risks by having a robust privacy program in place with dedicated personnel monitoring privacy risks.
- We mitigate risks associated with AI use by prioritizing the development and application of responsible AI practices. We strive to identify and mitigate any fundamental risks that may arise from the use of AI.

Auditing of suppliers and third parties

In 2024, 3 audits of business partners were carried out:

- 2 business partners in Asia and 1 major hardware supplier in Europe.
- 3 deviations were closed, 14 improvements were closed. None of the deviations were related to human rights.
- 3 improvements (21%) were related to human rights. These were related to the possibility of raising concerns anonymously internally and processes for screening suppliers.





**2024:
Objectives Achieved**

Gender

(Number of permanent employees)

Number of men
 **11,389**

Number of women
 **3,240**

Countries

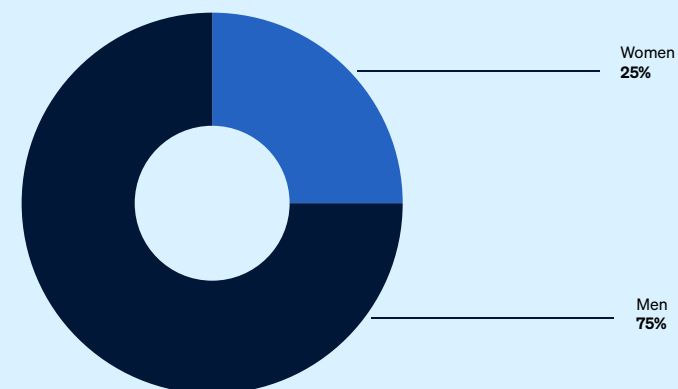
(Number of permanent employees)

Norway
 **8,765**

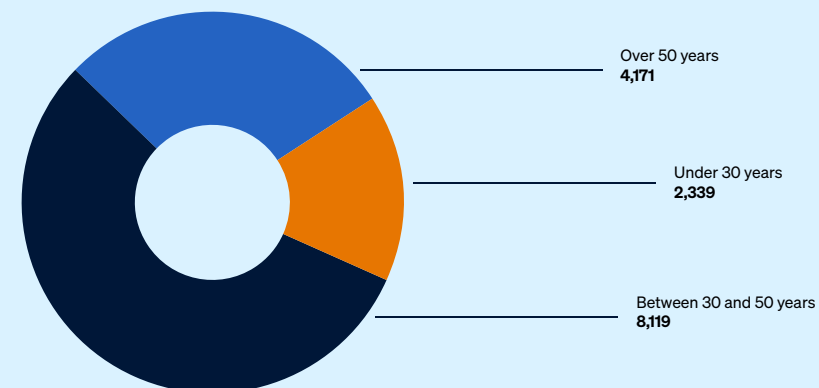
Countries with less than
10% of all employees
 **5,864**

Gender distribution

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

**Age distribution**

The average age is 42.5 years. We maintain an internal age limit of 72 years in most parts of our operations.



Share of completed
performance appraisals


89,9%

Total employees

(Number of permanent employees)

14,629

Proportion of employees who have left
during the reporting period

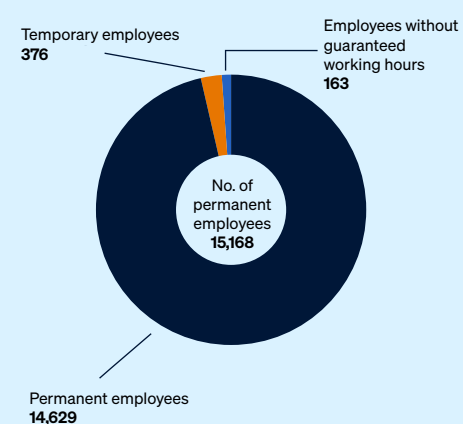
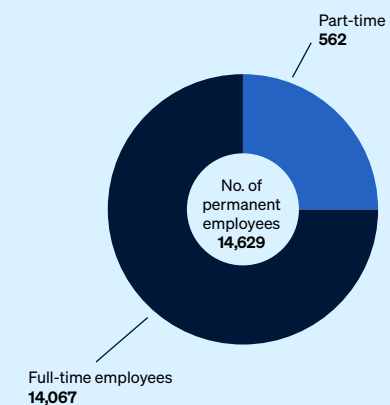
6,3%

Number of women in
Management

89 

Number of men in
Management

271 



Health and Safety

Planned actions in 2025

We have started the global rollout of the Human and organisation performance (HOP) principles in our safety culture. HOP emphasizes the interaction between people, technology and organizational conditions to achieve a safe, efficient and psychologically safe workplace. We will also continue to map and reduce all high-risk operational routine tasks, and update our processes for reporting contractor incidents. We will also review minimum requirements related to training contractors and suppliers.

Goals and key figures

We have a "zero vision" for incidents related to health, safety and the environment: no employees, customers, contractors or partners, or the external environment, must be involved in accidents and incidents. The overall goal is consistent with the purpose of the Health, Safety and Environment Directive and covers identified impacts, risks and opportunities relevant to health and safety. By evaluating progress towards the set targets, we will evaluate how effective our measures have been in reducing identified health and safety impacts and risks.

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

Comment: Our reporting system for HSE incidents covers all employees and non-employees.
¹ TRI includes injuries beyond first aid.
² The HRI rate is based on 19 incidents in 2024.
³ 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)	39
The rate of recordable work-related lost-time injuries, per million hours worked, for own workforce (LTI)	1.48
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

Setting the goals process

The Group's overall goals and strategic work are based on risk assessments and cooperation with business areas in the Group's HSE Committee. Corporate Management has the ultimate responsibility for HSE across the Group, including setting overall goals and priorities, as well as following up on results, challenges, opportunities, accidents and high-risk incidents. The Board has the overall responsibility for monitoring and reviewing goals.

Progress towards the goals

The TRI rate has increased in 2024 due to an increased number of injuries. The majority of the injuries are classified as less serious, with 28 injuries classified as moderately serious and one as a serious 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 have an incresed focus on high-risk incidents (HRI) due to the high risk and potential for injury. By doing this, we help protect both people and the environment from serious accidents. The HRI rate is gradually increasing due to improved reporting and increased focus and awareness. Global sickness absence is stable, and our annual total ends at the same level as 2023 at 3.4 per cent. Norwegian sickness absence is above the target, but stable, and our annual total ends at the same level as 2023 with 4.0 per cent. All business areas are performing better than the average in the Federation of Norwegian Industries. Our employees have reported a record number of HSE observations and improvement proposals in 2024, and 69 per cent of all reported HSE cases have been handled and closed by the deadline. The goal is >75 per cent. All TRI-, HRI-incidents and sick leave results are reported and followed up in accordance with our procedures. HSE status reports are distributed to the Corporate Management and Board of Directors, as well as other management teams and employees.



Dialogue with Stakeholders

Stakeholders	Why we engage	How we engage	Prioritised topics	Outcome of engagement
Employees	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.	- Monitoring of employees' well-being, and motivation through performance dialogue and engagement surveys - Investment in learning management system and HMS system - Offer flexibility to ensure a good work-life balance - Focus on diversity and social responsibility in recruitment - Summer project and summer jobs for students - Affected communities identified as material topic - Creating a thriving workplace is one of the focus areas of KONGSBERGs strategy
Shareholders/investors	To communicate specific, regular, and consistent information about our comapany'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.	- Setting a SBTi climate target - Expanding our Cyber Security Center
Governments	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.	- Continuously strengthening ESG reporting and developing first CSRD aligned report for 2024 - EU Taxonomy reporting - Interaction and collaboration with Norway's leading trade unions, business organisations, NGOs and think tanks - Product development - Participation in EU research programme and access to funding
Customers	To create a good understanding of our products and services, capabilities, and deliveries, and to build good relationships, partnerships, and trust.	Regular live and digital meetings with customers. Exhibitions, conferences, and other industry-specific arenas.	Technology, system integration and product offerings. Look after customer needs and deliveries.	Product development that focuses on energy saving, electrification, and digitalisation.
Suppliers	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	- Global deployment of risk-based supplier due diligence, including self-assessments and audits - Supplier engagement and collaboration to meet business and governance requirements - Integration of requirements in procurement processes and training
Academic and research institutions	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.	- Collaboration and partnerships with leading research environments worldwide - Collaboration to promote competence development in Kongsberg together with USN - Access to funding from the Research Council - Yearly case competition at universities (USN and NTNU): Your extreme
Civil society	To inform, enhance and challenge our sustainability priorities. We exchange views and knowledge on relevant climate and environmental policies to align with the goals of the Paris Climate Agreement and promote sustainable ocean management.	Regular dialogue in meetings, locally and internationally. We engage in several arenas, including labour unions, industry associations, NGOs, and the UN system.	Sustainability related themes where we have a significant opportunity for positive impact such as climate change and threats to the environment and ecosystems. Topics across the ESG agenda such as responsible business conduct, employee relations and human rights.	- Increased engagement in UNs Ocean Stewardship Coalition - Improved sustainability reporting - Added focus on human rights - Improved communication of values and ambitions

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.





Continuous Focus

Continuous Focus

We have continued to improve our work on human rights throughout KONGSBERG in 2024. Our work with due diligence assessments is constantly improving as access to information with the help of new technology advances.

In the future, more audits will be carried out both internally and externally, where human rights will be a topic. We recognize that we have few findings of potential or actual adverse human rights impacts based on companies of our size and geographic locations. We are therefore looking for new effective ways of evaluating human rights that will hopefully provide us with a good basis for our risk-based approach to the work we do.

In 2025, we'll continue to promote our Raising concerns channel and develop easier ways to speak up. We want to lower the threshold for reporting to ensure that employees and external parties who want to report censurable conditions can do so without experiencing it as a burden.

We will continue to implement our annual audit program in different countries for our own operations and the extended supply chain. We will continue to look for ways to improve how we assess risk to ensure we can identify any trends, root causes, and remediate issues effectively.

The environment in which we operate is dynamic. Therefore, the due diligence assessments will be an ongoing effort to help us identify new and emerging problems.

You can request further information under the Transparency Act by contacting us at human.rights.requests@kog.kongsberg.com

If you identify a concern regarding KONGSBERG's business, you can raise it through our Raising Concerns platform.





KONGSBERG