

Sustainability Report 2022

Consilium Safety Group





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Global presence



>900
employees

>55
offices

24
countries

This is **Consilium Safety Group**

Consilium Safety Group is a world-leading solution provider of fire and gas safety technologies for the marine, energy, transport and building sectors. By combining safety expertise with intelligent detection, we contribute to protecting lives, values and the planet through technology.

What started in 1912 is today a global company driven by innovation. Consilium Safety Group has its headquarters in Gothenburg, Sweden.

Our commitment goes beyond our products – we protect the lives of mothers and fathers, sisters and brothers, colleagues and friends. We operate in 24 countries in all time zones, with over 900 employees and a turnover of 1,901 MSEK.

...→ **Our Mission**

Protecting lives, values and the planet through technology

...→ **Our Vision**

We develop and provide smart solutions for fire and gas protection

...→ **Our Values**

I take responsibility
I take initiative
We deliver
One global team

...→ **Our customer promises**

The most reliable solutions for customer peace of mind
Best in class customer closeness, wherever and whenever
Relentless drive for innovation to maximize customer value

Key facts

1,901
Turnover MSEK

>75 000
delivered systems

For more information, please visit
www.consiliumsafety.com

Creating tomorrow starts today

To meet global sustainability challenges, today's society requires a rapid transformation where products, services, companies and entire industries must become smarter and more efficient.

Companies are adapting to increasing societal awareness of climate change, social responsibility and corporate governance. At Consilium Safety Group, we see sustainability as essential for long-term value creation, and our vision is to provide smart and efficient safety solutions while being a positive influence on how to conduct business responsibly.

At Consilium, we are committed to taking concrete actions to mitigate climate change and the associated risks, such as by continuously improving our processes. In addition to regulatory compliance, we strongly focus on ensuring that our supply chains are ethical, making efforts to improve transparency and working with the best business partners. Taking good care of our employees is another core part of our business, which is why we continuously invest in our people and develop initiatives to create an environment where people are satisfied and motivated.

We believe that cooperation is the key to success and want to involve our stakeholders in everything we do. This is why we actively communicate our sustainability work and provide updates through our reports and on our website.



HIGHLIGHTS IN 2022

- **External whistleblowing system implemented**
(read more on page 16).
- **Climate strategy and decarbonization roadmap launched**
(read more on page 17).
- **Launched global guidelines for gender, equality and diversity**
(read more on page 19).
- **Rolled out a People Policy and a global Workplace Safety Policy**
(read more on page 19).
- **Implemented a global leadership development program**
(read more on page 19).
- **Introduced sustainability and circularity aspects in our global product management processes**
(read more on page 15).

↓ **-11.4%**

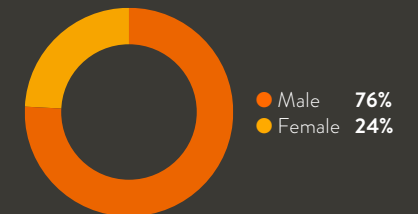
Reduction in our scope 1 and scope 2 greenhouse gas emissions in 2022.

↑ **7.3**

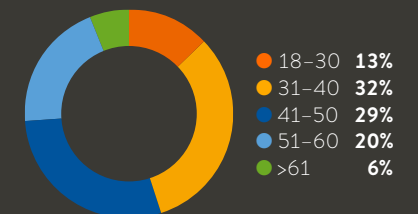
We increased our Winningtemp employee pulse score from 7.0 to 7.3.

0 confirmed cases of corruption or bribery

There was one report of bribery in 2022, although a thorough third-party investigation concluded that there was no misconduct, and the case was closed without further action.



Gender distribution 2022



Age distribution 2022



Value **creation**

How we contribute to society

Consilium has over 900 employees in 24 countries. We are a world leader in fire and gas safety for the global marine and train industries with 93% of our sales outside of Sweden.

We offer products, systems and services that are designed to protect lives, values and the environment in the event of a fire or gas leakage. By delivering reliable, high-quality solutions to customers that place an emphasis on safety, we contribute to sustainability beyond the impact we have through our own operations.

Our goal is to offer the best customer value in the market, characterized by high quality, good functionality, high delivery performance, and global service and support.

No. 1 in SafetyTech

We protect human lives, values and the planet. This is key and is prioritized above everything else. To be able to do this successfully, we have made a commitment to be number one in SafetyTech.

Our commitment to be number one in SafetyTech stems from our deep knowledge and expertise from 100 years of experience, combined with our cutting-edge innovation and research and development (R&D) that provides our customers with the most optimal solutions. It also paves the way for us to remain at the forefront of our industry for the next 100 years.

Technology will always play the most important role in our business. Our promise to customers is to continuously develop and deliver the industry's best software and hardware.



Our contribution to the global sustainability agenda

At Consilium, our holistic approach to sustainability contributes toward many of the UN Sustainable Development Goals (SDGs). We support all the SDGs, but our business primarily contributes to ten of the goals.



THE GLOBAL GOALS
For Sustainable Development

Value creating business model

We are unique in having our own R&D, production, distribution, servicing and aftersales all in-house. We develop, manufacture, and market products and systems for fire and gas safety, and sell them globally to a range of customers.



As a provider of fire and gas safety technologies for the marine, energy, transport and building sectors, our products and systems help ensure the safety of workers and passengers on ships, trains and in buildings around the globe. By combining safety expertise with intelligent detection,

we contribute to protecting lives, values and the planet through technology.

In addition, older assets are proactively retrofitted by Consilium, and maintenance and spare parts are provided to extend the lifetime of products – and ultimately the assets Consilium

protects. The components for our products and systems are mainly sourced from European suppliers, which are audited at least every third year for business quality, processes and certifications.

Our products are assembled and tested in our own facilities in Bulgaria, China, Italy, the UK, the

Netherlands and Sweden and are subsequently shipped to customers globally. We have offices around the world to provide services such as maintenance.

We constantly strive to improve our processes, increase productivity and efficiency,

and to further develop and expand our global presence. Consilium plays an active part in driving structural changes in the market and evaluates both acquisitions and value-creating alliances and partnerships to integrate the business throughout the value chain.

Our impact in the value chain

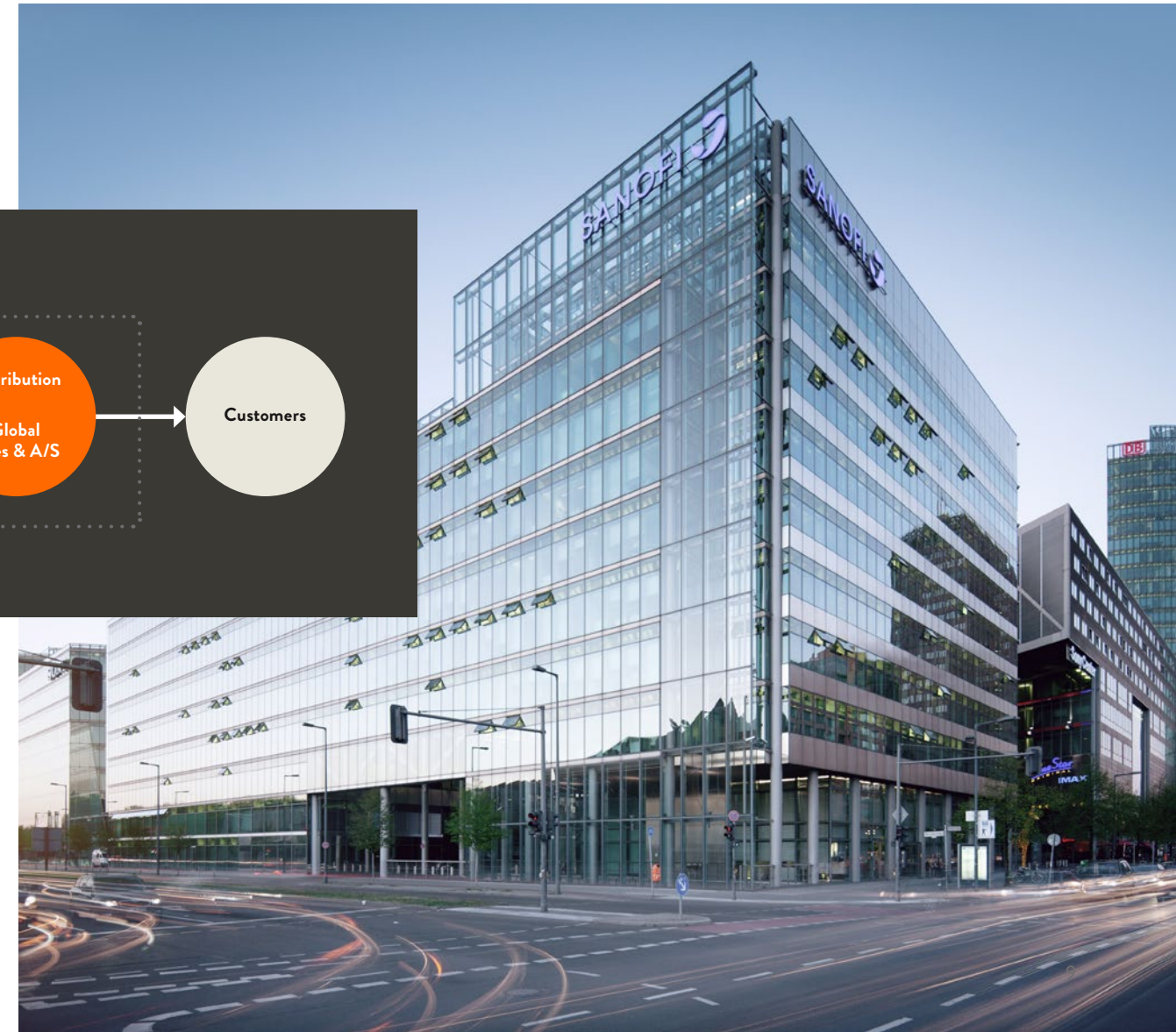
We have a high degree of influence on the parts of our value chain that relate to our business, and limited influence on our suppliers and customers.

To take responsibility throughout our entire value chain, we strive to develop strong partnerships and engage in strategic collaborations with both suppliers and customers. We acknowledge that we need to define actions for our own operations, the supply chain, and our customers to reach our strategic corporate targets.

The illustration shows where Consilium focuses its efforts within the different phases of the value chain. It also illustrates where Consilium has direct control over the activities and where control is limited.



Consilium’s ambition is to control as much of the value chain as possible, to maximize its share of added value toward customers, owners and other stakeholders.



Stakeholder dialogue

Consilium has many stakeholders around the world. These include customers, partners, employees, shareholders, communities, suppliers and wider society.

We are mutually dependent on many of these stakeholders. We have an impact on some of them while others are stakeholders that influence us or that we want to influence. Ongoing dialogue with our stakeholders is a natural part of our daily operations.

We aim to meet the sustainability needs and expectations of our clients and stakeholders through continuous engagement. Our stakeholder dialogue is also a source of new ideas and contributes to our product development and risk management, as well as developing our sustainability strategy and reporting.

Furthermore, it is equally important that we communicate and discuss our values, operating principles, goals and business environment with our stakeholders. This is how we establish a mutual understanding regarding our business and the factors impacting it – to gain trust in our business practices.

Forum for dialogue

We engage in both formal and informal conversations with stakeholders as part of our daily operations. In addition, we conduct regular employee and customer surveys. We use our internal digital platform Winningtemp to listen to the needs and concerns of our employees, and we engage with external stakeholders on social media by actively monitoring discussions, collecting feedback and responding to queries. As part of our stakeholder engagement in 2022, we continued to update our approach to material sustainability aspects and set targets and actions based on a series of interviews with internal and external stakeholders.



OUR STAKEHOLDERS

Materiality analysis

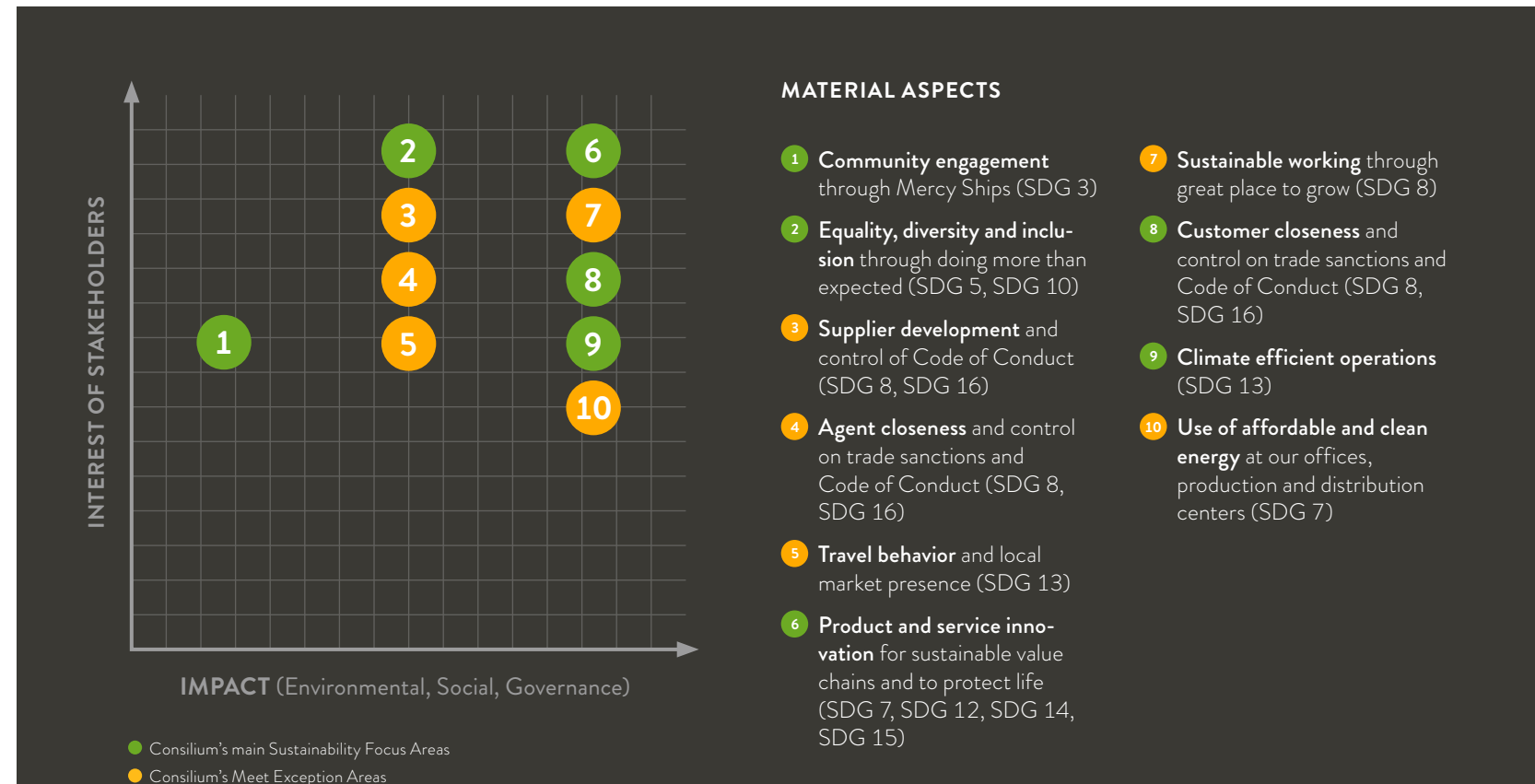
We last updated our materiality analysis in 2021 through a gap analysis and based on a desktop analysis and internal stakeholder dialogue. The purpose of the analysis was to identify the environmental, social and governance aspects that are most important to Consilium’s business and stakeholders.

The analysis has helped us to set goals, make decisions on actions and direct our resources – to ensure that we act responsibly and that we contribute to society in a positive way. Consilium aims to contribute to the SDGs through its work within identified material sustainability aspects.

Material aspects

Our materiality analysis resulted in ten material sustainability aspects, out of which five were identified as Consilium’s main Sustainability Focus Areas. Consilium is committed to meeting stakeholder expectations and to ensure regulatory compliance within all its identified material sustainability areas. Furthermore, Consilium aims to be a market leader in the five prioritized Sustainability Focus Areas where it has deemed it can deliver the greatest impact. Our sustainability work also includes five Meet Expectation Areas that help us to meet the expectations of our key stakeholders.

The definitions for Consilium’s material aspects were revised and updated in 2021, after conducting a gap analysis in which Consilium’s current state and ambitions were identified. The gap analysis included stakeholder dialogue based on interviews with internal and external stakeholders, resulting in an updated approach to Consilium’s material sustainability aspects by considering current challenges and stakeholder expectations and international standards. During 2022, we reviewed our material aspects and the updated definitions of our material sustainability aspects were approved by the Consilium Board.



Our Sustainability Focus Areas

Product and service innovation for sustainable value chains and to protect life

Consilium’s products and services are intended to protect lives, the planet and high-value assets. We also work proactively to minimize the negative impacts of our manufacturing processes and supply chain.

Customer closeness – and control of trade sanctions and Code of Conduct

Working closely with our customers is fundamental to Consilium as it not only helps us to promote business ethics throughout the value chain, but it also enhances the level of customer service we provide.

Climate efficient operations

Consilium is committed to being carbon neutral by 2050, and to accomplish this we are working purposefully to address our greatest environmental impacts. These are associated with greenhouse gas emissions from energy consumption, business travel and the transportation of goods.

Equality, diversity and inclusion – working to exceed expectations

Consilium aims to be an equal and diverse workplace, where everyone feels safe and welcome. Our future success in being a great place to grow is dependent on being a preferred employer, which attracts and retains engaged and qualified people.

Community engagement through partnerships

Consilium wants to be a force for good in society and contribute to a safer world through collaboration and partnerships.

Meet Expectation Areas

Supplier development and control of our Code of Conduct

Consilium should secure sustainable practices within the supply chain by sharing its Code of Conduct with all suppliers and conducting due diligence on high-risk suppliers.

Agent closeness and control on trade sanctions and Code of Conduct

Consilium’s external focus is to listen to its agents and their Code of Conduct – and share its own Code of Conduct with agents. Our internal focus is to ensure that we are not dealing with restricted people and entities, and countries without the required licenses under export control laws.

Use of affordable clean energy at our offices, production and distribution centers

Consilium aims to reduce its climate impact from offices, production and distribution centers by promoting energy efficiency and increasing the use of renewable energy.

Providing a great place to grow

Consilium should be a great place to grow and an attractive employer. We must be able to unleash, retain and develop all the creativity and talent in our Group, as well as attract and hire the very best people in our industry.

Travel Behavior and local market presence

Consilium should reduce its climate impact from business travel by travelling smarter and utilizing digital solutions as well as maintaining and strengthening its local market presence.



Our sustainability work

Sustainability is a high priority at Consilium. We believe that we have an important role to play in working together with our value chain partners to find measures and solutions that contribute toward a more sustainable society.



Our Sustainability Framework

Our sustainability work consists of ten material aspects, including five that we have identified as our Sustainability Focus Areas. These five areas make up our Sustainability Framework. In addition to ensuring regulatory compliance and meeting stakeholder expectations, we aim to contribute to the SDGs in all our sustainability work.

In 2022, we continued to develop our Sustainability Framework by developing clear targets for each of our Sustainability Focus Areas, actions to achieve these, and targets and KPIs that are monitored regularly. These targets and KPIs make up our Sustainability Strategic Roadmap. Each target has a designated responsible member of our Management Team. See the Sustainability Focus Area sections on pages 14–21 for more details or the “Sustainability targets and key performance indicators” chapter on pages 28–29 for a full list of our targets and KPIs for all our materiality aspects.

Corporate compliance

We also have a Corporate Compliance Program to ensure that Consilium acts responsibly and contributes positively to society by integrating sustainability into everything we do. This means, for example, by complying with international frameworks and conventions, and working according to ethical principles for human rights, and against bribery and corruption.

<p>Framework: Consilium Safety Group Policies and Code of Conduct</p> <p>Corporate values: I take responsibility I take initiative We deliver One global team</p>	<p>SUSTAINABILITY FOCUS AREAS</p>	<p>Product and service innovation</p> <p>We aim to minimize the negative environmental impact from our operations, products and processes.</p> 	<p>Customer closeness</p> <p>We form strong, long-term partnerships guided by fair conditions and ethical conduct.</p> 	<p>Climate efficient operations</p> <p>Consilium is committed to being carbon neutral by 2050 by working to address our greatest sources of greenhouse gas emissions.</p> 	<p>Equality, diversity and inclusion</p> <p>We aim to always be inclusive, appreciate our differences and actively work to create equal opportunities for all our people.</p> 	<p>Community engagement</p> <p>We contribute to improving health, well-being and standards of living. We strive to contribute to a safer world through collaboration and partnerships.</p> 
	<p>TARGETS</p>	<p>15% of our sales shall be associated with circular products by retrofit by 2025.</p> <p>A baseline for rate of warranty claims by 2025 was set at 0.5% of revenue.</p>	<p>100% of medium and high-risk customers are screened on a regular basis by 2025 and a risk mitigation plan is developed and implemented.</p>	<p>100% fossil-free energy in own operations by 2030.</p> <p>Net zero greenhouse gas emissions in scope 1 & 2 by 2030.</p> <p>Decrease our climate emissions from business travel by at least 50% by 2025 compared to 2019.</p>	<p>Always be inclusive, appreciate our differences and actively work to create equal opportunities for all our people.</p> <p>A complete list of targets are disclosed on page 19.</p>	<p>At least one employee attending Mercy ships every year.</p>



Our Sustainability Focus Areas

At Consilium, we focus on five Sustainability Focus Areas that represent our most material aspects. The following pages detail our approach to each of the Sustainability Focus Areas, the particular progress we made in 2022, and the relevant targets and KPIs for each, which together make up our Sustainability Strategic Roadmap.

Product and service innovation for sustainable value chains and to protect life

Consilium’s products and services are intended to protect lives, the planet and high-value assets. We also work proactively to minimize the negative impacts of our manufacturing processes and supply chain.

We set high standards in our production and product development, which are driven by our proactive approach to quality and innovation. This enables us to achieve and maintain world-class standards within each area we work in.

Our proactive work with quality

Consilium follows several international regulations such as CPR (Construct Product Regulation), MED (Marine Equipment Directive) and RoHS2 (Restriction of Hazardous Substances in Electrical and Electronic Equipment).

We have around 600 product certificates and are subject to over 30 external customer audits every year. All our product companies and manufacturing units are certified according to the ISO 9001 quality management system. In addition, two of our manufacturing sites and one market site are certified according to the ISO 14001 environmental management system.

Quality assurance, measurement and verification form an important part of our production and we work toward continuous improvements. Every employee is encouraged to make improvement suggestions and raise potential quality issues, and these are implemented to further improve our production.

We follow the Six Sigma quality management techniques to drive continuous quality improvement. In 2022, we conducted quality training courses to help identify and measure issues, and work to overcome them. For example, we worked to help reduce e-waste at our production site in Bulgaria. We also began similar training and improvement analyses at our Gothenburg site in 2022. We aim to expand this work to more regions in 2023. Another focus area in 2023 will be reducing transport by optimizing our inventory planning.

Sustainability drives product development

We work to minimize the negative environmental impacts of our operations, products and processes, while meeting national and international laws and environmental requirements. This includes striving to manufacture our products from materials and production processes that have the lowest possible environmental impact. We also make every effort to dispose of residual and waste products in an environmentally friendly way.

We design long-lasting products that are durable and easy to retrofit. For example, a Consilium fire detection system can be retro-

fitted by replacing the control unit or other parts, while retaining thousands of sensors in the system. This promotes circularity by prolonging the lifespan of the system’s components. Maintenance and spare parts are also provided to extend the lifetime of our products.

We focus on ensuring that sustainability and circularity are integrated elements of our product development. In 2022, we updated our product development processes and guidelines to encourage more sustainable choices, particularly around material selection. During the year, we focused on reducing production complexity and investigated how we could reduce the amount of plastic and energy we use, for example by molding thinner plastics. This work will continue in 2023 when we aim to start integrating these new processes into our production.

In 2022, we also worked with our strategic insourcing objective to produce more items and components ourselves instead of sourcing them from external suppliers, which we will continue with in the coming years. This is giving us more control over how our products are manufactured and the materials that are used to make them.

During the year, we began to offer digital and remote services to building sites in the Nordics

that allow us to monitor and operate systems remotely, which avoids the need to travel. Through these services, we can guide on-site personnel to fix problems to speed up fault resolution. In 2023, we aim to begin offering these services to our marine customers.

We strive to work proactively to develop green certificates for our products and we are planning to develop products with sustainability in mind from the very beginning. In 2023, we aim to launch our first “green solution” concept with lower lifecycle environmental impacts.



Our targets and KPIs

Targets	KPIs
15% of our sales shall be associated with circular products by retrofit by 2025.	Share of sales associated with circular products, across material selection, use and end-of-life considerations.
A baseline for rate of warranty claims by 2025 was set at 0.5% of revenue.	% of warranty claims (by revenue).

Customer closeness and control of trade sanctions and Code of Conduct

Working closely with our customers is fundamental to Consilium as it not only helps us to promote business ethics throughout the value chain, but it also enhances the level of customer service we provide.

Through close collaboration with our customers and other value chain partners, we can verify that all ethical requirements are met. We listen to our customers and abide by their Code of Conduct – and we share our Code of Conduct with them.

Customer closeness

At Consilium, being close to the customer involves good communications and knowledge sharing. It also means having a presence where they are. We have a unique “Glocal” network – that is both global and local – with service technicians and spare parts stocked around the world. This means that we don’t need to send technicians large distances, which reduces international travel and the associated environmental impacts. A local presence also means that we can deliver better service by more quickly resolving any service issues, having access to the necessary spare parts and that we speak the local language.

In 2022, we established a local presence in countries such as Brazil to bring us closer to customers in those markets. During the year, we also began offering remote support services – read more in the Product and service innovation section on page 15.

In 2023, we will continue to establish our local presence close to the customer and further develop our offering of remote support and digital solutions. One example is a new digital remote maintenance tool that we are planning to launch during the year.

Business ethics

We focus on prohibiting dealings with restricted individuals, entities or countries without the required licenses under export control laws.

We strive to form long-term relationships with our business partners, based on mutual respect and business ethics. Our Code of Conduct provides guidance and describes principles within the areas anti-bribery, labor standards and human rights, environmental sustainability and compliance, enforcement and reporting.

A potential risk for us as a company, and our reputation, would be if we were to sell products to countries, companies or individuals that are under sanctions. We regularly perform screenings of our medium and high-risk customers and orders to mitigate this risk.

In 2022, we continued to share our Code of Conduct and our sustainability agenda with our customers as an integral part of our processes. We also continue to ensure that each of our employees complete our Code of Conduct and compliance training each year. During the year, we launched a new third-party managed whistleblowing system that is available to all internal and external stakeholders to allow them to report deviations from our Code of Conduct.

Our targets and KPIs

Targets	KPIs
100% of medium and high-risk customers have continuously been screened by 2025 and a risk mitigation plan is developed and implemented.	Share of medium and high-risk customers screened.



Climate efficient operations

Consilium is committed to being carbon neutral by 2050. This involves working to address our greatest sources of greenhouse gas emissions from energy consumption, business travel and the transportation of goods.

Smart business travel

Like many other companies, the Covid-19 pandemic reduced our global travel significantly, but it also gave us insights into how to reduce our business travel after the pandemic. In 2022, we set a new short-term goal to decrease our climate emissions from business travel by at least 50% by 2025 compared to 2019. We aim to achieve this by limiting our amount of business travel and instead utilizing digital solutions, using more climate-efficient alternatives when traveling, and



switching company and service cars to electric and hybrid vehicles. Consilium is also striving to reduce its climate impact from business travel by maintaining and strengthening its local market presence.

Reducing emissions in the supply chain

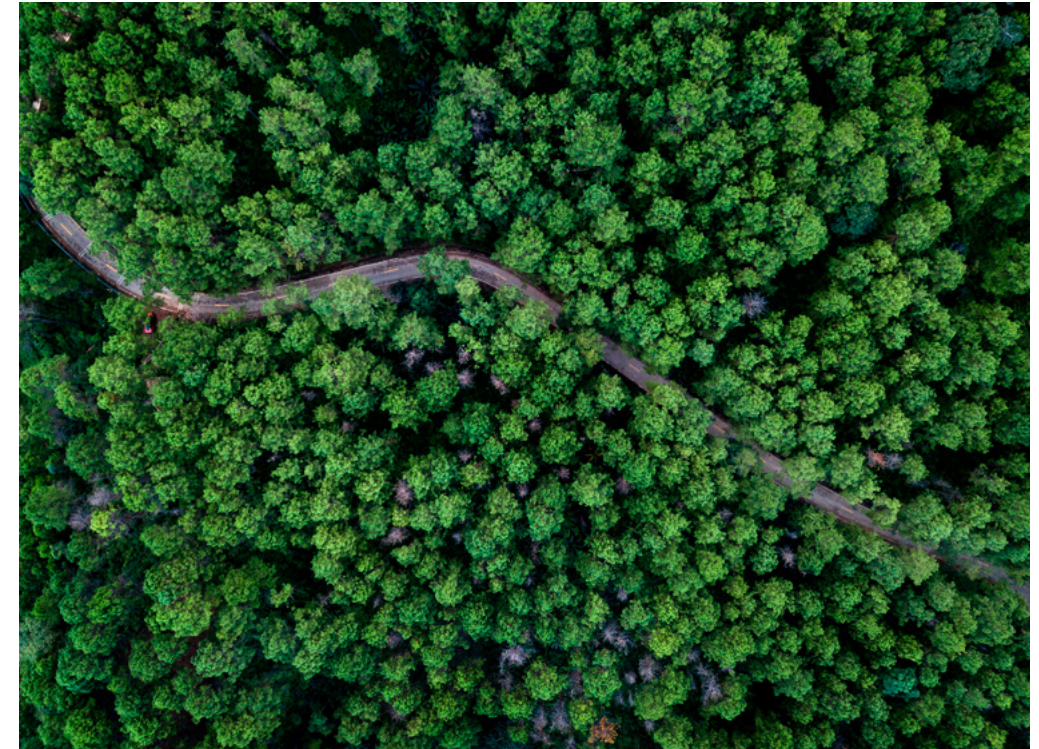
Consilium is constantly developing its logistics and is striving to create clear material flows to reduce its environmental impact, as well as reduce costs and lead times for customers. The transportation of goods has a negative environmental impact because a large proportion of our deliveries consists of replacement products and spare parts shipped from Sweden for installation on ships that are in constant operation in oceans around the world. We aim to further reduce our climate impact from logistics by purchasing green distribution alternatives, switching to more sustainable modes of transport, and optimizing and proactively planning the more efficient flow of goods. To reduce our greenhouse gas emissions in our supply chain, we will adjust our supplier agreements and strive to work together with our suppliers to track and reduce emissions and achieve carbon neutrality in the long term.

Our climate progress in 2022

During 2022, we further developed our climate strategy by setting climate related targets and creating a decarbonization roadmap with initiatives for reducing Consilium’s climate footprint.

The first step in developing our climate strategy was to identify gaps between Consilium’s current climate work and our ambitions for reducing carbon emissions and mitigating the impacts of climate change. As part of the process, we made a high-level assessment of Consilium’s scope 1, 2 and 3 emissions, which looked at everything from energy consumption at our facilities and logistics to the carbon intensity of our products and services. By doing this we were able to identify key areas where we can make the biggest impact in terms of reducing our climate impact.

Based on our analysis, we have set ambitious targets for decarbonization. These include a 50% reduction in travel emissions by 2025, 100% use of fossil free energy in our own operations, net zero scope 1 & 2 emissions by 2030 and a goal to become carbon neutral by 2050. We also aim to establish an industry-leading offering of green solutions.



Distribution of Consilium’s carbon dioxide emissions according to the Greenhouse Gas (GHG) Protocol.





To achieve these targets, we created a decarbonization roadmap that outlines a series of initiatives and projects. These include developing green solutions, transitioning to fossil free energy sources, implementing energy efficiency measures, and reducing business travel and using more sustainable alternatives for travel.

Task Force on Climate-Related Financial Disclosures (TCFD) Reporting

During 2022, Consilium took steps to better understand the financial risks and opportunities we face as a result of climate change. We performed an initial analysis of Consilium’s climate-related physical risks (e.g. risks to our supply chain or physical assets), and Consilium’s climate-related financial risks from the transition to a low-carbon economy. This identified Consilium’s climate related physical and transitional risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the EU’s upcoming Corporate Sustainability Reporting Directive (CSRD).

In 2023, we will assess and disclose our climate-related risks and opportunities while further developing and integrating climate risk

assessment and management processes in our current procedures.

Transitioning to fossil-free energy consumption

In 2022, Consilium set two long-term goals related to decreasing its energy consumption: Have 100% fossil-free energy in its own operations by 2030 and have Net zero greenhouse gas emissions in scope 1 & 2 by 2030. We aim to achieve these goals by gradually transitioning to only using fossil-free energy in our own operations and implementing a policy to require the use of fossil-free energy at our sites. We will also strive to make improvements to our energy efficiency at our headquarters and invest in energy-efficient equipment upgrades at our operational sites.

Our targets and KPIs	
Targets	KPIs
100% fossil-free energy in own operations by 2030	Proportion of fossil-free energy in own operations
Net zero greenhouse gas emissions in scope 1 & 2 by 2030	Scope 1 & 2 greenhouse gas emissions
Decrease our climate emissions from business travel by at least 50% by 2025 compared to 2019.	Climate emissions from business travel.

Equality, diversity and inclusion

– working to exceed expectations

Consilium aims to be an equal and diverse workplace, where everyone feels safe and welcome. Our future success in being a great place to grow is dependent on being a preferred employer, which attracts and retains engaged and qualified people.

As a global company, with teams located in different countries, diversity is a natural part of our business. At Consilium, we believe our core strength comes from our people and that our inclusive, diverse, and global culture unites us and is our competitive edge. This is what Equality, Diversity and Inclusion is all about and the way we work should be characterized by respect for everyone.

Our new policies

In 2022, we introduced new policies to promote a consistent global approach to lay the foundation for the kind of employer we want to be. These include an Equality, Diversity and Inclusion Policy, a People Policy, and a Global Workplace Safety Policy.

We also launched a new whistleblowing system that is managed by a third party and is fully anonymous. We measure the number of cases of corruption and bribery reported through our whistleblowing system and other channels. In 2022, one case regarding suspected bribery was reported. A thorough third-party investigation concluded that there was no misconduct, and the case was closed without further action.

In 2023, we will continue to roll out our new policies globally. We will also further develop our work with Equality, Diversity and Inclusion to define a global action plan on how we can become an even more inclusive organization.

Leading at Consilium

During the year, we launched a new nine-month global leadership program called “Leading at Consilium” which consist of 4+3 physical days plus digital sessions throughout the program. The program will run on an annual basis with 16 participants and is aimed to equip leaders with the skills that lay the foundation for good leadership. We invite leaders from different areas of the business to embark on this journey and inspire them to live our leadership expectations:

- Drive transformation
- Create clarity
- Empower teams

The program in 2022 was well received with participants scoring it 9.6/10 in terms of recommending it to other leaders. The next program with another 16 global leaders will kick-off in the spring of 2023.

Employee development

We redefined our approach to employee development during the year. This involved focusing on creating “a great place to grow” for our employees. We have always taken pride in being a great place to work, now we are continuing our journey and take pride in being a great place to grow. At Consilium, we believe that talent can be developed through clear strategies, engaged people and input from others while having a growth mindset. Growth has several meanings – it can be individual growth, growth in developing together as one global team, growth in expanding our business to align with being number one in Safety Tech, and growth in the sense of being a place people feel welcomed, challenged and encouraged to prosper. We believe that our people are the key to our success.

During 2022, we launched the global Consilium Performance Framework that includes our employee annual performance and development dialogues, target setting, follow-ups and year-end reviews and ratings. All managers have been trained in the framework and the process is digitalized where possible.



Taking the temperature of our organization

All employees can share their views within our pulse measurement tool Winningtemp. The tool is designed to take the temperature of our organization by identifying what is working well and what can be improved. It covers 12 elements related to work environment and employees are sent questionnaires on a weekly basis to gather their feedback. The feedback is anonymous, but we share a summary of the overall temperature within Consilium, which is transparent on a team and company level. Winningtemp measured an improvement in our overall temperature from 7.0 to 7.3 (on a scale from 0-10) during the year, which is the average for the industry.

We continued to develop our tools and indexes during the year, which have enhanced employee data, analytics and insight throughout our organization. This led to the implementation of new indexes to measure and monitor inclusion, cultural values and strategy throughout our organization. These will drive global alignment and our work with equality, diversity and inclusion going forward.

Our targets and KPIs						
One Consilium	2022		2023		2024	
#1: Create a high-performing and “right-sized” flexible organization in continuous transformation adapted to business needs						
% annual completion of Performance & Development Dialogue	- ¹		95%		100%	
#2: Creating synergies through global policies and processes, where we ensure data driven people decisions and efficiency in our processes through modern digitalized HR-tools						
% monthly update accuracy of Employee Masterfile	- ²		100%		100%	
% of sites up and running with digitalized processes within pulse measurement, talent acquisition, on/off-boarding, LMS-system	- ¹		85%		100%	
Our people	2022		2023		2024	
#1: Create a strong company culture where our core values drive our behavior towards each other and where our committed leaders engage with teams as well as individuals to perform to their fullest potential						
Cultural values index in Winningtemp	- ¹		TBC		TBC	
#2: Attract and retain our current and future talent by providing a great employee experience throughout the whole employment lifecycle						
Overall temperature in Winningtemp	7.2		7.3		>7.5	
% attrition rate	<10% ²		<10%		<10%	
#3: Always be inclusive, appreciate our differences and actively work to create equal opportunities for all our people						
Inclusion in Winningtemp	- ¹				TBC	
Employee data	2022		2021		2020	
	In total	Women	In total	Women	In total	Women
Number of employees incl. consultants (headcount)	980	27%	924	25%	738	22%
Group management	7	28%	7	28%	7	14%
Share of women among new-hires	30%		25%		-	

Community engagement

Consilium wants to be a force for good in society and contribute to a safer world through collaboration and partnerships.

Our contribution to society

As a solution provider of fire and gas safety technologies, our products can make the world a safer place. We protect the personal safety of people all around the world.

We also want to safeguard and contribute to a better world through our voluntary community engagement work. In 2022, we aligned our global approach to community engagement with the SDGs by creating policy guidance for our 35 market companies around the world. In 2023, we plan to set global targets for our community engagement work.

Proud long-term supporter of mercy ships

We are a lifetime supporter of Mercy Ships – an organization that focuses on helping people with life-changing healthcare and provides free life-saving surgeries for people with limited access to medical care. Consilium provides Mercy Ships with volunteers, safety products and financial means. Our volunteer program gives Consilium employees the opportunity to work on board or for the Mercy Ships organization for a period of time.

In 2022, no Consilium employees volunteered with Mercy Ships due to the pandemic. However, we plan to restart the volunteer program in 2023. We also agreed to offer one month of paid leave to all Consilium employees who volunteer with Mercy Ships and will cover all their costs from 2023.

During the year, Mercy Ships inaugurated a new hospital ship – the Global Mercy. Consilium co-sponsored the fire alarm system for the new ship and is providing lifetime service at no cost.

Our targets and KPIs	
Targets	KPIs
At least one employee attending Mercy Ships every year.	Total number of employees attending Mercy Ships.





Sustainability
information

Governance

This is Consilium Safety Group AB's, (Org number 556519-2134) statutory Sustainability Report, covering the financial year of 2022 (January 1, 2022 to December 31, 2022).

About this report

This Sustainability Report is rendered as a separate report added to the management report of the Annual Report in accordance with the Swedish Annual Accounts Act (Årsredovisningslagen chapter 6). The report covers sustainability information for the Group and includes Consilium Marine & Safety Canada Inc, Consilium Nittan Marine Ltd, Consilium Marine Hellas Ltd, Consilium Shanghai Co Ltd, Consilium Marine US Inc, UniPOS Ltd., Consilium Australia Pty Ltd, Consilium Safety Pte Ltd, Consilium Marine & Safety AB, Consilium Safety Group AB, Consilium Spain S.L., Consilium France SAS, Micropack (Engineering) Limited, Micropack Detection (Americas) Inc, Consilium GmbH, Consilium Norway AS, Consilium Safety Denmark, Consilium Safety Sweden, Consilium Vietnam J.S.C, Consilium Micropack Limited, Consilium Middle East Marine services LLC, Consilium Marine Korea Ltd, Consilium Safety Sweden Production AB, Consilium Marine Oy, Consilium Trading Co Ltd, Consilium Marine India Private Limited, Consilium Italy Srl., Micro-Data Due S.r.l. and Consilium Safety Netherlands. The Board is responsible for compiling the Sustainability Report.

Sustainability governance

Consilium's CEO has the ultimate responsibility for sustainability topics within the Group, but the management of the day-to-day sustainability work has been delegated to the Sustainability Committee. The Sustainability Committee reports to the management team that in turn reports to the Board. In addition, there is a Sustainability Network that consists of the Sustainability Committee, regional managers and site managers, which meets annually.

The Consilium Board has full responsibility for all our sustainability work and monitors and measures our progress, such as through our KPIs. Consilium has several governing documents that define the sustainability framework. The foundation of our sustainability work is our Code of Conduct, which covers corporate responsibility throughout the value chain. The Code of Conduct is complemented by several policies, governing documents, leadership, management systems and the Group's overall goals and strategies.

Internal rules

Code of Conduct

The Group's business shall meet the same ethical demands, no matter where in the world it takes place.

Consilium's Code of Conduct describes the ethical guidelines that underpin the Group's operations, what is expected of all employees and how the company deals with its partners.

The Code of Conduct includes principles within the following areas: anti-bribery, labor standards and human rights, environmental sustainability and compliance, enforcement and reporting.

The Consilium Code of Conduct acts as support for managers and employees in their daily work in all operations around the world and is implemented, where appropriate, in all management and quality systems. The Code of Conduct is based on the following core values:

- I take responsibility
- I take initiative
- We deliver
- One global team

Whistleblowing Policy

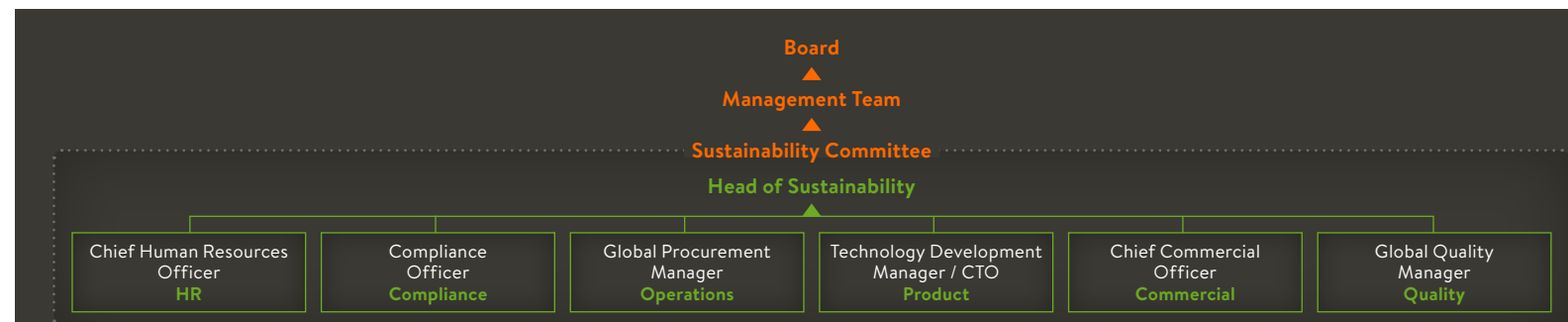
Consilium's Whistleblowing Policy describes the process for reporting serious misconduct at Consilium.

Export Controls Compliance Policy

The Export Controls Compliance Policy is designed to help Consilium directors, officers, employees and third parties acting on Consilium's behalf, to understand their responsibilities under applicable export control laws.

Supplier Code of Conduct

The Supplier Code of Conducts sets forth Consilium's core principles applicable to suppliers and third-party contractors on key issues in three general areas: anticorruption and ethics, labor standards, human rights and the environment.



Anti-bribery Manual

Anti-bribery laws criminalize bribery and undue influence from being directed against someone who has been entrusted to act on behalf of others. Violations can result in substantial monetary penalties or imprisonment. Our Anti-bribery Manual provides guidance and limitations on interactions with the public and private sector in the form of hospitality, corporate events, gifts, and charitable donations.

Competition Manual

Competition laws promote or seek to maintain competition in the market by regulating anti-competitive conduct.

Violations can result in substantial monetary penalties, legal action and damage to the Consilium brand. Consilium’s Competition Manual provides guidance on interacting with competitors, suppliers, distributors, and customers; avoiding abuse of a dominant market position; and complying with merger control rules.

Data Protection Manual

Data protection laws require information related to employees, customers, and other individuals to be made available and processed in a manner that protects privacy. Violations can result in monetary penalties or legal action. Consilium’s Data Protection Manual provides guidance on important data protection issues, including data collection and processing, data access and retention, as well as quality, confidentiality and data security.

Trade Sanctions Manual

Trade sanctions restrict dealings with targeted individuals, entities and governments. Violations can result in substantial monetary penalties or legal action. Consilium’s Trade Sanctions Manual provides guidance on reporting activities in certain high-risk countries and screening counterparties to determine if they are under sanctions. Consilium has a weekly screening process. We stop business regularly to comply with our policies.

Information and Security Policy

Information is one of Consilium’s most valuable assets and information management is a significant part of the work. Modern IT enables good and secure access to information, but if it is not managed correctly, it can lead to both tangible and intangible damages and losses. The Information and Security Policy lays the foundation for Consilium’s work with information security. It conveys the absolute will and ambition for a long-term and structured approach toward work with information security. The policy is aimed at everyone at Consilium who manages information.

Corporate compliance program

Consilium’s Corporate Compliance Program is designed to enable the Group to comply with applicable laws and conduct its business in an ethical manner. The compliance program is governed by several framework documents including our Code of Conduct, Whistleblowing Policy, Export Controls Compliance Policy and Supplier Code of Conduct. The following spe-

cific compliance areas are part of the program: Anti-bribery, Competition, Data Protection and Trade Sanctions.

Consilium Safety Group has implemented a Compliance Program throughout the Group, that includes our Code of Conduct and Anti-bribery Manual. The Compliance Program enables all employees to comply with applicable legislation and conduct business in an ethical manner. The goal is for all employees to complete the program, which is monitored annually through training and tests in our tool Learnster.

The Managing Director in each market or product company is responsible for employees completing the program. The Compliance Program training is composed of three steps as shown in the icons to the right.

Reporting principles

The employee data has been extracted from our payroll and HR systems and all numbers are given in Full-time equivalent (FTE).

Employee wages includes all cost of personnel, including social fees, pensions, bonuses, etc.

Climate data

We improved our climate-related reporting practices during the year. Naturally, there are some data gaps where KPMG and Consilium together have made assumptions to extrapolate the data for the full Consilium Safety Group.

For most of the greenhouse gas emission posts, Consilium has a coverage of over 80% reported data. Even if Consilium only has a 85%

coverage of data for purchased electricity in scope 2, it is important that steps toward more comprehensive reporting have been taken, as purchased electricity represents one of the largest sources of GHG emissions.

The collection of data was performed through the Worldfavor sustainability data platform, with the support of Worldfavor’s consultants. KPMG supported the calculation phase of the total scope 1 and 2 as well as business travel and transport in scope 3.

Energy consumption data is collected through an IT-tool and covers electricity from the head office in Sweden, as well as energy consumption in all countries of operation, unless otherwise stated. The data is collected from invoices, landlords and energy suppliers.

Greenhouse gas emissions are reported in accordance with the standards in the GHG Protocol, using emission factors from Association of Issuing Bodies (AIB) 2019 and Climate Transparency 2017.

The calculations were performed according to the GHG Protocol Corporate Standard. The operational control approach was used, which means that joint operations where Consilium has no operational control are excluded. As data gaps have been identified, estimations have been made to account for the full Consilium operational control scope.

OUR CORPORATE COMPLIANCE PROGRAM



1. Reading the documentation individually



2. E-learning



3. Test





Sustainability risks

As an international company with operations across the globe, there are many complex sustainability risks to be continuously assessed and managed. Safety has been close to our heart at Consilium from the start, not only by providing safety to our customers but also in our value chain and for our stakeholders. Therefore, we have a well-established approach to sustainability.

Our sustainability team has identified Consilium’s key sustainability risks within the value chain and for our stakeholders through workshops and internal meetings. The risks presented have been identified based on their probability of occurrence and their potential impact. Consilium’s risks are based on the concept of double materiality, i.e. both the impact Consilium has on its surroundings as well as the impact that the environment and stakeholders have on Consilium.

Risk	Description	Management and action
<p>Social – Our people</p> 	<p>Our people are the key to our success. Maintaining a healthy and engaged workforce in our organization is crucial. Without this, we can face a loss of trust, motivation and decreased efficiency. The long-term effects of this could be increased sick leave, higher costs and decreased competitiveness.</p> <p>Offering a diverse and equal workplace with opportunities for personal development and adequate training is critical for attracting and retaining skilled employees as well as to maintain a great place to grow. Failing to do so might restrict access to a talented and diverse pool of employees.</p> <p>Furthermore, as Consilium continues to strengthen its local market presence by moving operations closer to its customers, it is important that the necessary competencies are available across regions to maintain customer satisfaction.</p> <p>In the growth journey we are on, we constantly need to adapt our organization to meet our business needs. This creates a dynamic work environment that demands a great deal of communication, leadership and individual competence. If clear priorities are not set, there is a risk that we will not have full employee commitment and we will be unable to prioritize the right activities within our global organization.</p>	<p>To tackle workforce and people risks, Consilium works actively to be a “Great Place to Grow” through various initiatives. One of our key tools is Winningtemp, a pulse measurement implemented at every Consilium site to discuss and decide on actions regarding the work environment. It is also a tool for management to identify trends and initiate improvement activities. Our goal is to achieve a temperature above the industry index.</p> <p>Post-pandemic, we have encouraged employees to come back to the office as we believe that face-to-face interaction builds culture and engagement while increasing well-being, efficiency and competence.</p> <p>To attract competent employees, we have developed global guidelines for gender equality and diversity, including recruitment guidelines. In addition, we are currently conducting a global investigation and internal benchmarking regarding equality, diversity and inclusion, to find best practice and identify which activities might be relevant to implement on a global scale.</p> <p>To give employees an opportunity to report serious misconduct, we implemented a digital whistleblowing system globally during the year, and we are currently setting a plan for how we can even further increase the awareness of our extensive compliance program throughout the organization. We train all our employees on an annual basis, and we are further developing our training with additional awareness-building activities.</p> <p>To create a great place to grow, which is part of the Consilium strategy, we believe that excellent leadership is imperative. We have defined our leadership expectations and are rolling these out through an initiative called Leading@Consilium. This includes several activities, where our 7-day leadership development program is one of the foundations. The initiative was launched during 2022 and will run on an annual basis.</p> <p>To support managers and the organization to make the right priorities, we are currently implementing a global performance framework. This will help each employee to understand how they contribute to the success of Consilium and build a stronger feedback culture as well as strategic alignment down to everyone working within the Group.</p>

Continues on the next page

Risk	Description	Management and action
<p>Environmental</p> 	<p>Consilium provides products to customers in different industries, out of which the marine and building industry are considered to have the highest environmental risks. The malfunction of a fire alarm or gas detector can result in the sinking of a ship or an undetected fire in a building. If the building is full of chemicals or the ship contains a tanker filled with oil, it can have serious negative environmental consequences.</p> <p>Developments in international regulations, financial implications and national commitments, for example related to carbon reduction, might result in costs and an administrative burden if Consilium does not adapt to such changes proactively.</p> <p>Macro-economic impacts, such as the scarcity of materials, increased energy costs and inflation, can have an impact on Consilium's operations and customers. Limited access to resources needed for production and increased prices might lead to operational costs and business environment constraints.</p>	<p>To ensure the quality and sustainability of our products and systems, we continuously adapt the Group's operations, products and processes to have the lowest possible negative environmental impact, while complying with national and international laws and environmental requirements.</p> <p>In 2022, we continued the development of our climate strategy, and to implement environmental aspects and circularity into product development and business strategy.</p> <p>Consilium complies with several international regulations, such as CPR (Construct Product Regulation), MED (Marine Equipment Directive) and RoHS2 (Restriction of Hazardous Substances in Electrical and Electronic Equipment).</p> <p>Consilium continuously assesses which upcoming standards and regulations that might be relevant to ensure that stakeholder expectations are met.</p>
<p>Quality of Consilium products and customers</p> 	<p>Insufficient quality and functionality, or inappropriate use of Consilium's products poses safety risks for the users of our products. The malfunction of a fire alarm or gas detector can put employees, passengers and occupants on ships, trains and in buildings in danger.</p> <p>Delivering high-quality products that satisfy customer needs requires the continuous development of our offering of products and services. If Consilium does not meet the changing demands of its clients and stakeholders, it might have a negative impact on Consilium's competitiveness and financial position.</p>	<p>Providing safety solutions comes with great responsibility and Consilium works actively with quality in all product development processes to maintain its high standards. Consilium actively gauges and makes sure to meet its clients' and stakeholders' needs and expectations through continuous investments in product development and innovation.</p>
<p>Business ethics and anti-corruption</p> 	<p>Since we sell our products all over the world, there is a potential risk of corruption occurring in the value chain. Corruption not only has a harmful impact on our business but also discourages law-abiding citizens in a society.</p> <p>It is our duty to work against corruption and to build strong frameworks to make sure it does not occur. If we do not actively combat corruption, we are at risk of substantial fines, legal action, termination of contracts, and can suffer significant reputational damage.</p> <p>Unintentionally selling products to countries, companies and people under sanctions has been identified as a risk for Consilium. Supporting such customers is strongly against our business ethics.</p>	<p>The success of our organization is built on the trust of customers, employees and the public, and the best way to gain this trust is to demonstrate ethics and integrity in all our business practices.</p> <p>As part of Consilium's Corporate Compliance program, we have developed a Code of Conduct & Anti-bribery Manual that is shared with all suppliers. We conduct yearly follow-ups to make sure that our policies are followed by our suppliers.</p> <p>To manage trade sanction risk, we perform sanctions screening on a weekly basis. Our screening processes are improved continuously to ensure compliance with international laws.</p> <p>To further improve the sustainability of our value chain, we plan to increase the focus on sustainability in our supplier assessments and share our Code of Conduct with our agents and customers to ensure that our business partners are familiar with and share our view on business ethics.</p>
<p>Human rights</p> 	<p>Human rights should be respected throughout Consilium's value chain. Consilium's products are built with electronics that we receive from our suppliers.</p> <p>A potential risk in the supply chain is that the materials and components in our products could be sourced or produced under conditions that do not respect human rights and without decent working conditions. If our suppliers do not comply with and respect human rights, it could cause Consilium serious reputational damage and lead to lost business and employees.</p> <p>Decent working conditions and human rights need to be safeguarded within our own operations as well as toward our customers.</p>	<p>We strive for compliance with human rights throughout our operations. In 2022, we prepared a Modern Slavery Statement, which outlines our policies and practices to prevent and address modern slavery and human trafficking in our own operations and in the supply chain.</p> <p>We are committed to continuous improvement in this area and will continue to review and update our policies and procedures to ensure that they align with our values and the highest standards of ethical conduct.</p> <p>During 2022, we conducted 8 (13) supplier audits to ensure that our suppliers deliver products that have been manufactured in accordance with the UK Modern Slavery Act. We expect complete compliance with our annual supplier follow-up relating to our Supplier Code of Conduct.</p>

Appendix:

Sustainability targets and key performance indicators

This appendix provides a detailed list of our sustainability targets and KPIs for all our materiality aspects by environmental, social and governance.

Environmental

Material aspect	Target	KPI
Product and service innovation for sustainable value chains and to protect life	15% of our sales shall be associated with circular products by retrofit by 2025.	Share of sales associated with circular products, across material selection, use and end-of-life considerations.
Product and service innovation for sustainable value chains and to protect life	A baseline for rate of warranty claims by 2025 was set at 0.5% of revenue.	% of warranty claims (by revenue).
Climate efficient operations	100% fossil-free energy in own operations by 2030.	Proportion of fossil-free energy in own operations.
Climate efficient operations	Net zero greenhouse gas emissions in scope 1 & 2 by 2030. Decrease our climate emissions from business travel by at least 50% by 2025 compared to 2019.	Scope 1 & 2 greenhouse gas emissions. Climate emissions from business travel.
Use of affordable and clean energy at our offices, production and distribution centers	Set baseline (2021) and then set target for use of renewable energy within own operations (offices, production, distribution centers) by 2025.	Energy use from offices, production and distribution centers.
Use of affordable and clean energy at our offices, production and distribution centers	Set baseline (2021) and then set target for reduction of greenhouse gas emissions within scope 1 and 2 by 2025.	Greenhouse gas emissions from scope 1 and 2.
Travel behavior and local market presence	Decrease our climate emissions from business travel by 50% by 2025 compared to 2019.	Climate impact from business travel.

Total carbon dioxide emissions according the GHG Protocol		
Scope	Category	CO ₂ e (metric tons)
1.	Fuel consumption, cars	636
	Natural gas	102
2.	Electricity	578
	Heating and cooling	30
3.	Business travel	3,979
	Transport	1,785
Total		7,110

Social

Material aspect	Target	KPI
Equality, diversity and inclusion through doing more than expected	Create a high-performing and “right-sized” flexible organization in continuous transformation adapted to business needs. Creating synergies through global policies and processes, where we ensure data driven people decisions and efficiency in our processes through modern digitalized HR-tools.	% annual completion of Performance & Development Dialogue. % monthly update accuracy of Employee Masterfile. % of sites up and running with digitalized processes within pulse measurement, talent acquisition, on/off-boarding, LMS-system.
Community engagement through partnerships	At least one employee attending Mercy ships every year.	Total number of employees attending Mercy ships.
Sustainable working through great place to work	Creating a strong company culture where our core values drive our behavior towards each other and where our committed leaders engage teams as well as individuals to perform to their fullest potential. Attract and retain our current and future talents by a great employee experience throughout the whole employment lifecycle. Always being inclusive, appreciate our differences and actively work to create equal opportunities for all our people.	Cultural values index in Winningtemp. Leadership index in Winningtemp. Overall temperature in Winningtemp. % attrition rate. Inclusion-index in Winningtemp.

Regular surveys to monitor employee satisfaction

Regular employee surveys are conducted throughout the Group to ensure that both the Group’s and employees’ goals and outcomes correlate, and we also work on health and well-being initiatives. The survey measures how employees feel about Consilium as an employer. The survey is based on how willing an employee is to recommend Consilium as an employer to a prospective employee. The survey was carried

out in 2017, 2019 and 2020 and had an average answering frequency of 89%. The survey is graded from 1 to 10 and divided into three categories: Red (1–6), yellow (7–8) and green (9–10), where a higher number represents a greater willingness to recommend Consilium as an employer.

In 2022, the Winningtemp temperature score was 7.3, which was the average industry index score.

Governance

Material aspect	Target	KPI
Customer closeness and control of trade sanctions	100% of medium and high-risk customers have continuously been screened by 2025 and a risk mitigation plan is developed and implemented.	Share of medium and high-risk customers screened.
Anti-corruption	Zero cases of corruption and bribery.	Number of cases of corruption through our whistleblowing system or other channels.

Supplier auditing

Consilium completed 8 (11) supplier audits during 2022.

Trade sanctions

We have a set procedure for monitoring sanctions through a Sanctions Screening Report. Between the period Jan 1, 2022, and December 31, 2022, 755 (471) cases were reported, 701 (419) cases were solved within 24 hours without a lawyer, 19 (45) cases were solved with a lawyer and in 35 (7) cases we denied the orders. Consilium Safety Group will continue to use the same procedure in 2023.

KPIs:

- Share of customers that are medium/high risk.
- Share of medium and high-risk customers screened (we only screen customers that are medium/high risk).

Anti-corruption

In 2022, one case regarding suspected bribery was reported through the whistleblowing system. A thorough third-party investigation concluded that there was no misconduct, and the case was closed without further action.

For all those moments
when safety matters

Consilium is a producer of safety technologies for the marine, energy, transport and building sectors. Our commitment goes beyond the products: We protect the lives of mothers and fathers, sisters and brothers, colleagues and friends.

With representation in more than 55 offices in 24 countries in all time zones, we are always close to you.

www.consiliumsafety.com

