

Consafe Logistics

A close-up photograph of several small seedlings in a white plastic tray. The seedlings have small green stems and dark, rounded seed heads. The background is blurred, showing more of the tray and some soil. The overall tone is natural and focused on growth.

SUSTAINABILITY
2023 **REPORT**

A misty forest scene with tall, slender trees. Sunlight filters through the canopy, creating a soft, ethereal glow. The ground is covered in ferns and fallen leaves. The overall atmosphere is serene and natural.

TOGETHER FOR
A SUSTAINABLE
SUPPLY CHAIN

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INTRODUCTION

Talks about sustainability in 2023 were dominated by constant disruptions in global markets, eroding consumer trust in corporate sustainability claims¹, and the anticipation of new EU regulations impacting sustainability reporting criteria. Businesses everywhere are feeling the pressure to act, which is echoed in a recent survey where CEOs identified environmental sustainability as their top challenge for the next three years².

Yet, with challenges come opportunities. We now have greater access to knowledge and technology than ever before. We believe that through innovation, trusted partnerships, and global cooperation, companies can effectively tackle these challenges. As one of our core behaviors says: "Together we get there!"

OUR SUSTAINABILITY PROGRAM

Based on the UN 2030 Agenda and the 17 Global Sustainable Development Goals (SDGs), we defined three focus areas for our corporate sustainability program:



SUSTAINABILITY
FOR THE
ENVIRONMENT



SUSTAINABILITY
FOR OUR
EMPLOYEES



SUSTAINABILITY
FOR OUR
CUSTOMERS

In this report, we discuss each area in detail, present relevant key performance indicators, and share highlights and achievements from 2023.

1) IBM, "The ESG data conundrum," 2023
2) IBM, "CEO decision-making in the age of AI," 2023

DEAR STAKEHOLDERS,

I appreciate your interest in our 2023 Sustainability Report.

Considering the events of last year, it is clear that we are navigating through a time of significant change and challenge – a polycrisis era, where crises emerge, and their resolution remains uncertain. What this means for supply chains is that they are operating in a disruptive environment. In this turbulent landscape, long-term, trusted partnerships make a real difference, and we are putting our efforts and expertise into building this trust with our customers.

As we release this report, I am proud to reflect on our journey and the progress we have achieved in our corporate sustainability program.

2023 marked a turning point as we welcomed two new team members committed to advancing our initiatives: a dedicated Senior Sustainability Specialist and a Group Product and Partner Manager focusing on integrating environmental sustainability practices into our products and services. Their arrival opened a new chapter, bringing valuable expertise to our team to proactively address and navigate the upcoming EU regulations and equip us with the knowledge to better serve our customers on this journey.

Sustainability also took center stage at our annual company event, SUMMIT, where we delved into this theme through all three aspects of our program. We explored how tech advancements can enhance environmental sustainability, learned seven tips for a healthy work-life balance for employees, and listened to a panel discussion where two of our esteemed customers, alongside our owner JCE, shared insights into their corporate sustainability efforts. I believe this event accelerated general awareness and knowledge across our team, providing a common ground for ongoing learning.

I consider ongoing learning especially important, as it guides us toward innovative solutions. For example, making our customers aware of the CO₂ impact in our project calculations and combining our SaaS offering with emissions reporting mechanisms are two new initiatives set to launch in 2024. We also continue to work towards making all our corporate events carbon-neutral. These steps align closely with our dedication to customer-centricity and environmental stewardship.

I am particularly happy about certain key findings from our customer satisfaction survey conducted in Q1 2023. The results indicate that customers trust us and appreciate the quality of our product. Furthermore, it is gratifying to witness our team's competence and attitude being recognized by our customers, reflecting our commitment to fostering employee growth and development.

In conclusion, I want to express my sincere gratitude to every member of our team, our customers, and our partners. Your support, feedback, and collaboration are the driving forces behind Consafe Logistics' sustainability journey. As we move forward, let's maintain the spirit of learning and innovation that has shaped this journey so far. Together, we will keep building a sustainable future!



Kent Olsson, CEO



OUR BUSINESS MODEL

ABOUT THE COMPANY

Consafe Logistics is a software product company. We design a warehouse management and warehouse control system (WMS & WCS) built on a modern technology platform that makes logistics and supply chain companies smarter, more effective, and thus more sustainable. We have more than 250 customers across various industries, including food & beverage, manufacturing, 3PL, retail, and wholesale.

Our system is being used in more than 500 warehouse sites in over 30 countries. We have a local presence in seven European countries: Belgium, Denmark, Finland, The Netherlands, Norway, Poland, and Sweden. Our headquarters is in Lund, Sweden.

OUR EMPLOYEES

As a knowledge-based company, our employees play a crucial role in our business success. We are dedicated to becoming the most attractive workplace in the supply chain industry and committed to offering our co-workers long-term development and career opportunities. Employee focus is a key pillar of our corporate sustainability program.

OUR MISSION

Our mission is to enable global companies to operate a sustainable and efficient supply chain that delivers a superior customer experience through a long-term sustainable partnership.

OUR SOLUTION

We understand that our customers need more than a product; they look for technological expertise and

a trusted partner. Therefore, we offer them a solution based on three pillars:

► Software

Built on a modern technology platform, our WMS and WCS are designed to accelerate our customers' warehouse digitalization and facilitate automation transformation. They support sustainability initiatives and enable multi-site implementation, increasing the profitability of our customers' logistics operations.

► Expertise

Choosing our system grants customers access to 40+ years of expertise in logistics and warehouse management, ensuring they benefit from the most advanced practices in the industry. This depth of knowledge enhances their entire operational framework, boosting efficiency and adaptability from the get-go. As their strategic partner, we take full responsibility for project management, process optimization, and implementation. After the system goes live, we continue to actively engage in ongoing operational improvements.

► Partnership

The WMS implementation marks just the beginning of our partnership. Every customer benefits from a dedicated account team that offers support over both the immediate and long-term future. Furthermore, we guide our customers through the ever-changing landscape of warehouse operations, keeping them informed about industry trends, challenges, and opportunities, and we align our product roadmap with their shared strategic objectives.

This ensures that sustainable growth progresses as planned and that, together, we are prepared for what comes next.



RISK ASSESSMENT ANALYSIS

This is a general assessment based on and part of Consafe Logistics’ group-wide risk management framework, derived from strategic, financial, operational, and compliance risks.

Area	Identified risk	Mitigation of risk
Financial & Legal Risk	Unethical business practices, corruption, bribery, misconduct, and breach of law	Our company culture is based on core behaviors promoting honest and open communication, as well as ethical business practices. We have a Code of Conduct that summarizes our standpoints on conducting business, labor and human rights, and environmental sustainability. It serves as a guide for employees to take the right action in any given case. Moreover, a whistleblowing tool empowers co-workers to report suspected misconduct and express serious concerns about the company while maintaining complete anonymity.
	Security breach, cyberattack affecting internal systems and customer SaaS	Our entire organization is ISO 27001 certified to ensure information security in all ways of our operation, from finance through sales to developing and delivering our products and services. Given the prevailing global trend in cybercrime, we are continuously expanding our information security efforts through investments in AI-powered threat protection and Zero Trust architecture to ensure that we and our services are resilient against cyberattacks.
	Power outage, server downtime	We constantly monitor our systems. In case an issue arises, we have an incident plan. We carry out an annual risk analysis as part of our ISO 27001 certification. We have resources in place to safeguard the customer environment and secure critical service operations. Regarding SaaS, we have service level agreements with our Cloud Service Providers that provide guaranteed uptime for running our WMS software in the cloud.
Operational Risk	High employee turnover rate	We are committed to the long-term career development of our co-workers. We aim to enhance and support their strengths and goals by offering individual growth plans and learning opportunities. Ensuring continuous improvement, we regularly assess employee engagement and satisfaction through our internal employee satisfaction survey, conducted 3 times a year. We have a structured approach to career development, performance, and talent review to make sure we continuously develop and keep track of our talent.
	A high number of sick employees	We actively monitor key health indicators, such as sick leave records. We measure how employees experience work-life balance in our internal employee satisfaction survey. Managers maintain ongoing dialogues with team members to pinpoint and address any signs of an unhealthy work-life balance. Additionally, we provide extensive health insurance coverage and a range of supplementary benefits, including bike schemes and sports activities.

Area	Identified risk	Mitigation of risk
	<p>Lack of skilled candidates to fill open positions</p>	<p>We regularly participate in career fairs to connect with students interested in our industry. Our co-workers play a vital role as ambassadors, aiding us in recruitment. Promoting our Employer Brand in internal and external communication is essential for attracting candidates in a competitive environment. Moreover, we leverage digital marketing to enhance overall employer brand awareness and run targeted campaigns tailored to specific roles.</p>
	<p>Discriminatory practices, lack of diversity and professional development opportunities</p>	<p>We track employee well-being and diversity through our internal employee satisfaction survey, which incorporates metrics such as the Inclusion Index. Each co-worker has annual career review meetings with their managers to define personalized development plans and set and monitor goals. Individual training for co-workers is available through the Consafe Logistics Academy, our online training platform covering all corporate competence areas.</p>
<p>Market Risk</p>	<p>Software malfunction from faulty development</p>	<p>Our product development team follows a structured protocol with various functional and security testing stages. This encompasses design review and threat modeling, peer review of the written code, comprehensive automated test rounds complemented with manual testing, and rigorous internal and external penetration testing before product release.</p>
	<p>Lack of innovation in product development, resulting in an outdated software</p>	<p>We prioritize finding long-term solutions to our customers' problems, striving to be their trusted partner in an ever-changing supply chain. Our technology platform and product features are crafted based on inputs from various stakeholders in the supply chain ecosystem, including customers, analysts, universities, and our internal R&D and product specialists. We regularly attend key industry events in Europe to meet peers, exchange ideas, and gain insights into broader market trends. To drive ongoing innovation, we aim to invest 13% of our annual revenue in research and development.</p>
	<p>A critical number of customers end cooperation with Consafe Logistics</p>	<p>We support our customers' long-term financial growth and goals through innovation and trusted partnerships. We aim to invest 13% of our annual revenue in research and development. In addition to providing our customers with a cutting-edge WMS solution, we give them access to our 40+ years of industry knowledge and expertise in system integration, warehouse automation, and project management. Every customer has their own account team that supports them, both in the short and long term. We continuously monitor customer churn and conduct a customer satisfaction survey every two years to measure customer satisfaction.</p>
	<p>Consafe Logistics cannot participate in tender processes because the company misses obtaining necessary sustainability certifications</p>	<p>Our sustainability program is based on the UN 2030 Agenda and the 17 Global Sustainable Development Goals (SDGs). We operate per our corporate Sustainability Policy. Our work has three focus areas: creating sustainability for (1) the environment, (2) our employees, and (3) our customers. Our internal sustainability group steers the program, which includes the CEO, CFO, CPO, CMO, and ambassadors for each focus area. The ambassadors have various tasks, such as advising on KPIs, developing guidelines, and launching initiatives. They report on progress in regular status meetings. In addition, we employ a full-time Sustainability Specialist, focusing solely on sustainability for our operations. This structured work ensures that we comply with regulations and can meet market requirements related to sustainability.</p>

SUSTAINABILITY HIGHLIGHTS FROM 2023



1. Sustainability focus at our annual company event

One key step toward change is understanding. To establish a shared understanding across our entire community, sustainability took the spotlight at **SUMMIT**, our annual company event organized for all co-workers, addressing environmental, employee, and customer perspectives. A session on employee well-being, led by keynote speaker Louise Opprud, innovator of work, futurist, and founder of Work Life Lab, provided insights into attention dynamics and shared seven practical tips with colleagues to improve their workdays.

2. Knowledge-sharing on circular supply chains

Addressing the substantial carbon footprint of supply chains requires businesses to move from a linear to a circular operation model. In our October 2023 **global webinar**, we dived deeper into this topic and its impacts on warehousing. Our guest speaker, Joakim Kembro, Associate Professor at Lund University, provided insights into research and study in this field, and our internal speaker, Mikael Brorsson, Product Manager, shared 4 examples of how a WMS can improve sustainability in warehouses.



3. Working towards CO₂-neutral company events

According to research, the events industry contributes to more than 10%¹ of global CO₂ emissions annually. In line with our core behavior, “Be accountable and act,” we took the following steps toward making all our corporate events carbon-neutral:

- **Catering:** We serve locally sourced, vegetarian cuisine at all our gatherings.
- **Travel:** We prioritize train travel over other means of transport whenever feasible.
- **Event venue:** When selecting venues and hotels, we favor options with a minimal carbon footprint.
- **Event materials production:** We minimize the use of printed materials and follow reusing and recycling methods with already produced assets.
- **CO₂ compensation:** We mitigate remaining emissions through meaningful initiatives. See an example shared on page 14.

We have already implemented these actions at our customer event, CONNECT, and our annual company event, SUMMIT, in 2023.

4. Strive for Greatness – Customer Satisfaction Survey

Continuous improvement is key to delivering value to our customers. To measure their overall satisfaction with our services and identify drivers, we conducted our latest customer satisfaction survey in Q1 2023. Participants answered various questions related to expertise, partnership, product quality, and staff attitude. Discover more on the results on page 24.

1. ShiftCarbon, “How to Erase Your Event’s Carbon Footprint: Step by Step Guide to Carbon Neutral Events”



ENVIRONMENT

SUSTAINABILITY FOR THE ENVIRONMENT

In 2023, our efforts in the environment area focused on immediate initiatives and strategic planning across three areas: bringing new competencies on board, reducing our carbon footprint, and deepening community engagement.

STRENGTHENING OUR TEAM

We welcomed Nikolina Strahinic as our Senior Sustainability Specialist and Linda Frygell as our Group Product and Partner Manager. Nikolina drives and oversees our company-wide environmental initiatives. Linda focuses on integrating sustainable practices into our product offering. Their leadership is key to making progress in this area.

AN IMPORTANT MILESTONE IN CARBON REDUCTION

A significant achievement in 2023 was hosting our first carbon-neutral corporate gatherings: CONNECT, our global customer event, and SUMMIT, our company event for employees. For both, we prioritized options with the lowest carbon footprint in every aspect, including catering, transportation, venue selection, and the production of event materials, aiming to minimize environmental impact. Recognizing that some emissions are inevitable, we offset these through our partnership with ZeroMission. We invested in the SKG Sangha project, which involves the installation of biogas plants to promote cleaner

and more sustainable energy. This project plays a vital role in alleviating the burden on women and children and in addressing health issues associated with indoor soot and smoke. These efforts serve as a model for how we plan to conduct all future company events.

COLLABORATIVE ACTIONS

Achieving a more sustainable supply chain is a shared journey. We took the following steps in 2023 to engage with our internal teams, customers, and the wider community:

1. INTERNAL INITIATIVES

We introduced an internal volunteer program across all our offices aimed at fostering a culture of environmental responsibility. Noteworthy initiatives included food-sharing shelves in our Polish office and improved waste sorting in Lund, Sweden. Local volunteers have been instrumental in identifying areas where more significant improvements can be initiated. The program underscores the importance of grassroots efforts in laying the groundwork for larger-scale sustainability achievements, demonstrating that even the smallest steps can contribute to meaningful environmental benefits.



2. CUSTOMER COLLABORATION

Throughout 2023, we continued engaging with our customers to assist them in understanding and reducing their carbon footprint tied to warehouse operations. Our initiatives included:

- Innovating and developing AI-based WMS modules that support efficient resource management and contribute to energy savings in warehouses.
- Reaching out to customers using our SaaS offer on the Microsoft Azure platform to increase visibility and awareness about CO₂ emissions.
- Implementing a Job-To-Be-Done framework to accurately capture our customers' broader sustainability needs, challenges, and drivers.

3. INDUSTRY PARTICIPATION

In our industry participation efforts, we focused on three key activities:

- **2023 Trend Report:** We dedicated a section to sustainability, sharing insights and the latest practices for more sustainable warehouse operations.

- **Global Webinar:** Together with an external subject matter expert, we hosted a global webinar on circular supply chains and circular retail. During the webinar, we provided various practical tips to the audience on how they can enhance sustainability with the help of a warehouse management system.
- **Dialogue with Peers:** Through workshops and discussions, we engaged with peers and educated ourselves about circular economy principles.

NEXT STEPS

As we look to 2024, a comprehensive audit of our emissions across all operational aspects will guide our CO₂ reduction strategies. This analysis is vital to our ongoing commitment to environmental stewardship and operational excellence.

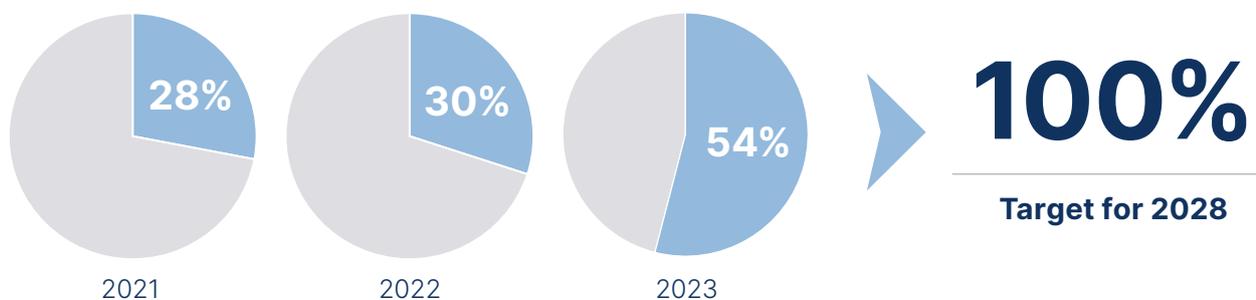
Energy consumption in Consafe Logistics offices, per employee (kWh)



The ratio of renewable energy in Consafe Logistics offices (%)



Electric cars in the Consafe Logistics company vehicle fleet (%)







EMPLOYEES

SUSTAINABILITY FOR OUR EMPLOYEES

Employees should feel that Consafe Logistics is the number one go-to tech company within the supply chain industry – this is our ultimate goal in this focus area. We are committed to nurturing an honest, open, and friendly workplace where everyone is given the space to voice their opinions and the opportunity to advance their careers.

At the heart of our operations lies a strong company culture grounded in core behaviors. We measure progress in four dimensions:

- 1. A diverse and equal workplace** with people from various nationalities and age groups and where men and women are equally represented on every level of the organization.
- 2. A workplace for individual growth** that provides our talents with meaningful and empowering career development opportunities.
- 3. A safe and healthy workplace** that cares for the well-being of people and secures the balance between their work and private life.
- 4. An engaging workplace** that nurtures a unique culture where people want to be part of and contribute to our future success.

Primarily, we monitor results across each dimension using PuLCe, our internal employee survey conducted three times a year.

KEY ACHIEVEMENTS IN 2023:

- Employee health and well-being was a central topic at SUMMIT, our annual company event organized for all co-workers. During

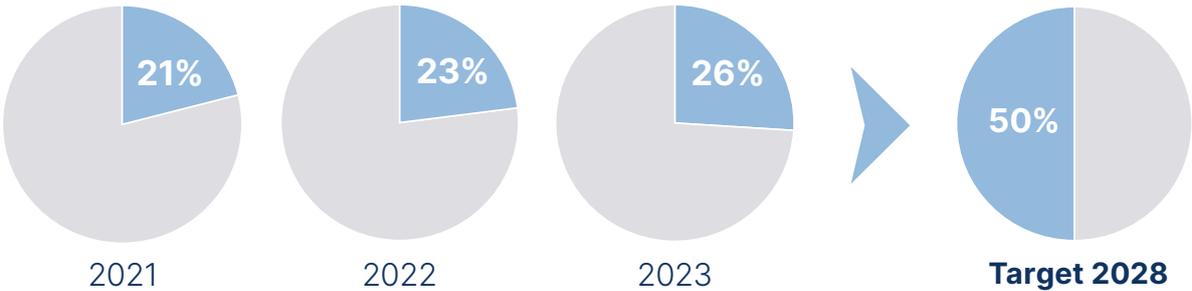
this gathering, we celebrated individuals for their exceptional contributions to each core behavior at an awards ceremony. With 2023 marking our company's 20th anniversary, we concluded the event by inviting 50+ employees who have been with us for 20 years to the stage, honoring their long-term commitment.

- We improved gender diversity across the organization. For example, representation of women increased among new recruits.
- For the third consecutive year, our Swedish organization was recognized as a Career Company and one of Sweden's top 10 most attractive employers, based on student votes. These recognitions highlight our dedication to offering employees valuable growth opportunities.
- We introduced a 2.0 version of our internal training platform, CL Academy, making it more user-friendly and adding new functionalities to support co-workers' self-training and development.
- We continued to use external benchmarks to align our salary-setting process with market standards.

These efforts reflect our ongoing dedication to not just sustaining but enriching the work lives of our employees, making Consafe Logistics a place where talent thrives and contributes to our shared success.

1. A diverse workplace

Share of women among newly recruited co-workers (%)



Share of women in the Consafe Logistics Board (%)



Inclusion Index

Measured as part of our PuLCe survey. "At Consafe Logistics, we have an open and including culture where everyone's opinion matters." The answer can be marked on a scale from 1 (lowest mark) to 5 (top mark). Results show the % of employees answering 4 or 5.



2. A workplace for individual growth

We reduced the employee turnover rate by more than 50% compared to 2022. Moreover, we welcomed back boomerang colleagues, reinforcing the idea that Consafe Logistics remains a place where professionals choose to return, drawn by our culture and the prospects for growth.

As for internal mobility, a significant number of our team members, 42 in total, embraced the chance to explore new roles within the company.

eNPS (points)

The **Employee Net Promoter Score** measures the loyalty and engagement of employees in organizations. The scale ranges from -100 to 100. The global benchmark is 14. This metric has shown steady growth within our organization, reaching an all-time high score in 2023.



Individual Growth Index

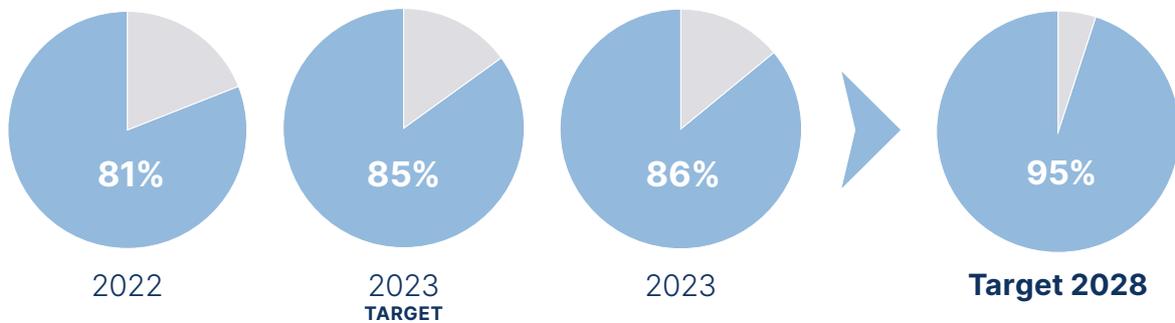
Measured as part of our PuLCe survey. "Consafe Logistics is a place that offers and enables individual growth and development." The answer can be marked on a scale from 1 (lowest mark) to 5 (top mark). Results show the % of employees answering 4 or 5.



3. A safe and healthy workplace

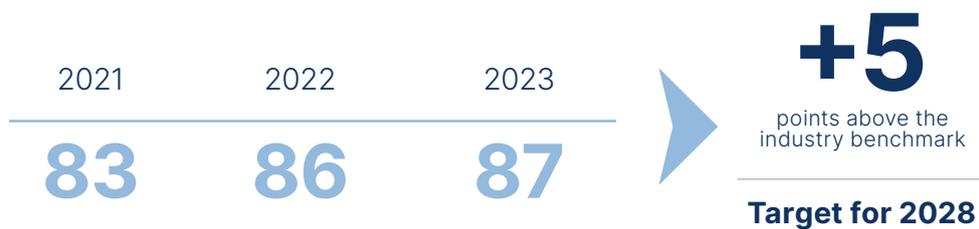
Work-life Balance Index

Measured as part of our PuLCe survey. "In general, there is a good balance between work at Consafe Logistics and my personal life." The answer can be marked on a scale from 1 (lowest mark) to 5 (top mark). Results show the % of employees answering 4 or 5.



Leadership Index

As part of our PuLCe survey, employees answer a series of questions about their managers' leadership performance. The final score is derived from the cumulative results of their answers. The current industry benchmark is 81.





4. An engaging workplace

Engagement Index

Measured three times a year as part of PuLCe. The final score is derived from the cumulative results of questions on motivation, job satisfaction, and professional goals. The industry benchmark is 81.

2021	2022	2023
84	86	86

+5
points above the industry benchmark
Target for 2028

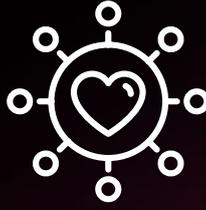
Employees completing PuLCe (%)



2021	2022	2023
91%	89%	94%

95%
Target for 2028





CUSTOMERS

SUSTAINABILITY FOR OUR CUSTOMERS

Supply chain disruptions continue to challenge businesses, including our customers' warehouse operations. Successfully navigating these disruptions requires a trusted partner on whom they can rely, no matter what the future holds. We are committed to becoming this trusted, forward-leaning partner. We invest 13% of our annual revenue in research and development to equip our customers with innovative technological solutions, such as AI-based WMS modules, enhancing the sustainability of their warehouses. In addition, they can also leverage our 40+ years of industry expertise and knowledge in logistics and warehouse management.

These efforts are underpinned by the solid foundation provided by our owners, the JCE Group. Their focus on sustainability and innovation and long-term vision for our company ensures that we continue to offer value that resonates beyond our customers' immediate business needs.

CONNECTING MATTERS

In 2023, we deepened our customer relationships through local Customer Days and CONNECT, our first in-person global customer event since the pandemic began. This year also celebrated Consafe Logistics' 20th anniversary, and

CONNECT provided a perfect backdrop to thank our customers and partners for their support and collaboration, which ranges from a few months to several decades.

MEASURING PERFORMANCE

Delivering superior customer value is a core behavior that guides our actions. Fulfilling this promise requires an understanding of their needs, challenges, and overall perceptions of Consafe Logistics. In Q1 2023, we launched our latest customer satisfaction survey, aiming to improve our services based on their feedback. Highlights from the survey include:

- 82% of our customers value our expertise,
- 86% highlighted the positive attitude of our staff,
- 87% expressed high satisfaction with Astro WMS[®],
- 76% appreciated our dedication to building long-term partnerships

Customers also identified areas for enhancement. Reflecting on their feedback, we are committed to the ongoing development of our services to affirm our role as trusted partners.

Annual turnover (million SEK)

2021	2022	2023
553.9 MSEK	610.5 MSEK	681.3 MSEK

Annual profitability (EBIT, %)

2021	2022	2023
20.7%	17.6%	20.1%



MEET OUR SUSTAINABILITY AMBASSADORS



Ultimately, people drive change. Representing our core pillars – environment, employees, and customers – our Sustainability Ambassadors drive change in our community. They advise on KPIs, develop guidelines, launch initiatives, and monitor progress. Their leadership ensures our program is balanced and that sustainability is a lived reality within our company. Get to know them below!



ENVIRONMENT



LINDA FRYGELL

Group Product and Partner Manager

"I am committed to progress across three key areas: aiding customers in reducing their carbon footprint, integrating innovative technologies into our WMS and WCS that contribute to resource savings, and engaging in dialogue with industry peers. Each step is crucial in impacting sustainability for the environment."



ENVIRONMENT



NIKOLINA STRAHINIC

Senior Sustainability Specialist

"I see my role as an enabler, ensuring we meet environmental reporting criteria, establishing comprehensive targets for reducing our carbon emissions, and equipping our community with essential insights on environmental sustainability."



EMPLOYEES



IDA KRÜGER

Talent Acquisition and Employer Branding Partner

"Our goal is for our colleagues to feel that Consafe Logistics is the best employer within the tech industry. I am driving initiatives that target employee well-being, long-term career development, and creating an inclusive environment with a strong company culture."



CUSTOMERS



MARIANNE EKELUND

Account Manager

"We want to be our customers' trusted partners in this ever-changing supply chain. My mission is to nurture and grow long-term relationships with them, ensuring they are satisfied with our service and competence and that our partnerships naturally progress to anticipate their needs."



Consafe Logistics