



SUSTAINABILITY 2021 REPORT

Consafe Logistics



TOGETHER FOR
A SUSTAINABLE
SUPPLY CHAIN

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TOGETHER FOR A SUSTAINABLE SUPPLY CHAIN

By 2030, 1.3 billion new people will join the consumer class¹. This rapid growth puts supply chain companies under constant pressure to deliver more, better, and faster. From an environmental perspective, this brings challenges such as rising carbon dioxide emissions. On the human side, higher performance expectations lead to more stressed employees, a higher number of sick leaves, and workforce fluctuation.

To achieve global climate goals, provide healthy

workplaces for employees, and meet the growing demand for consumer goods, all companies in the supply chain must run a sustainable operation. Warehouse management plays a crucial part in this process.

The topic is high on most businesses' agendas. Yet, many companies struggle to identify what actions they should take to make real progress in cutting down on their CO2 emissions and improving the wellbeing of their co-workers.

¹ https://knowledge4policy.ec.europa.eu/growing-consumerism_en



OUR ROLE

A more sustainable supply chain can only be achieved if we work together for it. As a software development company, our products have a significant impact on our customers' warehouse operations. Functions that allow them to transport less air in boxes, improve picking accuracy, or reduce the distance traveled by empty forklifts are just some of the areas that can make a huge difference in saving resources. Our role is to help them understand the steps they need to take for more sustainable processes and provide them with the technology and solutions to achieve them.

THE THREE FOUNDATIONS OF OUR SUSTAINABILITY PLAN

The UN's 2030 agenda and the 17 global Sustainable Development Goals (SDG) have long been the basis for our sustainability work. In 2021, we decided to bring our program to the next level and created a new, structured approach that takes into account all aspects of our operations. First, we looked at the 17 goals again to find the relevant connections with our business. Then we asked ourselves: What is the scale and scope of our environmental footprint? What activities contribute to it? What would be the most effective measures to reduce our impact in the long term?

We identified three areas that we believe we can most influence:



EMPLOYEES

SUSTAINABILITY FOR
OUR EMPLOYEES



CUSTOMERS

SUSTAINABILITY FOR
OUR CUSTOMERS



ENVIRONMENT

SUSTAINABILITY FOR
THE ENVIRONMENT

This report discusses each focus area in detail, presents relevant key performance indicators, and shares achievements from 2021.

We also provide information on our whistleblowing tool, which increases our transparency and aligns with UN goals and international directives.





DEAR STAKEHOLDERS,

The beginning of this decade brought a new era for all of us on the planet. The COVID-19 outbreak crashed the status quo in so many aspects of our lives – our work, our personal connections, and our consumer behavior as well. Yet, it allowed us to reflect on our actions and become more conscious of sustainability. For Consafe Logistics, 2021 was a milestone in this process.

As supply chain software developers, 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 partnership. Our performance depends on our talented employees, and we want to be the most attractive workplace for them within the industry. What will help us get there is long-term thinking and a holistic view. We have both in our DNA, whether we talk about partnerships with our customers, the design of our product, or the relationships with our co-workers. Now, we also have a new sustainability plan to support us, building on the three focus areas that we can influence the most with our actions.

I believe we are well-positioned to succeed in realizing this plan in the coming years. From an economic point of view, we have a profitable and growing business with the possibility to invest in research and development. This will allow us to continue enhancing our products to bring more customer value and improve sustainability in warehouse operations. We can also rely on our great Consafe Logistics community, with solid company culture and core behaviors, to help us evolve.

I also think our sustainability work is not about making huge jumps or expecting revolutionary things to happen but about raising awareness and taking small steps in the right direction. Some of the policies we introduce will only provide results in the long run, but these results will be genuine.

It is also valid on an individual level – to reduce our environmental footprint, we might implement significant changes in our lives that are invisible on a global scale. Let's do them anyway! My advice is to look at sustainability as the basis of our decision-making, both inside and outside the office, 365 days a year. We should be role models and inspire others to do the same.

Eventually, all companies and countries must move towards a more sustainable operation. I would like to see Consafe Logistics leading the conversations around this in the supply chain industry, facilitating customers in achieving progress, and providing a long-term career opportunity for our employees. Together we will get there!



Kent Olsson, CEO

SUSTAINABILITY HIGHLIGHTS FROM 2021



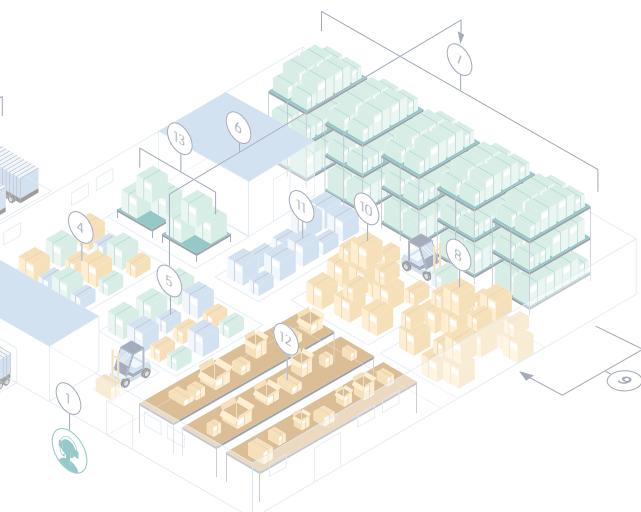
High Employee Engagement

1.

The success of our company is in the hands of our people. We strive to nurture their talents according to their individual needs and build a community where everyone is engaged. We measure the co-worker engagement index three times a year as part of our PuLCe survey. The final score is derived from the cumulative results of questions on motivation, job satisfaction, and professional goals. Despite challenges brought by COVID-19 and remote working, we reached a score of 84 points in 2021, surpassing the industry benchmark of 80.



2.



Saving Resources with Astro WMS® Yard Management

Warehouse yards are busy areas with trucks coming in and out every day. The Astro WMS® Yard Management module provides full visibility and control of what is happening at the gates, parking lots, and docks. The result? Less waiting time, more engaged staff, and a significant reduction in environmental impact.

Translating this to numbers: One of our customers runs 10 sites with yard management. After implementing the function, they have reduced their annual CO₂ emissions by 87 tons at one site alone and have saved over €150,000 in resources compared to pre-launch. The Yard Management module is an excellent example of how our product can make a real difference in sustainable operations for our customers.

3.

Bike Program Launch in Sweden

The list of benefits of cycling is long: it is cheap, environmentally friendly, keeps us fit, and helps improve air quality in cities. To promote this form of transport in our community, we launched an employee bike program in 2021. First available in Sweden, the scheme allows all our permanent employees to lease bicycles with accessories via Consafe Logistics for 36 months. The packages are paid for by gross payroll deduction, and state subsidy is also available up to a certain value. We hope that more and more of our employees will take advantage of this opportunity and use the bikes for their private and work-related travels.

4.

Investing in R&D

The road to sustainability is paved with innovation. As a supply chain software development company, we are constantly working to bring new solutions to life to solve our customers' warehouse challenges. In 2021, we spent 13% of our revenues on research and development, which allows us to explore and test different technologies, harness the power of artificial intelligence, and open new horizons in software design, taking sustainable warehouse management to the next level.





OUR SUSTAINABILITY PROGRAM

We started developing our new sustainability program with what every renewal project begins: self-reflection. How does Consafe Logistics contribute to sustainability? Who are the stakeholders that are affected by our activities? We wanted to identify the areas where we could have a real impact to focus our resources there.

We analyzed our processes and revisited the UN 2030 Agenda and the 17 Global Sustainable Development Goals (SDGs) to find the relevant links to our operations. Based on this, we identified three focus areas for our sustainability work:



SUSTAINABILITY FOR OUR EMPLOYEES

We are a fair employer focusing on equal opportunities, personal development, security, and wellbeing. Our relationship with our co-workers is based on trust and open communication. We aim to become the most attractive workplace within the supply chain industry.



SUSTAINABILITY FOR OUR CUSTOMERS

We are reliable yet forward-leaning partners of our customers. We offer modern supply chain software solutions that boost warehouses, turning them into a competitive advantage. We invest 13% of our annual revenue in research and development and are committed to working closely with our customers in creating cutting-edge WMS solutions.



SUSTAINABILITY FOR THE ENVIRONMENT

As a software vendor in the supply chain ecosystem, it is our responsibility to help our customers implement smart solutions that save energy, space, time, and transport resources in their warehouses. We use 100% renewable energy in all our offices and aim to ensure sustainable procurement, travel, and waste management.



ENVIRONMENT

SUSTAINABILITY FOR THE ENVIRONMENT

Making our business more sustainable for the environment is imperative, and this can only be achieved by cutting down on emissions and waste.

Looking at our operations during the pandemic, one great learning is that we can break the status quo, an essential step in change. For example, we successfully implemented new projects using GoPro cameras without being physically onsite. We also realized that not all our meetings require physical attendance. Although external circumstances forced these changes, the environmental benefits of less travel are evident. Building on this momentum, in 2021, we laid the groundwork for a new sustainability plan with a more advanced tracking of our actions towards lowering the carbon footprint.

NEW POLICIES FROM 2022

As a software development company, our direct impact on the environment is relatively small compared to other supply chain organizations with robust industrial activity. Still, we have room for improvement, and we are dedicated to achieving more. Therefore, we introduced new policies that

redefine the framework of our business travels, company car usage, waste management, and purchasing processes. Various KPIs in each category will help us measure our progress. We count on the entire Consafe Logistics community to realize our targets. Together we get there!

CONTRIBUTING TO SUSTAINABILITY WITH ASTRO WMS®

Our indirect impact on the environment is much more significant. The technology and solutions we develop help our customers optimize their supply chain operations, both inside and outside the warehouse. Our product, Astro WMS®, supports the effective use of our customers' resources, for example, energy, space, and transport. Thus, they can considerably reduce their environmental footprint.

Throughout 2022 we aim to create a follow-up platform with our customers that allows tracking and comparing the data of all operational improvements done by the warehouse management system, thus measuring the actual environmental benefits.

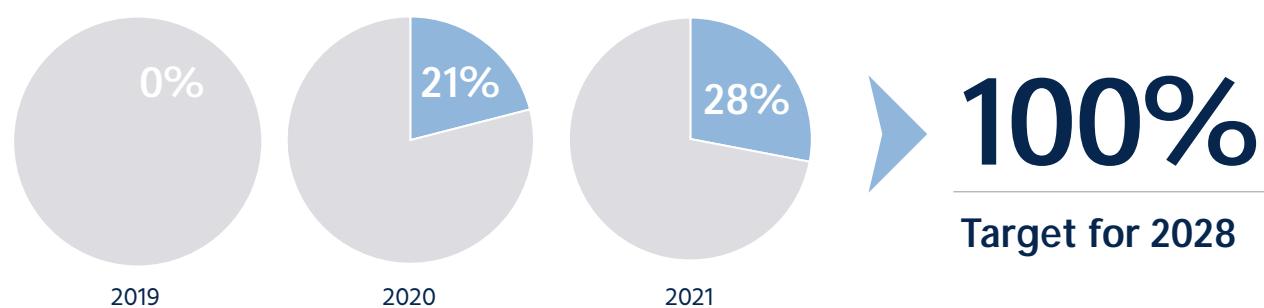
Energy consumption in Consafe Logistics offices, per employee (kWh)



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



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





EMPLOYEES

SUSTAINABILITY FOR OUR EMPLOYEES

PROVIDING A LONG-TERM PERSPECTIVE

We are a knowledge-based company. The talent and skills of our employees are what make us the leading European supplier of warehouse management solutions. Providing them with a long-term perspective in their job is one of the main pillars of our sustainable operation. This has many aspects, like professional development opportunities, work-life balance, engagement, company culture, etc. Our primary methods to measure our progress in these areas were regular PuLCe surveys and eNPS score tracking, but in 2021, we decided to work out a more structured approach. We have determined four dimensions of sustainability for our employees.

WE WANT TO BE:

- **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.
- **A workplace for individual growth** that provides our talents with meaningful and empowering career development opportunities.

- **A safe and healthy workplace** that cares for the wellbeing of people and secures the balance between their work and private life.
- **An engaging workplace** that nurtures a unique culture, where people want to be part of and contribute to our future success.

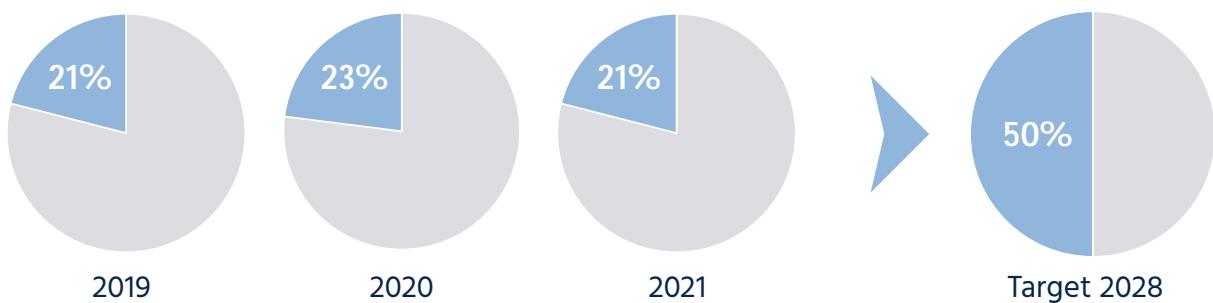
Our long-term goal is to become the most attractive workplace in the supply chain industry, and we believe our improvements in these dimensions will take us there.

CULTURE MATTERS

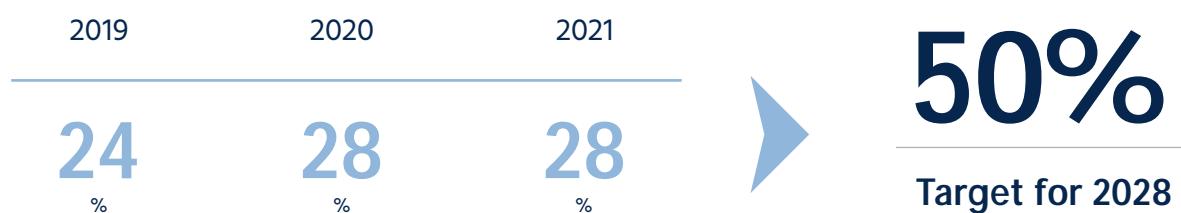
Our owner, JCE Group, has long been focusing on the people and culture agenda in their business operations. The Consafe Logistics management team has a great responsibility to support these efforts. Still, in the end, it all comes down to individuals and how they behave with each other, which is why we build our culture on core behaviors, not values, like most companies. Behaviors can be learned, changed, and we can give concrete feedback on them, thus helping us develop each other and our company. Our unique culture where people are open, helpful, and caring for each other is our joint success, and we believe it significantly contributes to our sustainable operations. Having great colleagues is one of the most common feedback we receive in our PuLCe surveys.

A diverse workplace

Women among newly recruited co-workers (%)



Women in salary setting roles (%)



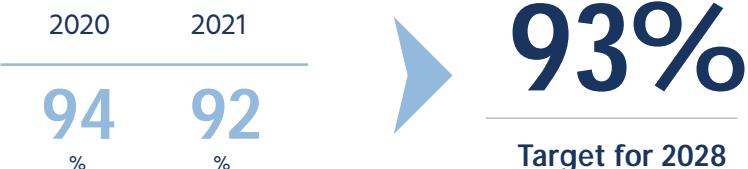
A workplace for individual growth

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.



Employee retention rate (%)



Employees completing mandatory Consafe Logistics Academy training (%)



A safe and healthy workplace

Percentage of healthy employees at the company (long-term)

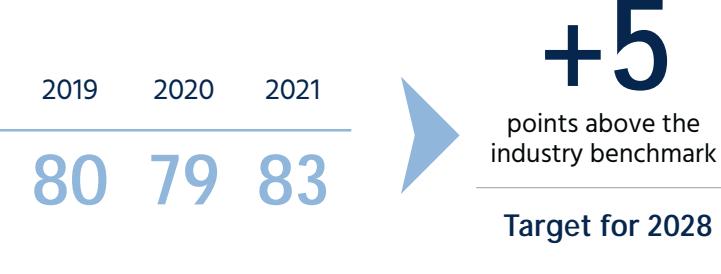


Percentage of healthy employees at the company (short-term)



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 79.



An engaging workplace

Employees completing PuLCe (%)



	2019	2020	2021
%	93	90	91

95%

Target for 2028

Engagement Index

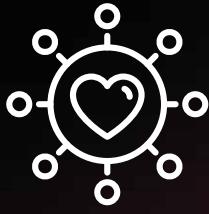
Measured three times a year as part of PuLCe. The final score is derived from the cumulative results of questions on motivation, job satisfaction, and professional goals. The industry benchmark is 80.

	2019	2020	2021
	81	82	84

+5

points above the industry benchmark

Target for 2028



CUSTOMERS

SUSTAINABILITY FOR OUR CUSTOMERS

As a software development company, we design a warehouse management system that boosts our customers' logistics operations. We have one goal: to help their businesses thrive in the long term.

We approach all our projects with this idea in mind and work to build lasting and reliable partnerships. Come what may, our customers can count on our solutions and expertise, thus ensuring greater sustainability for their operations.

MEASURING PROGRESS

Historically, we have measured our progress in this area in annual turnover, annual profitability, and product development investment. In 2022, we are extending these with customer churn and satisfaction indicators to capture the customer perspective better.

INVESTING IN INNOVATION

Innovation is key to a more sustainable future. We aim to spend 13% of our revenues on research and development each year. Our customers continually inspire us to explore new solutions for a greener, more efficient warehouse that provides better working conditions for their co-workers.

Here are some examples of our product features that help us achieve this:

- **Pick Group Optimization** analyzes historical ordering patterns with artificial intelligence, learns which articles are ordered together, and suggests moving the articles to a more optimal pick area. The number of shipped boxes can be reduced by 16%.
- **Pick Route Optimization** minimizes the travel distance of a pick round by re-sorting the pick route with artificial intelligence. This function can decrease the length of pick routes by more than 20%.
- **Slotting places** the right article in the right location at the right time. This reduces picking times, distances, and product damage while helping better determine costs for replenishment. The function can increase picked lines up to 30% per hour.

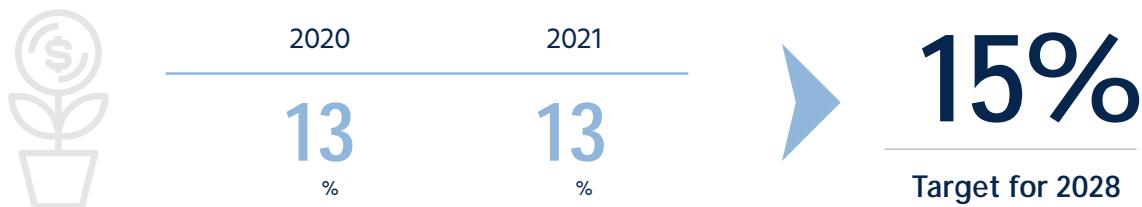
Annual turnover (million EUR)



Annual profitability (EBITDA, %)



Investment in R&D (% of annual revenue)



OUR SUSTAINABILITY AMBASSADORS

We wanted to create a sustainability program that would involve members of the Consafe Logistics community from the very beginning, so we decided to choose Ambassadors for the three focus areas. They have various tasks such as advising on KPIs, developing guidelines, launching initiatives, and monitoring progress. This ensures that the structure remains balanced and that each theme gets the attention it deserves.

But who is behind each area? And how do they approach sustainability through their work in the program?



EMPLOYEES



IDA KRÜGER

Talent Acquisition & Employer Branding Partner

"Developing competence according to individual needs is key to providing our colleagues with a meaningful and sustainable career path."



CUSTOMERS



PEKKA LEHTINEN

Managing Director, Consafe Logistics Finland

"We want to be long-term, trusted partners of our customers, get inspired by them, and work together in making their warehouse operations more sustainable."



DAVID BJÖRVERUD

Accounting Manager

"As one of our core behaviors says: be accountable and act. When it comes to the environment, this is the only way forward. Both at work and in our personal lives."



MIKAEL BRORSSON

Product Manager

"Our largest contribution to sustainable supply chains is through product innovation. We are committed to developing smart Astro WMS® functionalities, such as Box Calculation or Yard Management, that reduce our customers' environmental footprint."

WHISTLEBLOWING

Whistleblowers have a vital role to play in society. By exposing bribery, corruption, or other illegal activities, they contribute to creating stronger institutions and a more transparent and equal world. Raising concerns internally also makes organizations more sustainable as they can address risk at an early stage.

BE ACCOUNTABLE AND ACT

At Consafe Logistics, we conduct our business according to high ethical standards. Our company culture is built on core behaviors that encourage responsible practices. To support these efforts and comply with international directives, we launched a whistleblowing platform in June 2022. If any serious misconduct would occur within the organization, such as:

- an irregularity or misconduct in breach of the law
- when the disclosure of an irregularity is in the public interest

the whistleblowing tool will allow our co-workers to report about it.

PROTECTING THE WHISTLEBLOWER

To guarantee the integrity and anonymity of the whistleblower, the platform is provided by an independent, external company, 2Secure. The channel is encrypted and password-protected, and whistleblowers never need to reveal their identity if they do not want to. Once a report has been submitted, 2Secure will inform Consafe Logistics about the case, and the two parties will consult together on the next steps.

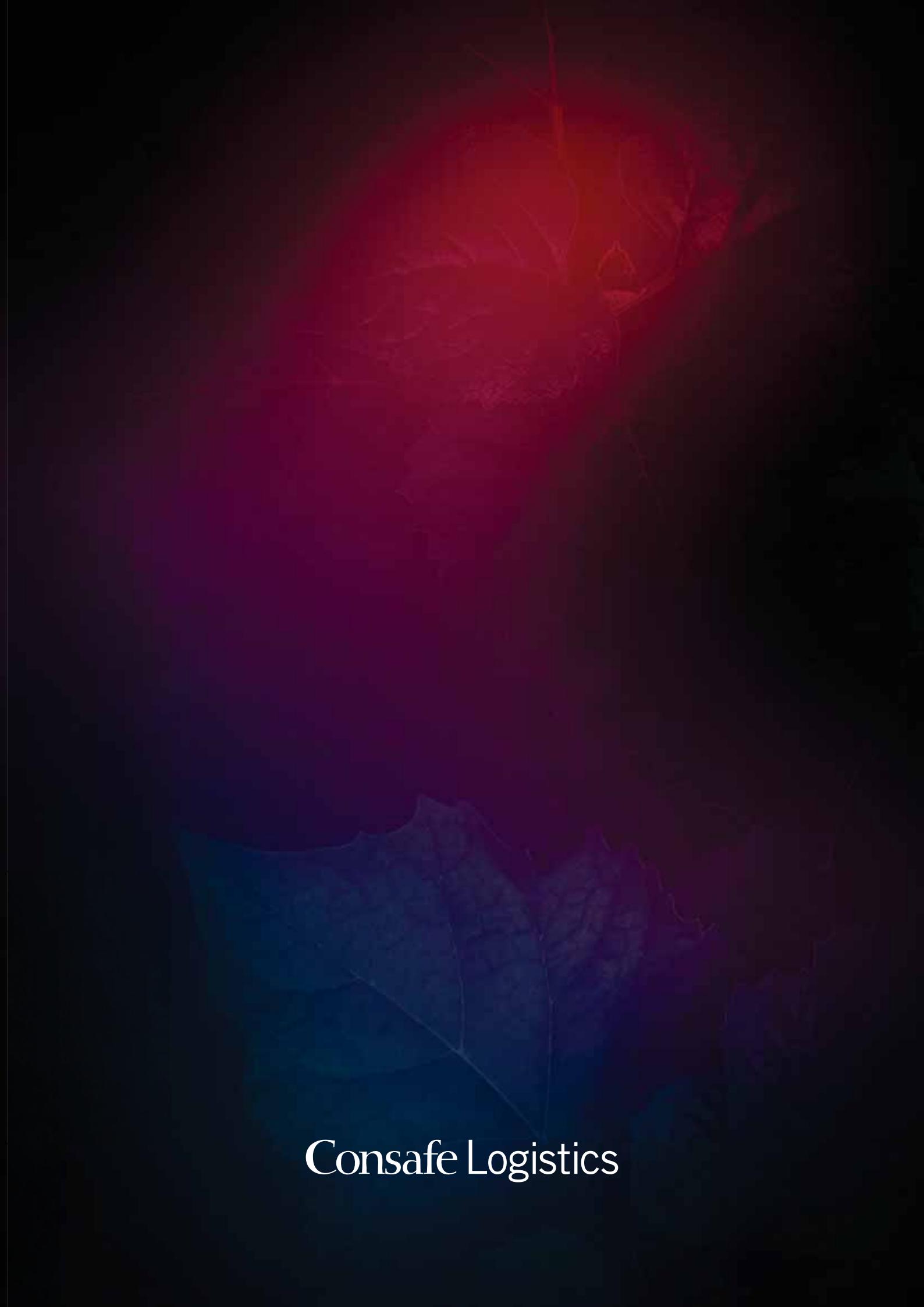
For any whistleblower who has raised concerns, Consafe Logistics commits to:

- never investigate the identity of the whistleblower if the report has been made anonymously
- keep the whistleblower's identity (if disclosed during the process) confidential and only share with the parties strictly necessary to investigate the reported matter within Consafe Logistics
- never take retaliatory measures against a whistleblower acting in good faith

NEXT STEPS

We want everyone in the organization to be aware of the whistleblowing process and feel 100% secure that they can remain anonymous if they need to report misconduct. To this end, we have been supporting the launch with a range of communication materials through our internal channels, such as policy documents, Q&A, and a dedicated training video on our e-learning platform, the Consafe Logistics Academy.





Consafe Logistics