

An aerial photograph of a winding asphalt road that curves through a dense, lush green forest. The road is the central focus, with its grey surface contrasting against the vibrant green of the trees. The perspective is from directly above, looking down at the road as it snakes through the landscape.

# SUSTAINABILITY REPORT

2022



**KONGSBERG**  
AUTOMOTIVE

## ABOUT THIS REPORT

This is the sustainability report of Kongsberg Automotive AS and applies to the reporting period January 1 to December 31, 2022. The company publishes sustainability reports on an annual basis. No restatements of information have been made from previous reporting periods.

This report was published on June 9, 2023 as an extended part of the company's financial reporting. The report has been approved by Kongsberg Automotive's management group and Board of Directors. It has not been audited by a third party.

For questions about this report and its contents, please contact Kongsberg Automotive's Investor Relations department: [investor.relations@ka-group.com](mailto:investor.relations@ka-group.com)



# CONTENTS

<b>CEO LETTER</b> .....	4
<b>KONGSBERG AUTOMOTIVE AT A GLANCE</b>	
VISION, MISSION, AND GOALS .....	8
HIGHLIGHTS .....	10
GLOBAL FOOTPRINT .....	12
SUSTAINABILITY: A PART OF OUR SHIFT GEAR PROGRAM .....	14
CORPORATE GOVERNANCE .....	15
SUSTAINABILITY FRAMEWORKS AND RATINGS .....	16
OUR STAKEHOLDERS .....	18
OUR FOCUS AREAS .....	20
<b>GOVERNANCE</b>	
HIGHLIGHTS .....	24
EXPECTATIONS FOR EMPLOYEE CONDUCT .....	26
HUMAN RIGHTS .....	27
SUSTAINABILITY IN THE SUPPLY CHAIN .....	29
EXPECTATIONS FOR SUPPLIERS .....	30
GOALS AND TARGETS FOR 2023 .....	33
<b>PLANET</b>	
HIGHLIGHTS .....	36
CLIMATE CHANGE .....	39
EMISSIONS .....	41
ENERGY .....	42
WASTE .....	43
WATER .....	44
GOALS AND TARGETS FOR 2023 .....	45
<b>PEOPLE</b>	
HIGHLIGHTS .....	48
EMPLOYEES .....	50
DIVERSITY AND EQUAL OPPORTUNITIES .....	52
NON-DISCRIMINATION .....	54
KNOWLEDGE BUILDING .....	55
HEALTH AND SAFETY .....	56
GOALS AND TARGETS FOR 2023 .....	59
<b>GLOBAL REPORTING INDEX</b> .....	61

# LETTER FROM OUR CEO

**KA (Kongsberg Automotive) has set itself extremely ambitious targets for reducing the impact of our company and our products on the environment. As an example, we aim to offer 100% carbon-neutral products by 2039.**

As part of our journey towards complete decarbonization, we plan to use only renewable energy in production by 2030. We will also ensure that we pay sufficient attention to the “S” and “G” factors in “ESG” (Environmental, Social and Governance), which will allow us to make the transition a fair and equitable one.

The year 2022 was marked by political and economic challenges. The long-term economic effects of COVID, intensified due to the lockdowns in China in early 2022 and the policy turnaround towards reopening by the end of the year, had an impact on KA. The company also felt the effects of the war in Ukraine, which further drove inflation and increased the costs of raw materials. Despite this, sustainability remains a top priority on our agenda and that of our stakeholders.

Sustainability is one of three gears in our Shift Gear transformation program, which remains ambitious, but will stay the course. We have on-boarded experts to help us implement and further develop our sustainability strategy and we achieved it to reduce our energy consumption and intensity by 2.8% compared to the previous year, all the while increasing production and revenue growth.

We also managed to reduce our Scope 1 and 2 CO<sub>2</sub>e emissions by 2.1% compared to the previous year, while 40% of the energy consumed at our sites came from renewable sources. From a work safety perspective, we are happy to report that we had zero fatalities or high-consequence work-related injuries. Looking at our supply chain, we achieved a significant level of transparency and control as 81% of our direct material spend was from suppliers that have signed the supplier declaration, and 71% from suppliers with a valid sustainability risk assessment in place.

There is also a variety of ambitious projects on our agenda for 2023. We are continuously working on improving our existing KPIs and achieving progress towards our long-term targets. We will further develop our climate and decarbonization program, with a stronger focus on Scope 3 emissions and clear roadmaps for the reduction of Scope 1 and 2 emissions. We will also make strategic readjustments to our sustainability program, which will allow us to strive for the next level of excellence and create sustainable value for our stakeholders.

Implementing sustainability measures is a shared task. Together with our global employees, customers, suppliers, and other stakeholders, we are working to make our industry sustainable. I would like to sincerely thank everyone for these efforts and look forward to the road ahead.

Sincerely,



**Joerg Buchheim**  
President & CEO





**KONIGSBERG  
AUTOMOTIVE  
AT A GLANCE**

# VISION, MISSION, AND GOALS

VISION:

**WE DRIVE  
THE GLOBAL  
TRANSITION TO  
SUSTAINABLE  
MOBILITY**

OUR LONG-TERM SUSTAINABILITY GOAL:

**TO MANUFACTURE CARBON-  
NEUTRAL PRODUCTS BY 2039,  
AND USE 100% RENEWABLE  
ENERGY BY 2030.**

MISSION:

**ON OUR PATH TO BECOMING A TRUE  
GLOBAL LEADER, WE PUT ENGINEERING,  
SUSTAINABILITY, AND INNOVATION  
INTO PRACTICE.**

WE SEEK TO CONSTANTLY IMPROVE OUR PRODUCTS, LEVERAGE OUR EXPERIENCE IN CUTTING-EDGE ENGINEERING AND WIDEN OUR SCOPE TO FIND NEW SOLUTIONS AND TECHNOLOGIES THAT MAKE MOBILITY SAFER AND CLEANER.

OUR AMBITION IS TO BE SECOND TO NONE IN ALL WE DO. THIS IS HOW WE UNLOCK GROWTH POTENTIAL AND CREATE SUBSTANTIAL VALUE FOR OUR CUSTOMERS, OUR EMPLOYEES, AND SHAREHOLDERS.

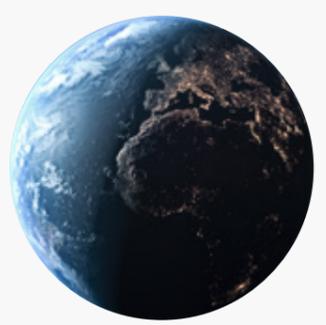
WE TAKE RESPONSIBILITY AS A STRONG GLOBAL TEAM. WE ARE COMMITTED TO MAKING A DIFFERENCE BY DEVELOPING OUR SKILLSET AND DELIVERING EXCELLENT PRODUCTS.



# HIGHLIGHTS

 **HEADQUARTERED  
IN ZURICH**

 **LISTED ON THE OSLO  
STOCK EXCHANGE**



**ESTABLISHED GLOBAL  
AUTOMOTIVE SUPPLIER**  
with a strong focus on commercial vehicles, expertise in  
off-highway segment, and non-automotive industry.

**€906 M**   
**IN REVENUE**



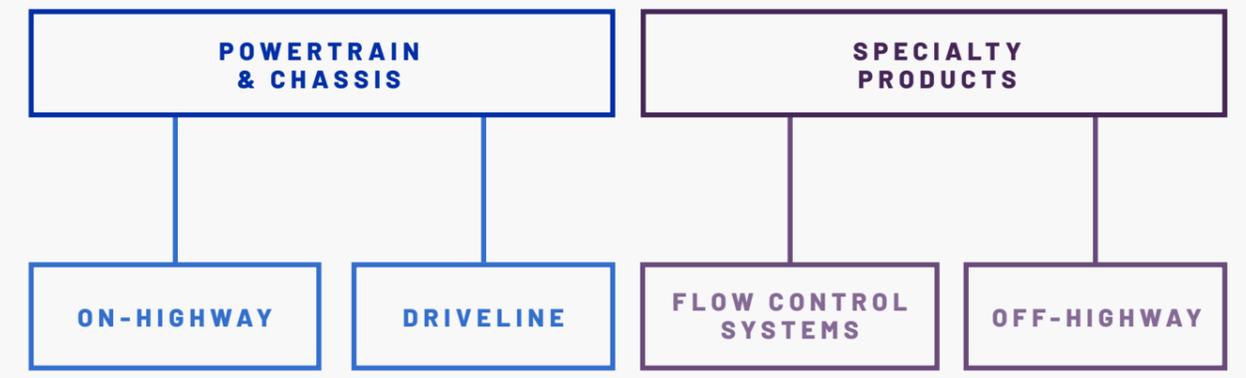
**INNOVATING AND DELIVERING  
TOP-NOTCH PRODUCTS  
WHEREVER WE OPERATE**  
Kongsberg Automotive follows state of the art innovation  
processes to meet customer needs better and quicker than  
most in the industry.



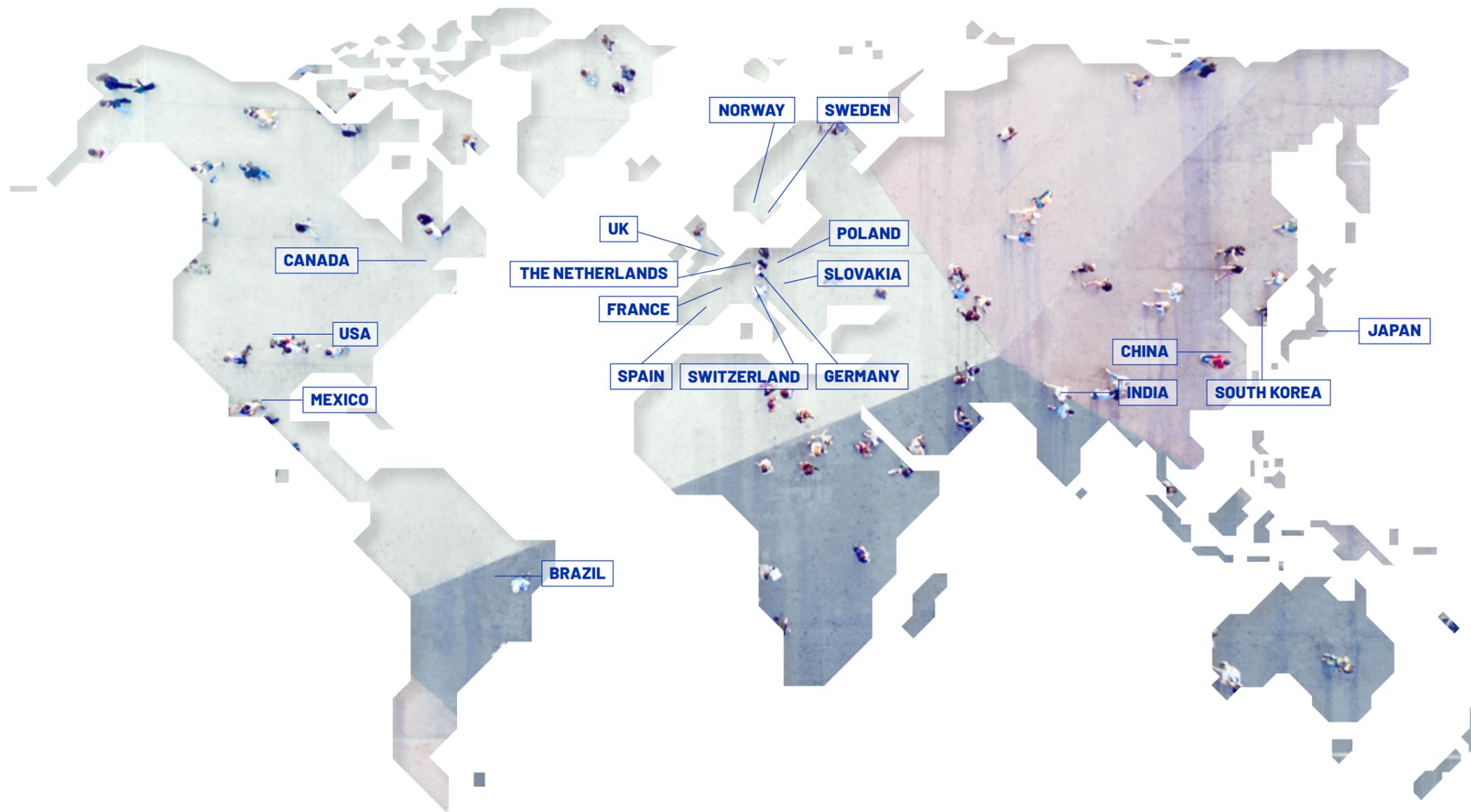
**2** **BUSINESS SEGMENTS:  
POWERTRAIN & CHASSIS  
SPECIALTY PRODUCTS**



**MINIMIZING THE  
ENVIRONMENTAL IMPACT**  
we aim to design greener and safer products, and work  
with supply chains to help them be more sustainable  
and responsible.



# GLOBAL FOOTPRINT



Kongsberg Automotive is present in 33 locations around the globe, covering the world's key automotive markets. Our footprint is based largely on our customers: Wherever they are located, we aim to be there, serving and supporting them in the best possible way.

Kongsberg Automotive is committed to adapting to market conditions: 9.7% of our total workforce were agency workers in 2022, allowing us to build up or scale down our business in response to market movements.

WORKFORCE  
**5,270**  
**18**  
 COUNTRIES  
 WORLDWIDE  
**33 LOCATIONS**

# SUSTAINABILITY: A PART OF OUR SHIFT GEAR PROGRAM



Our Shift Gear program shapes how we will meet the challenges of the years to come. We believe that by transforming our company and our products, we can push our customers to transform the very concept of mobility and to be more sustainable.

The Shift Gear program has three gears:

**GEAR I: OPERATIONAL EXCELLENCE AND PERFORMANCE** is focused on improving efficiencies and reducing costs in our day-to-day operations, including efficiencies in material use and energy, material cost optimization, operational improvement, overhead cost reductions, and commercial excellence.

**GEAR II: STRATEGIC PORTFOLIO OPTIMIZATION** focuses on transforming our product portfolio in a structured and sustainable way to ensure it meets the needs of both today's markets and those of the future. We will identify niche markets with competitive advantage, as we consolidate our portfolio, building on our strengths, experience in cutting-edge engineering, and well-developed customer relationships.

**GEAR III: SUSTAINABILITY** is about the sustainable transformation of our business. We have already set strategic goals and will strengthen corporate governance, while sharpening our focus on sustainability and increasing the digitalization and automation of our core processes.

One of the first shifts in our business was to define a new vision and mission, and to reposition the company to meet the challenges of the future. Our ambition is to be second to none in everything we do. With this clear goal in mind, we will be able to maximize our growth potential and create value for our customers, employees, and shareholders.



# CORPORATE GOVERNANCE

Subject to the Norwegian Code of Practice for Corporate Governance (NUES), Kongsberg Automotive has prepared a report on corporate governance that is included in our [Annual Report](#). The company has also established its own [Code of Conduct](#), which includes our guidelines for responsible business conduct.

Kongsberg Automotive's Board is responsible for ensuring that corporate governance remains at a satisfactory level and it bears ultimate responsibility for our sustainability approach. The Chair is independent of the Board, management, and major shareholders.

The CEO is responsible for Kongsberg Automotive's strategy and operations, as well as making sure that we adhere to the relevant laws, regulations, and industry-specific standards. The CEO is responsible for the day-to-day business to be carried out in accordance with the Code of Conduct. Instructions for the CEO are further described on the company [website](#).

## CORPORATE GOVERNANCE STRUCTURE AND COMPOSITION

The report on corporate governance in the [Annual Report](#) describes Kongsberg Automotive's governance structure, including the composition of the highest governance body and its committees. The board consist of eight members, of which three are women and five men. An explanation of the nomination and selection process for the members of the Board and the committees is available in the report on corporate governance and on the [company website](#).

## ROLE OF THE HIGHEST GOVERNANCE BODY

The Board holds ultimate responsibility for managing the group and for monitoring day-to-day management, Kongsberg Automotive's business activities, and developing and adapting the company's strategies. The Board is also responsible for reviewing and approving the reported information in the Sustainability Report, including the material topics.

## REMUNERATION

Kongsberg Automotive's remuneration policies for Board members and senior executive management are available in a separate [Remuneration Report](#) on the company's website. The remuneration is proposed by the Nomination Committee and approved during the General Meeting. The policies describe the process for designing the remuneration policies and determining remuneration.

## CONFLICTS OF INTEREST

It is essential to maintain openness and transparency when handling conflicts of interest, whether they are real, possible, or simply perceived. To effectively prevent and manage such conflicts, the Board adheres to a set of rules and procedures that comply with the recommendations outlined by NUES. One such measure is that the Board is independent of executive management and any material business contacts of Kongsberg Automotive.

# SUSTAINABILITY FRAMEWORKS AND RATINGS



## SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

The Sustainable Development Goals are a UN framework that identifies the key areas where action should be taken to build a more sustainable world. Kongsberg Automotive recognizes that companies have an influence over all SDGs, but the following SDGs are those that are most relevant to the company's activities:



### SDG 5: GENDER EQUALITY

**5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life



### SDG 8: DECENT WORK AND ECONOMIC GROWTH

- 8.2** Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on high-value-added and labor-intensive sectors
- 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.8** Protect labor rights and promote a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment



### SDG 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

**9.4** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technology and industrial processes, with all countries taking action in accordance with their respective capabilities



### SDG 13: CLIMATE ACTION

**13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning



## GLOBAL REPORTING INITIATIVE (GRI)

GRI (Global Reporting Initiative) is an independent, international organization that helps businesses and other organizations take responsibility for the impacts they have by providing them with a global common language to communicate those impacts. Used by more than 10,000 organizations in over 100 countries, the Standards are advancing the practice of sustainability reporting, and enabling organizations and their stakeholders to take action that creates economic, environmental and social benefits for everyone. Kongsberg Automotive has prepared sustainability reports in accordance with the GRI Standards since 2021.



## GREENHOUSE GAS PROTOCOL (GHG PROTOCOL)

The Greenhouse Gas Protocol (GHG Protocol) provides standards, guidance, tools and training for business and government to measure and manage climate-warming emissions. The GHG Protocol establishes comprehensive global standardized frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. Kongsberg Automotive's carbon accounting has been prepared in accordance with the GHG Protocol.



## CARBON DISCLOSURE PROJECT (CDP)

The Carbon Disclosure Project (CDP) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. The world's economy views CDP as the gold standard of environmental reporting with the richest and most comprehensive dataset on corporate and city action. Kongsberg Automotive has been reporting in accordance with the CDP framework since 2017 and has obtained a C score in the CDP Climate Change 2022 rating.



## ECOVADIS

Since its foundation in 2007, EcoVadis has grown to become the world's largest and most trusted provider of business sustainability ratings, creating a global network of more than 100,000 rated companies. Kongsberg Automotive's sustainability efforts have been rated by EcoVadis since 2012 and we achieved a score of 53 (out of 100) and Bronze status with our latest rating.

# OUR STAKEHOLDERS



**Our industry is increasingly shaped by demands from stakeholders to make every effort possible to address the issue of climate change.**

## STAKEHOLDER ASSESSMENT AND DIALOG

A stakeholder assessment from 2019 identified the following five stakeholder groups for Kongsberg Automotive: Customers, investors, employees, local communities, and suppliers.

**Customers:** Our customers have rigid sustainability requirements for their suppliers, primarily focused on reducing products' carbon emissions, with the longer-term focus on products being carbon neutral. Kongsberg Automotive depends on customers buying our products and services.

**Investors:** Kongsberg Automotive has around 25,000 shareholders, with the majority based in Norway. Investors are increasingly focused on KA becoming a company with a clearer ESG profile in terms of sustainable production and products.

**Employees:** At Kongsberg Automotive, our employees are key stakeholders in our success. Committed and motivated teams drive our business forward. The company is continuously developing our employee experience to attract and retain the most talented staff. This includes creating a positive working atmosphere and safe workplace, encouraging promotion from within, conducting professional performance management processes, and offering competitive salaries. Our commitment to our employees goes beyond just providing wages. At KA, we believe that by investing in our people, we are investing in the future of our business.

**Local communities:** All KA employees in plants and offices around the world are encouraged to contribute their valuable time and support to local community causes and needs in whatever way they can. Our community engage-

ment varies, depending on the region and country as well as local issues and needs, which are often best known by each location. Activities range from Christmas charities, tree planting, championing local community sports, supporting student programs, food drives, blood donation and awareness campaigns for breast cancer, and men's health.

**Suppliers:** Our suppliers work all around the world within different legal, economic, and cultural business contexts. The main topics that arise during dialogs include quality, availability, pricing, and sustainability requirements and challenges. Large, multinational suppliers are increasingly aware of and ready to meet ESG governance expectations and to implement rapidly expanding legal requirements. However, for small and micro firms it is a challenge to have the knowledge, human resources, and financial resources to do so. In assuming responsibility for our indirect sustainability emissions, we are dependent on our suppliers' awareness, commitment, willingness and responsiveness, especially when it comes to meeting decarbonization targets.

We engage with these stakeholders to identify the sustainability issues of importance to them through our day-to-day business activities, including face-to-face and virtual meetings, regular webinars on financial performance, customer questionnaires on sustainability-related topics, investor sustainability assessments, supplier engagement (from quoting through to component supply), media coverage screening, our intranet and internet channels, and e-mail correspondence.

STAKEHOLDER GROUP	COMMON ARENA FOR DIALOG
Customers	<ul style="list-style-type: none"> <li>&gt; Meetings</li> <li>&gt; Customer portals</li> <li>&gt; Customer audits, including for corporate responsibility</li> <li>&gt; Social media</li> </ul>
Investors	<ul style="list-style-type: none"> <li>&gt; Annual General Meetings (AGMs)</li> <li>&gt; Capital Markets Day (CMD)</li> <li>&gt; Quarterly results</li> <li>&gt; Investor presentations</li> </ul>
Employees	<ul style="list-style-type: none"> <li>&gt; Informal and formal briefings</li> <li>&gt; KA-DIALOG (initiative strengthening employee and management communication in our plants)</li> <li>&gt; Intranet</li> <li>&gt; Tailored engagement on specific issues, e.g. health and safety</li> </ul>
Local communities	<ul style="list-style-type: none"> <li>&gt; Family days in our plants – in August 2022, the Vrable plant celebrated the key milestone of 1,000 days without an accident by having an open day with families to celebrate</li> <li>&gt; Supporting local education institutes on engineering-related subjects. KA sponsored Revolve <a href="#">NTNU Formula Student racing team</a>.</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>&gt; Face-to-face meetings</li> <li>&gt; Supplier workshops and events</li> <li>&gt; Kongsberg Automotive supplier sustainability program</li> <li>&gt; Enterprise Resource Planning (ERP) systems and tools</li> <li>&gt; Contracts and guidelines</li> </ul>

The company will ensure that it has meaningful engagement with stakeholders as part of future reporting processes as well. Kongsberg Automotive's advancements relating to the management of each of the material topics identified are disclosed to stakeholders through the annual sustainability reports.

# OUR FOCUS AREAS

The automotive industry faces significant sustainability challenges, such as rapidly changing regulatory standards (e.g. zero-emission vehicles), greenhouse gas emissions, water use and waste generation, product recalls, material sourcing challenges, and extended producer responsibility requirements. On the opportunity side, mainstreaming sustainability can drive innovation and growth as well as reduce risk across the value chain.

## A CHANGING INDUSTRY

The automotive industry is moving into a new world of mobility and sustainability, and technology is the key in achieving this. In addition to the pandemic and the shortages of parts and semi-conductors, the industry is still facing supply chain and shipping disruptions. Despite these lingering obstacles, both internal and external pressures are propelling the industry toward the “next normal”, with advanced mobility and sustainable practices.

Increased concerns over climate-related issues, more widely and strictly enforced regulations, as well as pressure from stakeholders are pushing the automotive industry into this new era of sustainability, in which leading organizations are focusing on different types of sustainability goals:

- > **Decarbonization targets** are at the forefront for automotive manufacturers seeking to aggressively cut manufacturing and tailpipe CO<sub>2e</sub> emissions
- > **Electrification of vehicle fleets** has accelerated, despite pandemic-related disruptions
- > **Sustainable manufacturing** involves minimizing production waste and reducing the environmental impact of vehicle production
- > **Sustainable supply chains** lead to collaboration between suppliers and OEMs on decarbonization and the increased use of recycled materials

Both big and small players in the automotive industry are increasingly feeling the pressure to rethink the way in which they operate – this includes KA. We must reevaluate our systems and approaches from the design, sourcing, and engineering stages, through to our manufacturing and shipping processes, all the way to how vehicles operate, how they are serviced, and how they are dealt with at the end of their lifecycle.



## MATERIALITY ASSESSMENT

For the 2022 reporting process, an interdisciplinary working group from Kongsberg Automotive comprising representatives from Investor Relations, Corporate Communications, Human Resources, Health and Safety, Legal, Purchasing, Quality, and Sustainability, took part in a workshop to discuss the company’s actual and potential performance as well as KA’s negative and positive impacts.

This workshop did not result in any new topics being identified as being material for Kongsberg Automotive; however, the group decided to restructure the topics for the 2022 report in order to better communicate our focus areas and to better reflect our actual and potential impact on the economy, environment, and people through our activities and business relationships:

PLANET	PEOPLE	GOVERNANCE
<ul style="list-style-type: none"> <li>&gt; Climate change, incl. emissions in production and design for fuel efficiency</li> <li>&gt; Energy management</li> <li>&gt; Waste management</li> <li>&gt; Water management</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Employees, incl. diversity as well as equal opportunity and knowledge building</li> <li>&gt; Health and safety, incl. occupational health, safety, and product safety</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Ethical business conduct, incl. anti-corruption and competitive behavior</li> <li>&gt; Human rights</li> <li>&gt; Sustainability in the supply chain</li> </ul>

Table 4: Materiality assessment 2022

The materiality assessment will be updated on a regular basis if the sustainability context in which we operate or our defined business areas significantly change.



**GOVERNANCE**



## HIGHLIGHTS

KONGSBERG AUTOMOTIVE AND ITS EMPLOYEES SHOULD ALWAYS MAINTAIN HIGH ETHICAL STANDARDS. THE GROUP APPLIES FAIR LABOR PRACTICES, WHILE RESPECTING NATIONAL AND LOCAL LAWS. KONGSBERG AUTOMOTIVE DOES NOT TOLERATE OR ENGAGE IN FORCED OR EXPLOITATIVE LABOR AND ADOPTS A ZERO-TOLERANCE APPROACH WHEN IT COMES TO CORRUPTION OR BRIBERY. WE EXPECT OUR SUPPLIERS AND BUSINESS PARTNERS TO LIVE BY THE SAME HIGH ETHICAL STANDARDS AS WE DO.

**81%** OF DIRECT MATERIAL SPEND IS WITH **SUPPLIERS THAT HAVE SIGNED THE SUPPLIER DECLARATION**

**100%** OF NEW EMPLOYEES WERE TAUGHT ABOUT THE CODE OF CONDUCT AND RECEIVED RELEVANT TRAINING AS PART OF **THE ONBOARDING PROCESS**

**71%** OF DIRECT MATERIAL PURCHASING SPEND IS WITH **SUPPLIERS THAT HAVE PERFORMED A VALID SUSTAINABILITY RISK ASSESSMENT**



**1,111** EMPLOYEES PARTICIPATED IN CLASSROOM TRAINING TO REFRESH THEIR KNOWLEDGE OF **THE CODE OF CONDUCT**

**110** COLLEAGUES IN PURCHASING PARTICIPATED IN **TRAINING ON SUSTAINABLE AND RESPONSIBLE SOURCING, WHICH INCLUDED HUMAN AND LABOR RIGHTS**



# EXPECTATIONS FOR EMPLOYEE CONDUCT

**Kongsberg Automotive has committed to respecting human rights and upholding ethical standards in its operations and supply chain, including implementing policies and programs to prevent human rights violations, conducting due diligence on suppliers, and collaborating with stakeholders to promote responsible business practices. Kongsberg Automotive works every day to ensure that the company avoids any violation of human rights, such as forced labor or child labor in its operations and supply chains.**

Kongsberg Automotive operates in accordance with internationally recognized business ethics standards, such as the OECD guidelines for multinational enterprises and the UN Declaration on Human Rights. Our Code of Conduct sets the company's expectations for acting responsibly and ensures that all employees understand our core ethical values and demonstrate those values at the individual, team, and company levels.

The Code of Conduct is available in 13 languages for our global workforce and is communicated to all employees to ensure that they act in a way that is expected by a top-tier automotive supplier. Employees also receive training and guidance on the requirements of the Code of Conduct, which focuses on relevant ethical dilemmas to ensure everyone understands their responsibilities. The training and guidance are delivered through classroom training, workshops, and an e-learning program. In 2022, 1,111 employees (61% of all staff) participated in classroom training and webinars to refresh their Code of Conduct knowledge, while 100% of new employees received the relevant training as part of the on-boarding processes.

Kongsberg Automotive encourages the reporting of any suspected misconduct – this applies for both employees and externally. The company has established a whistleblowing service for reporting suspected breaches of the Code of Conduct or any other unethical or illegal behavior. Details on the whistleblowing service can be found in our Code of Conduct. All concerns are treated with the utmost confidentiality, without any fear of retaliation. In 2022, Kongsberg Automotive received five reports via the whistleblowing service.

Kongsberg Automotive has zero tolerance for corruption or bribery. All employees who have received training on the Code of Conduct are required to provide written confirmation of their understanding of the requirements in relation to corruption and bribery. All cases of bribery or corruption related to Kongsberg Automotive and its personnel and representatives must be reported to the General Counsel. This applies even if the bribery attempt is rejected or unsuccessful. Kongsberg Automotive recorded no incidents of corruption or bribery in 2022.



# HUMAN RIGHTS

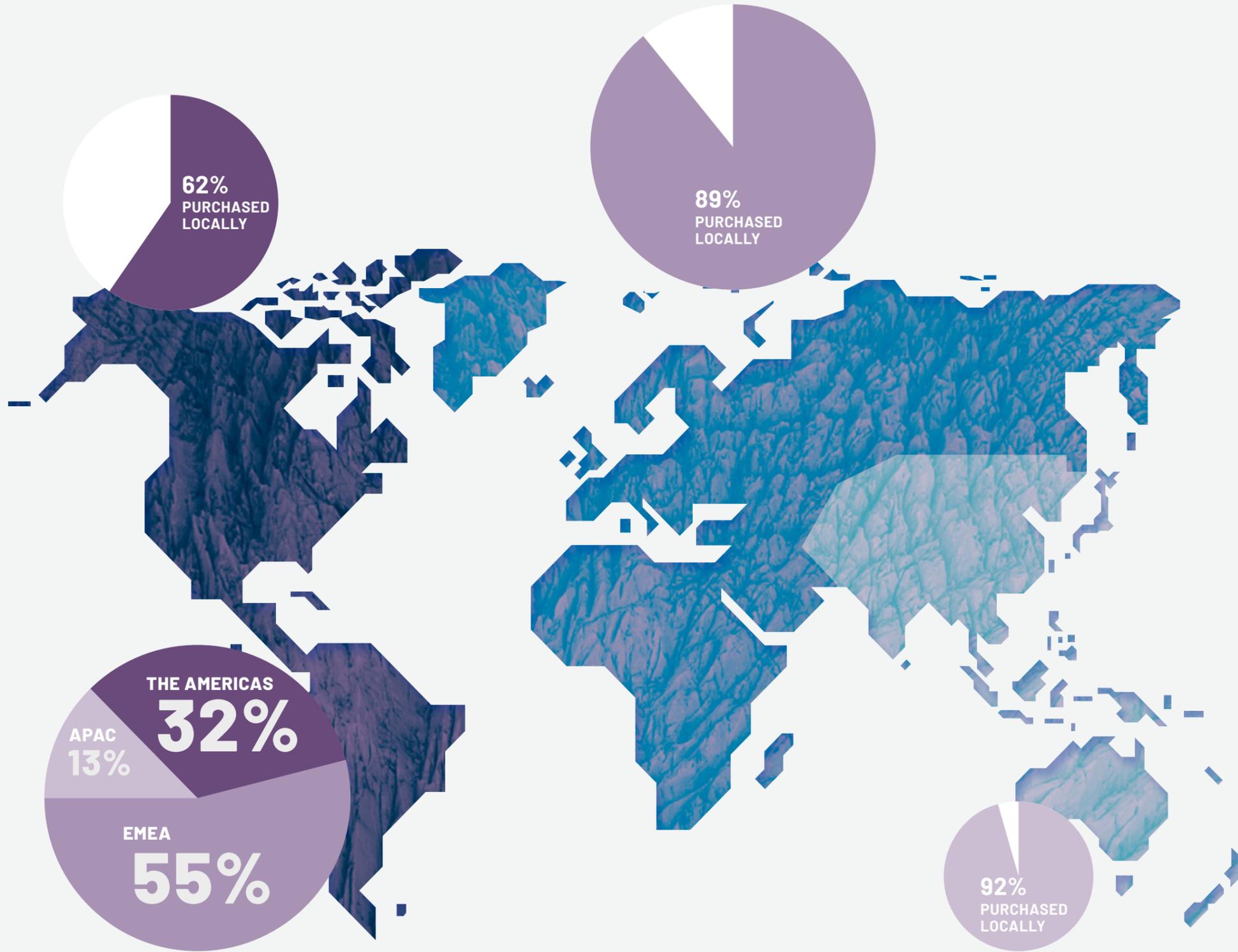
**Human rights and decent working conditions are of utmost importance to Kongsberg Automotive. Our sustainability team in Purchasing department regularly evaluates the company's approach to supply chain due diligence and works towards expanding the approach.**

Kongsberg Automotive works to identify relevant human and labor rights issues based on the applicable international and local regulations and guidelines, its corporate responsibility strategy, industry and customer requirements, and benchmark analyses. KA focuses on the following human and labor rights when determining the requirements it places on suppliers and carrying out supplier risk assessments:

- ▶ Protection of freedom of association and collective bargaining
- ▶ Non-tolerance and prevention of child labor
- ▶ Non-tolerance and prevention of forced labor, including modern slavery
- ▶ Non-tolerance and prevention of harassment and discrimination
- ▶ Commitment to occupational health and safety
- ▶ Commitment to decent working conditions (working hours, wages, and benefits etc.)
- ▶ Commitment to the safeguarding of human and labor rights in sourcing practices

To ensure effective monitoring of Kongsberg Automotive's compliance, including human and labor rights, the company encourages employees and third parties to report any concerns or breaches that may occur. KA has set up a "speak-up line" for both internal and external stakeholders to record any concerns they may have. Beyond this, KA uses a global media screening tool for its suppliers, their industries, and their geographical locations. This tool raises an alert if any potential human or labor rights issues are identified. Whenever an alert is raised, the responsible buyer is informed immediately and is required to take appropriate actions to investigate the matter.

In 2022, no breaches of the listed human and labor rights were identified in any of our workplaces. For more information about how we work to safeguard human rights, please read our separate [Report on Norwegian Transparency Act](#) which is published on our website.



**TOTAL ANNUAL PURCHASE SPEND PER REGION**

## SUSTAINABILITY IN THE SUPPLY CHAIN

Kongsberg Automotive has a significant global footprint through its more than 1,400 direct material suppliers and over 7,000 indirect suppliers, which span more than 46 countries worldwide. As 80% of our annual purchasing spend is with approximately 20% of our suppliers, we focus on them significantly more in our due diligence processes and our sustainability goals.

### OVER 1,400 DIRECT MATERIAL AND 7,000 INDIRECT TIER 1 SUPPLIERS WORLDWIDE

Given our strategic aim of working with global and local suppliers, and building a diverse supplier portfolio of micro, small, medium and large companies, we had a footprint of almost 400 direct material suppliers in the Americas, approximately 300 suppliers in the Asia Pacific region, and more than 700 suppliers in Europe in 2022. With regard to indirect purchasing, we worked with over 7,000 Tier 1 suppliers, with most being local to where their services were procured.

### 84% OF DIRECT MATERIAL PURCHASE SPEND GOES TO LOCAL SUPPLIERS

We are proud to contribute to local economic development, local employment, and decreasing our environmental impact through purchasing locally (defined as a supplier located in the same geographical region – the Americas, Europe, and Asia Pacific – as our manufacturing facility purchasing their products). We plan to measure this same local purchasing footprint for indirect purchasing.

### 80% OF OUR SPEND IS WITH AROUND 20% OF OUR SUPPLIERS

Approximately 80% of our purchase spend is made with roughly 200 direct material suppliers and 1,000 indirect suppliers. In light of this, we aim to work closely with these suppliers, especially on managing sustainability issues. We do this by working directly with them on sustainability issues, and communicating our expectations through our Supplier Sustainability Manual and the contracts we have in place.



# EXPECTATIONS FOR SUPPLIERS

**Suppliers are required to adhere to the same high standards as Kongsberg Automotive does itself. The relevant principles and requirements are set out and communicated to the supply chains in KA's Supplier Declaration (with reference to the detailed Supplier Sustainability Manual), which summarizes the most important environmental, social, and ethical requirements for suppliers and, in turn, their suppliers.**

We have set up a Conflict Minerals Position Statement and we assess suppliers' compliance with the REACH requirements (details on this can be found in the Supplier Quality Manual). In 2022, 81% of direct material spend was with suppliers who have signed the declaration. The figure for indirect material suppliers was 10%, but this will continually increase with the on-boarding to our ERP system, and as we expand our contractual terms and other measurements.

Kongsberg Automotive requires direct materials suppliers to report on their governance and management practices with regard to environmental, social, and ethical issues. We expect our suppliers to have an effective policy and management system in place to identify and manage any material environmental, social, and ethical risks as well as their performance when it comes to offering training for their workforce on the relevant issues and communicating the necessary requirements to their own suppliers. This information is collected from suppliers through a standardized, evidence-based self-assessment questionnaire. The Sustainability Assessment Questionnaire (SAQ on SupplierAssurance.com) has been developed and promoted by CSR Europe and Drive Sustainability and is widely used throughout the automotive industry. It collects existing practices, and documents information on the governance and management approach of suppliers in seven areas:

- Company management
- Human rights and working conditions
- Health and safety
- Business ethics
- Environment
- Responsible supply chain management
- Responsible sourcing of raw materials

This assessment enables KA to identify risks resulting from gaps in suppliers' existing governance and management approaches and to engage with suppliers on their performance in this respect.

By the end of 2022, more than 305 suppliers – covering 71% of KA's yearly direct material purchasing spend (excluding divestments during the year) – completed the questionnaire or provided us with an equivalent valid sustainability risk assessment. The information and evidence are validated by an independent third party. After assessing their questionnaires, KA provides all suppliers with feedback and recommendations on how to improve their governance and management systems, which will help them set up effective corrective action plans. Kongsberg Automotive prefers to deal with suppliers with a low sustainability risk. All suppliers that are classified as having high to medium risks are supported in their development to becoming “low risk”. As our supplier sustainability program expands, we will provide one-to-one support to suppliers as well as other training materials and events. In 2023, we also plan to perform, where appropriate, on-site audits to ensure the effective implementation of their sustainability-related management systems and performance with our requirements. Our Sourcing Board decision-making process ensures that all new direct material suppliers sign the Supplier Sustainability Manual and undertake the Supplier Sustainability Risk assessment. As part of the Supplier Sustainability Risk assessment, we screen new suppliers on environmental, social, and ethical issues. Kongsberg Automotive also ensures that direct material suppliers have governance tools in place with regard to anti-corruption issues, such as a policy or code of conduct, and that its employees receive training on this topic. We will kick off sustainability risk assessments for indirect material



suppliers in 2023. In 2022, we did not terminate any business relationships with suppliers due to sustainability risks.

In 2022, Central Purchasing continued to train purchasing colleagues worldwide on sustainable development, responsible and sustainable purchasing, and human rights-related conflict minerals. 110 of our purchasing colleagues (69% of purchasing staff) took part in at least one of our training sessions (mainly webinars). We continue to raise awareness of these issues by engaging with the internal purchasing community.

Kongsberg Automotive has a due diligence process in place to identify risks and take actions to ensure that conflict minerals used in our products do not directly, or indirectly, pass through the supply chain, finance or benefit the conflict in the Democratic Republic of Congo (DRC) or other high-risk or sanctioned areas. Conflict minerals are defined as tin, tantalum, tungsten, and gold; the other minerals included in our due diligence processes are cobalt and mica. In-scope suppliers are requested to provide information annually regarding the smelters or refiners they use for these minerals. Reports from our suppliers are consolidated into a global-level Kongsberg Automotive Conflict Minerals Reporting Template, which provides information to customers and other stakeholders on request. We encourage suppliers to use certified smelters and increase their responsible sourcing practices.

In our conflict minerals data collection process, the response rate was almost 90%, with the new additional minerals reaching more than 50%. In 2023, we will con-

tinue to further strengthen our due diligence process and increase the response rate. We currently have concerns over certain smelters, but due to the fact that most suppliers report at a company level, we have no evidence that they are used in goods purchased by Kongsberg Automotive. In this area, we are strengthening our user-defined reporting wherever possible, which will allow KA and our suppliers to mitigate risks more efficiently. Kongsberg Automotive became a member of the Responsible Mineral Initiative in 2022, which allows it to contribute to effective actions and transparency with regards to the supply of these minerals.

As climate change, resource scarcity, and biodiversity-related concerns are presenting new challenges across the globe and for our industry, KA has started to establish a two-way communication and engagement with suppliers on decarbonization targets and environmental responsibility. Our risk assessments and the above-mentioned questionnaires contain topics regarding environmental and energy management policies and systems, yearly environmental targets, employee training. Additionally, from 2023, we inquire about the percentage of renewable energy used in electricity and heating. This information will be incorporated in our Scope 3 upstream emission calculation set for 2023 and the action plan to efficiently decrease emissions.

For suppliers to report any issues related to conflict minerals, Kongsberg Automotive has a “speak-up line” available to voice and record concerns, which is managed by an external party and our General Legal Counsel.



## **GOALS AND TARGETS FOR 2023**

- > INCREASE THE COVERAGE OF CODE OF CONDUCT AND SUSTAINABILITY TRAINING AMONG EMPLOYEES**
- > ENSURE THAT AT LEAST 75% OF OUR DIRECT MATERIAL SPEND IS WITH SUPPLIERS THAT HAVE A VALID SUSTAINABILITY RISK ASSESSMENT**
- > ENSURE THAT AT LEAST 85% OF DIRECT MATERIAL SPEND IS WITH SUPPLIERS THAT HAVE SIGNED THE SUPPLIER DECLARATION**
- > SET UP A SUSTAINABILITY RISK ASSESSMENT PROCESS AND SYSTEM FOR INDIRECT MATERIAL SUPPLIERS**
- > STRENGTHEN ESG DUE DILIGENCE OF ALL NEW SUPPLIERS**
- > ESTABLISH A HUMAN RIGHTS POLICY**



**PLANET**

KONGSBERG AUTOMOTIVE'S VISION IS TO MAKE A MEANINGFUL CONTRIBUTION TO SOCIETY'S EFFORTS TO TACKLE CLIMATE CHANGE. THE COMPANY WORKS TO REDUCE THE CARBON EMISSIONS CREATED BY ITS BUSINESS OPERATIONS AND PRODUCTS, HELPING CUSTOMERS MEET THEIR AMBITIONS OF MANUFACTURING LOWER EMISSION-PRODUCING END-PRODUCTS.

## HIGHLIGHTS

**2.8%**  REDUCTION IN **TOTAL ENERGY USE\***

**40%**  **RENEWABLE ENERGY** USED ACROSS OUR MANUFACTURING FACILITIES

**2.1%**  REDUCTION IN **SCOPE 1 AND 2 CO<sub>2e</sub> EMISSIONS\***

 **11** **LANDFILL-FREE** MANUFACTURING LOCATIONS

**14%**  **WASTE INDEX** REDUCTION\*

\*COMPARED TO 2021

# CLIMATE CHANGE

## Kongsberg Automotive has identified two long-term strategic goals to support the transition to more sustainable products and decarbonizing the company's business activities: Carbon-neutral products by 2039 and the purchase of 100% renewable energy by 2030.

To reach our commitment towards carbon-neutral products, cross-functional cooperation, such as technology, sales, quality and purchasing, has been initiated throughout the whole value chain in the following areas:

- Energy use in all our sites
- Materials and components used in our products
- Product innovation to increase recycling rate, substitute materials, energy use in production, and end-of-life-cycle disposal
- CO<sub>2</sub> emissions related to transportation, packaging, and logistics

All Kongsberg Automotive manufacturing locations are certified according to the ISO 14001 Environmental Management Systems standard. This standard ensures that organizations consider the environmental impact of their work and set appropriate targets for improved performance.

Our internal Health, Safety, and Environment (HSE) management system sets expectations for environmental management for all our manufacturing facilities. It provides an extensive set of procedures to establish good environmental management practices.

The HSE team in each facility is responsible for ensuring that these procedures are followed by all employees, as well as performing risk assessments to ensure that any new environmental risks are captured and that appropriate steps are taken to eliminate or adequately manage the risk. KA's HSE teams ensure that environmental activities comply with all applicable national and regional legislation.

KA's corporate HSE team supports our HSE teams in each facility by providing targeted training and facilitating knowledge of best practices through monthly HSE team meetings and other communication. It also identifies new initiatives to support Kongsberg Automotive's facilities in improving environmental performance and reducing the resources used.

Each year, our manufacturing facilities set targets for reducing energy, waste, and water from the previous year's performance. Our manufacturing facilities report monthly on their environmental performance against these KPIs, which is then reviewed with our corporate HSE team. Best practices from all our manufacturing facilities are shared, and any environmental-related issues or problems are discussed with the aim of identifying any solutions currently implemented in other facilities.

Kongsberg Automotive is constantly working towards reducing greenhouse gas emissions from our operations, while also acknowledging the increased vulnerability to climate-related risks such as extreme weather events or supply chain disruptions. Kongsberg Automotive's vision is to make a meaningful contribution to society's efforts to tackle climate change and support our customers' strategic goals to transition to more sustainable transport.

The Board of Directors (BOD) and the Global Leadership Team (GLT) are responsible for Kongsberg Automotive's strategic direction regarding climate change. The BOD regularly reviews material climate change issues that are raised through either Kongsberg Automotive's business segments (operational issues) or its corporate climate change experts (strategic issues).

Kongsberg Automotive's plants, with the support of corporate functions, are responsible for the day-to-day management of risks and opportunities related to climate change at their sites, and organization-wide initiatives are set by corporate teams. A Delegation of Authority process is in place, through which significant climate change risks and decisions on mitigation actions are raised to the governance bodies for discussion.

Each year, we report on climate change and actions to reduce carbon emissions created by our manufacturing activities through the Carbon Disclosure Project (CDP). Our latest CDP Climate Change report is available on our [website](#).





# EMISSIONS

Kongsberg Automotive's key climate change-related risks and opportunities can be summarized as follows:

CLIMATE CHANGE RISKS	CLIMATE CHANGE OPPORTUNITIES
<p><b>CHANGING MARKET</b> Kongsberg Automotive's customers have a focus on lowering the emissions generated by their products. They require lighter and more efficient products from their supply chain. For products designed in the past, there is a risk that the market may become restricted.</p>	<p><b>DEVELOPMENT OF NEW PRODUCTS OR SERVICES IN RESPONSE TO CHANGES IN CUSTOMER REQUIREMENTS</b> Our automotive customers have a focus on reducing emissions generated by their products. This requires lighter and efficient components for their products from the supply chain. This will help achieve higher fuel efficiency, reduce end-product weight, and use less energy.</p>
<p><b>DISRUPTION TO SUPPLY CHAINS BY EXTREME WEATHER</b> As extreme weather events become more severe and/or more frequent globally, there is a risk that supply chains are disrupted, which impacts production. We monitor its supply chain for the probability of disruption by extreme weather events. Where a high risk of disruption is identified, Kongsberg Automotive works on mitigation actions with its suppliers.</p>	<p><b>RESOURCE EFFICIENCY</b> Reducing energy usage and waste in manufacturing facilities leads to more efficient processes and equipment being installed, resulting in reduced OPEX spend.</p>
<p><b>INCREASED COSTS OF ENERGY AND SUPPLIES</b> Volatility in energy and commodity prices may lead to higher costs and reduced profitability.</p>	<p><b>RECYCLING</b> The move to circular economies and a focus on reducing, reusing, and recycling materials to eliminate waste to landfill presents an opportunity to design products that require fewer raw material inputs.</p>
<p><b>COST OF CARBON</b> There is a risk that governments, in response to the need to act decisively to meet their commitments under the Paris Agreement, introduce a cost to carbon through legislation in order to incentivize businesses to aggressively reduce carbon emissions.</p>	<p><b>USE OF LOWER-EMISSION SOURCES OF ENERGY</b> Increasing the amount of renewable energy used presents an opportunity to Kongsberg Automotive. 40% of the electricity purchased is generated from renewable sources. Six of Kongsberg Automotive's manufacturing facilities – four in Scandinavia as well as our facilities in Brazil and Canada – purchase 100% renewable electricity. Two facilities have installed solar panels that provide some of the energy they use.</p>
<p><b>IMPACT OF GREATER CHANGES IN TEMPERATURES AND WEATHER ON MANUFACTURING FACILITIES</b> There is a risk that higher or lower seasonal temperatures than usual, more frequent hurricanes, higher levels of snowfall etc. could impact manufacturing facilities, which in turn could lead to CAPEX expenditure being incurred to ensure safe and efficient work environments.</p>	

**Kongsberg Automotive has committed to reducing its emissions of air pollutants and has implemented measures such as optimized production processes. By reducing emissions, we can help improve local air quality and reduce the negative health impacts associated with emissions and improve our reputation as a responsible company.**

Each year we report on climate change and the actions we have taken to reduce carbon emissions created by our manufacturing activities. All of our plants measure and report their energy usage monthly, and this data is used to calculate the Scope 1 emissions, which are fuels combusted at the plants, as well as Scope 2 emissions, which are emissions created by the generation of the electricity used.

In 2022, our Scope 1 and 2 emissions amounted to approximately 26,891 metric tonnes of CO<sub>2e</sub>, a 28.5% reduction from the 37,627 metric tonnes of CO<sub>2e</sub> emitted in 2021. This decrease was driven by the reduction in manufacturing locations due to the divestment during the year.

Adjusting the calculations to exclude the divested locations, Kongsberg Automotive's emissions in 2022 were approximately 24,817 metric tonnes of CO<sub>2</sub>. This is a 2.1% reduction from the adjusted emissions in 2021 of 25,356 metric tonnes of CO<sub>2</sub>.

EMISSIONS IN METRICS TONNES OF CO <sub>2</sub> EQUIVALENTS	2020	2021	2022
Direct (Scope 1) GHG emissions	2,544	2,983	3,242
Indirect (Scope 2) GHG emissions	23,277	22,373	21,575
Grand Total	25,821	25,356	24,817

Table 5: Emissions in metrics tonnes of CO<sub>2</sub> equivalents / Adjusted for divested locations

The CO<sub>2e</sub> emissions are calculated using monthly reported numbers on energy consumption from all manufacturing facilities and locations. For Scope 1 emissions, a set of CO<sub>2</sub> equivalent conversion factors is used for all locations.

For Scope 2 emissions, the CO<sub>2</sub> equivalent average conversion factors for the relevant country and/or region are used (market-based approach). The conversion factors used by Kongsberg Automotive are taken from [Carbon Footprint](#).

Energy sources contributing to Scope 1 emissions include biomass, gas/diesel oil, kerosene, natural gas, natural gas CHP, onsite-generated renewables, and propane or LPG. For energy sources contributing to Scope 2 emissions, purchased electricity is included. Although the quantity of consumption derived from renewable sources remains uncertain, we presume that a considerable proportion of the biomass originates from renewable sources.

ENERGY SOURCE	SOURCE UNIT	2022
BIOMASS	kWh	371,914
GAS/DIESEL OIL	Liters	30,281
KEROSENE	Liters	1,540
NATURAL GAS	m <sup>3</sup>	1,467,820
PROPANE OR LPG	Liters	78,592

Table 6: Total energy consumption

In line with Kongsberg Automotive's carbon emission targets, the Purchasing department has decided to calculate the Scope 3 emissions in 2023 and develop effective reduction measurements. It will also implement a carbon module in its cost analysis tool, which will allow us to evaluate carbon emission equivalence on purchased parts.

# ENERGY

## Failure to adopt sustainable energy practices can negatively impact the environment and contribute to climate change. Each year, Kongsberg Automotive sets targets to decrease its energy consumption and increase its use of renewable energy sources.

This helps KA reduce its greenhouse gas emissions, improve energy efficiency, and reduce its dependence on fossil fuels, which contributes to a sustainable economy.

In 2022, we continued to take concerted action to improve energy efficiency at our manufacturing locations. This was mainly driven by two factors: our goal of achieving carbon-neutral products by 2039, given energy usage is the overwhelming source of our carbon emissions; and the need to reduce our utility costs due to volatility in the energy markets.

All of our plants set a target for 2022 to decrease their energy consumption by 2% relative to total product sales (“energy intensity”). Each plant took action to their reduce energy usage. Key activities included replacing existing lighting with LED bulbs, implementing air leak reduction programs, replacing old equipment with newer and more energy-efficient devices, and reusing waste heat.

In 2022, we continued to expand our knowledge with regards to improving energy efficiency as we put into practice the lessons learned from its Virtual Energy Treasure Hunts at the Suffield facility. The Energy Treasure Hunt program provides a structured framework for assessing energy usage in a facility as well as identifying opportunities to improve efficiency.

Kongsberg Automotive’s energy intensity in 2022 was 100.0 kilowatt hours used in production for every EUR 1,000 of total product sales, a 1.3% increase from the 98.7 kilowatt hours per EUR 1,000 of total product sales in 2021, despite the approximate 19% decrease in sales.

While energy intensity was the primary key performance indicator, manufacturing units reported that absolute energy use decreased by 17.5% to approximately 101 million kilowatt hours from approximately 122 million kilowatt hours in 2021.

Our divestment-adjusted figures show that a continued focus on energy reduction activities resulted in further improvements from 2021, with a 2.7% reduction in energy intensity and 2.8% reduction in total energy usage in 2022.

	2021	2022	% CHANGE
<b>NON-ADJUSTED</b>			
Energy intensity (kWh per 1000€ sales)	98.7	100.0	1.3%
Total energy use (million kWh)	122.0	100.6	-17.5%
<b>ADJUSTED</b>			
Energy intensity (kWh per 1000€ sales)	104.1	101.3	-2.7%
Total energy use (million kWh)	99.2	96.4	-2.8%

Table 7: Energy intensity and total energy use, adjusted and non-adjusted

With a strategic target of using 100% renewable energy by 2030, we have continued to work on plans to centralize the management of energy supply contracts for our manufacturing locations and identify potential ways to achieve 100% renewable energy across different facilities.

This work was principally driven by the sharp price increases and high volatility in the energy markets in 2022 and the next few years. Viable options being evaluated include Power Purchase Agreements, on-site renewable energy generation, and the availability of green tariffs. This work will continue through 2023.

In 2022, we used 40% renewable energy across all our manufacturing facilities. This remained constant with our renewable energy usage in 2021.

\*In 2022 Kongsberg Automotive’s manufacturing units reported an increase of 1.3% in energy intensity and a reduction of 17.5% in absolute energy use. Due to the impact of divestment activities in the year, an adjustment to exclude wholly divested manufacturing locations was made as shown in table 7.

# WASTE

Good waste management practices are important to Kongsberg Automotive and the communities where we operate. We have committed to reducing the waste we generate and improving our waste management practices. By implementing waste reduction strategies, we are able to cut back on the amount of waste we generate, conserve natural resources, and reduce our environmental footprint.

In 2022, Kongsberg Automotive’s aim was to reduce the yearly amount of waste sent to landfill or requiring special treatment as compared to annual sales by 1%; this is known as the “Waste Index”. All units sought opportunities to reuse and recycle. External audits are carried out on waste leaving the facilities and the journey to its final destination.

11 manufacturing locations were landfill-free in 2022. This is an increase of one from 2021, adjusting for wholly divested locations. Furthermore, Kongsberg Automotive’s Waste Index improved by 25.2% from 2021. As noted earlier, adjusted calculations are presented due to the impact of the divestment. Thanks to our continued recycling efforts, we achieved a 14.1% reduction in our Waste Index:

	2021	2022	% CHANGE
<b>NON-ADJUSTED</b>			
Waste Index (kg per 1000€ sales)	1.15	0.86	-25.2%
<b>ADJUSTED</b>			
Waste Index (kg per 1000€ sales)	0.92	0.79	-14.1%

Table 8: Adjusted and non-adjusted Waste Index

WASTE TYPE	QUANTITY (tonnes)
Landfilled waste	534,4
Regulated waste	331,8
Waste sent for incineration	954,7
Waste sent for recycling	4,535,8
Total	6,356,6

Table 9: Weight of waste generated in the reporting period

# WATER

Even though our business is not water-intensive, we are aware of our responsibility to use natural resources efficiently. We have committed to reducing our water use and improving the quality of water discharged from operations.

As such, water usage is measured at each plant and an annual target is set to reduce usage by 1% from the previous year. Most of Kongsberg Automotive's water consumption is from sanitation usage and paint plant processes. In order to identify water-related impacts, leakage monitoring and sanitation management processes have been put in place.

Manufacturing facilities work to reduce water leakage and conserve water wherever possible. However, in light of our investment in new manufacturing activities, which required significant water usage, and the increasing requirements to maintain high levels of hygiene to keep facilities safe and healthy, we recorded a 36% increase in total water usage in 2022. As noted earlier, adjusted calculations are presented due to the impact of the divestment.

	2021	2022	% CHANGE
<b>NON-ADJUSTED</b>			
Total water usage (thousand m <sup>3</sup> )	144.8	197.5	36.4%
<b>ADJUSTED</b>			
Total water usage (thousand m <sup>3</sup> )	113.6	192.5	69.5%

Table 10: Adjusted and non-adjusted water usage

We organized fire evacuation drills along with fire safety checks and training across all of our facilities in 2022. We did not report any fires resulting in significant property damage or causing interruption to daily business for the year. Additionally, there were no unauthorized releases to the environment requiring disclosure to legal authorities.

## GOALS AND TARGETS FOR 2023

- > UPDATE OUR CLIMATE RISK ASSESSMENT
- > CALCULATE SCOPE 3 CO<sub>2</sub>e EMISSIONS UPSTREAM, DEVELOP AND IMPLEMENT REDUCTION MEASUREMENTS
- > SET REDUCTION TARGETS FOR SCOPE 1 AND 2 CO<sub>2</sub>e EMISSIONS
- > REDUCE ENERGY USAGE BY 2%, WASTE INDEX BY 2%, AND WATER CONSUMPTION BY 1%
- > REVIEW THE EU TAXONOMY AND RELEVANT TECHNICAL SCREENING CRITERIA (TCS)



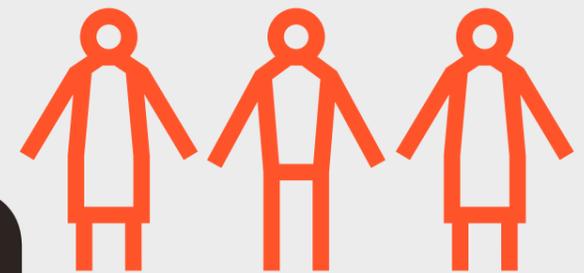
**PEOPLE**

**KONGSBERG AUTOMOTIVE IS REPRESENTED IN 18 COUNTRIES ALL AROUND THE WORLD WITH A WIDE RANGE OF SPECIALITIES; OUR LOCATIONS VARY FROM MANUFACTURING SITES TO TECH CENTERS AND WAREHOUSES. BY THE END OF 2022, WE EMPLOYED 5,270 PEOPLE. WE CONTINUOUSLY STRIVE TO IDENTIFY, DEVELOP, AND RETAIN OUR HIGHLY TALENTED EMPLOYEES.**

## HIGHLIGHTS



**5,270**



**EMPLOYEES** ACROSS OUR DIFFERENT LOCATIONS



**62**

**DIFFERENT NATIONALITIES**

**0**

FATALITIES OR HIGH-CONSEQUENCE WORK-RELATED INJURIES



**85%**

**OF FACILITIES CERTIFIED** ACCORDING TO THE ISO 45001 STANDARD

# EMPLOYEES

**Kongsberg Automotive's success is based on our employees. They are the DNA of our company. Their know-how, their creative ideas, and their ability to implement and innovate, ultimately convince and inspire customers.**

Kongsberg Automotive has committed to ensuring the well-being of its employees through the implementation of a range of policies and programs, including employee training and development. By implementing fair labor practices, we are able to attract and retain a skilled workforce, increase employee satisfaction, and enhance our reputation as a responsible and ethical employer.

We continue to identify, develop, and retain our highly talented employees to plan for the future of the company. To do so, we rely on our professional, digitalized planning process, with the aim of securing Kongsberg Automotive's future organizational needs. This provides us with a solid framework for developing talent based on the principles of equality and diversity, all of which helps drive the success of the company.

Our employees work tirelessly to ensure that KA can deliver substantial value to its customers through its first-rate products and services. Employees are expected to have a strong commitment not only to the company's success, but also to its core values: Integrity, Accountability, Creativity, and Teamwork. We aim to add value for our customers and shareholders, while firmly upholding our ethical guidelines (Code of Conduct).

Kongsberg Automotive is committed to respecting its employees' right to freedom of association and collective bargaining. In 2022, 59% of our employees were covered by collective bargaining agreements. For internal employees, Kongsberg Automotive determines their working conditions and terms of employment based on individual agreements and may partially refer to the existing collective bargaining agreements.

In 2022, we continued our HR digitalization journey by further enhancing the SAP SuccessFactors platform, which facilitates the administration and management of our global workforce with a cloud-based HR information system covering all core HR functions. It allows us to put in place consistent and digital HR processes, with harmonized data in the areas of recruitment, onboarding, compensation, learning, and performance management.

Kongsberg Automotive's largest workforces are in Mexico and Slovakia, followed by Norway and China. All of this gives the company a multinational mindset.

	EUROPE	NORTH AND SOUTH AMERICA	ASIA	TOTAL
Number of employees	2463 (52%)	1707 (36%)	589 (12%)	4759
Number of permanent employees	2401 (51%)	1693 (36%)	587 (13%)	4681 (98%)
Number of temporary employees	62 (79%)	14 (18%)	2 (3%)	78 (2%)
Number of full-time employees	2385 (51%)	1701 (36%)	589 (13%)	4675 (98%)
Number of part-time employees	78 (93%)	6 (7%)	0	84 (2%)

Table 11: Breakdown of internal employees by region, 31.12.2022

At the end of 2022, we had a total of 5,270 employees, of which 52% were located in Europe, 36% were located in North and South America, and 12% were located in Asia. 98% of the company's employees were permanent hires, with just 2% on temporary contracts. The majority (98%) of our employees work full-time, while only a small number of (2%) are part-time workers. Kongsberg Automotive does not have any employees with non-guaranteed hours.

In KA, there are a total of 511 external workers (workers who are not employees), a figure which decreased significantly from 2021 (893). However, due to the divestment of the Interior segment in 2022, figures from 2021 are not fully comparable with 2022. The figure from 2022 reflects only

continuous operations. The most common type of external workers are those who cover fluctuations in production capacity and bring in additional skills to the company.

The benefits provided to our employees are aligned with the statutory regional requirements as well as the prevalence of such benefits in the market, regardless of whether they are full-time or part-time employees. The benefits that are offered vary by country and may include life insurance, health care insurance, disability and invalidity coverage, parental leave, and pension provisions. These benefits are not provided to all temporary employees unless they are statutory requirements.

NEW EMPLOYEES	UNDER 30	30 TO 50	OVER 50	TOTAL
MALE	233	188	53	474
FEMALE	87	142	13	241
NEW EMPLOYEES	EUROPE	NORTH AND SOUTH AMERICA	ASIA	TOTAL
MALE	197	234	43	474
FEMALE	96	127	19	241

Table 12: New employees in 2022 by age and region, 31.12.2022

EMPLOYEE TURNOVER	UNDER 30	30 TO 50	OVER 50	TOTAL
MALE	1068	1676	560	3304
FEMALE	992	1820	971	3783
EMPLOYEE TURNOVER	EUROPE	NORTH AND SOUTH AMERICA	ASIA	TOTAL
MALE	1186	1784	334	3304
FEMALE	1666	1893	224	3783

Table 13: Employee turnover in 2022 by age and region, 31.12.2022

We recorded a significant change in employee turnover in 2022, with almost 3,350 more internal employees leaving the company compared to 2021. However, due to the

divestment of the Interior segment in 2022, figures from 2021 are not fully comparable with 2022. The figure from 2022 reflects only continuous operations.



# DIVERSITY AND EQUAL OPPORTUNITIES

We are committed to treating our workforce fairly and providing equal opportunities for all. We have implemented policies and programs to prevent discrimination and harassment and we foster an inclusive corporate culture. Kongsberg Automotive is working towards attracting and retaining a diverse and talented workforce and will comply with all diversity regulations.

The mix of cultures in our company is an important strength on which we aim to build a sustainable business. We are proud of our diverse workforce, which at the end of 2022 comprised 62 nationalities globally, with six different nationalities in the executive management team alone. The company's policy of ensuring equal access to development opportunities for all employees is set out in the diversity policy, which is part of our Code of Conduct (available on KA's website). The Recruitment Policy and Procedure has been put in place and is reflected in Kongsberg Automotive's recruitment processes.

	FEMALE	MALE	TOTAL
Number of employees	1756 (37%)	3004 (63%)	4759
Number of permanent employees	1733 (37%)	2948 (63%)	4681 (98%)
Number of temporary employees	23 (29%)	55 (71%)	78 (2%)
Number of full-time employees	1702 (36%)	2973 (64%)	4675 (98%)
Number of part-time employees	54 (64%)	31 (37%)	84 (2%)

Table 14: Breakdown of employees by gender, 31.12.2022

Women currently make up 37% of the total workforce and 11% of executive management (Global Leadership Team).

As a Norwegian public limited company, Kongsberg Automotive is required to have at least 40% female participation in the Board of Directors. At the end of 2022, the Board of Kongsberg Automotive comprised eight members: Three women, of whom two are shareholder-elected directors, and five men, of whom three are shareholder-elected directors.

## EMPLOYEE CATEGORIES

Kongsberg Automotive's workforce can be divided into two categories: Production workers (employees performing manual labor) and office workers (people who perform managerial or administrative work). The majority of Kongsberg Automotive's employees are production workers. While there is better gender balance amongst production workers, the majority are still male. Kongsberg Automotive's ambition is to ensure gender equality, and we will focus on that through our recruitment processes.

EMPLOYEE CATEGORY	MALE	FEMALE	TOTAL
PRODUCTION WORKERS	1900(59%)	1329(41%)	3229
OFFICE WORKERS	1103(72%)	427(28%)	1531

Table 15: Number of employees by category and gender, 31.12.2022

## REMUNERATION

Kongsberg Automotive offers equal pay for equal work. At the end of 2022, female production workers earned on average 82% of a male's salary. When it comes to the office workers, women earned on average 75% of a male's salary. We strive to be a workplace of equal opportunity: Equal pay for equal contribution. We will analyze and identify gaps to take actions and mitigate any potential deviations. For more information about remuneration for the members of the BOD and senior executives in Kongsberg Automotive, please refer to the separate remuneration report on the company's website.

EMPLOYEE CATEGORY	AVERAGED SALARY + REMUNERATION (BASE PAY + ALLOWANCE, EXCL. STI LTI) FEMALE : MALE RATIO
PRODUCTION WORKERS	82%
OFFICE WORKERS	75%

Table 16: Remuneration ratio by employee category, 31.12.2022

## AGE

In addition to gender, age is an important diversity indicator. The majority of Kongsberg Automotive's production workers and office workers are between 30 and 50 years old.

EMPLOYEE CATEGORY	UNDER 30	30 TO 50	OVER 50	TOTAL
PRODUCTION WORKERS	709 (22%)	1593 (49%)	926 (29%)	3229
OFFICE WORKERS	151 (10%)	955 (62%)	424 (28%)	1531

Table 17: Number of employees by category and age, 31.12.2022

## PARENTAL LEAVE

All of Kongsberg Automotive's employees are entitled to parental leave. In 2022, 142 women employees took maternity leave, while 12 men took paternity leave. The average number of weeks on parental leave was 31 weeks in the reporting period.

GENDER	NUMBER OF HC ON PARENTAL AND MATERNITY LEAVE
FEMALE	142
MALE	12

Table 18: Number of employees on parental leave, 31.12.2022

# NON-DISCRIMINATION

Kongsberg Automotive has zero tolerance for discrimination, whether this is based on gender, age, disability, political views, sexual orientation, or any other factors. By preventing discrimination, we are able to create a more inclusive and welcoming workplace culture and enhance the well-being of our employees. We are committed to preventing discrimination of any kind in the workplace and will uphold local laws and regulations related to discrimination. The company operates in accordance with the Norwegian Equality and Anti-Discrimination Act and has established its own guidelines regarding non-discrimination, which is part of the Code of Conduct.

Incidents of discrimination should be reported, and all reports will be handled with discretion and without reprisals for the person reporting. KA's global "speak-up" system has been established to report and monitor complaints. The system is owned and overseen globally by the General Counsel and the Executive Vice President HR to ensure a high level of scrutiny of any accidents, as well as follow-up at the executive management level. In addition to the "speak-up" system, grievances are managed in countries according to local legislation.

# KNOWLEDGE BUILDING

**Kongsberg Automotive's goal is to unlock the potential of its employees in the best possible way. Every single KA employee is important to the success of the company.**

Staff development is vital if we are to continue meeting our customers' demands going forward. We believe that continuous development and the promotion of individual strengths are just as important as appreciative interaction, rewarding performance, and flexible working conditions. This has helped us become an employer of choice in the 33 locations where we operate.

Kongsberg Automotive takes this hunger for continuous learning to heart. In 2022, a new strategic foundation was put in place to promote talent development. As part of the Shift Gear program, we aim to unleash the greatest possible potential of our employees. A new initiative was launched, a global training strategy was developed, and in 2023, the resulting training will commence. At present, there is no central tracking of training hours. This strong strategic realignment of talent development is particularly important given the various divestments and reorganizations to ensure that the whole team is pulling in the same direction.

To upgrade employee skills, KA performs annual performance and career development reviews for all its employees. Depending on the employee category, this is either managed under a globally governed process or is managed under local processes. For office workers, performance management is a globally regulated process carried out in the HR system. Performance management for pro-

duction workers is the responsibility of the local operations and is based on local policy and practices. Following the reviews, the employees and managers analyze and agree on development areas and needs. A development plan is created to execute the defined measures from the review; this includes on-the-job learning and external training opportunities.

## KONGSBERG AUTOMOTIVE EXPERTFORUM

In times of technological progress and a changing market environment, knowledge management and innovation are the ultimate sources of competitive advantage. Learning and development have proven to be strategic factors in the success Kongsberg Automotive has enjoyed. They were also the focus of the ExpertForum initiative, which concluded in spring 2022. Industry experts were invited to the ExpertForum to review the latest developments in their specialist subject areas with attendees. Our employees were able to discuss the latest trends and relevant topics that have shaped and impacted Kongsberg Automotive in particular, as well as those spanning various industries. The ExpertForum supported our employees in their professional development, while advancing the strategic transition of our business. The format was received with enthusiasm.



# HEALTH AND SAFETY

**Kongsberg Automotive is committed to ensuring the health, safety, and wellbeing of its employees. The company has implemented policies and programs to manage risk, prevent accidents and injuries, and comply with relevant health and safety regulations. We continually strive to improve our safety record, reduce employee injuries, and avoid accidents and safety violations.**

Our well-established Health & Safety Policy and Environmental Policy articulate the key actions necessary to achieve the highest industry standards in HSE performance and our business objectives, which are communicated throughout the organization and to suppliers. The Health & Safety Policy has been translated from English into Chinese, Slovakian, German, Spanish, and French to ensure a good understanding across all employees and suppliers. In 2022, this resulted in zero fatalities and high-consequence work-related injuries. Over the 10,998,143 million hours worked during the year, only 14 work-related injuries were reported, with the main types being minor cuts requiring stitches, back strain injuries, and small toe and finger fractures. Kongsberg Automotive did not record any incidents of non-compliance with regulations throughout 2022.

While every day without an accident is worth celebrating, some of our facilities achieved significant milestones in the number of days since their last accident:

- ▶ Our Yangsan facility in Korea passed 4,500 days without an accident
- ▶ The Molsheim warehouse in France passed 3,000 days with no accidents
- ▶ Our Grand River facility in the US reached 2,000 days with no accidents
- ▶ The Wuxi & KAMS facilities in China reached over 1,250 days without an accident
- ▶ Our Vrable facility in Slovakia passed 1,000 days with no accidents
- ▶ 50% of KA facilities have gone more than one year without an accident

The authorities in the countries where we operate set HSE standards in the form of legislation, regulations, and specific requirements. The standards, regulations, and inter-

nal requirements establish how health and safety should be managed on a day-to-day basis. Kongsberg Automotive sets expectations for all its units and requires improved performance and a regular assessment of progress. The main scope of workers that are covered by the standards is those within manufacturing. All activities are covered by Kongsberg Automotive's Managing Safety System, including offices, social areas, on-site transport, and building infrastructure.

As mandated in 2018, all manufacturing facilities have aligned their safety management systems to the new ISO 45001 standard to minimize risks. 85% of our facilities were successfully externally certified to this safety standard by the end of 2022 and the certification of all plants is scheduled to be completed by the end of 2023. As a supplier, we also meet the HSE expectations of our customers.

## HEALTH AND SAFETY IN THE FACILITIES

Our internal management system contains an extensive set of procedures that ensure a safe and healthy work environment for everyone in our facilities. An important element of the system is to perform risk assessments every three months for all new and existing activities in our facilities and work areas. We employ a hierarchy of control for managing any identified risks, ranging from the ideal solution of eliminating the risk, down to managing the risk using the correct personal protective equipment. All employees are able to report any work-related hazards through the Near Miss Reporting process, which is captured as a KPI and is tracked every month by the facilities and corporate levels. Local training is also provided to identify hazardous situations to support this process.

Each manufacturing facility sets KPIs each year to measure its performance. These KPIs include the number

of accidents, risk assessments planned and completed, trainings planned and completed, first aid cases, and near misses recorded and closed. All facilities participate in monthly Green Card calls to review the KPIs and to share "best practice" opportunities. The facilities also perform an annual scored self-assessment against the requirements of our internal management system.

Engagement between the corporate teams and manufacturing facilities is an essential part of our ongoing performance improvements. Meetings are held with the facilities on a monthly basis to discuss any issues they are facing, and the solutions they have implemented to address other issues. These meetings form a key part of our engagement and sharing of best practices.

All external visitors and contractors to any Kongsberg Automotive manufacturing facility must comply with a sign-in procedure and align contractor packs to ensure full HSE awareness and compliance for each location visited.

High risk topics, i.e. hazardous materials, are covered with extensive procedures for training, handling, labelling and storage, transportation and inspection audits. All local legal compliance requirements are followed.

## HEALTH AND SAFETY TRAINING

All our manufacturing facilities have their own Health and Safety committees, comprised of employees from different functions in the facility, who contribute to the continuous improvement of their health and safety management systems. The Health and Safety committees hold meetings with worker participation to ensure the evaluation and development of the HSE policies and management systems. The committees hold the responsibility of interacting with all levels of the organization. They are tasked with examining incidents, accidents, first aid cases, and reported near misses or damage. Moreover, they also review the risk assessment and training plans to ensure that all employees are on schedule, and also assess any unresolved or escalated matters. Additionally, the committee is authorized to halt any hazardous processes.

Our corporate Health and Safety team provides induction training on all aspects of health and safety, as well as the tools and processes we use, to all new dedicated employees and management employees joining our manufacturing facilities. Our Health and Safety representatives in the facilities provide training on our management system to all new employees as well as refreshment training to existing employees on a regular basis throughout the year. A full training plan is issued each year through Kongsberg Automotive's e-learning tool. Training KPIs are set for all facilities to ensure the roll-out of relevant training topics.

Objectives and plans for continuous improvement of HSE performance were set and communicated in early 2022. Key performance indicators were reviewed regularly, and adjustments were made immediately as the need arose. As a result, the group reports a stable HSE performance.

## SAFEGUARDING EMPLOYEES' HEALTH

KA tracks employee absences due to illness. Manufacturing unplanned absence in 2022 was approximately 4.6% on average, down from 4.9% in 2021. Adjusted for the businesses discontinued in 2022, unplanned absence remains at 4.6% on average, as the effects of the COVID pandemic are still being felt.

Due to the ongoing pandemic, health-related measures remained in place at Kongsberg Automotive's facilities to mitigate the spread. The pandemic was monitored by corporate Disaster Team, supported by local Disaster Teams in each facility. Ongoing hygiene measures were monitored to ensure stringent action was taken in all KA facilities. As a result, there has been minimal transmission of COVID at our facilities, with most infections occurring outside the workplace. Employees and their families have been supported by local human resources teams. Kongsberg Automotive actively encourages vaccinations against COVID-19/influenza. In mid-2022, restrictions were lifted in many regions; however, Kongsberg Automotive's operations in Asia continued to be affected.

In addition to mitigating the spread of COVID, various activities to safeguard employees' health are run in the

# GOALS AND TARGETS FOR 2023

facilities, such as eye checks, blood pressure and cholesterol checks, breast cancer checks, and awareness events. Kongsberg Automotive also has instructions and processes in place to mitigate employees' exposure to stress and noise.

## SAFETY RECORD

Safety activities continued to focus on eliminating unsafe conditions at the manufacturing plants. Despite the ongoing challenges, including rapidly changing situations – such as changes in the COVID pandemic restrictions, business divestments, and employee turnover – our safety performance remained stable overall.

With the execution of the Shift Gear program, Kongsberg Automotive is now able to focus on its core business facilities. The company expects to further enhance its safety performance in 2023.

In 2022, Kongsberg Automotive reported 14 injuries, a slight increase compared to last year's reported 12 injuries. In addition, 12 manufacturing locations reported zero accidents by the end of 2022, compared to 18 in 2021. The results achieved indicate a stable performance level for the year, building on previous reductions, resulting in a 54% reduction over the last five years. In 2022, the Lost Time Injury (LTI) frequency rate for direct workers was 1.00, and the LTI severity rate for direct workforce was at 0.028. Protective equipment for employees is provided and regulated in order to reduce the number of work-related injuries.

In 2022, Kongsberg Automotive also went five calendar months with zero accidents. These results are testament to the ongoing focus that we have placed on providing the necessary resources, employee engagement, training, awareness, and improved work processes.

\*13 when adjusted for wholly discontinued operations.



- > AS THE COMPANY MOVES FORWARD INTO THE CURRENT YEAR, IT HAS SET SPECIFIC GOALS AND TARGETS TO ENSURE EMPLOYEES ARE ENGAGED AND MOTIVATED TO CONTINUE WORKING AT KA. ONE OF THE TOP PRIORITIES IS TO RETAIN OUR SKILLED WORKFORCE BY CREATING A WORK ENVIRONMENT THAT CATERES TO EMPLOYEES' DEVELOPING EXPECTATIONS OF FLEXIBLE WORKING. TO ACHIEVE THIS, THE COMPANY PLANS TO FURTHER DEVELOP FLEXIBLE WORKING CONDITIONS, INCLUDING REMOTE WORK AND WORKCATION OPTIONS. KA WILL ALSO BE ROLLING OUT A COMPREHENSIVE LEADERSHIP DEVELOPMENT PROGRAM TO SUPPORT EMPLOYEES' CAREER GROWTH ASPIRATIONS. THE LEADERSHIP DEVELOPMENT PROGRAMS WILL PROVIDE EMPLOYEES WITH THE NECESSARY SKILLS AND KNOWLEDGE TO BECOME EFFECTIVE LEADERS WITHIN THE COMPANY. BY INVESTING IN OUR LEADERSHIP DEVELOPMENT, THE COMPANY AIMS TO BUILD A STRONG TEAM THAT CAN DRIVE THE COMPANY FORWARD AND ACHIEVE OUR STRATEGIC GOALS
- > IN ADDITION, THERE WILL BE AN EMPHASIS ON SUCCESSION PLANNING AND CREATING A CLEAR CONNECTION TO CAREER PATHS WITHIN THE ORGANIZATION. THIS WILL ENSURE OUR EMPLOYEES ARE AWARE OF THE OPPORTUNITIES AVAILABLE TO THEM AND FEEL VALUED WITHIN THE COMPANY. TO GAIN MORE INSIGHT INTO OUR EMPLOYEES' ENGAGEMENT AND OPINIONS, THE COMPANY WILL CONDUCT A YEARLY ENGAGEMENT SURVEY, AND USE THIS FEEDBACK TO IMPROVE OUR PROCESSES AND WORKING ENVIRONMENT
- > OVERALL, OUR GOAL IS TO KEEP OUR EMPLOYEES HAPPY, ENGAGED, AND MOTIVATED TO WORK WITH US OVER THE LONG-TERM. BY IMPLEMENTING THESE INITIATIVES, WE ARE CONFIDENT THAT WE CAN ACHIEVE OUR OBJECTIVE AND CONTINUE TO FOSTER A POSITIVE AND PRODUCTIVE WORK ENVIRONMENT



**GLOBAL  
REPORTING  
INDEX**

# GLOBAL REPORTING INDEX 2022

<b>STATEMENT OF USE</b>	<b>Kongsberg Automotive has reported with reference to the GRI Standards for the period 01.01.2022 - 12.31.2022</b>
<b>GRI 1 USED</b>	<b>GRI 1: Foundation 2021</b>
<b>APPLICABLE GRI SECTOR STANDARD(S)</b>	<b>Not applicable</b>

GRI STANDARD/ OTHER SOURCE	DISCLOSURE (TITLE, SHORT DESCRIPTION)	LOCATION (REFERENCE TO INFORMATION, PAGE NUMBER OR ADDITIONAL INFORMATION)
<b>GRI GENERAL DISCLOSURE</b>		
2-1	Organizational details	SD2022 p2; p10; p12-13 Website <a href="#">Top 20 shareholders</a>
2-2	Entities included in the organization's sustainability reporting	All subsidiaries covered, as listed in the Annual Report 2022 AR2022 p80
2-3	Reporting period, frequency and contact point	SD2022 p2
2-4	Restatements of information	SD2022 p2
2-5	External assurance	SD2022 p2
2-6	Activities, value chain and other business relationships	AR2022 p17 and p29-31 and p35-36 SD2022 p28-29 AR2022 p26-28, p34
2-7	Employees	SD2022 p51
2-8	Workers who are not employees	SD2022 p51
2-9	Governance structure and composition	AR2022 p63, ARp136-139, SD2022 p52
2-10	Nomination and selection of the highest governance body	AR2022 p137-138, SD2022 p52
2-11	Chair of the highest governance body	AR2022 p138
2-12	Role of the highest governance body in overseeing the management of impacts	AR2022 p34 p138-139; SD2022 p15
2-13	Delegation of responsibility for managing impacts	Management of sustainability issues for our company is led by the CEO. All related annual targets are signed off by the CEO. All sustainability and HSE related issues are managed by the executive management team with the HSE & Sustainability team. They support our manufacturing facilities in the implementation and development of the sustainability initiatives implemented to support the goals of our sustainability strategy. Employee initiatives are led by the HR teams in our facilities with strategic support being given by the HR team. Ethics related matters are led by the Legal team. The management approach to supplier sustainability is described in the 'Sustainability in the Supply Chain' section of KA's Sustainability Report. Decisions on contracts for all new projects, with either existing or new suppliers, are decided through our Category and Global Sourcing Boards. Sustainability risks and the information in the suppliers' sustainability questionnaires are one of the key criteria

GRI STANDARD/ OTHER SOURCE	DISCLOSURE (TITLE, SHORT DESCRIPTION)	LOCATION (REFERENCE TO INFORMATION, PAGE NUMBER OR ADDITIONAL INFORMATION)
2-14	The role of the highest governance body in sustainability reporting	SD2022 p15
2-15	Conflict of interest	SD2022 p15
2-16	Communication of critical concerns	SD2022 p27
2-17	Collective knowledge of the highest governance body	SD2022 p15
2-18	Evaluation of the performance of the highest governance body	AR2022 p129
2-19	Remuneration policies	Guidelines for salary and other remuneration for the senior executives in Kongsberg Automotive on the website under <a href="#">Corporate Governance</a>
2-20	Process to determine remuneration	AR2022 p140
2-22	Statement on sustainable development strategy	SD2022 p4; p8-10; p14, AR2022 p16 and p21
2-23	Policy commitments	SD2022 p26-27
2-24	Embedding policy commitments	SD2022 p26-27
2-25	Processes to remediate negative impacts	Not reported
2-26	Mechanisms for seeking advice and raising concerns	SD2022 p26
2-27	Compliance with laws and regulations	SD2022 p15
2-28	Membership associations	SD2022 p31 <a href="#">List of memberships</a>
2-29	Approach to stakeholder engagement	SD2022 p18-19
2-30	Collective bargaining agreements	SD2022 p50

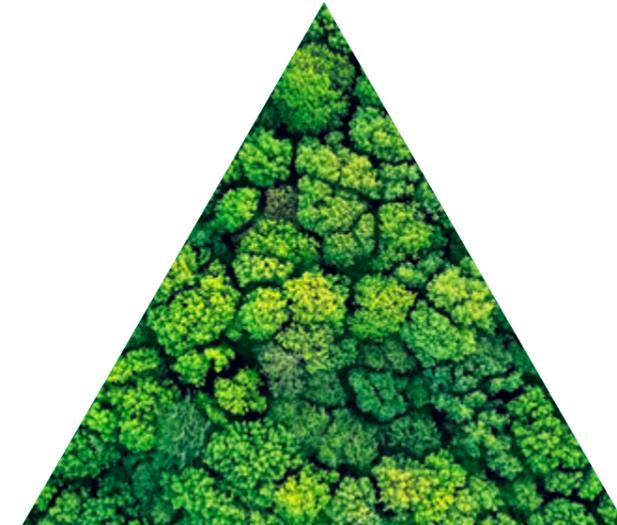
### GRI 3: MATERIAL TOPICS 2021

3-1 cs	Process to determine material topics	SD2022 p20-21
3-2	List of material topics	SD2022 p21
3-3	Management of material topics	See at each material topic

GRI STANDARD/ OTHER SOURCE	DISCLOSURE (TITLE, SHORT DESCRIPTION)	LOCATION (REFERENCE TO INFORMATION, PAGE NUMBER OR ADDITIONAL INFORMATION)
<b>MATERIAL TOPICS</b>		
Material issue	Climate change, incl. emissions in production and design for fuel efficiency	
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-3	Management of material topics	SD2022 p38-40
<b>GRI 305: EMISSIONS 2016</b>		
305-1	Direct (Scope 1) GHG emissions	SD2022 p41
305-2	Energy indirect (Scope 2) GHG emissions	SD2022 p41
305-3	Other indirect (Scope 3) GHG emissions	SD2022 p41, reason for omission provided
Material issue	Energy management	
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-3	Management of material topics	SD2022 p42
<b>GRI 302: ENERGY 2016</b>		
302-1	Energy consumption within the organization	SD2022 p41
302-3	Energy intensity	SD2022 p42
302-4	Reduction of energy consumption	SD2022 p42
Material issue	Waste management	
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-3	Management of material topics	SD2022 p43
<b>GRI 306: EFFLUENTS AND WASTE 2016</b>		
306-2	Waste by type and disposal method	SD2022 p43
<b>GRI 306: WASTE 2020</b>		
306-1	Waste generation and significant waste-related impacts	SD2022 p43
306-2	Management of significant waste-related impacts	SD2022 p43
306-3	Waste generated	SD2022 p43
306-4	Waste diverted from disposal	SD2022 p43
306-5	Waste directed to disposal	SD2022 p43
Material issue	Water management	
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-3	Management of material topics	SD2022 p44
<b>GRI 303: WATER AND EFFLUENTS 2018</b>		
303-1	Interactions with water as a shared resource	SD2022 p44
303-3	Water withdrawal	SD2022 p44

GRI STANDARD/ OTHER SOURCE	DISCLOSURE (TITLE, SHORT DESCRIPTION)	LOCATION (REFERENCE TO INFORMATION, PAGE NUMBER OR ADDITIONAL INFORMATION)
Material issue	Employees, incl. diversity, equal opportunity, and knowledge building	
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-3	Management of material topics	SD2022 p50-54
<b>GRI 202: MARKET PRESENCE 2016</b>		
202-2	Proportion of senior management hired from the local community	SD2022 p52
<b>GRI 401: EMPLOYMENT 2016</b>		
401-1	New employee hires and employee turnover	SD2022 p51
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	SD2022 p51
401-3	Parental leave	SD2022 p53
<b>GRI 402: LABOUR/MANAGEMENT RELATIONS 2016</b>		
402-1	Minimum notice periods regarding operational changes	Any potential notice period regarding operational changes depends on local laws and is therefore different in countries/regions. We do not have a standard, global notice period for operational changes. The notice period depends on the type of operational change and the number of employees impacted
<b>GRI 404: TRAINING AND EDUCATION 2016</b>		
404-2	Programs for upgrading employee skills and transition assistance programs	SD2022 p55
404-3	Percentage of employees receiving regular performance and career development reviews	SD2022 p55
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016</b>		
405-1	Diversity of governance bodies and employees	SD2022 p53
Material issue	Health and safety, incl. occupational health, safety, and product safety	
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-3	Management of material topics	SD2022 p58
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>		
403-1	Occupational health and safety management system	SD2022 p56-57, <a href="#">Website</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	SD2022 p57
403-5	Worker training on occupational health and safety	SD2022 p57
403-6	Promotion of worker health	SD2022 p57-58
403-8	Workers covered by an occupational health and safety management system	SD2022 p56
403-9	Work-related injuries	SD2022 p58
306-4	Waste diverted from disposal	SD2022 p43
306-5	Waste directed to disposal	SD2022 p43

GRI STANDARD/ OTHER SOURCE	DISCLOSURE (TITLE, SHORT DESCRIPTION)	LOCATION (REFERENCE TO INFORMATION, PAGE NUMBER OR ADDITIONAL INFORMATION)
<b>Material issue</b>	<b>Ethical business conduct, incl. anti-corruption and competitive behavior</b>	
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-3	Management of material topics	SD2022 p26
<b>GRI 205: ANTI-CORRUPTION 2016</b>		
205-2	Communication and training about anti-corruption policies and procedures	SD2022 p26
205-3	Confirmed incidents of corruption and actions taken	SD2022 p26
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions in 2022
<b>GRI 418: CUSTOMER PRIVACY 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated reports received in 2022
<b>GRI 207: TAX 2019</b>		
207-1	Approach to tax	AR2022 p46, p76, p85 For Poland and UK tax strategy: <a href="#">Corporate governance at Kongsberg Automotive</a>
207-2	Tax governance, control, and risk management	AR2022 p46
<b>Material issue</b>	<b>Human rights</b>	
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-3	Management of material topics	SD2022 p26-27, <a href="#">Transparency Act Report</a>
<b>GRI 406: NON-DISCRIMINATION 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	SD2022 p27 We operate a 'speak-up' service as a global system to report and monitor complaints. This is owned and overseen globally by the General Counsel and Vice President HR Specialty Products to ensure a high level of scrutiny of any incidents, as well as follow-up at the executive management level. Beside the global 'speak-up' process, grievances are managed in countries according to local legislation
<b>Material issue</b>	<b>Sustainability in the supply chain</b>	
<b>GRI 3: MATERIAL TOPICS 2021</b>		
3-3	Management of material topics	SD2022 p29-31, p33
<b>GRI 204: PROCUREMENT PRACTICES 2016</b>		
204-1	Proportion of spending on local suppliers	SD2022 p29
<b>GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>		
308-1	New suppliers that were screened using environmental criteria	SD2022 p30
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>		
414-1	New suppliers that were screened using social criteria	SD2022 p30





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