



20

23

SUSTAINABILITY
REPORT



KONGSBERG
AUTOMOTIVE

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A LETTER FROM OUR CEO

The three dimensions of ESG (environment, social, governance) play an important role for Kongsberg Automotive (KA). In the reporting period, various initiatives enabled us to become more sustainable in our operations and as a company. Our efforts have been recognized and qualified by well-known sustainability rating agencies. In addition to our environmental responsibility, acting responsibly towards our employees is paramount for us.

We put our employees' health and safety first. I am therefore delighted to share that we achieved our best safety performance in the past 10 years with only nine reported injuries. This performance is due to the various initiatives promoting safety and raising employee awareness that we continue to implement at KA. KA has achieved several milestones, following are some of the highlights:

- CDP Climate Change Rating improved to a B- score
- KA's Ljungsarp, Sweden plant is the first to operate with zero Scope 1 and 2 CO₂e emissions
- Lowest accident rate in 10 years
- Calculation of Scope 3 upstream emission data for the first time
- Launch of KA's Learning Lab for employees
- Sustainability project initiated with focus on double materiality and strategy development

Sustainability is one of the important pillars of KA's Business Strategy, which remains ambitious, and is on course. We have a competent team of experts who are working towards implementing and further developing our Sustainability Strategy.

Overall, we managed to reduce our Scope 1 and 2 CO₂e emissions by 21% compared to the previous year, with 42% of the electricity consumed at our sites obtained from renewable sources. From a work safety perspective, we are happy to report that we had zero fatalities or high-consequence work-related injuries and the lowest accident rate in 10 years. Looking at our supply chain, we achieved an improved level of transparency and control. Specifically, 84% (2022: 81%) of our direct material spend was with suppliers that have signed the supplier declaration, and 78% (2022: 71%) with suppliers that have a valid evidence-based sustainability risk assessment in place.

Various ambitious projects lie ahead for us in 2024. We are heading in the right direction, but we still see some improvement areas. Scope 3 upstream emissions will be a focal point for KA, and we will continue to work on our climate and decarbonization program to reduce Scope 1 and 2 emissions in our production facilities.

I am confident that we can make great strides in becoming more sustainable. As reporting requirements have changed, this will be the last edition of the Sustainability Report. From the year 2025, this information will



be incorporated in the regular Annual Report. I would like to thank our employees, suppliers, customers, partners, shareholders, and our Board of Directors for their contribution to making KA more sustainable. The road ahead is promising, and I am looking forward to shaping our journey with all of you.

Sincerely,

Linda Nyquist-Evenrud

President & CEO



IN BRIEF

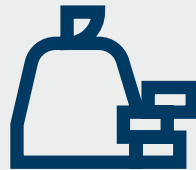
IN BRIEF



HEADQUARTERED*
IN KONGSBERG, NORWAY,
AND LISTED ON THE OSLO
STOCK EXCHANGE

**GLOBAL AUTOMOTIVE
AND INDUSTRIAL
APPLICATIONS PROVIDER**

*Headquarters reestablished in Kongsberg
in May 2024



885 €M

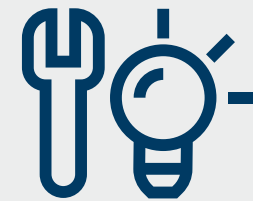
2023 REVENUES



**INNOVATIVE AND EFFICIENT
SOLUTIONS ENGINEERED FOR
SUSTAINABILITY**



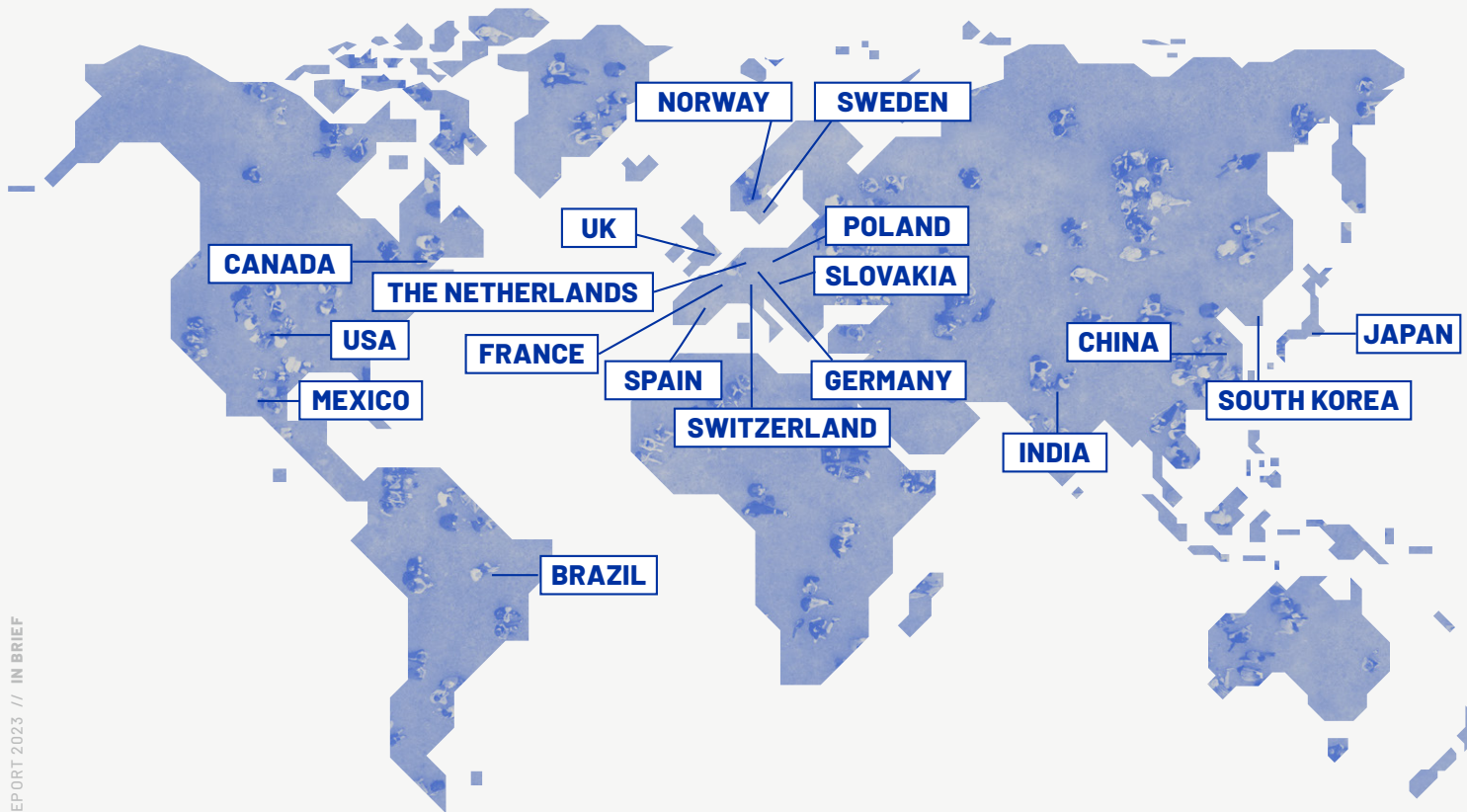
**LONG-TERM SUSTAINABILITY GOAL:
TO MANUFACTURE CARBON-NEUTRAL
PRODUCTS BY 2039, AND USE 100%
RENEWABLE ENERGY BY 2030.**



343

**HIGHLY SKILLED ENGINEERS
GLOBALLY**

GLOBAL FOOTPRINT



WORKFORCE
5,286
18
COUNTRIES
WORLDWIDE
34 LOCATIONS

Kongsberg Automotive (KA) is present in 34 locations around the globe, covering the world's key automotive markets.

KA's footprint is based largely on its customers: Wherever they are located, KA aims to be there, serving and supporting them in the best possible way. KA is committed to adapting to market conditions: 8.2% of its total workforce were agency workers in 2023, allowing it to build up or scale down in response to market movements.

The background of the page is an aerial photograph of ocean waves, showing white foam and deep blue water. Overlaid on the left side is a large green rectangle. To the right of this rectangle is a vertical column of repeating chevron patterns pointing to the right. The text 'OUR APPROACH' is written in bold, dark blue, uppercase letters in the bottom-left corner of the green rectangle.

OUR APPROACH

SUSTAINABILITY STRATEGY

Sustainability has been a central element of Kongsberg Automotive's (KA)'s Business Strategy since the company's inception. For KA, sustainability is the balance between the economic, ecological, and social elements of its business activities as a part of responsible corporate governance.

KA's Sustainability Strategy is focused on several topics within the ESG categories (environmental, social, and governance topics). The company has set several goals for its contribution to ESG issues. Its most ambitious goals are using 100% renewable energy by 2030, carbon neutral products by 2039, and the perpetual goal of zero accidents. These goals can be accomplished through measures focused on suppliers, employees, and compliance. KA's sustainability program is embedded both in its Business Strategy as well as in its Policy Deployment Tool. Relevant KPIs and progress updates are reported to KA's CEO on a regular basis. The sustainability program is coordinated by KA's Corporate Sustainability Manager who works in close collaboration with the different departments, business areas, and topic experts, e.g. with the sustainable procurement team or the HSE organization.

KA sees a strong development in the industry towards human rights, decarbonization, and circularity. KA is keeping up with those developments and has initiated a Sustainability Strategy project in 2023 with the goal to re-

adjust and develop its Sustainability Strategy. As a first step, a double materiality analysis has been conducted (see page 15 for more details), which already fulfils the EU Corporate Sustainability Reporting Directive (CSRD) requirements. This analysis lays the foundation for the development of targets and roadmaps, which will be finalized

during 2024. In addition, calculations of Scope 3 emissions have started at a corporate and product level. The company also procured additional renewable electricity and started to report on activities which are eligible and aligned with EU Taxonomy in its latest Annual Report. In order to reflect the upcoming CSRD

reporting requirements, a gap analysis will be conducted in 2024 to adjust KA's reporting to those requirements.

KA SEES A STRONG DEVELOPMENT IN ITS INDUSTRY TOWARDS HUMAN RIGHTS, DECARBONIZATION AND CIRCULARITY.



SUCCESS STORY

KONGBERG AUTOMOTIVE (KA) LJUNGSARP, SWEDEN: KA'S FIRST PLANT TO OPERATE WITH ZERO CO_{2e} EMISSIONS.

KA Ljungsarp successfully achieved its target to reduce its own operations-related CO_{2e} emissions to zero. This is a positive development as it contributes to KA's long-term sustainability goals of 100% renewable energy by 2030 and carbon free products by 2039. Ljungsarp is one of KA's two Swedish production sites has been a part of KA since 2004. The site is part of the business segment Speciality Products* and is focused on producing steering columns for the off-highway market.

Ljungsarp started its journey to electrify processes several years ago. All machines in the plant run on electricity and the heating of the production hall and offices is powered by water boilers and electrically heated fans.

Bruno Eriksson Biltman, QA & HSE Manager at KA's Ljungsarp site, commented: "Finally we made the decision to end our use of fossil fuels. In this regard, we also

**In Q4 2023, KA announced the merger of its Powertrain & Chassis (P&C) business segment and the Off-Highway business unit (a part of the Specialty Product business segment) to form the Drive Control Systems (DCS) business area. Since reporting for DCS came into effect in January 2024, this report still refers to P&C and Specialty Products as KA's business segments.*

**LJUNGSARP IS KA'S FIRST
PRODUCTION PLANT OPERATING
WITH ZERO CO_{2e} EMISSIONS**

replaced a diesel driven back-up compressor with an electrical one. Since 2020, the entire site has been running on 100% electricity. In the same year, the plant provided the possibility for staff and visitors to charge their electrical vehicles when commuting to work or visiting the plant.

In 2022 KA Ljungsarp took another step: The site changed the conventional electricity contract to a 100% renewable electricity contract. This means that the purchased electricity is only generated with renewable sources such as water, wind, or sun, leading to zero CO_{2e} emissions.

Both steps (electrification of processes and switch to the renewable electricity) helped reduce Scope 1 and Scope 2 CO_{2e} emissions to zero and save approx. 9.5 tons of CO_{2e} every year.**

Dirk Eckert, Corporate Sustainability Manager, added: "This is a significant step on our sustainability journey and also a benchmark for our other production sites."

***compared to yearly average CO_{2e} emissions of Ljungsarp site between 2016-2019*



GLOSSARY

CO_{2e} Carbon equivalent which comprises all greenhouse gases
Scope 1 and 2 CO_{2e} emissions: Scope 1 covers direct emissions from an organization's facilities (e.g. burned diesel or gas).
 Scope 2 covers emissions from electricity or district heat purchased by the organization.

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 (KA) recognizes that although companies have an influence over most SDGs, the following four goals are the most relevant to KA’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 (KA) has prepared Sustainability Reports in accordance with the GRI Standards since 2021.



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. KA has been reporting in accordance with the CDP framework since 2017 and has obtained a B- score in the CDP climate change 2023 rating.



SAQ / SUPPLIER ASSURANCE

The Self-Assessment Questionnaire (SAQ) on sustainability is a questionnaire and rating system, developed jointly with the industry initiative Drive Sustainability. It requires self-disclosure in the areas of working conditions and human rights, occupational health and safety, corporate ethics, the environment, and supplier management. It is one of the most important sustainability assessments in the automotive industry. SAQ is available on the supplierassurance.com platform. KA has valid forvalid SAQ 5.0 assessments for all production plants available with scores above 80%.



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. KA’s carbon accounting has been prepared in accordance with the GHG Protocol.



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. KA’s sustainability efforts have been rated by EcoVadis since 2012 and the company achieved a score of 53 (out of 100) and bronze status with its latest rating.

CORPORATE GOVERNANCE

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

The Annual General Meeting (AGM) is KA's highest governing body, in which shareholders can have a say on how sustainability is put into practice at KA, as well as on KA's strategic development. KA's Board is responsible for ensuring that corporate governance remains at a satisfactory level, and it bears ultimate responsibility for KA's sustainability approach. The Chair is independent of the Board, management, and major shareholders.

The CEO is responsible for KA's strategy and operations, as well as making sure that KA adheres 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 KA'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, KA'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

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

KONGSBERG AUTOMOTIVE'S STAKEHOLDERS

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

STAKEHOLDER ASSESSMENT AND DIALOG

Kongsberg Automotive (KA)'s most recent stakeholder assessment identified the following five stakeholder groups for KA: customers, investors, employees, local communities, and suppliers.

Customers: KA's 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. KA depends on customers buying its products and services.

Investors: KA 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 KA, employees are key stakeholders in the company's success. Committed and motivated teams of talented engineers, leaders, skilled production workers, and specialized technicians drive KA's business forward. The company is committed to continually developing the 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. KA's commitment to its employees goes beyond just providing wages. KA believes that by investing in its people, it is investing in the future of its 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. KA's community engagement 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, and food drives to blood donation, awareness campaigns for breast cancer, and health.

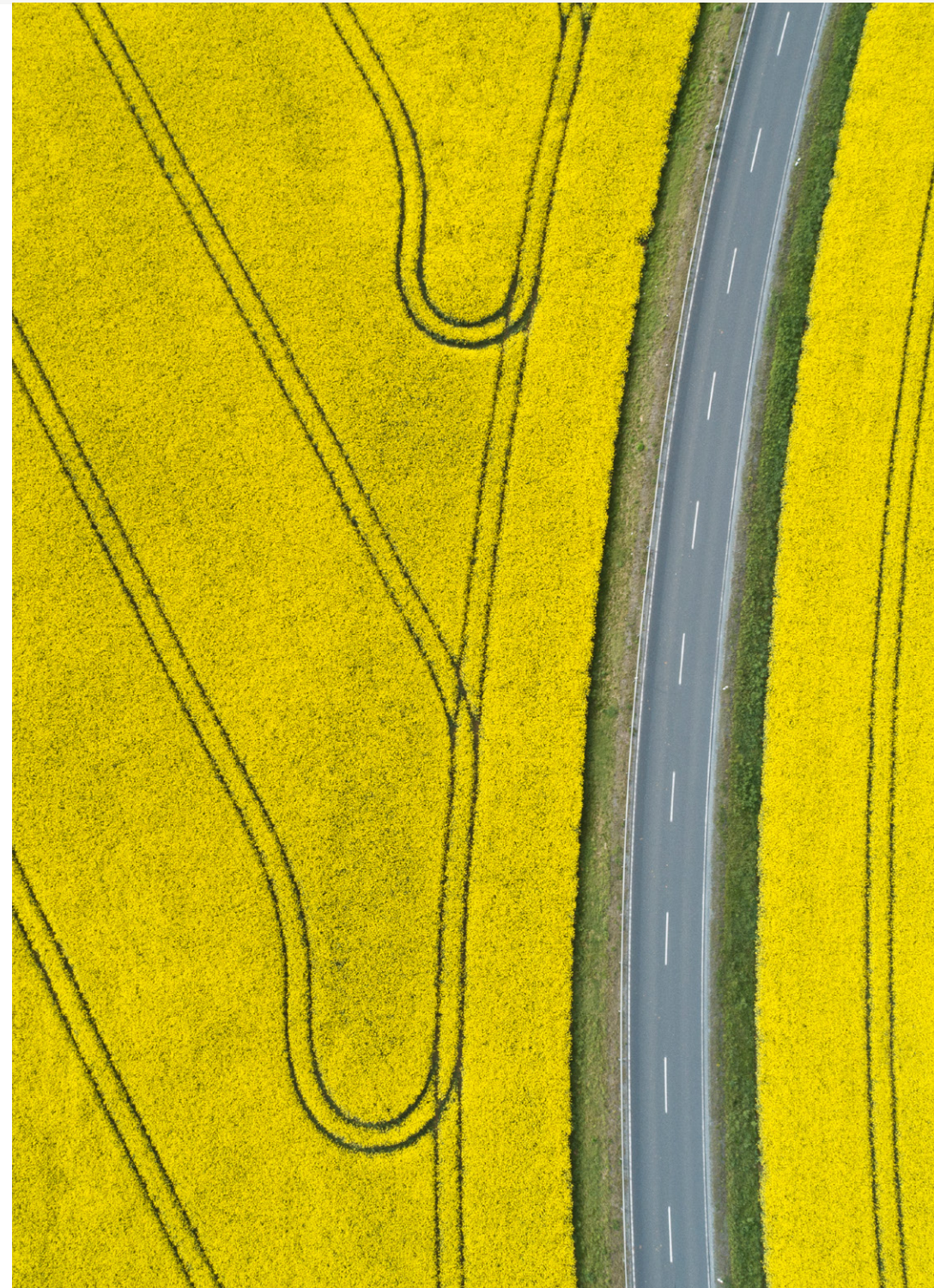
Suppliers: KA's suppliers work all around the world within different legal, economic, and cultural business contexts. The main topics that arise during dialogs include quality, availability, pricing, and sustainability requirements and challenges. Large, multinational suppliers are aware of and ready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

KA engages with these stakeholders to identify the sustainability issues of importance to them through day-to-day business activities, including face-to-face meetings, 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, KA's intranet and internet channels, and e-mail correspondence.

STAKEHOLDER GROUP	COMMON ARENA FOR DIALOG
Customers	<ul style="list-style-type: none"> ➤ Meetings ➤ Customer portals ➤ Customer audits, including for corporate responsibility ➤ Social media
Investors	<ul style="list-style-type: none"> ➤ Annual General Meetings (AGMs) ➤ Capital Markets Day (CMD) ➤ Quarterly results presentations ➤ Investor presentations, newsletters, email from the CEO and management, ➤ Breakfast meeting with investors ➤ Social media
Employees	<ul style="list-style-type: none"> ➤ Informal and formal briefings ➤ Employee and management communication via local and global townhall meetings ➤ Intranet ➤ Tailored engagement on specific issues, e.g. health and safety
Local communities	<ul style="list-style-type: none"> ➤ Family days in KA's locations ➤ Blood donation programs ➤ Local climate and other charity support ➤ Supporting local education institutes on engineering-related subjects
Suppliers	<ul style="list-style-type: none"> ➤ Face-to-face meetings ➤ Supplier workshops and events ➤ KA supplier sustainability program ➤ Enterprise Resource Planning (ERP) systems and tools ➤ Contracts and guidelines

Table 1: Stakeholder Groups

The company will ensure that it has meaningful engagement with stakeholders as a part of its future reporting processes. KA's advancements relating to the management of each of the material topics identified are disclosed to stakeholders through the Annual and Sustainability Reports.



MATERIALITY ASSESMENT

Kongsberg Automotive (KA) conducted a new materiality analysis in 2023. This update already reflected the double materiality approach and was intended to identify the most important sustainability topics.

The analysis determined which topics have the greatest impact on the environment, people, and the economy (inside-out perspective, “impact materiality”) and which have the greatest impact on the company’s business performance (outside-in perspective, “financial materiality”). The methodology for identifying these material topics is based on legal requirements and recognized standards such as the European Sustainability Reporting Standards (ESRS) and the Global Reporting Initiative (GRI). This ensures that the process has been carried out correctly and complies with current requirements. The analysis has been carried out based on quantitative and qualitative information. The results provide the basis for the (further) development of the sustainability strategy and the reporting content.

KA’s double materiality analysis was conducted from September-December 2023, following three different steps:

- I. The general selection of relevant sustainability topics for further analysis. For more details regarding KA’s materiality approach please see [here](#).
- II. The prioritization of the selected topics by reflecting the two perspectives mentioned above.
- III. The final analysis ending with a matrix of material topics.

For step II, several workshops and interviews with KA employees from different departments and functions have been conducted. The discussions focused on impact, risks, and opportunities in relation to the selected sustainability topics. In addition, external reviews, industry surveys, and assessments have been conducted to reflect the different stakeholder perspectives. Based on these internal and external analyses, KA has been able to create a final ranking of the different sustainability topics and positioned them in a matrix – shown in the graphic below. This final outcome has been reviewed and approved by KA’s management.

KA identified 11 topics as material, meaning that KA has either a high impact on those topics or that those topics represent a great risk or opportunity for the company. In many cases, both aspects are also fulfilled. These material topics represent a balanced mix of environmental, social, and governance topics.

The results of this double materiality analysis will help KA to focus its Sustainability Reporting on the material topics, especially regarding the requirements of the European Sustainability Reporting Standards (ESRS) which will become applicable to KA for the reporting year 2024*. The whole materiality process will provide guidance for the further development of KA’s Sustainability Strategy.

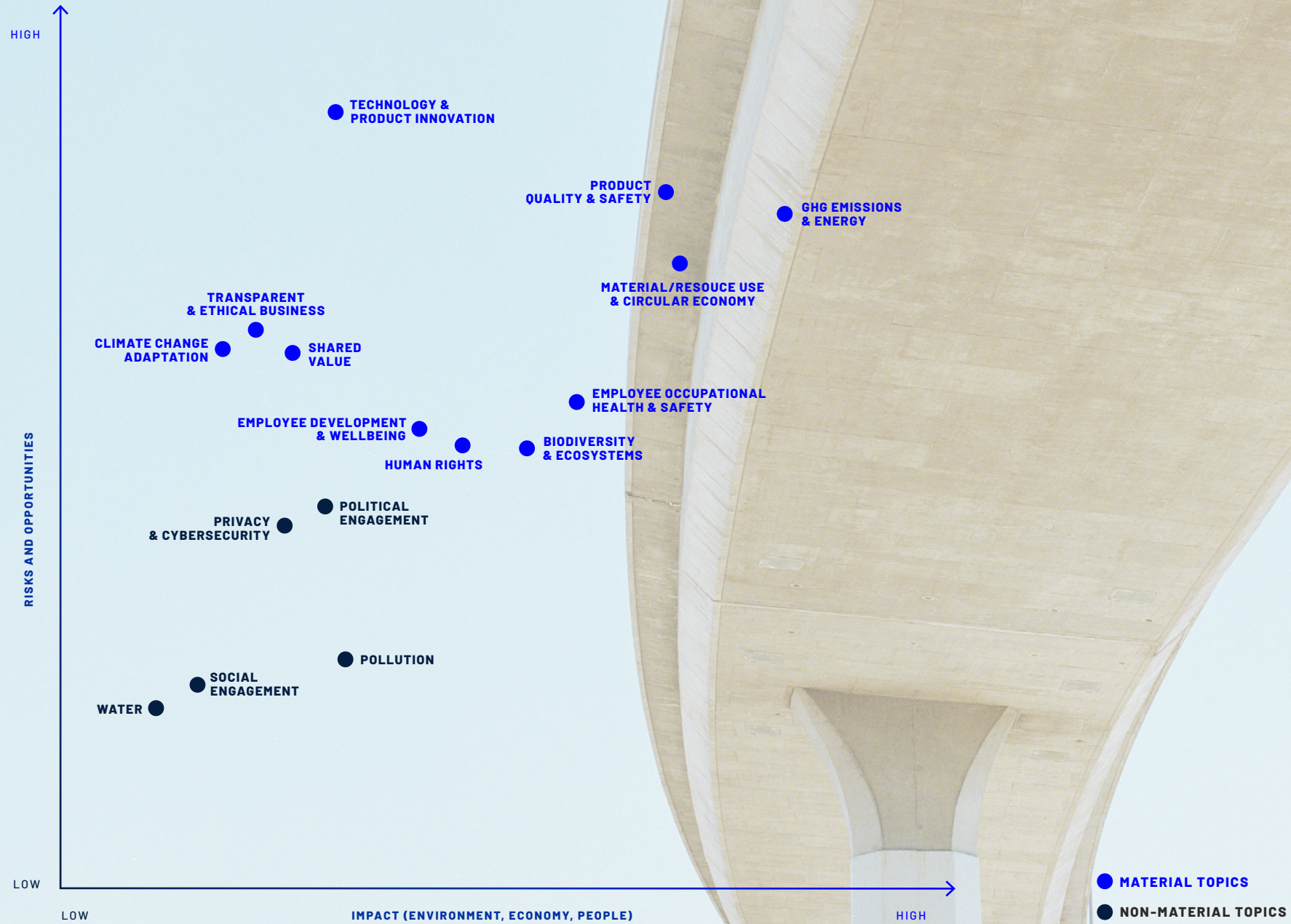
*The material topics for sustainability reporting year 2023 are still based on the previous materiality analysis (as shown in KA’s 2022 Sustainability Report).

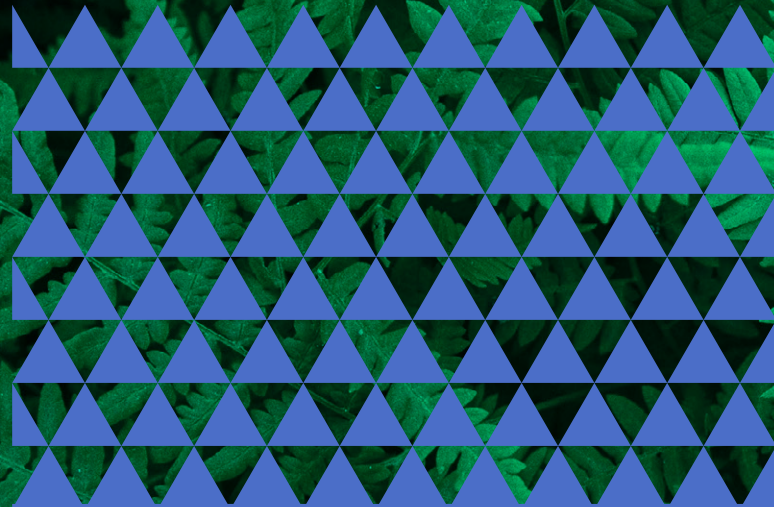
KA IDENTIFIED 11 TOPICS AS MATERIAL, MEANING THAT KA HAS EITHER A HIGH IMPACT ON THOSE TOPICS OR THAT THOSE TOPICS REPRESENT A GREAT RISK OR OPPORTUNITY FOR THE COMPANY. IN MANY CASES, BOTH ASPECTS ARE ALSO FULFILLED. THESE MATERIAL TOPICS REPRESENT A BALANCED MIX OF ENVIRONMENTAL, SOCIAL, AND GOVERNANCE TOPICS.

LIST OF MATERIAL TOPICS FOR 2024 AND BEYOND:

ENVIRONMENT	<ul style="list-style-type: none"> > Climate change and adaption > GHG emissions and energy > Material resource use & circular economy > Biodiversity and ecosystems
SOCIAL	<ul style="list-style-type: none"> > Employee development and wellbeing > Employee occupational health and safety > Human rights
GOVERNANCE	<ul style="list-style-type: none"> > Transparent and ethical business > Shared value > Product quality and safety > Technology and product innovation

Table 2: Materiality assessment 2023





GOVERNANCE

HIGHLIGHTS

Kongsberg Automotive (KA) and its employees should always maintain high ethical standards. The group applies fair labor practices, while respecting national and local laws. KA does not tolerate or engage in forced or exploitative labor and adopts a zero-tolerance approach when it comes to corruption or bribery. KA expects its suppliers and business partners to live by the same high ethical standards as KA does.

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COLLEAGUES IN PURCHASING PARTICIPATED IN TRAINING ON SUSTAINABLE AND RESPONSIBLE SOURCING, WHICH INCLUDES HUMAN AND LABOR RIGHTS.

73%

OF NEW EMPLOYEES WERE INFORMED ABOUT THE CODE OF CONDUCT AND RECEIVED RELEVANT TRAINING AS A PART OF THE ONBOARDING PROCESS

84%



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

962



EMPLOYEES PARTICIPATED IN REFRESHER CODE OF CONDUCT TRAINING

78%

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

EXPECTATIONS FOR EMPLOYEE CONDUCT

Kongsberg Automotive (KA) is 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. KA works to ensure that the company avoids any violation of human rights, such as forced labor or child labor in its operations and supply chains.

KA operates in accordance with internationally recognized business ethics standards, such as the OECD guidelines for multinational enterprises and the UN Declaration on Human Rights. The group's [Code of Conduct](#) sets the organization's expectations for acting responsibly and ensures that all employees understand KA's core ethical values and demonstrate those values at the individual, team, and company levels.

The Code of Conduct is available in 13 languages for KA's 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 the Code and their responsibilities. The training and guidance are delivered through classroom training, workshops, and an e-learning program. In 2023, 962 employees who had not refreshed their sign-off on the Code of Conduct in the 2 years prior participated in classroom training and webinars to refresh their Code of Conduct knowledge, while 73% of new employees received the relevant training as part of the on-boarding processes.

KA encourages the reporting of any suspected misconduct – this applies for both employees and people external to the company. 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 KA's Code of Conduct. All concerns are treated with the utmost confidentiality, without any fear of retaliation. In 2023, KA received 44 reports via the whistleblowing service.

KA 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 KA, its personnel, and representatives must be reported to the General Counsel. This applies even if the bribery attempt is rejected or unsuccessful. KA recorded no incidents of corruption or bribery in 2023.



HUMAN RIGHTS

Human rights and decent working conditions are of the utmost importance to Kongsberg Automotive (KA). The sustainability team in KA's Purchasing department regularly evaluates the company's approach, conducts due diligence, and works towards expanding the company's approach in a holistic sustainability approach, including human and labor rights.

KA 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:

- Child labor and young workers
- Wages and benefits
- Working hours
- Modern slavery (i.e. slavery, servitude and forced or compulsory labor and human trafficking),
- Ethical recruiting
- Freedom of association and collective bargaining
- Non-discrimination and harassment
- Women's rights
- Diversity, equity, and inclusion
- Rights of minorities and indigenous peoples
- Land, forest, and water rights as well as forced eviction
- Use of private or public security forces

To ensure effective monitoring of KA'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 put in place a whistleblowing service called "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 2023, no breaches of the listed human and labor rights were identified in any of KA's workplaces. For more information about how KA works to safeguard human rights, the company published a separate [Human Rights and Transparency Act Report](#) on its website.



SUSTAINABILITY IN THE SUPPLY CHAIN

Kongsberg Automotive (KA) has a significant global footprint through its more than 1,590 direct material suppliers and approximately 6,900 indirect suppliers, which span more than 44 countries worldwide. As 80% of KA's annual purchasing spend is with approximately 7% of KA's suppliers, KA places increased focus on these in due diligence processes and KA's sustainability goals.

MORE THAN 1,590 DIRECT MATERIAL AND 6,900 INDIRECT TIER 1 SUPPLIERS WORLDWIDE

Given KA's strategic aim of working with global and local suppliers, and building a diverse supplier portfolio of micro, small, medium, and large companies, KA had a footprint of almost 600 direct material suppliers in the Americas, approximately 300 suppliers in the Asia Pacific region, and more than 700 suppliers in Europe in 2023. With regards to indirect purchasing, KA worked with approximately 6,900 Tier 1 suppliers, with most of these being local to where their services were procured.

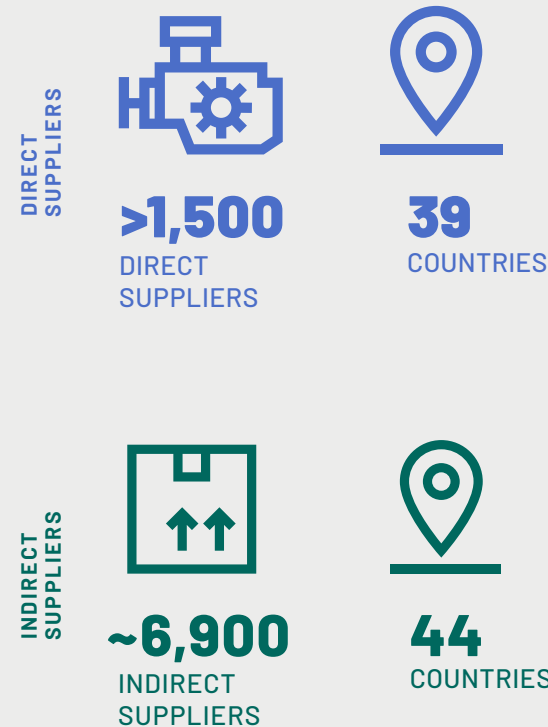
86% OF DIRECT MATERIAL PURCHASE SPEND GOES TO LOCAL SUPPLIERS

KA is proud to contribute to local economic development, local employment, and decreasing its environmental impact through purchasing locally (defined as a supplier located in the same geographical region – the Americas, Europe, Asia Pacific – as KA's manufacturing facility purchasing their products).

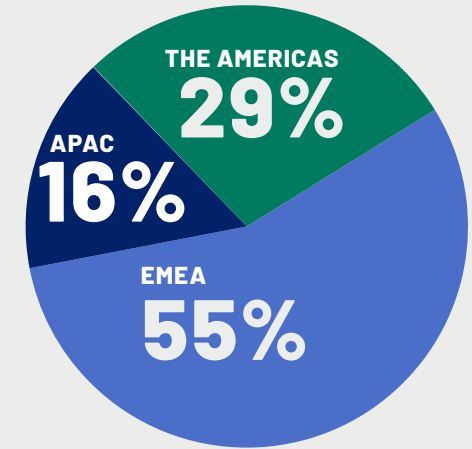
80% OF KA'S SPEND IS WITH APPROX. 7% OF KA'S SUPPLIERS

Approximately 80% of KA's purchase spend is made with approximately 500 suppliers. In light of this, the company aims to work closely with these suppliers, especially on managing sustainability issues. KA does this by working closely with them on sustainability topics, and clearly communicating expectations through the Supplier Sustainability Manual and the contracts KA has in place.

OUR SUPPLY CHAINS AT A GLANCE*



* For more information about our supply chain and relevant business relationships, please refer to Appendix I.



TOTAL ANNUAL DIRECT MATERIAL PURCHASING PER REGION

THE AMERICAS

29% OF TOTAL ANNUAL PURCHASE SPEND, OF WHICH 74% IS PURCHASED LOCALLY

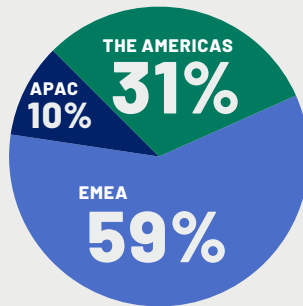
EMEA (EUROPE MIDDLE EAST AND AFRICA)

55% OF TOTAL PURCHASED SPEND, OF WHICH 93% IS PURCHASED LOCALLY

APAC (ASIA PACIFIC)

16% OF TOTAL PURCHASE SPEND, OF WHICH 94% IS PURCHASED LOCALLY

TOTAL ANNUAL INDIRECT PURCHASING PER REGION



THE AMERICAS

31% OF TOTAL ANNUAL PURCHASE SPEND, OF WHICH 95% IS PURCHASED LOCALLY

EMEA (EUROPE MIDDLE EAST AND AFRICA)

59% OF TOTAL PURCHASED SPEND, OF WHICH 97% IS PURCHASED LOCALLY

APAC (ASIA PACIFIC)

10% OF TOTAL PURCHASE SPEND, OF WHICH 98% IS PURCHASED LOCALLY

EXPECTATIONS FOR SUPPLIERS

Suppliers are required to adhere to the same high standards as Kongsberg Automotive (KA) 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.

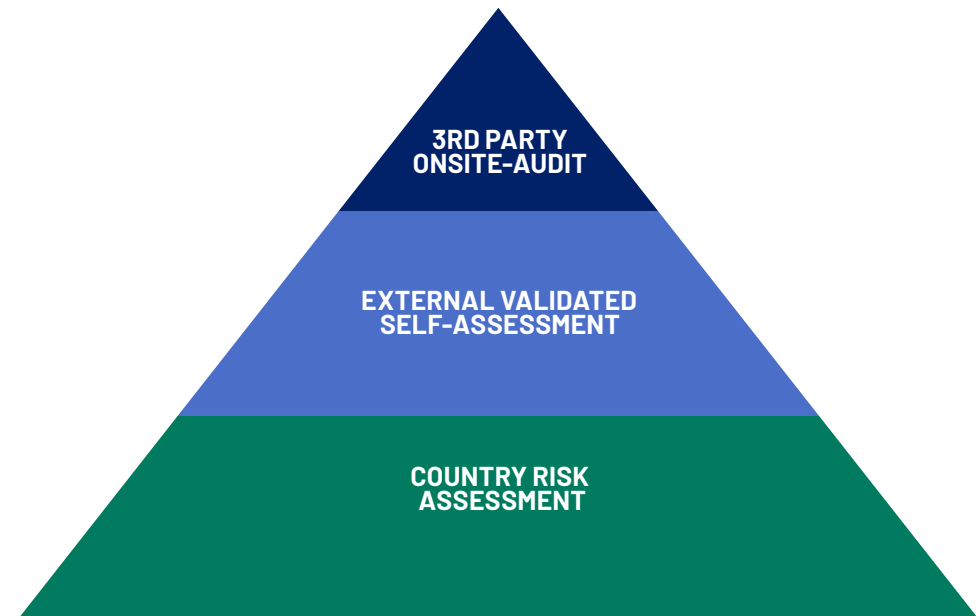
KA has a Responsible Minerals Position Statement and assesses suppliers' compliance with the Regulation on the registration, evaluation, authorization and restriction of chemicals (REACH) requirements (details on this can be found in the Supplier Quality Manual). In 2023, 84% of direct material spend was with suppliers who have signed the declaration. The share for indirect material suppliers was 10%, but this will continually increase with the onboarding to KA's ERP system, and as the company expands its contractual terms and other measurements.

KA's supplier sustainability risk prevention and mitigation approach builds upon three levels. This approach provides KA with insights into risk exposures and enables to prevent and effectively mitigate risks concerning human rights, the environment and ethics.

- I. The ESG related risks of the country where the supplier is located are analysed
- II. Suppliers are expected to share or conduct an evidence based, externally validated self-assessment questionnaire
- III. KA has on-site sustainability audits conducted by third parties

Most of KA's suppliers are located in low-risk countries. In case of suppliers in high-risk countries, KA identifies the related risks and takes steps to improve performance.

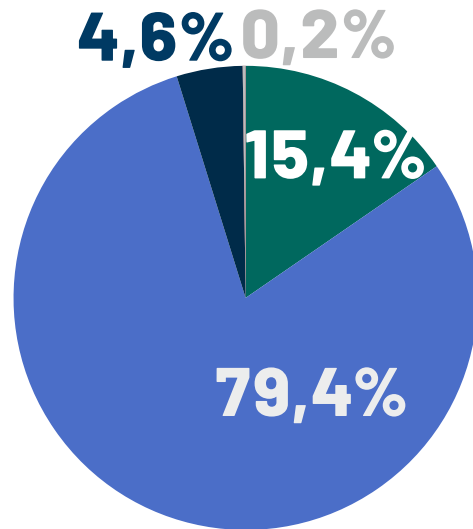
KA requires direct materials suppliers to report on their governance and management practices with regard to environmental, social, and ethical issues. KA expects its suppliers to have in place an effective policy and management system to identify and manage any material environmental, social, and ethical risks as well as their performance when it



comes to offering training for their workforce on 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 platform) has been developed and promoted by CSR Europe and Drive Sustainability and is widely used throughout the automotive industry. It collects existing practice and documents information on the governance and management approach of suppliers in seven areas:

- Company management
- Human rights and working condition
- Health and safety

DIRECT SUPPLIER'S COUNTRY RISK SCORE BY SPEND

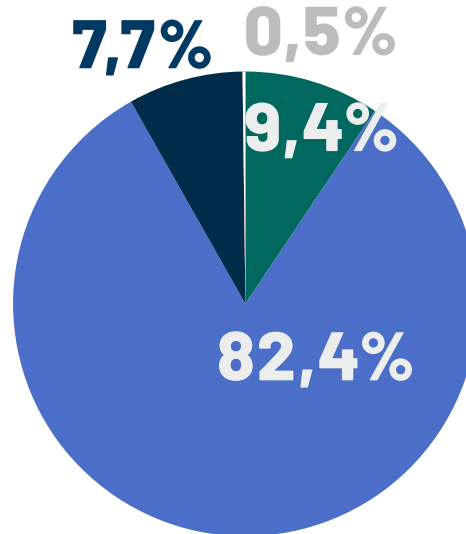


- > Business ethics
- > Environment
- > Responsible supply chain management
- > Responsible sourcing of raw materials

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

By the end of 2023, more than 360 suppliers – covering 78% of KA's yearly direct material purchasing spend – completed the questionnaire or provided an equivalent valid sustainability risk assessment. The information and evidence are validated by an independent third party. After assessing their questionnaires, suppliers are

INDIRECT SUPPLIER'S COUNTRY RISK SCORE BY SPEND



provided with feedback and recommendations on how to improve their governance and management systems, which will help them set up effective corrective action plans. KA is committed to giving precedence to suppliers with low sustainability risks, including human rights. All suppliers that are classified as having high to medium risks are supported in their development. As KA's supplier sustainability program expands, the company will provide one-to-one support for suppliers as well as other training materials and events. KA is planning on performing, where appropriate, on-site audits to ensure the effective implementation of sustainability-related management systems and performance in accordance with KA's requirements in 2024. Two pilot audits were conducted

in China and India to finalize the on-site audit checklist for the implementation. KA's Sourcing Board decision-making process ensures that all new direct material suppliers sign the Supplier Sustainability Declaration and undertake the Supplier Sustainability Risk assessment. As part of the Supplier Sustainability Risk assessment, KA screens new suppliers on environmental, social, and ethical issues. KA 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. KA will kick off sustainability risk assessments for indirect material suppliers in 2024. In 2023, KA did not terminate any business relationships with suppliers due to sustainability risks.

In 2023, KA's Central Purchasing department continued to train purchasing colleagues worldwide on sustainable development, responsible and sustainable purchasing, and human rights-related conflicting minerals. 94 of KA's purchasing colleagues took part in at least one of the offered training sessions (mainly webinars), which resulted in 88% of purchasing staff to have been trained by the end of the year. KA continues to raise awareness of these issues by engaging with the internal purchasing community.

KA has a due diligence process in place to identify risks and take actions to ensure that conflict and extended minerals used in its 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; extended minerals such as cobalt and mica have been included in the yearly data collection and due diligence process since 2022. KA's [Responsible Mineral Sourcing Position statement](#) was updated accordingly and is available on KA's website. In-scope suppliers are requested to provide information annually regarding the smelters or refiners they

use for these minerals. Reports from KA's suppliers are consolidated into a global-level KA Conflict & Extended Minerals Reporting Template, which provides information to customers and other stakeholders on request. KA encourages suppliers to use certified smelters and increase their responsible sourcing practices.

In KA's conflict minerals data collection process, the response rate was 85%, with the additional extended minerals reaching 63%. In 2024, KA will continue to strengthen its due diligence process and increase the response rate further. KA currently has concerns over certain smelters, but due to the fact that most suppliers report at a company level, KA has no evidence that they are used in goods purchased by the company. In this area, KA is strengthening its user-defined or product scope

reporting wherever possible, which will allow KA and its suppliers to mitigate risks more efficiently. Since 2022, KA is a member of the Responsible Mineral Initiative, which allows it to contribute to even more effective actions and transparency with regard to the supply of these minerals.

As climate change, resource scarcity, and biodiversity challenges are presenting new challenges across the globe and for the automotive industry, KA has started to establish two-way communication and engagement with suppliers on decarbonization targets and environmental responsibility. KA's risk assessments and the above-mentioned questionnaires contain topics regarding environmental and energy management policies and systems, yearly environmental targets, and employee training. Since 2023, KA inquires about the percentage of renewable

energy used in electricity and heating. In 2023, KA started to collect primer performance data enabling future hybrid Scope 3 upstream emission calculation and further supplier engagement to decrease emission throughout the value chain.

For suppliers wishing to report any issues related to conflict and extended minerals, KA has a "speak-up line" available to voice and record concerns, which is managed by an external party and KA's General Counsel.



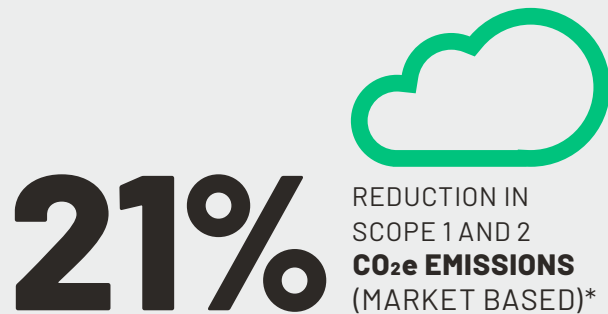
GOALS AND TARGETS FOR 2024

- > INCREASE THE COVERAGE OF CODE OF CONDUCT
- > CONDUCT MORE SUSTAINABILITY TRAININGS AMONG EMPLOYEES WORKING IN PURCHASING
- > ENSURE THAT AT LEAST 80% OF KA'S DIRECT MATERIAL SPEND IS WITH SUPPLIERS THAT HAVE A VALID SUSTAINABILITY RISK ASSESSMENT
- > ENSURE THAT AT LEAST 90% 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
- > IMPROVE THE RATIO OF POTENTIALLY HIGH SUSTAINABILITY RISK SUPPLIERS (<10%) AND HAVE AT LEAST 10 ON SITE AUDITS FOCUSING ON THOSE
- > MAINTAIN A LOCAL SOURCING RATIO OF >75% IN EACH REGION AND IN TOTAL
- > ESTABLISH A HUMAN RIGHTS POLICY



HIGHLIGHTS

Kongsberg Automotive's (KA's) ambition is to make a meaningful contribution to society's efforts to tackle climate change and environmental protection. The company works to reduce carbon emissions and environmental impact created by its business operations and products, helping customers meet their ambitions of sustainable production in their final products.



*compared to previous year

ENVIRONMENT

Kongsberg Automotive (KA) has defined 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.

In 2023, KA initiated projects to calculate, understand, and decrease the carbon footprint of products and materials. To reach its commitment to carbon-neutral products, cross-functional cooperation (technology, sales, quality, and purchasing) has been initiated throughout the entire value chain (stakeholder engagement) in the following areas:

- Energy use in all KA sites
- Materials and components used in KA products
- Product innovation to increase recycling rate, substitute materials, energy use in production, and allowing for correct disposal of end-of-life products
- CO₂e emissions related to transportation, packaging, and logistics

All KA 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.

KA's internal Health, Safety, and Environment (HSE) management system sets expectations for environmental management for all 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. The HSE teams ensure that environmental activities comply with all applicable national and regional legislations.

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

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

EACH YEAR, KA'S MANUFACTURING FACILITIES SET TARGETS FOR REDUCING ENERGY, WASTE, AND WATER FROM THE PREVIOUS YEAR'S PERFORMANCE.

CLIMATE CHANGE

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

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

KA’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, KA reports on climate change and actions to reduce carbon emissions created by its manufacturing activities through the Carbon Disclosure Project (CDP). KA’s latest CDP Climate Change report is available on its [website](#).

KA’s key climate change-related risks and opportunities can be summarized as follows:

CLIMATE CHANGE RISKS

CHANGING MARKET

KA’s customers focus on lowering emissions generated during the use phase of their products but also related to the materials they purchase. They require lighter, low carbon and more efficient products from their supply chain. For products designed a number of years ago, there is a risk that the market may become restricted. In addition, the shift towards battery electric vehicles (BEV) also has implications for the components needed.

KA is in close dialog with its customers regarding their ambitions and requirements regarding the green shift. The company does not see any operational or financial risk related to this in the foreseeable future.

DISRUPTION TO SUPPLY CHAINS BY EXTREME WEATHER

As extreme weather events become more severe and/or more frequent globally, there is a risk that supply chains are disrupted, which impacts production. KA monitors its supply chain for the probability of disruption by extreme weather events. Where a high risk of disruption is identified, KA works on mitigation actions with its suppliers.

INCREASED COSTS OF ENERGY AND SUPPLIES

Volatility in energy and commodity prices may lead to higher costs and reduced profitability. To address this, KA’s budget is thoroughly prepared according to the demand the company sees based on close cooperation with customers. KA’s path towards a greener profile is therefore, to a large extent, reflected in the analyses and budgets in both short- and long-term plans.

CLIMATE CHANGE OPPORTUNITIES

DEVELOPMENT OF NEW PRODUCTS OR SERVICES IN RESPONSE TO CHANGES IN CUSTOMER REQUIREMENTS

KA’s automotive customers have a focus on reducing emissions generated by their products. This leads them to require lighter and more efficient components for their products from their supply chain that help achieve higher fuel efficiency, reduce end-product weight, and use less energy. The industry shift to BEVs also creates opportunities for KA’s product portfolio.

RESOURCE EFFICIENCY

Reducing energy usage and waste in manufacturing facilities leads to more efficient processes and equipment being installed, resulting in reduced OPEX spend.

RECYCLING

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.



COST OF CARBON

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.

USE OF LOWER-EMISSION SOURCES OF ENERGY

Increasing the amount of renewable energy used presents an opportunity to KA. 42% of the electricity purchased is generated from renewable sources. Seven of KA's manufacturing facilities – four in Scandinavia as well as in the UK, France, and Canada – purchase 100% renewable electricity. KA's Wuxi, China plant has installed solar panels that provide a significant share of the plant's energy consumption. The Ljungsarp plant in Sweden is operating with zero Scope 1 and 2 CO₂e emissions as all processes are electrified, industrial waste heat is exploited, and all electricity used comes from renewable sources.

IMPACT OF GREATER CHANGES IN TEMPERATURES AND WEATHER ON MANUFACTURING FACILITIES

There is a risk that higher or lower seasonal temperatures than usual, 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.

Table 3: Climate Change related risks and opportunities



EMISSIONS

Kongsberg Automotive (KA) is committed to reducing its emissions of air pollutants and has implemented measures such as optimized production processes. By reducing emissions, KA can help improve local air quality and reduce the negative health impacts associated with emissions and improve KA’s reputation as a responsible company. The Health, Safety & Environment (HSE) organization and local plant managers are responsible for climate-related issues and for the company achieving its reduction targets.

Each year, KA reports on climate change and actions to reduce carbon emissions created by its manufacturing activities. All KA 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 2023, KA started to report location-based and market-based Scope 2 CO₂ emissions for the first time. This allows KA to reflect specific renewable energy contracts in reporting. In 2023, the group’s CO₂ emissions were approximately 18,803 metric tonnes of CO₂ (market-based), a 21% reduction from the 23,940 metric tonnes of CO₂ emitted in 2022. Following the location-based approach, the decrease was slightly lower. These significant reductions have, to some extent, been achieved through energy efficiency improvements and a higher share of renewable electricity (for the market-based view). Additionally, there are two divestments which affected facilities in Canada and Poland and led to reduced energy consumption and emissions. KA also updated its CO₂ calculation emission factors in 2023. This update had a sig-

nificant effect on electricity-related emissions. KA intends to switch to a yearly emission factor update in the future.

	2022	2023	CHANGE IN %
Scope 1	3,495	2,539	27%
Natural Gas	3,294	2,346	
Propane	118	141	
Others	83	52	
Scope 2			
Electricity			
> Location based	21,575	17,589	18%
> Market based	20,446	16,263	20%
Total (Scope 1 + 2)			
> Location based	25,070	20,128	20%
> Market based	23,941	18,802	21%

Table 4: Emissions in metrics tonnes of CO₂e equivalents

The CO₂e emissions are calculated using monthly reported numbers on energy consumption from all manufactur-

ing facilities and locations. For Scope 1 emissions, a set of CO₂e equivalent conversion factors is used for all locations. For Scope 2 emissions, the CO₂e equivalent average conversion factors for the relevant country and/or region are used (location-based approach) and local electricity contract specific factors for the market-based approach. The conversion factors used by KA are taken from carbonfootprint.com.

Energy sources contributing to Scope 1 emissions include mainly natural gas and propane and to a much lower extent biomass, gas/diesel oil, and kerosene. For energy sources contributing to Scope 2 emissions, purchased electricity is included.

ENERGY SOURCE	SOURCE UNIT	2023
BIOMASS	kWh	440,869
GAS/DIESEL OIL	Liters	16,196
KEROSENE	Liters	1,810
NATURAL GAS	m ³	1,141,143
PROPANE OR LPG	Liters	90,274

Table 6: Total energy consumption

In 2023, KA started to calculate upstream Scope 3 CO₂ emissions on a company level with a spend-based calculation model, enabling KA to analyze hot spots and to develop effective measurements to decrease carbon emissions in KA’s supply chain. The calculation showed that the biggest part of KA’s CO₂ emissions is by far related to purchased goods, followed by logistics. Between 2022 and 2023, KA’s total Scope 3 upstream emissions remained on a similar level. But as purchasing spend was higher in 2023 compared to 2022, KA was able to improve its ration of kg CO₂e per Euro spent from 0.44 to 0.49. KA will analyze different options to reduce Scope 3 upstream emissions in the future and will develop a roadmap to implement it.

	2022	2023
3.1 Purchased goods and services	259,707	261,760
3.2 Capital goods	14,966	16,803
3.3 Fuel and energy related activities	6,237	4,608
3.4 Upstream transportation	16,717	11,933
3.5 Waste generated in transportation	910	1,258
3.6 Business travel	506	388
Total	299,043	296,750

Table 5: Scope 3 CO₂e emissions in tonnes

In addition, KA also started to calculate Scope 3 emissions on product level by using standard data from Life Cycle Analysis (LCA) libraries within an existing software solution. The focus was on the emissions-related to purchased material per product. This approach enabled KA to calculate initial product carbon footprints (PCFs) for selected products and will build the basis for product-related decarbonization roadmaps which will be aligned with KA’s overall decarbonization roadmap.



ENERGY

Failure to adopt sustainable energy practices can negatively impact the environment and contribute to climate change. Each year, Kongsberg Automotive (KA) 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 more sustainable economy.

In 2023, KA continued to take concerted action to improve energy efficiency at its manufacturing locations. This was mainly driven by two factors: the company’s goal of achieving carbon-neutral products by 2039 (energy usage is an important part of KA’s carbon emissions) and the need to reduce utility costs due to volatility in the energy markets.

All of KA’s plants set a target for 2023 to decrease their energy consumption by 2% relative to total product sales (“energy intensity”). Each plant took action to reduce their 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/process heat.

In 2023, 11 of KA’s production sites reached a 100% implementation grade of LED lights, which leads to significant reductions of energy use.

KA’s energy intensity in 2023 amounted to 96.8 kilowatt hours used in production for every EUR 1,000 of total product sales, a 5% decrease from the 101.5 kilowatt hours per EUR 1,000 of total product sales in 2022. While

energy intensity was the primary key performance indicator, manufacturing units reported that absolute energy use decreased by 6% to approximately 92 million kilowatt hours from approximately 98 million kilowatt hours in 2022.

	2022	2023	CHANGE IN %
Energy use (kWh)	97,797,917	92,310,078	-6%
Energy intensity R12M	101.5	96.8	-5%

Table 6: Energy and total energy use, adjusted and non-adjusted

To reach the strategic target of using 100% renewable energy by 2030, KA continued the work on centralizing energy supply contracts to prepare to better mitigate the volatility in energy markets in the coming.

Viable options being evaluated include power purchase agreements, on-site renewable generation, and the availability of green tariffs.

In 2023, KA used 45% renewable energy across all its manufacturing facilities, up from 40% renewable energy usage in 2022. Further KA production sites have been already identified which will switch to renewable electricity tariffs in 2024.





WASTE

Good waste management practices are important to Kongsberg Automotive (KA) and the communities where it operates. KA has committed to reducing the waste it generates and improving waste management practices. By implementing waste reduction strategies, KA is able to cut back on the amount of waste it generates, conserve natural resources, and reduce its environmental footprint.

In 2023, KA’s aim was a reduction of 2% of the yearly amount of waste sent to landfills or requiring special treatment as compared to annual sales; this is the “Disposed 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.

Notably, 10 manufacturing locations were landfill-free in 2023. Even though KA’s total waste quantity remained stable, KA faced an increase in total disposed waste, leading to an increase of KA’s Waste Index by 10% compared to 2022. This is, to some extent, related to improved waste reporting, which improved the data quality in 2023, but led to higher numbers .

	2022	2023	CHANGE IN %
Total disposed waste (kg)	778,161	844,038	8%
Disposed waste index R12M	0.8	0.9	10%

Table 7: Adjusted and non-adjusted Waste Index

WASTE TYPE	2023 QUANTITY (TONNES)
Landfilled waste	469.3
Regulated waste	374.8
Waste sent for incineration	297.3
Waste sent for recycling	4,907.1
Total	6,048.4

Table 8: Weight of waste generated in the reporting period

SUCCESS STORY

CUTTING OIL CONSUMPTION BY 90%: RE-USING VALUABLE RESOURCES

At Kongsberg Automotive (KA)'s Normanton, UK plant, Ep 150 oil is used as a lubricant for machinery for wire braiding. The excess oil from the process is collected and disposed off. All braiding machines account for 700 liters of waste oil per week, resulting in approximately 35,000 liters of waste oil per year.

This does not only negatively impact the environment, but it is a significant cost factor. With KA's sustainability targets in mind, the Normanton plant set out for a solution and implemented a re-use process.

The collected waste oil, instead of being disposed off, is being filtered using a portable fluid cleansing rig. Lab results have shown that the lubricant properties of the recycled oil match those of new oil. Implementing this process allows KA Normanton to cut the need for new oil by approx. 90%, which avoids waste, the purchase of virgin oil and saves costs.

Kyle Selby, Operation Excellence Champion Normanton: "We are proud of this achievement, and it is not just a win for Normanton. The process can be applied to other KA plants as well, offering even more potential."



Filtered (right) vs. unfiltered (left) oil.



WATER

Kongsberg Automotive (KA)'s business model is not water intensive. But KA understands its responsibility to use natural resources efficiently and there is a dependency on access to clean water for its operations.

KA has committed to reducing its 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 Index by 2% from the previous year. Most of KA's water consumption is from sanitation usage and Paint Plant processes. In order to identify water-related impact, leakage monitoring and sanitation management processes have been put in place.

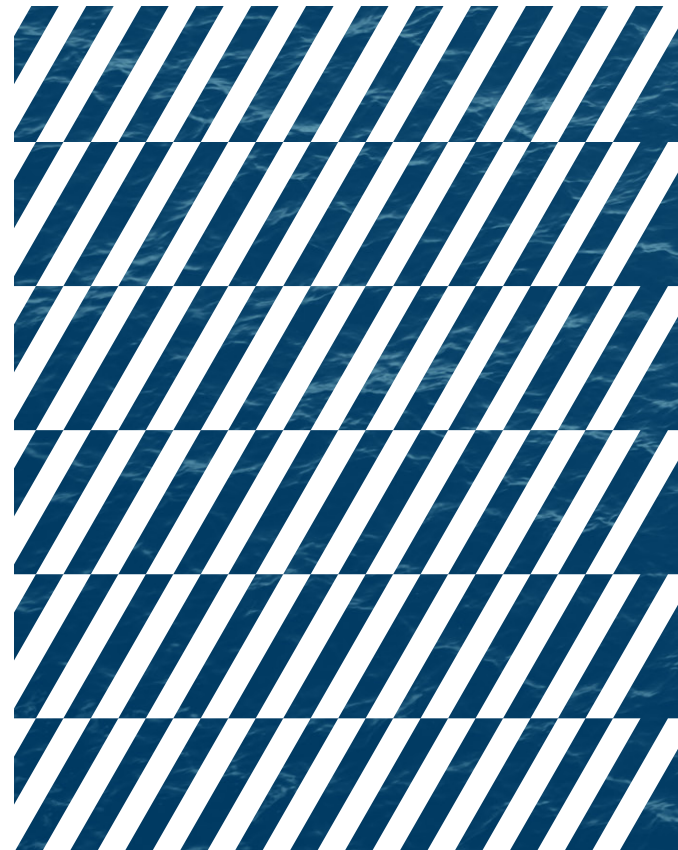
Manufacturing facilities work to reduce water leakage use and conserve water wherever possible. However, in light of KA's investment in new manufacturing activities, which required significant water usage, and the increasing requirements to maintain high levels of hygiene to keep facilities safe and healthy, KA recorded a 5% increase in total water usage in 2023.

	2022	2023	% CHANGE
Water usage (m ³)	111,000	116,648	5%
Water usage index R12M	0.1	0.1	6%

Table 9: Adjusted and non-adjusted water usage

KA carried out fire evacuation drills along with fire safety checks and training across all of its facilities in 2023. It did not report any fires resulting in significant property dam-

age 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 2024

- > **IMPROVE CALCULATION OF SCOPE 3 CO₂e EMISSIONS BY REFLECTING SUPPLIER DATA**
- > **DEVELOPMENT AND IMPLEMENTATION OF SCOPE 3 REDUCTION MEASUREMENTS**
- > **SET REDUCTION TARGETS FOR SCOPE 1 AND 2 CO₂e EMISSIONS**
- > **REDUCE ENERGY INTENSITY BY 2%, WASTE INDEX BY 2%, AND WATER INDEX BY 2%**
- > **SWITCH TO RENEWABLE ELECTRICITY TARIFFS AT SELECTED PLANTS**
- > **ONGOING REVIEW OF THE EU TAXONOMY AND RELEVANT TECHNICAL SCREENING CRITERIA**



SOCIAL

HIGHLIGHTS

Kongsberg Automotive (KA) is represented in 18 countries all around the world with a wide range of specialties; KA's locations vary from manufacturing sites to tech centers and warehouse sites. By the end of 2023, KA employed 5,286 people. KA continuously strives to identify, develop, and retain its highly-talented employees.



86%

CERTIFIED FACILITIES
ACCORDING TO THE ISO 45001
STANDARD



5,286

**EMPLOYEES ACROSS KA'S
ALL LOCATIONS**



67

NATIONALITIES



0

**FATALITIES
OR HIGH-CONSEQUENCE
WORK-RELATED INJURIES**

EMPLOYEES

In 2024, Kongsberg Automotive (KA) will continue to attribute its success to the invaluable contributions of its dedicated workforce. Serving as the lifeblood of the company, employees embody the core essence of KA.

Their profound expertise, imaginative ideas, and adept execution fuel the innovations that captivate and motivate customers. KA remains strong in its commitment to optimizing the potential of its global workforce, irrespective of geographical location or organizational hierarchy. The organization places equal emphasis on continuous growth, the cultivation of individual strengths, respectful collaboration, performance acknowledgment, and flexible working conditions. This holistic approach contributes to KA's reputation as an employer of choice across its 34 operational locations.

KA continues to identify, develop, and retain its highly talented employees to plan for the future of the company. To do so, KA relies on its professional, digitalized succession planning process, with the aim of securing KA's future organizational needs. This provides KA 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. Its employees work tirelessly to ensure KA can deliver substantial value for its customers through its first-rate products and services. KA aims to add value for its customers and shareholders, while firmly upholding its ethical guidelines (Code of Conduct). KA is committed to respecting its employees' right to freedom of association and collective bargaining. In 2023, 63% of KA's employees were covered by collective bargaining agreements. For internal employees, KA determines their working conditions and terms of employment based on individual agreements and may partially refer to the existing collective bargaining agreements.

In 2023, KA continued on its HR digitalization journey by further enhancing the SAP SuccessFactors platform, which facilitates the administration and management. KA's largest workforces are in Mexico and Norway, followed by Poland and the United States.

	EUROPE	NORTH AND SOUTH AMERICA	ASIA	TOTAL
NUMBER OF EMPLOYEES	2,739 (52%)	1,879 (36%)	668 (12%)	5,286
NUMBER OF PERMANENT EMPLOYEES	2,401 (51%)	1,693 (36%)	587 (13%)	4,681 (98%)
NUMBER OF TEMPORARY EMPLOYEES	62 (79%)	14 (18%)	2 (3%)	78 (2%)
NUMBER OF FULL-TIME EMPLOYEES	2,385 (51%)	1,701 (36%)	589 (13%)	4,675 (98%)
NUMBER OF PART-TIME EMPLOYEES	78 (93%)	6 (7%)	0	84 (2%)

Table 10: Breakdown of internal employees by region, 31.12.2023

At the end of 2023, KA had a total of 5,286 employees, of which 52% were located in Europe, 36% were located in North and South America, and 12% were located in Asia. 90% of the company's employees were permanent hires, with just 10% on temporary contracts. The majority (98%) of KA's employees work full-time, while only a small number of people (2%) are part-time employees. KA does not have any employees with non-guaranteed hours.

In KA, there are a total of 434 external workers (workers who are not employees). The most common type of external workers is those who cover fluctuations in production capacity and bring additional skills to the company.

The benefits provided to KA's 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 AND EMPLOYEE TURNOVER

NEW EMPLOYEES	UNDER 30	30 TO 50	OVER 50	TOTAL
MALE	429	391	106	926
FEMALE	250	249	62	561
NEW EMPLOYEES	EUROPE	NORTH AND SOUTH AMERICA	ASIA	TOTAL
MALE	279	606	41	926
FEMALE	103	454	4	561

Table 11: New employees in 2023 by age and region, 31.12.2023

EMPLOYEE TURNOVER	UNDER 30	30 TO 50	OVER 50	TOTAL
MALE	393	401	165	959
FEMALE	215	300	142	657
EMPLOYEE TURNOVER	EUROPE	NORTH AND SOUTH AMERICA	ASIA	TOTAL
MALE	307	568	84	959
FEMALE	225	394	38	657

Table 12: Employee turnover in 2023 by age and region, 31.12.2023

3 out of 10 employees left KA, as a consequence of divestments and restructuring programs to increase efficiency. Voluntary turnover is lower compared with last year, which is a result of the efficiency program in 2023.



DIVERSITY AND EQUAL OPPORTUNITIES

Kongsberg Automotive (KA) promotes equal opportunity and fair treatment. The company believes that business performance and productivity are enhanced by a diverse workforce, as greater diversity will lead to higher-performing teams and improved decision-making.

KA has established a diversity policy which is part of its Code of Conduct, available on the [company's website](#).

KA is committed to treating its workforce fairly and providing equal opportunities for all. KA has implemented policies and programs to prevent discrimination and harassment and the company fosters an inclusive corporate culture. KA is working towards attracting and retaining a diverse and talented workforce and will comply with all diversity regulations.

The mix of cultures at KA is an important strength on which to build a more sustainable business. KA is proud of its diverse workforce, which at the end of 2023 comprised of 67 nationalities globally, with five 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 KA's [Code of Conduct](#). The Recruitment Policy and Procedure has been put in place and is reflected in KA's recruitment processes.

	FEMALE	MALE	TOTAL
Number of employees	1,787 (37%)	3,066 (63%)	4,852
Number of permanent employees	1,763 (37%)	3,019 (63%)	4,782 (99%)
Number of temporary employees	24 (34%)	46 (71%)	70 (1%)
Number of full-time employees	1,737 (36%)	3,039 (64%)	4,776 (98%)
Number of part-time employees	50 (65%)	27 (35%)	76 (2%)

Table 13: Breakdown of employees by gender, 31.12.2023

Women currently make up 37% of the total workforce and 10% of the executive management (Global Leadership Team).

As a Norwegian public limited company, KA is required to have at least 40% female participation in the Board of Directors. At the end of 2023, the Board of KA comprised of eight members: three women, of whom two are shareholder-elected directors, and five men, of whom three are shareholder-elected directors.

EMPLOYEE CATEGORIES

KA's workforce can be divided into two categories: production employees (performing manual labor) and office employees (people who perform managerial or administrative work). The majority of KA's employees are production employees. While there is better gender balance amongst production employees, the majority are still male. KA's ambition is to ensure gender equality, which will be a focal point of KA's recruitment processes.

EMPLOYEE CATEGORY	MALE	FEMALE	TOTAL
PRODUCTION EMPLOYEES	1,974 (59%)	1,371 (41%)	3,345
OFFICE EMPLOYEES	1,091 (72%)	416 (28%)	1,508

Table 14: Number of employees by category and gender, 31.12.2023

REMUNERATION

At the end of 2023, women production employees earned on average 76% of a men salary. When it comes to the office employees, women earned on average 78% of a men salary. Kongsberg Automotive (KA) strives to be a workplace of equal opportunity: equal pay for equal contribution. KA will analyze and identify gaps to take actions and mitigate any deviations. For more information about remuneration for the members of the BOD and senior executives in KA, please refer to the separate remuneration report on the company’s website.

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

Table 15: Remuneration ratio by employee category, 31.12.2023

AGE

In addition to gender, age is an important diversity indicator. The majority of KA’s production employees and office employees are between 30 and 50 years old.

EMPLOYEE CATEGORY (HEAD COUNT)	UNDER 30	30 TO 50	OVER 50	TOTAL
PRODUCTION EMPLOYEES	712 (21%)	1,639 (49%)	944 (30%)	3,345
OFFICE EMPLOYEES	139 (9%)	945 (63%)	423 (28%)	1,508

Table 16: Number of employees by category and age, 31.12.2023

PARENTAL LEAVE

All of KA’s employees are entitled to parental leave. In 2023, 79 women took maternity leave, while 16 men took paternity leave. The average number of weeks on parental leave was 27 weeks in the reporting period.

GENDER	NUMBER OF HC ON PARENTAL LEAVE
WOMEN	79
MEN	16

Table 18: Number of employees on parental leave, 31.12.2023



NON-DISCRIMINATION

Kongsberg Automotive (KA) has zero tolerance for discrimination, whether this is based on a person's race, color, religion, sex, age, ethnicity, national origin, citizenship status, disability, sexual orientation, or any other relevant status.

By preventing discrimination, KA is able to create a more inclusive and welcoming workplace culture and enhance the well-being of its employees. KA is 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 are 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. K'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

EMPLOYEE DEVELOPMENT AND ENGAGEMENT

Kongsberg Automotive (KA) is dedicated to unlocking the full potential of its employees, recognizing their essential role in the company’s success. Whether engineers, managers, skilled production staff, or specialized technicians, every member of the KA team is crucial. KA’s commitment to ongoing staff development is key to meeting the customers’ needs and achieving the goals. KA prioritizes continuous growth, the enhancement of individual strengths, appreciative interaction, rewarding performance, and flexible working conditions, establishing the company as a preferred employer across its 34 locations.

TALENT DEVELOPMENT INITIATIVES

In 2022, KA restructured its Talent Development Strategy, launching a cutting-edge learning platform in December 2023. Since its inception, 708 employees have engaged with the platform, dedicating an impressive 1,065 hours to their personal and professional growth.

To further enhance employee development, KA has initiated various projects in 2024. These include a new training program for first-level managers and an executive-sponsored program designed to share experiences, lessons learned, projects, and best practices.

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

KA conducts annual performance and career development reviews for all employees. Depending on the employee category, this process is managed either globally or locally. For white-collar employees, performance management

follows a globally standardized process through the People and Culture system. For blue-collar employees, local operations oversee performance management based on regional policies and practices. Following these reviews, employees and managers collaborate to identify development needs and create comprehensive development plans, incorporating both on-the-job learning and external training opportunities.

This comprehensive approach to employee development underscores KA's commitment to fostering a culture of continuous improvement and excellence.



HEALTH AND SAFETY

Kongsberg Automotive (KA) prioritizes 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. KA continually strives to improve its safety record, reduce employee injuries, and avoid accidents and safety violations.

KA's well-established Health & Safety Policy and Environmental Policy articulate the key actions necessary to achieve the highest industry standards in Health, Safety and Environment (HSE) performance and KA's 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 2023, this resulted in zero fatalities and high-consequence work-related injuries. Over the 9,606,682 million hours worked during the year, only nine work-related injuries were reported, with the majority being minor cuts requiring stitches, back strain injury, an arm burn, and a finger fracture. KA did not record any incidents of non-compliance with regulations throughout 2023.

In 2023, KA marked five calendar months with zero accidents, setting a new group record for days without accidents. These results are testament to the ongoing focus that KA has placed on providing the necessary resources, employee engagement, training, awareness, and improved work processes. While every day without an accident is worth celebrating, some of KA's facilities

achieved significant milestones in the number of days since their last accident (status Dec. 31, 2023):

- The Molsheim warehouse in France passed 3,500 days with no accidents
- KA's Grand River facility in the US reached 2,400 days with no accidents
- The Wuxi & KA Morse Shanghai facilities in China reached over 1,700 days without an accident
- KA's Vrable facility in Slovakia passed 1500 days with no accidents
- KA's Brzesc Kujawski, Poland and Ramos Arizpe, Mexico facilities passed 1000 days without an accident
- 75% of KA facilities have gone more than one year without an accident

The authorities in the countries where the group operates set HSE standards in the form of legislation, regulations, and specific requirements. The standards, regulations, and internal requirements establish how health and safety should be managed on a day-to-day basis. KA sets expectations for all its units and requires improved performance and a regular assessment of progress. The main scope of employees that are covered by these standards is employ-

ees within manufacturing. All activities are covered by KA'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. 86% of KA's facilities were successfully externally certified to this safety standard by the end of 2023 and the certification of all plants is scheduled to be completed by the end of 2025. As a supplier, KA also meets the HSE expectations of its customers.

HEALTH AND SAFETY IN THE FACILITIES

KA's internal management system contains an extensive set of procedures that ensure a safe and healthy work environment for everyone in its facilities. An important element of the system is to perform risk assessments every three months for all new and existing activities in KA's facilities and work areas. The company employs 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, training 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 KA’s internal management system.

Engagement between the corporate teams and manufacturing facilities is an essential part of KA’s 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 KA’s 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, labeling and storage, transportation and inspection audits. All local legal compliance requirements are followed.

HEALTH AND SAFETY TRAINING

All of KA’s 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 employee participation to ensure the eval-

uation and development of the HSE policies and management systems. The committees are responsible for interacting with all levels of the organization. They are tasked with examining any incidents, accidents, first aid cases, and reported near misses or damage. 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.

KA’s HSE Organization provides induction training on all aspects of health and safety, as well as the tools and processes in use, to all new dedicated health and safety employees and management employees joining KA’s manufacturing facilities. The health and safety representatives in the facilities provide training on KA’s 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 KA’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 2023. Key performance indicators were reviewed regularly, and adjustments were made immediately as the need arose. As a result, the group reports an improved HSE performance.

SAFEGUARDING EMPLOYEES’ HEALTH

KA tracks employee absences due to illness. Manufacturing unplanned absence in 2023 was approximately 4.1% on average, down from 4.6% in 2022.

Various activities to safeguard employees’ health are run in the facilities, such as eye checks, blood pressure and cholesterol checks, breast cancer checks, and awareness events. KA 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 business situations and employee turnover), safety performance improved. Execution of KA’s Business Strategy allowed KA to focus on the critical areas of its business. This focus delivered a significant improvement in the company’s safety performance in 2023. Throughout the year, KA reported nine injuries, a 35% improvement compared to last year’s reported 14 injuries. In addition, 17 manufacturing locations reported zero accidents by the end of 2023, compared to 12 in 2022, a 42% improvement. This corresponds to an incident rate of 0.94 per million hours worked. The results achieved indicate a strong performance level for the year, building on previous reductions and resulting in a 63% reduction over the last five years.

SUCCESS STORY

ACCIDENT-FREE FOR THE PAST SEVEN YEARS: THE KONGSBERG AUTOMOTIVE (KA) GRAND RIVER STORY

KA's Grand River plant in Ohio in the United States has not recorded an accident for 2,548 days (as of April 30, 2024). This serves as a shining example of KA's commitment to work safety.

Providing a safe work environment is an essential asset to be recognized as employer of choice. At KA Grand River, the team excels in just that. "We take great pride in our safety performance," Grand River Quality Manager Tina Persinger says. The plant improves every year, and is not just safety campaigns and trainings. "We examine accidents that have happened at other plants to generate awareness. We also invite qualified speakers for our Safety Day", Persinger adds.

The hard work put in by the staff clearly pays dividends: With 2,548 days without an accident, the plant is among the very best at KA. Persinger has a clear plan laid out to continue this path. A monitoring system is in place to keep track of awareness and training effectiveness. Visitors are required to comply with KA Grand River's safety policy as well. "Regular audits help us stay on track. We are also actively working with the safety committee members: they are actively involved in keeping the plan safe."

Last but not least, KA Grand River gets its people involved. "We make awareness fun! For example, we turn simple slide shows into quiz games. This has helped us a lot in getting our message across," Persinger says.



GOALS AND TARGETS FOR 2024

- > **ZERO ACCIDENT TARGET FOR ALL FACILITIES AND 50% REDUCTION OF FIRST AID CASES (COMPARED TO 2023)**
- > **FURTHER DEVELOPMENT OF THE PERCIPIO LEARNING PLATFORM LAUNCHED IN 2023 TO SUPPORT PROFESSIONAL DEVELOPMENT**
- > **ROLLOUT OF A LEADERSHIP DEVELOPMENT PROGRAM TO SUPPORT EMPLOYEES' CAREER GROWTH ASPIRATIONS**
- > **CONTINUED DEVELOPMENT OF CAREER PATHS AT KA, INCLUDING SUCCESSION PLANNING**
- > **KEEP HIGH ENGAGEMENT AND MOTIVATION LEVEL AMONG KA'S EMPLOYEES**



ABOUT THIS REPORT

This is the Sustainability Report of Kongsberg Automotive AS and applies to the reporting period January 1 to December 31, 2023. 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 July 15, 2024 as an extended part of the company's financial reporting. The report has been approved by KA'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 KA's Investor Relations department: investor.relations@ka-group.com



GLOBAL REPORTING INDEX

GLOBAL REPORTING INDEX 2023

STATEMENT OF USE	Kongsberg Automotive has reported with reference to the GRI Standards for the period 01.01.2023. - 31.12.2023.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE (TITLE, SHORT DESCRIPTION)	LOCATION (REFERENCE TO INFORMATION, PAGE NUMBER OR ADDITIONAL INFORMATION)
GRI GENERAL DISCLOSURE		
2-1	Organizational details	SD2023 p5-6, p51 Website Top 20 shareholders
2-2	Entities included in the organization's sustainability reporting	All subsidiaries covered, as listed in the Annual Report 2023
2-3	Reporting period, frequency and contact point	AR2023 p77
2-4	Restatements of information	SD2023 p51
2-5	External assurance	SD2023 p51
2-6	Activities, value chain and other business relationships	SD2023 p51
2-7	Employees	AR2023 p13-17, p19, p24, p26 and p27
2-8	Workers who are not employees	SD2023 p21-22
2-9	Governance structure and composition	SD2023 p41
2-10	Nomination and selection of the highest governance body	SD2023 p41
2-11	Chair of the highest governance body	AR2023 p56, p134-137, SD2023 p43

GRI STANDARD/ OTHER SOURCE	DISCLOSURE (TITLE, SHORT DESCRIPTION)	LOCATION (REFERENCE TO INFORMATION, PAGE NUMBER OR ADDITIONAL INFORMATION)
2-12	Role of the highest governance body in overseeing the management of impacts	AR2023 p26, p134-137; SD2023 p12
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 is one of the key criteria
2-14	The role of the highest governance body in sustainability reporting	SD2023 p12
2-15	Conflict of interest	SD2023 p12
2-16	Communication of critical concerns	SD2023 p20
2-17	Collective knowledge of the highest governance body	SD2023 p12
2-18	Evaluation of the performance of the highest governance body	SD2023 p12, Guideline for salary and remuneration
2-19	Remuneration policies	SD2023 p12, Guideline for salary and remuneration , AR2023 p71-72, p110

GRI STANDARD/ OTHER SOURCE	DISCLOSURE (TITLE, SHORT DESCRIPTION)	LOCATION (REFERENCE TO INFORMATION, PAGE NUMBER OR ADDITIONAL INFORMATION)
2-20	Process to determine remuneration	AR2023 p136-137
2-22	Statement on sustainable development strategy	SD2023 p3; p8; p28, AR2023 p16 and p21
2-23	Policy commitments	SD2023 p19-20
2-24	Embedding policy commitments	SD2023 p19-20
2-25	Processes to remediate negative impacts	Not reported.
2-26	Mechanisms for seeking advice and raising concerns	SD2023 p19
2-27	Compliance with laws and regulations	SD2023 p12
2-28	Membership associations	List of memberships
2-29	Approach to stakeholder engagement	SD2023 p13-14
2-30	Collective bargaining agreements	SD2023 p41
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)
MATERIAL TOPICS		
Material issue	Climate change, incl. emissions in production and design for fuel efficiency	
GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	SD2023 p30-33
GRI 305: EMISSIONS 2016		
305-1	Direct (Scope1) GHG emissions	SD2023 p32
305-2	Energy indirect (Scope 2) GHG emissions	SD2023 p32
305-3	Other indirect (Scope-3) GHG emissions	SD2023 p33
305-5	Reduction of GHG emissions	SD2023 p32
Material issue	Energy management	
GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	SD2023 p34
GRI 302: ENERGY 2016		
302-1	Energy consumption within the organization	SD2023 p34
302-3	Energy intensity	SD2023 p34
302-4	Reduction of energy consumption	SD2023 p34
Material issue	Waste management	
GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	SD2023 p35
GRI 306: WASTE 2020		
306-1	Waste generation and significant waste-related impacts	SD2023 p35

GRI STANDARD/ OTHER SOURCE	DISCLOSURE (TITLE, SHORT DESCRIPTION)	LOCATION (REFERENCE TO INFORMATION, PAGE NUMBER OR ADDITIONAL INFORMATION)
306-2	Management of significant waste-related impacts	SD2023 p35
306-3	Waste generated	SD2023 p35
306-4	Waste diverted from disposal	SD2023 p35
306-5	Waste directed to disposal	SD2023 p35
Material issue	Water management	
GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	SD2023 p37
GRI 303: WATER AND EFFLUENTS 2018		
303-1	Interactions with water as a shared resource	SD2023 p37
303-3	Water withdrawal	SD2023 p37
Material issue	Employees, incl. diversity, equal opportunity, and knowledge building	
GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	SD2023 p41-46
GRI 401: EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	SD2023 p42
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	SD2023 p42
401-3	Parental leave	SD2023 p44
GRI 402: LABOUR/MANAGEMENT RELATIONS 2016		
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

GRI 404: TRAINING AND EDUCATION 2016

404-2	Programs for upgrading employee skills and transition assistance programs	SD2023 p46
404-3	Percentage of employees receiving regular performance and career development reviews	SD2023 p46

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

405-1	Diversity of governance bodies and employees	SD2023 p43
405-2	Ratio of basic salary and remuneration of women to men	SD2023 p44

Material issue	Health and safety, incl. occupational health, safety, and product safety	
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GRI 3: MATERIAL TOPICS 2021

3-3	Management of material topics	SD2022 p58
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GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-1	Occupational health and safety management system	SD2023 p47-48, Website
403-2	Hazard identification, risk assessment, and incident investigation	SD2023 p47-48
403-3	Occupational health services	In all locations due to ISO 45001 requirements occupational risk assessments are conducted. If risks are identified health checks with affected employees will be conducted.
403-4	Worker participation, consultation, and communication on occupational health and safety	SD2023 p47-48
403-5	Worker training on occupational health and safety	SD2023 p48
403-6	Promotion of worker health	SD2023 p48

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SD2023 p47-48
403-8	Workers covered by an occupational health and safety management system	SD2023 p47
403-9	Work-related injuries	SD2023 p48
Material issue	Ethical business conduct, incl. anti-corruption and competitive behavior	
GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	SD2023 p19
GRI 205: ANTI-CORRUPTION 2016		
205-2	Communication and training about anti-corruption policies and procedures	SD2023 p19
205-3	Confirmed incidents of corruption and actions taken	SD2023 p19
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions in 2023
GRI 418: CUSTOMER PRIVACY 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated reports received in 2023
GRI 207: TAX 2019		
207-1	Approach to tax	AR2023 p37, p70, p83 For Poland and UK tax strategy exists: Corporate governance at Kongsberg Automotive
207-2	Tax governance, control, and risk management	AR2023 p37

Material issue	Human rights	
GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	SD2023 p20, Human Rights and Transparency Act Report
GRI 406: NON-DISCRIMINATION 2016		
406-1	Incidents of discrimination and corrective actions taken	SD2023 p20
Material issue	Sustainability in the supply chain	
GRI 3: MATERIAL TOPICS 2021		
3-3	Management of material topics	SD2023 p21-25
GRI 204: PROCUREMENT PRACTICES 2016		
204-1	Proportion of spending on local suppliers	SD2023 p21-22
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
308-1	New suppliers that were screened using environmental criteria	SD2023 p24-25
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016		
414-1	New suppliers that were screened using social criteria	SD2023 p24-25



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