



**Sustainability
Report**
2023

veoneer

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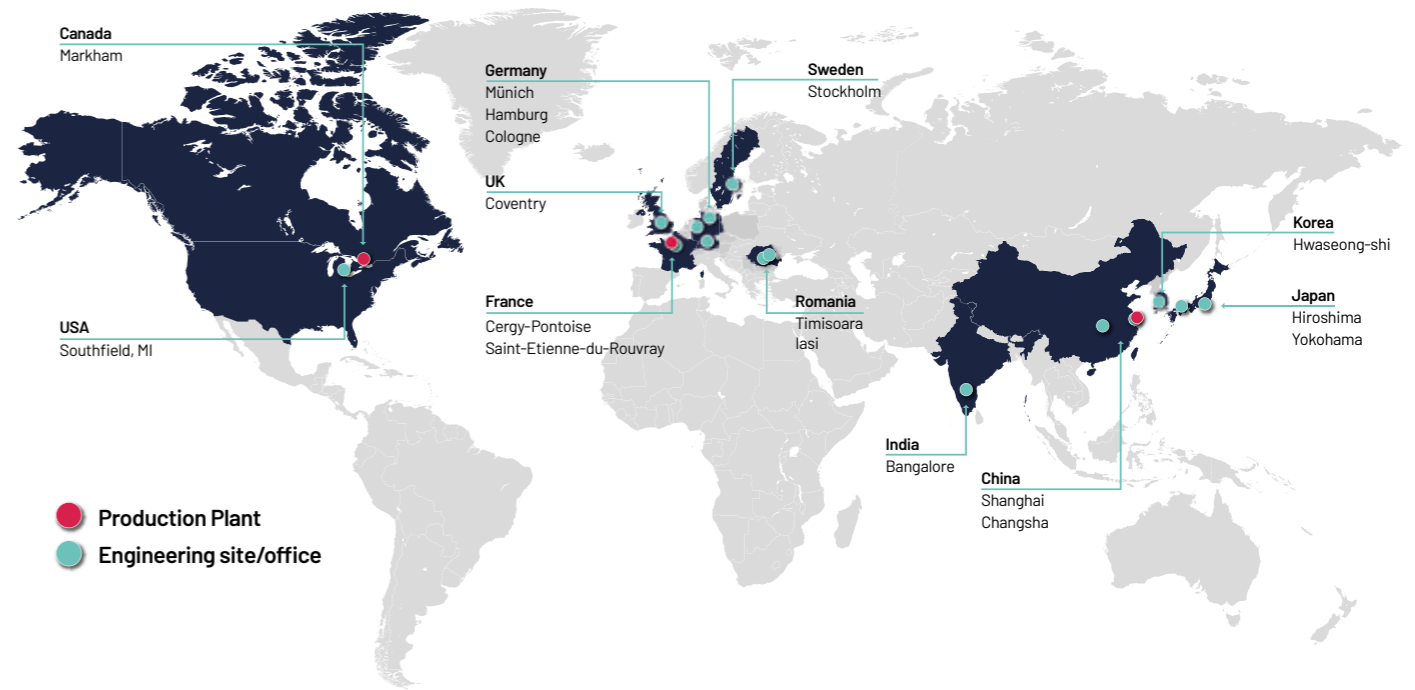
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2023 in Brief

A World Leader in Automotive Electronics Safety Systems

Veoneer’s scalable, best-in-class restraint control systems are saving lives by mitigating the effects of a car crash. In 2023, the company’s products were part of more than 40 scheduled vehicle launches. To date, it has delivered more

than 1 billion electronic control units and crash sensors to car manufacturers globally. The company is building on a heritage of 70 years of automotive safety development. Veoneer has approximately 2,700 employees in 11 countries.



2,700
ASSOCIATES

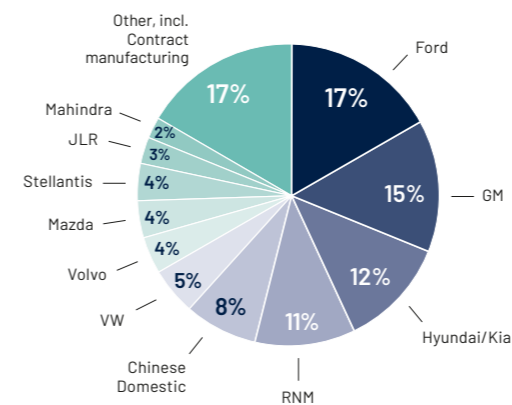
11
COUNTRIES

3
MANUFACTURING SITES

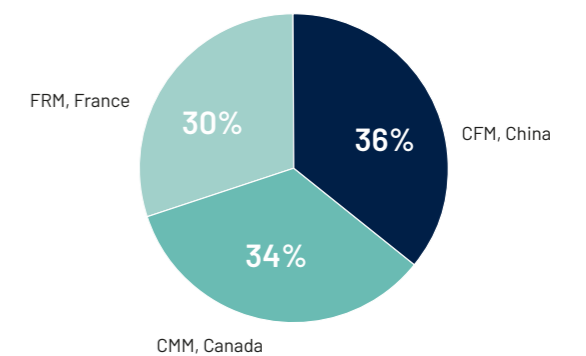
23%
MARKET SHARE IN 2023

916 MUSD
NET SALES

Sales by Customer



Sales by Plant



2023

Veoneer's biggest contribution to society is our business – innovating, developing and producing Restraint Control Systems that are saving lives and mitigating the effects of a car crash.

Veoneer is a market leader in Automotive Safety Electronics and in the past year, almost every 4th car that left the production lines globally was equipped with Veoneer's Restraint Control Systems. Our products are offering protection to vehicle occupants in the event a traffic accident would occur. We are committed to delivering the highest quality, safety, and performance in order to save lives on the roads. We are also committed to operating business in an environmentally sustainable manner, from design, sourcing and manufacturing to the use-phase and end-of-life, with a particular focus on reducing our carbon footprint.

In December 2023, Veoneer announced that American Industrial Partners Capital Fund VII aims to acquire Veoneer. This completes Veoneer's and SSW's strategy of finding the right long-term homes for Veoneer's three original lines of business: Arriver™ Software, now owned by Qualcomm; Active Safety, now owned by Magna International; and Restraint Control Systems, owned by AIP as of March 1, 2024. Today, Veoneer is ready to meet the future on its own merits and extend its leadership in the automotive safety electronics market.

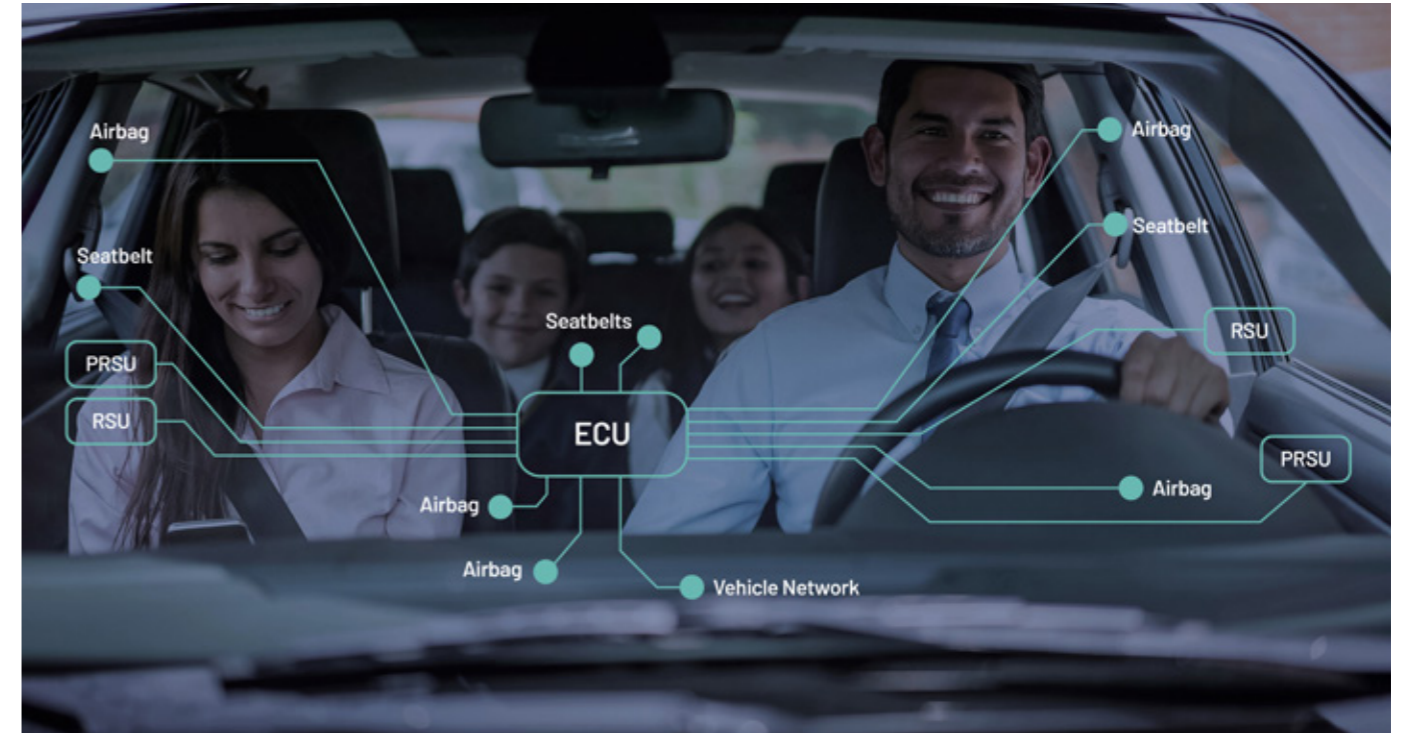
Despite organizational changes, we have managed to maintain our focus on Veoneer's sustainability performance. A life-cycle analysis of the SC3 platform has been conducted, we have strengthened the supply chain assessment process and a new sustainability forum has been formed, with several new members taking ownership of driving sustainable change in all parts of our organization.

The Sustainability Report is a summary of our 2023 efforts. We hope it reflects our ambition, sincerity, and commitment to a sustainable future.



Yours sincerely,
Bob Bisciotti, CEO
Southfield, MI, USA
March 6, 2024

Saving Lives. Every Day.



Veoneer's Restraint Control Systems (RCS) sense and trigger pre-crash and in-crash occupant protections, such as tightening safety belts and deploying airbags, and transmit over e-call to emergency services when the system judges a collision has occurred.

According to the World Health Organization, annually almost 1.4 million lives are lost and 50 million people are injured in traffic accidents. Veoneer contributes to sustainability by providing electronic safety systems to many of the world's largest automotive manufacturers globally.

To date, Veoneer has delivered more than 1 billion electric control units and crash sensors and in 2023, Veoneer was part of 40 vehicle launches, increasing our market leading position further. Today, almost every 4th new vehicle globally is equipped with Veoneer's Restraint Control System.

Scalable architecture

Launched in 2022, Veoneer's Restraint Control System SC3 is a highly tailored chipset built on a scalable platform. It includes a scalable family of microcontrollers, software based on our extensive experience in the RCS domain, new mechanical design with manufacturing standardization and the latest of our two high-performance families of crash algorithms.

The scalable architecture increases time-to-market and helps lowering the R&D costs, making increased safety affordable for more people.

Eco-design is a vital part of Veoneer's environmental management standard, striving for the lowest possible environmental impact throughout the entire product's life-cycle.

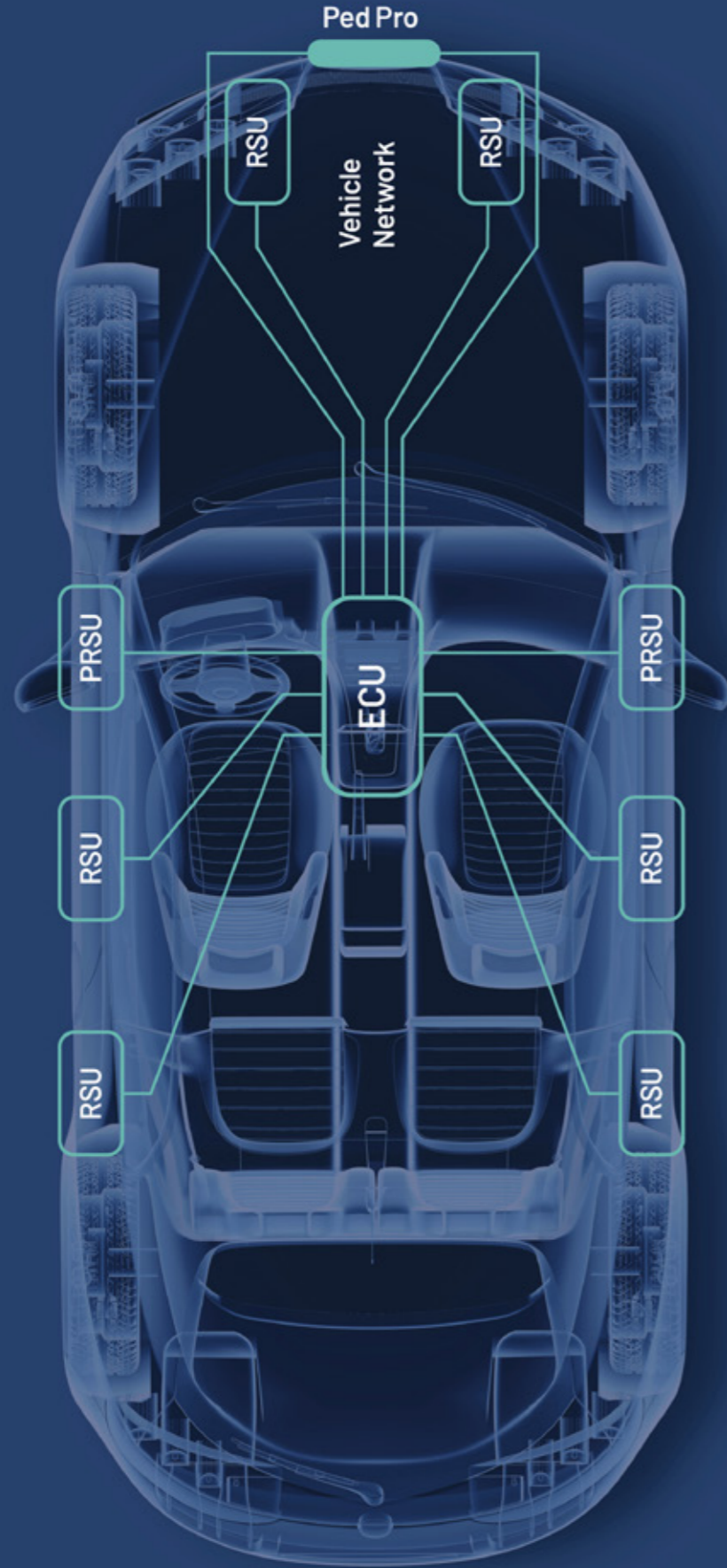
Life Cycle Assessment

During spring 2023, a life-cycle assessment was conducted on the new Restraint Control platform SC3.

The objectives with the study were to reduce environmental impacts and to initiate improvements related to services, purchases, projects, mechanics and suppliers. The use-phase was studied on several markets, among them Norway, China, Switzerland, UK, and the U.S.

The study shows:

- The highest impact of the product is from the raw materials phase and the use phase,
- Reducing one parameter (like the weight of the product) does not guarantee a significant reduction of the product's environmental impact
- The impact of the use-phase varies depending on how the vehicle is being fueled, and if the SC3 is mounted in an electric car, the country's energy mix has considerable impact.



Important Launches in 2023



Ford Superduty



Hyundai Kona



Chevrolet Colorado



Ford Transit



BYD Seal U



Chery Tiggo 9



GMC Canyon



Cadillac GT4



Chevrolet Blazer EV



Hyundai Santafe



Buick LaCrosse



Kia EV9



Lincoln Nautilus



Cadillac CT6



Buick Electra E5

Quality in Everything We Do

Veoneer's core strategy is to deliver innovative solutions that car manufacturers and drivers can trust with their lives if necessary.

Veoneer continues to build on its track record of delivering high quality products to car manufacturers globally. To serve its customers, Veoneer combines a worldwide design and manufacturing footprint with a regional setup of engineers and manufacturing facilities. Veoneer and its employees deliver products and services at world class quality to satisfy stakeholder requirements for timeliness, in the correct quantity, and to the correct destination.

Highest quality is part of Veoneer's culture and employees' behavior. Our quality culture is demonstrated by daily efforts throughout the entire organization as our people are passionate about continuous improvement activities leading to zero defects.

Our life-saving products never get a second chance. Accordingly, we are committed to deliver the highest quality, safety and performance. Excellence in quality is critical for winning new orders, preventing recalls and sustaining the business. Priority is placed on preventing quality defects from impacting Veoneer's customers and the end-consumer. At each step of the product lifecycle, from the planning phase, product and process development to handover to serial production, it is mandatory to verify that the Veoneer and industry standards are followed and that the quality of deliverables is at the expected level. Flawless delivery is the responsibility and commitment of all our employees.

Continuous Proactive Work

Quality is a core pillar of the Veoneer product development system. The Quality team is embedded into the Project teams to ensure flawless delivery for each of the milestones along the development journey of Veoneer products. The Veoneer Product Development System (VPDS) is implemented throughout the entire organization as a fundamental system to manage product development, used for customer application projects, advanced development projects (Pre-VPDS) and product serial life.

The quality assurance work covers all aspects of the product development process. As an outcome, every month a quality dashboard is shared with senior management to visualize the level of compliance of projects to the development process as well as the quality of the delivered work products. Non compliances are measured and the month over month trend is monitored. Internal work product audits and checkpoint audits are conducted to assess the quality of a project. Lessons learned and best practices collected during the development shall be documented and presented.

Veoneer continuously focuses on process standardization while reducing costs and complexity. To excel in the changing market and customer demand on software development, we have put specific focus on software development for which compliance to industry standards such as Automotive SPICE is assessed. Automotive SPICE compliance reflects a commitment to excellence in software development, contributing to organizational growth, customer satisfaction and industry competitiveness.

Cyber Security

We take product security and increased cyber security risk seriously as it is of utmost importance that our customers can trust in our products and systems including software. Cyber security is taken into account from the very first day in product development, and Veoneer has, together with its' customers, established a strong process for ECU software encryption to protect manufactured products. Veoneer implemented a Cyber Security Management System and Software Update Management System, ahead of the UNECE regulation. A constant monitoring of vulnerabilities is a key aspect in the new regulation UNECE WP.29 CS & OTA and in standards like the ISO/ SEA 21434. Veoneer has a dedicated Product Security Incident Response Team (PSIRT), which is operational.

To protect the company's intellectual property, as well as customer or supplier data, Veoneer has invested in strong cyber security protection and monitoring mechanisms. A dedicated team of internal and external experts are monitoring Veoneer's network to increase data and privacy protection, and to find anomalies employing advanced machine learning capabilities. There is no 100% guarantee of cyber security, but the team is constantly increasing its knowledge and investing in new technologies. All employees and contractors are also continuously informed about cyber security with monthly mandatory security trainings.

Quality Assessment

All Veoneer facilities (manufacturing plants, technical centers, and logistics centers) record their performance against key

quality targets. A key metric in this assessment is the number of Non-Conforming Events recorded for serial production (NCE-S), prototype delivery (NCE-P) and logistics management.

Veoneer has strict quality targets and results are reviewed by senior managers monthly. Through lessons learned we can take advantage of experiences to make a difference in future projects and help them succeed.

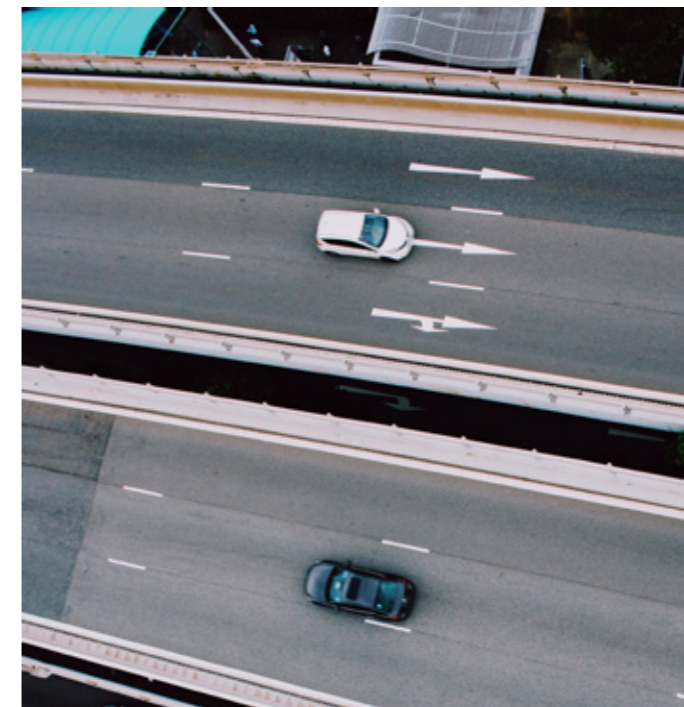
Standards

A Veoneer Standard defines our common requirements, the best technical applications, gathered wisdom and beneficial practices to achieve the best application of processes throughout all the Veoneer facilities. A Veoneer Standard is the highest definition level and is stored in the Veoneer Corporate Standards Database. These requirements shall be applied by all facilities.

The applicable Veoneer Standards are made available to our suppliers via the Veoneer Supplier Manual (VSM). A local procedure, usually more detailed and applicable for a specific facility, can complement a standard. Veoneer's quality management system is audited internally, and 3rd party certified to IATF16949: 2016.

Veoneer Product Development System (VPDS) are based on existing quality system standards, in particular example APQP, ISO26262, Automotive SPICE, customer requirements, industry best practices as well as Veoneer Standards. Each site conducts periodic management reviews per the automotive IATF16949:2016 standard to ensure suitability, adequacy, effectiveness, and consistency of Veoneer's Quality Management System.

The Quality Chain



Quality Policy

Veoneer and its employees shall deliver products and services;

- of a quality which represents world class performance,
- that satisfies all stakeholder requirements,
- on time, in the correct quantity and to the correct destination.

That, through continual improvements leads towards zero defects during the life of the product and improvement of the quality management system.

This perspective of total quality management is the responsibility and commitment of all employees.

Limiting Our Environmental Footprint

Our ambition and approach

Veoneer is committed to operating business in an environmentally sustainable manner, throughout the life-cycle of sourcing, designing, production, use-phase and end of life, with a particular focus on continuously reducing carbon the carbon footprint. Our key environmental impacts are greenhouse gas (GHG) emissions, energy use, and waste generation. We engage with our employees, customers, and suppliers to improve our environmental performance, with a particular focus on the decarbonization challenge across the value chain and drive sustainable mobility.

Targets

- All manufacturing facilities ISO 14001 certified
- No significant spills or fines
- Year-on-year waste reduction
- Carbon neutral in own operations by 2030 (own manufacturing and tech centers)
- Carbon neutral products by 2039 (from sourcing to disposal)
- Carbon neutral company by 2040

Increased awareness

During the past years, Veoneer has worked on increasing the overall internal environmental awareness. The environment, with a particular focus on fighting carbon, has been a topic on leadership days, teams have gathered local environmental initiatives, and improvement programs have been launched. As part of Veoneer's compliance program, a special environmental training module has been launched to the employees.

Environmental Management System

Veoneer's Environmental Management System (EMS) emphasizes continuous improvement and learning and establishes the requirements for a standardized global approach to environmental management, including identification of material environmental aspects, objective setting, competence development and performance follow-up. It also establishes a standardized reporting of energy, water, waste and compliance-related topics, including spills and fines. The EMS applies to all our manufacturing sites. All Veoneer's manufacturing facilities, are externally ISO 14001 certified and the tech center in France.

Climate Action

Climate change is driving significant environmental, social, political, and economic changes and extreme climate events, like heavy rainstorms and record high temperatures, have increased lately. Veoneer is a market leader in automotive electronic safety systems, and being an active contributor to sustainable mobility is a business priority for us.

In 2021, Veoneer launched long-term industry-leading climate ambitions:

- Carbon neutral in own operations by 2030 (own manufacturing and tech centers)
- Carbon neutral products by 2039 (from sourcing to disposal)
- Carbon neutral company by 2040

Veoneer is aware of the importance of fighting carbon, and we are working on improving our performance step-by-step through our value chain and in close collaboration with suppliers and customers.

A changing climate also poses a risk to our own operations. Extreme weather - floods, storms, fires or heavy rains - causes damage and disruptions in several ways: disruptions of transportation, it poses risks to our supply chain, to our own business and facilities as well as to our employees and their lives in the local societies. In our continuous work with property loss prevention, we take physical climate change risks into consideration by addressing known property risks and protecting our facilities against natural hazards. We have engaged subject matter expertise to help monitor the geographical areas where climate change has been shown conclusively to be increasing natural hazard risks.

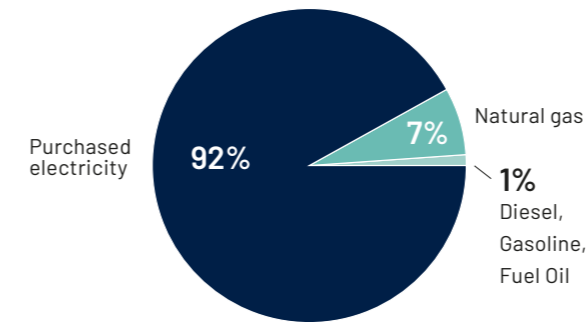
Energy

The total annual energy use of our manufacturing facilities in 2023 was 38 GWh. Direct energy totaled 3 GWh and indirect energy totaled 35 GWh.

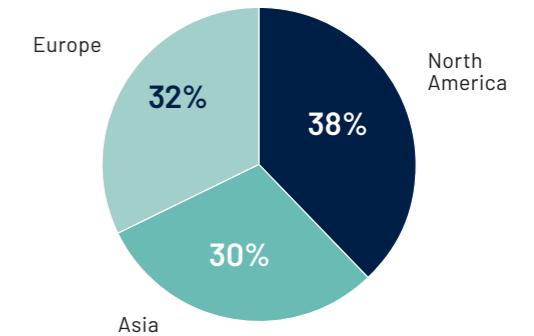
Of the total energy use, 92% was purchased electricity, indirect energy (scope 2). The remaining 8% was direct energy (scope 1) consisting primarily of natural gas which is the main fuel source used for heating, cooling and power production.

Our manufacturing facilities' indirect energy consumption was 32 GWh. Tech centers consumed 3 GWh. Each facility maintains a current record of reported data, including billing documents for self-assessment and auditing purposes.

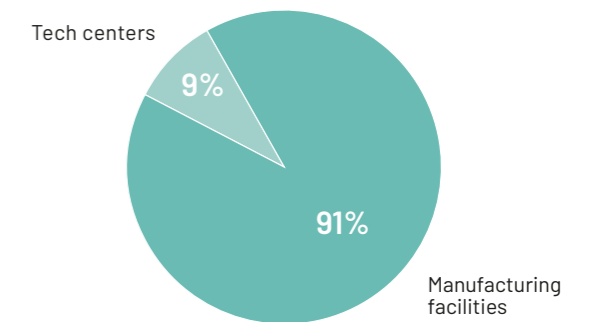
Share of Energy Use, by Source



Energy Use by Region



Indirect Energy Consumption



Energy

GRI 302-1	Unit	2023	2022 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Total energy used	GWh	38	66	82	83	74
Direct energy	GWh	3	6	12	13	13
Indirect energy	GWh	35	60	70	70	61
Direct Energy						
Natural Gas - Scope 1	GWh	3	4	9	10	13
Diesel mobile - Fleet consumption (scope 1)	GWh	0	1	1	1	-
Gasoline mobile - Fleet consumption (scope 1)	GWh	0	1	2	2	-
Indirect Energy						
Manufacturing facilities	GWh	32	50	56	56	61
Tech centers	GWh	3	10	14	14	-

¹⁾ Both Active Safety and RCS

Greenhouse Gas Emissions

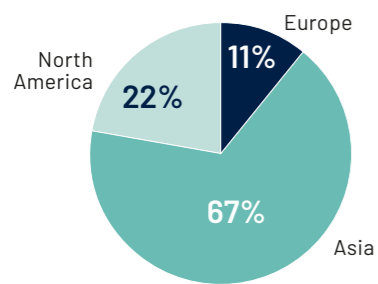
Greenhouse gases trap the heat in the atmosphere and warm the climate. Carbon dioxide (CO₂) is one of them, influenced by human activities. We seek to reduce carbon emissions by addressing touchpoints along our value chain. Our ambition is to continue expanding our scope to get additional data.

Scope 1 and Scope 2 location-based carbon equivalent emissions from Veoneer's operations totaled 10,290 tCO₂e. Direct carbon emissions (Scope 1) totaled 535 tCO₂e and indirect carbon emissions (Scope 2) totaled 9,755 tCO₂e.

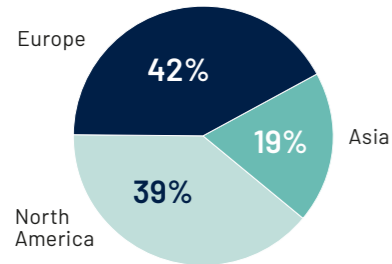
Scope 1 emissions for Veoneer consist of fuel sources for heating, cooling and power production processes as well as vehicles and fugitive emissions. Fuel sources are mainly natural gas, but also some diesel and gasoline. Fugitive emissions mainly include carbon emissions, and a limited number of refrigerants and compressed gases.

In our reporting, we report carbon equivalents (CO₂e), encompassing carbon dioxide, CO₂e of CH₄ and CO₂e of N₂O, the latter two representing very small amounts.

CO₂ Emissions in Tons by Region, Scope 1 and 2



CO₂ Emissions from Business Travel by Region in Tons, Scope 3



CO₂ Emissions

GRI - 305	Unit	2023	2022 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
305-1 Direct (Scope 1) GHG emissions	tCO ₂ e	535	1,364	2,942	3,526	2,527
305-2 Energy indirect (Scope 2) GHG emissions	tCO ₂ e	9,755	16,686	19,572	19,455	25,767
GHG emissions (Scope 1 and Scope 2)	tCO ₂ e	10,290	18,049	22,514	22,981	28,295
Other indirect (Scope 3) GHG emissions - business travel	tCO ₂	990	2,439	713	3,160	20,084
305-4 GHG emissions intensity	Net Sales (MUSD)	11.23	11.71	13.59	16.75	-

¹⁾Both Active Safety and RCS

The mix of the electricity (indirect scope 2) used in our manufacturing facilities differ.

Canada runs on electricity that is 80 % carbon free: 66% renewable (hydro power 59%, wind and solar 7%) and nuclear 14%.

France runs on electricity that is 100 % carbon free: 100% renewable (hydro, wind and solar).

China runs on 30 % carbon free and renewable (hydro power, wind, solar).

Veoneer is firmly focused on becoming more energy efficient step-by-step and on increasing the share of of renewable energy.

Transportation

Veoneer has a regional set-up of factories, reducing transportation from us to our customers, saving both time and carbon. Around 90% of our transports are regional, meaning that our factory in China mainly delivers to car manufacturers in Asia, our factory in Canada to car manufacturers in the Americas and our European factory to car manufacturers in Europe.

Veoneer continues to focus on transport optimization to keep costs and carbon emissions as low as possible. Smaller products and smart packaging deliver carbon savings.

Veoneer's Global Transport and Logistics team has continued focus on reduction of carbon emissions in transportation and logistics optimization has, in France, led to routing all maritime shipments from South Asia through the port of Le Havre instead of Hamburg, reducing lane emissions and number of loading/unloading cycles.

Sustainability Metrics were in the heart of the evaluation criteria for Carrier selection, resulting into the choice of DHL with their "GOGREEN" program including maritime shipments use of biofuel. Veoneer is monitoring its supplier sustainability level through reporting platforms, and currently 38% of direct material spend is coming from green suppliers (per NQC criteria).

Business Travel

Since the pandemic, meetings have turned digital and augmented reality have become an important tool for our manufacturing facilities. Carbon emissions from business travel amounted to 990 tCO₂. This figure is far from the years prior to the pandemic. We expect business travels to be limited also in the future, saving time, money, and carbon emissions.

Waste

Aiming at year-on-year reduction of waste, we continuously seek to reduce the amount of waste and scrap generated by our operations. It starts in the design phase, and we continue with this strong mind-set in operations and during transportation.

Veoneer's standardized and scalable SC3 platform is one important way to reduce waste as less variants are produced.

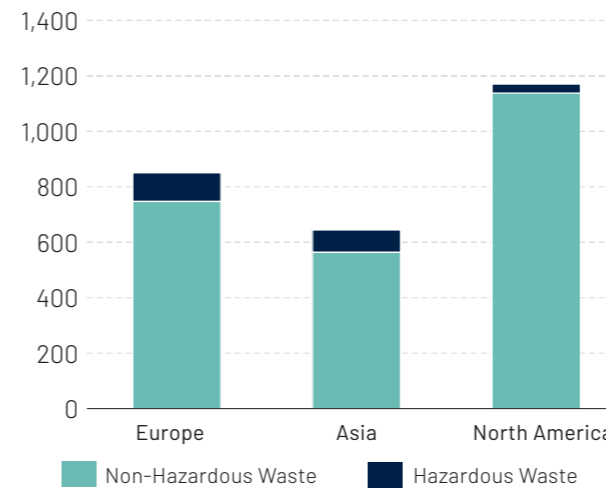
Veoneer's activities generated a total of 2,665 metric tons of waste, whereof 92% is non-hazardous. Most waste is recycled, reused or recovered as recycling opportunities always are considered before landfill as a final option.

Veoneer complies with global regulations on hazardous waste and, when conflicting policies exist, our practice is to follow the stricter of the regulations.

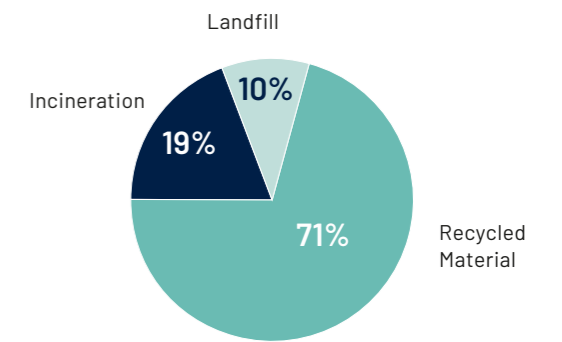
To minimize waste and number of transports, packaging must be designed and used with respect to maximize the number of parts per box, using stackable pallets, minimize usage of bubble foil or material wrapping, recycle to manage waste (cardboard boxes, bubble foil, and wrapping), as well as making sure returnable package is foldable, stackable, or can be "nested" in order to reduce transport space requirements.

Veoneer's manufacturing facilities work closely with suppliers to establish, when possible, a closed loop-system of returnable packaging, such as the close-loop of returnable packaging established in 2014/15 between the manufacturing facility in France and a near-by supplier of plastic housings. Three new suppliers have been identified and a returnable packaging loop was implemented during 2023.

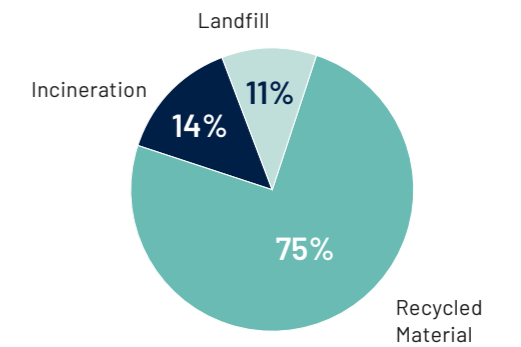
Waste by Region



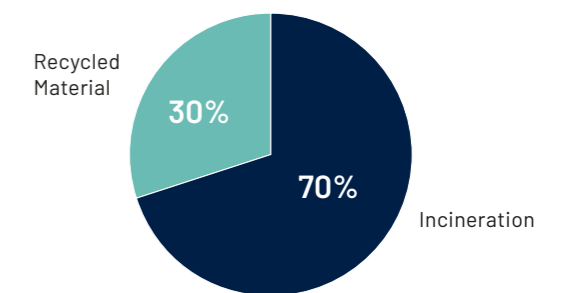
Share of Waste by Type: % by Destination



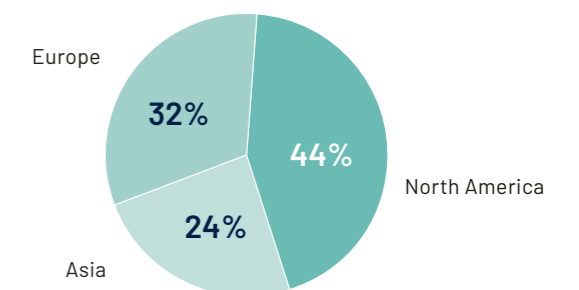
Non-Hazardous Waste: % by Destination



Hazardous Waste: % by Destination



Waste by Region



Significant Spills and Fines

There were no environmental incidents resulting from major permit violations or spills.

GRI 306-2	Unit	2023	2022 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Total waste	Metric Tons	2,665	3,955	3,354	2,833	3,969
Hazardous waste	Metric Tons	217	239	252	261	347
Recycling	Metric Tons	65	105	67	118	-
Landfill	Metric Tons	0	0	2	0,1	-
Incineration	Metric Tons	151	134	183	143	-
Non-Hazardous waste	Metric Tons	2,448	3,716	3,102	2,572	3,621
Recycling	Metric Tons	1,827	2,412	2,315	1,862	-
Landfill	Metric Tons	269	245	204	272	-
Incineration	Metric Tons	352	1,059	582	437	-

¹⁾ Both Active Safety and RCS

GRI 306-3	Unit	2023	2022 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Significant spills ²	No	0	0	0	0	0

¹⁾ Both Active Safety and RCS

²⁾ Spills that incur clean-up costs above 5,000 USD

GRI 306-3	Unit	2023	2022 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Significant fines ³	No	0	0	0	0	0

¹⁾ Both Active Safety and RCS

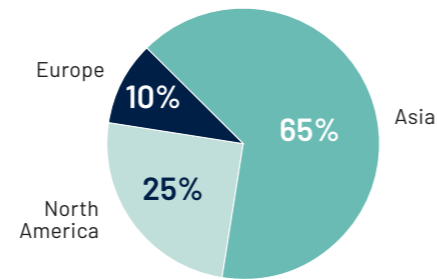
³⁾ International declarations, conventions, and treaties, as well as national, sub-national, regional, and local regulations. Include non-compliances related to spills that exceed \$10,000 USD

Water

Water is essential to life on earth and one of mankind's most precious resources. According to Aqueduct's Water Risk Atlas, Veoneer's manufacturing facilities are located where water scarcity is considered low (Canada and France) and medium-high (China).

Veoneer's manufacturing consists of assembly of electronic components, which means that water is not used in the production process. The water Veoneer is using for cooling, humidity management, sanitary of factories or in the canteens are 100% purchased from the local community.

Water Consumption by Region %



GRI 303-3	Unit	2023	2022 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Total water consumed	Megaliters	28.3	53.4	53.7	51.4	186
Purchased water	%	100	100	100	100	100

¹⁾ Both Active Safety and RCS

Environmental Policy

Veoneer has an Environmental policy with a value chain perspective. Committed to operate its business in a sustainable manner, Veoneer follows the precautionary principle in everything we do, we train and engage our employees to continually improve our environmental impact in daily work.

Veoneer is aware of the challenge of climate change and of greenhouse gas emissions.

- When **designing products and systems**, we strive for increased safety and less environmental impact during the entire life-cycle. We are committed to take part in enabling a carbon-free automotive future by inventing and implementing technologies supporting usage of recyclable hardware with less components, less weight and power consumption while in use, reuse of data and energy efficient, scalable software architectures.

- Veoneer uses **resources sustainably**, we optimize the use of energy and limit the exploitation of resources such as land, water, material and chemicals by reusing and recycling where applicable. Veoneer select energy providers with due consideration to their environmental impact.

- Veoneer **applies clean production processes** including waste minimization, substitution of hazardous substances, responsible chemicals management and reduction of emissions into land, air and water, and noise.

- Veoneer **fulfills compliance obligations and customer requirements** and strives to apply best practices in products and processes to protect the environment.

- Veoneer **involves its business partners** - from supply chain to vehicle manufacturers - and expects them to follow the same high standards.

- Veoneer **prioritizes transportation with less environmental impact** - own vehicle fleet, business travels and logistics.



Health and Safety is Our First Priority

Our ambition and approach

Veoneer's purpose is to Create Trust in Mobility and our strategy is to deliver innovative solutions customers and end-users can trust. Internally, our purpose is supported by our beliefs - Burning Curiosity, Passion for Excellence, and Bold Honesty. Veoneer's overall goal is to offer a safe, healthy and attractive workplace where people can grow. Veoneer's future growth is closely related to how we succeed in being a good employer; in attracting, developing, and keeping qualified and motivated people. We believe that work-related injuries and illnesses are preventable and continually strive to eliminate all workplace accidents.

Goals

Incident rate 2.0 measured as number of reportable injuries per 200,000 employee hours of exposure Severity rate below 20.0 measured as total days away from work due to a work-related reportable injury and/or illness per 200,000 employee hours of exposure.

Grow Skilled and Engaged People

Veoneer delivers value to our employees by creating an attractive workplace, providing opportunities for growth and enabling the teams to focus on their priorities. Veoneer offers the employees challenging projects at the forefront of technologies, often in close collaboration with partners and our customers, the automotive manufacturers. Our empowered organization means we are flat and networked, enabling clear ownership and accountability while staying flexible.

Our onboarding process is crucial for creating efficiency and we regularly run onboarding surveys in all our locations. On a scale from 1 to 5, we see an overall satisfaction of 4.3 (4 in 2022).

In turbulent times, it is vital to growing the people, for the company's sake and for the individuals. In 2023, two cohorts of leaders graduated from the Executive Leadership program at the top-ranked business school INSEAD. The program was developed to provide our leaders with more tools for meeting the rapidly changing and competitive environment.

There were also a number of local initiatives. One of them

were in Romania, where 12 engineers graduated from the Veoneer Romania software academy.

Veoneer's Engineering Career Progression Program is one of the most important instruments to reward, grow and retain our engineering experts. The program allows outstanding engineers to have a clear career path to maintain a high level of engagement and job performance as well as securing their visibility and recognition both internally and externally. During the year, we have finalized another round of Global Experts nominations, adding to our technical pipeline six more Global Experts to support our leaders and employees in this volatile and highly changing environment.

We have also reinforced our functional safety and cyber security culture as all employees are expected to complete one awareness training per month.

Knowledge is regularly shared, creating a learning organization and a culture of collaboration and inclusion.

Coaching and dialogue

In a time where change is constant and innovation is imperative, coaching can be a pathway to continuous learning and enduring success. Since the start in 2022, Veoneer leaders have had the opportunity to grow from a technology-based live coach-coachee collaboration, enabled by secure digital communications involving both audio and visual channels.

An important cornerstone of each employee's growth is the ongoing personal, transparent communication between the team member and the manager. These dialogues are summarized in the annual performance and development process. Employee's own professional and personal development plan is a central part in this process, continuously backed up by regular feedback and dialogue on employee performance. Our employee performance management cycle ends at the end of March 2024. Our target is an 80% employee completion, and during the past two years, we have managed to achieve goals in line with our targets. Employees' own desire to grow and take on new responsibilities is of vital importance, and we expect our employees to take responsibility for their own career development, supported by managers and existing career development possibilities within Veoneer.

Health and Wellbeing

At Veoneer, we genuinely care for one another's safety and well-being. We recognize the connection between a safe and healthy workplace and the sustainable success of our company. We believe in healthy work-life balance, emphasizing employee engagement, working together, and having clear expectations. Safety and Wellness is part of the daily lives for our employees and managers and is always a priority in our decision making.

Our Health and well-being policy and our comprehensive Health and Safety Management System guides us in our everyday actions. We require and empower our people to work in compliance with applicable laws, Veoneer standards, and our Code of Ethics.

To monitor work safety on a global level our 3 most important KPIs are: incident rate, severity rate and frequency rate, measured per 200,000 employee hours of exposure. Our severity rate was 14.72, compared to 2.1 in 2022, our incident rate was 1.99(0.88 in 2022), and our frequency rate 1.79(0.41 in 2022). When incidents and severities occur, we analyze the root cause, learn from our mistakes, and use best practices. In 2023, the physical stress level has been high due to chip shortages and change of ownership, and we have had high focus on stress reduction and on supporting our employees in other ways.

To keep our number of accidents low and to strengthen our approach of a centralized but yet locally implemented EHS management system we aim to certify all sites according to ISO 45001. Our manufacturing facility in France is ISO 45001 certified and we aim to certify the remaining manufacturing sites in Canada and China by the end of 2024.

Romania has started an initiative with Non-Tech Talks to promote a Safe& Healthy Workplace, covering topics such as nutrition, combating burnout, and ergonomics.

The Covid-19 pandemic kept influencing us also during 2023, especially in China and Korea. Local crisis management teams have continued to monitor the situation and take measures. Veoneer's focus has continued to be to reduce risks and ensure the virus is not spread among our employee population, to our customers or other external stakeholders. This includes protective health measures, vaccination offers, travel restrictions, digital meetings instead of physical and a work from home policy when and where circumstances allow. When working from home has not been possible, extensive pandemic protocols have been followed in each location including deep cleansing protocols, social distancing and protective personal protective equipment measures for employees. In October, our team in Korea finally had a chance to get together and celebrate - for the first time since the pandemic started in 2020.

A Fair Employer

Veoneer is committed to fair employment terms and conditions in accordance with applicable laws. Our values, Code of Ethics, talent development strategies and employment policies support the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the eight conventions in ILO's International labor standards; freedom of association and protection of the right to organize, right to organize and collective bargaining, abolition of forced labor, minimum age, of child labor, equal remuneration, and discrimination. We promote a workplace free of discrimination and harassment due to individual characteristics such as gender, age, physical, psychological, religious, disability, sexual orientation, or ethnic origin and physical, psychological, religious, sexual or verbal harassment is not accepted. To deliver results, people need to feel they can be who they are and that they are recognized for their unique strengths. Inclusion is fundamental to our culture, and we believe that everyone should be respected and treated fairly.

As outlined in our Code of Ethics, all employees are free to exercise the right to form, join or refrain from joining unions or similar organizations, as well as to bargain collectively or individually. In countries where no independent labor unions or collective bargaining agreements exist, forums for employer-employee relations have been established, such as work councils, consultations and environment and safety committees.

Wages, benefits, and work-life balance

At Veoneer, we value our people and want to provide benefits to support our associates and their families, both now and in the future. We work hard to make sure our benefits package is comprehensive and competitive on each location. We believe in healthy work-life balance, emphasizing employee engagement, working together, and having clear expectations. Depending on location as well as on position, we offer flexible work hours, and work from home possibilities.

Diversity

At Veoneer, we believe diversity and inclusion drive business performance and innovation. It stretches beyond gender and all our employees are to be treated equally. It is important that we reflect the societies we work in to develop an open-minded culture and not become too narrow focused. We strive to be attractive to a larger population, which is important as we look for a scarce resource who holds the knowledge we look for. In our plan forward we focus on the succession planning to push for a good distribution in our talent pool to increase awareness and to secure a more inclusive and diverse representation.

Manufacturing Facilities				Engineering site										
Facility	Canada Markham	China Fengxian	France Rouen	Facility	China Shanghai, Changsha	France Cergy-Pontoise	Germany Unterschleissheim, Hamburg, Cologne	India Bangalore	Japan Hiroshima, Yokohama	South Korea Hwaseong	Romania Iasi, Timisoara	Sweden Stockholm	UK Coventry	US Southfield
No. of Associates	411	598	389	No. of Associates	204	148	43	251	58	91	233	26	4	244

Sales and administration associates included.

Veoneer has operations in 11 countries and our workforce reflects the diversity of the countries and cultures in which we operate. Approximately 45% of our workforce is located in Asia, 24% in the Americas, and 31% in Europe.

In terms of gender, the share of females across our company is 36%, with 1.14% at senior levels (tiers 1-3).

Changes in Our Organization

In 2022, SSW acquired Veoneer. The company was delisted and the software company Arriver was sold to Qualcomm. SSW's strategy of finding the right long-term homes for Veoneer's lines of businesses continued. On June 1, 2023, Magna International Inc. acquired Veoneer's Active Safety business. The deal included all

active safety business, half of the manufacturing facilities and slightly more than half of the people. Veoneer became fully focused on safety-critical electronics, as the global pure-play market leader in restraint control system electronics. In December, Veoneer announced that American Industrial Partners Capital Fund VII (AIP) were to Acquire Veoneer's Restraint Control Systems business. AIP became the new owners of Veoneer on March 1, 2024.

As of December 31, 2023, Veoneer had 2,700 total associates (6,367 at the end of 2022) with 1,085 in engineering and 784 in direct manufacturing and the remaining in production and SG&A overhead functions. Included in these figures are approximately 400 temporary associates. Voluntary turnover for direct labor was 5% (6) and for indirect labor 8.6% (15).

Key Performance Indicator						
GRI 403-9, 404-3, 401-1	Target	2023	2022 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
No of Associates at Year-end	-	2,700	6,400	7,099	7,543	8,874
Incident rate measured as number of reportable injuries per 200,000 employee hours of exposure	2.0	1.99	0.88	0.62	1.29	1.81
Severity rate measured as total days away from work due to a work-related reportable injury and/or illness per 200,000 employee hours of exposure	Below 20.0	14.72	2.1	3.75	8.01	22.8
Annual Performance Dialog	80%	*	86%	87%	98.5%	98.5%
Voluntary Turnover; Indirect labor	-	8.6	15	16.1	8.6	8.3
Voluntary Turnover; Direct labor	-	5	6	4.8	10.8	8.7

* Figure known in March 2024. 1) Both Active Safety and RCS

Giving Back to Society

Traffic safety are improved globally as the drivers of our customers' vehicles get high-quality restraint control systems. Veoneer also contributes to society by offering new jobs, technology and knowledge transfer, as well as social standards in local communities. Suppliers and business partners benefit from payments for delivered goods and services, and society (state and municipalities) get tax payments.

Veoneer also adds value by offering students to do their thesis at our company, by being member of organizations like CLEPA, and letting representatives from Veoneer make presentations and share publications within the scientific community.

Veoneer encourages and supports CSR initiatives run by our employees to support the local community. In Canada, employees have raised over \$30,000 in donations to support United Way Greater Toronto. United Way provides support to individuals, communities, and families to fight against poverty. Colleagues in Romania participated in a local tree planting initiative, showing their dedication to minimizing our footprint and fostering a greener,

healthier planet. In India, Veoneer supported the local community in many ways, especially within education, by distributing stationery and books to school kids, giving infrastructure support to governmental public schools, funding a computer laboratory, and supporting E-techno classes at the MEI Polytechnic. In Romania donations were made to support education and children's welfare through food supplies and giving laptops, emphasizing our belief in the transformative power of education. Our colleagues in the USA participated in the Southfield Community Cup. The events consisted of many games that helped employees value teamwork. The final event was volunteering with Blessings in a Backpack and Stevenson Elementary School to collect food donations and classroom donations, as well as help the Elementary School with cleanup activities to prepare for the new school year. Within health, our business in India has sponsored ultrasound scanning doppler to an animal wildlife hospital, arranging food package distribution to doctors and volunteers involved in a polio campaign, as well as participated in a blood donation campaign.

We Live by the Highest Ethical Standards

Our ambition and approach

Veoneer has a strong commitment to customer service, product quality, and employee development. Key to our performance in these areas is an equally strong commitment to doing business ethically and with integrity through maintaining and fostering a culture of fairness and equality, where all of us act with the highest ethics and integrity, where unethical conduct is not tolerated, and where everyone feels empowered to speak up and raise concerns.

- Anti-corruption and Anti-bribery Policy
- Antitrust and Competition Policy
- Respect in the Workplace Policy (non-harassment, non-discrimination and equal opportunities)
- Conflicts of Interest Policy
- Legal Matters - Investigations Policy
- Non-retaliation Policy

Veoneer Code of Ethics and detailed policies are available to all employees, either on hard copy or electronically on Veoneer intranet.

Business Partner Code of Ethics

Our Business Partner Code of Ethics is based on the pillars and frameworks of the Code of Ethics, but adapted to external partners.

The Code includes principles that apply globally to suppliers, business partners and other stakeholders such as third parties acting on behalf of Veoneer and they are all required to comply with it. Veoneer's Partner Portal (VPP) is a secure entry point for third-party suppliers and potential partners to access Veoneer web-based applications and shared documents as well as to enable self-service administration of supplier master data. The VPP hosts the Veoneer Supplier Manual, information on Veoneer requirements, reference to Supplier Code of Conduct and a training program in business conduct and ethics for suppliers.

Compliance Program

A key message in Veoneer's compliance program is that compliance builds trust. We build trust through our choices and decisions - always made with the highest level of ethics. What we say, how we act, the decisions we make, as well as the business partners we work with, impact our trust since "How we do business is as important as the business we do".

Risk Assessment

Veoneer's Compliance Program is designed on a risk-based approach, and to understand Veoneer Compliance risk exposure and prioritize objectives and ensure the Compliance Program appropriately addresses issues with significant risk, annual risk assessments are conducted.

To identify, assess, and define its' risk profile, the Compliance department performs risk assessments utilizing Veoneer's Risk universe, data from the Veoneer Helpline, input from Business Management, Legal, Internal Audit and other relevant functions, among other factors including the locations of its operations, the industry sector, the competitiveness of the market, and the regulatory landscape. The input is gathered via risk questionnaires and/or interviews.

The risk assessment supports building Veoneer Compliance Program through the following strategies:

- Policy development, review, and implementation throughout the organization



* Completion rate measured from the annual target group

Code of Ethics

Our ethical culture starts with our Code of Ethics and its' supporting policies and procedures, continuous ethics and compliance communication and education, combined with a transparent grievance mechanism.

Veoneer's Code of Ethics, published in 8 languages and available to all employees, consultants, and contractors, defines the principles and standards that guide our day-to-day decisions to ensure we act with the highest ethics. Our Code of Ethics is a guide to support us in performing our work in an ethical and lawful manner throughout the world. It describes the principles of integrity that have defined our business and are critical to Veoneer's culture. In addition, the Code provides helpful guidance and practical examples related to our daily challenges.

Detailed policies and procedures support our Code of Ethics and provide further expectations for our operations and includes:

- Code of Ethics
- Corporate Governance Guidelines
- Code of Conduct and Ethics for Senior Officers
- Code of Conduct and Ethics for Directors Related Party Transaction Policy

- Communication with the organization on Compliance topics
- Education and training
- Monitoring and enforcement
- Test Effectiveness of the Compliance Program to ensure that all Veoneer employees always know how to act when facing an ethical dilemma.

Disclosures

Yearly, all employees at the managerial level and higher submit Code of Ethics certifications electronically in our compliance system. The certification requires the disclosure of known violations of the Code of Ethics, including our anti-corruption, anti-bribery, and antitrust and competition policy, as well as other matters that may give rise to actual or apparent compliance concerns. During 2023, 100% (100% in 2022) of the targeted employees submitted their certification.

A Conflict of Interest disclosure is also requested to be submitted by targeted individuals and anyone with an actual, potential or apparent conflict of interest, so that each case can be assessed to determine if mitigation or remediation is necessary. We achieved a 100% (100% for 2022) submission rate for the Conflict of Interest disclosure.

	Target	Performance 2023	Performance 2022
Annual Code of Ethics Certification	100%	100%	100%
Conflict of Interest Disclosure	100%	100%	100%

Trainings

An important part of our Compliance Program is communication and education, to support employees in understanding company expectations and policies related to the Code of Ethics and other related company policies. We have established a Business Conduct and Ethics Education plan, which includes both classroom trainings and e-Learning. Examples of areas covered include Code of Conduct training, conflicts of interest, prevention of discrimination and harassment, whistleblowing, and Intellectual Property and Confidentiality. We reached 99% completion of Code of Conduct and Compliance trainings for all employees in this year's target group.

Our ambition is to provide a continuing communication channel for compliance matters, to deliver compliance messages to employees, to train and educate employees in their compliance responsibilities, and to support the Code of Ethics and our Compliance Program.

Anti-Corruption and Competitive Behavior

At Veoneer, we gain trust and respect of our customers by creating world-class ecosystem and partnerships, being open and committed to acting honestly and in compliance with antitrust and fair competition laws and regulations. We have implemented high standards in all business transactions.

It is our responsibility as a company, and as individuals representing the Company, to prevent corruption in all its forms. Our Company values ethical business practices and the law and we do not accept or offer any form of bribery.

Every other year, we enroll all employees in targeted groups, such as management and sales and purchasing, in a business conduct and ethics education e-learning courses on anti-corruption and antitrust. Periodically, we also conduct face-to-face trainings to enhance the employees' understanding of compliance with our Anti-corruption and Anti-bribery, and Antitrust policies.

Training	Target	% completed of the target group	Number of employees trained 2023	Number of employees trained 2022	Number of employees trained 2021	Number of employees trained 2020
Code of Conduct eLearning	100%	99%	309	1,075	1,006	1,056
Whistleblowing	100%	100%	321	982	985	1,024
Conflict of Interest training	100%	99%	301	992	1,066	1,551
Anti-corruption training	100%	99%	1,418	2,847	-	-
Antitrust training	100%	99%	1,904	2,847	-	-
Environmental Awareness	100%	100%	461	2,847	-	-
Intellectual Property and Confidentiality	100%	98%	188	1,040	3,805	2,205
Preventing Discrimination and Harassment	100%	94%	82	674	2,955	-

Helpline

We build trust through our choices and decisions, always taken with the highest level of ethics, by doing the right thing, acting with honesty and integrity at all times, and by empowering employees to speak up when suspecting unethical behavior.

Veoneer employees are responsible for immediately reporting suspected or known violations of the Code of Ethics, the law or Veoneer policies to their manager or a member of management, Human Resources, the Legal and Compliance Department, or through the Veoneer Helpline.

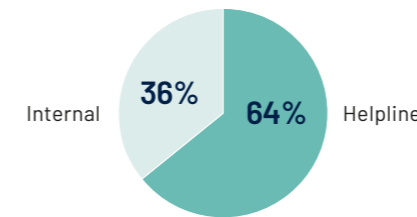
The Veoneer Helpline is an ethics and compliance reporting line available to all employees since day 1 of the company. The Veoneer Helpline is a multilingual, third-party operated service where reports can be made confidentially, without fear of retaliation, 24 hours a day, seven days a week, by phone or online. This can be done anonymously where allowed by law and/ or confidentially in the language of any country where Veoneer operates. We believe that reports, investigations, and constructive feedback

play an important role in making our Company a great place to work.

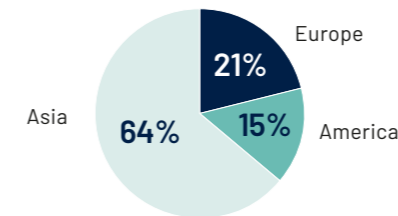
At Veoneer, we are committed to protecting individuals who make a report or participate in an investigation in good faith. "Good faith" means that when making a report or participating in an investigation, all the information is provided with honesty. Retaliation, harassment, and reprisals of any kind are not tolerated at Veoneer. In addition, no employee will be adversely affected because they refused to carry out a directive they believe constitutes fraud or a violation of laws, regulations, or the Code of Ethics or any other Veoneer Standard.

The Veoneer Helpline received 93% of all incoming reports, that result in an investigation, while 36% of the reviewed cases in 2023 were submitted internally, for example reported to Management, Human Resources, or to the Legal and Compliance Department. A total of 14 (23 in 2022) Helpline reports were received. The reporting volume per 100 employees amounted to 0.4 (0.3 in 2022).

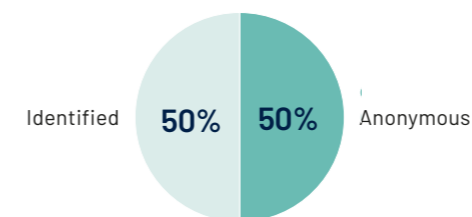
2023 Distribution of Reports Between Helpline and Internal



Veoneer Helpline - Regional Distribution of Reports Opened for Investigation 2023



Anonymous vs Identified Whistleblowing Reports



What Should Be Reported?

Actual or potential violations of policies, laws and regulations, Veoneer Standards, or this Code that you believe have occurred or are about to occur should be reported immediately. Potential violations that should be reported include but are not limited to:

- Accounting or Auditing Irregularities or Misrepresentations
- Antitrust or Competition Violations
- Actual or Potential Conflicts of Interest
- Child or Forced Labor, Human Trafficking
- Corporate Opportunity to Advance Personal Gain
- Destruction of Property and Theft
- Improper Disclosure of Confidential Information
- Illegal substances
- Environment, Health, and Safety Concerns
- Falsification or Destruction of Information
- Inappropriate Gifts and Entertainment, Bribes, or Kickbacks
- Discriminating, Inappropriate, Abusive, or Harassing Behavior
- Inappropriate Use or Misuse of Company Resources
- Quality Concerns
- Retaliation
- Threats or Physical Violence
- Trading on Inside Information
- Unfair or Illegal Employment Practices
- Fraud or Embezzlement

Long-term Relationships for Responsible Sourcing

Our ambition and approach

Being a global supplier to the world's automotive industry, Veoneer and its entire supply chain has to offer products that are developed, assembled and manufactured with controlled processes to assure the same high level of quality. Through responsible sourcing practices and close supplier collaboration, Veoneer aims at creating positive social and environmental value across the supply chain.

Generally, we work with suppliers in the region in which our products are manufactured and later sold to customers and end-customers, in order to minimize transportation, currency risks and other costs.

Veoneer has a strong commitment of doing business in a socially, ethically and environmentally responsible way, and we expect the same processes and standards along the entire value chain, including environmental systems, carbon emissions, labor rights, and anticorruption. Legal compliance forms the basis for everything we do, accompanied with our Supplier Code of Ethics.

During the year, Veoneer made several sourcing process improvements, such as the implementation of a logistics tool to optimize the supply chain, driving better cooperation with suppliers, more accurate forecasts, reduced shortages and therefore limit the need for expedited shipments. Continued focus on reduction of carbon emissions in transportation and logistics optimization has, in France, led to routing all maritime shipments from South Asia through the port of Le Havre instead of Hamburg, reducing lane emissions and number of loading/unloading cycles. Sustainability Metrics were in the heart of the evaluation criteria for Carrier selection, resulting into the choice of DHL with their "GOGREEN" program including maritime shipments use of biofuel. Veoneer is monitoring its supplier sustainability level through reporting platforms, and currently 38% of direct material spend is coming from green suppliers (per NQC criteria).

Close Relations

Veoneer develops software and electronic systems and, as we mainly assemble the hardware, Veoneer's top 20 suppliers account for about 86% of purchased goods, and approximately 67% of Veoneer's product cost is purchased materials.

The year 2023, was another year challenged by chip shortages, logistics challenges, and effects the lingering Covid epidemic. Veoneer has worked closely with its' suppliers to fight the problems in the best way possible. Veoneer's well-proven Supply Constraint Management process includes key ingredients like cross-functional collaboration, a tight team, communication that is open, honest and running freely, as well as a transparent approach with both suppliers and customers.

Partner Portal and Supplier Manual

We are fully committed in all business locations to ensure compliance with applicable environmental and human rights laws,

including those relating to child labor, slavery and human trafficking, and we require our suppliers, direct and indirect, to comply with our Supplier Code of Conduct, published in Veoneer's Partner Portal (VPP) and on veoneer.com in multiple languages.

The Partner Portal (VPP) is a secure entry point for third-party suppliers and potential partners to access Veoneer web-based applications and shared documents as well as to enable self-service administration of supplier master data. The VPP hosts the Veoneer Supplier Manual, information on Veoneer requirements, reference to Supplier Code of Ethics and a training program in business conduct and ethics for suppliers.

Audits

Supplier evaluations are critical for minimizing risks related to the supply chain and are integrated into our sourcing organizations' main processes. Suppliers are impartially evaluated on parameters including price, quality and reliability as well as key environmental, social and ethical concerns such as safety, health, the environment, business ethics and human rights. If a supplier does not comply with applicable laws and regulations, we urge them to promptly develop and implement plans or programs to correct any non-compliant practices.

For new suppliers, or new supplier locations, the social responsibility audit is mandatory to perform as a part of the pre-qualification process.

Prior to enrolling new suppliers, **Pre-qualification Audits** are made to assess and release potential new suppliers or new supplier locations.

We expect the same standards along the value chain and the **Social Responsibilities Audits** assess that suppliers comply with and commit to upholding the same social, ethical, and environmental principles as Veoneer does. During the year, 23 Social Responsibility Audits were completed, with 100% compliance.

Project Management Audits assess supplier's ability on project management, product and process development/validation including prototype, personnel capabilities and resources, advance quality planning.

Process Audits are used to verify the application and effectiveness of supplier's quality, manufacturing and management systems to support Veoneer's zero defect strategy. Current suppliers are audited according to a three-year rolling plan. An audit cycle starts with the initial audit and may be followed by one or more follow-up audits. It ends when the audit result meets the requirements defined in the standard. In the event of a major non-compliance that would result in a probable shipment of a non-conforming product, the auditor must ensure that the supplier implement containment actions immediately. Containment shall stay in the process until corrective actions are implemented and verified. Veoneer's requirements are based on



customer requirements and current quality system standards, in particular International Standard Series ISO 9001, IATF 16949, ISO 14001, VDA 6.3 Process Audit as well as on requirements in the Veoneer Standards and Veoneer Supplier Manual (VSM).

For a full environmental commitment, our suppliers should implement an Environmental Management System, preferably based on ISO 14001 and to be certified. Veoneer's top 20 suppliers account for about 86% of purchased goods and all 20 suppliers have achieved their ISO 14001 certifications.

Materials Management

Automotive product development includes continuous improvements in quality, safety, and the reduction of environmental impact throughout the vehicle life cycle. Chemicals and chemical preparations used in the manufacturing processes shall meet all applicable national and international legal requirements with regards to restrictions on the use, transportation and disposition of hazardous substances.

In addition, suppliers shall use industry best practices to ensure that raw materials and chemicals used during manufacture do not contain toxic or radioactive contamination that would constitute a health hazard.

Veoneer's suppliers are requested to follow the Global Automotive Declarable Substance List (GADSL), defined by worldwide legal requirements such as ELV, EU REACH and more, other legal requirements as well as other Veoneer specific requirements defined by the OEMs.

Conflict Minerals

Veoneer's Policy on Conflict Minerals provides further clarification to the principles of the Standards of Business Conduct and Ethics regarding the illegal trade of natural resources, in particular certain minerals, known as "conflict minerals". Pursuant to SEC rules, conflict minerals include certain minerals that originated in

the Democratic Republic of Congo or an adjoining country and are sold to benefit groups financing armed conflicts in those regions. Veoneer complies with the US Dodd-Frank Act Section 1502, regarding conflict materials. We have incorporated the principles of this policy into the requirements of our Supplier Manual and we work with our suppliers to increase transparency in the supply chain.

Veoneer supports industry initiatives, such as the Responsible Minerals Assurance Program (RMAP) running under the Responsible Minerals Initiative (RMI), to validate that the metals used in our products are not contributing to conflict and come from sustainable sources. We maintain a database of material composition information for all our products which allows us to identify suppliers that use tin, tantalum, tungsten and/or gold in their products. Material composition data along with information gathered from suppliers, industry initiatives (e.g. Responsible Minerals Assurance Program), and other available sources are used to assess risks of non-compliance to this policy. A third-party due diligence of used smelters is part of our program.

Veoneer has implemented a Conflict Minerals policy that prohibits human rights abuses associated with the extraction, transport or trade of minerals. We also prohibit any direct or indirect support to non-state armed groups or security forces that illegally control or tax mine sites, transport routes, trade points or any upstream actors in the supply chain. We require the parties in our supply chain to agree to follow the same principles and we are working with our supply chain to improve traceability of minerals and ensure responsible sourcing.

The response rate to the 2023 direct material supplier conflict minerals survey was 100% (100 in 2022).

Integrated in Our Business

Sustainability is integrated in our business – and our ambition in our quality-driven culture is that every employee should feel that they have the means to speak up and drive sustainable improvements.

The Veoneer leadership team has the ultimate oversight for sustainability – environmental, social, governance – and is responsible for coordination and implementation, while the line and functional managers are ultimately responsible for program execution.

Sustainability Forum

Progress is supported by a Sustainability Forum consisting of

eight appointed people responsible for setting KPI's, driving and measuring progress. When the Active Safety business was acquired by Magna, new members were added to the Sustainability Forum, ready to continue driving progress leading to sustainable mobility.

The Sustainability Forum is chaired by the Communications department, which is also focusing on stakeholder engagement and raising internal sustainability awareness.

The Sustainability Forum meets quarterly, and drive progress in smaller teams in between the meetings. Attendance has been high on every meeting, with only one missing per meeting during the year. Veoneer's sustainability performance is regularly reported to the CEO and the leadership team.

Veoneer Strategy Board 2023

The Veoneer Strategy Board was dissolved on March 1, 2024, when the company was acquired by AIP. The following left the company: Jacob Svanberg, Thomas Jönsson, Ray Pekar, Mikael Landberg and Håkan Söderström. Bob Bisciotti was appointed to the role of CEO.



Jacob Svanberg
CEO



Eric Swanson
Executive Vice President
Legal Affairs, General Counsel
and Secretary



Thomas Jönsson
Executive Vice President
Communications & IR



Robert Bisciotti
Executive Vice President
Product Area RCS



Ray Pekar
CFO and Executive Vice
President of Financial Affairs



Mikael Landberg
Executive Vice President
Human Resources



Scott Brawler
Senior Vice President
Customer Areas



Håkan Söderlund
Senior Vice President
Sourcing

Driving Sustainable Mobility

Guided by our vision Creating Trust In Mobility, Veoneer's scalable, world-class Restraint Control Systems are saving lives, every day. Sustainability is an integral part of our business strategy and a driver for market differentiation and stakeholder value creation.

Stakeholder engagement

Risk and opportunity analysis are conducted regularly by multiple business functions to capture cross-functional insights to risk and opportunities. These risks are shared to management and fed into our daily jobs and are a natural part of our sustainable way of working. We strive to systematically assess and manage key impacts, risks and opportunities on society and the environment related to our business value chain.

Engagement with a wide variety of stakeholders helps us drive sustainable mobility and to be aware of expectations on the company. Our main stakeholder groups are those with a high level of influence and interaction, and with whom we interact directly and actively in our day-to-day business:

Customers and end-customer insights have high interest in products with improved sustainability performance, both social (saving lives) and environmental (carbon). We respond by engaging and collaborating with customers in product innovation and at relevant conferences and events, as well as through our memberships in organizations focused on traffic safety. Environmental and social supply chain transparency typically relates to where and how our products are manufactured, along with details of energy efficiency in operations and in our products, the materials contained in products.

Associates are engaged through annual appraisals, training and development initiatives, staff meetings, and the intranet. Supplier and business partner issues are managed through close cooperation, supply chain audits and Business Partner Code of Conduct compliance.

Governmental and legal organizations have strong interest in improving traffic safety, limiting air emissions and lowering carbon emissions. We participate with our research in various ways. *Local communities and non-governmental organizations (NGOs)* are engaged through local dialogues when relevant.

Materiality Analysis

Veoneer's materiality assessment aims to identify the key sustainability topics in our own operations and our value chain.

The process is based on the double materiality principle: both impact materiality (how Veoneer impacts people and the environment) and financial materiality (how various sustainability topics impact Veoneer) are considered.

Veoneer's sustainability approach is guided by a materiality assessment combined with a constant review of global challenges, the automotive industry's challenges, external reports, legislations and frameworks, ESG surveys, stakeholder surveys and interviews with stakeholders, such as ESG (Environment, Social, Governance) experts in our organization, suppliers, customers, and NGOs.

This assessment has, together with constant dialogues, helped us identify the sustainability areas where we can make the greatest difference. We have identified gaps, baseline metrics and defined ways to measuring our progress to move our priorities further.

	Focus Area	Material Topics Identified	Ambitions	Sustainable Development Goals
	Sustainable Mobility	<ul style="list-style-type: none"> Life-saving restraint control systems Product quality 	Saving Lives. Every Day.	
E	Climate Action	<ul style="list-style-type: none"> Climate change Materials sourcing (raw materials) Waste management 	<ul style="list-style-type: none"> Carbon neutral in own operations by 2030 Carbon neutral products by 2039 Carbon neutral company by 2040 	
S	Safe & Healthy Workplace and Supply Chain	<ul style="list-style-type: none"> Health and safety Employment and labor relations 	<ul style="list-style-type: none"> Zero work related accidents Good employment and labor relations 	
G	Ethical Business	<ul style="list-style-type: none"> Code of Ethics Anti-corruption and Antitrust Helpline 	<ul style="list-style-type: none"> 100% Annual Compliance Certification 100% Performance of Compliance Education No legal or regulatory fines, or settlements associated with ESG 	

Our sustainability approach is based on four focus areas, with broad ambitions and more specific short-term targets defined for each area. These areas represent the strongest links to our business risks and opportunities and the greatest impact on key

stakeholder groups, society, and the environment. All four areas represent global challenges where we believe we can make a positive difference.

Value Chain Perspective

Veoneer's biggest contribution to sustainability is our business – innovating, developing and producing Restraint Control Systems that are saving lives and mitigating the effects of a car crash.

A value chain perspective on everything we do helps us take informed decisions.

The life-cycle assessment conducted on the Restraint Control platform SC3 confirmed that our product's biggest environmental impact is in the raw-materials phase and the use phase. How the vehicle is being fueled matters, and when our system is mounted in an electric car, the country's energy mix has considerable impact.



	Product and System Development	Sourcing	Manufacturing	Transportation	Customers	Consumer Use	End-of-Life
Our Impacts	Improved safety in traffic is our no 1 priority, while limiting our environmental footprint. Our innovations of electronic Restraint Control Systems are used in vehicles that leave the production lines in 1-3 years time. From a safety perspective, what we do and the quality we reach is of highest importance. The conducted LCA shows on the other hand that from an environmental perspective, making the product smaller or lighter has little impact compared to other phases of the life-cycle.	Veoneer's top 20 suppliers account for about 86% of purchased goods and all our top 20 suppliers are ISO14001 certified. The raw materials phase has big impact of the result on our products' LCA.	Veoneer has a regional set-up of manufacturing and tech centers with 2,700 associates in 11 countries, our impacts span across social, economic and environmental areas, globally and in the local community. Our decisions set the tone for action in the entire value chain. Our manufacturing facilities are mainly doing assembly.	About 90% of the transports are regional. Products are also transported from our suppliers to our manufacturing facilities and from our facilities to our customers.	Veoneer has a regional set-up and manufacturing facilities and tech centers, often close to our customers' facilities to serve them better.	When Veoneer's systems are integrated in our customers' vehicles, traffic safety is improved – and it is during this phase Veoneer has its greatest environmental impact. How the vehicle is being fueled matters, and when our system is mounted in an electric car, the country's energy mix has considerable impact.	Our long-term vision is to turn the end of our products' life into the beginning of a new cycle. This requires a framework that companies cannot achieve alone.
Risks	<ul style="list-style-type: none"> Not innovating the safest systems Not meeting customers requirements Not meeting end-consumers/drivers expectations Not finding the right people 	<ul style="list-style-type: none"> Environmental, social, ethical and human rights violations Interruptions in supply chain due to pandemic or severe weather conditions as a result of climate change Business interruptions due to unethical business practices in supply chain Corruption related to weak governance 	<ul style="list-style-type: none"> Disruptions as a result of bad quality Interruptions in supply chain due to pandemic or severe weather conditions as a result of climate change Impact due to social, ethical and human rights violations Corruption related to weak governance 	<ul style="list-style-type: none"> Emissions from transportation Corona pandemic's impacts on transportation in societies that have been shut down, closed borders etc. Severe weather conditions as a result of climate change 	<ul style="list-style-type: none"> Not meeting customer expectations on product safety Corruption 	<ul style="list-style-type: none"> Not meeting end-consumers/drivers expectations Product safety Cyber security 	<ul style="list-style-type: none"> Waste of resources due to lack of recycling
Our Approach	<ul style="list-style-type: none"> Human-centric approach of innovation Scalable platform Fulfill regulatory requirements Fulfill customer expectations and requirements 	<ul style="list-style-type: none"> Sustainability audits Apply a risk-based approach to identify suppliers in scope Maintain high ethical business practices Conflict minerals management 	<ul style="list-style-type: none"> Focus on high quality Efficiency Attract and retain the best talents Ensure health, safety and wellbeing Maintain high ethical business practices Limit carbon emissions during manufacturing Limit scrap 	<ul style="list-style-type: none"> Enhance logistics efficiency Optimize packaging Use of artificial intelligence Use of electrical vehicles 	<ul style="list-style-type: none"> Work closely with customers to achieve the safest solution with limited environmental footprint 	<ul style="list-style-type: none"> Continuously improve product and systems' safety performance and limit environmental impacts Cyber security management 	<ul style="list-style-type: none"> Reduce scrap High quality products Follow end-of-life directive for the automotive industry Follow customer and other legal requirements
The Difference We Make	A scalable chip-set reduces the need for several variants, reduces scrap and make safety affordable to more people and systems with leading safety performance deliver value to customers, consumers/drivers and society in line with the business strategy, with reduced negative environmental impacts.	Promoting universal norms supports human rights and raises environmental, labor and economic standards. This builds trust and help reduce business risk.	In countries where Veoneer has manufacturing and tech centers, we benefit by creating jobs, knowledge transfer and economic opportunities. Positive employee relationships promote competence development, employee wellbeing and job satisfaction. Value is created for Veoneer by retaining talented employees.	With a regional set-up of manufacturing, there is less need for transportation, saving time, money and carbon. The new generation products that are smaller than the earlier generation increase transport efficiency as there are more products per pallet.	High quality products and solutions strengthens the car manufacturers' brands.	Saving Lives. Every Day.	Follow guidelines when developing products to support end-of-life.
Degree of Influence	●●●●●●●●●● High	●●●●●●●●●● Medium	●●●●●●●●●● High	●●●●●●●●●● High	●●●●●●●●●● Medium/High	●●●●●●●●●● Medium	●●●●●●●●●● Low

Reporting Principles

This is Veoneer's 5th sustainability report. It covers the calendar year 2023 and outlines why sustainability is relevant to our business, our priorities and our approach to managing them. We work continuously to improve reporting transparency, scope and quality of data.

We have applied the Global Reporting Initiative (GRI) sustainability reporting guidelines Core option as a guide in the production of this report. This report is also influenced by the Final Drafts of European Sustainability Reporting Standards.

Reporting Units

The Sustainability report covers the fully-owned business by Veoneer HoldCo, LLC headquartered in Stockholm, Sweden, at the end of 2023. Data encompasses 3 manufacturing facilities Canada, China, and France, together with the 5 largest tech centers in France, India, Romania, and the USA. Unless otherwise stated, environmental data is collected for the entire company, both manufacturing facilities and tech centers. Social data, including health and wellness reflect all employees working in the manufacturing facilities, employees in tech centers and most supporting operations.

Changes in Reporting

In 2022, SSW acquired Veoneer. The company was delisted and the software company Arriver was sold to Qualcomm. SSW's strategy of finding the right long-term homes for Veoneer's other lines of businesses continued. On June 1, 2023, Magna International Inc. acquired Veoneer's Active Safety business. The deal included all active safety business, half of the manufacturing facilities and slightly more than half of the people. In December, Veoneer announced that American Industrial Partners Capital Fund VII were to Acquire Veoneer's Restraint Control Systems business. AIP became the new owners of Veoneer on March 1, 2024.

Data Collection

Responsibility for reporting rests with the manager of each site. Data verification is performed at each level before submitted. Veoneer's facilities report environmental figures into a database on a regular basis and for Jan-May 2023 the Active Safety business is included in the figures. Some facilities, that still are shared after the divestiture on June 1, also includes data belonging to the former Active Safety business.

Reported facts and figures in the sustainability report have been verified in accordance with Veoneer's procedures for internal control.

Reported values have not been corrected retroactively. When a restatement of historically reported numbers is made, this can be due to a change of calculation method or scope.

Calculation Principles

The reported number of associates at the end of the year 2023 includes associates with a continuous employment agreement, recalculated to full time equivalent heads, plus temporary hourly personnel.

Veoneer uses the Greenhouse Gas Protocol, building on a 20-year partnership between World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), principle for calculating carbon emissions. That means that data from reporting facilities is converted, using standardized generic conversion factors based on the IPCC Guidelines for National Greenhouse Gas Inventories, into metric units of measure where needed. The selected method gives a more relevant calculation on the actual carbon emissions as it takes into account how electricity is generated in different countries. Electricity emission factors are based on the 2020 data published by the International Energy Agency (IEA) and the International Panel on Climate Change (IPCC), and are expressed in CO₂ equivalents CO_{2e}, integrated CO₂, CH₄ and N₂O.

We currently only report location-based Scope 2 emissions due to the unavailability of market-based data. Indirect energy (electricity) has been reported for 3 manufacturing sites and 5 tech centers, while direct energy has been reported for 2 manufacturing sites and 4 tech centers. Water is reported in total cubic meters abstracted. Where needed, standardized generic conversion factors are used to convert water use from liters, US gallons into cubic meters. Water has been reported for 3 manufacturing facilities, and 5 tech centers.

Waste is reported in metric tons. Data come from our providers. We work upstream on the choice of destination for all different materials. The 2023 data represents waste reported from all manufacturing facilities plus one tech center.

Communication

The Sustainability Report for the fiscal year 2022 was published on veoneer.com in March 2023, and the Sustainability Report for the fiscal year 2023 is published on veoneer.com in March 2024. Internally, intranet is an important tool for communicating sustainability progress. Externally, the website and the annual Sustainability Report communicate to a wider audience.

Assurance

Veoneer has not sought external assurance by a third-party assurance provider.

For More Information

Information about Veoneer and the company's sustainability achievements are found on veoneer.com
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GRI Index

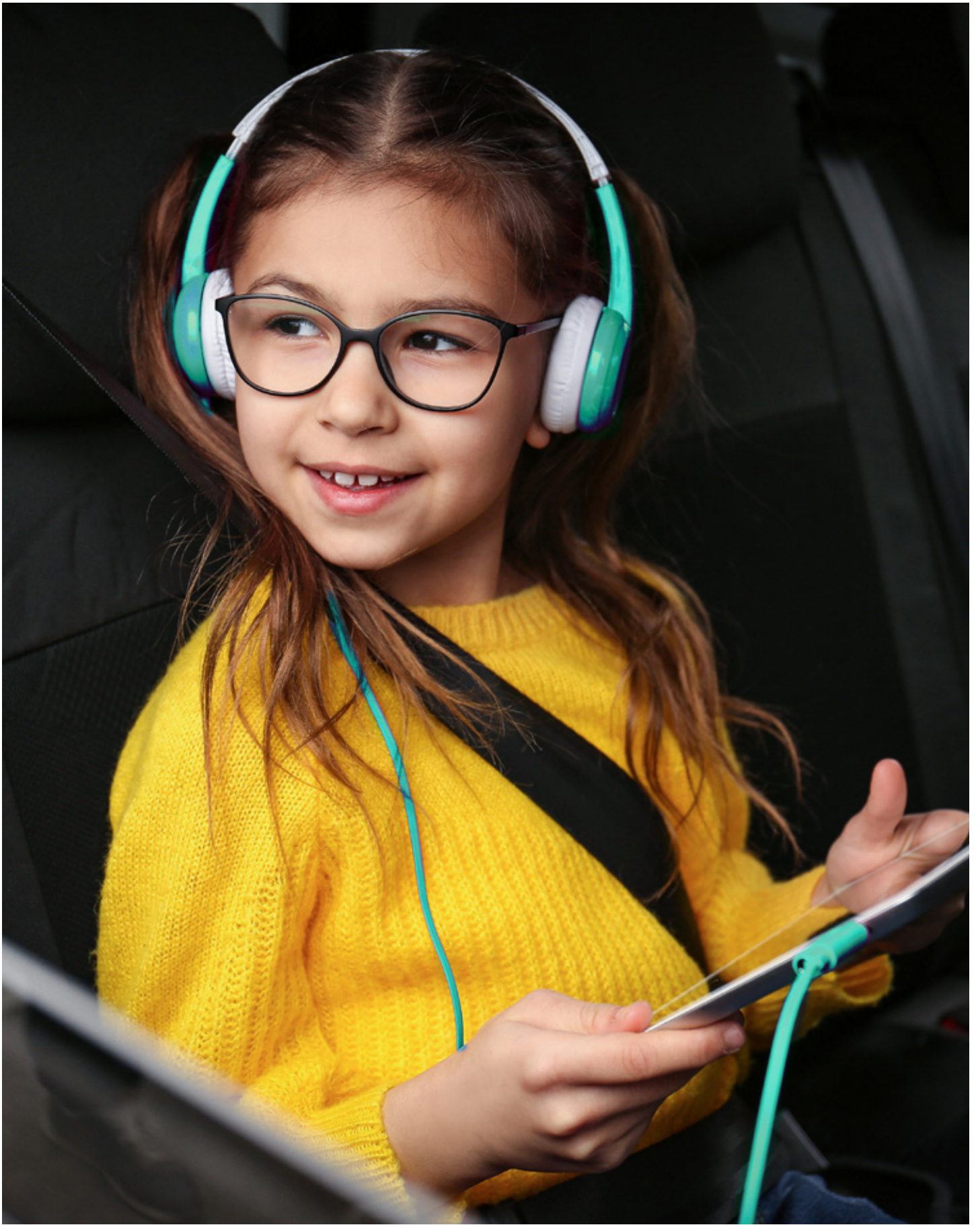
The table below indicates where information can be found in the Sustainability Report (unless otherwise stated) and on www.veoneer.com

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Topic Specific Disclosures

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