

Sustainability Report 2022



veoneer

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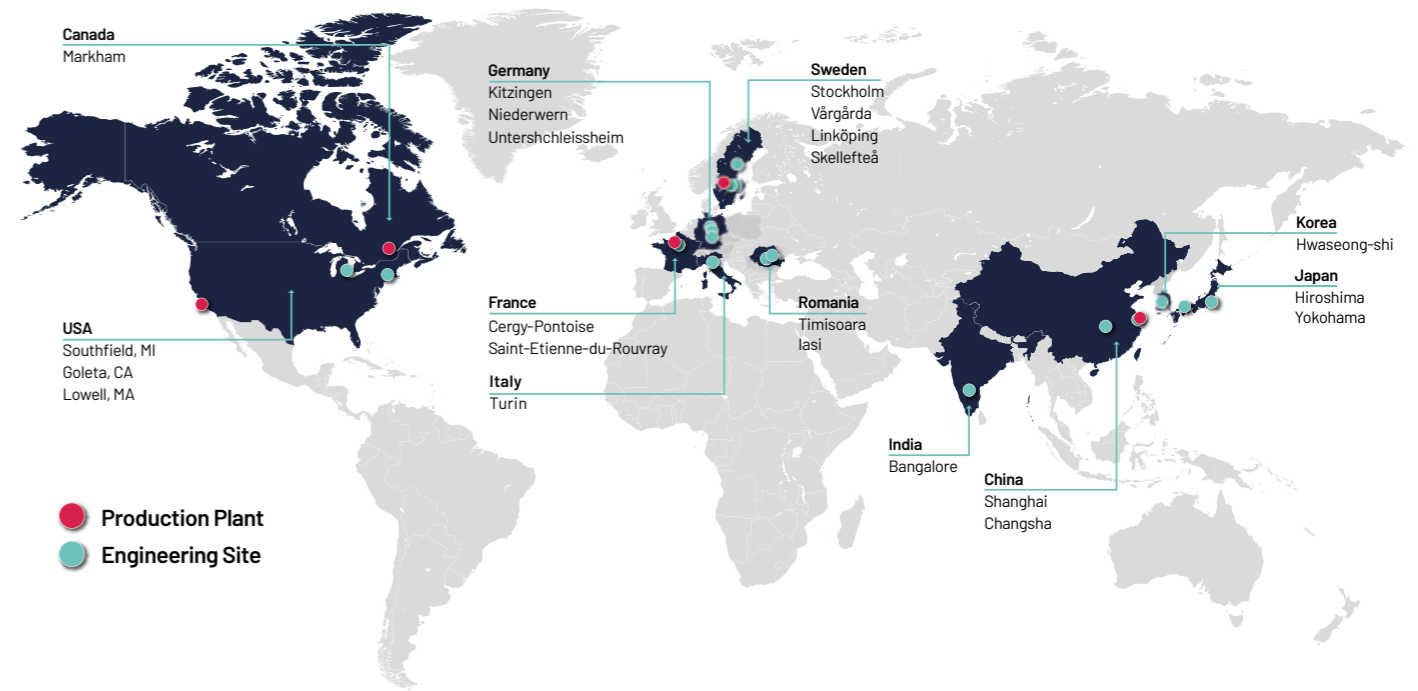


2022 in Brief

Creating Trust in Mobility

The automotive technology company Veoneer HoldCo, LLC. is a world leader in active safety and restraint control systems. Our purpose is to Create Trust in Mobility. Veoneer is a Tier1 supplier, system designer and integrator focused on delivering innovative best-in-class products and solutions.

During 2022, our products were part of more than 125 scheduled vehicle launches and in 2023 our products are in another 120 vehicle launches and face-lifts. Headquartered in Stockholm, Sweden, Veoneer has 6,400 associates in 11 countries.



6,400 ASSOCIATES | **11** COUNTRIES | **5** MANUFACTURING SITES | **19** TECHNICAL CENTERS | **\$~2 Bn** NET SALES

Sustainable Development Goals

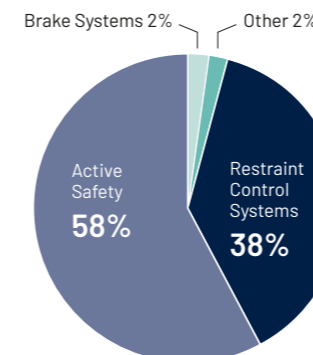
At Veoneer, we are committed to the automotive industry’s toughest challenges; saving lives and limiting carbon emissions, while caring for employees and society, the environment and acting ethically. Veoneer’s primary objective among the UN Sustainable Development Goals is #3, Saving lives in traffic — halving the number of global deaths and injuries from road traffic accidents. Veoneer is committed to research, invent, develop and manufacture products that enable not only reduced road traffic fatalities but better societal quality of life, health, and mobility. Our commitment is aligned with our purpose “Creating Trust in Mobility”.

Veoneer brings significant value by innovating products and solutions to increase traffic safety. We strive to limit our environmental footprint along the entire value chain and we contribute to the local economy through our business operations, providing both direct and indirect employment, as well as paying taxes and custom duties. We strive to offer a stimulating, safe and healthy work environment as well as competitive employment terms and other benefits.

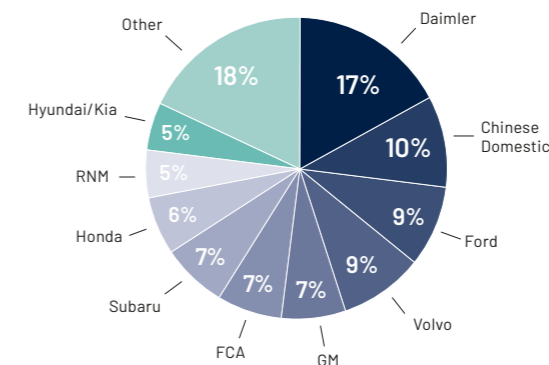
Through our business activities, we believe we can contribute the most to the following SDGs-Sustainable Development Goals;



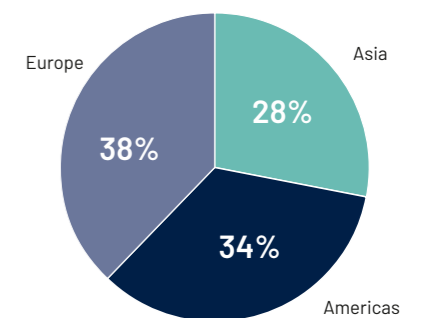
Sales by Product



Sales by Customer



Sales by Region





Committed to Mobility's Toughest Challenges

At the forefront of the autotech industry, Veoneer is driving several trends in automotive to save lives and increase convenience - always with the purpose of creating trust in mobility.

According to the World Health Organization, annually almost 1.4 million lives are lost and 50 million people are injured on roads globally. Veoneer's biggest contribution to sustainability is helping to cut the number of traffic accidents in half. Our firm belief is that by developing human-centric innovations, we can provide automotive applications that bring safety and convenience to the consumer and society.

Veoneer's sensors and system solutions in the Active Safety portfolio - vision, radar, lidar, thermal sensing, and central compute units - prevent traffic accidents. When accidents are unavoidable, Veoneer's Restraint Control Systems help mitigate the effects of a crash. As a leading supplier in restraint control systems, Veoneer provides systems to many of the world's largest automotive manufacturers.

Veoneer's purpose Creating Trust in Mobility is a guiding star to all employees. We strongly believe that Collaborative Driving is key to increase traffic safety and driver convenience. Collaborative driving blends the best of human drivers and machine intelligence for Advanced Driver-Assistance Systems (ADAS) into a sophisticated driving system, where the human driver is interacting with intelligent technology. During the past months, we have noted that the automotive industry has come to the same conclusion; the best way to reach autonomy is step-by-step.

Scalable architecture

More sensors allow for more autonomy, but when the level of the car's autonomy increases, so does the complexity of technology and the amount of information needed to accordingly increase vehicular intelligence. Veoneer's way to tackle the vehicle's increasingly complex 'nervous system' is through scalable architecture. The same base technology platform can be used from basic driver assistance solutions up to fully autonomous driving on highways and in traffic jam situations. Scalable architecture increases time-to-market, helps lowering the R&D costs and, with fewer individual technology units mounted on the car, you get weight and harness savings and a car in need of less fuel/electricity, lowering the environmental impact in several ways. Innovation and differentiation for the car brands happen on top of common platforms as scalable solutions and upgradability is becoming the norm.

2022 has truly been a year of fantastic achievements by everybody in Veoneer. In 2022, we continued doing sustainability improvements step-by-step, and in the fourth quarter, we turned the company into profitability, something we have worked hard for since the company was founded in 2018. Thanks to all the work done across our sites globally, we start the year with the most competitive product roadmap we have ever had across all our product lines. This really shows the commitment from our people on our overall purpose of Creating Trust in Mobility.

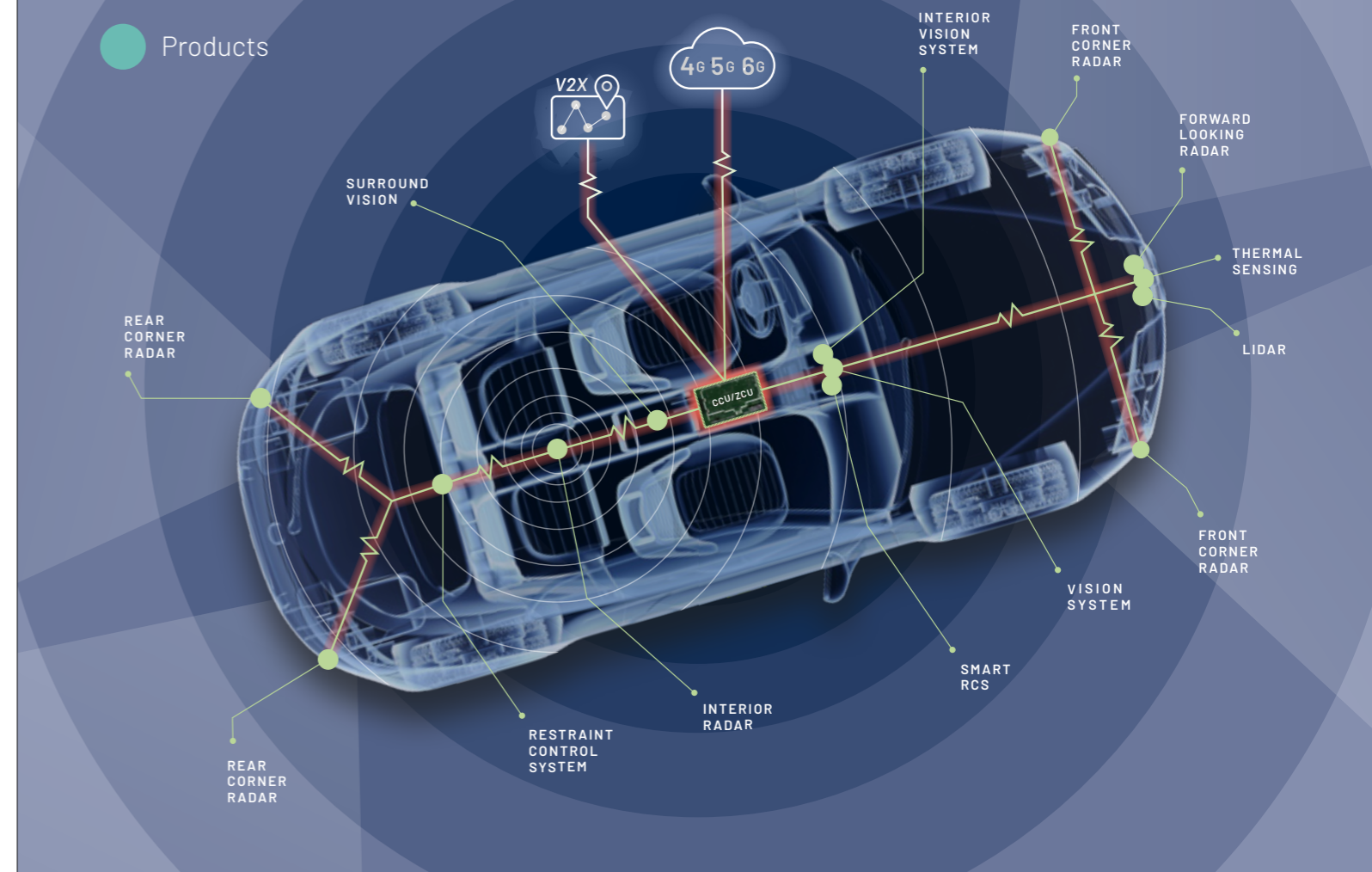
Veoneer has always believed in human-centric innovation. The best way to maximize road safety over the next decade and beyond is through collaboration between drivers, vehicles and the surrounding environments. The industry developments during the last few months have proven our long-term strategy to be correct; the industry is now converging around collaborative driving ahead of full autonomy.

The automotive industry is under transformation and the disruptive changes in the automotive industry is also being reflected on Veoneer. In April, Veoneer was acquired by SSW Partners and delisted from the stock-exchange. Shortly afterwards, the software business Arriver was sold to Qualcomm Technologies.

At the end of the year, it was announced that Magna International intends to acquire Veoneer's Active Safety business - a good fit for our employees, customers, end-users, and other stakeholders. Our owners, SSW Partners, now have the full focus on finalizing the process of securing the long-term home for Veoneer's Restraint Control System's business. Despite the structural changes; our people will continue working at the forefront of technology, developing products and system solutions that save lives and improve the time we spend travelling.

This report is a summary of our 2022 efforts. We hope it reflects our ambition, sincerity, and commitment to creating a sustainable future.

Yours sincerely,
Jacob Svanberg, CEO
Stockholm, Sweden
March 17, 2023



Scalable architecture makes increased safety affordable for more people, and in 2030, the vast majority of all cars sold will have advanced safety features that provide collaborative interaction with the driver.

Level 3

Staying at the forefront of technologies, with artificial intelligence and deep learning as natural parts of the development process, is a prerequisite for Veoneer to support its' customers in launching vehicles that are as safe and convenient as possible. Vehicle automation enables driver tasks to be off-loaded in such a way that not only safety but also energy-consumption is handled in a more controlled fashion. During 2022 Veoneer were part of braking new ground in automotive automation. Mercedes S-class and EQC was the first vehicles in Europe offering SAE level 3 automation (meaning the vehicle handles all aspects of the driving task while the driver remains available to take over driving if requested). US market to follow this year.

The safety paradigm is changing

In the past, passengers were considered safe when inside a vehicle with top-rated safety features. Now, people are considered safe when surrounding vehicles are equipped with active safety technologies, and this is regardless of being inside or outside the cabin. This will trigger consumer organizations to raise the bar even higher for top ratings, which in turn encourages the development of new technologies.

Five years ago, a majority of cars did not have autonomous braking, but by 2026 it will most likely be the standard in Europe

and the US. We believe that in-cabin sensing and cloud-based data are the next areas to go mainstream, hopefully followed by a new way to simulate body metrics so that drivers and passengers are safe in a collision, regardless of size, age and where they are seated.

Fighting carbon

Cutting the number of traffic accidents in half is our main purpose, and while doing so we see the necessity of limiting carbon emissions along our value chain. In 2021, Veoneer's Board of Directors set the following targets:

- 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

Environmental concerns

To serve its' customers, Veoneer combines a worldwide research, design and manufacturing footprint with a regional setup of engineers. Veoneer's engineers work closely with automotive manufacturers to create products with limited environmental impact, to optimize architecture, weight and performance aiming at keeping energy consumption and carbon emissions for each car model as low as possible.

The general lead time to develop an order before it goes into production is between two to four years. During 2022, Veoneer conducted more than 125 vehicle line launches, offering our

customers' car models enhanced safety and in many cases also a limited environmental impact. Another 120 vehicle launches and face-lifts are planned for 2023.

Veoneer has delivered 13.9 million cameras, 55 million radars and, during more than a decade, close to 1,005 million electric control units and crash sensors to car manufacturers globally**.

Life Cycle Assessment

As part of our effort to reduce the Carbon Footprint impact in our operation and supply chain, we are performing Life Cycle

Assessment on our products. Life cycle assessment is a "cradle-to-gate" and "cradle-to-grave" approach. Environmental impacts are assessed from raw material extraction and processing through the product's manufacture, distribution, and use, to the recycling or final disposal of the materials. This approach provides an understanding of the environmental footprint, in terms of e.g. Green House Gas/Global Warming Potential, material usage and generated waste, of the chosen vision product and to identify key areas of improvements.

** as Veoneer and as part of Autoliv

Cyber Security

At Veoneer, we take product security and increased cyber security risk seriously as it is of utmost importance that our customers can trust software in our products and systems.

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.

At the end of 2021, Veoneer implemented a Cyber Security Management System and Software Update Management System, one year 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, and 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 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 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. Veoneer and its employees deliver products and services at world class quality performance level to satisfy stakeholder requirements for timeliness, in the correct quantity, and to the correct destination.

Excellence in quality is critical for winning new orders, preventing recalls and maintaining low scrap rates. Priority is placed on preventing quality defects from impacting Veoneer's customers as well as the end-consumer.

Veoneer's purpose is Creating Trust in Mobility. To achieve this goal, it is mandatory to verify at each step of the product lifecycle, from the planning phase, product and process development to handover to serial production, that the Veoneer and industry standards are followed and that the quality of deliverables is at the expected level.

High quality is part of Veoneer's culture and employees' behavior. Our quality culture is demonstrated by daily efforts throughout the organization as our people are passionate about continuous improvement activities leading to zero defects. 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. All Veoneer entities involved shall implement quality assurance.

Specific focus has been put on software development for which compliance to industry standards such as Automotive SPICE is assessed. This quality assurance work is extended to cover 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's cross-company 1VIP program, launched in 2019, focuses on process standardization while reducing costs and complexity. The program made significant steps during the year.

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 targets and results are reviewed by senior managers monthly. Launching several new technologies, often has a temporarily a negative impact on the number of non-conforming events. 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. Some 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 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.

Quality Policy

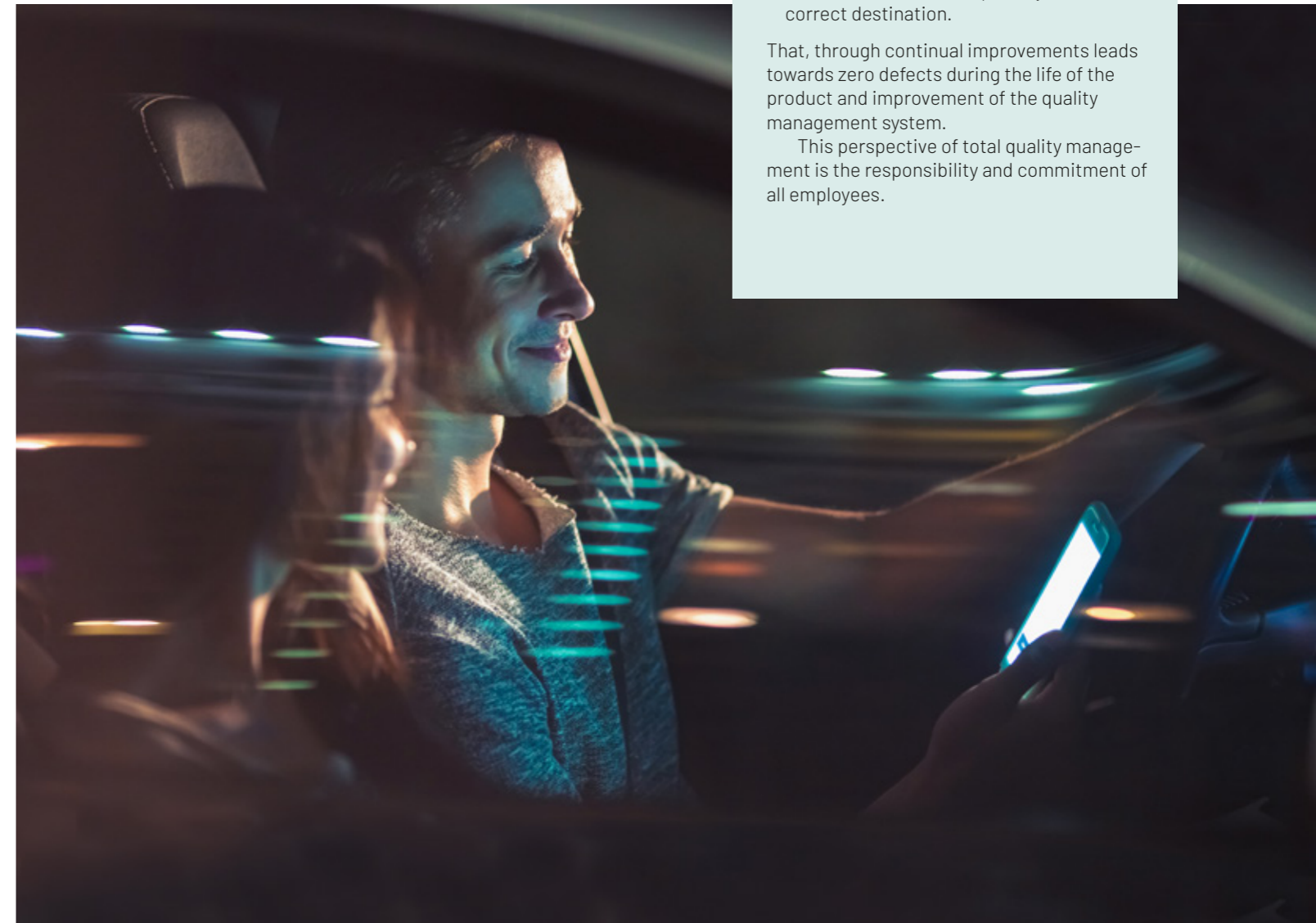
Veoneer and its employees shall deliver products and services;

- 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.

The Quality Chain



Health and Safety is Our First Priority

Health and safety is our first priority and Veoneer's overall goal is to offer a safe, healthy and attractive workplace where people can grow.

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, updated in 2021, 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 lost time rate, measured per 200,000 employee hours of exposure. This year's focus was to further reduce our severity rate, which we achieved with a rate of 2.1(2021: 3.75).

Our incident rate remains on a very low level, 0.88, and our newly released lost time rate 0.41 proves that there are a very limited number of accidents that result in lost time. When incidents and severities occur, we analyze the root cause, learn from our

mistakes and use best practices. In 2022, the physical stress level has also been high due to the pandemic, chip shortages and change of ownership, and we have had high focus on stress reduction and on supporting our employees in other ways.

In order to keep our number of accidents low and to strengthen our approach of a centralized but at the same time locally implemented EHS management system, we have decided to certify all Veoneer sites according to ISO 45001 by 2025. During the year, the manufacturing facilities in Sweden and in France were audited and both facilities have received their certifications.

The Covid-19 pandemic has continued to influence our work life in various degrees, and local crisis management teams continued to monitor the situation and take measures during the year. Veoneer's focus has been 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 is not possible, extensive pandemic protocols are being followed in each location including deep cleansing protocols, social distancing and protective personal protective equipment measures for employees.

The pandemic marked the beginning of hybrid working in many locations and, in conducted surveys, many responded that their own efficiency was equal or better than before and that their work-life balance had been improved, regardless of location and if manager or employee.

Grow Skilled and Engaged People

Our future growth is closely related to how we succeed in being a good employer; in attracting, developing, and keeping qualified and motivated people. Veoneer offers a positive working environment with challenging projects at the forefront of technologies, often in close collaboration with partners and our customers, the automotive manufacturers. Veoneer delivers value to our employees by creating an attractive workplace, providing opportunities for growth and enabling the teams to focus on their priorities. Our empowered organization means we are flat and networked, enabling clear ownership and accountability while staying flexible. Veoneer has some of the strongest leaders and experts in the automotive technology industry. Knowledge is regularly shared, creating a learning organization and a culture of collaboration and inclusion. Our onboarding process is crucial for creating efficiency and we regularly run onboarding surveys in all our locations. When looking at survey results, we see an overall satisfaction of 4 on a scale from 1 to 5.

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 2023. Our target is an 80% employee completion. The year prior we reached 89%.

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. Our internal job market enables employees to develop as individuals and professionals. To further support this we are working on clarifying Veoneer job architecture to offer structured development opportunities. 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 32 new Engineering Fellows and Senior Principal Engineers.

In June 2022, we introduced digital coaching at Veoneer to support our leaders and employees in this volatile and highly changing environment. The initiative is a technology-based live coach-coachee collaboration, which is scalable and it offers measurable outcomes. The coaching session offers participants time to reflect on themselves, their situation and context, as well as to identify new insights and actions to unlock potential, enhance wellbeing and improve performance.

During 2022, Veoneer launched a tailored executive leadership program to provide our leaders with more tools for meeting a rapidly changing and competitive environment. The leadership program was called "Veoneer Executive Leadership program" and was developed in partnership with INSEAD, the top-ranked business school.

Veoneer India entered into an academic collaborative program with top-ranked Indian Institute of Science, Bengaluru, and during the year six engineers from Veoneer passed their exams and were eligible for higher studies.

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.

Administration		Manufacturing Facilities						Engineering site										
Facility	Sweden Stockholm	Facility	Canada Markham	China Fengxian	France Rouen	Sweden Vårgårda	US Goleta	Facility	China Changsha, Honqiao	France Cergy Rouen	Germany Kitzingen, Niederwerrn, Unterschleiss- heim	India Bangalore	Italy Turin	Japan Hiroshima, Yokohama	South Korea Hwaseong	Romania Iasi, Timisoara	Sweden Linköping, Stockholm, Vårgårda, Skellefteå	US Lowell, Southfield
	Head Office	Items Produced	Airbag electronics, radar sensors	Airbag electronics, radar sensors	Airbag electronics, ADAS ECUs	Vision cameras and radar	Thermal Sensing	Items Produced	Customer applications and platform development with full-scale test laboratory	Customer applications and platform development with full-scale test laboratory	Customer applications and platform development with full-scale test laboratory	Customer applications and platform development	Customer applications and platform development	Customer applications and platform development	Customer applications	Customer applications and platform development	Customer applications and platform development	Electronics platform development
No. of Associates	25	No. of Associates	629	757	457	818	73	No. of Associates	501	196	235	770	11	226	126	615	289	640

Sales and administration associates included.

● People

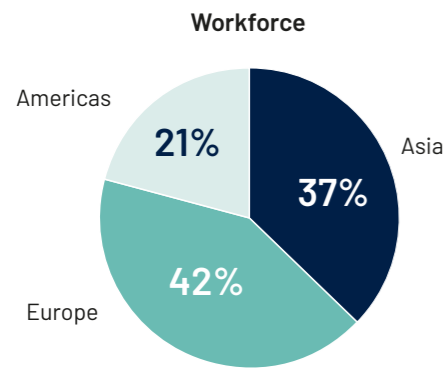
As outlined in the Code of Ethics, all employees are free to exercise the right to form, join or refrain from joining unions or similar organizations, as well as to bargain collectively or individually. In countries where no independent labor unions or collective bargaining agreements exist, forums for 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. Working hours is one of the areas we are monitoring closely.

Diversity

At Veoneer, we believe diversity and inclusion drives 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.



Veoneer's head office is located in Stockholm, Sweden, and the company has operations in 11 countries. Our workforce reflects the diversity of the countries and cultures in which we operate. Approximately 37% of our workforce is located in Asia, 21% in the Americas and 42% in Europe. In terms of gender, the share of females across our company is 31%, with 2% at senior levels (tiers 1-3).

Changes in Our Organization

At the end of March 2021, SSW Partners acquired all of the outstanding capital stock of Veoneer, shortly after which the software business Arriver, with around 1000 employees, was acquired by Qualcomm Technologies Incorporated. The remaining production of brake systems was closed down according to plan and temporary employees left the company.

In December, Veoneer announced that Magna International Inc., a mobility technology company and one of the largest suppliers in the automotive industry will acquire Veoneer's Active Safety business from SSW Partners. During 2023, SSW Partners will continue to lead the process of finding strong, long-term strategic partners to Veoneer's Restraint Control Systems business.

As of December 31, 2022, Veoneer had 6,367 total associates (7,099 at the end of 2021) with 3,289 engineering and 1,527 in direct manufacturing and the remaining in production and SG&A overhead functions. Included in these figures are approximately 1,071 temporary associates. The RD&E associates were in essence unchanged. Voluntary turnover for direct labor was 6% and for indirect labor 15%.

Our Beliefs:
Bold Honesty.
Burning Curosity.
Passion for Excellence.

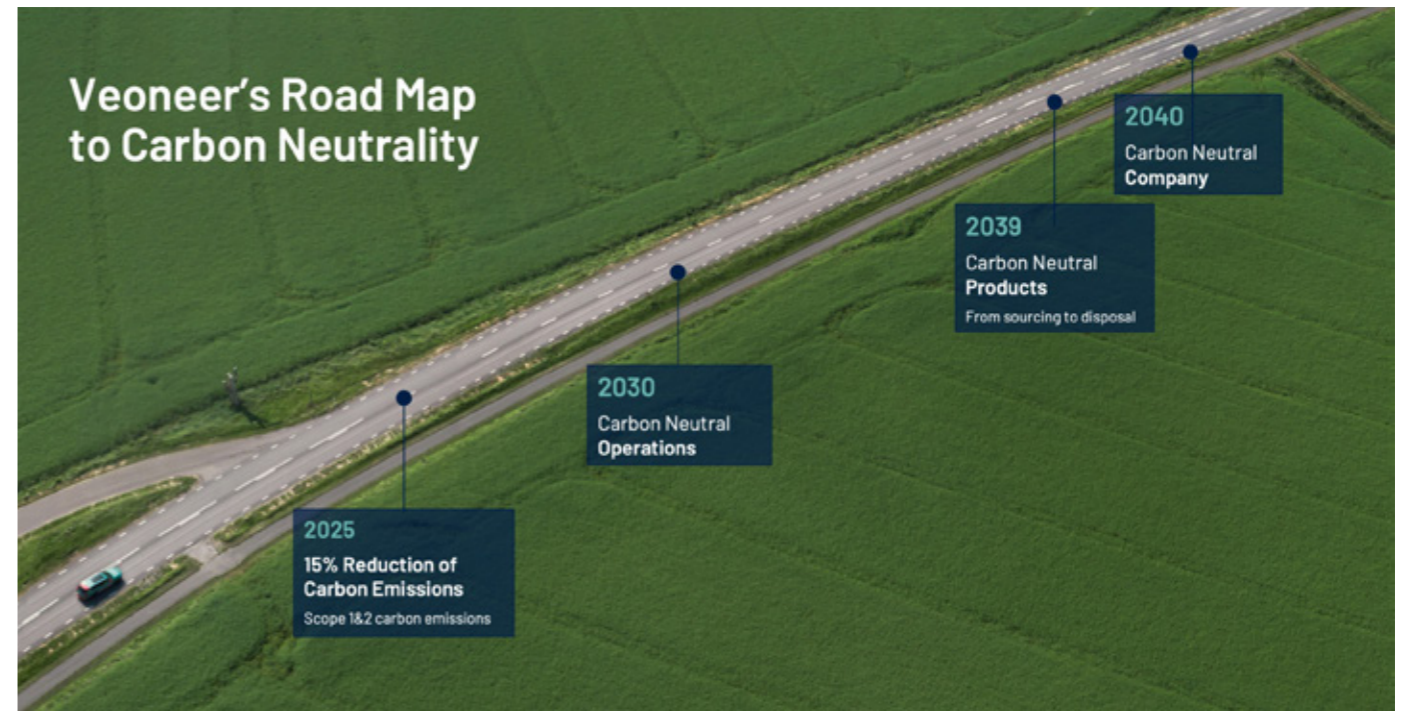
Key Performance Indicator	Target	2022	2021	2020	2019
No of Associates at Year-end	-	6,400	7,099	7,543	8,874
Incident rate measured as number of reportable injuries per 200,000 employee hours of exposure	2.0	0.88	0.62	1.29	1.81
Severity rate measured as total days away from work due to a work-related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

* The annual performance dialog cycle has changed and ends at the end of March 2023.

● Planet

Limiting Our Environmental Footprint

Climate change and resource scarcity drive significant environmental, social, political and economic changes, posing both risks and opportunities for businesses. Veoneer's ambition is to continuously increase resource efficiency and reduce carbon footprint, aiming at carbon neutrality.



Veoneer's operation spans 11 countries (11). At the end of 2022, we had 5(6) manufacturing facilities and 19 tech centers.

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. In the environmental policy, Veoneer puts extra focus on the challenge of climate change and reducing 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.

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 (100% in 2021) and the tech centers in France, Italy, and Sweden.

Environmental Performance

Energy

During the year, Veoneer's organizational boundary became smaller, as Arriver's tech centers became owned by Qualcomm Technologies in April, and the manufacturing of brake systems was shut down according to plan in November. The total annual energy use of our facilities in 2022 was 66 GWh (82 in 2021). Direct energy totaled 6 (11) GWh and indirect energy totaled 60. The total annual energy use of our facilities in 2021 was 82 GWh (83 in 2020). Direct energy totaled 11 (13) GWh and indirect energy totaled 70 GWh (70).

Of the total energy use, 92(88)% was purchased electricity, indirect energy (scope 2). The remaining 8% was direct energy

(scope 1) consisting primarily of natural gas, diesel and gasoline. Natural gas is the main fuel source used for heating, cooling and power production.

Our manufacturing facilities' indirect energy consumption was 50 GWh (56). Tech centers consumed 14 GWh (10).

Each facility maintains a current record of reported data, including billing documents for self-assessment and auditing purposes.

15% reduction of carbon emissions by 2025

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

Some of the measures taken by our facilities are; installation of LED lighting (Romanian, Sweden, India), smart heating control (Sweden, Korea, Germany), smart light control (Germany, US, Sweden), reduce refrigerant leakages (India, Canada, France, China, Sweden), increase fleet of electric vehicles by 2025 (all countries), decrease natural gas consumption (Canada, France). All above are scope 1.

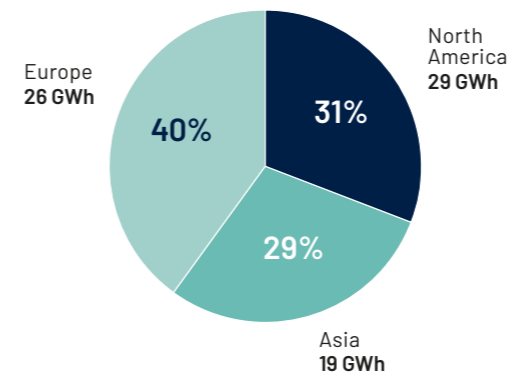
The following actions to reduce scope 2 are in place: increase renewable energy (France runs on 100% green electricity), feasibility studies for installation of solar panels (China, Canada, France, US, Sweden), energy mapping (Sweden, US)

We are also proud to announce that the tech center in Southfield has earned the U.S. Environmental Protection Agency's (EPA) ENERGY STAR® certification for superior energy performance.

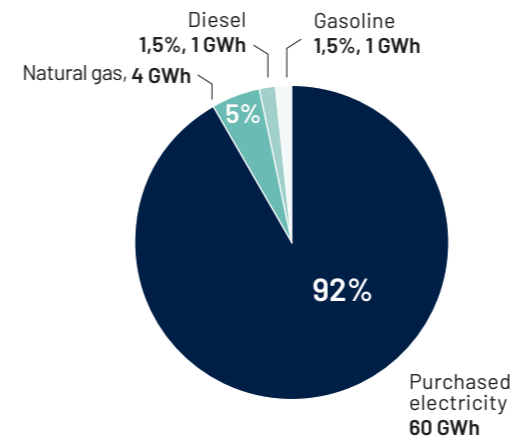
Energy

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

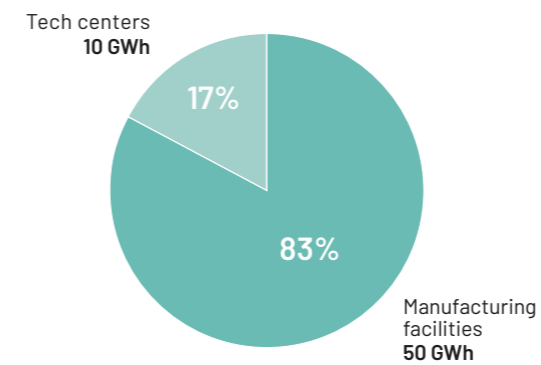
Energy Use by Region



Share of Energy Use, by Source



Indirect Energy Consumption



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 18,049 tCO₂e (22,514 in 2021). Direct carbon emissions (Scope 1) totaled 1,364 tCO₂e (2,942), and indirect carbon emissions (Scope 2) totaled 16,686 tCO₂e (19,455).

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 include natural gas, diesel and gasoline. Fugitive emissions mainly includes carbon emissions, and a very 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 extremely small amounts.

Sweden runs on electricity that is 100% carbon free: 54% renewable (hydro power) and 46% nuclear.

Canada runs on electricity that is 93 carbon free: 36% renewable (hydro power 24%, wind and solar 11%) and nuclear 57%.

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

USA runs on electricity that is 33% renewable (hydro power, wind, solar) and nuclear 9,3%

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

Transportation

Veoneer has a fleet of test vehicles on the roads to capture and learn traffic signs, road markings etc. Veoneer's fleet (demo cars and test cars) emitted 485 metric tons CO₂ emissions (689) (scope 1).

By using artificial intelligence, AI, all kind of scenarios can be tested digitally. The system learns to recognize several dangerous situations, such as when a deer is jumping out in front of the car or if a child is sitting in the middle of the road. Artificial intelligence allows for more sensors in data sets and, through the use of synthetic data we reduce costs, while making the systems more robust. In the future, the use of artificial intelligence is also expected to replace some of the test driving.

In the field of logistics, Veoneer is focusing on transport optimization and keeping CO₂ emissions as low as possible. Smaller products and smart packaging deliver carbon savings. Veoneer is taking more steps towards sustainable transportation. Veoneer's Global Transport and Logistics team has launched a project to identify opportunities for sustainable transportation by identifying cost reduction opportunities, identifying carbon emissions optimization opportunities, initiating developments of supply base sustainability program for future deployment, and more.

Veoneer Sweden has also signed a GOGREEN climate neutrality agreement with DHL. With this agreement, Veoneer Sweden will reduce CO₂ emissions from inbound sea freight with 70% through 2 processes:

- Insetting - sustainable biofuel reduction of carbon emissions inside the container, and
- Offsetting - Reduction of carbon emissions outside the transport sector
- Offsetting project in 2022: High-quality climate protection projects - for a better climate and the local people

Business Travel

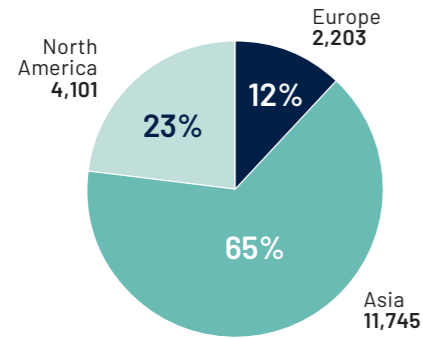
Since the pandemic, meetings have turned digital, augmented reality have become an important tool for our manufacturing facilities, and Veoneer has a a digital showroom, accessible to everyone. Carbon emissions from business travel amounted to

2,439 tCO₂ (713). After a number of years with close to no traveling, this is a considerable increase compared to the figures during the pandemic, however far away from the years prior. We expect business travels to be limited also in the future, saving time, money and carbon emissions.

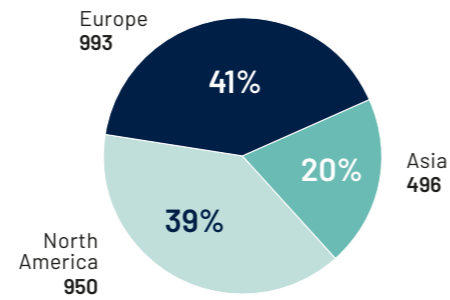
CO₂ Emissions

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

CO₂ Emissions in Tons by Region, Scope 1 and 2



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

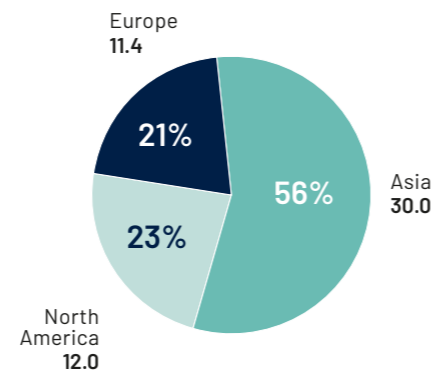


Water

Water should always be handled with care. Veoneer’s manufacturing mainly consists of assembly of electronic components and water is not used in the production process, Veoneer’s manufacturing facilities are located in countries where water scarcity, according to World Resources Institute/Aqueduct, is considered medium-high (China and France), low-medium (the U.S) and low (Canada and Sweden). The water used to 100% purchased from the local community and is mainly used for cooling, humidity management, sanitary of factories or in the canteen.

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

Water in megaliters by region



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 activities generated a total of 3,955 metric tons of waste (3,354). The increase is due to product mix and larger production volumes. Most of the waste is recycled, reused or recovered as recycling opportunities always are considered before landfill as a final option. Non-hazardous waste amounted to 94% (93). Non-hazardous recycled waste amounted to 33% (23), hazardous recycled waste 3% (2) and hazardous non-recycled waste 3% (6). Veoneer complies with global regulations on hazardous waste and, when conflicting policies exist, our practice is to follow the stricter of the regulations.

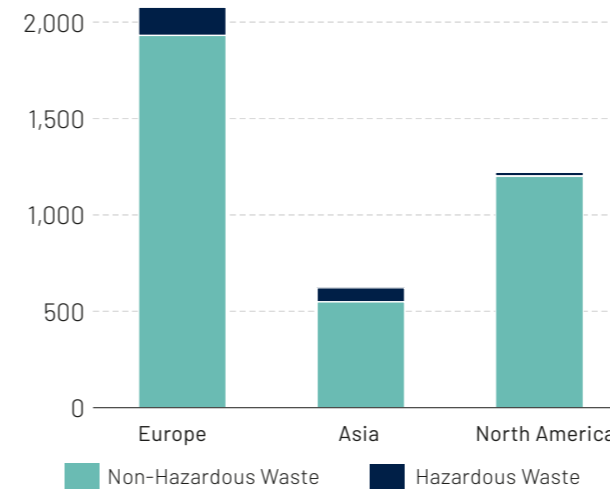
To minimize waste and number of transports, packaging must be designed and used with respect to maximize the number of parts per box, using stackable pallets, minimize usage of bubble foil or material wrapping, recycle to manage waste (cardboard boxes, bubble foil, and wrapping), as well as making sure 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 implementation of returnable packaging loop is planned for 2023. Sweden is currently implementing its first return flow system.

Significant Spills and Fines

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

Waste by Region



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

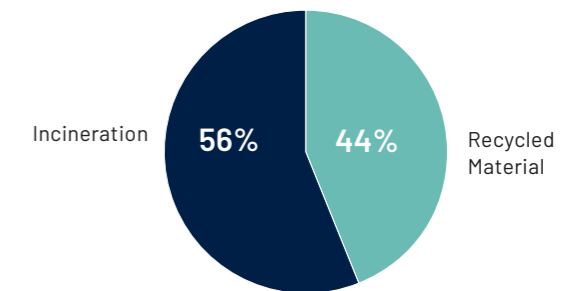
GRI 306-3	Unit	2022	2021	2020	2019
Significant spills ⁴	No	0	0	0	0

⁴Spills that incur clean-up costs above 5,000 USD.

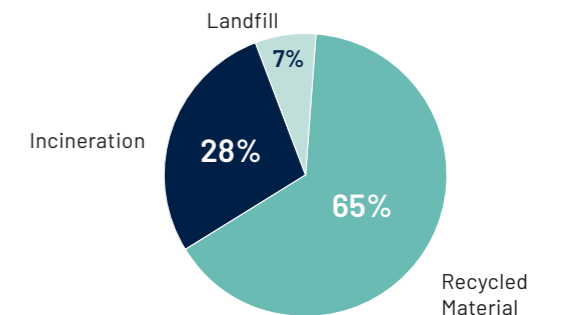
GRI 307-1	Unit	2022	2021	2020	2019
Environmental fines ⁵	No	0	0	0	0

⁵International 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.

Hazardous waste: % by destination



Non-Hazardous waste: % by destination



Responsible Sourcing

During 2022, Veoneer has worked closely with its' suppliers to fight chip shortages, logistics challenges, and effects the lingering Covid epidemic.

It has been a challenging situation, and Veoneer has done its' best to handle chip shortages. 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.

We have close relations to our suppliers and business partners and we strive for long-term relationships. Veoneer's top 20 suppliers account for about 79% of purchased goods and 19 of our 20 top suppliers are ISO 14001 certified.

Veoneer has a strong commitment of doing business in a socially, ethically and environmentally responsible way - and we expect the same standards along the entire value chain.

Thus, we expect our suppliers to comply with all applicable environmental laws and regulations and promptly develop and implement plans or programs to correct any non-compliant practices. For a full environmental commitment, our suppliers should implement an Environmental Management System, preferably based on ISO 14001 and to be certified.

Legal compliance forms the basis for everything we do, accompanied with our Supplier Code of Ethics. We are fully committed in all business locations to ensure compliance with applicable 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 on veoneer.com in multiple languages.

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, renewed in 2019, comprising information on Veoneer requirements, reference to Supplier Code of Ethics and a training program in business conduct and ethics for suppliers.

During the year, Veoneer made several sourcing process improvements, such as enabling complete mapping of supply base carbon emissions ambitions, launched a sustainability survey targeting scope 3 suppliers and initiated a logistics optimization project from a sustainability perspective bringing in outside expertise.

Eco-design

In Veoneer's environmental management standard, eco-design is a vital part, striving for the lowest possible environmental impact throughout the entire product life-cycle. Veoneer develops software and systems and, as we mainly assembles hardware, evaluating our suppliers and their components against our environmental management standard is an important first step. 60% of our product cost is purchased materials. Generally, we try to work with suppliers in the region in which our products are

manufactured to minimize transportation, currency risks and other costs. Being a global supplier to the world's automotive industry, it is essential that Veoneer and its entire supply chain offer products that are developed, assembled and manufactured with controlled processes to assure highest quality. In order for us to offer the highest quality, it is equally important that our suppliers' business and manufacturing processes continuously deliver products and services with the same high level of quality.

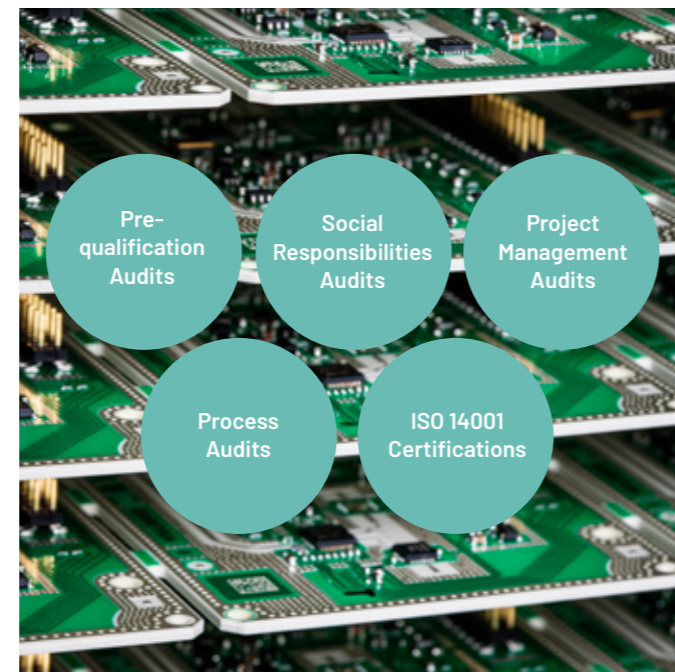
Audits

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.

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. 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.

During the year, 27 Social Responsibility Audits were completed. 26 of these with a 100% compliance.

In one of the audits, a Prequalification Social Responsibility Audit, has one open finding. The supplier needs a long-term Environmental Plan before we can start sourcing.



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).

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

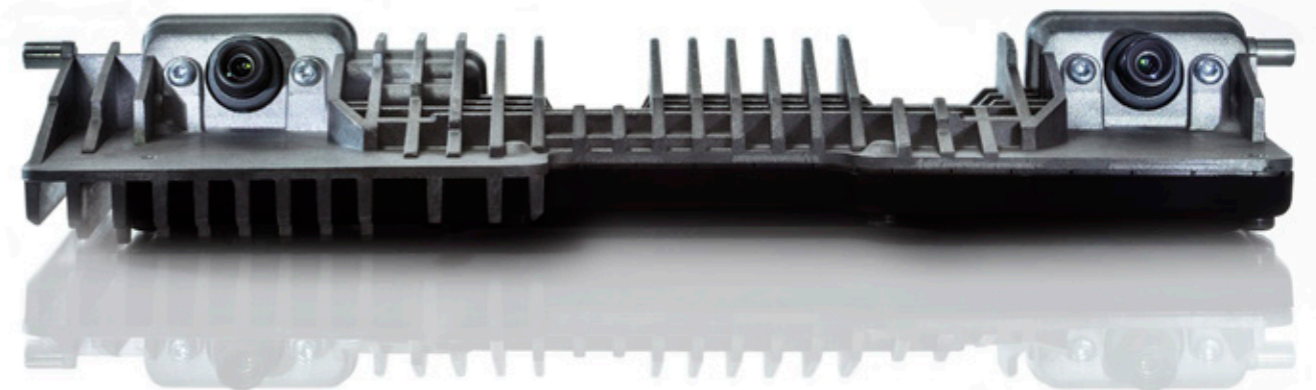
Veoneer's Policy on Conflict Minerals provides further clarification to the principles of the Standards of Business Conduct and Ethics regarding the illegal trade of natural resources, in particular certain minerals, known as "conflict minerals". Pursuant to SEC rules, conflict minerals include certain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

Annually, Veoneer publishes a report on its conflict minerals process on the website. The response rate to the 2022 direct material supplier conflict minerals survey was 100% (100 in 2021). The 2022 Conflict Minerals Report will be published on the website in May 2023.





We Live by the Highest Ethical Standards

Veoneer has a strong commitment to customer service, product quality, employee development, and shareholder value. 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.

Code of Ethics

Veoneer’s purpose is to Create Trust in Mobility and our strategy is to deliver innovative solutions customers and end-users can trust. Trust is built through flawless delivery, customer-centric collaboration and human-centric innovation.

Internally, our purpose is supported by our beliefs – Burning Curiosity, Passion for Excellence, and Bold Honesty – combined with a strong ethical culture.

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 of Veoneer, LLC
- Code of Conduct and Ethics for Directors of Veoneer LLC
- Related Party Transaction Policy
- 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 is 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, renewed in 2019, comprising 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 taken with the highest level of ethics. What we say, how we act, the decisions we make, the business partners we work with, all impact our trust since “How we do business is as important as the business we do”.

The Board of Directors has the ultimate responsibility of overseeing Veoneer’s Compliance Program through annual reviews of compliance reports.

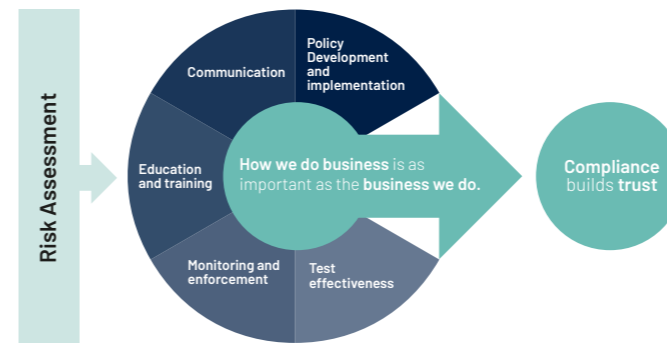
Risk Assessment

Veoneer’s Compliance Program is designed on a risk-based approach, therefore, 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 perform the risk assessment utilizing Veoneer’s Risk universe, data from the Veoneer Helpline, receives 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:

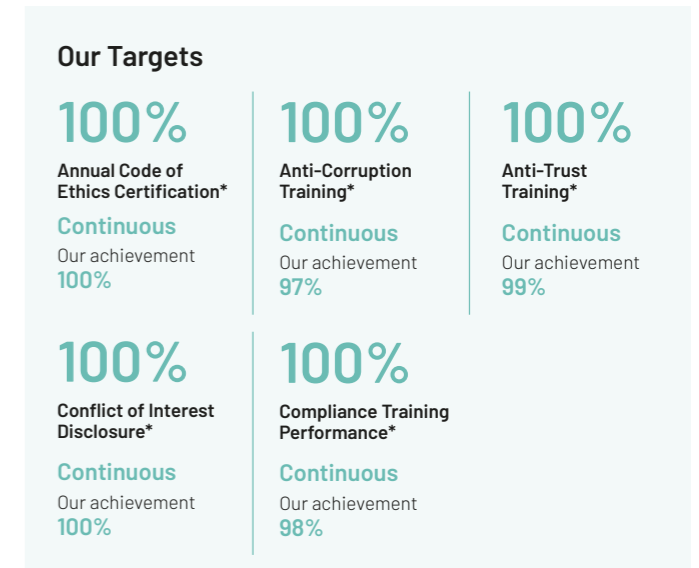
- Policy development, review, and implementation throughout the organization
- Communication with the organization on Compliance topics
- Education and training
- Monitoring and enforcement
- Test Effectiveness of the Compliance Program to ensure that all Veoneer employees always know how to act when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



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 2022, 100% of the targeted employees sent in their certification.

We also require a Conflict of Interest disclosure 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% (96% for 2021) submission rate for the Conflict of Interest disclosure.



*Completion rate measured from the annual target group

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. 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.

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 98% completion of Code of Conduct and Compliance trainings for all employees in this year’s target group.

	% completed of the target group	Number of employees trained 2022	Number of employees trained 2021	Number of employees trained 2020
Code of Conduct eLearning	97%	1,075	1,006	1,056
Whistleblowing	97%	982	985	1,024
Conflict of Interest	99%	992	1,066	1,551
Environmental Awareness	100%	2,847	-	-
Intellectual Property and Confidentiality	94%	1,040	3,805	2,205
Preventing Discrimination and Harassment	96%	674	2,955	-

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 and policies.

	% completed of the target group	Number of employees trained 2022	Number of employees trained 2021	Number of employees trained 2020
Anti-corruption	97%	3,155	3,941	2,161
Antitrust	99%	3,290	4,040	2,178

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 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.

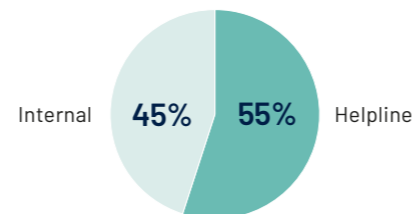
The Veoneer Helpline received 55% of all incoming reports, that result in an investigation, while 45% of the reviewed cases in 2022 were submitted internally, for example reported to Management, Human Resources, or to the Legal and Compliance Department. A total of 23 (33 in 2021) Helpline reports were received. The reporting volume per 100 employees amounted to 0.3 (0.5 in 2021).

What Should Be Reported?

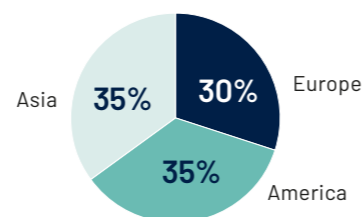
Actual or potential violations of policies, laws and regulations, Veoneer Standards, or this Code that you believe have occurred or are about to occur should be reported immediately. Potential violations that should be reported include but are not limited to:

- 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

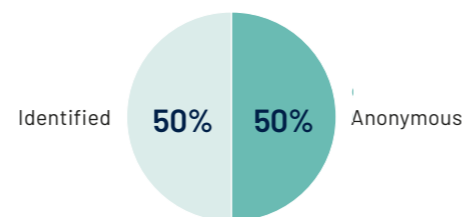
2022 Distribution of Reports Between Helpline and Internal



Veoneer Helpline - Regional Distribution of Reports Opened for Investigation 2022



Anonymous vs Identified Whistleblowing Reports



Risk and Opportunity Analysis

Our aim to keep a focus on the future and to prepare for the changing business landscape require us to mitigate potential risks and to leverage from opportunities.

Risk and opportunity analysis is conducted by multiple business functions to capture cross-functional insights to risk and opportunities. These risks are fed into our daily jobs and are a natural part of our sustainability work.

Risk Management

The Risk Management function is responsible for developing and supporting the enterprise risk management process, which was further improved during the year, aligning Internal Audit, Compliance and ERM better on the inter-connected risk assessment, allowing us to put more focus on the action side of risk. We also continue to leverage more from software app/IT-system (Audit-Board) to track and follow up on risk action plans. It includes to analyze and consolidate key risks, and to report to the management. The Risk Management team also monitors and assess risks to Veoneer property and risks to business interruptions.

The scope of the enterprise risk management process, managed by the Finance function, has been extended to cover the entire company; Customer Areas, Product Areas, CTO, Operations & Quality, Sourcing and the support functions. Finance also support the regular risk and opportunity assessments related to business plans and the business performance discussions.

The Internal Audit function evaluates and improves governance, internal control and risk management processes. Internal Audit coordinates the fraud risk assessment on regular basis and drives improvements to these risks. The audit work and the fraud risk assessment work is reported to the management.

Communications manage the sustainability forum and coordinates ESG (Environmental, Social, Governance) risks.

The compliance function makes compliance risk assessments. Monitors and handles compliance matters from our organization and stakeholders, and reports on a regular basis to the management.

Other functions conduct risks assessments and/or opportunity analysis for IT, Purchasing, HR, Legal, Operational EHS (Environmental, Health and Safety), R&D and new product development.

Governance Around Risk

Veoneer Management Team ensures there is an efficient process in place to identify and manage risks related to Internal Control, Risk and Compliance. To assess and manage risks is a responsibility which follows the management structure at Veoneer and the corporate standard for enterprise risk management supports to take this responsibility.

There are clear and transparent requirements on risks to Veoneer, and the key risks as well as mitigating actions and controls are reported regularly. The leadership team reviews and discuss the overall risk status at least once a year. In addition, the team also discuss risk and opportunities from a near-term perspective,

but which are far more frequent discussions and related to business plan reviews.

Enterprise approach

The risk management program which is implemented at Veoneer helps to take an enterprise approach on risk to clarify the key risks that may hinder us to successfully deliver on business plan targets. Applying the risk methodology assist to provide a view on key risks and aim to provide a financial figure on risk enabling the risk status to be compared to the financial gain of the business. Our risk assessment efforts support the identification of effective mitigating actions which increase the likelihood to meet set targets.

Enterprise Risk Management (ERM) at Veoneer;

- To enable management of risks that affect the achievement of set objectives.
- To quantify risks enabling comparison to the financial gain from the business.
- To help identify mitigating actions to drive execution and results.
- Supports to foster a sound culture of risk-awareness.
- Encourage that risks bubble up from staff to management.
- Aim that all employees in their actions escalate risks to senior management if they believe that a risk is not adequately managed.
- A responsibility which follows the management structure of Veoneer.

Climate Risks

A changing climate and extreme climate events, like heavy rainstorms and record high temperatures, have increased lately - and we believe the automotive industry has a responsibility to act. Smarter and lighter products with limited need for cooling are some of the aspects to consider when innovating electronic safety products and systems to keep energy consumption and carbon emissions for each car model as low as possible. A changing climate also poses a risk to our 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.

Veoneer has set ambitious carbon targets and is reducing its environmental impact along the value chain, from the development of our products and systems, to supply chain, own operations, the use-phase, and end-of-life.

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.

Making a Difference Globally and Locally

Veoneer's Active Safety products and solutions are developed to prevent traffic incidents from happening and the Restraint Control System's products are mitigating the effect when accidents are unavoidable. Through our business and engaged employees, we also make a difference in the communities where we have a presence.

Veoneer has 6,400 associates in 11 countries and the economic value create benefits to a number of stakeholders. Traffic safety are improved globally as drivers of our customers' vehicles

get high-quality products. Veoneer also creates benefits such as new jobs, technology and knowledge transfer, as well as social and environmental standards in local communities. Suppliers and business partners benefit from payments for delivered goods and services, society (state and municipalities) get tax payments.

Veoneer's total economic value generated and distributed (EVGD) in 2022 amounted to 4,273 MUSD, RDE expenses net in 2022 totaled 357 MUSD, Veoneer paid approximately 29 MUSD to governments in taxes globally, cost for provision of capital amounted to 3 MUSD and dividends to shareholders amounted to 25 MUSD.

Membership of Associations

Veoneer is member of a number of automotive industry associations aiming at improving safe mobility.

Veoneer is one of six founders of **MobilityXlab**, offering companies with pioneering ideas within mobility and connectivity the opportunity to accelerate with through strategic partnerships with the founding companies. Through MobilityXlab, we collaborate with a start-up called Mindspider, offering solutions for tracking carbon emissions of our products and supply chain. Their Digital Product Passport capture key supply chain information and contain all the info needed to cross a border, key responsibility data for our

customer, and data to enable the circular economy.

As part of a collaboration in the MobilityXlab program between Veoneer, Ericsson IoT, and the Canadian startup Latence Technologies Inc., Veoneer's test car drove around in Gothenburg, Sweden, to collect and analyze data in a proof-of-concept on predictive cellular network performance.

Veoneer is member of the **Advanced Vehicle Technology Consortium, AVT**, with the goal of achieving a data-driven understanding of how drivers engage with and leverage vehicle automation, driver assistance technologies, and the range of in-vehicle and portable technologies for connectivity and infotainment appearing in modern vehicles.

Veoneer is also member of **CLEPA** - the European association of automotive suppliers, the Automotive Safety Council, **SAFER** Vehicle and Traffic Safety Centre, and engaged in the **Wallenberg AI Autonomous Systems and Software Program**.

Giving Back to Society

Since Veoneer's first participation at CES in 2017 our focus has been on Collaborative Driving - the interaction between humans and vehicles strengthened by increasing levels of automation and driver support.

As a leader in the autotech industry, we encourage our specialists to share knowledge with other researchers and the public to benefit society.

At the beginning of 2022, the white paper "Fit to Drive - A Reliable Framework for Delivering Safe Driving in an Imperfect World" was published, and later in the year Veoneer participated the Vision Zero handbook, "Automated Vehicles - How Do They Relate to Vision Zero".

At CES 2022, Veoneer arranged a digital Research Tech Talk, called "Trust in Collaborative - and Self-Driving - What's Next?" where thought leaders discussed the power and potential of the expanding world of Augmented Driving and what it will take to continue evolving safe and convenient mobility.

"ADAS for Everyone - The Industry Responsibility to Make it Happen" was the title of Veoneer's panel at the Detroit AutoShow 2022. The panelists addressed how working towards a common goal requires the use of collective knowledge across the industry in order to rapidly improve technology and advance mobility.

Veoneer's CTO participated in a panel discussion arranged by Automotive World in November: "Taking ADAS to the next level".

All panel discussions are available on Veoneer's web site.

Veoneer has also offered students to do their thesis at our company and representatives from Veoneer have made presentations and shared publications within the scientific community.

Sharing is Caring

Veoneer encourages and supports local CSR initiatives run by our employees. In the USA, our employees participates in various sport events to support the local community, in Germany employees buy Christmas gifts to children in need, and during fall, Veoneer Germany launched a tree planting project called "Once around the world". Employees in Germany were challenged and collected 40,008 kilometers on foot or by bike, which resulted in planting 4008 trees offsetting 400 tons of CO2.

Integrated in Our Business

Sustainability and corporate responsibility are integrated in Veoneer's business, anchored by a passion for innovation and our purpose to create trust in mobility.

Veoneer has a strong commitment to customers and end-consumers, business partners, employees and the society.

Veoneer's owners, SSW Partners, and the Veoneer Leadership Team have the ultimate oversight for sustainability - governance, environmental, social and financial sustainability. The leadership team has the responsibility for coordination and implementation, and the line and functional managers are ultimately responsible for program execution.

Sustainability is integrated in the regular business, supported by a Sustainability Forum consisting of 12 appointed people responsible for driving and measuring progress. The Sustainability Forum meets quarterly, and drive progress in smaller teams in between the meetings. Attendance has been high on every meeting. The Sustainability Forum is chaired by the Communications department, which is also focusing on stakeholder engagement and raising internal sustainability awareness.

Veoneer's sustainability performance is regularly reported to the CEO and the leadership team.

Driving a Technology Revolution With a Sustainable Mindset

Veoneer is acting in the middle of a technology revolution that is changing our lives right now – the transformation of the mobility industry. We drive sustainable change by designing, developing and manufacturing high-quality electronic safety products and solutions to prevent traffic accidents and save lives. We care for

our people, minimize our impact on the planet and manage our company according to ethical standards. We believe that the only way to improve day-by-day, month-by-month is to have sustainability embedded in all parts of the organization. A value chain perspective on everything we do helps us take informed decisions.



	Product and System Development	Sourcing	Manufacturing	Transportation	Customers	Consumer Use	End-of-Life
Our Impacts	Improved safety and convenience in traffic is our no 1 priority, while limiting our environmental footprint. Our decisions have impact on the production of vehicles that will leave the production lines 2-4 years later.	Veoneer's top 20 suppliers account for about 79% of purchased goods and 19 of our 20 sop suppliers are ISO14001 certified.	With 6,400 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.	Veoneer has test vehicles that is driving around to capture traffic signs and demonstrate new features. Products are also transported from our suppliers to our manufacturing facilities and from our facilities to our customers.	Veoneer has regional tech centers, often close to our customers' facilities to serve them better.	When Veoneer's products and systems are integrated in our customers' vehicles, traffic safety is improved – and it is during this phase Veoneer has its greatest environmental 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 meeting regulatory requirements 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 Consumers not using our systems in an optimal way Product safety Cyber security Limited opportunity to influence decision-making at the point-of-purchase 	<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 architecture 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 	<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"> Human-centric safety innovations that end-customers prefer to use 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	Products 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.	We benefit society by providing products and systems that save lives on the road. 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 more usage of artificial intelligence, there is less need for test cars to drive around to capture traffic signs etc. 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.	Improved convenience and safety	Follow guidelines when developing products to support end-of-life.
Degree of Influence	●●●●●●●●●● High	●●●●●●●●●● Medium	●●●●●●●●●● High	●●●●●●●●●● Low/ Medium	●●●●●●●●●● Medium/High	●●●●●●●●●● Low	●●●●●●●●●● Low



Stakeholder Engagement and Materiality Analysis

Engagement with a wide variety of stakeholders helps us be aware of expectations on the company.

Stakeholder Engagement

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 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 sustainability approach is guided by a materiality assessment combined with a constant review of global challenges, the automotive industry's challenges, competitor analyses, input from customers and other external and internal stakeholders. 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.

We are proud of the important progress we have achieved this year and the valuable learnings we have gained.

Reporting Principles

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. The GRI Index leads readers to information on relevant indicators, as defined by the GRI standards.

This is Veoneer's fourth sustainability report. It covers the calendar year 2022 and outlines why sustainability is relevant to our business, our priorities and our approach to managing them.

Reporting Units

The Sustainability report covers the fully-owned business by Veoneer HoldCo, LLC at the end of 2022.

Data encompasses 5 manufacturing facilities Canada, China, France Sweden, and USA and 19 tech centers in 11 countries. 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 Management

In April 2022, Veoneer Inc. was acquired by SSW Partners, delisted from the stock exchange and Arriver, the software business, was divested to Qualcomm Technologies. In fall, Veoneer stopped producing brake systems and shut down one of the manufacturing facilities in the USA. Figures for Arriver's tech centers and the brake systems facility have been excluded from this report.

Calculation Principles

The reported number of associates at the end of the year 2022 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 (CO₂e), integrated CO₂, CH₄ and N₂O. We currently only report location-based Scope 2 emissions due to the unavailability of market based data.

Energy has, for 2022, been reported for 4 manufacturing facilities and as energy is part of the leasing of the building, estimated for 1 manufacturing facility.

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 4 manufacturing facilities and 8 Tech centers and, as water is part of the leasing of the buildings, estimated for 1 manufacturing facilities.

Waste is reported in metric tons. Data come from our providers. We work upstream on the choice of destination for all different materials. The 2022 data represents waste reported from all manufacturing facilities except one and two tech centers.

Data Collection

Reported facts and figures in the sustainability report have been verified in accordance with Veoneer's procedures for internal control. Reported values are normally not corrected retroactively. When a restatement of historically reported numbers is made, this can be due to a change of calculation method or scope. Responsibility for reporting rests with the manager of each site. Data verification is performed at each level before submitted.

Assurance

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

Communication

Internally, intranet is an important tool for communication. Externally, the website and the annual Sustainability Report communicate to a wider audience.

The sustainability report is published in March 2023.

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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Creating Trust in Mobility

OUR STRATEGY

Deliver Innovative Solutions You Can Trust

OUR CORE PILLARS

Flawless Delivery
Customer-Centric Collaboration
Human-Centric Innovation

OUR BELIEFS

Burning Curiosity
Passion for Excellence
Bold Honesty