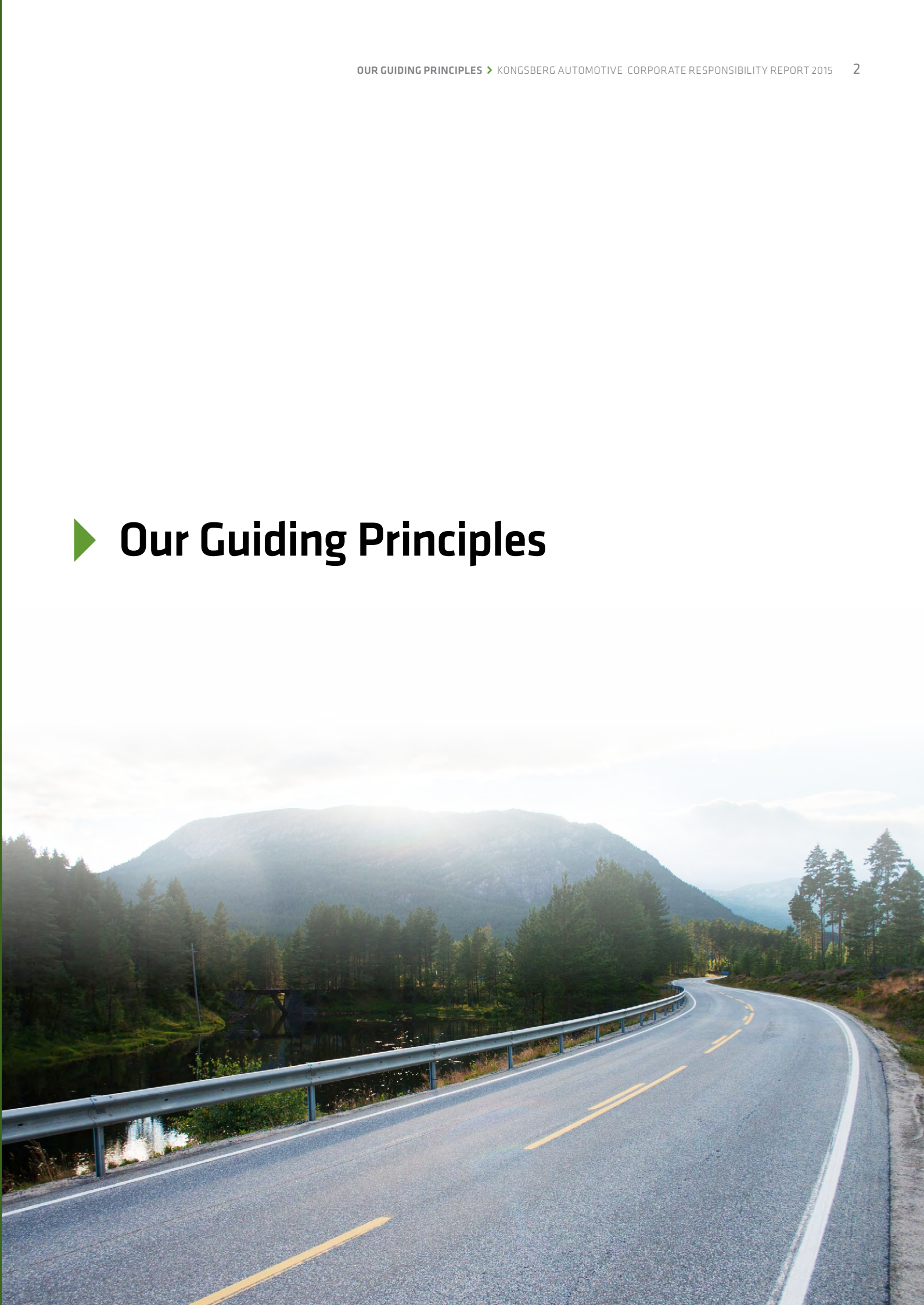


Corporate Responsibility Report 2015



OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

► Our Guiding Principles



OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

Kongsberg Automotive integrates Corporate Responsibility into the way we conducts our business.



HANS PETER HAVDAL
PRESIDENT & CEO

For Kongsberg Automotive, Corporate Responsibility means to manage our operations so that we can impact our industry and our communities in a positive way. We commit to operating in an economically, socially and environmentally responsible manner.

Kongsberg Automotive integrates Corporate Responsibility into the way we conducts our business. Further Kongsberg Automotive considers societal, environmental and economic impacts in the design, manufacture and use of our products. Incorporating responsible and sustainable practices into our overall strategy assures that we:

- Act according to our core values and our Code of Conduct,
- Respect Human Rights within our organization and throughout our Supply Chain.
- Enable a culture that respects diverse perspectives and encourages employee development
- Improve workplace safety and security,
- Contribute to conserving energy and natural resources,

- Reduce pollution and environmental impact,
- Produce safe and sustainable products,
- Support our communities

Incorporating Corporate Responsibility into day-to-day business processes and decision-making is an important step in realizing our mission, achieving strategic growth goals and demonstrating our commitment to compliance, our Code of Conduct and our policies.

In 2016, we will continue our journey to implement comprehensive Corporate Responsibility practices. The plan includes goals and expectations for our entire Group. Each Business and Functional Area will develop related programs for integrating Corporate Responsibility into their standard work.

Further, Kongsberg Automotive will develop necessary systems to measure and report our progress and will initiate needed corrections to achieve our goals. In support of these goals, Kongsberg Au-

tomotive will continue to comply with all laws, regulations, and Group's Code of Conduct.

To increase our success, awareness training will be available to all employees, and employees are empowered to take an active part in our success. Kongsberg Automotive will provide recognition to individuals and groups that provide meaningful contributions towards achieving responsibility, sustainability and innovation goals. We will also inform our stakeholders of our efforts and provide for their involvement in meeting our goals.

In summary, Kongsberg Automotive is committed to a promoting a culture of Corporate Responsibility that considers stakeholder interests, aligns with our business growth strategy and achieves the desired outcomes consistent with our commitments.

Hans P. Havdal

Our Guiding Principles

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20



Integrity & Ethics

We require all employees to comply with applicable laws and observe the highest standards of business and personal ethics in the conduct of duties and responsibilities.



Human Rights & Labor Practices

We advance initiatives which respect Human Rights & fair Labor Practices within our organization and throughout our Supply Chain.



Leadership & Talent

We aim to develop our employees in an inclusive culture that respects diversity, emphasizes the OneKA mindset and exemplifies our values.



Community engagement

We contribute our time and financial support to the communities where we work and live.



Environmental Performance

We commit to minimizing the use of natural resources and hazardous materials in the development and manufacture of our products.



Supply Chain Management

We implement practices that consider and support responsible and sustainable sourcing.



Product Innovation

We provide innovative and sustainable products that positively influence the automotive industry and enhance the driving experience.



Product Safety

We provide safe products and solutions for our customers and the end user.



Information Security

We assure the protection of customer and company information.

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20



► Our Approach

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

When conducting our business ethically and honestly and in a manner that considers environmental and social impact, we believe we can strengthen our market position, create value for our stakeholders and impact our industry and our communities in a positive way.

Corporate Responsibility is a fundamental, unifying concept for Kongsberg Automotive. It is a common thread that connects diverse objectives, stakeholders, and issues. This concept addresses the need for due consideration of stakeholder interests and a need to understand and prioritize the material aspects of our activities. Our approach to Corporate Responsibility is based upon four essential themes, identified by our organization, as necessary for long-term, sustainable success.

Governance

Assuring legal compliance, honest and transparent dealings and equal treatment of stakeholders.

People

Caring for our employees, our business partners and the communities where we work & live.

Innovation & Operational Excellence

Providing innovative products & sustainable solutions while also considering the environmental and social impacts of our manufacturing activities.

Economic Performance

Creating value for our stakeholders and responsibly managing economic, social and environmental risks.



STAKEHOLDER ENGAGEMENT & MATERIALITY

At Kongsberg Automotive, we consider material aspects to be those, which are of priority interest to our stakeholders and deemed most critical for future business success. Thus, materiality as used in this Corporate Responsibility Report does not share the same meaning of materiality when used for financial reporting purposes

To identify the material issues within the context of Corporate Responsibility we used a four-step process:

1. We developed a comprehensive list of aspects, grouped into six primary topics:
 - Overall Business Practices,
 - Management and Governance,
 - Product/Service Responsibility,

- Economic Impacts,
- Environmental Impacts,
- Social Impacts.

2. We constructed a comprehensive survey based on our aspects list, relevant industry issues and trends, stakeholder expectations, value chain assessments, legal and customer requirements, risk analysis and strategic business goals.
3. We conducted a survey of key stakeholders: employees, suppliers and business partners, customers, communities, investors, insurers and industry groups.
4. We evaluated survey results and highlighted the most relevant, priority aspects using a Materiality Matrix.

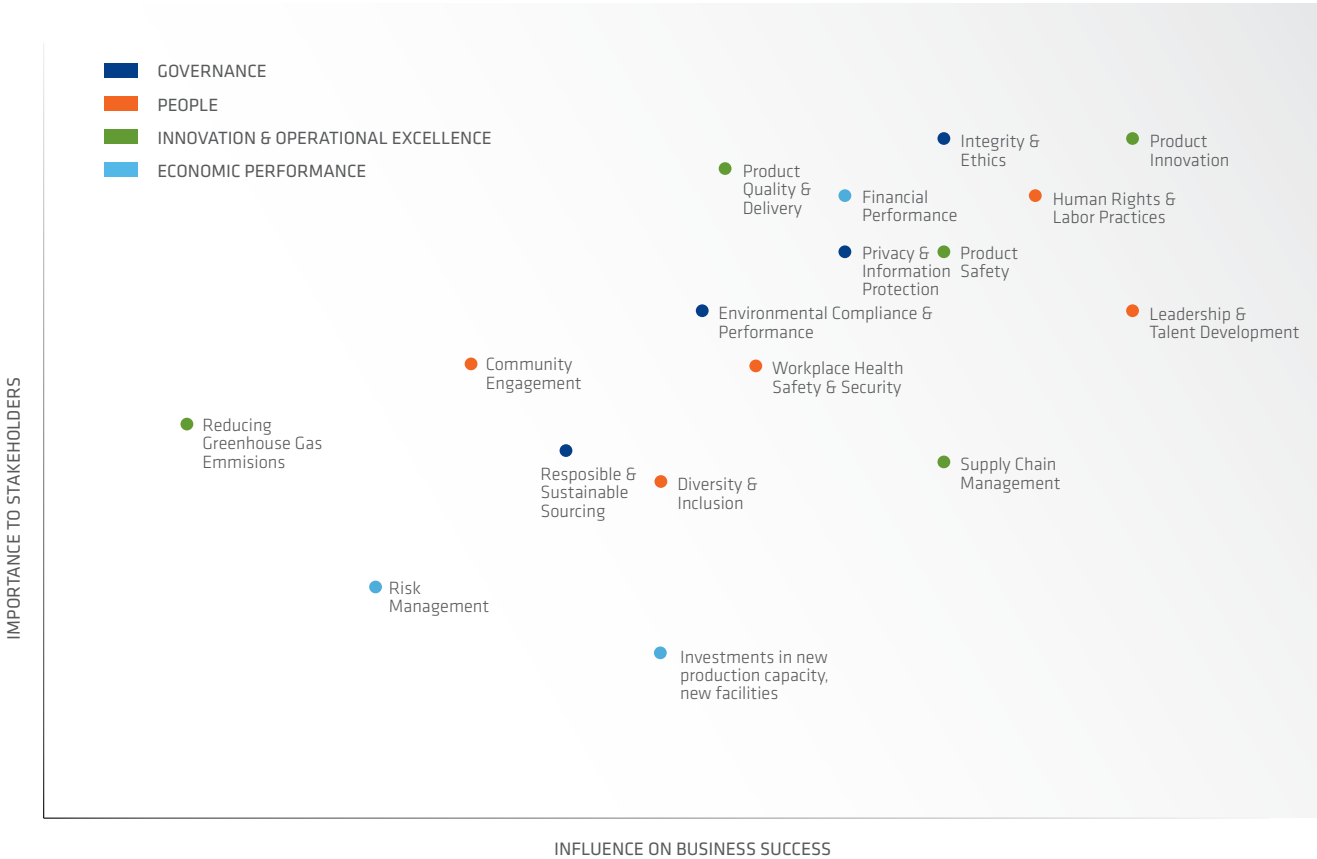
Our Materiality Matrix

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

At Kongsberg Automotive, we consider material aspects to be those, which are of priority interest to our stakeholders and deemed most critical for future business success. Thus, materiality as used in this Corporate Responsibility Report does not share the same meaning of materiality when used for financial reporting purposes.

The Materiality Matrix is the tool we use to highlight significant aspects in a comprehensive yet easy to understand way. Some material issues may overlap depending on how involved the topic. Analyzing issues by stakeholder group adds depth to our understanding of who is concerned about which issues and why, but in the process of placing them on a

two-dimensional matrix, some of those distinctions are less obvious and hence presented more generally.



Kongsberg Automotive believes the material issues shown on the matrix above are, at present, the most significant in terms of addressing our stakeholders' expectations and securing future success. We will continue to develop and enrich existing Corporate Responsibility initiatives however, identified priorities will be given due consideration.

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20



► Our Performance

Integrity & Ethics



We require all employees to comply with applicable laws and observe the highest standards of business and personal ethics in the conduct of duties and responsibilities.

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

Kongsberg Automotive's commitment to operate in a manner that is ethical and trustworthy has been resolute throughout the company's history. As result, Kongsberg Automotive enjoys open and trustworthy relationships with its employees, suppliers, customers, communities and investors. Because we value our reputation as a dependable and preferred business partner, our employees are actively engaged in preserving KA's reputation and protecting its market position by maintaining the highest standards of ethical behavior.

GLOBAL CODE OF CONDUCT & COMPLIANCE TRAINING

Kongsberg Automotive's Code of Conduct (the "Code") defines expectations for our organization and our employees' ethical behavior. The main objective of the Code is to provide guidelines to ensure that Kongsberg Automotive and our employees conduct activities in compliance with applicable laws and ethical standards expected from a top tier automotive supplier. All our companies, employees and partners must follow this Code and it requires:

- Professional behavior towards colleagues, business associates and others
- Honest and ethical conduct
- Free competition and fair dealings
- Zero tolerance for corruption & bribery
- Protection of confidential and proprietary information belonging to Kongsberg Automotive, our customers, and our suppliers

- Compliance with all applicable government laws, rules, and regulations
- Correct and accurate documentation and records
- Reporting of potential violations

To avoid actions, which may be considered unethical or even illegal, we must develop a thorough understanding of appropriate business conduct. Across all levels of the organization, we provide awareness training on core issues related to ethics and compliance. Based on individuals' roles and the risks associated with their job responsibilities, Kongsberg Automotive provides in-person training on topics such as anti-trust laws, trade laws, intellectual property protection and corruption in business and incorporates case studies to help employees recognize ethics related situations. Additionally, the Code is made available to all our employees in their local language.

COMPETITION LAW GUIDANCE

Breaches of competition law, even unintentional ones, can have severe consequences for the financial condition, reputation and continued viability of our company. As a result, in 2015 we released Competition Law Guidelines. Although competition laws can be complex, we have established fundamental rules that Kongsberg Automotive's employees are required to know and follow. The guidance and related training provides essential details so employees can identify situations where competition law issues may arise and where legal advice may be needed.

Our Corporate Responsibility Commitments align directly with our core values.

We are **PREPARED** with the appropriate systems, tools and processes to design and deliver the right products for our customers and the end users.

We measure and monitor our processes and performance. This makes us **ACCOUNTABLE** for safe and efficient operations and the social and environmental impacts of our activities.

We are **PASSIONATE** about our People and the Communities where we work and live.

COMPLIANCE ASSURANCE & MONITORING

Employees are expected to report concerns about suspected breaches of the Code. Our Compliance Reporting procedure is well promoted throughout our company. This process allows concerns to be reported in a confidential and anonymous manner. We provide employees training and guidance, including descriptions of the types of activities that should be reported. We have made it clear to our employees through the Code that they will not face retaliation if concerns are raised in good faith.

PLANNED ACTIONS FOR 2016

- > Improve access to information and training related to our Code of Conduct.
- > Provide our supplier partners and other stakeholders access to our compliance reporting mechanism.

Human Rights & Labor Practices

We advance initiatives which respect Human Rights & fair Labor Practices within our organization and throughout our Supply Chain.



OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

We consider the United Nations Global Compact and Universal Declaration of Human Rights when determining the human rights issues and labor practices that are material to Kongsberg Automotive. We provide a respectful, inclusive workplace free from harassment, discrimination, violence and intimidation. Kongsberg Automotive does not discriminate based on gender, race, color, age, national origin, religion, disability, sexual orientation, marital status or any other characteristic protected by applicable laws. We apply fair labor practices, while respecting the national and local laws of the communities where we operate. Kongsberg Automotive will not engage in forced or exploitive labor. We manage these issues through our policies and programs of work and regularly monitor for compliance. We expect business partners and suppliers to conform to Kongsberg Automotive Code of Conduct.

SUPPLIER DECLARATION

Kongsberg Automotive is a global supplier in our industry. We have a manufacturing presence in all major vehicle manufacturing regions of the world. This means our supply base is global too. Accordingly, we expect our suppliers and vendors to adhere to our Code of Conduct and the expectations outlined in our Supplier Declaration and General Purchasing Conditions. In addition to our contractual tools, we have implemented Global Working Conditions Initiatives to increase awareness of human rights issues and fair labor practices.

We increase our knowledge of issues and risks by providing internal training, implementing supplier awareness campaigns and considering such topics in our supplier assessment process.

OCCUPATIONAL HEALTH & SAFETY

One of Kongsberg Automotive's highest priorities is to provide a safe work environment for its people. We are well on our way toward establishing a put safety first culture in which all employees are engaged in driving safety performance.

Minimizing safety risks begins with developing a better understanding of what causes them. We build awareness through comprehensive education and training and execute a robust Risk Assessment process. When we understand the potential safety and health hazards, we know better how to prevent and control them. With required safety information and equipment, in all our facilities, we create an environment where we can achieve our safety goals and employees can do their best work.

We aim to rank among the top of industrial manufacturers for safety performance and we are making progress toward this goal. In 2015 the Group averaged 3.7 accidents for every one million person-hours worked. While this is slightly higher than results achieved in 2014, we have reduced injuries by 16% over last five years. Notably, 12 of our 32 manufacturing locations reported zero accidents in 2015. Our fa-

Incident Rate and Accident Prevention

16% reduction in Injury Incident Rate over the last five years

Over 500 Risk Assessments completed in 2015

25% increase in the early detection of potential hazards.

cilities were tasked to further reduce the number of work-related injuries resulting in lost time; we tracked this internally as H-value. In the last year, we did experience an increase of our H-value to 4 lost time injuries per one million man hours worked, but our performance is still better than the average for the general manufacturing sectors. Regardless, we will continue to employ all ways to improve our awareness, operations, equipment and work processes to minimize potential hazards.

PLANNED ACTIONS FOR 2016

- > Update relevant policy documents to specify further the corporate responsibility requirements and expectations for Suppliers.
- > Train staff to better identify Human Rights issues when vetting suppliers and during the supplier assessment process.

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

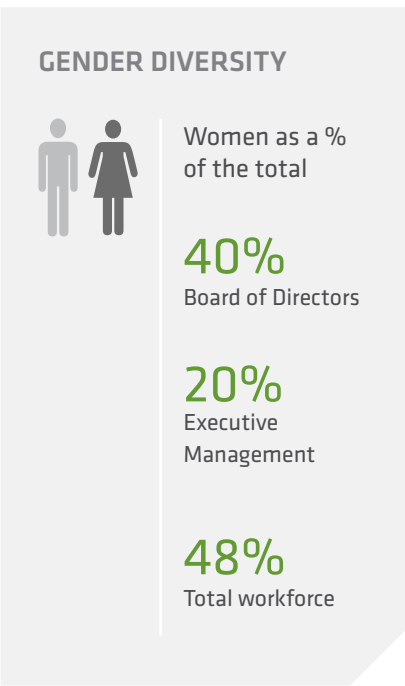
Leadership & Talent

We aim to develop our employees in an inclusive culture that respects and promotes diversity, emphasizes the OneKA mindset and exemplifies our values.



We provide market competitive programs and practices to recruit, develop and retain the innovative people required to execute our strategic growth goals now and for the future. We commit to investing in our employees by providing development opportunities, which align to individual and organizational needs and focus on growing knowledge and skills in leadership, team and interpersonal effectiveness. Finally, we respond to employee needs through proactive engagement and through policies and programs that reflect industry best practices

DIVERSITY & INCLUSION EFFORTS
Kongsberg Automotive is committed to having a culture of diversity and inclusion within our company, whereas all employees are valued for their unique differences, perspectives and contributions to the success of the company. Our Diversity Policy reflects this focus with particular emphasis in recruitment efforts and management development programs. In order to secure a diverse future for the organization, our succession planning is reviewed annually to ensure that a better gender and ethnic balance exists within our company. The Board of Directors of Kongsberg Automotive ASA consists of three women and five men, with 40% of the company's shareholder-elected directors being female. Women currently make up 48% of our total workforce, 20% of the executive management and



18% of top 50 management. The company's policy is to ensure fair and competitive remuneration to all employees.

ONE KA APPROACH TO LEADERSHIP AND EMPLOYEE DEVELOPMENT
As a global company, we believe that a diverse workforce enhances business performance and our competitiveness. Our aim is to have a workforce that reflects the markets we serve and to bet-

ter understand the needs of our customers. In our Leadership development programs, the participants mirror our diverse workforce. We believe the global programs connects our company across countries, business areas, functions and cultures. As a result, we establish important global networks among the participants.

In our people processes, we focus on the individual, secure proper onboarding of new employees, build talent and have individual develop plans. We believe is this is important to make employees feel welcome, engaged, motivated to work their hardest and succeed. We establish reasonable performance standards, supply the necessary tools and resources to enable our people to execute their accountabilities, give clear direction to our employees and apply job performance standards and workplace practices and policies in consistent manner. We maintain a positive and consistent approach to managing and improving our staff performance and intervene when unacceptable behavior and/or performance occurs.

We affirm that we work better together because of our differences, not despite them. We train our managers in team building, decision-making, problem solving, and conflict resolution. This assures we not only champion the values of our organization, we get better results.

- PLANNED ACTIONS FOR 2016**
- > Provide employees access to diversity awareness materials & opportunities to engage in related activities.
 - > Develop management training modules for Corporate Responsibility initiatives.

Community Engagement

We contribute our time and financial support to the communities where we work and live.

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20



With our community activities and contributions across the globe, we aim to build strong relationships with our stakeholders and the communities where we live and work, to help improve the quality of life.

Kongsberg Automotive encourages employees around the world to contribute their valuable time and support to causes for which they are passionate. We demonstrate our engagement by participating in community activities, volunteer work, providing donations and by responding to local needs and expectations.

To illustrate, ahead of the dark season in Norway, our plant in Rollag held a safety event in September to highlight various risks related to work, school and in private activities. T-shirts, reflective brace-



lets, neck buffs for the cold season and a safety document were handed out at plant entrance in the morning.

Many of our facilities are involved in supporting issues such as health, education, advocacy for children, and social responsibility. Several of our facilities hold open house events where families and neighbors are invited to visit the plant for tours and open house events, such as in Epila, Spain where the factory celebrated its 20 year anniversary (1). In Wuxi, China, almost 700 staff and their families attended Family Day in June, which included a plant tour and outdoor activities.

Some facilities sponsor and encourage sports and activities like soccer in Po-

land or hockey in Canada, or handball and cross-country skiing in Norway. These and other sponsorships allows us to reach out to the community on a more individual level.

Our facilities and employees participate in awareness and fundraising events during the year;

In Sweden, Kongsberg Automotive decided to make a donation to the Childrens Cancer Foundation instead of buying a Christmas gift for employees (2). Our Matamoros and Nuevo Laredo plants in Mexico joined the movement for awareness and prevention of breast cancer (3), while staff in Norway took part in an international charity drive to fundraising for prostate cancer research.

Community Engagement

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20



Our facility in Reynosa, held its “Health Fair 2015” with 600 participants including employees and their families. They had access to a wide range of medical services like consultations, gynecological examinations, nutrition consultations, flu vaccines, and vision screening.

For the second year running Kongsberg Automotive’s employee Ian van Duijvenboode took part in the JDRF Ride to Cure Diabetes with the Ford Cycling team to raise money for that cause (4).

Supporting educational initiatives and children continues to enjoy broad support globally within Kongsberg Automotive, with inspiring stories from Mexico, Germany, and Hungary. Indeed our team in Siófok Hungary held a volunteer day and did renovations at a technical school and



a foster home, and donated gifts and three computers for the kids (5).

Our Hallbergmoos employees decorated shoe boxes and packed them full with toys, sweets and warm clothes as part of a charity project for Pre-schools, Children Hospitals and families in need in Ukraine.

The Nuevo Laredo management team once again recognized the educational efforts of their employees’ children with a big celebration and provided book bags and school supplies to deserving young students. Our Matamoros employees continued to dedicate their time to improve a local elementary school which is attended by Kongsberg Automotive family members. They painted, repaired facilities and helped to establish green spaces for play and enjoyment.

Finally, several plants and offices provide local internship opportunities. These examples illustrate our employees’ passion to improve the educational prospects for the people in their community.

Other locations and employees raised money for charities globally and took part in community activities. These efforts were shared and recognized on our intranet and in its social media platforms, under the #weKAre hashtag.

PLANNED ACTIONS FOR 2016
> Encourage community engagement activities across our organization, which align to our values.

Environmental Performance

We commit to minimizing the use of natural resources and hazardous materials in the development and manufacture of our products.



OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

Kongsberg Automotive is committed to minimizing the impact of our activities on the environment, as described in our Environment Policy. Considering the size and scope of our operations, we appreciate our responsibility to do our part in preserving the communities we call home by serving as active stewards of the environment. We seek to conserve whenever possible, and encourage others to do the same. In fact, Kongsberg Automotive employees are empowered to reshape aspects of our operations to reduce the consumption of electricity, fuel, water and other resources. In doing so, our employees are implementing ideas to reduce operating costs and create alignment between our financial goals and reducing our environmental impact. This enables Kongsberg Automotive to be more competitive in an increasingly challenging business environment.

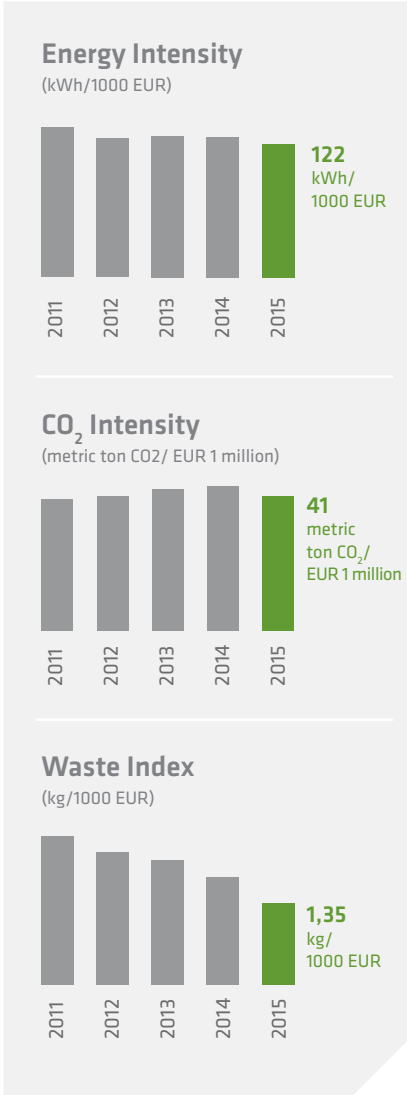
ENERGY & CO2 REDUCTION EFFORTS

Energy consumption data for electricity and burning of fossil fuels needed for production activities is collected. The target for 2015 was to decrease energy consumption by another 1.5% relative to total product sales; the result came out on the positive side. While energy use was essentially unchanged, output increased across the Group. The energy intensity decreased by 4%. Energy Intensity is measured as kilowatt hour used in production for every euro of total product sales.

Using UN Greenhouse Gas Calculators, Kongsberg Automotive Group's 2015 CO₂ emissions were calculated at approximately 45 metric tons for an annual decrease of 5%. The CO₂ Emissions Intensity also decreased in 2015 to 41 metric tons of CO₂/1M€ of total product sales, for a 9% reduction. To allow our customers direct access to this information, we supply detailed data to the Carbon Disclosure Project.

WASTE REDUCTION EFFORTS

Pollution control is important to Kongsberg Automotive and the communities in which it operates. Our aim is to minimize the amount of waste sent to landfills and the toxicity of waste requiring special treatment or disposal. All units sought opportunities to reuse and recycle. In fact, 10 manufacturing locations completely avoided disposal of waste materials in a landfill and used alternative disposal options. As a result, we decreased both our absolute waste and our Waste Index by an impressive 30% when compared to 2014.



PLANNED ACTIONS FOR 2016

- > Track water use in all manufacturing facilities.
- > Reduce Energy Index by another 1% when compared to 2015 performance.

Supply Chain Management

We implement practices that consider and support responsible and sustainable sourcing.

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

When developing and executing our supply management practices, we expect the following outcomes: ensure that products sourced are reliable and robust, and safe when used for their intended purpose; know our suppliers, the quality of their systems and how they conduct their business; promote industry best practices to advance progress in areas of social responsibility and environmental performance.

We seek long-term business relationships with suppliers that demonstrate strong values and ethics, consistent with our Code of Conduct, and represent that they will comply with all applicable laws and regulations. These include product regulatory standards, environmental and employee safety requirements, wage and labor laws, anti-corruption laws and various export regulations.

Our Supplier Development process requires that all preferred suppliers are, at minimum, ISO 9001 Certified and encouraged to obtain ISO TS 16949 and ISO 14001 Environmental Management System certification. Supplier Development also focuses on understanding the current state of tools, systems and processes, and develops projects to close gaps that may obstruct the supply network. In our related Risk Assessment process, we monitor and mitigate risks surrounding our suppliers' capacities, capabilities and financial positions, as well as monitoring the greater geopolitical environment,



vulnerability to any natural disasters and other risks to the source of supply. We monitor delivery from our supply network to enable world-class delivery performance, high quality and low total cost to meet our customer commitments today and for the future.

SUPPLIER DIVERSITY

Diversity within our supply base is important to Kongsberg Automotive. We strive to reflect the demographics of the varied markets in which we operate. Our passion for continuous improvement is the driving spirit behind our Supplier Diversity Initiative as we strategically position diverse suppliers (minority-owned small businesses, veteran-owned small businesses and many others) who can provide quality products and services, innovation, cost

competitiveness and volume flexibility in support of our business goals.

Supplier Diversity is just good business. It strengthens our relationships with our automotive customers, who have supplier diversity initiatives of their own. Our automotive customers align with this initiative because their supply base reflects the demographics of their customers, community and marketplace in which they operate.

Through the years, Kongsberg Automotive is proud to have won awards for our efforts in supplier diversity. We are an active member with local supplier diversity councils and continue to participate in supplier diversity programs with some of our key customers.

Supply Chain Management

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

CONFLICT MINERALS

Kongsberg Automotive recognizes its responsibility to increase transparency and traceability of Conflict Minerals contained in its supply chain. Tin, tantalum, tungsten and gold (3TG) mined in the Democratic Republic of Congo are known as Conflict Minerals. The mining of such has created a humanitarian crisis in these areas.

As a result, we implement a management system to enhance transparency of 3TG in our supply chain. As part, we require our suppliers to engage in due diligence of their supply chains to understand and report the content of the parts supplied to Kongsberg Automotive. We expect our suppliers to source from conflict free sources.

Kongsberg Automotive approach is to work closely with our suppliers to seek sustainable solutions to drive improvements. Suppliers acting contrary to Kongsberg Automotive's position herein must commit to implement corrective action plan within a reasonable timeframe.

[Conflict Minerals Position Statement](#)



PLANNED ACTIONS FOR 2016

- > Set responsible sourcing goals in line with legal requirements and customer expectations.

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

Product Innovation

We provide innovative and sustainable products that positively influence the automotive industry and enhance the driving experience.

Innovation is an important driver for KA and it is what employees, customers and other stakeholders expect of us. It is important for strategic growth, enables real advancements in performance, meets our customers' need for sustainable solutions and raises the bar for our industry. The global vehicles industry is highly competitive and is constantly seeking new ways to improve or advance for the benefit of customers. Among the key trends driving the automotive industry, KA focuses on active safety, comfort, and reducing fuel consumption and emissions.

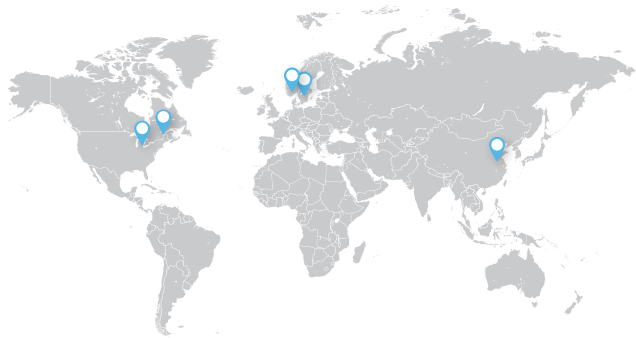
Fueled by a passion for innovation, our engineers are designing products that are lightweight and built using the safest materials, operate with greater efficiency and take less space, last longer and are easier to recycle. We view innovation as customer-driven, and our advancements to product design are made to help customers meet their sustainability goals by improving safety, reducing energy consumption, emissions and minimizing their environmental footprint.

OUR GLOBAL TECHNICAL CENTERS
Kongsberg Automotive has 541 engineers working in Research & Development, with 20% of those dedicated to innovation projects. We cover a wide range of R&D disciplines and production methods, and have a unique position to be able to offer a global footprint and full system capability.

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From the products and systems we manufacture to the remarkable individuals we employ, and the world-class customers we partner with, we are engaged in countless opportunities to make a positive impact on the world.

Our Global tech centers



Kongsberg Automotive leverages its global resources and economies of scale by maintaining the full range of R&D capabilities in North America, Europe and Asia. This positions us as a preferred partner, as OEMs and Tier 1 suppliers increasingly outsource their R&D and engineering. Close cooperation between engineering and production ensures optimal products for best function, cost and quality.

Our global tech centers are located in the USA (Detroit), Canada (Grand Mere), China (Wuxi), Sweden (Mullsjö) and Norway (Kongsberg). This strategy enables Kongsberg Automotive to maintain resources near key customers that drive the technology shifts in the automotive industry.

Product Innovation

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

INTELLECTUAL PROPERTY PROTECTION

Kongsberg Automotive nurtures and safeguards intellectual assets proactively. We have, in house, a team of Intellectual Property (IP) specialists protecting our inventive efforts and mitigating risk, this is essential to create a long-term competitive advantage. Our IP specialists work closely with R&D to identify and protect our inventive efforts. Aligning our in-house IP specialists to our business groups allows us to create a strong IP awareness and allows us to act proactively and strategically.

Generating hundreds of inventive ideas per year, the integrated IP approach enables us to build the right IP portfolio with the key inventions rather than protecting all of them. For example, Kongsberg Automotive's successful Raufoss Couplings™ ABC portfolio illustrates our ability to align inventive solutions with market benefits and needs. Today, we have about 700 active patents worldwide.

TECHNOLOGY & KNOWLEDGE SHARING

For the fourth consecutive year, KA sponsored the Revolve NTNU team, which developed and built an electric racecar and raced at the Formula Student competition in the UK and in Germany this summer. The sponsorship is an integral part of our recruitment strategy to attract young, passionate, and talented engineers. In addition to financial funding, we



provide knowledge sharing, tools and other support. Selected engineering trainees, typically past members of the Revolve NTNU team, also have the opportunity to work for World Rally Cross Champion Petter Solberg's team in Sweden. They also

attend various races around the world during their two-year internship as part of our Kongsberg Automotive Petter Solberg (KAPS) trainee program.

PLANNED ACTIONS FOR 2016

- > Increase the number of invention notifications submitted by our employees.
- > Extend incentives to all KA employee to promote their innovative ideas.

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

Product Safety

We provide safe products and solutions for our customers and the end user.



Safety of our product is the highest priority for Kongsberg Automotive. Our commitment to quality is based on our core values and assured in our Quality Policy. We promote a proactive attitude so that safety and quality related issues are discovered and resolved in the earliest stage of the product lifecycle. Cost and schedule will never take precedence over safety and quality.

KA Management System and Product Development processes have been upgraded to the requirements of ISO 26262, Management of Functional Safety. Accordingly, we follow a defined, traceable and controlled process at all levels, including management, engineering, development interfaces, verification, validation, audit

and assessment. In addition, our process assures that accountability for decisions related to functional safety is traceable.

To reach the needs and expectations of our customers Kongsberg Automotive performs projects according best practices in project management. Our *Knowledge Based Development process* (KBD) guarantees all necessary steps and items are covered and proactively monitored. Kongsberg Automotive trains employees in functional safety requirements and provide safety managers where this is required in functional safety development projects. Kongsberg Automotive has a close cooperation and dialogue with our customers regarding their specific functional safety requirements.

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Right from me, first time. Kongsberg Automotive’s goal is to be the business partner of choice for our customers by providing exceptional product quality and services.

PLANNED ACTIONS FOR 2016

- > Release a Product Safety Policy Statement.
- > Obtain compliance to key functional safety standards like ISO 26262 Safety Life Cycle Standard for E/E Components and ISO 15504 Automotive SPICE.

Information Security

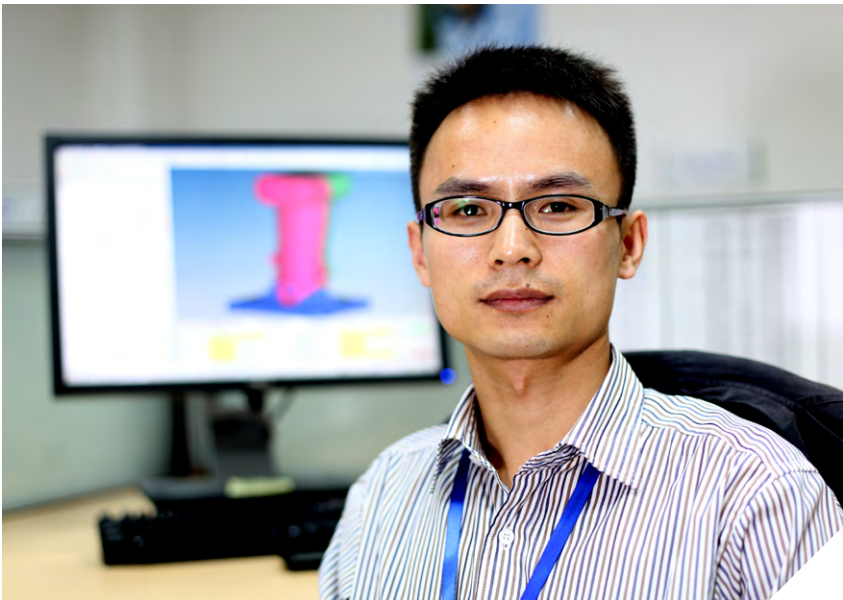
We assure the protection of customer and company information.

OUR GUIDING PRINCIPLES	02
CEO Statement	03
OUR APPROACH	05
Our Materiality Matrix	07
OUR PERFORMANCE	08
Integrity & Ethics	09
Human Rights & Labor Practices	10
Leadership & Talent	11
Community Engagement	12
Environmental Performance	14
Supply Chain Management	15
Product Innovation	17
Product Safety	19
Information Security	20

Our Information Systems and Technology team have implement best practices consistent with the information security management systems requirements of ISO 27001 Information Security.

We perform regular internal audits of our information security practices, vendors and software. We also monitor our performance against our customers' internal guidelines to assure their expectations are fully met. Finally, Deloitte reviews elements our information management and security methodologies as it applies to their financial assurance activities.

Critical data management systems are secure and data redundancy schemes are in place. We are positioned such that critical information is always available, even in unforeseen emergencies.



PLANNED ACTIONS FOR 2016

- > Provide additional guidance to all KA employees regarding their role in information protection.

For more detail on Corporate Responsibility initiatives, our progress and trends, please visit our website kongsbergautomotive.com.



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