

## UK MODERN SLAVERY ACT STATEMENT

The UK Modern Slavery Act 2015 requires companies with operations in the UK to report on their practices regarding understanding and preventing any kind of human trafficking, forced or slave labor in their own operations and their supply chain. This annual Slavery and Human Trafficking Statement covers Autoliv's global operations during the 2021 financial year.

### Company presentation

Autoliv is the worldwide leader in automotive safety systems with sales to all leading car manufacturers in the world. We have more than 60,600 associates in 28 countries. Guided by our vision of Saving More Lives, our products save close to 35,000 lives and prevent more than 300,000 severe injuries each year. We develop, manufacture and supply passive safety systems for the automotive industry as well as mobility safety solutions. Passive safety systems are primarily meant to improve safety for occupants in a vehicle, and include modules and components for frontal-impact airbag protection systems, side-impact airbag protection systems, seatbelts, steering wheels and inflator technologies. To extend into new markets areas beyond light vehicles and occupant safety, we have formed Mobility Safety Solutions (MSS). By combining our core competence and industry experience, MSS develops and manufactures solutions such as pedestrian protection, battery cut-off switches, connected safety services and safety solutions for riders of powered two-wheelers.

### Our policies and standards on forced, bonded and involuntary labor

Local legislation and our own standards define how we work with human and labor rights in all areas where we operate. According to our Standards of Business Conduct and Ethics (the "Code of Conduct"), Autoliv is committed to offering fair terms and conditions of employment. As part of our commitment to labor rights, we do not allow forced, bonded, or involuntary labor. Any association with Autoliv should be an expression of free choice and anyone employed by Autoliv or any of its partners should be allowed to resign their employment at any time. Our Vision, Code of Conduct, talent development and employment policies support the principles contained in the United Nations Universal Declaration of Human Rights and the International Labour Organization's Fundamental Principles and Labour Standards.

This commitment is also extended to our supply chain through our Standard of Business Conduct and Ethics for Suppliers (the "Supplier Code"). Autoliv's suppliers are obligated to be fully compliant with all local laws and regulations applicable to them in the areas where they operate. Our Supplier Code sets forth Autoliv's expectations and informs our suppliers of the importance of conducting their activities in line with the principles addressed in this standard. The Supplier Code also states that no forms of physically abusive disciplinary practices are to be tolerated and that no forms of forced, compulsory or involuntary labor are permitted.

### Managing our performance

At Autoliv, the ultimate oversight for the company's sustainability activities lies with the Board of Directors. The Board of Directors sets the direction for the sustainability activities and regularly monitors progress of Autoliv's sustainability strategy through its Nominating and Corporate Governance Committee (NCGC). The Board reviews and approves the Code of Conduct as well as the Annual and Sustainability Report disclosures and the Modern Slavery Act Statement.



Our Code of Conduct is at the center of our compliance program as an essential tool to protect and empower our business and employees. It is available to all employees in 19 languages as well as externally on Autoliv's website. Each year, all Autoliv employees in a leadership role must complete a Code of Conduct certification. The certification requires the disclosure of known violations of the Code of Conduct and acknowledgement that leaders are aware of and promote the Code of Conduct to their teams.

We regularly update the Code of Conduct to keep it relevant and actively embraced. The Code of Conduct was updated during the year 2021 and relaunched in early 2022. While long-standing priority topics such as anti-bribery, fair competition and respect and inclusion remain key elements, the updated Code of Conduct provides more clarity regarding our expectations for developing risk areas such as information security, modern slavery, data privacy, and safety. In addition, it incorporates our newly introduced Key Behaviors, re-enforces our broad definition for Speaking Up and introduces our new Integrity Check.

The Code of Conduct was communicated to employees through various channels throughout the organization and via face-to-face training/engagement sessions including group discussions about relevant ethical dilemmas related to different areas in the Code of Conduct. We track and report the number of courses offered and percentage of completion for each active course. In 2021 we achieved 99% completion in the Code of Conduct certifications in the target group.

Autoliv has a third-party operated helpline where all employees can confidentially report any suspected misconduct or breaches of law or our standards in the language of any country where Autoliv operates. The Autoliv Helpline has been available to all employees since 2011.

We also conduct periodical global working conditions surveys to monitor the status of different labor rights-related topics at Autoliv.

## **Supply chain management**

For direct material suppliers, the Supplier Code is included in the Autoliv Supplier Manual (ASM). All direct material suppliers are required to acknowledge their compliance with ASM as part of our general terms and conditions and by signing a separate acknowledgement letter for ASM. In the case of indirect suppliers, a reference to the Supplier Code is included in the general terms and conditions attached to purchasing orders.

There are dedicated teams responsible for the quality management of our supply base, including such mandatory steps as the qualification of a new direct material supplier or new supplier site and pre-qualification audits. Sustainability criteria are included as a module in the direct material supplier quality audits. These audits ensure that our suppliers adhere to Autoliv's standards as well as to applicable local laws and regulations, and establish a process for working with suppliers that fail to meet our policies and standards. If audited suppliers don't meet our requirements, an internal escalation process is in place to ensure that non-conformities are corrected or the supplier will be phased out. Once a direct material supplier has been approved, we have a three-year audit cycle for the process and sustainability audits.

We have the following targets for supply chain sustainability:

- 100% of direct material suppliers sustainability audited on continuous basis
- 100% of direct material suppliers to respond to conflict minerals survey on continuous basis

In order to achieve our targets, we will continue to integrate sustainability into existing purchasing and supplier quality management processes and increase awareness and competence within our supply chain organization.

At year end, 81% (49% in 2020) of direct material suppliers had undergone a sustainability audit. 100% of new direct material suppliers were audited as part of pre-qualification. Carrying out audits remained a challenge due to COVID-19 restrictions that prevented physical visits at our suppliers.

Remote audits were carried out according to Automotive Industry Action Group (AIAG) guidelines. We continued to develop the supplier sustainability audit criteria, process and capability to follow up, and provided further guidance to our supplier quality auditors who perform sustainability audits.

### **Conflict minerals**

We have designed our conflict minerals approach in accordance with the related OECD Due Diligence Guidance, specifically as it relates to our position as a downstream purchaser. We continuously review our supply chain and work with our suppliers to identify and improve the traceability of potential conflict minerals. We have implemented a conflict minerals survey process covering our direct material supplies. The response rate to the latest completed survey was 99%. We are also working together with suppliers to better trace cobalt used in components supplied to us.

We continuously assess and develop our processes to ensure that we work according to our commitments.



Mikael Bratt,  
President and CEO  
May 9<sup>th</sup>, 2022