











A Driving Force in Sustainable Mobility

Guided by our vision of Saving More Lives, our mission is to provide world-class, life-saving solutions for mobility and society. Sustainability is an integral part of our business strategy and a fundamental driver for market differentiation and stakeholder value creation, helping to ensure that our business will continue to thrive and contribute to sustainable development in the long term. To truly be a driving force

in sustainable mobility, we strive to systematically assess and to manage key impacts, risks and opportunities on society and the environment related to our business, operations and supply chain. We also engage with our customers to ensure that we are part of driving the transition to low-carbon and circular mobility, thus realizing new business potential.

Our sustainability approach is based on four focus areas, with broad ambitions and more specific short-term targets

Focus Area	Ambitions	Sustainable Development Goals
Saving More Lives	100,000 lives saved per year	  
A Safe and Inclusive Workplace	<ul style="list-style-type: none"> • Zero accidents • Embrace inclusive ways of working 	  
Climate Action	<ul style="list-style-type: none"> • Carbon neutrality in own operations by 2030 • Net zero emissions across our supply chain by 2040 	  
Responsible Business	<ul style="list-style-type: none"> • Proactively prevent corruption and other unethical business practices • Respect human rights • Manage supply chain sustainability risks 	



defined for each area. These areas represent the strongest links to our business risks and opportunities and the greatest impact on key stakeholder groups, society and the environment. All four areas represent global challenges where we believe that our work can make a positive difference, through our Ways of Working or by inspiring and collaborating with others. We are a signatory of the UN Global Compact and our work and policies, such as our Code of Conduct, are aligned with international frameworks such as the ILO core conventions and the OECD Guidelines.

Our core business and sustainability work contribute to the realization of a number of UN Sustainable Development Goals (SDGs). Our core business directly contributes to reducing the number of road fatalities (SDG 3) and making transportation systems safer for everyone, including vulnerable road users (SDG 11). We actively support research and knowledge sharing that benefit developing markets (SDG 17). Over time, our climate and circularity agenda aims to not only greatly reduce our own negative environmental impact (SDG 9, SDG 13) but also help drive green innovation (SDG 12) among direct material suppliers, vehicle manufacturers and energy providers (SDG 7). By proactively managing health and safety risks and labor rights (SDG 8), promoting diversity and inclusion (SDG 5) and holding all employees to the highest ethical business standards (SDG 16), we lay the foundation for a high-performing organization where every employee has the means to speak up and drive improvement.

For more information about performance data, definitions, etc., see the Sustainability Appendix on p. 61-64.

Autoliv's Multi-year Commitment to Support the United Nations Road Safety Fund



Autoliv is supporting the effort of the United Nations Road Safety Fund, UNRSF, to strengthen insights into road safety challenges and contribute to safer mobility where it is most needed.

By exchanging valuable insights, knowledge, and data, Autoliv and the UNRSF will actively support the Global Plan for the Second Decade of Action 2021-2030, which seeks to prevent at least 50% of road traffic deaths and injuries by 2030.

Road traffic crashes claim 1.35 million lives every year and are the leading cause of death among children and young adults. More than 90% of road traffic fatalities take place in developing countries. Autoliv's support of the UNRSF is an important step to further democratize road safety and increase awareness and availability of life-saving products.

Autoliv's vision of Saving More Lives directly supports UN SDG 3, which aspires to ensure good health and well-being for all, with one of its targets focused on halving global deaths and injuries from road traffic crashes.

"Cross-sector collaboration is key if the world is to advance its positions with respect to the Sustainable Development Goals. Supporting the UNRSF is a way for Autoliv to share our expertise while gaining additional insights into the main road safety challenges facing the world today. Through our core business of

life-saving products, we have an important role to play. Saving More Lives is an integral part of our sustainability agenda," said Mikael Bratt, CEO and President, Autoliv.

"Autoliv directly supports the UNRSF's thinking on high-impact road safety projects"

NNEKA HENRY,
HEAD OF THE UNRSF SECRETARIAT

"As a member of the multi-stakeholder UNRSF Platforms of Engagement, Autoliv directly supports the UNRSF's thinking on high-impact road safety projects. With its financial contribution, Autoliv is also directly supporting UNRSF project operations in low- and middle-income countries. It is this type of multi-pronged engagement from the private sector that will leapfrog the global community towards achieving the SDGs related to safe, sustainable and inclusive mobility for all," said Nneka Henry, Head of the UNRSF Secretariat.

Autoliv's commitment to support the UNRSF will directly result in road safety interventions in low- and middle-income countries ranging from better vehicle standards and road infrastructure design to effective systems to improve road user behavior and emergency post-crash response.

Materiality Assessment

The starting point for sustainability management and reporting is understanding our most material topics. Our materiality assessment aims to identify the key sustainability topics in our own operations and our value chain. The process is based on the double materiality principle: both impact materiality (how Autoliv impacts people and the environment) and financial materiality (how various sustainability topics impact Autoliv) are considered.

Materiality assessment is part of the Enterprise Risk Management (ERM) process and is carried out on an annual basis. In 2022, the process was further developed to ensure that we are aligned with current and upcoming legislation on corporate sustainability due diligence and sustainability reporting, in particular the upcoming EU Corporate Sustainability Due Diligence Directive, EU Corporate Sustainability Reporting Directive and SEC regulations. Assessment activities included:

- Workshops with internal topic experts as well as representatives from other functions to ensure a broad inside-out understanding of current and future topics

- Review of industry-related reports, etc. regarding impacts, risks and opportunities
- Market research as well as direct dialog to understand our customers' sustainability priorities, challenges and opportunities for collaboration
- Investor-driven sustainability/ESG assessments and face-to-face meetings with key shareholders
- The annual Autoliv Quality Culture employee survey, quarterly Pulse employee surveys and Autoliv's Speak Up channel

For many of the most material topics, we also carry out topic-specific assessments to gain a deeper understanding of both impact and financial materiality. For example, for climate change, we have carried out an extensive value chain GHG footprint assessment, identified emission sources and reduction levers, and identified key transition and physical risks and opportunities that could impact our business. For more climate change-related information, see the TCFD Disclosure, p. 46-47.

In 2022, key material topics identified included:

Environment	Social	Business ethics
<p>Climate change</p> <p>Circularity</p>	<p>Life-saving products and innovations</p> <p>Product safety</p> <p>Health and safety</p> <p>Inclusion</p> <p>Labor rights</p>	<p>Anti-corruption</p> <p>Anti-trust</p>

Supply chain sustainability impact and performance cut across most of the above topics, in particular regarding climate change, circularity, product safety, health and safety, labor rights and business ethics.

While many of the topics listed above have been considered the most material for several years, some topics such

as inclusion and circularity are growing in importance driven by trends of natural resources scarcity and more complex operating environments. The material topics are covered by our sustainability focus areas, with targets and action plans defined for each of these focus areas to ensure that we make measurable progress.

A HELMET WITH AN INTEGRATED AIRBAG

Autoliv and POC Join Forces to Reduce Cyclist Head Injuries



“Our safety mission drives everything we do, and we always challenge conventional thinking in order to improve protection.”

OSCAR HUSS, CHIEF PRODUCT OFFICER, POC

Autoliv and POC, a global leader in snow sports and cycling protection, have joined forces to study and develop bicycle and e-bike helmets equipped with airbag technology to improve head protection and reduce the consequences of an impact.

Head injuries alone account for half of all deadly cyclist injuries. Although it has been established that helmets are beneficial to head safety, the latest Bicycle Safety Report by Swedish insurance company Folksam makes the case that helmet absorption efficiency could still be greatly improved, especially when collisions occur with a car at speeds above 20 km/h (12 mph).

POC and Autoliv have been working together to assess the potential of using airbag technology in helmets. The airbag would act as the initial energy absorber while the underlying helmet would act as a secondary energy absorber.

After conducting a pre-study, the Autoliv research team concluded that a bicycle helmet with an integrated airbag can significantly improve protection and reduce the consequences of impacts to cyclists. The combination of both absorbing technologies enables a reduction of peak linear head acceleration and significantly reduced

the risk of head injuries in impact tests. The pre-study also showed that these protection improvements could be achieved without critically compromising the design, weight, or comfort of a helmet equipped with integrated airbag technology.

“Autoliv is committed to the vision of Saving More Lives and to providing world-class life-saving solutions for mobility and society. The safety of vulnerable road users, such as cyclists and e-bike riders, is high on our agenda. Therefore, it was natural to collaborate on this initiative with POC, a leader in cyclist safety, to explore how to improve helmet protection in current standard testing and more challenging scenarios, such as higher impact speeds”, said Dr. Cecilia Sunnevång, Vice President Research, Autoliv.

The pre-study showed that the addition of airbag technology on top of the helmet could significantly contribute to enhanced safety performance, especially in linear impacts. It is estimated that the risk for a bicyclist to sustain moderate to fatal head injuries is reduced from 80% to 30% in a 20 km/h (12 mph) impact.

“Our safety mission drives everything we do, and we always challenge conventional thinking in order to improve

protection. Helmets are tested and certified in a laboratory setting and can never fully address all the real-world variables of bike crashes. Together with Autoliv, who are world-renowned and have some of the most advanced testing and research facilities in the field, we have embarked on a development journey with airbag technology, asking ourselves what could be done to excel in current test scenarios and push the envelope towards even more shock absorbing capacity”, said Oscar Huss, Chief Product Officer, POC.

Finding new ways to save lives

Boosted by an increased environmental consciousness and the emergence of e-bike commuting, the number of bicycle riders worldwide is increasing rapidly. This growth needs to be supported by improved helmet protection, especially at higher speeds enabled by e-biking. During the pre-study, Autoliv and POC developed the initial concepts using advanced simulation tools and conducted correlated physical crash tests. The successful outcome of the pre-study will now lead to further testing and refinement, with the objective of developing the concept further and potentially bringing a product to the market.

Sustainability Governance

Autoliv's sustainability work is managed within a well-defined governance structure, with clearly established ownership and responsibilities at all levels in the organization.

The underlying principle of our governance model is integrating sustainability responsibilities into the ordinary course of business and company processes. This means that the ultimate responsibility for executing sustainability activities and targets lies with the line organization and is regularly monitored through management reporting. According to our Key Behaviors, we expect every employee to take ownership of sustainability topics by proactively contributing improvement ideas as well as by following company policies and standards.

Ultimate oversight of the company's sustainability activities lies with the Board of Directors. The Board sets the direction for sustainability activities and regularly monitors progress on Autoliv's sustainability strategy and targets 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 and the Modern Slavery Act Statement.

Implementation responsibility for sustainability lies with the Executive Management Team (EMT). The EMT has appointed a Sustainability Board charged with providing regular direction and oversight. The Sustainability Board consists of the CEO and other EMT members and meets on a quarterly basis. The Sustainability Board reviews and approves Autoliv's sustainability strategy, annual and long-term plans, targets and policies for key topics, and monitors implementation and performance.

Integration of sustainability into Autoliv's business is led by the Group HR & Sustainability function. The Vice President, Sustainability, who reports to the Executive Vice President, HR & Sustainability, coordinates, develops and monitors Autoliv's sustainability agenda and facilitates the Sustainability Board meetings and other sustainability-related reporting to management. Everyday sustainability topics are managed, as appropriate, by the HR & Sustainability function, divisions and other corporate functions such as supply chain management, research, development and engineering, and legal and compliance. Divisions and

corporate functions have dedicated sustainability resources such as Environment, Health & Safety coordinators, life-cycle assessment (LCA) experts and supplier sustainability auditors.

Risk Management

Autoliv has a global risk management organization and utilizes several different tools, such as an enterprise risk management (ERM) framework which includes annual, divisional, functional and corporate risk mapping activities, monitoring risk trends, implementation of risk improvement plans and follow-up of the effectiveness of risk mitigation measures. Risk reporting is done on a regular basis to the Audit and Risk Committee as well as the Board of Directors. With regard to sustainability-related risks, the ERM framework takes into consideration the double materiality perspective. This means assessing both how Autoliv's operations impact people and the environment, and how various sustainability topics impact Autoliv's business. Sustainability risks, such as product safety, climate change, natural resources scarcity, environmental compliance, health and safety and other labor rights, business ethics, business conduct and supply chain sustainability, are included in the ERM framework. We assess how sustainability relates to business risks, such as legal proceedings, regulatory changes, contingent liabilities, supply chain disruptions and operational disruptions. Furthermore, there are relevant corporate standards for topics such as site risk management, loss prevention, emergency procedures, business contingency planning and physical security.

A more detailed description of Autoliv's material operational, strategic and financial risks, including sustainability-related risks, can be found in the "Risk Factors" and "Risks and Risk Management" sections of the 10-K filed with the SEC. More information on climate-related risks can be found in the TCFD disclosure, p. 46-47.

Sustainability Governance

Board of Directors

Nominating & Corporate Governance Committee

Executive Management Team

Sustainability Board

EVP, HR & Sustainability

VP, Sustainability

Organization

Functions

Divisions

All employees

Autoliv
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Ambition:

100,000

Lives saved per year

2022 Outcome:Close to **35,000** lives saved

Road Safety – a Global Challenge

When the UN SDGs were launched, road safety was made a global priority for good reason: 1.35 million people die in traffic every year, a figure likely to increase significantly unless disruptive action is taken.

According to the World Health Organization (WHO), road traffic injuries are the leading cause of death among young people between the ages of 5 and 29. Low- and middle-income countries are hit the hardest, accounting for over 90% of global traffic deaths. As well as being a public health problem, road traffic injuries are a development issue: according to WHO, low- and middle- income countries lose approximately 3% of their GDP as a result of road traffic crashes. Many families are driven into poverty by the loss of a breadwinner or by the expenses of prolonged medical care. The societal costs are also significant for developed countries: the US National Highway Traffic Safety Administration estimates the total societal cost of US traffic crashes in 2019, which led to 36,500 fatalities and 4.5 million injuries, at a staggering \$340 billion.

In August 2020, the UN General Assembly adopted the resolution "Improving global road safety", proclaiming the Second Decade of Action for Road Safety 2021-2030. The target, represented as SDG 3.6, is to reduce road traffic deaths and injuries by at least 50% by 2030. According to the resolution, vehicle safety is a key component and member states are encouraged to adopt vehicle safety regulations that make seatbelts, airbags and active safety systems standard equipment. In addition to safer vehicles, infrastructure improvements, road user behavior and protective equipment are also key to achieving the target.

Our ambition and approach

Saving More Lives is our core business and our most important contribution to sustainable development and the realization

of SDG 3.6. According to our estimations, our products in use already save close to 35,000 lives and reduce more than 450,000 injuries every year.

Our long-standing ambition is for our products to save 100,000 lives per year. Achieving this ambition is based on:

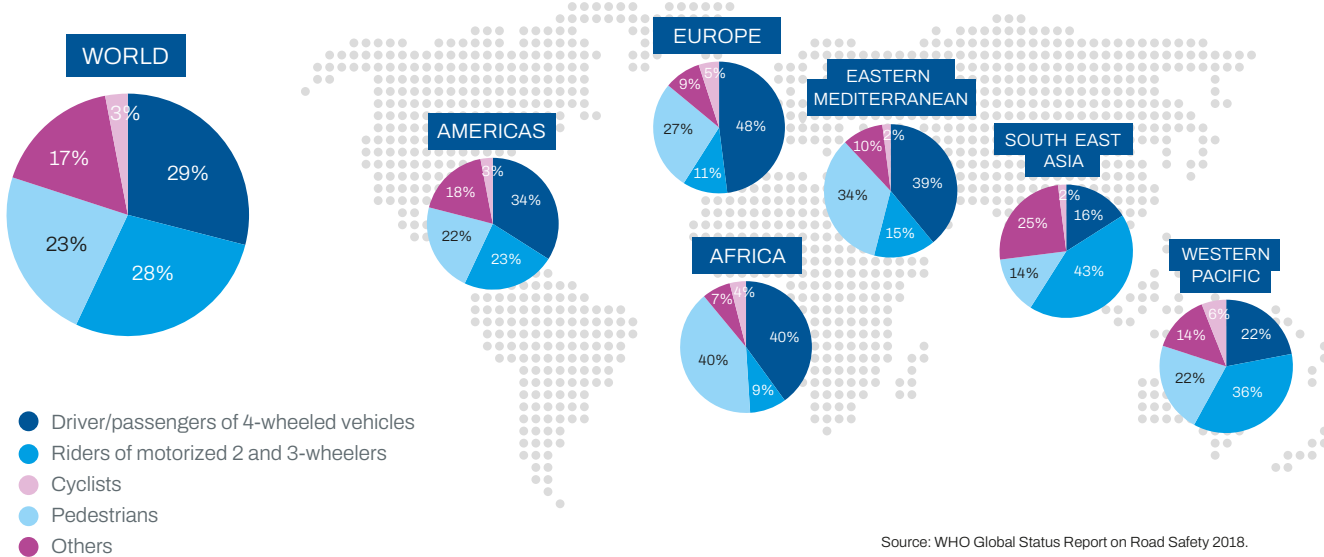
- Retaining our strong market position and continue to grow in our core business, including increasing content per vehicle. This needs to be done while maintaining the highest level of quality – our products never get a second chance.
- Successfully expanding our business in new mobility segments such as motorcyclists, and better protection of vulnerable road users. This includes proactively broadening the scope of research and development to also cover a wider range of parameters regarding height, weight, age and gender.
- Increased multi-stakeholder efforts in education to increase seatbelt use since they are the most effective way of reducing fatalities and serious injuries.

Research and development collaborations

We proactively engage with national and international authorities as well as academia to further our impact. Below are some examples of our collaborations during 2022.

- Together with Piaggio, we are developing a motorcycle airbag. During the year, the airbag concept was demonstrated in Malaysia together with the Malaysian Institute of Road Safety Research (MIROS). In addition to in-vehicle solutions, we are also exploring how to increase the comfort and safety of personal protective equipment, such as helmets with integrated airbags that provide improved protection of the head and face and inflatable vests that improve protecting of the thorax and shoulders.

Distribution of fatalities by road user type



- We remain a Steering Committee member of the Research Consortium for Crashworthiness in Automated Driving Systems (RCCADS), which aims to collaboratively work towards validation methods for automated driving systems. During 2022, we advanced our knowledge in several areas related to impact modelling of automated driving systems.
- Around 15% of the over 8,000 car occupant fatalities in the EU in 2020 occurred in crashes with Heavy Goods Vehicles (HGVs). Together with our partners in the SAFE-UP project, funded by the European Commission, we found crashes involving cars and HGVs to be more severe than the typical frontal impact covered in regulations and ratings. We also found limitations in some restraint systems when it comes to optimally protecting the car occupants. We are currently running analyses and plan to present further related findings in 2023.
- E-scooters have become popular in many cities but pose new traffic safety challenges with increasing numbers of accidents. However, crash and injury causation are poorly understood since riding data preceding crashes is lacking. In 2022, we concluded a project together with mobility company Voi, funded by the Swedish Innovation Agency Vinnova, where we collected naturalistic riding data from shared e-scooters. Subsequently, we are engaging with even more partners to develop models on rider behavior to guide intelligent transport systems and connected automated vehicles in their interaction with e-scooterists.

We also engage and collaborate with a number of universities. At Ohio State University's annual Injury Biomechanics Symposium, Autoliv held several presentations and engaged

with students and graduates to promote further interest in vehicle safety. Autoliv India runs incubators at several Indian technical colleges to engage with students in finding new solutions for safety and mobility as well as to build the perception of Autoliv as an attractive employer. Going forward, we are partnering with Chalmers University of Technology and AB Volvo to design and evaluate a prototype for a safer truck front-end.

Read more about our R&D agenda and research collaborations under Innovating for a Safer Society, p. 28-29.

Community engagement

We regularly engage with both national authorities as well as local communities and stakeholders where we operate to contribute to road safety awareness. As an example, in Japan, close to 60 children and their families were invited to the annual event at Autoliv's tech center in Tsukuba to learn from Autoliv employees about road safety awareness. In Romania, Autoliv and the road safety association E.R.A and emergency services hosted presentations at several high schools on the topic of road safety and vehicle safety systems, and provided first aid training. In China, Autoliv together with Polestar launched a social media campaign aimed at promoting child road safety.

According to research¹, seatbelts alone reduce occupant fatalities by 45%, frontal airbags alone by 14% and both together reduce fatalities by 51%.

¹) Kahane, 2015

Ambitions:

Zero accidents
Embrace inclusive ways of working

A Safe and Inclusive Workplace

Targets:

<p>0.35 Incident Rate by 2023</p> <hr/> <p>2022 Outcome: 0.32</p>	<p>3.8 Severity Rate by 2023</p> <hr/> <p>2022 Outcome: 3.31</p>	<p>95% of senior and mid-level management trained in unconscious bias by 2023</p> <hr/> <p>2022 Outcome: 52%</p>	<p>Year-on-year improvement in Employee experience</p> <hr/> <p>2022 Outcome: Improvement</p>	<p>22% women in senior management by 2023</p> <hr/> <p>2022 Outcome: 18%</p>
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Health and Safety

Our ambition and approach

Autoliv is committed to providing safe and healthy working conditions for our employees and contractors. We believe that work-related injuries and illnesses are preventable and continually strive to eliminate all workplace accidents. The responsibility for health and safety (H&S) starts with senior management. All employees share a responsibility for identifying and eliminating unsafe conditions and behaviors, and speaking up.

Health and safety management

We strive to make H&S an integral part of everyday business by integrating H&S into our production system and at the initial stage of all our projects and processes that may affect the working environment of our employees.

All production sites are required to implement Autoliv's health and safety management system (HSMS), which is aligned with ISO 45001 requirements. The HSMS is supported by

local leadership teams who encourage operators and visitors to engage in and proactively speak up about health and safety concerns and to take responsibility for safety. Implementation of the system is monitored through internal audits and external certification audits.

The cornerstone of our HSMS is the Hazard Identification Risk Assessment. These assessments establish the principles and internal standards by which H&S activities and operations are managed, provide a factual basis for identifying significant hazards and risks, and support in implementing continuous improvement activities to eliminate or mitigate these hazards and risks.

As part of an increasing focus on accident prevention, we are expanding the use of leading H&S indicators. In 2022, we added identified unsafe acts and conditions to our monthly management reporting. On our lagging KPIs we significantly improved our performance compared to 2021.

Autoliv's H&S work principles

Leadership commitment

Leaders at all levels of the organization are actively involved in creating a behavior that supports and promotes strong H&S performance and continuous improvement.

Employee involvement

Employees are actively engaged in all aspects of H&S performance, including establishing goals, identifying and reporting hazards/risks, investigating incidents and tracking progress.

Work safety is a condition for employment

Every employee is responsible for contributing to their own workplace safety.

Recognition and control of risks

Processes and procedures are implemented to proactively identify, prevent, reduce and/or control potential hazards/risks.

Continuous improvement

Processes and procedures are implemented to monitor H&S, verify implementation, identify defects and provide opportunities for improvement.

H&S training and awareness building

During 2022, H&S continued to be a key topic at EMT and Divisional Management Team meetings. Leadership safety training continued to be deployed throughout the year, and the plan is for all managers to undergo training during 2023.

All employees working in production are continuously trained in relevant H&S topics, and H&S is included as a mandatory item in daily team meetings. In addition, they are trained in the use of on-site H&S reporting tools and empowered to immediately stop production if an actual or potential serious risk is identified.

Focus on high-risk activities

Despite a positive trend in the number of recordable injuries, serious and even fatal accidents occur in our operations. During the year, we began implementing common standards for high-risk activities such as working at heights. Going forward, these standards will form the foundation of our H&S assessments.

COVID-19 response

During the year, we saw the effects of the pandemic subside across the organization. Our "Smart Start Playbook", which was developed in 2020 to handle the effects of the pandemic, was further developed to also include exit strategies for returning to normal operations.

Inclusion

Our ambition and approach

Inclusive ways of working are an asset and a fundamental part of the Autoliv Key Behaviors that were launched in 2021. Including a multitude of perspectives is an integral part of successful decision-making in all parts of the organization and helps drive innovation and create long-term sustainable shareholder value in a rapidly changing industry. We believe that everyone should be respected and treated fairly, and we are committed to providing an inclusive and diverse workplace where everyone can be themselves, deliver results and bring their authentic selves to work.

Activities during the year

In 2021, we defined our company-wide inclusion approach and set the first inclusion targets. During 2022, we increased our activities and focus to deliver on our targets and action plan, including a focus on increasing the share of women in management. This included steps to create a more diverse candidate base, and the implementation of scientific selection methods to increase objectivity in both internal and external recruitment. The share of women in senior management improved slightly from 2021. We also continued unconscious bias training for senior and mid-management to enhance managers' insight and ability to take diversity into account in everyday work.

Measuring inclusion

The company-wide quarterly employee survey includes statements that measure key aspects of an inclusive work environment: whether employees feel that they can be themselves at work ("Authenticity") and whether they have the same opportunity to advance in the organization ("Perceived fairness"). The scores showed overall consistent results compared with 2021, with a slight improvement in authenticity (82% favorable) and an unchanged score for perceived fairness (73% favorable). There was no significant difference between employee categories. Overall, the results were on a par with or above the external benchmark.

For more information about employee development, see Building a Winning Team on p. 30.

Including a multitude of perspectives is an integral part of successful decision-making in all parts of the organization and helps drive innovation and creates long-term sustainable shareholder value in a rapidly changing industry.

Ambitions:

Carbon neutrality

in own operations **by 2030**

Net-zero emissions

across our supply chain **by 2040**

Climate Action

Targets:

Carbon neutrality
in own operations
by 2030

2022 Outcome:
430 kton CO₂e

12%

reduction in energy
intensity **by 2023**

2022 Outcome:
5% above 2018 baseline

Year-on-year
**reduction
in waste**
Continuous

2022 Outcome:
8% Increase from previous year

Our ambition and approach

We are committed to operating our business in an environmentally sustainable manner, taking into account our environmental impact throughout the life cycle of sourcing, design, production and end of life. Our key environmental impacts are greenhouse gas (GHG) emissions, energy use, waste generation and water use. With particular emphasis on climate action, we actively engage with customers, suppliers and other stakeholders to take on the decarbonization challenge across the value chain and drive sustainable mobility.

Updated climate strategy

In 2021, we launched an updated climate strategy including new long-term climate ambitions:

- **Carbon neutrality in own operations by 2030**
- **Net-zero emissions across our supply chain by 2040**

These industry-leading climate ambitions are aligned with a 1.5°C trajectory and position us as the supplier of choice

for the most progressive customers, helping to ensure our competitiveness now and in the future. In addition to these ambitions, we have adopted Science Based Targets for 2030 covering our own operations (Scope 1+2) as well as our supply chain (Scope 3 upstream). The targets are available on the SBTi website.



Our GHG footprint

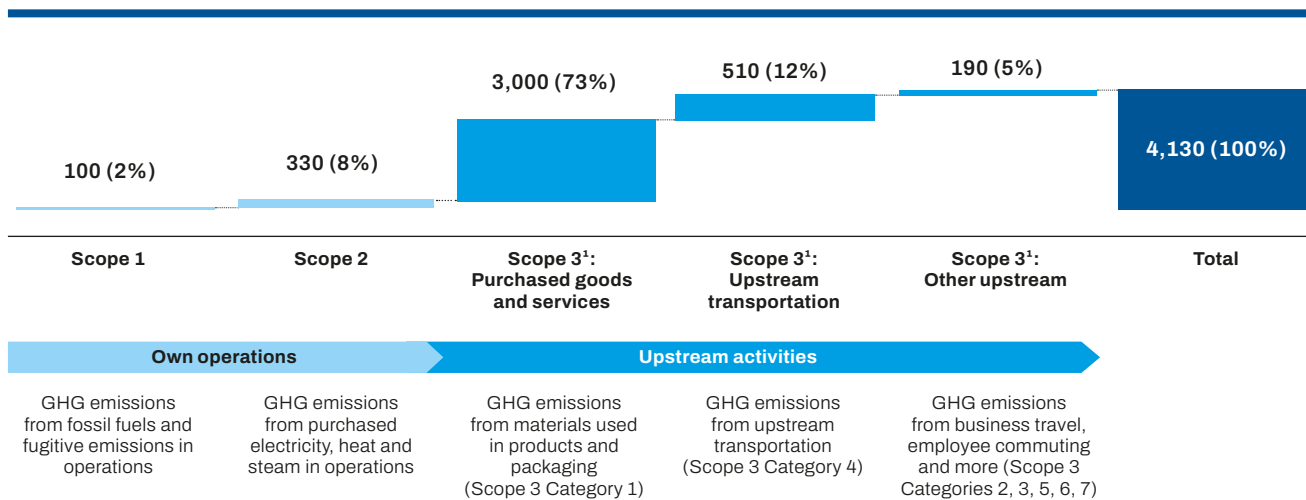
To fully understand our GHG footprint as well as key climate-related risks and opportunities, we carried out an extensive value chain GHG footprint assessment and scenario analysis in 2021. The assessment was carried out in accordance with the GHG Protocol Scope 3 Calculation Guidance. Scope 1 and 2 emissions were calculated based on actual operational data such as energy consumption, while Scope 3 emissions were modelled based on actual and estimated sourcing data and generic emission factors. The assessment showed that for the emissions covered by our long-term ambitions, materials

used in our production (in particular steel, textiles and other plastics, and magnesium) were the largest contributors, followed by emissions from logistics and electricity used in our own operations.

Downstream Scope 3 emissions, in particular use-phase emissions, constituted the largest share of the total GHG

footprint. Since we consider our possibility to reduce downstream Scope 3 emissions to be greatly limited (such reductions are mainly driven by our customers' work on electrification), they are excluded from our long-term ambitions and Science Based Target covering Scope 3.

Autoliv's GHG footprint across own operations and our supply chain¹ 2022 (kton CO₂e)



1) Considering the challenges related to accurately modelling upstream Scope 3 emissions, such as the accuracy of historical data and the availability and applicability of emission factors, actual upstream Scope 3 emissions may differ materially from those modelled. The modelling primarily aims to identify the major sources of Scope 3 emissions across the value chain, which supports Autoliv in developing specific activities for improvement and implementing the relevant measures. Autoliv aims to, over time, increase the accuracy of reported upstream Scope 3 emissions by addressing material uncertainties. The illustration above does not include modelled downstream Scope 3 emissions, which include emissions from the use phase of vehicles where Autoliv's products are installed.

Autoliv's climate program

Based on the results of the GHG footprint assessment, we have designed a climate program organized into a number of operational initiatives focusing on the most important decarbonization levers or value creation and enabling activities. A number of cross-cutting initiatives related to governance,

performance measurement, business strategy integration, risk management and competence development support the operational initiatives. Guided by our 1.5°C aligned long-term ambitions, the climate program represents Autoliv's low-carbon transition plan.

Low-Carbon Supply Chain	Low-Carbon and Efficient Operations	Low-Carbon Product Offering	
<ul style="list-style-type: none"> Low-carbon electricity in the supply chain Low-carbon material sourcing Low-carbon logistics 	<ul style="list-style-type: none"> Energy and resource efficiency Phase-down of natural gas equipment Elimination of fugitive emissions Renewable energy for operations 	<ul style="list-style-type: none"> Low-carbon product design Low-carbon sales strategy 	
Cross-cutting initiatives			
Program governance and performance measurement	Business strategy integration	Risk management	Organization and competence development

The most impactful decarbonization levers identified within our own operations include:

- Transitioning to low-carbon electricity at our facilities using a mix of on-site solar generation, long-term Power Purchase Agreements (PPA), Renewable Energy Certificates (REC) and Energy Attribute Certificates (EAC)
- Continued focus on energy and materials efficiency
- Replacing current fossil-fuel equipment such as natural gas furnaces with electric alternatives
- Phasing out fugitive emissions

Key initiatives that we intend to implement to reach net-zero emissions across our supply chain include:

- Transition to recycled, bio-based and other low-carbon materials in our products
- Requiring our suppliers to use low-carbon electricity in their production
- Reducing the GHG footprint of our logistics through route, capacity and footprint optimization as well as a shift towards low-carbon transportation modes and vehicles

Below is a summary of some of the work and key achievements within the program during the year.

Low-carbon supply chain

During the year, we continued engaging with a broad range of direct material suppliers to systematically review options for increasing the use of bio-based, recycled and low-carbon materials in our products. One example is the partnership between SSAB and Autoliv first launched in 2021 to research and develop fossil-free steel components for automotive safety products. This partnership aims to allow us to become the first automotive safety supplier to produce products using fossil-free steel.

To better understand our direct material suppliers, we carried out a large-scale climate survey. The survey covered areas such as whether suppliers are able to quantify their emissions, whether they are using renewable energy and whether their targets are aligned with Autoliv's net-zero ambition. The results showed that, overall, there is a large spread in suppliers' readiness with larger suppliers generally being better prepared. The outcome of the survey will be reflected in climate-related supplier criteria.

Low-carbon and efficient operations

The renewable energy strategy expanded to cover both short-term and long-term actions for all divisions. With a focus on electricity, we expanded purchasing of renewable electricity instruments and began planning for long-term PPAs in several markets. In 2022, 13% of our total electricity consumption came from renewable instruments, up from 1% in 2021. In addition to renewable electricity instruments, many sites have installed or are in the process of installing on-site solar generation capacity. While still representing less than 1% of our total energy consumption, we are working to grow this share

significantly over the coming years. In total, we estimate that renewable energy helped us reduce our GHG emissions by almost 40 kton compared to if we had used non-renewable sources. Despite an increase in total energy consumption, we reduced our Scope 1+2 emissions compared to 2021.

As part of our Green Factory Program, manufacturing facilities regularly conducted energy audits to find opportunities to improve their energy efficiency. Energy efficiency initiatives during the year targeted areas such as air compressor leaks, waste heat recovery, installing LED lighting and replacing older equipment with new, more efficient equipment. To further best practice sharing, one of our production sites in France carried out an extensive energy monitoring project, to be rolled out to more sites in 2023.

We launched a concrete action plan to phase out the remaining use of SF₆, over the next few years. SF₆, which is used in steering wheel production, is our largest source of fugitive emissions, making up around 8% of Autoliv's own (Scope 1+2) emissions.

Low-carbon product offerings

Our ambition is to develop attractive, low-carbon product offerings to support our customers in their transition to electrified, zero-emission vehicles. We see constantly increasing ambition levels from our customers, and therefore also increasing requirements on us as a supplier.

During the year, all product lines started development on action plans for net-zero aligned product roadmaps and we continued our collaboration with Polestar to create the first climate-neutral car. We continued our work to evaluate our products' overall environmental footprint throughout their life cycle. These life-cycle assessments (LCAs) help prioritize actions in product development such as light-weighting and insourcing of low-carbon materials. The LCAs also allow us to proactively engage with customers, highlighting the carbon footprint of our products and how embedded emissions can be reduced. We already offer our customers specific products that support their carbon footprint reduction strategies, such as products with lower weight and higher content of recycled non-ferrous metals and low-carbon polymers.

Cross-cutting initiatives

During the year, targeted climate training for top management was carried out in all divisions and corporate functions. This training will continue to be rolled out in 2023 to all mid-level management and employees. In addition, certain functions such as supply chain management and sales teams received further in-depth training on relevant topics.

Our CAPEX investment guidelines were updated with specific climate guidance, to ensure our investments are aligned with our long-term climate ambitions. Investments covered include for example installation of solar panels and replacement of fossil fuel equipment with electric alternatives. The guidelines also specify exclusion criteria for investments that could lead to increased GHG emissions.

To strengthen our capacity for accurate GHG accounting and forecasting, we initiated a project to implement a comprehensive GHG accounting solution covering both our

own operations and supply chain activities such as materials and logistics sourcing. We expect to have the solution in place in 2023.

Read more about climate-related governance and risk management in the TCFD disclosure, p. 46-47.

Waste and circularity

We approach waste management through the principle of Reduce-Reuse-Recycle. As part of the EMS and our Q5 quality program, we continuously look for opportunities to reduce the amount of waste generated in production.

In 2022, we launched initiatives such as reusing magnesium scrap from our own operations, thereby greatly increasing the share of recycled magnesium in armatures. Other initiatives for reuse and recycling included recycling scrap airbags and selling the materials, such as metal, fabric and plastic, to local recycling companies. Another example came from the operations in Romania, where webbing, airbag textiles and steering wheel leather were turned into bags available for Autoliv employees to purchase from our internal webshop. Several sites also use reusable packaging.

Our production facilities are continuously researching options to direct their waste away from landfill. The rate of reuse, recycling and energy recovery increased to 90% (89% in 2021) of total waste reported.

In 2023, we will continue to develop and strengthen our approach to circularity.

Environmental management

Autoliv's environmental management system (EMS) emphasizes continuous improvement and is aligned with ISO 14001 requirements. The EMS establishes the requirements for a standardized approach to environmental management, including identification of material environmental aspects, objective setting, competence development, performance follow-up and standardized reporting. At year end, 97% of all manufacturing facilities (89% in 2021) were externally certified in accordance with ISO 14001.

As part of our Green Factory Program, manufacturing facilities regularly carry out assessments covering energy use, GHG emissions, water and waste to assess their performance and identify opportunities for improvement.

Materials management

Materials management is an important part of our product development process, from identifying materials and their composition for new products to reporting on the material composition of our parts supplied to customers. We have clear requirements for reporting the material composition of our purchased and supplied parts and the restrictions to which certain chemical substances will be subject. Autoliv's related standard for chemical substance use restrictions is regularly reviewed and updated to meet the latest legal and customer requirements. We continuously follow up with our suppliers to phase out chemical substances according to the latest legal requirements. This year, special efforts were devoted to phasing out hexavalent chromium in the chrome coating process for plastic and steel parts.

Autoliv Collaborates with Polestar on Groundbreaking Climate-neutral Car

The "Polestar 0" project unites companies across the automotive supply chain to leverage innovation and collaboration to address the climate crisis and change the view of how to manufacture cars in a sustainable way. The collaboration is in line with Autoliv's commitment to be the first automotive safety supplier to become carbon neutral in its own operations by 2030 and aim to achieve net-zero emissions across its supply chain by 2040.

Autoliv and Polestar intend to research and develop technology aimed at finding climate-neutral solutions and innovations related to automotive safety such as pyrotechnics, textiles, and new generations of materials for airbags and seatbelts.

"We are happy and proud to join forces with Polestar. To reach our ambitious climate targets, we need to collaborate across the value chain. We are well-positioned to continue to support our partners and customers in achieving their sustainability goals," says Mikael Bratt, President and CEO of Autoliv.

"It was clear from the start that this is not a solo mission and we are very excited to present such a strong lineup of interested partners, all leaders within their fields, including Autoliv. We are leveraging innovation and collaboration to address the climate crisis," says Thomas Ingenlath, Polestar CEO.

"It was clear from the start that this is not a solo mission and we are very excited to present such a strong lineup of interested partners."

THOMAS INGENLATH,
CEO POLESTAR



TCFD Disclosure

Autoliv sees the management of climate-related risks and opportunities as a key component of ensuring long-term business success. This disclosure, aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, aims to provide an overview of Autoliv's work.

For more information on GHG emissions, see page 55.

Governance

The Board of Directors is ultimately responsible for the oversight of sustainability-related matters, including climate change, and has delegated certain responsibilities to its committees. The Board of Directors and the Nominating and Corporate Governance Committee (NCGC) receive regular updates on climate-related matters and performance. In 2021, the Board of Directors endorsed Autoliv's long-term climate ambitions as well as the strategic direction for reaching the ambitions. Throughout 2022, the Board and NCGC received updates on our progress in the climate program as well as our plans for 2023.

The Executive Management Team (EMT) is responsible for implementation of sustainability-related matters, including climate change. The Sustainability Board, which consists of the CEO and several EMT members, has overall operational oversight of Autoliv's climate program. Other relevant company Boards consisting of members of management, such as the Industrial & Product Board, Innovation Board and Commercial Board, focus on specific climate program initiatives. Performance against climate-related targets is reviewed regularly by the EMT, divisional and other functional management teams and followed up in monthly business reviews. The underlying governance principle of the climate program is close integration into existing governance structures.

Supported by the VP Sustainability, the Executive Vice President HR & Sustainability, is ultimately responsible for the overall program definition and governance, and for ensuring implementation progress.

For more information about sustainability governance, see p. 36-37.

Strategy

Scenario analysis

During 2021, as part of the development of the updated climate strategy, we carried out our first climate scenario analysis. The analysis, which covered both transition and physical risks, was based on a 2°C (equivalent to RCP 4.5) scenario and a 3-4°C (equivalent to RCP 8.5) scenario. Transition risks were assessed on a 2030-2040 timeframe, while physical risks were assessed on a 2050 timeframe.

From a financial impact perspective, the most material transition risks identified were:

- the risk of a global decrease in overall vehicles sales
- increasing prices for raw materials with a large carbon footprint as a result of various carbon pricing mechanisms
- potential revenue loss if Autoliv fails to meet increasingly strict supplier requirements from OEMs who themselves have set strict GHG emissions reduction targets

The most material physical risks identified, generally connected to a 3-4°C scenario, were factors that would lead to production disruptions. These include wildfires, flooding and extreme heat. These risks were seen as particularly high in countries and regions such as the Southwest US, Mexico, India and China. These risks are also expected to impact suppliers and customers in these regions.

The most material opportunities identified pertained to building a strong position among climate-progressive OEMs including EV manufacturers as a supplier of low carbon components as well as realizing opportunities to increase operational energy and materials efficiency.

Strategy and business integration

Climate change is integrated into Autoliv's business strategy, which is cascaded through established steering mechanisms such as annual business planning and target setting.

To realize the key climate-related business opportunities, we are in the process of developing low-carbon product offerings and forming partnerships with customers to help them reduce the carbon footprint of their products. In addition, efforts to increase the energy and materials efficiency of our operations will support in reducing related OPEX. As part of our climate transition plan, we aim to further develop and use scenarios as a supporting tool in quantifying the financial impacts of climate-related risks and opportunities, including setting a price on carbon and other climate-related financial KPIs.

Autoliv's strategic plan was updated in 2022, covering the years 2023-2025. Climate is included as one of the focus areas in the strategic plan. During 2022, we also focused on integrating climate considerations into the company's strategic product planning process and other key processes, such as CAPEX decisions.

Risk management

In 2021, climate-related risks were identified and assessed as part of the scenario analysis. Going forward, they will be

integrated into the Enterprise Risk Management (ERM) process. For more information about ERM and management of sustainability risks, see page 36.

Transition risks are generally considered mitigated through continuous legal and market intelligence reviews, sales forecasting and stakeholder (e.g. customers and investors) engagement. Physical risks are generally considered mitigated through impact assessments before production sites are planned as well as ongoing business continuity management.

Metrics and targets

In addition to Autoliv's long-term ambitions and Science Based Targets, the climate strategy includes a number of more detailed KPIs and related targets. These cover the most important emissions reduction levers such as sourcing of low-carbon raw materials, low-carbon logistics and a transition towards renewable electricity use.

In 2022, GHG emissions from own operations (Scope 1+2) was added as a performance component to the long-term equity incentive program. The program covers around 300 participants, including the CEO and all EMT members.

Climate risk assessment		
Transition risks	Most material risks	Potential financial impacts
Policy and legal	Carbon pricing mechanisms leading to increasing prices for raw materials with a large carbon footprint	Increased OPEX
Technology	Decrease in overall vehicle sales	Loss of revenue
Market	Higher demand for renewable electricity and low-carbon raw materials	Increased OPEX
Reputational	Increasing stakeholder requirements or expectations on Autoliv to aggressively reduce GHG emissions in its own operations and/or supply chain	Loss of revenue, reduced access to capital
Physical risks		
Acute/short-term	Wildfires Extreme heat Flooding	Loss of revenue related to production disruptions
Chronic/long-term	Extreme heat Water stress	Costs related to the need of relocating production



Responsible Business

Ambitions:

- Proactively prevent corruption and other unethical business practices**
- Respect human rights**
- Manage supply chain sustainability risks**

Targets:

100%

in target group completed anti-corruption training
Continuous

2022 Outcome:
>95%

100%

in target group completed anti-trust training
Continuous

2022 Outcome:
99%

100%

in target group Code of Conduct certified
Continuous

2022 Outcome:
99%

100%

direct material suppliers sustainability audited
by 2022

2022 Outcome:
98%

100%

direct material suppliers respond to conflict minerals survey
Continuous

2022 Outcome:
89%

Our Responsible Business strategy

Responsible business is a fundamental element of Autoliv's sustainability framework. To recruit and retain the best talent and to build enduring relationships with our customers and suppliers, it is essential that Autoliv is known for the quality of its conduct as well as its products and services. Through our approach to responsible business, we work to continually strengthen how we:

- Proactively prevent corruption and other illegal or unethical business practices wherever we operate
- Respect human rights across our value chain
- Manage sustainability risks across our supply chain



Autoliv's Integrity Check

If you answer any of these questions with a “no” or “I’m not sure”, pause and seek additional guidance.



Compliance and Corporate Integrity

Saving Lives with Integrity: Our Code of Conduct

Our Code of Conduct is at the core of responsible business, guiding our specific compliance and integrity commitments as well as framing the Key Behaviors that run through everything we do.

The revised Code was launched in January 2022 and rolled out through leader-led discussions throughout the year. Over 600 leaders from different parts of the company conducted these sessions with their teams, allowing the teams to discuss the role of our Code, our Integrity Check, what we should expect from each other, and speaking up. To continue to embed the Code as a tool to both protect and enable Autoliv and our employees, the Code launch sessions were supplemented by team-based discussions focused on different aspects of our Code and responsible business approach. These discussions will continue during 2023 as a complement to our more formal e-learning program available to all employees.

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 and an acknowledgement that the leaders are aware of and promote the Code to their teams. At year end, 99% of target group employees had completed certification.

Anti-corruption

At Autoliv, we compete vigorously and effectively while always complying with applicable anti-corruption laws. We have zero tolerance for any form of corruption in our business dealings and expect the same standards from our business partners. We perform due diligence on all high-risk third-party relationships and apply risk-based controls to support our third parties in applying our anti-corruption commitments. We use a combination of face-to-face workshops and e-learning to maintain employees' anti-corruption awareness and knowledge for certain employees within functions with increased risk exposure. Anti-corruption training is mandatory for selected employees in functions with a high risk exposure. During 2022 we focused on revising our anti-corruption e-learning, which will be launched in 2023. Based on 2021 figures we estimate that over 95% of target group employees have completed anti-corruption training.

Antitrust

We will always thrive best in fair and open markets. Therefore, we rigorously follow all competition and antitrust laws that apply to our operations. We regularly offer training and communication about how we compete fairly. To provide further clarity regarding our Antitrust and Competition Policy, we provide antitrust “Dos and Don’ts” guidelines with practical guidance. In 2022, we developed a new Competition and Antitrust e-learning, to be rolled out to selected employees in functions with a high risk exposure in 2023. In addition to the e-learning, we developed facilitator-led trainings tailored to fit different target groups such as Sales.



Speak up.

Speaking Up @Autoliv:

“Any communication or discussion with the intent to bring positive change, show encouragement or highlight an issue for improvement”.

Speaking Up

The more colleagues feel safe to speak up within and across teams, the more ideas we will generate and the more problems we will catch early. This is why at Autoliv we have embraced a broad definition for speaking that covers *“any communication or discussion with the intent to bring positive change, show encouragement or highlight an issue for improvement”*.

To help ensure that our broad definition of Speaking Up is consistently referenced and promoted across workstreams and strategic initiatives, implementation of the Speak Up policy is the joint responsibility of several functions: Compliance & Corporate Integrity, Health & Safety, Quality, and HR.

Although we believe this broader definition will benefit our business in all aspects of speaking up, we make it clear that Autoliv employees are responsible for immediately reporting suspected or known violations of the Code of Conduct, the law or Autoliv’s policies. All employees are frequently informed of the multiple channels available for raising such issues. In most cases, this should be to their manager or a member of local management. When this is not possible (for any reason), colleagues in HR, the Legal Department, or Compliance Officers are always available, or the Autoliv Helpline can be used.

Awareness of Speak Up channels and confidence in speaking up without fear of retaliation is measured in the annual and quarterly employee surveys. 84% of employees who participated in the 2022 annual employee survey felt that they can raise or escalate problems without fear of negative consequences, up from 83% in 2021. While many teams report that they feel confident in speaking up, we know this sentiment is not yet universal in all parts of Autoliv. The Code of Conduct and Speak Up policy firmly state that no employee or third party should be adversely affected for reporting in good faith or for refusing to carry out a directive believed to constitute a violation of the Code or other Autoliv policies, laws, or regulations.

Autoliv Helpline

The Autoliv Helpline is a third-party operated reporting service available to all employees as well as third parties. Reports can be made anonymously (where allowed by law) and/or confidentially in the language of any country where Autoliv operates. All reports are investigated to determine whether there is any violation of the law, the Code or other Autoliv policies.

In 2022, a total of 318 reports were received by the Compliance team. Close to 90% were received via the Helpline reporting system (phone or online) and the other reports were raised internally, meaning reported directly to management, HR, Legal or Compliance teams. Of the reports received, 77% were opened for investigation. Of the investigations closed in 2022, 32% of the allegations or cases were substantiated or partially substantiated. Compared to previous years, 2022 saw an increase in the number of reports related to inappropriate behavior, labor issues and conflict of interest.

Data privacy

During 2022, we strengthened our internal communications on the importance of good data privacy habits and the duty of care we all have to protect personal data. Workshop training was carried out with leaders and managers and will continue during 2023. The data privacy team continued implementing the improvements identified through review and benchmarking of the program, as well as applicable legal requirements.

Tax policy

At Autoliv, tax planning is carried out in compliance with all relevant laws, disclosure requirements and regulations, while safeguarding shareholder interests and the Autoliv brand. All tax planning must be in line with Autoliv’s business purpose and no baseless organizational structure is permitted.



All Autoliv affiliates are required to pay all tax obligations and meet relevant payment deadlines, to fully comply with all relevant tax laws and accounting rules and regulations in the tax jurisdictions in which the business operates, and to be open and transparent with tax authorities about their tax liability. Where disputes arise, Autoliv will proactively seek to work cooperatively with full transparency.

Human rights

Human rights are an integral part of Autoliv's sustainability agenda and cut across all sustainability focus areas. We are committed to respecting the UN Universal Declaration of Human Rights. Key human rights commitments include:

- Our products save lives, and we need to ensure the quality and safety of our products as they never get a second chance
- We are committed to offering a safe and inclusive workplace and respecting all other labor rights
- Our climate agenda contributes to limiting global warming to 1.5°C, thereby mitigating the most severe impacts on societies
- Our supply chain sustainability risk management processes consider human rights risks and impacts

Human rights commitments are included in our Code of Conduct and our Supplier Code. These Codes are supported by topic-specific policies that cover human rights, such as our Health & Safety Policy, Respect in the Workplace Policy and Conflict Minerals Policy. Implementation of our commitments is ensured through management attention, management systems, standards, risk assessments, other tools and training. During 2023, we aim to further develop our human rights due diligence processes.

Human rights are also a cross-cutting theme in our community engagement activities. One such example is our and other large Swedish companies' long-standing collaboration with the NGO Pratham to ensure effective education for 30,000 children in Assam in India.

Labor rights

Autoliv is committed to offering fair terms and conditions of employment. These commitments extend across our supply chain. Our talent development strategies and employment policies support the International Labour Organization's Fundamental Principles and Labor Standards. We are committed to:

- Providing fair and equitable wages, working hours, benefits and other conditions of employment in accordance with applicable laws
- Recognizing and respecting employees' right to freedom of association and collective bargaining
- Providing decent working conditions
- Prohibiting child, forced and bonded labor
- Promoting a safe workplace free from any form of discrimination or harassment

Autoliv is committed to engaging in open and transparent dialog with all employees and where applicable with representatives of organized labor groups and unions. We recognize and respect employees' rights to freedom of association and collective bargaining. In the majority of the countries where we operate, all or part of our workforce is covered by a collective bargaining agreement. In addition, we have a number of different mechanisms through which employees can bring up topics with management. These include Autoliv's Speak Up channels (including the Autoliv Helpline), an employee suggestion program, local health and safety committees,



and operational committees. The major unions representing Autoliv employees in different regions are disclosed as part of the 10-K filed with the SEC.

Supply Chain Sustainability

Our ambition and approach

Through responsible sourcing practices and supplier collaboration, Autoliv aims to create positive social and environmental value across our supply chain. We expect suppliers and third parties to enact the same standards and processes as we do when it comes to managing key impacts and risks such as greenhouse gas emissions, labor rights, and anti-corruption.

To manage our global supply chain in a responsible manner, we focus on integrating sustainability into relevant supply chain management processes. Suppliers are monitored in a live risk tool covering such factors as natural disasters, financial status, reputation, cybersecurity risks, and responsible sourcing practices. Autoliv's lead buyers are updated regularly with information related to their suppliers, allowing them to take immediate action when necessary.

While our main focus is on direct material suppliers, during 2022 we continued to expand the scope of our supply chain sustainability risk management to indirect suppliers as well as strengthened our third-party compliance due diligence processes. A revised supplier escalation model was integrated including protocols and timing for the appropriate escalation of potential supply chain risks. Our ap-

proach is to work with suppliers, to the extent possible, to resolve issues before determining to potentially phase out the supplier.

Further information related to supply chain risks is available in the 10-K filed with the SEC.

Supplier Code and Supplier Manual

We expect our suppliers to comply with the laws and regulations in the areas where they operate and to follow Autoliv's policies and procedures, including our Standards of Business Conduct and Ethics for Suppliers (Supplier Code). In situations where an Autoliv requirement may be in conflict with local laws or regulations, we expect our suppliers to follow the most stringent requirements.

The Supplier Code conveys our expectation that suppliers will uphold our social, ethical and environmental standards in conducting their businesses in areas including human rights and working conditions, environmental protection, and business conduct and ethics. 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 the ASM as part of our general terms and conditions and by signing a separate acknowledgement letter for the 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. In 2022, the Autoliv Supplier Code was substantially revised with strengthened requirements in particular related to conflict minerals and environmental impacts.

Supplier audits

Autoliv has dedicated teams responsible for the quality management of our supply base, including mandatory steps such as pre-qualification audits for new direct material suppliers. Sustainability criteria are included as a module in these pre-qualification audits and must be met before becoming an Autoliv supplier. 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.

At year-end, 98% (81% in 2021) of active direct material suppliers within audit scope had undergone a sustainability audit. Carrying out on-site audits remained a challenge due to COVID-19 restrictions that prevented physical visits at some suppliers. In these cases, remote audits were carried out according to Automotive Industry Action Group (AIAG) guidelines. We continued to develop our 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

Pursuant to SEC rules, conflict minerals include certain minerals (tin, tantalum, tungsten and/or gold) that originated in the Democratic Republic of Congo or an adjoining country and are sold to benefit groups financing armed conflicts in those regions. We recognize the need to end the illegal extraction and trade of natural resources, and the human rights violations, conflicts and environmental degradation that result from this trade. Our Conflict Minerals Policy provides further clarification regarding conflict minerals, and its principles are incorporated into our Supplier Manual.

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. In order to comply with the SEC's conflict minerals rules and regulations and to ensure responsible sourcing of components, parts or products containing conflict minerals, we continuously review our supply chain and work with our suppliers to identify and improve the traceability of potential conflict minerals. We support industry initiatives, such as the Responsible Minerals Initiative (RMI), and utilize external expert guidance to validate that the metals used in our products do not contribute to conflicts and come from sustainable sources. In cases where we find potential risks and conflicts with smelters identified within our supply chain, we take immediate action to mitigate the potential risks. In some cases, this means to discontinue sourcing from suppliers that are in violation of our requirements to ensure sourcing from designated RMI Active or conformant suppliers.

To ensure our understanding of the potential use of conflict minerals, we have implemented an annual conflict minerals campaign covering our direct material suppliers. The scope of the annual campaign includes all direct material suppliers that have conducted business with us during the current calendar year and have listed gold, tin, tantalum, or tungsten ("3TG") in their Bill of Materials. This information is extracted from the automotive industry standard reporting platform IMDS. The response rate to the latest completed campaign was 89%. Most non-responding suppliers were customer-directed suppliers. We are working with these customers to mitigate this issue for future conflict minerals campaigns. We publish an annual report on our conflict minerals campaign on our website.

During the year, we also strengthened our processes related to working together with suppliers to better trace cobalt and mica used in components supplied to us.





Sustainability Appendix

Pages 32-53 and 61-64 comprise Autoliv's Sustainability Report 2022. Unless otherwise stated, this report covers Autoliv Inc. and all companies over which Autoliv Inc. directly or indirectly exercises control, which as a general rule means that the company owns more than 50% of the voting rights (operational control approach). With respect to environmental data from joint ventures, the equity share approach has been applied.

GHG emissions accounting

The GHG Protocol Corporate Accounting and Reporting Standard has been applied to greenhouse gas (GHG) emissions accounting and reporting. Scope 1 emissions have been calculated using EPA (energy fuels) and IPCC (fugitive emissions) emission factors. Autoliv's primary scope 2 GHG accounting approach is market-based. Market-based emissions are generally based on emissions factors provided by electricity providers. Where such factors are not available, location-based factors has been used. All location-based scope 2 emissions are calculated using IEA emission factors. For more information about scope 3 modelling and emission factors, see p. 42-43.

Changes and restatements

In 2022, there were no material changes in reporting scope. Minor corrections to data, scope or definitions may have resulted in small changes to previously reported numbers.

External reporting guidelines

We consider our Sustainability Report aligned with the EU Non-Financial Reporting Directive. The Appendix includes

references to the SASB Auto Parts Sustainability Accounting Standard. In addition, TR-AP-520a 1 is reported under the "Contingent liabilities" footnote to the financial statements contained in Autoliv's periodic reports (10-Q and 10-K) filed with the SEC. We have used the GRI Standards to inform our reporting, and relevant references to these standards are included in the Appendix. This report is not prepared in accordance with the GRI standard. The Sustainability Report is not subject to external assurance.

Autoliv does not consider its economic activities as taxonomy eligible. We participate actively in the work of the European automotive supplier industry association CLEPA to develop a common position regarding taxonomy eligibility and useful taxonomy alignment guidance.

Communication on Progress

In addition, this Sustainability Report serves as Autoliv's Communication on Progress related to the UN Global Compact. The following sections demonstrate our commitment to implementing the Global Compact principles:

- Road Safety - a Global Challenge: Principle 1
- A Safe and Inclusive Workplace: Principle 6
- Climate Action: Principles 7-9
- Responsible Business: Principles 1-6, 10

Saving More Lives

Targets & Metrics	2022	2021	2020	Comments
100,000 lives saved per year	Close to 35,000			We estimate that in addition to lives saved, more than 450,000 injuries are reduced annually.
Share of global recalls (%) ¹	~2%	~2%	~2%	The share is calculated as a ten year rolling average based on information from national official databases.

1) SASB TR-AP-250a.1.

A Safe and Inclusive Workplace

Targets & Metrics	2022	2021	2020	Comments
Health and Safety¹				
0.35 Incident Rate by 2023	0.32	0.41	0.49	Number of reportable injuries, i.e. injuries that require treatment beyond first aid or results in one or more days of lost time, per 200,000 employee hours of exposure.
3.80 Severity Rate by 2023	3.31	5.84	5.16	Total days away from work due to a work-related reportable injury and/or illness per 200,000 employee hours of exposure.
Work-related fatalities	2	1	0	The fatalities in 2022 were related to an employee involving material handling, and an on-site construction contractor. The incidents were closely investigated, related guidelines were revised and appropriate actions were taken.
Share of production sites ISO 45001 certified (%)	71%	Not available	Not available	Comparable numbers for 2021 and 2020 are not available.

1) GRI 403: Occupational Health and Safety

Inclusion

95% of senior and mid-level management trained in unconscious bias by 2023	52% trained	42% trained	Not applicable	Training started in 2021.
Year-on-year improvement in Employee experience. Continuous				Results from the annual employee survey.
- Authenticity	80	80	77	
- Perceived fairness	73	73	71	
22% women in senior management by 2023	18%	17%	22%	Senior management consists of around 110 employees. The significant decrease in 2021 compared to 2020 was caused by senior management being extended to also include some plant managers, a group that is predominantly male.
Share of women in the workforce (%)	49%	47%	47%	
Share of women in the Executive Management Team (%)	0%	8%	8%	

Climate Action

Targets & Metrics	2022	2021	2020	Comments
Carbon neutrality in own operations by 2030	430 kton CO ₂ e	435 kton CO ₂ e	411 kton CO ₂ e	Includes Scope 1+2 market-based emissions.
12% reduction in energy intensity by 2023	5% above baseline	10% above baseline	11% above baseline	Baseline 2018. Internal measurement based on parts delivered.
Year-on-year reduction in waste Continuous	8% increase	3% increase	9% decrease	
GHG Emissions¹				
GHG emissions intensity	48.6	56.2	57.5	Ton CO ₂ e per million USD sales (FX adjusted).
Direct (scope 1) GHG emissions (kton CO ₂ e)	102	103	98	In 2022, the main source of Scope 1 emissions was natural gas at 51%. 40% of Scope 1 emissions were fugitive emissions.
Indirect (scope 2) GHG emissions (kton CO ₂ e)				In 2022, 95% of Scope 2 market-based emissions came from electricity.
- Market-based	328	331	313	
- Location-based	276	285	268	
Upstream Scope 3 emissions (kton CO ₂ e)				For more information on scope 3 modelling and target scope, see p. 42-43. 2022 emissions are based on 2018 numbers and adjusted for a number of factors such as change in production, estimated recycled content, and logistics volumes and modes. More information is available in our CDP response.
- Purchased goods and services (category 1)	3,000 (2,720 2018)			
- Upstream transportation (category 4)	510 (450 2018)			
- Other upstream (categories 2, 3, 5, 6, 7, 8)	190 (230 2018)			
Total	3,700 (3,400 2018)			

1) GRI 305: Emissions

Energy¹

Energy intensity	111.7	120.6	123.1	MWh per million USD sales (FX adjusted).
Energy use (GWh)				In 2022, around 9% of total energy consumption and 13% of total electricity consumption was renewable.
- Direct	298	290	272	
- Indirect	690	642	608	
Total	988	932	880	

1) SASB TR-AP-130a 1.; GRI 302: Energy

Waste¹

Waste (kton)	100	93	90	
Share of waste by type (%)				
- Non-hazardous	89%	89%	90%	
- Hazardous	11%	11%	10%	
Share of waste by treatment (%)				
- Reuse, recycling, energy recovery	90%	89%	88%	
- Landfill	10%	11%	12%	

1) SASB TR-AP-150a 1.; GRI 306: Energy

Other

Water use (m ³) ¹	2,360,000	2,310,000	2,180,000	
Share of production sites ISO 14001 certified (%)	97%	89%	88%	
Number of significant spills, and related fines	0	0	0	A significant spill is defined as having a financial impact of USD 100,000 or more.

1) GRI 303: Water and Effluents

Responsible Business

Targets & Metrics	2022	2021	2020	Comments
Business Ethics				
100% in target group completed anti-corruption training Continuous^A	>95%	99%	96%	Target group is based on the risk exposure of certain employee groups. Based on 2021 figures we estimate that over 95% of target group employees have completed anti-corruption training by end of 2022.
100% in target group completed antitrust training Continuous	99%	96%	97%	Target group is based on the risk exposure of certain employee groups.
100% in target group Code of Conduct certified Continuous	99%	99%	99%	Target group is employees in a leadership role.
Supply Chain Sustainability				
100% direct material suppliers sustainability audited Continuous^A	98%	81%	49%	Percentage is based on active direct material suppliers within audit scope who have undergone a sustainability audit.
100% direct material suppliers respond to conflict minerals survey Continuous	89%	99%	100%	
Compliance Speak Up				
Number of Compliance Speak Up reports	318	284	301	Other channels include internal reports directly to management, HR, the Legal or Compliance teams.
– Reported through Autoliv Helpline (%)	89%	88%	85%	
– Reported through other channels (%)	11%	12%	15%	
Compliance Speak Up reports per 100 employees	0.46	0.47	0.44	
Labor Rights				
Share of employees covered by collective bargaining agreements (%) ^C	~50%	~50%	~50%	2020 figure estimated based on 2021 data. Around 80% of the countries where Autoliv has employees have collective bargaining agreements.

A) GRI 205: Anti-corruption

B) GRI 308: Supplier Environmental Assessment; GRI 414: Supplier Social Assessment

C) GRI 2-30: Collective bargaining agreements