

## **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 2018 financial year.

Autoliv is the world's largest automotive safety supplier, with sales to all leading car manufacturers in the world. We have close to 67,000 associates in 27 countries. Guided by our vision of Saving More Lives, our products save over 30,000 lives and prevent ten times as many severe injuries each year. We develop, manufacture and market protective systems such as airbags, seatbelts, steering wheels and pedestrian protection systems for the vehicles of today and tomorrow.

### **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 values, 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 Standard"). 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 Standard 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 Standard 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**

Annually, all employees at the managerial level and higher submit Code of Conduct certifications electronically in our compliance system. The certification requires the disclosure of known violations of the Code of Conduct as well as other matters that may present actual or apparent compliance concerns. Our training courses related to the Code of Conduct support employees in understanding company expectations and policies.

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 of Conduct is included in the Autoliv Supplier Manual (ASM). All suppliers need 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 material suppliers, a reference to the Supplier Code of Conduct is included in the general terms and conditions attached to purchasing orders.

Autoliv has a global team dedicated to the quality management of our supply base. Our Supplier Quality Department and Purchasing Department work closely together, including such mandatory steps as the qualification of a new direct material supplier or new supplier site and pre-qualification audits. Once a direct material supplier has been approved, we have a three-year audit cycle for the process audit. 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. Sustainability criteria are included as one module in the direct material supplier quality audits.

In 2018, we formalized the following targets for supply chain sustainability:

- 100% of new direct material suppliers sustainability audited on continuous basis
- 100% of all direct material supplier's sustainability audited by 2021
- 95% of our direct material suppliers to respond to conflict minerals survey by 2022

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. During 2018, all new direct material suppliers were audited, and we conducted a total of 158 sustainability audits, which included both new supplier qualification audits as well as regular audits of existing suppliers. The response rate to the latest (2017) direct material supplier conflict minerals survey was 85%.

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



Mikael Bratt,  
President and CEO  
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