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Autoliv AB

556036-1981

Årsredovisning

för räkenskapsåret 2022-01-01 - 2022-12-31

Styrelsen och verkställande direktören för Autoliv AB avger härmed följande årsredovisning.

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Styrelsens säte: Stockholm
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i miljontals kronor (MSEK).

Fastställelseintyg
Undertecknad styrelseledamot i AUTOLIV **AB intygar härmed,**
dels att denna kopia av årsredovisningen överensstämmer med originalet,
dels att resultaträkningen och balansräkningen fastställts på ordinarie årsstämma den 30 juni 2023
Årsstämman beslöt att godkänna styrelsens förslag till vinstdisposition.

Stockholm den

Pär-Ola Wirenlind
VD

Autoliv AB

556036-1981

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Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inte annat anges, i miljontals kronor (MSEK).

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Förvaltningsberättelse

Styrelsen och den verkställande direktören för Autoliv Aktiebolag, organistationsnummer 556036-1981, avger härmed årsredovisning för verksamhetsåret 2022.

Information om verksamheten

Autoliv AB är ett aktiebolag registrerat i Sverige med säte i Stockholm. Företagets adress är Klarabergsviadukten 70, World Trade Center, Stockholm.

Autoliv AB är ett dotterföretag till Autoliv, Inc., Delaware, USA. Aktierna i Autoliv, Inc. är noterade på New York Stock Exchange (NYSE), dess svenska depåbevis är noterade på Nasdaq Stockholm.

Autoliv AB har till föremål för sin verksamhet att - direkt eller genom hel- eller delägda företag - utveckla, tillverka och försälja bilbälten, krockkuddar och annan utrustning för personsäkerhet i bilar, att äga och förvalta fast och lös egendom samt bedriva annan därmed förenlig verksamhet. Verksamheten bedrivs i de flesta större bilproducerande länder med undantag för USA, Mexico och Japan där Autoliv, Inc.-koncernens andra dotterbolag Autoliv ASP, Inc. ansvarar för affärsaktiviteterna.

För ytterligare information om Autoliv hänvisas till Autoliv, Inc.'s årsredovisning (10-K) som finns tillgänglig på www.autoliv.com

Autoliv AB bedriver ingen forskning- och utvecklingsverksamhet och har heller ingen egen försäljning till externa kunder utanför Autoliv Inc. koncernen. Forskning och utveckling bedrivs av dotterbolag till Autoliv AB. Den interna omsättningen uppgick under året till 1877 MSEK (1 591 MSEK). Bolagets resultat före skatt uppgick till 3 382 MSEK (4 856 MSEK) och årets resultat till 3151 MSEK (4 546 MSEK).

För uppgifter om anställda, personalkostnader och arvoden till styrelsen, se not 5.

Autoliv AB har ett aktiekapital om 550 000 000 SEK, antalet aktier uppgår till 55 000 000, således blir kvotvärdet 10.
Autoliv Inc äger 54 999 999 aktier.

Hållbarhetsrapport

Hållbarhetsrapport (Sustainability report) för koncernen är upprättad av Autoliv Inc, 51-0378542, Delaware, USA och finns på Autoliv Inc:s hemsida, www.autoliv.com.

Väsentliga händelser under året

COVID -19 pandemin fortsatte att prägla även 2022 och dess konsekvenser med störningar i leveranskedjorna som ytterligare förstärktes av kriget i Ukraina har i allt väsentligt varit bolagets fokus under året, samt att hantera de generella kostnadsökningarna som följt.

Autoliv AB har under 2022 skrivit ned värdet i Autoliv Tunisie Zriba Legal vilket resulterat i en negativ resultateffekt om 71 MSEK.

Förväntad framtida utveckling samt risker och osäkerhetsfaktorer

Företaget kommer att fortsätta med samma verksamhet under kommande verksamhetsår.

COVID-19-pandemin och kriget i Ukraina har påverkat bilindustrin och kundprojekten under 2022 och fortsätter även i inledningen av 2023. Autoliv AB:s dotterbolag navigerar efter samma utmaningar som övriga bolag inom bilindustrin står inför när det gäller att hantera och förutspå inverkan som dessa omvärldsfaktorer har.
Även under början på 2023 ser vi kundanläggningar stängas på grund av brist på komponenter men även på grund av nedstängningar

Autoliv AB:s ledning fortsätter att stödja de åtgärder som koncernledningen för Autoliv vidtar beträffande dotterbolaget och dess verksamhet för att hantera de utmananingar som pandemin och kriget i Ukraina medför.

Flerårsöversikt	**2022**	**2021**	**2020**	**2019**
Nettoomsättning (MSEK)	1 877	1 594	1 363	1 249
Resultat efter finansiella poster (MSEK)	3 417	4 798	2 557	2 176
Rörelsemarginal (%)	4,7%	0,8%	2,1%	-6,0%
Avkastning på eget kapital (%)	70,7%	79,2%	42,7%	62,7%
Balansomslutning (MSEK)	22 051	21 358	21 190	12 016
Soliditet (%)	21,7%	28,7%	28,2%	28,9%
Antal anställda	102	86	73	69

Förslag till resultatdisposition

Styrelsen föreslår att till förfogande stående medel

Balanserat resultat	338 156 500
Årets resultat	3 150 970 000
	3 489 126 500

disponeras så att

Utdelning till aktieägare	3 400 000 000
i ny räkning överföres	89 126 500

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Resultaträkning

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Nettoomsättning	2	1 877	1 594
Bruttoresultat		**1 877**	**1 594**
Försäljnings- och administrationskostnader	4,5	-1 789	-1 582
Rörelseresultat		**88**	**12**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	7	3 309	4 849
Resultat från andelar i intresseföretag och gemensamt styrda företag	8	23	-
Ränteintäkter och liknande resultatposter	9	170	66
Räntekostnader och liknande resultatposter	10	-173	-129
		3 329	**4 786**
Resultat efter finansiella poster		**3 417**	**4 798**
Bokslutsdispositioner	11	-35	58
Resultat före skatt		**3 382**	**4 856**
Skatt på årets resultat	12	-230	-310
Årets resultat		**3 151**	**4 546**

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Balansräkning

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier och övriga anläggningstillgångar	13	28	25
		28	**25**
Finansiella anläggningstillgångar			
Andelar i koncernföretag	14, 15	10 143	9 377
Andelar i intresseföretag och gemensamt styrda företag	16	26	26
Uppskjuten skattefordran	17	35	42
Andra långfristiga fordringar	18	123	125
		10 328	**9 570**
Summa anläggningstillgångar		**10 355**	**9 595**
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		0	1
Fordringar hos koncernföretag		8 459	5 855
Aktuell skattefordran		13	16
Övriga fordringar		47	25
Derivat instrument	25	103	78
Förutbetalda kostnader och upplupna intäkter	19	155	172
		8 776	**6 147**
Kortfristiga placeringar			
Kassa och bank	23	2 920	5 616
Summa omsättningstillgångar		**11 696**	**11 763**
SUMMA TILLGÅNGAR		**22 051**	**21 358**

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Balansräkning

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	20	550	550
Andra fonder		744	744
		1 294	**1 294**
Fritt eget kapital			
Balanserad vinst	27	338	292
Årets resultat	27	3 151	4 546
		3 489	**4 838**
Summa eget kapital		**4 783**	**6 132**
Avsättningar			
Avsättningar till pensioner	21	0	4
Övrig pensionsavsättning	21	127	164
		127	**168**
Långfristiga skulder			
Skulder till kreditinstitut	24	3 000	2 999
		3 000	**2 999**
Kortfristiga skulder			
Skulder till kreditinstitut		181	3 000
Leverantörsskulder		120	97
Skulder till koncernföretag		13 268	8 679
Aktuella skatteskulder		4	4
Derivat instrument	25	151	48
Övriga skulder		3	5
Upplupna kostnader och förutbetalda intäkter	22	414	226
		14 141	**12 059**
SUMMA EGET KAPITAL OCH SKULDER		**22 051**	**21 358**

Rapport över förändringar i eget kapital

	Bundet eget kapital		*Fritt eget kapital*	
	Aktie-kapital	Andra fonder	Balanserad vinst	Summa eget kapital
Ingående balans 2021-01-01	550	744	292	1 586
Årets resultat	0	0	4 546	4 546
Utgående balans 2021-12-31	**550**	**744**	**4 838**	**6 132**
Lämnad utdelning	0	0	-4 500	-4 500
Årets resultat	0	0	3 151	3 151
Utgående balans 2022-12-31	**550**	**744**	**3 489**	**4 783**

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Kassaflödesanalys

	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Den löpande verksamheten			
Rörelseresultat		88	12
Justeringar för poster som inte ingår i kassaflödet m.m.			
Avskrivningar och nedskrivningar		76	21
Avsättningar för pensioner		-41	4
		123	**37**
Utdelningar		3 331	4 997
Erhållen ränta		170	66
Erlagd ränta		-172	-129
Betald skatt		-220	-306
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**3 232**	**4 665**
Förändringar i rörelsekapital			
Förändring av rörelsefordringar		-2 633	-306
Förändring av rörelseskulder		4 901	20
Kassaflöde från den löpande verksamheten		**5 500**	**4 379**
Investeringsverksamheten			
Förändring i långfristiga fordringar		2	-2
Förändring i koncernintern finansiering		0	6
Förvärv av materiella anläggningstillgångar		-8	-17
Kassaflöde från investeringsverksamheten		**-6**	**-13**
Finansieringsverksamheten			
Utbetald utdelning		-4 500	-4 400
Aktieägartillskott/ Bokslutsdisposition		-872	-228
Amortering av lån		-2 819	-
Förändring av företagscertifikat		-	-
Kassaflöde från finansieringsverksamheten		**-8 191**	**-4 628**
Årets kassaflöde		**-2 696**	**-262**
Likvida medel vid årets början		**5 616**	**5 878**
Kursdifferens i likvida medel		**0**	**0**
Likvida medel vid årets slut	23	**2 920**	**5 616**

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Noter

Not 1 Redovisningsprinciper m.m.

Allmänna redovisningsprinciper
Årsredovisningen har upprättats enligt Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3)

Koncerntillhörighet
Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är Autoliv, Inc. med säte i Delaware, USA. Tillgång till Autoliv, Inc's koncernredovisning finns på SEC's hemsida sec.gov eller på Autoliv, Inc's hemsida autoliv.com.

Koncernredovisning
Företaget är ett moderföretag men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap. 2 § (moderföretag som är dotterföretag).

Intäktsredovisning
Utförda tjänster
Intäkter värderas till det verkliga värdet av vad som erhållits eller kommer att erhållas, och motsvarar de belopp som erhålls för utförda tjänster efter avdrag för rabatter, returer och mervärdesskatt.

Ränta och utdelning
Ersättning i form av ränta eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Låneutgifter
De låneutgifter som uppkommer då företaget lånar kapital kostnadsförs i resultaträkningen i den period de uppstår.

Företaget som leasetagare
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

Ersättningar till anställda
Ersättningar till anställda i form av löner, betald semester, betald sjukfrånvaro m.m. samt pensioner redovisas i takt med intjänandet.

I företaget finns såväl avgiftsbestämda som förmånsbestämda pensionsplaner. Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen. Företagets övriga planer klassificeras som förmånsbestämda och beräknas enligt Tryggandelagen och redovisas i enlighet med förenklingsreglerna i BFNAR 2012:1.

Omräkning av poster i utländsk valuta
Transaktioner i utländsk valuta omräknas, när de tas in i redovisningen, till den funktionella valutan svenska kronor enligt transaktionsdagens valutakurs. Monetära tillgångar och skulder i utländsk valuta omräknas på varje balansdag enligt balansdagskursen. Kursdifferenser som uppkommer på rörelsefordringar och rörelseskulder redovisas via rörelseresultatet och kursdifferenser avseende finansiella tillgångar och finansiella skulder redovisas via finansnettot.

Aktieägartillskott och koncernbidrag

Aktieägartillskott förs direkt mot eget kapital hos mottagaren och redovisas mot aktier och andelar hos givaren, i den mån nedskrivning ej erfordras.

Skatt
Periodens skattekostnad omfattar aktuell skatt beräknad på periodens skattemässiga resultat enligt gällande skattesatser. Den aktuella skattekostnaden justeras med förändringar i uppskjutna skattefordringar och -skulder som hänför sig till temporära skillnader och outnyttjade underskott.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån beslutad skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

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Anläggningstillgångar
Materiella och immateriella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och eventuella nedskrivningar.

Avskrivningsbart belopp utgörs av anskaffningsvärdet minskat med ett beräknat restvärde om detta är väsentligt. Avskrivning sker linjärt över den förväntade nyttjandeperioden.

Följande avskrivningstider tillämpas:
Inventarier och övriga anläggningstillgångar 3-5 år

Finansiella instrument
Autoliv AB agerar internbank inom Autolivkoncernen detta innebär att bolaget lånar in och ut i olika valutor därmed uppstår valutarisk som säkras genom att bolaget ingår valutaterminsavtal med banker.

Bolaget redovisar och värderar finansiella instrument till verkligt värde. Kundfordringar och övriga kortfristiga fordringar redovisas till det lägsta av anskaffningsvärde och det belopp varmed de beräknas bli reglerade det vill säga med avdrag för befarade förluster. Leverantörsskulder och övriga kortfristiga skulder redovisas till det belopp varmed de förväntas regleras. Långfristiga fordringar och långfristiga skulder värderas efter första redovisningen till upplupet anskaffningsvärde.

Övriga avsättningar
Avsättningar för rättsliga anspråk, garantier och återställandeåtgärder redovisas när Autoliv har ett åtagande, legalt eller informellt, som en följd av inträffade händelser. Det måste också anses troligt att ett utflöde av resurser kommer att krävas för att reglera åtagandet samt att beloppet kan uppskattas på ett tillförlitligt sätt. Inga avsättningar görs för framtida rörelseförluster.

Aktierelaterade ersättningar
Utvalda ledande befattningshavare och vissa andra nyckelpersoner i bolaget erhåller aktierelaterade ersättningar i form av Restricted Stock Units (RSUs) och Performance Share Units (PSUs). Varje RSU och PSU innebär ett löfte att överlåta en aktie i moderbolaget Autoliv, Inc. till den anställde efter tre års oavbruten anställning eller vid pensionering. För PSU kommer det slutliga antalet aktier som överlåts vara beroende på uppfyllandet av vissa på förhand uppsatta mål. Antalet aktier från PSU som slutligen överlåts kan variera mellan 0% och 200% av det ursprungliga löftet. Det verkliga värdet på tilldelade aktierelaterade instrument vid utställandetidpunkten kostnadsförs linjärt under intjänandeperioden.

Uppskattningar och bedömningar
Bolagets verksamhet är av en sådan karaktär att styrelsen bedömning är att det inte finns några uppskattningar eller bedömningar som har en betydande effekt på redovisade belopp i årsredovisningen:

Not 2 Nettoomsättningens fördelning

Nettoomsättningen fördelar sig på geografiska marknader enligt följande:

	2022	2021
Sverige	207	190
Övriga Europa	314	320
Nordamerika	956	761
Kina	214	158
Övriga marknader	185	165
	1 877	**1 594**

Not 3 Arvode till revisorer

	2022	2021
Ernst & Young		
Revisionsuppdraget	-2	-1
	-2	-1

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Not 4 Leasingavtal - leasetagare

Operationell leasing

	2022	2021
Kostnadsförda leasingavgifter avseende operationella leasingavtal	-20	-16
Framtida minimileaseavgifter avseende ej uppsägningsbara operationella leasingavtal		
Ska betalas inom 1 år	18	17
Ska betalas senare än 1år men inom 5 år	0	18
	18	35

Företaget har ingått följande väsentliga leasingavtal vilka redovisas som operationella leasingavtal:

Avgifter för operationella leasingavtal utgörs till övervägande del av hyra som bolaget betalar för sin verksamhetslokal. Av årets leasingkostnad avser 16 MSEK (14MSEK) hyra av verksamhetslokal. Avtalet löper till 2023-12-31.

Not 5 Anställda och personalkostnader

Medelantalet anställda

	2022	2021
Män	64	51
Kvinnor	38	35
	102	86

Löner och andra ersättningar

	2022	2021
Styrelse och verkställande direktör	-31	-29
Övriga anställda	-164	-179
	-195	-208
Tantiem till styrelse och verkställande direktör ingår med	-14	-12

Pensions- och övriga sociala kostnader

Pensionskostnader för styrelse och verkställande direktör	-8	-7
Pensionskostnader för övriga anställda	-35	-33
Övriga sociala kostnader enligt lag och avtal	-76	-67
	-119	-107

Könsfördelning bland ledande befattningshavare

Andel kvinnor i styrelsen	17%	17%
Andel män i styrelsen	83%	83%

Not 6 Inköp och försäljning mellan koncernföretag

	2022	2021
Inköp som skett från andra företag inom koncernen	-846	-711
Försäljning som skett till andra företag inom koncernen	1 877	1 591

Not 7 Resultat från andelar i koncernföretag

	2022	2021
Erhållna utdelningar	3 380	4 998
Nedskrivningar	-72	-148
Likvidation av bolag	0	-1
	3 309	4 849

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Not 8 Resultat från andelar i intresseföretag och gemensamt styrda företag

	2022	2021
Erhållna utdelningar	23	0
	23	**0**

Not 9 Ränteintäkter och liknande resultatposter

	2022	2021
Ränteintäkter från koncernföretag	115	63
Övriga ränteintäkter	26	3
Valutakursvinster	28	0
	170	**66**

Not 10 Räntekostnader och liknande resultatposter

	2022	2021
Räntekostnader till koncernföretag	-120	-31
Övriga räntekostnader	-53	-76
Valutakursförluster	0	-22
	-173	**-129**

Not 11 Bokslutsdispositioner

	2022	2021
Koncernbidrag	-35	58
	-35	**58**

Not 12 Skatt på årets resultat

	2022	2021
Aktuell skatt	230	310
Justering avseende tidigare år	0	0
Förändring av uppskjuten skatt avseende temporära skillnader	0	0
Summa redovisad skatt	**230**	**310**
Genomsnittlig effektiv skattesats	**6,8%**	**6,4%**
Avstämning av effektiv skattesats		
Redovisat resultat före skatt	**3 382**	**4 856**
Skatt på redovisat resultat enligt gällande skattesats (20,6 %):	697	1 000
Skatteeffekt av:		
Ej avdragsgill nedskrivning	15	31
Övriga ej avdragsgilla kostnader	4	11
Ej skattepliktiga intäkter	-701	-1 029
Utländskt källskatt	220	301
Övriga skatteeffekter	-4	-4
Redovisad skatt	**230**	**310**
Effektiv skattesats	6,8%	6,4%

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Not 13 Inventarier och övriga anläggningstillgångar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	221	204
Årets anskaffningar	8	17
Utgående ackumulerade anskaffningsvärden	**229**	**221**
Ingående avskrivningar	-196	-175
Årets avskrivningar	-5	-21
Utgående ackumulerade avskrivningar	**-201**	**-196**
Utgående redovisat värde	**28**	**25**

Not 14 Andelar i koncernföretag

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	9 377	9 245
Aktieägartillskott	837	286
Nedskrivnigar	-71	-148
Likvidation	0	-6
Utgående ackumulerade anskaffningsvärden	**10 143**	**9 377**
Utgående redovisat värde	**10 143**	**9 377**

Not 15 Specifikation av andelar i koncernföretag

	% 1)	Antal Andelar	Bokfört värde
Autoliv Sverige AB, 556080-7173, Vårgårda	100	2 400	355
Autoliv Beteiligungsgesellschaft Gmbh, HRB 2456 EL, Tyskland	100	100	2 889
Autoliv BV & Co KG, HRA 1559 EL, Tyskland	94	0	0
Autoliv Romania SRL., J0811561997, Rumänien	99	1	0
Autoliv Autosicherheitstechnik BV., 17171670, Holland	100	100	15
Autoliv BV & Co KG, HRA 1559 EL, Tyskland	6	0	0
Autoliv East Europe AB, 556047-6359, Stockholm	100	1 000	5
Autoliv Romania SRL., J0811561997, Rumänien	0	1	0
Autoliv Kft, 08-09-001660, Ungern	100	67	50
Autoliv Tunisie Zriba, B133922001, Tunisien	100	0	0
Autoliv Corporation, 007460, Sydkorea	65	20 000	621
Autoliv U.K. Holding Ltd., 0368664, Storbritannien	100	18 341 196	471
Autoliv Spring Dynamics Ltd., 898822, Storbritannien	100	25 000	0
Airbags International Ltd., 1958326, Storbritannien	100	1 500	0
Autoliv-Kolb Ltd., 02228479, Storbritannien	100	0	0
Autoliv Poland SP. z.o.o., 912-16-28-995, Polen	100	200 898	0
Societe Franco Suèdoise d'Investissement SAS, 300345085, Frankrike	100	76 000	373
OEA Europe SARL, 78 395 360 779, Frankrike	100	103 635	0
Normandie Precision Components SNC, 351 463 427, Frankrike	100	0	0
Livbag SAS, 388866212, Frankrike	100	23 571	0
NSC Pyrotechnie et Technologies SA, 31942739900039, Frankrike	100	3 500 000	0
Societe Civile Immobiliere Iso Immo, D402 531 598, Frankrike	100	15 000	0
Autoliv France SNC, 622009918, Frankrike	100	480 990	0
Autoliv Isodelta SA, 326780541, Frankrike	100	39 995	0
Autosafety SLU, ESA 46-452934, Spanien	100	10 000	826
Autoliv KLE S.A.U., ESA 08-305211, Spanien	100	111 882	0
Autoliv BKI S.A.U., ESA 46-134359, Spanien	100	4 690	0
Autoliv Argentina SA, 19961, Argentina	100	6 116 760	0
Autoliv ASP BV., 16054701, Holland	100	1 000	51
Autoliv Italia S.P.A., 01002050936, Italien	100	210 000	40
Autoliv Southern Africa PTY Ltd., 195500364207, Sydafrika	100	14 900 000	84
Autoliv Thailand Ltd., 0105538112313, Thailand	100	135 000	87
Autoliv Cankor Otomotiv Emniyet Sistemleri Sanayi Ve Ticaret AS, Gebze 5489, Turkiet	100	363 999 974	340
Autoliv Canada Inc, 507656, Kanada	100	100	185
Autoliv Development AB, 556070-0543, Vårgårda	100	2 550	600
Autoliv Indonesia P.T., 09.04.1.34.18202, Indonesien	100	100	32
AS Norma 10043950, Estland	100	6 732 000	372
ZAO Norma-Osvar, Ryssland	100	0	0
VOA Canada Inc, 1124031, Kanada	100	8 350 000	25
Autoliv (Changchun) Vehicle Safety Systems Co. Ltd, 220108040001155, Kina	100	100	96
Autoliv (Shanghai) Vehicle Safty Systems Co. Ltd., 310000400227359, Kina	100	60	135
Autoliv (Nanjing) Vehicle Safety Systems Co. Ltd., 320100400037759, Kina	100	100	112
Mei-An Autoliv Co., 21234237, Taiwan	59	59	17
Autoliv (Guangzhou) Vehicle Safety Systems. Co. Ltd, 101293 HAO, Kina	100	100	123
Autoliv Asia ROH Co., Ltd., 0105549136243, Thailand	100	200	4
Autoliv (China) Steering Wheel Co. Ltd., 310000400449504, Kina	100	100	101

Autoliv Shenda (Tai Cang) Automotive Safety Systems Co. Ltd, 320585400010442, Kina	60	60	38
Autoliv India Private Ltd., 55-108041, India	100	100	499
Autoliv Inflators India Private Ltd., India	99,99	99,99	30
Autoliv (China) Management Co. Ltd., 310000400498424, Kina	100	100	15
Autoliv (Shanghai) Vehicle Safety System Tech. Center Co. Ltd., 310000400498301, Kina	100	100	31
Autoliv OOO, 002552661, Ryssland	100	100	40
Autoliv do Brasil Ltda., 35213920131, Brasilien	100	21 233 598	562
Autoliv (Jiangsu) Automotive Safety Components Co Ltd 320400400032234, Kina	100	100	358
Autoliv (China) Automotive Safety Systems Co. Ltd., 320600400036107, Kina	100	100	492
Autoliv Shenda (Nanjing) Automotive Components Co. Ltd., 320100400054366, Kina	100	100	24
Autoliv (Baoding) Vehicle Safety Systems Co., Ltd., 91130600MA07L65J13, Kina	100	0	43
Autoliv Switzerland GmbH	100	100	0
			10 143

[1] Avser ägarandelen av kapitalet vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

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Not 16 Specifikation av andelar i intresseföretag och gemensamt styrda företag

Namn	Antal andelar	Kapital-andel	Rösträtts-andel	Bokfört värde
Autoliv Hirotako Sdn Bhd, Malaysia	12 661 600	0,49	49%	26
Autolbelt Sdn Bhd, Malaysia		1,00	100%	0
Autoliv Hirotako Safety Sdn Bhd, Malaysia		1,00	100%	0
Autoliv Hirotako SRS Sdn Bhd, Malaysia		1,00	100%	0
				26

Not 17 Uppskjuten skattefordran

	2022-12-31	2021-12-31
Ingående saldo	42	42
Tillkommande skattefordringar	-7	0
	35	**42**

Se även not 12 Skatt på årets resultat.

Specifikation uppskjutna skattefordringar

Uppskjutna skattefordringar	2022-12-31	2021-12-31
Uppskjuten skatt hänförlig till temporära skillnader	35	42
	35	**42**
Uppskjuten skattefordran netto	**35**	**42**

Not 18 Andra långfristiga fordringar

	2022-12-31	2021-12-31
Ingående anskaffningsvärden	125	123
Tillkommande fordringar	0	6
Amorteringar, avgående fordringar	-2	-4
Utgående redovisat värde	**123**	**125**

Består av Avsättning pensioner 123 MSEK och övriga långfristiga fordringar 18 MSEK.

Not 19 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Förutbetalda hyreskostnader	5	4
Förutbetalda räntekostnader	0	3
Förutbetald pension	18	1
Förutbetalda licenser	12	27
Förutbetalda pågående projekt	102	58
Upplupna intäkter	18	76
Övriga förutbetalda kostnader	0	3
	155	**172**

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Not 20 Antal aktier

	2022-12-31 Kvotvärde	2021-12-31 Kvotvärde	2022-12-31 Antal	2021-12-31 Antal
Stamaktier	10	10	55 000 000	55 000 000
			55 000 000	**55 000 000**

Not 21 Avsättningar

	2022-12-31	2021-12-31
Pensioner och liknande förpliktelser		
Belopp vid årets ingång	168	164
Årets avsättningar	0	8
Under året ianspråktagna belopp	-41	-4
	127	**168**

Not 22 Upplupna kostnader och förutbetalda intäkter

	2022-12-31	2021-12-31
Upplupna personalkostnader	198	171
Upplupna räntekostnader	104	2
Upplupna konsultkostnader	40	21
Upplupna kostnader IT	66	29
Övriga upplupna kostnader	6	3
	414	**226**

Not 23 Kassa och bank

	2022-12-31	2021-12-31
Bankmedel	2 920	5 616
	2 920	**5 616**

Not 24 Långfristiga skulder

Skulder till kreditinstitut:	2022-12-31	2021-12-31
Ska betalas senare än 1 år men inom 5 år	3 000	2 999
	3 000	**2 999**

Not 25 Finansiella instrument

Redovisat värde för respektive kategori	2022-12-31	2021-12-31
Finansiella tillgångar värderade till verkligt värde via resultaträkningen		
Nominellt värde tillgångar derivat [1]	9 647	4 119
Finansiella tillgångar som innehas för handel [1]	103	78
Lånefordringar och kundfordringar	12 138	11 497
	12 241	**11 575**
Finansiella skulder värderade till verkligt värde via resultaträkningen		
Nominellt värde skulder derivat [1]	7 756	1 430
Finansiella skulder som innehas för handel [1]	151	48
Övriga finansiella skulder	0	14 779
	151	**14 827**

1) Derivat där säkringsredovisning ej tillämpas

20230703033991

Not 26 Ställda säkerheter och eventualförpliktelser

	2022-12-31	2021-12-31
Företagsinteckningar	0	20
Ställda säkerheter för framtida pensionsåtaganden	123	123
Borgensförbindelse till förmån för koncernföretag	445	470
Övriga borgensförbindelser	-	-
	568	**613**

Not 27 Disposition av vinst eller förlust

Förslag till resultatdisposition	**2022-12-31**	**2021-12-31**
Styrelsen föreslår att till förfogande stående medel		
Balanserat resultat	338	292
Årets resultat	3 151	4 546
	3 489	**4 838**
disponeras så att		
Utdelning till akiteägare	3 400	4 500
i ny räkning överföres	89	338
	3 489	**4 838**

Not 28 Väsentliga händelser efter balansdagen

Efter räkenskapsårets utgång har bolaget erhållit utdelningar från Kina på ca 1,2 miljarder SEK.
Under andra kvartalet annonserade Autolivkoncernen ett besparingsprogram för att säkerställa koncernens konkurrenskraft och möta förändringar på marknaden

Not 29 Nyckeltalsdefinitioner

Rörelsemarginal
Rörelseresultat i procent av nettoomsättningen

Justerat eget kapital
Eget kapital med tillägg för obeskattade reserver som reducerats med uppskjuten skatt.

Avkastning på eget kapital
Resultat efter finansiella poster i procent av genomsnittligt justerat eget kapital

Soliditet
Justerat eget kapital i procent av balansomslutning

Autoliv AB

556036-1981

Stockholm 19 Juni 2022

Mikael Bratt
Ordförande

Magnus Lilliehöök

Mönica Benjaminsson
Arbetstagarrepresentant

Pär-Ola Wirenlind
Verkställande direktör

Pierre Jansson

Marcel Stefan
Arbetstagarrepresentant

Vår revisionsberättelse har lämnats den

Ernst & Young AB

Rickard Andersson
Auktoriserad Revisor

Revisorns underskrift på nästa sida

20230705335992

Autoliv AB
556036-1981

Stockholm Juni 2023

Mikael Bratt
Ordförande

Pär-Ola Wirenlind
Verkställande direktör

Magnus Lilliehöök

Pierre Jansson

Monica Benjaminsson
Arbetstagarrepresentant

Marcel Stefan
Arbetstagarrepresentant

Vår revisionsberättelse har lämnats den 28 juni, 2023

Ernst & Young AB

Rickard Andersson
Auktoriserad Revisor

20230705335993

Building a better working world

Revisionsberättelse

Till bolagsstämman i Autoliv AB, org.nr 556036-1981

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Autoliv AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Autoliv ABs finansiella ställning per den 31 December 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Autoliv AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Autoliv AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Autoliv AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den 28 juni 2023

Ernst & Young AB

Rickard Andersson
Auktoriserad revisor

We hereby certify that this is a true copy of the original:

Maria Verhein
Executive Legal Assistant
Autoliv AB
Mobil: 070-9578109

Autoliv AB
Box 70381
107 24 Stockholm
SWEDEN

Bolagsverket
2023 -07- 05

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-12933

AUTOLIV, INC.
(Exact name of registrant as specified in its charter)

Delaware	51-0378542
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Klarabergsviadukten 70, Section B7, Box 70381, Stockholm, Sweden (Address of principal executive offices)	SE-107 24 (Zip Code)

+46 8 587 20 600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol(s):	Name of each exchange on which registered:
Common Stock (par value $1.00 per share)	ALV	New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes: ☒ No: ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes: ☒ No: ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262 (b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes: ☐ No: ☒

The aggregate market value of the voting and non-voting common equity of Autoliv, Inc. held by non-affiliates as of the last business day of the second fiscal quarter of 2022 amounted to $6,233 million.

Number of shares of Common Stock outstanding as of February 8, 2023: 86,189,790.

Auditor Firm Id: 1433 Auditor Name: Ernst & Young AB Auditor Location: Stockholm, Sweden

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the annual stockholders' meeting to be held on May 11, 2023, to be dated on or around March 23, 2023 (the "2023 Proxy Statement"), are incorporated by reference into Part III of this Annual Report on Form 10-K. The 2023 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after December 31, 2022.

AUTOLIV, INC.

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains statements that are not historical facts but rather forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include those that address activities, events or developments that Autoliv, Inc. ("Autoliv," the "Company" or "we") or its management believes or anticipates may occur in the future. All forward-looking statements are based upon our current expectations, various assumptions and/or data available from third parties. Our expectations and assumptions are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that such forward-looking statements will materialize or prove to be correct as forward-looking statements are inherently subject to known and unknown risks, uncertainties and other factors which may cause actual future results, performance or achievements to differ materially from the future results, performance or achievements expressed in or implied by such forward-looking statements.

In some cases, you can identify these statements by forward-looking words such as "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "may," "likely," "might," "would," "should," "could," or the negative of these terms and other comparable terminology, although not all forward-looking statements contain such words.

Because these forward-looking statements involve risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statements for a variety of reasons, including without limitation: general economic conditions, including inflation; the impacts of the coronavirus (COVID-19) pandemic on the Company's financial condition, business operations, operating costs, liquidity, competition and the global economy; disruptions and impacts relating to the ongoing conflict between Russia and Ukraine; changes in and the stability of light vehicle production; fluctuation in vehicle production schedules for which the Company is a supplier; global supply chain disruptions including port, transportation and distribution delays or interruptions; supply chain disruptions and component shortages specific to the automotive industry or the Company; changes in general industry and market conditions or regional growth or decline; changes in and the successful execution of our capacity alignment: restructuring, cost reduction, efficiency, and strategic initiatives and the market reaction thereto; loss of business from increased competition; higher raw material, fuel, energy, and other costs; changes in consumer and customer preferences for end products; customer losses; changes in regulatory conditions; customer bankruptcies, consolidations or restructuring or divestiture of customer brands; unfavorable fluctuations in currencies or interest rates among the various jurisdictions in which we operate; market acceptance of our new products; costs or difficulties related to the integration of any new or acquired businesses and technologies; continued uncertainty in pricing and other negotiations with customers; successful integration of acquisitions and operations of joint ventures; successful implementation of strategic partnerships and collaborations; our ability to be awarded new business; product liability, warranty and recall claims and investigations and other litigation, civil judgements or financial penalties and customer reactions thereto; higher expenses for our pension and other postretirement benefits, including higher funding needs for our pension plans; work stoppages or other labor issues; possible adverse results of pending or future litigation or infringement claims, and the availability of insurance with respect to such matters; our ability to protect our intellectual property rights; negative impacts of antitrust investigations or other governmental investigations and associated litigation relating to the conduct of our business; tax assessments by governmental authorities and changes in our effective tax rate; dependence on key personnel; legislative or regulatory changes impacting or limiting our business; our ability to meet our sustainability targets, goals and commitments; political conditions; dependence on and relationships with customers and suppliers; the conditions necessary to hit our medium term financial targets; and other risks and uncertainties identified in Item 1A -"Risk Factors" and Item 7 - "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report.

For any forward-looking statements contained in this or any other document, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we assume no obligation to update publicly or revise any forward-looking statements in light of new information or future events, except as required by law.

PART I

Item 1. Business

General

Autoliv, Inc. ("Autoliv", the "Company" or "we") is a Delaware corporation with its principal executive offices in Stockholm, Sweden. The Company functions as a holding corporation and owns two principal subsidiaries, Autoliv AB and Autoliv ASP, Inc. The Company's fiscal year ends on December 31.

The Company is a leading developer, manufacturer, and supplier of passive safety systems to the automotive industry with a broad range of product offerings.

Passive safety systems are primarily meant to improve safety for occupants in a vehicle. Passive safety systems include modules and components for frontal-impact airbag protection systems, side-impact airbag protection systems, seatbelts, steering wheels, inflator technologies, and battery cut-off switches.

To expand its product offerings, the Company has formed Mobility Safety Solutions. By combining its core competence and industry experience, the Company also develops and manufactures mobility safety solutions such as pedestrian protection, battery cut-off switches, connected safety services, and safety solutions for riders of powered two wheelers.

The Company has approximately 62 production facilities in 27 countries and its customers include the world's largest car manufacturers. The Company's sales in 2022 were $8.8 billion, approximately 66% of which consisted of airbag and steering wheel products and approximately 34% of which consisted of seatbelt products. The Company's business is conducted in the following geographical regions: Europe, the Americas, China, Japan and the Rest of Asia (ROA).

The Company's head office is located in Stockholm, Sweden, where it currently employs approximately 98 people. At December 31, 2022, the Company had a total number of personnel of approximately 69,100 worldwide, whereof 11% were temporary personnel.

Additional information required by this Item 1 regarding developments in the Company's business during 2022 is contained under Item 7 in this Annual Report.

Reportable Segment

The Company has one reportable segment based on the way the Company evaluates its financial performance and manages its operations. The Company's business is comprised of passive safety products - principally airbags (including steering wheels and inflators) and seatbelts. For more information regarding the Company's segment reporting, see Note 1, Basis of Presentation, to the Consolidated Financial Statements in this Annual Report.

Products, Market, and Competition

Products

Providing life-saving solutions is a key priority as the world population grows and develops. However, population expansion in growth markets and the rise of megacities creates new complexities. To meet this challenge, the Company develops safety solutions for both mobility and society that work in real life situations.

The Company's safety systems such as seatbelts and airbags substantially mitigate human consequences of traffic accidents.

The airbag module is designed to inflate extremely rapidly then quickly deflate during a collision or impact. It consists of the container, an airbag cushion, and an inflator. The purpose of the airbag is to provide the occupants a cushioning and restraint during a crash event to prevent any impact or impact-caused injuries between the occupant and the interior of the vehicle.

Seatbelts can reduce the overall risk of serious injuries in frontal crashes by as much as 60% due to advanced seatbelt technologies such as pretensioners and load limiters.

The Company also manufactures steering wheels that are crafted to ensure they meet safety requirements and are functional as well as stylish.

Market and Competition

Consumer research clearly shows that consumers want safe vehicles, and several significant trends are likely to have a positive influence on overall safety content per vehicle. These include:

1) Society becoming increasingly focused on Vision Zero, which includes a goal of reducing traffic fatalities and their associated costs;

2) Demographic trends of increased urbanization, aging driver populations, and increased safety focus in growth markets;

3) Evolving government regulations and test rating systems to improve the safety of vehicles in various markets, such as the updated Euro New Car Assessment Program (NCAP), China NCAP, and USNCAP; and

4) The trend towards more electrical vehicles will potentially drive additional solutions to reduce noise and to cut the electrical power in case of an accident.

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The automotive safety market is driven by two primary factors: light vehicle production (LVP) and content per vehicle (CPV).

The first growth driver, LVP, has increased at an average annual growth rate of around 1.6% since the start of Autoliv in 1997 despite the substantial headwinds from supply chain disruptions and semiconductor shortages. According to S&P Global, LVP is forecasted to grow to close to 87 million by 2025 from approximately 79 million in 2021, as the market is expected to recover from the effects of the COVID-19 pandemic and component shortages.

Unlike LVP, where Autoliv can only aim to be on the best-selling platforms, Autoliv can influence CPV more directly by continuously developing and introducing new technologies with higher value-added features. Over the long term, this increases average safety CPV and has caused the markets where the Company does business to grow faster than the LVP.

Since 1997, the Company's sales compound annual growth rate (CAGR) for passive safety has been around 5% compared to the market rate of around 2.4% which includes an LVP growth of around 1.6%. The Company's outperformance is a result of a steady flow of new passive safety technologies, strong focus on quality and a superior global footprint both in products and engineering. This has enabled Autoliv to increase its global market share in passive safety from 27% in 1997 to 43% in 2022.

In the Developed Markets (Western Europe, North America, Japan, and South Korea) the CPV is around $320. CPV growth in these regions mainly come from new safety systems such as active seatbelts, knee airbags, and front-center airbags along with improved protection for pedestrians and rear-seat occupants like bag-in-belt or more advanced seatbelts.

In the Growth Markets (all markets other than the Developed Markets), the Company sees great opportunities for CPV growth from more airbags and advanced seatbelt products. Average CPV in the Growth Markets is around $200, approximately $120 less than in the Developed Markets.

As a result of higher installation rates of airbags, more advanced seatbelt products, and more complex steering wheels, CPV is expected to increase at a similar pace in both Developed and Growth Markets over the next three years. LVP in the Developed Markets is expected to increase faster than in the Growth Markets during the same period. This is because the Developed Markets are expected to recover from the negative effects of supply chain disruptions and semiconductor shortages experienced in 2022. Supported by a positive LVP mix effect from higher growth in higher CPV markets, the annual passive safety market (seatbelts and airbags, including steering wheels), is expected to grow from around $20 billion in 2022 to more than $25 billion over the next three years, based on the current macro-economic outlook and the Company's internal market intelligence and estimates. The highest growth rate is expected in steering wheels, where Autoliv has a global market share of around 37%, generated by the trend toward higher-value steering wheels with leather and additional features.

In seatbelts, Autoliv has reached a global market share of around 45%, primarily due to being the technology leader with several important innovations such as pretensioners and active seatbelts. The Company's strong market position is also a reflection of its superior global footprint. Seatbelts are the primary life-saving safety product globally and are also an important requirement in low-end vehicles in the Growth Markets. This provides the Company with an excellent opportunity to benefit from the expected growth in this segment of the market.

The market for airbags, where Autoliv has a global market share of around 44%, is expected to grow mainly as result of higher installation rates of inflatable curtains, side airbags, and knee airbags. Additionally, the new front center airbag is expected to start to contribute to the market growth.

The Company's ability to consistently outperform market growth is rooted in a steady flow of new safety technologies, a strong focus on quality, and a superior production and engineering footprint.

The Company's competitors

Autoliv is the clear market leader in passive safety components and systems for the automotive industry with an estimated global market share of 43%.

ZF, one of the Company's largest competitors, is a global leader in driveline and chassis technology as well as in passive safety technologies, and is one of the largest global automotive suppliers.

Another of the Company's largest competitors is Joyson Safety Systems (JSS). JSS is a Chinese owned company and is the result of the merger between Key Safety Systems (KSS) and Takata Corporation after KSS acquired Takata in 2018.

In Japan, Brazil, South Korea, and China, there are a number of local suppliers that have close ties with the domestic vehicle manufacturers. For example, Toyota uses "keiretsu" (in-house) suppliers Tokai Rika for seatbelts and Toyoda Gosei for airbags and steering wheels. These suppliers generally receive most of the Toyota business in Japan, in the same way, Mobis, a major supplier to Hyundai/Kia in South Korea, generally receives a significant part of their business.

Other competitors include Nihon Plast and Ashimori of Japan, Yanfeng and Jinheng of China, Samsong in South Korea, and Chris Cintos de Seguranca in South America. Collectively, these competitors account for the majority of the remaining market share in passive safety.

Additional information concerning the Company's products, markets and competition is included in the "Risks and Risk Management" section under Item 7 of this Annual Report.

Manufacturing and Production

See "Item 2. Properties" for a description of Autoliv's principal properties. The component factories manufacture inflators, propellant, initiators, textile cushions, webbing, pressed steel parts, springs, and overmolded steel parts used in seatbelt and airbag assembly and steering wheels. The assembly factories source components from a number of parties, including Autoliv's own component factories, and assemble complete restraint systems for "just-in-time" delivery to customers. The products manufactured by Autoliv's consolidated subsidiaries in 2022 consisted of 134 million complete seatbelt systems (of which 87 million were fitted with pretensioners), 102 million side airbags (including curtain airbags and front center airbags), 56 million frontal airbags, 13 million other airbags and 19 million steering wheels.

Autoliv's "just-in-time" delivery system is designed to accommodate the specific requirements of each customer for low levels of inventory and rapid stock delivery service. "Just-in-time" deliveries require final assembly or, at least, distribution centers in geographic areas close to customers to facilitate rapid delivery. The fact that the major automobile manufacturers are continually expanding their production activities into more countries and require the same or similar safety systems as those produced in Europe, Japan, or the U.S. increases the importance for suppliers to have assembly capacity in several countries. Consolidation among the Company's customers also supports this trend.

Autoliv's assembly operations generally are not constrained by capacity considerations unless there is a disruption in the supply of raw materials and components. When dramatic shifts in LVP occur, Autoliv can generally adjust capacity in response to any changes in demand within a few days by adding or removing work shifts and within a few months by adding or removing standardized production and assembly lines. Most of Autoliv's assembly factories can make sufficient space available to accommodate additional production lines to satisfy foreseeable increases in capacity. As a result, Autoliv can usually adjust its manufacturing capacity faster than its customers can adjust their capacity as a result of fluctuations in the general demand for vehicles or in the demand for a specific vehicle model, provided that customers promptly notify Autoliv when they become aware of such changes in demand.

When dramatic shifts in LVP occur, as we seen in 2022 due to component shortages, or when there is a shift in regional LVP, the capacity adjustments can take more time and be more costly. Additionally, when there is significant demand for a given product due to a major recall of a competitor's product, like certain of the Company's customers have experienced, capacity adjustments may take time.

The Company could experience disruption in its supply or delivery chain, which could cause one or more of its customers to halt or delay production. For more information, see Item 1A – "Risk Factors" in this Annual Report.

Quality Management

Autoliv believes that superior quality is a prerequisite to being considered a leading global supplier of automotive safety systems and is key to the Company's financial performance, because quality excellence is critical for winning new orders, preventing recalls, and maintaining low scrap rates. Autoliv has for many years emphasized a "zero-defect" proactive quality policy and continues to strive to improve its working methods. This means that Autoliv's products are expected to always meet performance expectations and be delivered to its customers at the right times and in the right amounts. Furthermore, the Company believes its continued quality improvements further enhance the Company's reputation among its customers, employees, and governmental authorities.

Although quality has always been paramount in the automotive industry, especially for safety products, automobile manufacturers have become increasingly focused on quality with even less tolerance for any deviations. This intensified focus on quality is partially due to an increase in the number of vehicle recalls for a variety of reasons (not just safety), including a few high-profile vehicle recalls. This trend is likely to continue as automobile manufacturers introduce even stricter quality requirements and regulating agencies and other authorities increase the level of scrutiny given to vehicle safety issues. The Company has not been immune to the recalls that have been impacting the automotive industry.

The Company continues to drive its quality initiative called "Q5," which was initiated in the summer of 2010. It is an integral part of the Company's strategy of shaping a proactive quality culture of zero defects. It is called "Q5" because it addresses quality in five dimensions: products, customers, growth, behavior, and suppliers. The goal of Q5 is to firmly tie together quality with value within all of the Company's processes and for all of its employees, thereby leading to the best value for its customers. Since 2010, the Company has continually expanded this quality initiative to provide additional skills training to more employees and suppliers. These activities have significantly improved the Company's quality performance.

In the Company's pursuit of excellence in quality, the Company has developed a chain of four "defense lines" against potential quality issues. These defense lines consist of: 1) robust product designs, 2) flawless components from suppliers and the Company's own in-house component companies, 3) manufacturing flawless products with a system for verifying that the Company's products conform with specifications, and 4) an advanced traceability system in the event of a recall.

The Company's pursuit of quality excellence extends from the earliest phases of product development to the proper disposal of a product following many years of use in a vehicle. Autoliv's comprehensive Autoliv Product Development System ("APS") includes several key check points during the process of developing new products that are designed to ensure that such products are well-built and have no hidden defects. Through this process, the Company works closely with its suppliers and customers to set clear standards that help to ensure robust component design and lowest cost for function in order to proactively prevent problems and ensure the Company delivers only the best designs to the market.

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The APS, based on the goals of improving quality and efficiency, is at the core of Autoliv's manufacturing philosophy. APS integrates essential quality elements, such as mistake proofing, statistical process control and operator involvement, into the manufacturing processes so all Autoliv associates are aware of and understand the critical connection between themselves and the Company's lifesaving products. This "zero-defect" principle extends beyond Autoliv to the entire supplier base. All of the Company's suppliers must accept the strict quality standards in the global Autoliv Supplier Manual, which defines the Company's quality requirements and focuses on preventing bad parts from being produced by its suppliers and helps eliminate defective intermediate products in the Company's assembly lines as early as possible. In addition, Autoliv's One Product One Process ("1P1P") initiative is its strategy for developing and managing standardization of both core products and customer-specific features, leading not only to improved quality, but also greater cost efficiency and more efficient supply chain management.

IATF 16949:2016 is one of the automotive industry's most widely used international standards for quality management. All of the Company's facilities that ship products to OEMs are regularly certified according to the International Automotive Task Force (IATF) standards.

Environmental and Safety Regulations

For information on how environmental and safety regulations impact the Company's business, see "Risk Factors – 'Our business may be adversely affected by laws or regulations, including environmental, occupational health and safety, and other governmental regulations', "Global climate change could negatively affect our business", "Our goals, targets, and ambitions related to sustainability and emissions reduction, and our public statements and disclosures regarding them, expose us to numerous risks" and "Our business may be adversely affected by changes in automotive safety regulations or concerns that drive further regulation of the automobile safety market"" in Item 1A and "Risks and Risk Management" in Item 7 of this Annual Report.

Climate change

The Company is committed to operating its business in an environmentally sustainable manner, meaning developing and producing products in a resource efficient way while limiting the Company's environmental impact in the most material areas of greenhouse gas emissions, energy use, waste, and water. With particular emphasis on climate action, the Company actively engages with its customers, suppliers, and others to drive sustainable mobility.

In June 2021, the Company 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 represent a serious step-up in ambition level from earlier short-term climate targets. They should position the Company as the supplier of choice for the most progressive climate-focused customers, helping to ensure the Company's competitiveness now and in the future. In addition to these ambitions, the Company adopted Science Based Targets (SBT) for 2030 covering its own operations as well as the supply chain. The targets were approved in January 2022 and are available at the SBTi website.

For more information about how climate change impacts the Company's business, see "Operational Risks - Climate impact" in Item 7 and "Risk factors – Global climate change could negatively affect our business" in Item 1A of this Annual Report.

Raw Materials

Direct material purchased from external suppliers represents approximately 52% of the Company's net sales in 2022. The Company mainly purchases manufactured components and raw materials for its operations. The Company takes several actions to manage the raw material fluctuations, such as competitive sourcing and looking for alternative materials.

For information on the sources and availability of raw materials, see "Operational Risks - Component costs" in Item 7 and "Risk Factors – Changes in the source, cost, availability of, and regulations pertaining to raw materials and components may adversely affect our profit margins" in Item 1A of this Annual Report.

Intellectual Property

The Company has developed a considerable amount of proprietary technology related to automotive safety systems and relies on many patents to protect such technology. The Company's intellectual property plays an important role in maintaining its competitive position in a number of the markets the Company serves. For information on the Company's use of intellectual property and its importance to the Company, see "Risk Factors – If our patents are declared invalid or our technology infringes on the proprietary rights of others, our ability to compete may be impaired" in Item 1A of this Annual Report.

Backlog

The Company has frame contracts with automobile manufacturers and such contracts are typically entered into up to three years before the start of production of the relevant car model or platform and provide for a term covering the life of such car model or platform including service parts after a vehicle model is no longer produced. These contracts, however, do not typically provide minimum quantities, firm prices, or exclusivity but instead permit the automobile manufacturer to resource the relevant products at given intervals (or at any time) from other suppliers.

Dependence on Customers

In 2022, the Company's top five customers represented around 49% of its consolidated sales and the Company's top ten customers represented around 80% of its consolidated sales. This reflects the concentration of manufacturers in the automotive industry. The five largest OEMs in 2022 accounted for around 48% of global LVP, and the ten largest OEMs accounted for around 70% of global LVP. A delivery contract is typically for the lifetime of a vehicle model, which is normally between five and seven years depending on customer platform sourcing preferences and strategies.

For information on the Company's dependence on customers, see "Risk Factors – Our business could be materially and adversely affected if we lost any of our largest customers or if they were unable to pay their invoices" in Item 1A of this Annual Report, and "Dependence on Customers" under the section "Strategic Risks" in Item 7 of this Annual Report, and Note 20 to the Consolidated Financial Statements.

Customer sales trends

Asian vehicle producers have steadily become increasingly important, mainly driven by growth with Japanese OEMs. As a group they represent around 43% of global sales in 2022, of which Japanese OEMs accounts for approximately two thirds. This is a result of the Company's stronger market position based on its local presence in Japan. The local Chinese OEMs as a group accounted for around 5% of the Company's global sales in 2022, with Great Wall representing more than 1% of the Company's global sales.

European based brands accounted for 30% of the Company's global sales in 2022. The U.S. based OEMs (including Chrysler and new EV manufactures) accounted for 25% of the Company's global sales in 2022. Globally one of the Company's strongest growing customers from 2021 to 2022 was Stellantis.

Research, Development and Engineering, net (R,D&E)

No single customer project accounted for more than 5% of Autoliv's total R,D&E, net spending during 2022. To fuel Autoliv's product portfolio, additional expertise is brought in-house via technology partnerships and licensing agreements.

During 2022, gross expenditures for R,D&E amounted to $595 million compared to $596 million in 2021. Of these amounts, $205 million in 2022 and $205 million in 2021 were related to customer-funded engineering projects and crash tests reimbursed by the customers. Net of this income, R,D&E expenditures in 2022 was $390 million, virtually unchanged compared to 2021. Of the R,D&E, net expense in 2022, 79% was for projects and programs where the Company has customer orders, typically related to vehicle models in development. The remaining 21% was mainly for new innovations, products and standardizations that will yield greater benefits over time.

Regulatory Costs

The fitting of seatbelts in most types of motor vehicles is mandatory in almost all countries and many countries have strict laws regarding the use of seatbelts while in vehicles. In addition, most developed countries require that seats in intercity buses and commercial vehicles be fitted with seatbelts. In the U.S., federal legislation requires frontal airbags on the driver-side and the passenger-side of all new passenger cars since 1998 and in all sport utility vehicles, pickup trucks, and vans since 1999.

For information concerning the material effects on the Company's business relating to its compliance with government safety regulations, see "Risk Factors – 'Our business may be adversely affected by laws or regulations, including environmental, occupational health and safety, and other governmental regulations' and 'Our business may be adversely affected by changes in automotive safety regulations or concerns that drive further regulation of the automobile safety market'" in Item 1A of this Annual Report and in Item 7 under the section "Risks and Risk Management" of this Annual Report.

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Human Capital Management

The Company's drive for excellence is what makes Autoliv the world's leading supplier of automotive safety systems. From the earliest stages of product development to sales and design to the final delivery of the finished product, Autoliv's employees are driven by the Company's mission to save more lives.

The successful execution of the Company's strategies relies on its ability to shape a quality and performance-oriented culture, and to adapt quickly to sudden shifts in its circumstances, such as the COVID-19 pandemic, supply chain disruptions, and geopolitical instability experienced in 2022. A turbulent external environment presents many challenges but also opportunities. As the Company moves forward its workforce strives to respond with agility to new possibilities to grow and improve the Company's business whilst delivering with excellence to its customers. The Company builds a winning team by focusing on creating a work environment that attracts, retains, and engages its employees. The Company's employees take great pride in working together to provide safety solutions for mobility and society that work in real life situations, and the Company is always looking for new team members who share this passion.

The table below shows the Company's total workforce as of December 31, 2022 and 2021.

	2022	2021
Total workforce	69,100	60,600
Whereof:		
Direct workforce in manufacturing	50,600	43,000
Indirect workforce	18,500	17,600
Temporary workforce	11%	8%

Diversity and Inclusion

When attracting, developing and retaining talent, the Company seeks individuals who hold varied experiences and viewpoints to create an inclusive and diverse workplace that allows each employee to do their best work and drive the Company's collective success. The Company's workforce reflects the diversity of the countries and cultures in which it operates. At the end of 2022, 49% of the Company's workforce and 18% of the Company's senior management positions were held by women.

The Company has operations in 27 different countries, with 17% of its workforce located in Asia (excluding China), 31% in the Americas, 13% in China, and 39% in Europe (including South Africa, Tunisia, Russia, and Turkey).

The table below show the Company's workforce by age group and gender in % at the end of 2022.

% of Men	Age group	% of Women
1%	>60	1%
5%	51-60	5%
10%	41-50	11%
18%	31-40	16%
15%	21-30	14%
2%	<20	2%

Talent Attraction, Development, and Retention

The Company believes that attraction, development, and retention of talent is essential to its success, especially in today's environment. The Company offers an inclusive work environment where its employees are challenged and achieve great things together. Supporting the development of the employees is essential in a highly competitive and rapidly changing environment. An important cornerstone of each employee's growth is the ongoing dialogue between the team member and manager, which is summarized during an annual Performance and Development Dialogue (PDD). During the year, 99% of targeted employees conducted a PDD with their managers. To provide opportunities for professional and personal growth of the employees, the Company has a multitude of development channels, including technical and specialist career paths, international assignments and other such programs.

The Company provides market-based competitive compensation through its salary, annual incentive, and long-term incentive programs and benefits packages that promote employee well-being across all aspects of their lives.

Health and Safety

The Company is committed to providing a zero accident work environment that promotes the health, safety and welfare of its employees. Autoliv's production facilities implement the Company's health and safety management system, which is supported by leadership teams. Implementation of the system as well as the ISO 45001 health and safety management system is monitored through internal and external audits. At the end of 2022, 71% of production facilities were certified according to ISO 45001.

Throughout the COVID-19 pandemic, the Company has protected its employees' health and well-being by providing the technology and communication equipment necessary to allow many of its employees to work remotely. For those who cannot effectively do their jobs remotely, the Company has put protocols in place to ensure a safe working environment.

Labor Relations

The Company offers fair terms and conditions of employment. The Company's overall purpose, Code of Conduct, talent development strategies and employment policies support the principles in the United Nations Universal Declaration of Human Rights, and the International Labor Organization's Fundamental Principles and Labor Standards.

The Company considers its relationship with its personnel to be good. While there have been a small number of minor labor disputes historically, such disputes have not had a significant or lasting impact on the Company's relationship with its employees, customer perception of its employee practices or its business results.

Major unions to which some of the Company's employees belong in Europe include: IG Metall in Germany; Unite the union in the United Kingdom; Confédération Générale des Travailleurs (CGT), Confédération Française Démocratique du Travail (CFDT), Confédération Française de l'Encadrement Confédération Générale des cadres (CFE-CGC), Force Ouvrière (FO), Confédération Française des Travailleurs Chrétiens (CFTC), Solidaires, Unitaires, Démocratiques (SUD) and Confédération Autonome du Travail (CAT) in France; Union General de Trabajadores (UGT), Union Sindical Obrera (USO), Comisiones Obereras (CCOO) and Confederacion General de Trabajadores (CGT) in Spain; IF Metall, Unionen, Sveriges Ingenjörer and Ledarna in Sweden; Industriaal- ja Metallitöötajate Ametiühingute Liit (IMTAL) in Estonia; Vasas Szakszervezeti Szövetség (Hungarian Metallworkers' Federation) in Hungary; Samorzadny NiezalezÏny Zwiazek Zawodowy Pracownikow and Zakladowa Organizacja Związkowa NSZZ Solidarnosc in Poland; National Union of Metal Workers South Africa (NUMSA) in South Africa; Union Générale des Travailleurs Tunisiens (UGTT) and Union des travailleurs Tunisiens (UTT) in Tunisia and Türk Metal Sendikasi in Turkey.

In addition, the Company's employees in other regions are represented by the following unions: Unifor in Canada; Sindicato de Jornaleros y Obreros Industriales y de la Industria Maquiladora de H.Matamoros, Tamaulipas (CTM); Sindicato Nacional de Trabajadores de la Industria Metalúrgica y Similares (CTM); Sindicato Nacional de Trabajadores de la Industria Arnesera, Eléctrica, Automotriz y Aeronáutica de la República Mexicana; "Nueva Cultura Laboral" "de trabajadores de la fabricación, manufactura, ensamble de autopartes mecánicas y eléctricas y componentes de la industria Automotriz (CROC); Sindicato Nacional de Trabajadores de la Industria de Autopartes en General y/o Similares, Conexos y sus Servicios de la República Mexicana, in Mexico; Sindicato dos Metalúrgicos de Taubaté e Região in Brazil; Autoliv India Employees Association, Bangalore & Mysore in India; the Korean Metal Workers Union (FKTU) in Korea and Autoliv Japan Roudou Kumiai in Japan; Shanghai General Labor Union in China.

In many European countries, Canada, Mexico, Brazil and Korea, wages, salaries and general working conditions are negotiated with local unions and/or are subject to centrally negotiated collective bargaining agreements. The terms of the Company's various agreements with unions typically range between 1-3 years. Some of the Company's subsidiaries in Europe, Canada, Mexico, Brazil and Korea must negotiate with the applicable local unions with respect to important changes in operations, working and employment conditions. Twice a year, members of the Company's management conduct a meeting with the European Works Council (EWC) to provide employee representatives with important information about the Company and a forum for the exchange of ideas and opinions.

In many Asia Pacific countries, the central or regional governments provide guidance each year for salary adjustments or statutory minimum wage for workers. The Company's employees may join associations in accordance with local legislation and rules, although the level of unionization varies significantly throughout its operations.

Key Performance Indicators (KPIs)

The table below reflects certain KPIs on which the Company is particularly focused on with respect to the management of its workforce.

KPI	2022	2021
% of Autoliv facilities certified (OHSAS 18001 or ISO 45001)	71%	Not available
Incident rate[1)]	0.32	0.41
Severity rate[2)]	3.31	5.84
% women in workforce	49%	47%
% women in senior management positions	18%	17%
% PDD rate[3)]	99%	99%
No. of employees attended at least one training program	4,100	4,400

[1)] Number of reportable injuries per 200,000 employee hours of exposure.
[2)] Total days away from work due to a work-related reportable injury and/or illness per 200,000 employee hours of exposure.
[3)] Percentage of total employees participating in Autoliv's annual Performance and Development Dialogue (PDD).

Available Information

The Company files or furnishes with the United States Securities and Exchange Commission (the "SEC") periodic reports and amendments thereto, which include annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other information. Such reports, amendments, proxy statements, and other information are made available free of charge on the Company's corporate website at www.autoliv.com and are available as soon as reasonably practicable after they are electronically filed with the SEC. The Company's Corporate Governance Guidelines, committee charters, code of conduct, and other documents governing the Company are also available on its corporate website at www.autoliv.com. The SEC maintains an internet site that contains reports, proxy statements and other information at www.sec.gov. Hard copies of the above-mentioned documents can be obtained free of charge by contacting the Company at: Autoliv, Inc., P.O. Box 70381, SE-107 24, Stockholm, Sweden.

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Item 1A. Risk Factors

Our business, financial condition, operating results and cash flows may be impacted by a number of factors. A discussion of the risks associated with these material risk factors is included below.

RISKS RELATED TO ADVERSE GLOBAL HEALTH AND GEOPOLITICAL DEVELOPMENTS

We face risks related to the novel coronavirus (COVID-19) pandemic that have, and are expected to continue to have, an adverse impact on our business and financial performance

The COVID-19 pandemic has created significant volatility in the global economy and led to reduced economic activity and employment and has disrupted, and may continue to disrupt, the global automotive industry and customer sales, production volumes and purchases of light vehicles by end-consumers. The spread of COVID-19 has also caused disruptions in the manufacturing, delivery, and overall supply chains of automobile manufacturers and suppliers. Global light vehicle production ("LVP") has been lower than expected and is expected to continue to be volatile. If the global economic effects caused by the pandemic continue or increase, overall customer demand may decrease, which could have a material and adverse effect on our business, results of operations, and financial condition. The full extent of the effect of the pandemic on us, our customers, our supply chain or the global supply chain and our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, subsequent outbreaks or the extent of any recession resulting from the pandemic. We may continue to experience the effects of the pandemic even after it has waned, and our business, results of operations and financial condition could continue to be affected. In addition to the risks specifically described above, the impacts of the pandemic are likely to implicate and exacerbate other risks disclosed in Item 1A of this Annual Report, any of which could have a material effect on our operating results, cash flows, or financial condition.

Although we have minimal operations in Russia, we face risks related to the war in Ukraine, which has had, and is expected to continue to have, an adverse impact on our business and financial performance

The macro-economic uncertainty has been exacerbated by the war in Ukraine. Although the length and impact of the ongoing war is highly unpredictable, it exacerbated volatility in commodity prices, energy prices, inflationary pressures, credit markets, foreign exchange rates and supply chain disruptions. Furthermore, governments in the United States, United Kingdom, Canada and European Union have each imposed export controls on certain products and financial and economic sanctions on certain industry sectors and parties in Russia. Existing or additional sanctions could further adversely affect the global economy and further disrupt the global supply chain. Inflation is also currently high world-wide and may continue for an unforeseen time.

Due in part to the negative impact of the war in Ukraine, we have experienced exacerbated increases in raw materials and increased costs for transportation, energy, and commodities. Although have negotiated and continue to negotiate with our customers with respect to these additional costs, commercial negotiations with our customers may not be successful or may not offset all of the adverse impact of higher transportation, energy and commodity costs. Additionally, even if we are successful with respect to negotiations with customers relating to cost increases, there may be delay before we recover any increased costs. These may have a material negative impact on our business and results of operations.

RISKS RELATED TO OUR INDUSTRY

The cyclical nature of automotive sales and production can adversely affect our business. Our business is directly related to LVP in the global market and by our customers, and automotive sales and LVP are the most important drivers for our sales

Automotive sales and production are highly cyclical and can be affected by general or regional economic or industry conditions, the level of consumer demand, recalls and other safety issues, labor relations issues, technological changes, fuel prices and availability, vehicle safety regulations and other regulatory requirements, governmental initiatives, trade agreements, political volatility (especially in energy producing countries and growth markets), changes in interest rate levels and credit availability and other factors. Some regions around the world may at various times be more particularly impacted by these factors than other regions. Economic declines that result in a significant reduction in automotive sales and production by our customers have in the past had, and may in the future have, a material adverse effect on our business, results of operations, and financial condition. Our sales are also affected by inventory levels of our customers. We cannot predict when our customers will decide to either increase or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. This may exacerbate variability in our order intake and, as a result, our revenues and financial condition. Uncertainty regarding inventory levels may be exacerbated by consumer financing programs initiated or terminated by our customers or governments as such changes may affect the timing of their sales. Changes in automotive sales and LVP and/or customers' inventory levels will have an impact on our mid- and long-term financial targets, earnings guidance, and estimates. In addition, we base our growth projections in part on business awards, or order intake, made by our customers. However, actual production orders from our customers may not approximate the awarded business or our estimated order intake. Any significant reduction in automotive sales and/or LVP by our customers, whether due to general economic conditions or any other factors relevant to sales or LVP, could have a material adverse effect on our business, results of operations and financial condition.

Growth rates in safety content per vehicle, which can be impacted by changes in consumer trends and political decisions, could affect our results in the future

The Company estimates that the average global content of passive safety systems per light vehicle increased in 2022 to around $255. Vehicles produced in different markets may have various passive safety content values. For example, in developed markets such as Western Europe and North America, the premium segment has an average passive safety content values of over $350 per vehicle, whereas in growth markets such as China and India the average passive safety content per vehicle is approximately $210 and $100, respectively. Due to the majority of the growth in global LVP over time being concentrated in growth markets, our operating results may be impacted if the passive safety content per vehicle remains low and if the penetration of more advanced automotive safety systems does not increase in these regions. As passive safety content per vehicle is also an indicator of our sales development, should these trends continue, the average value of passive safety systems per vehicle could decline.

We operate in a highly competitive market

The market for occupant restraint systems is highly competitive. We compete with a number of other companies that produce and sell similar products. Among other factors, our products compete on the basis of price, quality, manufacturing and distribution capability, design and performance, technological innovation, delivery, and service. Some of our competitors are subsidiaries (or divisions, units or similar) of companies that are larger and have greater financial and other resources than us. Some of our competitors may also have a "preferred status" as a result of special relationships or ownership interests with certain customers. Our ability to compete successfully depends, in large part, on our success in continuing to innovate and manufacture products that have commercial success with consumers, differentiating our products from those of our competitors, continuing to deliver quality products in the time frames required by our customers, and maintaining best-cost production. We continue to invest in technology and innovation which we believe will be critical to our long-term growth. Our ability to maintain and improve existing products, while successfully developing and introducing distinctive new and enhanced products that anticipate changing customer and consumer preferences and capitalize upon emerging technologies will be a significant factor in our ability to remain competitive. If we are unsuccessful or are less successful than our competitors in predicting the course of market development, developing innovative products, processes, and/or use of materials or adapting to new technologies or evolving regulatory, industry or customer requirements, we may be placed at a competitive disadvantage. For example, our customers are increasingly focused on developing electric vehicles. If we fail to be awarded business on electric vehicle models, it will harm our future business prospects. Our competitive environment continues to change, including increased competition from entrants outside the traditional automotive industry, creating uncertainty about the future competitive landscape. Given the competitive nature of our business, the amount of awards we are awarded relative to our peers may decrease over time. Additionally, OEMs rigorously evaluate our performance and products against those of our competitors on the basis of product quality, reliability and cost-effectiveness. If one or more of our OEM customers determine that they could achieve overall better financial results by incorporating a competitor's new or existing product, it could affect our ability to be competitive and may decrease our current market share. The inability to compete successfully could have a material adverse effect on our business, results of operations, and financial condition.

The discontinuation, lack of commercial success, or loss of business with respect to a particular vehicle model for which we are a significant supplier could reduce our sales and harm our business

A number of our customer contracts generally require us to supply a customer's annual requirements for a particular vehicle model and assembly facilities, rather than for manufacturing a specific quantity of products. Such contracts range from one year to the life of the model, which is generally four to seven years. These contracts are often subject to renegotiation, sometimes as frequent as on an annual basis, which may affect product pricing, and generally may be terminated by our customers at any time. Therefore, the discontinuation of, the loss of business with respect to, or a lack of commercial success of a particular vehicle model or brand for which we are a significant supplier could reduce our sales and harm our business prospects, operating results, cash flows, or financial condition.

We are working to expand our product offerings beyond light passenger vehicles to include other mobility safety solutions. If we are not successful in expanding our product offerings or if it takes longer or costs are more than expected, it could harm our business

The Company is working to expand its product offerings to focus on mobility safety solutions. Because mobility safety product offerings are currently in the development stages, it is difficult for us to anticipate the level of sales they may generate. The expansion of our product offering will require us to invest time and resources to develop innovative products, such as wearables and helmets, that keep pace with continuing changes in industry standards and to reach new customers who have rapidly changing preferences. Our product offerings might not receive customer acceptance if customer preferences shift to other products, and our future success depends in part on our ability to anticipate and respond to these changes. If we are not successful in expanding our product offerings or if it takes longer or costs are more than expected, it could negatively impact our financial results, competitive position, and future business prospects.

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RISKS RELATED TO OUR BUSINESS

We may incur material losses and costs as a result of product liability, warranty, and recall claims that may be brought against us or our customers

We face risks related to product liability claims, warranty claims, and recalls in the event that any of our products actually or allegedly are defective, fail to perform as expected, or the use of our products results, or is alleged to result, in bodily injury and/or property damage. We may not be able to anticipate all of the possible performance or reliability problems that could arise with our products after they are released to the market. Additionally, increasing regulation and reporting requirements regarding potentially defective products, particularly in the U.S., may increase the possibility that we become involved in additional product liability or recall investigations or claims. See – "Our business may be adversely affected by changes in automotive safety regulations or concerns that drive further regulation of the automobile safety market". Although we currently carry product liability and product recall insurance in excess of our self-insured amounts, no assurance can be made that such insurance will provide adequate coverage against potential claims, such insurance is available or will continue to be available in the appropriate markets, or that we will be able to obtain such insurance on acceptable terms in the future as the cost of such insurance has risen in recent years and the cost of our self-insurance program has risen as well. Although we have invested and will continue to invest in our engineering, design, and quality infrastructure, we cannot give any assurance that our products will not suffer from defects or other deficiencies or that we will not experience material warranty claims or product recalls. In the future, we could experience material warranty or product liability losses and incur significant costs to process and defend these claims. A successful claim brought against us in excess of available insurance coverage, if any, or a requirement to participate in any product recall, could have a material adverse effect on our operating results, cash flows, or financial condition. Future recalls could result in costs not covered by insurance in excess of our self-insurance, further government inquiries, litigation, reputational harm, and could divert management's attention away from other matters. The main variables affecting the costs of a recall are the number of vehicles ultimately determined to be affected by the issue, the cost per vehicle associated with a recall, the determination of proportionate responsibility among the customer, the Company, and any relevant sub-suppliers, and actual insurance recoveries. Every vehicle manufacturer has its own practices regarding product recalls and other product liability actions relating to its suppliers, and the performance and remedial requirements vary between jurisdictions. Due to recall activity in the automotive industry over the past decade, some vehicle manufactures have become even more sensitive to product recall risks. As suppliers become more integrally involved in the vehicle design process and assume more of the vehicle assembly functions, vehicle manufacturers are increasingly looking to their suppliers for contribution when faced with recalls and product liability claims. Product recalls in our industry, even when they do not involve our products, can harm the reputations of our customers, competitors, and us, particularly if those recalls cause consumers to question the safety or reliability of products similar to those we produce. In addition, with global platforms and procedures, vehicle manufacturers are increasingly evaluating our quality performance on a global basis; any one or more quality, warranty or other recall issue(s) (including issues affecting few units and/or having a small financial impact) may cause a vehicle manufacturer to implement measures which may have a severe impact on our operations, such as a global, temporary or prolonged suspension of new orders. In addition, as our products more frequently use global designs and are based on or utilize the same or similar parts, components or solutions, there is a risk that the number of vehicles affected globally by a failure or defect will increase significantly with a corresponding increase in our costs. A warranty, recall or product liability claim brought against us in excess of our available insurance may have a material adverse effect on our business. Vehicle manufacturers are also increasingly requiring their outside suppliers to guarantee or warrant their products and bear the costs of repair and replacement of such products under new vehicle warranties. A vehicle manufacturer may attempt to hold us responsible for some or the entire repair or replacement costs of defective products under new vehicle warranties, when the product supplied did not perform as represented. Accordingly, the future costs of warranty claims by our customers may be material. However, the final amounts determined to be due related to these matters could differ materially from our recorded warranty estimates and our business prospects, operating results, cash flows or financial condition may be materially impacted as a result. In addition, as we adopt new technology, we face an inherent risk of exposure to the claims of others that we have allegedly violated their intellectual property rights. We cannot assure that we will not experience any material warranty, product liability or intellectual property claim losses in the future or that we will not incur significant costs to defend such claims. See "If our patents are declared invalid or our technology infringes on the proprietary rights of others, our ability to compete may be impaired".

Escalating pricing pressures from our customers may adversely affect our business

The automotive industry continues to experience aggressive pricing pressure from customers. This trend is partly attributable to the major automobile manufacturers' strong purchasing power. As with other automotive component manufacturers, we are often expected to quote fixed prices or are forced to accept prices with annual price reduction commitments for long-term sales arrangements or discounted reimbursements for engineering work. Price reductions have impacted our sales and profit margins and are expected to continue to do so in the future. Our future profitability will depend upon, among other things, our ability to continuously reduce our cost per unit and maintain our cost structure, enabling us to remain cost-competitive. Our profitability is also influenced by our success in designing and marketing technological improvements in automotive safety systems, which helps us offset price reductions by our customers. If we are unable to offset continued price reductions through improved operating efficiencies and reduced expenditures, these price reductions may have a material adverse effect on our business prospects, operating results, cash flows or financial condition.

We could experience disruption in our supply or delivery chain, which could cause one or more of our customers to halt or delay production

We, as with other component manufactures in the automotive industry, ship our products to customer vehicle assembly facilities throughout the world on a "just-in-time" basis in order for our customers to maintain low inventory levels. Our suppliers (external suppliers as well as our own production sites) use a similar method in providing raw materials to us. However, this "just-in-time" method makes the logistics supply chain in our industry very complex and vulnerable to disruption. Disruptions in our supply chain may result for many reasons, including closures of one of our own or one of our suppliers' facilities or critical manufacturing lines due to strikes or other labor disputes, mechanical failures, electrical outages, fires, explosions, critical pollution levels, critical health and safety and other working conditions issues (including epidemics and pandemics, such as the coronavirus (COVID-19)), natural disasters political upheaval, as well as logistical complications due to labor disruptions, weather or natural disasters, acts of terrorism, mechanical failures, and legislation or regulation regarding the transport of hazardous goods. Additionally, we may experience disruptions if there are newly imposed trade restrictions or delays in customs processing, including if we are unable to obtain government authorization to export or import certain materials, including materials that may be viewed as dangerous such as the propellant used for our inflators. As we continue to expand in growth markets, the risk of such disruptions is heightened. The unavailability of even a single small subcomponent necessary to manufacture one of our products, for whatever reason, could force us to cease production of that product, possibly for a prolonged period. Similarly, a potential quality issue could force us to halt deliveries while we validate the products. Even when products are ready to be shipped, or have been shipped, delays may arise before they reach our customer. Also, similar difficulties for other suppliers may force our customers to halt production, which may in turn impact our sales shipments to such customers. When we fail to timely deliver, we may have to absorb our own costs for identifying and resolving the ultimate problem as well as expeditiously producing and shipping replacement components or products. Generally, we must also carry the costs associated with "catching up," such as overtime and premium freight. If we are the cause of a customer being forced to halt production, the customer may seek to recoup all of its losses and expenses from us. These losses and expenses could be very significant and may include consequential losses such as lost profits. Where a customer halts production because of another supplier failing to deliver on time, we may not be fully compensated, if at all. Thus, any such supply chain disruptions could severely impact our operations and/or those of our customers and force us to halt production for prolonged periods of time which could expose us to material claims for compensation and have a material adverse effect on our business prospects, operating results, or financial condition.

Adverse developments affecting our suppliers could harm our profitability

Any significant disruption in our supplier relationships, particularly relationships with single-source suppliers, could harm our profitability. Furthermore, some of our suppliers may not be able to sufficiently manage the currency commodity cost volatility and/or sharply changing volumes while still performing as we expect. For example, recalls or field actions from our customers can stress the capacity of our supply chain and may inhibit our ability to timely deliver order volumes. We may incur costs as we try to make contingency plans to manage the risks for delivery delays, production delays, production issues or delivery of non-conforming products by our suppliers.

Changes in the source, cost, availability of and regulations pertaining to raw materials and components may adversely affect our profit margins

Our business uses a broad range of raw materials and components in the manufacture of our products, nearly all of which are generally available from a number of qualified suppliers. Our industry may be affected from time to time by limited supplies or price fluctuations of certain key components and materials. Strong worldwide demand for certain raw materials has had a significant impact on prices and short-term availability in recent years, including in 2022. Such price increases have and could materially increase our operating costs and materially and adversely affect our profit margin, as direct material costs amounted to approximately 52% of our net sales in 2022, of which approximately half is the raw material cost portion. Inflation is currently high world-wide and may continue for some time. Commercial negotiations with our customers and suppliers may not always offset all of the adverse impact of higher raw material, energy, labor, logistics, and commodity costs. Even where we are able to pass price increases along to our customer, there may be (i) a lapse of time before we are able to do so such that we must absorb the cost increase, and (ii) a negative impact on our relationships with such customers and suppliers which may limit our success in securing future awards from customers and securing acceptable supplies from suppliers. In addition, no assurances can be given that the magnitude and duration of such cost increases or any future cost increases could not have a larger adverse impact on our profitability and consolidated financial position than currently anticipated. Additionally, various government regulators require companies that manufacture products containing certain minerals and their derivatives that are known as "conflict minerals", originating from the Democratic Republic of Congo or adjoining countries to diligence and report the source of such materials. There are significant resources associated with complying with these requirements, including diligence efforts to determine the sources of conflict minerals used in our products and potential changes to our processes or supplies as a consequence of such diligence efforts. As there may be only a limited number of suppliers able to offer certified "conflict free" conflict minerals, there can be no assurance that we will be able to obtain necessary conflict free minerals from such suppliers in sufficient quantities or at competitive prices. We may face reputational challenges if we determine that certain of our products contain minerals not determined to be conflict free or if we are unable to sufficiently verify the origins for all minerals used in our products through the procedures we may implement. Furthermore, our customers are also increasingly requiring us to track sustainable sources of certain raw materials, which also requires additional diligence efforts and there can be no assurance that we will be able to obtain these materials in a cost-efficient and sustainable manner. Accordingly, these rules and customer requirements may adversely affect our business prospects, operating results, cash flows or financial condition.

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Our business could be materially and adversely affected if we lost any of our largest customers or if they were unable to pay their invoices

We are dependent on a few large customers with strong purchasing power. This is the result of customer consolidation in the last few decades. In 2022, our top five customers represented around 49% of our consolidated sales, and our largest customer contract accounted for around 2% of our consolidated sales. Although business with any given customer is typically split into several contracts (either on the basis of one contract per vehicle model or on a broader platform basis), the loss of business from any of our major customers (whether by lower overall demand for vehicles, cancellation of existing contracts or the failure to award us new business) could have a material adverse effect on our business, results of operations, and financial condition. Similarly, further consolidation of our customers in the future could make us more reliant upon a smaller group of customers for a significant portion of our consolidated sales and negatively impact our bargaining power when contracting with such customers. Customers may put us on a "new business hold," which would limit our ability to quote or be awarded all or part of their future vehicle contracts if quality or other issues arise in the vehicles for which we were a supplier. Such new business holds range in length and scope and are generally accompanied by a certain set of remedial conditions that must be met before we are eligible to bid for new business. Meeting any such conditions within the prescribed timeframe may require additional Company resources. A failure to satisfy any such conditions may have a material adverse impact on our financial results in the long term. There is a risk that one or more of our major customers may be unable to pay our invoices as they become due or that a customer will simply refuse to make such payments given its financial difficulties. If a major customer would enter into bankruptcy proceedings or similar proceedings whereby contractual commitments are subject to stay of execution and the possibility of legal or other modification, or if a major customer otherwise successfully procures protection against us legally enforcing its obligations, it is likely, absent special relief such as having a "preferred status", that we will be forced to record a substantial loss. Additional information concerning our major customers is included in Note 20, Segment Information, of the Consolidated Financial Statements in this Annual Report.

Our inability to effectively manage the timing, quality and costs of new program launches could adversely affect our financial performance

To compete effectively in the automotive supply industry, we must be able to launch new products to meet our customers' timing, performance, and quality standards. At times, we face an uneven number of launches and some launches, for various reasons, may have shortened launch lead times. We cannot provide assurance that we will be able to install and certify the equipment needed to produce products for new programs in time for the start of production, or that the transitioning of our manufacturing facilities and resources to full production for such new programs will not impact production rates or other operational efficiency measures at our facilities. In addition, we cannot provide assurance that our customers will execute on schedule the launch of their new product programs, for which we might supply products. Additionally, as a Tier 1 supplier, we must effectively coordinate the activities of numerous suppliers in order to launch programs successfully. Given the complexity of new program launches, especially involving new and innovative technologies, we may experience difficulties managing product quality, timeliness and associated costs. In addition, new program launches require a significant ramp up of costs; however, the sales related to these new programs generally are dependent upon the timing and success of the introduction of new vehicles by the Company's customers. Our inability to effectively manage the timing, quality and costs of these new program launches could adversely affect our business prospects, operating results, cash flows, or financial condition.

Changes in our product mix may impact our financial performance

We sell products that have varying profit margins. Our financial performance can be impacted depending on the mix of products we sell during a given period. Our earnings guidance, estimates and mid- and long-term financial targets assume a certain geographic sales mix as well as a product sales mix. If actual results vary significantly from this projected geographic and product mix of sales, our operating results and financial condition could be negatively impacted.

We are involved from time to time in legal proceedings and our business may suffer as a result of adverse outcomes of current or future legal proceedings

We are, from time to time, involved in litigation, regulatory proceedings and commercial or contractual disputes that may be significant. These matters may include, without limitation, disputes with our suppliers and customers, intellectual property claims, shareholder litigation, government investigations, class action lawsuits, personal injury claims, product liability claims, environmental issues, antitrust, customs and VAT disputes and employment and tax issues. In such matters, government agencies or private parties may seek to recover from us very large, indeterminate amounts in penalties or monetary damages (including, in some cases, treble or punitive damages) or seek to limit our operations in some way. For example, a U.S. federal court has entered an order requiring Autoliv to pay approximately $118 million, approximately $18 million in actual compensatory damages plus pre-judgment interest and $100 million in punitive damages, because Autoliv manufactured the seatbelt that was involved in an accident. The Company has appealed the verdict. The possibility exists that claims may be asserted against us and their magnitude may remain unknown for long periods of time. These types of lawsuits could require a significant amount of management's time and attention and a substantial legal liability or adverse regulatory outcome and the substantial expenses to defend the litigation or regulatory proceedings may have a material adverse effect on our customer relationships, business prospects, reputation, operating results, cash flows and financial condition. No assurances can be given that such proceedings and claims will not have a material adverse impact on our profitability and consolidated financial position or that our established reserves or our available insurance will mitigate such impact.

We may be subject to civil antitrust litigation that could negatively impact our business

The Company may be subject to civil antitrust lawsuits in the future in countries that permit such civil claims, including lawsuits or other actions by our customers. The Company was previously the subject of an investigation by the European Commission ("EC") regarding possible anti-competitive behavior among certain suppliers to the automotive vehicle industry. The Company paid a fine to resolve these matters in 2019. As a result of the outcome of the EC investigation, we are and we could be subject to subsequent civil disputes with non-governmental third parties and civil or stockholder litigation stemming from the same facts and circumstances underlying the EC investigation. These types of lawsuits require significant management time and attention and could result in significant expenses as well as unfavorable outcomes that could have a material adverse impact on our customer relationships, business prospects, reputation, operating results, cash flows or financial condition, and our insurance may not mitigate such impact. See Note 17, Contingent Liabilities, to the Consolidated Financial Statements in this Annual Report.

Work stoppages, slow-downs or other labor issues at our customers' facilities or at our facilities could adversely affect our operations

Because the automotive industry relies heavily on "just-in-time" delivery of components during the assembly and manufacture of vehicles, a work stoppage or slow-down at one or more of the Company's facilities could have a material adverse effect on our business. Similarly, if any of our customers were to experience a work stoppage or slow-down, that customer may halt or limit the purchase of our products. Similarly, a work stoppage or slow-down at another supplier could interrupt production at one of our customers' facilities which would have the same effect. While labor contract negotiations at our facilities historically have rarely resulted in work stoppages, no assurances can be given that we will be able to negotiate acceptable contracts with these unions or that our failure to do so will not result in work stoppages. A work stoppage or other labor disruption at one or more of our facilities or our customers' facilities could cause us to shut down production facilities supplying these products, which could have a material adverse effect on our business, results of operations and financial condition.

Our ability to operate our company effectively could be impaired if we fail to attract and retain executive officers and other key personnel

Our ability to operate our business and implement our strategies effectively depends, in part, on the efforts of our executive officers and other key employees. In addition, our future success will depend on, among other factors, our ability to attract, develop and retain other qualified personnel, particularly engineers and other employees with software and technical expertise. The loss of the services of any of our executive officers or other key employees or the failure to attract, develop or retain other qualified personnel could have a material adverse effect on our business.

Restructuring, efficiency, and strategic initiatives and capacity alignments are complex and difficult and at any time additional restructuring steps may be necessary, possibly on short notice and at significant cost

Our restructuring, efficiency, and strategic initiatives and capacity alignments include efforts to adjust our manufacturing capacity and cost structure to meet current and projected operational and market requirements, including plant closures, transfer of sourcing to best cost countries, consolidation of our supplier base, and standardization of products to reduce our overhead costs and consolidate our operational centers. The successful implementation of our restructuring activities and capacity alignments will involve sourcing, logistics, technology and employment arrangements. Because these restructuring, efficiency, and strategic initiatives and capacity alignments can be complex, there may be difficulties or delays in the implementation of any such initiatives and capacity alignments or they may not be immediately effective, resulting in an adverse material impact on our performance. In addition, there is a risk that inflation, high-turnover rates, and increased competition may reduce the efficiencies now available in best-cost countries to levels that no longer allow for cost-beneficial restructuring opportunities. Therefore, there can be no assurances that any future restructurings or capacity alignments will be completed as planned or achieve the desired results. See Note 11, Restructuring, to the Consolidated Financial Statements in this Annual Report.

A prolonged recession and/or a downturn in our industry could result in us having insufficient funds to continue our operations and external financing may not be available to us or available only on materially different terms than what has historically been available

Our ability to generate cash from our operations is highly dependent on automotive sales and LVP, the global economy, and the economies of our important markets. If LVP were to remain on low levels for an extended period of time, we would experience a significantly negative cash flow. Similarly, if cash losses for customer defaults rise sharply, we would experience a negative cash flow. Such negative cash flow could result in our having insufficient funds to continue our operations unless we can procure external financing, which may not be possible. Our access to debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts could be affected by credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors. Our ability to obtain unsecured funding at a reasonable cost is dependent on our credit ratings or our perceived creditworthiness. Our current credit rating could be lowered as a result of us experiencing significant negative cash flows, increasing our indebtedness and leverage, or a dire financial outlook, which may affect our ability to procure financing. We may also for the same, or other reasons, find it difficult to secure new long-term credit facilities, at reasonable terms, when our principal credit facility expires in 2027. Further, even our existing unutilized credit facilities may not be available to us as agreed, or only at additional cost, if participating banks are unable to raise the necessary funds, where, for instance, financial markets are not functioning as expected or one or more banks in our principal credit facility syndicate were to default. As a result, we cannot assure you that we will continue to have sufficient liquidity to meet our operating needs. In the event that we do not have sufficient external financing, we may be required to seek additional capital, sell assets, reduce or cut back our operating activities or otherwise alter our business strategy. Information concerning our credit facilities and other financings are included in Item 7 in this Annual Report in the section headed "Treasury Activities" and in Note 13, Debt and Credit Agreements, to the Consolidated Financial Statements in this Annual Report.

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Our indebtedness may harm our financial condition and results of operations

As of December 31, 2022, we have outstanding debt of $1.8 billion. We may incur additional debt for a variety of reasons. Although our significant credit facilities and debt agreements do not have any financial covenants, our level of indebtedness will have several important effects on our future operations, including, without limitation: a portion of our cash flows from operations will be dedicated to the payment of any interest or could be used for amortization required with respect to outstanding indebtedness; increases in our outstanding indebtedness and leverage will increase our vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure; depending on the levels of our outstanding debt, our ability to obtain additional financing for working capital, acquisitions, capital expenditures, general corporate and other purposes may be limited; and potential future tightening of the availability of capital both from financial institutions and the debt markets may have an adverse effect on our ability to access additional capital.

Governmental restrictions may impact our business adversely

Some of our customers are (or may be) owned by a governmental entity, receive various forms of governmental aid or support or are subject to governmental influence in other forms, which may impact us as a supplier to these customers. As a result, they may be required to partner with local entities or procure components from local suppliers to achieve a specific local content or be subject to other restrictions regarding localized content or ownership. The nature and form of any such restrictions or protections, whatever their basis, is very difficult to predict as is their potential impact. However, they are likely to be based on political rather than economical or operational considerations and may materially impact our business.

Impairment charges relating to our assets, goodwill and other intangible assets could adversely affect our financial performance

We periodically review the carrying value of our assets, goodwill and other intangible assets for impairment indicators. If one or more of our customers' facilities cease production or decrease their production volumes, the assets we carry related to our facilities serving such customers may decrease in value because we may no longer be able to utilize or realize them as intended. Where such decreases are significant, such impairments may have a material adverse impact on our financial results. We monitor the various factors that impact the valuation of our goodwill and other intangible assets, including expected future cash flow levels, global economic conditions, market price for our stock, and trends with our customers. Impairment of goodwill and other identifiable intangible assets may result from, among other things, deterioration in our performance and especially the cash flow performance of these goodwill assets, adverse market conditions and adverse changes in applicable laws or regulations. If there are changes in these circumstances or the other variables associated with the estimates, judgments and assumptions relating to the valuation of goodwill, when assessing the valuation of our goodwill items, we may determine that it is appropriate to write down a portion of our goodwill or intangible assets and record related non-cash impairment charges. In the event that we determine that we are required to write-down a portion of our goodwill items and other intangible assets and thereby record related non-cash impairment charges, our financial condition and operating results would be adversely affected. For additional information, see Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Accounting Policies and Critical Accounting Estimates – Goodwill and Intangibles".

We face risks related to our defined benefit pension plans and employee benefit plans, including the need for additional funding as well as higher costs and liabilities

Our defined benefit pension plans and employee benefit plans may require additional funding or give rise to higher related costs and liabilities which, in some circumstances, could reach material amounts and negatively affect our operating results. We are required to make certain year-end assumptions regarding our pension plans. Our pension obligations are dependent on several factors, including factors outside our control such as changes in interest rates, the market performance of the diversified investments underlying the pension plans, actuarial data and adjustments and an increase in the minimum funding requirements or other regulatory changes governing the plans. Adverse equity market conditions and volatility in the credit market may have an unfavorable impact on the value of our pension assets and our future estimated pension liabilities. Internal factors such as an adjustment to the level of benefits provided under the plans may also lead to an increase in our pension liability. If these or other internal and external risks were to occur, alone or in combination, our required contributions to the plans and the costs and net liabilities associated with the plans could increase substantially and have a material effect on our business. Information concerning our benefit plans is included in Note 18, Retirement Plans, of the Consolidated Financial Statements in this Annual Report.

We may not be able to, or we may decide not to, pay dividends or repurchase shares at a level anticipated by our shareholders, which could reduce shareholder returns

The extent to which we pay dividends on our common stock and repurchase our common stock in the future is at the discretion of our Board of Directors and depends upon a number of factors, including our earnings, financial condition, cash and capital needs, indebtedness and leverage, and general economic or business conditions. No assurance can be given that we will be able to or will choose to pay any dividends or repurchase any shares in the foreseeable future.

Cybersecurity incidents or other damage to our technology infrastructure could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and operating results

We rely extensively on information technology ("IT") networks and systems, our global data centers and services provided over the internet to process, transmit and store electronic information, and to manage or support a variety of business processes or activities across our facilities worldwide. In addition, a greater number of our employees are working remotely which may increase cybersecurity vulnerabilities and risk to our IT networks and systems. The secure operation of our IT networks and systems and the proper processing and maintenance of this information are critical to our business operations. We have been, and likely will continue to be, subject to cyber-attacks. To date we have seen no material impact on our business from these attacks or events. Although we seek to deploy comprehensive security measures to prevent, detect, address and mitigate these threats, there has been an increased level of activity, and an associated level of sophistication, in cyber-attacks against large multinational companies. The ever-evolving threats mean we and our third-party service providers and vendors must continually evaluate and adapt our respective systems and processes and overall security environment, as well as those of any companies we acquire. There is no guarantee that these measures will be adequate to safeguard against all data security breaches, system compromises or misuses of data. Our security measures may be breached due to human or technological error, employee malfeasance, system malfunctions or attacks from uncoordinated individuals or sophisticated and targeted measures known as advanced persistent threats, directed at the Company, its products, its customers, its third-party service providers, and/or other entities with whom we do business. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Disruptions and attacks on our IT systems or the systems of third parties storing our data or employee malfeasance or human or technological error could result in the misappropriation, loss, destruction or corruption of our critical data and confidential or proprietary information, personal information of our employees, the leakage of our or our customers' confidential information, improper use of our systems and networks, production downtimes and both internal and external supply shortages, which could have an adverse effect on our results of operations. It may also result in the theft of intellectual property or other misappropriation of assets, or otherwise compromise our confidential or proprietary information and disrupt our operations. The potential consequences of a material cybersecurity incident include reputational damage, theft of intellectual property, litigation with third parties, diminution in the value of our investment in research, development and engineering, diversion of the attention of management away from the operation of our business and increased cybersecurity protection and remediation costs, legal claims and liability, regulatory scrutiny, sanctions, fines or penalties (which may not be covered by our insurance policies), negative publicity, release of sensitive and/or confidential information, increases in operating expenses, or lost revenues which in turn could adversely affect our competitiveness and results of operations. To the extent that any disruption or security breach results in a misappropriation, loss, destruction or corruption of our customer's information, it could affect our relationships with our customers, create significant expense for us to investigate and remediate damage, lead to claims against the Company and ultimately harm our business. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future. In addition, as the regulatory environment related to information security, data collection and use, and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could result in additional costs. Furthermore, our technology systems are vulnerable to damage or interruption from natural disasters, power loss and telecommunication failures. We continuously seek to maintain a robust program of information security and controls, however, any future significant compromise or breach of our data security, whether external or internal, or misuse of customer, associate, supplier or Company data, could result in significant costs, lost sales, fines, lawsuits, and damage to our reputation.

Third parties that maintain certain of our confidential and proprietary information could experience a cybersecurity incident

We rely on third parties to provide or maintain some of our IT systems, data centers and related services and do not exercise direct control over these systems. Despite the implementation of security measures at third party locations, these IT systems, data centers and cloud services are also vulnerable to security breaches or other disruptions. Additionally, we and certain of our third-party vendors, collect and store personal information in connection with human resources operations and other aspects of our business. While we obtain assurances that any third parties we provide data to will protect this information and, where we believe appropriate, monitor the protections employed by these third parties, there is a risk the confidentiality of data held by us or by third parties may be compromised and expose us to liability for such breach.

Global climate change could negatively affect our business

Increased public awareness and concern regarding global climate change will likely result in more regional and/or national requirements to reduce or mitigate the effects of greenhouse gas emissions. In addition, our shareholders and customers also expect us to reduce our greenhouse gas emissions. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Any future regulations aimed at mitigating climate change may negatively impact the prices of raw materials and energy as well as the demand for certain of our customer's products which could in turn impact demand for our products and impact our results of operations. The costs of compliance and any changes to our operations mandated by new or amended laws, may be significant. We may also face unexpected delays in obtaining permits and approvals required by such laws in connection with our manufacturing facilities, which would hinder our operation of these facilities. Furthermore, any violations of these laws may result in substantial fines and penalties, remediation costs, third party damages, or a suspension or cessation of our operations. We also face physical and transition risks from climate change. The manifestations of climate change, such as extreme weather conditions or more frequent extreme weather events, including wildfires, flooding, water stress and extreme heat, could disrupt our operations, damage our facilities, disrupt our supply chain, including our customers or suppliers, impact the availability and cost of materials needed for manufacturing or increase insurance and other operating costs. As a result, severe weather or a natural disaster that results in a prolonged disruption to our operations, or the operations of our customers or suppliers, could have a material adverse effect on our operating results, cash flows or financial condition.

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Our goals, targets and ambitions related to sustainability and emissions reduction, and our public statements and disclosures regarding them, expose us to numerous risks

We have developed, and will continue to develop and set, goals, targets, ambitions and other objectives related to sustainability matters, including our net-zero emission targets both for ourselves and our supply chain. Some of these are based on our internal scenario analysis, which may not prove to be accurate and carries inherent uncertainties. Statements related to these goals, targets, ambitions and objectives reflect our current plans and do not constitute a guarantee that they will be achieved. Our efforts to research, establish, accomplish, and accurately report on these goals, targets, and objectives expose us to numerous operational, reputational, financial, legal, and other risks. Additionally, greenhouse gas emissions, particular emissions that come from individuals and entities up and down the value chain (otherwise known as Scope 3 emissions), are very difficult to estimate and our estimates may be materially different than actual emissions. The manner in which we estimate and disclose Scope 3 emissions may differ from other companies, and currently, we do not include downstream Scope 3 emissions in our targets and ambitions. If future governmental regulations require us to modify the basis of our Scope 3 emissions disclosure, our historically disclosed Scope 3 emissions may change materially. Our ability to achieve any stated goal, target, ambition or objective, including with respect to emissions reduction, is subject to numerous factors and conditions, some of which are outside of our control. For example, we have announced that we are collaborating with Polestar to develop a climate neural car. Such an endeavor requires the innovation and collaboration with a number of partners and is subject to certain inherent risks, including the timetable in which it is achieved. We may also have to purchase carbon offsets in order to meet our targets and objectives, which may not be available or may no longer be considered acceptable to use to meet such targets.

Our business may face increased scrutiny from investors and other stakeholders related to our sustainability activities, including the goals, targets, and objectives that we announce, and our methodologies and timelines for pursuing them. If our sustainability practices do not meet investor or other stakeholder expectations and standards, which continue to evolve, our reputation, our ability to attract or retain employees, and our attractiveness as an investment or business partner could be negatively affected. Similarly, our failure or perceived failure to pursue or fulfill our sustainability-focused goals, targets, ambitions and objectives, to comply with ethical, environmental, or other standards, regulations, or expectations, or to satisfy various reporting standards with respect to these matters, within the timelines we announce, or at all, could adversely affect our business or reputation, as well as expose us to government enforcement actions and private litigation.

RISKS RELATED TO INTERNATIONAL OPERATIONS

Our business is exposed to risks inherent in international operations

We currently conduct operations in various countries and jurisdictions, including locating certain of our manufacturing and distribution facilities internationally, which subjects us to the legal, political, regulatory and social requirements and economic conditions in these jurisdictions. Some of these countries are considered growth markets and emerging markets. International sales and operations, especially in growth markets, subject us to certain risks inherent in doing business abroad, including: exposure to local economic conditions; unexpected changes in laws, regulations, trade, or monetary or fiscal policy, including interest rates, foreign currency exchange rates, and changes in inflation rates; foreign tax consequences; inability to collect, or delays in collecting, value-added taxes and/or other receivables associated with remittances and other payments by subsidiaries; exposure to local political turmoil and challenging labor conditions; changes in general economic and political conditions in countries where we operate, particularly in emerging markets; expropriation and nationalization; enforcing legal agreements or collecting receivables through foreign legal systems; wage inflation; currency controls, including lack of liquidity in foreign currency due to governmental restrictions, trade protection policies and currency controls, which may create difficulty in repatriating profits or making other remittances; compliance with the requirements of an increasing body of applicable anti-bribery laws; reduced intellectual property protection in various markets; investment restrictions or requirements; and the imposition of product tariffs and the burden of complying with a wide variety of international and U.S. export laws. The Company is subject to taxation in the U.S. and numerous foreign jurisdictions. The Organization for Economic Co-operation and Development ("OECD") continues its base erosion and profit shifting ("BEPS") project begun in 2015 with new proposals for a global minimum tax, further development of a coordinated set of rules for taxation and the allocation of taxing rights between jurisdictions. These proposals, if adopted by countries in which we operate, could result in changes to tax policies, including transfer pricing policies, that could ultimately impact our tax liabilities. On December 12, 2022, the European Union member states agreed to implement the OECD's Pillar 2 global corporate minimum tax at a rate of 15% on companies with revenues of at least $790 million, which would go into effect in 2024. Similarly, the United States passed the Inflation Reduction Act of 2022, which also imposes, among other things, a 15% corporate minimum tax for taxable years beginning after December 31, 2022, on certain U.S. based companies that have average revenues over a three-year period of at least $1 billion. Other countries including the United Kingdom, Switzerland, Canada, Australia and South Korea are also actively considering changes to their tax laws to adopt certain parts of the OECD's proposals. The timing or impact of these proposals and recommendations is unclear at this point.

Changes in tax laws or policies by the U.S. or foreign jurisdictions could result in a higher effective tax rate on our worldwide earnings, and any such change could have a material adverse effect on our business prospects, cash flows, operating results and financial condition. Our international operations also depend upon favorable trade relations between the countries where we manufacture and sell products and those foreign countries in which our customers and suppliers have operations. Changes in national policy, other governmental action related to tariffs or international trade agreements, changes in social, political regulatory, and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where the Company currently manufactures and sells products, and any resulting negative sentiments towards the Company as a result of such changes could depress economic activity and restrict our access to suppliers or customers and have a material adverse effect on our cash flows, operating results and financial condition. Increasing our manufacturing footprint in the growth markets and our business relationships with automotive manufacturers in these markets are particularly important elements of our strategy. As a result, our exposure to the risks described above may be greater in the future, and our exposure to risks associated with developing countries, such as the risk of political upheaval and reliability of local infrastructure, may increase.

Our foreign operations may subject us to risks relating to laws governing international relations

Due to our global operations, we are subject to many laws governing international relations (including, but not limited to, the Foreign Corrupt Practices Act, and other anti-bribery regulations in foreign jurisdictions where we do business), which prohibit improper payments to government officials and restrict where and how we can do business, what information or products we can supply to certain countries and what information we can provide to authorities in governmental authorities. We also export components and products that are subject to certain trade-related U.S. laws, including the U.S. Export Administration Act and various economic sanctions programs administered by the U.S. Treasury's Office of Foreign Assets Control. Although we have procedures and policies in place that should mitigate the risk of violating these laws, there is no guarantee that they will be sufficiently effective. If and when we acquire new businesses, we may not be able to ensure that the pre-existing controls and procedures meant to prevent violations of these laws were effective, and violations may occur if we are unable to timely implement corrective and effective controls and procedures when integrating newly acquired businesses. Any allegations of noncompliance with these laws could harm our reputation, divert management attention and result in significant expenses, and could therefore materially harm our business prospects, operating results and financial condition.

Our business in Asia is subject to aggressive competition and is sensitive to economic, market, and political conditions

We operate in the automotive supply market throughout Asia including the highly competitive markets in China, South Korea, and India. In each of these markets we face competition from both international and smaller domestic manufacturers. Due to the significance of the Asian markets for our profit and growth, we are exposed to risks in China, South Korea, and India. We anticipate that additional competitors, both international and domestic, may seek to enter the Chinese, South Korean, and/or Indian markets resulting in increased competition. Increased competition may result in lower sales volumes, price reductions, reduced margins and our inability to gain or hold market share. There have been periods of increased market volatility and moderation in the levels of economic growth in China, which resulted in periods of lower automotive production growth rates in China than those previously experienced. Our business in Asia is sensitive to economic and market conditions that drive automotive sales volumes in China, South Korea, and India and may be impacted if there are reductions in vehicle demand in those markets. Additionally, the COVID-19 pandemic has created significant volatility throughout Asia, particularly in China, which has led to significant reduced economic activity and employment and has disrupted, and may continue to disrupt, the global automotive industry and customer sales, production volumes, and purchases of light vehicles by end-consumers. Although the Chinese government began rolling back its "Zero-Covid" policies and re-opening its economy in late 2022, if COVID-19 continues to spread or re-emerges in China, or other major markets in Asia, it may cause disruptions in the manufacturing, delivery, and overall supply chains of automobile manufacturers and suppliers. There are also trade and political tensions between China and other countries in the western world. If we are unable to maintain our position in the Asian markets, the pace of growth slows, or vehicle sales in these markets decrease, our business prospects, operating results and financial condition could be materially adversely affected.

Our business in Europe is sensitive to economic and market conditions

We operate in the automotive supply market throughout Europe and are increasingly subject to the risks arising from adverse changes in the European economy. A significant deterioration in economic conditions, increased volatility, further declines in the European credit, equity, and foreign currency markets or geopolitical disruptions, including the war in Ukraine, could have negative impacts on our business operations in Europe and may lead to delays in or cancellations of customer orders. We also face competition from both international and smaller domestic manufacturers who may seek to enter the European markets resulting in increased competition. Increased competition may result in lower sales volumes, price reductions, reduced margins, and our inability to gain or hold market share.

Global integration may result in additional risks

Because of our efforts to manage costs by integrating our operations globally, we face the additional risk that, should any of the other risks discussed herein materialize, the negative effects could be more pronounced. For example, while supply delays of a component have typically only affected a few customer vehicle models, such a delay could now affect several vehicle models of several customers in several geographic areas. Similarly, any recall or warranty issue we face due to a product defect or failure is now more likely to involve a larger number of units in several geographic areas.

Exchange rate risks

As a result of our global presence, a significant portion of our revenues and expenses are denominated in currencies other than the U.S. dollar. We are therefore subject to foreign currency risks and foreign exchange exposure. Such risks and exposures include: transaction exposure, which arises because the cost of a product originates in one currency and the product is sold in another currency; revaluation effects, which arise from valuation of assets denominated in other currencies than the reporting currency of each unit; translation exposure in the income statement, which arises when the income statements of non-U.S. subsidiaries are translated into U.S. dollars; translation exposure in the balance sheet, which arises when the balance sheets of non-U.S. subsidiaries are translated into U.S. dollars; and changes in the reported U.S. dollar amounts of cash flows. We cannot predict exchange rate volatility or the extent of its impact on our future financial results. We typically denominate foreign transactions in foreign currencies to achieve a natural hedge. However, a natural hedge cannot be achieved for all our currency flows; therefore, a net transaction exposure remains within the group. The net exposure can be significant and creates a transaction exposure risk for the Company. The Company does not hedge translation exposure. However, we do engage in foreign exchange rate hedging from time to time related to foreign currency transactions. For additional information, see Part II, Item 7A. Quantitative and Qualitative Disclosures about Market Risk - Currency risks.

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RISKS RELATED TO ACQUISITIONS

We face risks in connection with acquisitions, joint ventures, partnerships, and other strategic transactions

Our growth has been enhanced through strategic transactions, including acquisitions of businesses, products and technologies, partnerships, strategic alliances, and joint development agreements that we believe will complement our business. We regularly evaluate acquisition opportunities, frequently engage in acquisition discussions, conduct due diligence activities in connection with possible acquisitions, and, where appropriate, engage in acquisition negotiations. We may not be able to successfully identify suitable acquisition and joint venture candidates or complete transactions on acceptable terms, integrate acquired operations into our existing operations or expand into new markets. Our failure to identify suitable strategic transactions may restrict our ability to grow our business. These strategic transactions also involve numerous additional risks to us and our investors, including: risks related to retaining acquired management and employees; difficulties in integrating acquired technologies, products, operations, services and personnel with our existing businesses; diversion of our management's attention from other business concerns; assumption of contingent liabilities; potential adverse financial impacts, including from the amortization of expenses related to intangible assets and from potential impairment of goodwill; incurrence of indebtedness; and potential damage to existing customer relationships or lack of customer acceptance or inability to attract new customers as a result of these transactions. In the future, we may pursue acquisitions of businesses or products that are complementary to our business but for which we have historically had little or no direct experience. These transactions can involve significant challenges and risks as well as significant time and resources that may divert management's attention from other business activities. If we fail to adequately manage these risks, the acquisitions and other strategic transactions may not result in revenue growth, operational synergies or service or technology enhancements, which could adversely affect our financial condition.

RISKS RELATED TO INTELLECTUAL PROPERTY

If our patents are declared invalid or our technology infringes on the proprietary rights of others, our ability to compete may be impaired

We have developed a considerable amount of proprietary technology related to automotive safety systems and rely on a number of patents to protect such technology. Our intellectual property plays an important role in maintaining our competitive position in a number of the markets we serve. At present, we hold more than 6,600 patents and patent applications covering a large number of innovations and product ideas, mainly in the fields of seatbelt and airbag technologies. In addition to our in-house research and development efforts, we seek to acquire rights to new intellectual property through corporate acquisitions, asset acquisitions, licensing and joint venture arrangements. Our patents and licenses expire on various dates during the period from 2023 to 2042. We do not expect the expiration of any single patent or license to have a material adverse effect on our business, operating results and financial condition. Developments or assertions by or against us relating to intellectual property rights could negatively impact our business. We primarily protect our innovations with patents and vigorously protect and defend our patents, trademarks and know-how against infringement and unauthorized use. If we are not able to protect our intellectual property and our proprietary rights and technology, we could lose those rights and incur substantial costs policing and defending those rights. We also generate license revenue from these patents, which we may lose if we do not adequately protect our intellectual property and proprietary rights. Our means of protecting our intellectual property, proprietary rights and technology may not be adequate, and our competitors may independently develop technologies that are similar or superior to our proprietary technologies, duplicate our technologies, or design around the patents we own or license. In addition, the laws of some foreign countries do not protect our proprietary rights to as great an extent as the laws of the U.S. and we may encounter significant problems in protecting and defending our intellectual property rights in certain foreign jurisdictions. This could make it difficult for us to stop the infringement of our patents or misappropriation of our other intellectual property rights. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

We may not be able to protect our proprietary technology and intellectual property rights, which could result in the loss of our rights or increased costs.

Although we believe that our products and technology do not infringe the proprietary rights of others, third parties may assert infringement claims against us in the future. Additionally, we license from third parties proprietary technology covered by patents, and we cannot be certain that any such patents will not be challenged, invalidated, or circumvented. Such licenses may also be non-exclusive, meaning our competition may also be able to access such technology. Further, we expect to continue to expand our products and services and expand into new businesses, including through developing new products, acquisitions, joint ventures and joint development agreements, which could increase our exposure to patent and other intellectual property claims from competitors and other parties. If claims alleging patent, copyright or trademark infringement are brought against us and are successfully prosecuted against us, they could result in substantial costs. If a successful claim is made against us and we fail to develop non-infringing technology, our business, operating results and financial condition could be materially adversely affected. In addition, certain of our products utilize components that are developed by third parties and licensed to us. If claims alleging patent, copyright or trademark infringement are brought against such licensors and successfully prosecuted, they could result in substantial costs, and we may not be able to replace the functions provided by these licensors. Alternate sources for the technology currently licensed to us may not be available in a timely manner, may not provide the same functions as currently provided or may be more expensive than products currently used. We may develop proprietary information through our in-house research and development efforts, consulting arrangements or research collaborations with other entities or organizations. We may seek to protect this proprietary information by entering into confidentiality agreements or consulting, services or employment agreements that contain non-disclosure and non-use provisions with our employees, consultants, scientific advisors and other third parties. However, we may fail to enter into the necessary agreements, and even if entered into, these agreements may be breached or may otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information.

We may not be able to respond quickly enough to changes in technology and technological risks and to develop our intellectual property into commercially viable products

Changes in legislative, regulatory, or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive to our customers. We currently license certain proprietary technology to third parties and, if such technology becomes obsolete or less attractive, those licensees could terminate our license agreements, which could adversely affect our results of operations. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis will be a significant factor in our ability to remain competitive. We cannot provide assurance that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly. As part of our business strategy, we may from time to time seek to acquire businesses or assets that provide us with additional intellectual property. We may experience problems integrating acquired technologies into our existing technologies and products, and such acquired intellectual property may be subject to known or contingent liabilities such as infringement claims.

Some of our products and technologies may use "open source" software, which may restrict how we use or distribute our products or require that we release the source code of certain products subject to those licenses

Some of our products and technologies may incorporate software licensed under so-called "open source" licenses. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on origin of the software. Additionally, open source licenses typically require that source code subject to the license be made available to the public and that any modifications or derivative works to open source software continue to be licensed under open source licenses. These open source licenses typically mandate that proprietary software, when combined in specific ways with open source software, become subject to the open source license. If we combine our proprietary software in such ways with open source software, we could be required to release the source code of our proprietary software. We take steps to ensure that our proprietary software is not combined with, and does not incorporate, open source software in ways that would require our proprietary software to be subject to an open source license. However, few courts have interpreted open source licenses; therefore the manner in which these licenses may be interpreted and enforced is subject to some uncertainty.

RISKS RELATED TO GOVERNMENT REGULATIONS AND TAXES

Our business may be adversely affected by laws or regulations, including environmental, occupational health and safety, and other governmental regulations

We are subject to various federal, state, local and foreign laws and regulations, including those related to the requirements of environmental, occupational health and safety, financial, and other matters. We cannot predict the substance or impact of pending or future legislation or regulations, or the application thereof. The introduction of new laws or regulations or changes in existing laws or regulations, or the interpretations thereof, could increase the costs of doing business for us or our customers or suppliers or restrict our actions and adversely affect our business prospects, operating results, cash flows or financial condition. Our operations are subject to environmental and safety laws and regulations governing, among other things, emissions to air, discharges to waters and the generation, handling, storage, transportation, treatment and disposal of waste and other materials. The operation of automotive parts manufacturing facilities entails risks in these areas, and we cannot assure that we will not incur material costs or liabilities as a result. Additionally, environmental laws, regulations, and permits and the enforcement thereof change frequently and have tended to become increasingly stringent over time, which may necessitate substantial capital expenditures or operating costs or may require changes of production processes. Although we have no known pending material environmental issues, there is no assurance that we will not be adversely impacted by any environmental costs, liabilities, or claims in the future either under present laws and regulations or those that may be adopted or imposed in the future. Our costs, liabilities, and obligations relating to environmental matters may have a material adverse effect on our business, operating results, cash flows, or financial condition. Our facilities in the U.S. are subject to regulation by the Occupational Safety and Health Administration ("OSHA"), which regulates the protection of the health and safety of workers. In addition, the OSHA hazard communication standard requires that we maintain information about hazardous materials used or produced in our operations and that we provide this information to employees, state and local governmental authorities and local residents. We are also subject to occupational safety regulations in other countries. Our failure to comply with government occupational safety regulations, including OSHA requirements, or general industry standards relating to employee health and safety, keep adequate records or monitor occupational exposure to regulated substances could expose us to liability, enforcement, and fines and penalties, and could have a material adverse effect on our business, operating results, cash flows, or financial condition. Although we employ safety procedures in the design and operation of our facilities, there is a risk that an accident or injury to one of our employees could occur in one of our facilities. Any accident or injury to our employees could result in litigation, manufacturing delays and harm to our reputation, which could negatively affect our business, operating results, and financial condition.

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Our business may be adversely affected by changes in automotive safety regulations or concerns that drive further regulation of the automobile safety market

Government vehicle safety regulations are a key driver in our business. Historically, these regulations have imposed ever more stringent safety regulations for vehicles. Safety regulations have a positive impact on driver awareness and acceptance of automotive safety products and technology. These more stringent safety regulations often require vehicles to have more safety content per vehicle and more advanced safety products, which has thus been a driver of growth in our business. However, these regulations are subject to change based on a number of factors that are not within our control, including new scientific or medical data, adverse publicity regarding the industry recalls and safety risks of airbags or seatbelts (for instance, to children and small adults), domestic and foreign political developments or considerations, and litigation relating to our products and our competitors' products. Changes in government regulations in response to these and other considerations could have a severe impact on our business. Although we believe that over time safety will continue to be a regulatory priority, if government priorities shift and we are unable to adapt to changing regulations, our business may suffer material adverse effects. The regulatory obligation of complying with safety regulations could increase as federal and local regulators impose more stringent compliance and reporting requirements in response to product recalls and safety issues in our industry. We are subject to existing stringent requirements under the National Traffic and Motor Vehicle Safety Act of 1966 (the "Vehicle Safety Act"), including a duty to report, subject to strict timing requirements, safety defects with our products. The Vehicle Safety Act imposes potentially significant civil penalties for violations including the failure to comply with such reporting actions. We are also subject to the existing U.S. Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act, which requires equipment manufacturers, such as Autoliv, to comply with "Early Warning" requirements by reporting certain information to the National Highway Traffic Safety Administration ("NHTSA") such as: information related to defects or reports of injury related to our products. TREAD imposes criminal liability for violating such requirements if a defect subsequently causes death or bodily injury. In addition, the Vehicle Safety Act authorizes NHTSA to require a manufacturer to recall and repair vehicles that contain safety defects or fail to comply with U.S. federal motor vehicle safety standards. Sales into foreign countries may be subject to similar regulations. Due to the record recall of airbag inflators of one of our competitors, NHTSA has become more active in requesting information from suppliers and vehicle manufactures regarding potential product defects and we expect that to continue or increase under the current U.S. presidential administration.

Negative or unexpected tax developments could adversely affect our effective tax rate, operating results and financial condition

Changes in, or changes in the application of, U.S. or foreign tax laws, regulations or accounting principles with respect to matters such as tax base, tax rates, transfer pricing, dividends and restrictions on certain forms of tax relief or limitations on favorable tax treatment could affect the calculation of our income taxes and other tax liabilities, our effective tax rate, and the carrying value of our deferred tax assets. Our annual tax rate is based on our income and the tax laws in the jurisdictions in which we operate. Because of our global operations we face uncertainties and judgments in the application of complex tax regulations in a multitude of jurisdictions. Significant judgment and estimation is required in determining our effective tax rate and in evaluating our tax positions, in many cases where the ultimate tax determination is uncertain. Although we believe that our tax estimates are reasonable, the final determination of our tax liability may be different from what is reflected in our historical income tax provisions and accruals. We are regularly examined by tax authorities around the world and in a number of jurisdictions, we are currently under examination, which inherently creates uncertainty. Although we periodically assess the likelihood of adverse outcomes, negative or unexpected results from one or more of such reviews and audits, including any related interest or penalties imposed by governmental authorities, could increase our effective tax rate and adversely impact our operating results, cash flows or financial condition. The effective tax rates used for interim reporting are based on our projected full-year geographic earnings mix and take into account projected tax costs on intercompany dividends from lower tier subsidiaries. Changes in currency exchange rates, earnings mix among taxing jurisdictions, or the ability of our subsidiaries to pay dividends could impact our reported effective tax rates, or cause fluctuations in the tax rate from quarter to quarter. Certain anti-trust judgements or settlements may not be tax deductible, which could have a material negative impact to our annual tax rate. A number of other factors may also increase our effective tax rate, which could have an adverse impact on our profitability and operating results. Due to our numerous foreign operations, our tax rate may be impacted by our global mix of earnings if our pre-tax income is lower than anticipated in countries with lower statutory tax rates and/or is higher than anticipated in countries with higher statutory tax rates. Based on U.S. regulatory rules, we do not record current or deferred tax liabilities on permanent investments in our foreign subsidiaries. See Note 5, Income Taxes, to the Consolidated Financial Statements in this Annual Report.

We may not be able to fully realize our deferred tax assets

We currently carry deferred tax assets, net of valuation allowances, resulting from deductible temporary differences and tax loss carry-forwards, both of which will reduce taxable income in the future. However, deferred tax assets may only be realized against taxable income. The amount of our deferred tax assets could be reduced, from time to time, due to adverse changes in our operations or in estimates of future taxable income from operations during the carry-forward period as a result of a deterioration in market conditions or other circumstances. Any such reduction would adversely affect our income in the period of the adjustment. Additional information on our deferred tax assets is included in Note 5, Income Taxes, to the Consolidated Financial Statements in this Annual Report.

RISKS RELATED TO THE SEPARATION OF VEONEER

We could incur significant liability if the separation is determined to be a taxable transaction

We have received an opinion of outside counsel to the effect that, for U.S. federal income tax purposes, the separation should qualify, for both Autoliv and its stockholders, as a reorganization within the meaning of Sections 368(a)(1)(D) and 355 of the U.S. Internal Revenue Code of 1986, as amended. The opinion is based on and relies on, among other things, certain facts and assumptions, as well as certain representations, statements and undertakings of Autoliv and Veoneer, Inc. ("Veoneer") including those relating to the past and future conduct of Autoliv and Veoneer. If any of these facts, assumptions, representations, statements or undertakings is, or becomes, inaccurate or incomplete, reliance on the opinion may be affected. An opinion of outside counsel represents their legal judgment but is not binding on the IRS or any court. Accordingly, there can be no assurance that the IRS will not challenge the conclusions reflected in the opinion or that a court would not sustain such a challenge.

Potential indemnification obligations to Veoneer or a refusal of Veoneer to indemnify us pursuant to the agreements executed in connection with the internal reorganization and spin-off could materially adversely affect us

The transaction agreements we entered into with Veoneer in connection with the internal reorganization and the spin-off provide for cross-indemnities that require Autoliv and Veoneer to bear financial responsibility for each company's business prior to the internal reorganization or spin-off, as applicable, and to indemnify the other party in connection with a breach of such party of the transaction agreements; provided, however, certain warranty, recall and product liabilities for electronics products manufactured prior to the completion of the internal reorganization have been retained by us and we will indemnify Veoneer for any losses associated with such warranty, recall or product liabilities pursuant to the distribution agreement entered into as part of the spin-off. Any indemnities that we are required to provide to Veoneer may be significant and could negatively affect our business. In addition, there can be no assurance that the indemnities from Veoneer will be sufficient to protect us against the full amount of any potential liabilities. Even if we do succeed in recovering from Veoneer any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. Additionally, Veoneer was acquired by SSW Partners on April 1, 2022 which may impact our ability to recover any amounts from Veoneer pursuant to the transaction agreements. Each of these risks could have a material adverse effect on our business, operating results and financial condition.

Item 1B. Unresolved Staff Comments

Not applicable.

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Item 2. Properties

Autoliv's principal executive offices are located at Klarabergsviadukten 70, Section B7, SE-111 64, Stockholm, Sweden. Autoliv's various businesses operate in a number of production facilities and offices. Autoliv believes that its properties are adequately maintained and suitable for their intended use and that the Company's production facilities have adequate capacity for the Company's current and foreseeable needs. All of Autoliv's production facilities and offices are owned or leased by operating (either subsidiary or joint venture) companies.

AUTOLIV MANUFACTURING FACILITIES

Country/Company	Location of Facility	Items produced at Facility	Owned/Leased
Brazil			
Autoliv do Brasil Ltda.	Taubaté	Seatbelts, airbags, steering wheels and seatbelt webbing	Owned
Canada			
Autoliv Canada, Inc.	Tilbury	Airbag cushions	Owned
VOA Canada, Inc.	Collingwood	Seatbelt webbing	Owned
China			
Autoliv (Baoding) Vehicle Safety Systems Co., Ltd	Baoding	Airbags	Leased
Autoliv (Changchun) Vehicle Safety Systems Co., Ltd.	Changchun	Airbags and seatbelts	Owned
Autoliv (China) Steering Wheel Co., Ltd.	Fengxian/Shanghai	Steering wheels	Owned
Autoliv (Guangzhou) Vehicle Safety Systems Co., Ltd.	Guangzhou	Airbags and seatbelts	Owned
Autoliv (Nanjing) Vehicle Safety Systems Co., Ltd.	Nanjing	Seatbelts	Owned
Autoliv Shenda (Nanjing) Automotive Components Co., Ltd.	Nanjing	Seatbelt webbing	Owned
Autoliv (Shanghai) Vehicle Safety Systems Co., Ltd.	Shanghai	Airbags	Owned
Autoliv Shenda (Tai Cang) Automotive Safety Systems Co., Ltd.	Shanghai	Seatbelt webbing	Owned
Autoliv (Jiangsu) Automotive Safety Components Co., Ltd.	Jintan	Propellant, Airbag initiators and Airbag inflators	Owned
Autoliv (China) Automotive Safety Systems Co., Ltd.	Nantong	Airbag cushions	Owned
Mei-An Autoliv Co., Ltd.	Taipei	Seatbelts and airbags	Leased
Estonia			
AS Norma	Tallinn	Seatbelts and belt components	Owned
France			
Autoliv France SNC	Gournay-en-Bray	Airbags	Owned
Autoliv Isodelta SAS	Chiré-en-Montreuil	Steering wheels and covers	Owned
Livbag SAS	Pont-de-Buis	Airbag inflators	Owned
N.C.S. Pyrotechnie et Technologies SAS	Survilliers	Airbag initiators and seatbelt micro gas generators	Owned
Germany			
Autoliv B.V. & Co. KG	Elmshorn	Seatbelts	Owned
Hungary			
Autoliv Kft.	Sopronkövesd	Seatbelts	Owned
India			
Autoliv India Private Ltd.	Bangalore	Seatbelts, airbags	Owned
	Mysore	Seatbelt webbing and Airbag Cushions	Owned
	Badli	Airbags and steering wheels	Leased
Indonesia			
P.T. Autoliv Indonesia	Jakarta	Seatbelts and steering wheels	Owned
Japan			
Autoliv Japan Ltd.	Atsugi	Steering wheels	Leased
	Hiroshima	Airbags and steering wheels	Owned
	Taketoyo	Airbag inflators	Leased
	Tsukuba	Airbags and seatbelts	Owned
Malaysia			
Autoliv-Hirotako Sdn Bhd	Kuala Lumpur	Seatbelts, airbags and steering wheels	Owned

Mexico			
Autoliv Mexico East S.A. de C.V.	Matamoros	Steering wheels	Owned
Autoliv Mexico S.A. de C.V.	Lerma	Seatbelts	Owned
Autoliv Safety Technology de Mexico S.A. de C.V.	Tijuana	Seatbelts	Leased
Autoliv Steering Wheels Mexico S. de R.L. de C.V.	Querétaro	Airbag cushions	Leased
Autoliv Steering Wheels Mexico S. de R.L. de C.V.	Querétaro	Airbags	Leased
Autoliv Mexico S.A. de C.V.	Aguascalientes	Steering wheels	Owned
Philippines			
Autoliv Cebu Safety Manufacturing, Inc.	Cebu	Steering wheels	Owned
Poland			
Autoliv Poland Sp. zo.o.	Olawa	Airbag cushions	Owned
	Jelcz-Laskowice	Airbags	Owned
Romania			
Autoliv Romania S.R.L.	Brasov	Seatbelts, seatbelt webbing, seatbelt components, airbag inflators, steering wheels	Owned
	Lugoj	Airbag cushions	Owned
	Resita	Airbag cushions	Owned
	Sfantu Georghe	Steering wheels	Owned
	Onesti	Steering wheels	Leased
	Rovinari	Seatbelts	Owned
Russia			
OOO Autoliv	Togliatti	Airbags, seatbelts and steering wheels	Leased
South Africa			
Autoliv Southern Africa (Pty) Ltd.	Krügersdorp	Seatbelts and airbags	Owned
South Korea			
Autoliv Corporation	Hwasung	Airbags	Owned
Spain			
Autoliv BKI S.A.U.	Valencia	Airbags	Owned
Sweden			
Autoliv Sverige AB	Vårgårda	Airbag inflators	Owned
Thailand			
Autoliv Thailand Ltd.	Chonburi	Seatbelts, Airbags and Steering wheels	Owned
	Chonburi	Seatbelt components	Leased
Tunisia			
STE ASW3 Nadour	El Fahs	Steering wheels	Owned & Leased
STE ASW3 Nadour	Nadhour	Steering wheels	Owned
Turkey			
Autoliv Cankor Otomotiv Emniyet Sistemleri Sanayi Ve Ticaret A.S.	Gebze-Kocaeli	Seatbelts	Owned
Autoliv Cankor Otomotiv Emniyet Sistemleri Sanayi Ve Ticaret A.S. Gebze-Subesi	Gebze-Kocaeli	Airbags, Steering wheels and Seatbelt components	Leased
United Kingdom			
Airbags International Ltd	Congleton	Airbag cushions	Owned
USA			
Autoliv ASP, Inc.	Brigham City	Airbag inflators	Owned
	Ogden	Airbags	Owned
	Ogden	Airbags and service parts	Leased
	Promontory	Propellant	Owned
	Tremonton	Airbag initiators and seatbelt micro gas generators	Owned

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AUTOLIV TECHNICAL CENTERS AND CRASH TEST TRACKS

Country/Company	Location	Product(s) supported
China		
Autoliv (Shanghai) Vehicle Safety System Technical Center Co., Ltd.	Shanghai	Inflators and pyrotechnics customer applications, airbags, steering wheels and seatbelts customer applications and platform development with full-scale test laboratory
France		
Autoliv France SNC	*Gournay-en-Bray*	*Airbags and seatbelts customer applications and platform development with full-scale test laboratory*
Livbag SAS	Pont-de-Buis	Inflator and pyrotechnic development
Autoliv Isodelta SAS	Chiré-de-Montreuil	Steering wheels development and customer applications
Germany		
Autoliv B.V. & Co. KG	Dachau	Customer applications and platform development, airbags with full-scale test laboratory
	Elmshorn	Seatbelts with full-scale test laboratory
India		
Autoliv India Private Ltd.	Bangalore	Airbags and seatbelts with sled testing
Japan		
Autoliv Japan Ltd.	Tsukuba	Airbags and seatbelts customer applications and platform development with sled test laboratory
Poland		
Autoliv Poland Sp. zo.o.	Jelcz	Airbags applications and platform development
Romania		
Autoliv Romania S.R.L.	Brasov	Seatbelts with sled test laboratory
South Korea		
Autoliv Corporation	Seoul	Airbags and seatbelts customer applications and platform development with sled test laboratory
Sweden		
Autoliv Development AB	Vårgårda	Research center
Autoliv Sverige AB	Vårgårda	Airbags customer applications, inflator and special safety products development with full-scale test laboratory
USA		
Autoliv ASP, Inc.	Auburn Hills	Airbags, steering wheels, and seatbelts customer applications and platform development with sled test laboratory
	Ogden	Airbags, inflators and pyrotechnics customer applications and platform development

Item 3. Legal Proceedings

In the ordinary course of its business, the Company is subject to legal proceedings brought by or against the Company and its subsidiaries.

See Note 17, Contingent Liabilities, to the Consolidated Financial Statements in this Annual Report for a summary of certain ongoing legal proceedings. Such information is incorporated into this Part I, Item 3 – "Legal Proceedings" by reference.

Item 4. Mine Safety Disclosures

Not applicable.

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

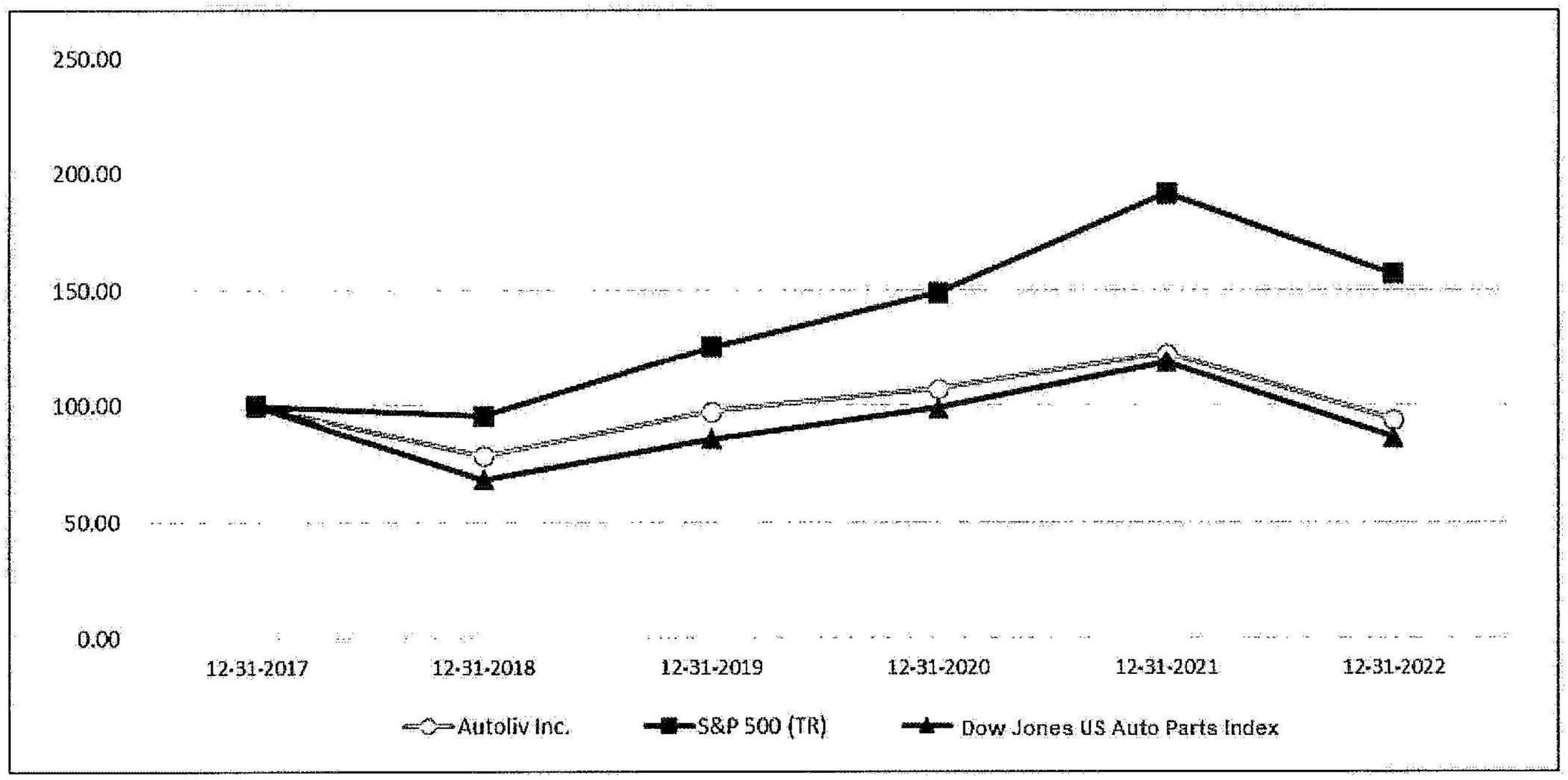
Shareholder information

The primary exchange market for Autoliv's securities is the New York Stock Exchange (NYSE) where Autoliv's common stock trades under the symbol "ALV". Autoliv's Swedish Depositary Receipts (SDRs) are traded on NASDAQ Stockholm's list for large market cap companies under the symbol "ALIV SDB". Options in SDRs trade on Nasdaq Stockholm under the name "Autoliv SDB". Options in Autoliv shares are traded on NASDAQ OMX PHLX and on NYSE Amex Options under the symbol "ALV".

Stock Performance Graph

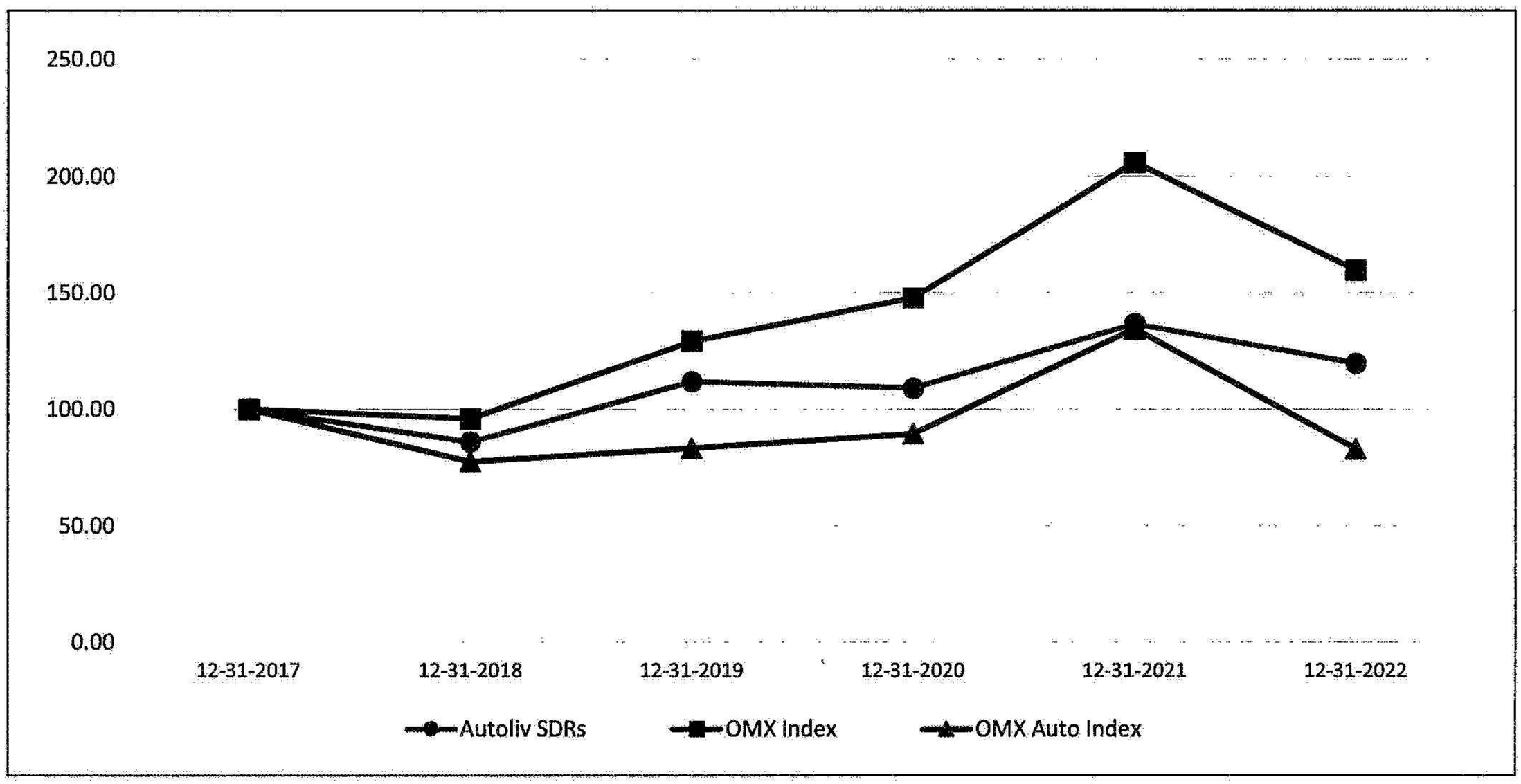
The graph and table below show the cumulative total shareholder return for our common stock since December 31, 2017. The graph compares our performance to that of the Standard & Poor's 500 Stock Index (S&P 500) and the Dow Jones US Auto Parts Index. The Dow Jones US Auto Parts Index is our newly chosen and replaces the OMX Auto Index we used in prior reports. We believe the Dow Jones US Auto Parts Index is a better representation of our peer companies than the OMX Auto Index which is composed of a smaller number of public Swedish companies.

The comparison assumes $100 was invested at the closing price of our common stock on the NYSE on December 31, 2017. Each of the returns shown assumes that all dividends paid were reinvested.



	12-31-2017	12-31-2018	12-31-2019	12-31-2020	12-31-2021	12-31-2022
Autoliv, Inc.	$ 100	$ 78.45	$ 97.57	$ 107.32	$ 122.89	$ 94.13
SP500TR	100	95.62	125.72	148.85	191.58	156.88
Dow Jones US Auto Parts Index	100	68.30	85.56	99.27	118.94	86.35

The following graph and table below show the cumulative total shareholder return for our Swedish Depository Receipts ("SDRs") since December 31, 2017. The graph compares our performance to that of the Nasdaq OMX All Share Index ("OMX Index") and the OMX Auto Component Index ("OMX Auto Index"). The comparison assumes 100 Swedish Kronor was invested at the closing price of our SDRs on the OMX on December 31, 2017. Each of the returns shown assumes that all dividends paid were reinvested. This graph and table will be discontinued in the future.



(SEK)	12-31-2017	12-31-2018	12-31-2019	12-31-2020	12-31-2021	12-31-2022
Autoliv SDRs	100	85.92	111.65	108.86	136.43	119.53
OMX Index	100	95.84	128.98	147.75	206.01	159.87
OMX Auto Index	100	77.52	83.18	89.35	134.26	82.92

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Number of shares

As of December 31, 2022, the number of shares outstanding, net of treasury shares, was 86.2 million, compared to 87.5 million as of December 31, 2021.

During 2022, the weighted average number of shares outstanding (excluding dilution and treasury shares) decreased to 87.1 million from 87.5 million in 2021. Assuming dilution, the weighted average number of shares outstanding for the full year 2022 decreased to 87.2 million from 87.7 million in 2021.

Stock options (if exercised) and granted Restricted Stock Units (RSUs) and Performance Shares (PSs) could increase the number of shares outstanding as of December 31, 2022 by 0.3 million shares in the aggregate. Combined, this would add 0.4% to the number of shares outstanding as of December 31, 2022. In November 2021, the Board of Directors approved a new stock repurchase program that authorizes the Company to repurchase up to $1.5 billion or up to 17 million shares (whichever comes first) between January 2022 and the end of 2024. On December 15, 2022, the Board of Directors approved the retirement of 10.0 million treasury shares. On December 31, 2022, the Company had 5.0 million treasury shares.

Shareholders

Of the shares held by institutional investors, Autoliv estimates that around 47% were held by Sweden-based shareholders, around 31% by US-based shareholders and around 9% by UK-based shareholders. Most of the remaining Autoliv shares were held in Switzerland, Norway, Germany and France.

Dividends

Autoliv has a history of paying quarterly cash dividends. Declared dividends are announced in press releases and published on Autoliv's corporate website. The Board of Directors revisits dividends on a quarterly basis. There can be no assurance that the Board of Directors will declare dividends in the future. See Autoliv's corporate website for additional details regarding historical dividends.

Stock incentive plan

Autoliv employees participate in the Autoliv, Inc. 1997 Stock Incentive Plan, as amended (the "Stock Incentive Plan") and receive Autoliv stock-based awards from time to time. Additional information regarding the securities authorized for issuance under the Stock Incentive Plan is included in Item 12 of this Annual Report.

Autoliv has adopted a Stock Ownership Policy for Executives requiring the Company's Chief Executive Officer (CEO) to accumulate and hold the number of Autoliv shares having a value of twice his annual base salary. For other executives, the minimum requirement is, over time, a holding equal to each executive's annual base salary.

Stock repurchase program

The following table provides information with respect to common stock repurchases by the Company during the three months period ended December 31, 2022.

	New York Stock Exchange (NYSE)			
Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (USD) (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (3)
October 1-31, 2022	249,090	$ 80.31	1,039,981	15,960,019
November 1-30, 2022	400,591	$ 87.38	1,440,572	15,559,428
December 1-31, 2022	—	$ —	1,440,572	15,559,428

(1) The repurchases are being executed from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases or privately negotiated transactions, including through Rule 10b5-1 plans. For accounting purposes, shares repurchased under our stock repurchase programs are recorded based upon the settlement date of the applicable trade.

(2) Average price paid per share includes costs associated with the repurchases.

(3) On November 16, 2021, the Company announced that its Board of Directors approved a new stock repurchase program that authorizes the Company to repurchase up to $1.5 billion or up to 17 million common shares, whichever comes first, between January 2022 and the end of 2024.

Item 6. [RESERVED]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

IMPORTANT TRENDS

The discussions and analysis in this section are focused on the Company's results of operations for the year ended December 31, 2022 compared to the year ended December 31, 2021. Discussions of the Company's results of operations for the year ended December 31, 2021 compared to the year ended December 31, 2020 can be found in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's Form 10-K for the year ended December 31, 2021, which was filed with the United States Securities and Exchange Commission on February 22, 2022.

Autoliv, Inc. (the "Company") provides automotive safety systems to the automotive industry with a broad range of product offerings, primarily passive safety systems. In the year ended December 31, 2022, a number of factors influenced the Company's results of operations, including:

- Industry supply chain disruptions and the global semiconductor shortage limited the light vehicle production (LVP) recovery and caused high customer call-off volatility
- Raw material price increases and corresponding inflation compensation negotiations with customers
- COVID-19 pandemic
- Continued growth above LVP driven by price, higher content per vehicle, and execution of strong order book
- Order intake adding to an already strong customer base
- Strategic and structural initiatives
- Continued focus on operational excellence and quality

	2022		2021	
YEARS ENDED DEC. 31 (DOLLARS IN MILLIONS, EXCEPT EPS)	Reported[1]	change	Reported[1]	change
Global light vehicle production (in thousands)	79,289	6.9 %	74,136	3.6 %
Consolidated net sales	$ 8,842	7.4 %	$ 8,230	11 %
Operating income	659	(2.3) %	675	77 %
Operating margin, %	7.5	(0.7) pp	8.2	3.1 pp
Net income attributable to controlling interest	423	(2.8) %	435	133 %
Earnings per share[2]	4.85	(2.2) %	4.96	132 %
Net cash provided by operating activities	713	(5.4) %	754	(11) %
Return on capital employed, %	17.5	(0.7) pp	18.3	7.9 pp

1) Reported figures impacted by costs for capacity alignments and antitrust related matters. See section Items affecting comparability and Note 11 to the Consolidated Financial Statements included herein.
2) Assuming dilution and net of treasury shares.

SUPPLY CHAIN

LVP in 2022 was limited by the global semiconductor shortage and other industry supply chain disruptions. 2022 saw global LVP growth year-over-year by around 6.9% (according to S&P Global January 2023). Supply chain disruptions led to low customer demand visibility and material changes to customer call-offs with short notice which negatively impacted our production efficiency and profitability in 2022. Rising raw material costs amounted to around 4.5pp in operating margin headwind in 2022, which to a large extent was offset by commercial customer recoveries.

The Company expects the current industry-wide supply chain disruptions to be a limiting factor for the global LVP in the first half year of 2023, while the Company expects that demand and supply will be in better balance in the second half of 2023.

COVID-19

Direct COVID-19 related costs, such as personal protective equipment, quarantine costs and similar items, were around $15 million in 2022. Governmental support in connection with furloughing, short-term work weeks, and other similar activities were around $8 million in 2022.

INFLATION

The Company expects the raw material price changes in 2023 will to a large extent be reflected in price changes in the Company's products, albeit with delays of several months. The Company also expects significant cost pressure from broad based inflation relating to labor, logistics, utilities and other items. The Company continues to execute on productivity and cost reduction activities to offset this inflation, and the Company has also initiated challenging discussions with its customers on non-raw material cost inflation. The Company believes price adjustments will gradually offset the non-raw material cost inflation as the market digests these new realities, with limited positive effects in the first quarter and gradual improvement as the year progresses.

THE WAR IN UKRAINE

The direct impact of the war in Ukraine on our business has been relatively limited. In 2021, sales in Russia were less than 1.0% of the Company's total sales, declining to less than 0.1% in 2022. Autoliv has one facility with fewer than 20 employees in Russia, down from close to 200 employees before the start of the war. Our operations in Russia are currently suspended. Autoliv net assets in Russia consists of USD cash items, which amount to around $8 million. Autoliv has no operations in Ukraine.

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GROWTH IMPACTED BY LIGHT VEHICLE PRODUCTION, SAFETY CONTENT PER VEHICLE, AND STRONG ORDER BOOK

The most important driver for Autoliv's sales is the LVP. During the past ten years, LVP has shown year-over-year growth with the exception of the years 2018-2020. Despite strong end-consumer demand for new vehicles, global LVP only grew by 6.9% in 2022 - much below the 8.9% expected by S&P Global in the beginning of the year. For Europe, the LVP growth of 18% that was expected in the beginning of the year became a decline of 1%. This was mainly a result of distressed global automotive supply chains and limited semiconductor availability impacted by the COVID-19 pandemic.

During 2022, the Company experienced a limited improvement in global LVP in the second half of the year, compared to a relatively weaker first half of the year, indicating a somewhat improved availability of semiconductors and stability of global automotive supply chains in the second half of the year.

Light Vehicle Production[1)]

	2022		2021		Change 2022 vs 2021	
	(000´) units	% global	(000´) units	% global	(000´) units	%
Americas	15,879	20%	14,518	20%	1,361	9%
North America	*13,078*	*16%*	*11,933*	16%	1,145	*10%*
South America	*2,801*	*4%*	*2,585*	3%	216	*8%*
Europe	15,561	20%	15,765	21%	(204)	*(1)%*
Asia	45,638	58%	41,840	56%	3,798	*9%*
China	*25,229*	*32%*	*23,290*	31%	1,939	*8%*
Japan	*7,290*	*9%*	*7,307*	10%	(17)	*(0)%*
South Korea	*3,695*	*5%*	*3,407*	5%	288	*8%*
India	*5,078*	*6%*	*4,139*	6%	939	*23%*
Other Asia	*4,345*	*5%*	*3,698*	5%	647	*17%*
Other	2,210	2%	2,013	3%	197	*10%*
Global Total	**79,289**		**74,136**		**5,153**	*7%*

[1)] Source: S&P Global

Chinese LVP, the world's largest automotive market, increased by 2.0 million units or by 8% from 2021 to 2022. In Europe, an important market for automotive safety systems, LVP decreased by 1% or by approximately 0.2 million light vehicles during the same period. In North America, LVP increased by 1.1 million units, or by 10% compared to 2021.

During 2022, Europe's share of global LVP has declined to 20% from 21% while Americas' share was unchanged at 20% and China's share increased to 32%. Japan's share declined to 9% from 10% while India's share remained at 6%.

Despite macro-economic uncertainties in parts of the world, we expect light vehicle markets to grow both in the short and long term, driven by pent-up end user demand and a rebuilding of new vehicle inventories. The growth is expected to take place in all regions.

Due to more stringent crash test rating requirements, by institutes such as Euro NCAP, increased government regulations and increasing consumer demand for more safety in emerging markets, the Company sees vehicle manufacturers installing more airbags and more advanced seatbelt systems in vehicles. This generally takes place when new models are introduced. The safety standards of vehicles are increasing in China, India, and other growth markets such as Brazil, partially due to new government regulations and crash test rating programs. For example, the Indian government has decided on a new traffic regulation that mandates more rigid crash test standards for light vehicles. This is supporting higher installation rates of airbags and more advanced seatbelts, impacting CPV positively. Commercial customer recoveries compensating for increased raw material costs also added to CPV in 2022, partly offset by negative effects from continued productivity related pricing pressure from vehicle manufacturers. The trend of increasing CPV was negatively impacted in 2022 by the unfavorable regional LVP mix development, as more than 75% of global LVP growth came from lower safety content regions such as China, India, Other Asia, and South America. This negative regional mix effect was more than offset by the overall increase in global CPV of more than 6% and the execution of the Company's strong order book, which supported an organic growth (see section Non-U.S. GAAP Performance Measures) of 6.6 percentage points above growth in global LVP. The average global safety CPV (airbags, pedestrian safety, seatbelts, and steering wheels) amounted to around $255 in 2022.

The more stringent crash rating requirements and consumer demand for more safety should enable the global automotive safety market to grow around 2-3 percentage points per year faster than the global LVP during the next two years. This excludes the impact from cost inflation related price increases.

The past years' high order intake share has resulted in the Company's sales development outperforming the underlying LVP significantly in the past three years. In 2022, the Company's organic sales development outpaced global LVP by around 6.6 percentage points, due to increased safety content per vehicle and as an effect of recent years high order intake share.

The Company estimates that the sales to Electric Vehicles (not including PHEVs) amounted to more than $1 billion in 2022, decreasing our dependency on ICE vehicles.

WELL BALANCED GLOBAL FOOTPRINT

The Company's regional sales mix continues to be balanced with 27% of sales in Europe, 33% in the Americas and 40% in Asia in 2022, compared to 28%, 31% and 41%, respectively, in 2021. In Asia, the Company's sales in the important Chinese market remained at 21% of total sales in 2022. The Company's sales in India increased to 4% of total sales in 2022 from 3% in 2021.

The balanced regional sales mix has been achieved through timely investments and strengthening of technical and support capabilities in growth markets.

ORDER INTAKE ADDING TO AN ALREADY STRONG CUSTOMER BASE

The Company's order intake in 2022, with high win rates for new EV platforms with both new and traditional OEMs, added to the Company's already strong base, which includes supplying products to more than 1,300 vehicle models and around 100 car brands. The order intake in 2022 supports the Company's estimate that the Company's sales market share is moving towards around 45% in the next few years. The Company estimates that its sales market share was unchanged at around 43% in 2022. The lead time from order intake to start of production is typically 1-3 years. During this period the products are engineered into the vehicle to provide the expected protection for occupants in case of a crash and to meet legal and regulatory requirements, as well as other requirements from the vehicle manufacturer. This investment in new products is the main reason for the high level of RD&E expenses, net. Additionally, the Company has to build up production capacity, in the form of new lines, to meet future product launches.

The Company's order intake share for 2022 continued on a high level. The estimated life-time sales for all orders booked in 2022 is around $10.7 billion, almost unchanged compared to around $10.8 billion in 2021, despite currency headwinds and lower LVP outlook in 2022. The 2022 order intake included high win rates with relatively new automakers and for new EV platforms. New order intake is defined as the sales value of awards for future business, received within that year. The life time value is calculated using detailed assumptions of price and volumes over the years of production and the exchange rates prevailing at the time of receiving the order.

Our sales growth has outperformed the change in global LVP by around 5-7 percentage points every year in the past five years. In 2022, the outperformance was 6.6 percentage points. During 2022, growth was positively affected through recent launches of several new models, including GMC Sierra/Chevrolet Silverado, Toyota Tundra, and Toyota Yaris as well as steering wheels sales to a number of Mercedes models.

STRATEGIC INITIATIVES AND STRUCTURAL IMPROVEMENTS

2022 light vehicle market was hampered by an industry wide shortage of semi-conductors, a distressed global automotive supply chain and a raw material inflation which resulted in significant increases in cost for purchased material. In response, Autoliv management continued to implement strict cost control measures, including footprint and capacity alignments in Europe, Japan, South Korea as well as moving overhead functions to Best Cost Countries.

Additionally, the Company has introduced several initiatives in previous years, such as the Structural Efficiency Program 1 and 2. The first program was fully implemented in 2020 and the second program was fully implemented by 2022.

The provision, net of reversals, for restructuring activities in 2022 amounted to $13 million compared to $8 million in 2021. As of December 31, 2022, the Company had $31 million reserved in its balance sheet related to restructuring compared to $88 million last year. For more information, see Note 11, Restructuring, to the Consolidated Financial Statements included herein.

In addition to the structural improvements outlined above, the Company continues to implement the strategic initiatives to improve the efficiency of its value chain from end to end, not least through the Autoliv Production System and increased digitalization and automation. With several hundred projects in implementation or undergoing development, the Company has a high pace in the planning and implementation of the strategic initiatives and structural improvements. These initiatives are key drivers to the Company's medium-term targets and building the foundation to continue to create shareholder value.