

MODERN SLAVERY STATEMENT

2020

Structure, business and supply chain

Volvo Truck Corporation is a Gothenburg, Sweden, based company which manufactures, markets, imports and sells trucks, and provides aftermarket products and services. Volvo Truck Corporation has 8 wholly owned production facilities and sells its products to more than 140 markets.

Volvo Truck Corporation is a member of the Volvo Group. The Volvo Group is a publicly held company headquartered in Gothenburg, Sweden. The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines and also provides complete financing solutions. In 2020, the Volvo Group's sales amounted to about SEK 338 billion (EUR 32,3 billion). The Volvo Group brands include Volvo Trucks, Volvo Construction Equipment, Volvo Buses, Volvo Penta, Renault Trucks, Mack Trucks, Terex Trucks, Prevost, Novabus and Arquus. In 2020, Volvo agreed to divest its ownership in UD Trucks to Isuzu Motors and to form a strategic alliance within commercial vehicles with Isuzu Motors, which was completed on 1 April 2021. The Volvo Group also has a number of strategic partnerships and joint ventures, including Dong Feng, Eicher and Shandong Lingong Construction Machinery (SDLG).

The Volvo Group employs 96,000 people worldwide, has production facilities in 18 countries and its products are sold in more than 190 countries. The major production facilities are located in Australia, China, Belgium, Brazil, France, Germany, India, Mexico, Poland, Russia, South Africa, Sweden, the United Kingdom and the United States.

The Volvo Group has around 51,000 Tier 1 suppliers, of which 6,000 supply automotive product components. In 2020, the Volvo Group made purchases of goods and services totalling SEK 239,9 billion (EUR 22,2 billion). Purchases were made from suppliers in EMEA (59%), Americas (15%), and Asia-Pacific (26%). The supply chain is complex and there are in general several tiers of suppliers between the manufacturing entities and the supplier of raw material.

Human Rights Governance

The Volvo Group's mission is to drive prosperity through transport and infrastructure solutions. Hence, respect for human rights is fundamental for the Volvo Group and the Volvo Group is committed to respecting human rights. This applies not only in relation to our own operations, but also in relation to our supply chain, our business partners and in relation to others potentially impacted by our operations or the use of our products and solutions.

The Volvo Group has been a signatory of the UN Global Compact since 2001 and we strive to align ourselves with the UN Guiding Principles on Business and Human Rights ("UNGP"). This is a continuous journey and we have adopted a risk-based approach where we prioritize and focus on the areas where we consider that we have the highest risks for adverse human rights impacts.

To further strengthen our human rights governance we have established a Human Rights Board, composed of relevant members of our Executive Board. The Human Rights Board is supported by a cross-functional reference group and a working group with members from relevant Group functions, truck

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divisions and business areas. It is our firm belief that responsible governance of human rights related matters is key to the long-term business success of the Volvo Group. In 2020, we initiated the work to formalize and strengthen our human rights program and human rights plan.

Policies including statements relating to modern slavery

Volvo Group Code of Conduct

Non-tolerance of forced labour and child labour has been part of the Volvo Group Code of Conduct since 2003. The Code of Conduct applies to everyone who works on Volvo Group's behalf, including full- and part-time employees, consultants, temporary staff, and senior management. The current version of the Volvo Group Code of Conduct states that we do not tolerate any forms of modern slavery. Practices that constitute forced labour, including debt bondage, human trafficking and other forms of modern slavery, are not accepted in any part of the Volvo Group. The Code of Conduct includes examples of modern slavery related practices such as confiscation of identity papers or passports, withholding of wages, not conferring an official employment status, subjecting someone to physical and sexual violence, debt bondage, imposing excessive recruitment fees, and restricting people's freedom of movement. The Volvo Group Code of Conduct is publicly available on Volvogroup.com.

Supplier Code of Conduct

Since 1996, our Responsible Purchasing Program has consistently increased supplier requirements on environmental performance, business ethics and human rights. In 2019, a

new Supplier Code of Conduct was launched and suppliers are required to commit contractually to comply with the Supplier Code of Conduct. The Supplier Code of Conduct states that the Volvo Group does not tolerate any forms of modern slavery or forced labour in its supply chain, including but not limited to forced, bonded or compulsory labour and human trafficking. It is further stated that suppliers and their recruitment agencies may not engage in or tolerate, restrictions of movement, excessive recruitment fees, confiscation of identity documents and/or passports, withholding of wages, abusive working conditions, debt bondage, violence or any other kind of exploitation or abuse.

Suppliers are required by the Supplier Code of Conduct to ensure that their own organization and its direct suppliers comply with the Supplier Code of Conduct's minimum requirements. It is further stated that suppliers are expected to perform human rights due diligence of their supply chains, and suppliers are encouraged to work proactively in their supply chains beyond direct suppliers to implement standards that correspond to the standards of the Supplier Code of Conduct. The Supplier Code of Conduct is implemented through self-assessments and supplier audits as part of our Responsible Purchasing Program (see below). The Supplier Code of Conduct is publicly available at Volvogroup.com.

Risk assessment, due diligence and effectiveness

Modern slavery, including forced labour and human trafficking, may materialize not only in our own organization and operations, but also through our business relationships and in other parts of our value chain. Modern slavery

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related risks are assessed within the framework of the Human Rights reviews undertaken in relation to our own operations and through our Responsible Purchasing Program (see below). In these reviews we prioritize the countries and segments where we believe that we have the highest risks for adverse human rights impacts, using for example credible third party service providers to provide input on modern slavery risks country-by-country throughout the world, with increased risks being noted in for example certain countries in Africa and Asia, the Middle East and South America.

2020 was marked by Covid-19 and as a result demand and business activity levels were impacted. The Group's primary focus during 2020 has been to ensure the health, safety and well-being of our colleagues and external stakeholders such as suppliers and customers. To the extent possible given the circumstances, we have continued with our human rights due diligence activities including follow-ups of previous activities as further detailed below.

Own Operations - Human Rights reviews

Based on our risk-based approach in the prioritization of the Human Rights reviews of our own operations, we have been in recent years, and intend to continue, gradually performing Human Rights reviews across our own operations. These reviews also cover on-site service providers. It typically involves desktop reviews of country and sector human rights risks, self-assessments and in-person workshops with the local management and human resources personnel, in-person discussions with employees, on-site service providers and their employees, union

representatives and also, if relevant, potential in-person discussions with other stakeholders. It is adapted to reflect the needs and risks of the country being reviewed. Following each Human Rights review, action plans for identified improvement areas are created with clear ownership and anchoring with the local management team. The results of the Human Rights reviews and the action plans are shared with the Human Rights Board and followed up on a regular basis.

As the Covid-19 pandemic has resulted in reduced business activity levels and travel restrictions, no internal human rights review process was performed during 2020. To ensure continued progress in this area, the Group is now investigating the possibility to perform remote human rights reviews until our standard process for normal human rights reviews can be continued, taking into account an expected continuation of travel and meeting restrictions during 2021.

Following our evaluation of our Human Rights review process in 2019, we are continuing to work to clarify and strengthen our human rights review processes and methodology to further align it with the UNGPs. We have also followed up on findings from previous human rights reviews in India (2017), South Africa (2018), and Mexico (2019) with the local management. No adverse findings relating to modern slavery were identified in connection with these human rights reviews.

Suppliers – Responsible Purchasing Program

In 2019, an updated and improved Responsible Purchasing Program was implemented, which in addition to the launch of our new Supplier Code of Conduct and trainings (see below)

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includes various due diligence activities in relation to our suppliers:

- Supplier Self-Assessments: New suppliers must conduct a self-assessment against the requirements in the Supplier Code of Conduct and share the results with the relevant Volvo Group entity. The results of the self-assessment, together with other risk parameters, forms the basis for the decision to accept the relevant supplier or not. During 2020, 95% of the spend was to suppliers who were self-assessed on environmental and social criteria, of which 92% were approved with respect to forced labour and other requirements. In high-risk areas, this percentage was 98%, where 97% have recorded an approved score. Spend in relation to suppliers that were not approved in the assessment may nonetheless have been engaged for a number of reasons, such as providing a credible mitigation plan.
- Sustainability Audits: As part of the supplier selection process, new suppliers above a certain spend in high risk countries and segments are to be assessed through on-site sustainability audits. Further, sustainability audits of existing suppliers are performed when deemed necessary due to risk indications from internal or external sources. During sustainability audits, suppliers' facilities are visited by trained Volvo Group personnel to assess, among other aspects, labour rights, working conditions, health and safety, and modern slavery related risks.
- Sustainable Minerals Program: The Volvo Group does not directly source conflict minerals or other minerals of concern such as tin, tantalum, tungsten, gold and cobalt, however these minerals are part of our

global supply chain and are used in a variety of materials and components. We aim to support our suppliers to secure sustainable supply chains of these minerals through our Sustainable Minerals Program. The Volvo Group is a member of the Responsible Mining Initiative (RMI) and with the support of the tools provided by RMI we perform supply chain mapping and due diligence of our supply chain for conflict minerals. This is an important initiative with the aim of mitigating human rights related risks at the bottom of our supply chain, including but not limited to, modern slavery related risks and with a focus on the implementation of the EU Conflict Minerals Regulation.

During 2020, it has been difficult to conduct on-site sustainability audits due to the Covid-19 pandemic. To ensure the continuity of our ongoing Responsible Purchasing Program, audits were trialled via digital connection. During 2020, sustainability audits were performed on 38 suppliers in Brazil, China, India, Malaysia, Mexico, Russia and South Africa. No adverse findings relating to modern slavery were identified in connection with these audits.

In 2020, 1,121 tier one suppliers were invited to take part in the Volvo Group's Sustainable Minerals Program with the aim to create transparency and visibility in the supply chains of minerals. Several of the invited companies already collaborate with the Volvo Group in this respect, and all invited suppliers will be assessed on the parameters of (a) the strength of their Human Rights Due Diligence program and (b) their association to smelters or refiners of concern in their supply chain. The long-term ambition of the Sustainable Minerals Program is to drive full transparency by 2025 with all in-

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scope supply chain partners complying with our Responsible Purchasing Standards and Requirements.

Business Partners

In addition to our own manufacturing entities, the Volvo Group collaborates with truck assembly partners and bus body builders, some of which are located in high risk countries from a human rights perspective. In 2020, we have continued our work to strengthen our contractual terms with assembly partners and bus body builders and are further considering how to strengthen our overall due diligence on corporate responsibility and human rights in this area.

Training and capacity building

During 2020, the Volvo Group performed certain training initiatives, both for employees and suppliers.

All employees with access to computers are required to complete a Volvo Group Code of Conduct e-learning each year and for employees in the production environment or without access to computers, managers are required to lead mandatory Volvo Group Code of Conduct training sessions. In 2020, due to the impact of Covid-19 and the related furlough or short term lay-offs of employees globally, the annual Code of Conduct training was postponed to December 2020. By year-end, approximately 37,000 employees (86% of the target group) had completed the training.

Volvo has an e-learning program for all Volvo Group staff working with suppliers, outlining the concept of responsible purchasing. Further, during 2020, the Volvo Group conducted various internal trainings on more detailed

sustainability topics connected to specific segments and connected risks.

As on-site sustainability trainings for our suppliers had to be postponed in 2020 due to Covid-19, the Volvo Group has, in cooperation with DRIVE Sustainability (see below) taken part in producing and launching an on-line training for supply chain partners. The on-line training enables commitment and communication around all key sustainability topics (including modern slavery) and serves as a good alternative to face to face training. The training is intended to target suppliers with a low sustainability performance.

Grievance mechanisms

The Volvo Group offers various channels to internal and external stakeholders to report on potential ethical concerns or violations of the Volvo Group policies, including our whistleblower process, the "Volvo Whistle", which is publicly available on Volvogroup.com. Our internal and external stakeholders are also made aware of the "Volvo Whistle" through for example our Code of Conduct, included as part of compliance and human rights trainings, articles on our intranet, and in our Annual and Sustainability Report. The Volvo Group does not tolerate any retaliation against whistleblowers raising concerns in good faith. No issues relating to modern slavery were reported through the Volvo Whistle nor other channels during 2020.

Partnerships

During 2020, the Volvo Group continued as a Lead Partner in DRIVE Sustainability. DRIVE Sustainability is a global network with the mission to drive sustainability in the supply chains of the automotive industry. We believe

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that a joint industry approach is one of the best ways to drive sustainability in our supply chains.

During 2020, Volvo Group continued its membership with the Responsible Minerals Initiative (RMI), an organization which holds valuable knowledge within the mining industry and provides important tools used within our Sustainable Minerals Program.

The statement is made in accordance with Section 54 (1) of the UK Modern Slavery Act 2015. The statement has been approved by the

Board of Directors of Volvo Truck Corporation and applies for the period January 1, 2020 to December 31, 2020.

Signed



Roger Alm

Director

June 2021