

# MODERN SLAVERY STATEMENT

## 2021

### Structure, business and supply chain

Volvo Bus Corporation is a Gothenburg, Sweden, based company which manufactures, markets, imports and sells buses in around 85 markets. Volvo Bus Corporation is a large multi-site enterprise with production sites in Europe, Asia and North America and more than 7.000 employees spread across the world.

Volvo Bus 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 2021, the Volvo Group's sales amounted to about SEK 372 billion (EUR 37 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. The Volvo Group also has a number of strategic partnerships and joint ventures, including Dong Feng, Eicher and Shandong Lingong Construction Machinery (SDLG). In addition, during 2021 the Volvo Group entered into several partnerships with focus on autonomous solutions, electrification and charging infrastructure. These include, among others, partnering with Aurora to jointly develop autonomous transport solutions, completing the transaction to form the fuel-cell joint venture cellcentric with Daimler Truck AG, and to create a joint venture to install and operate a high-performance public charging network across Europe with Daimler Truck and the Traton Group. Also, a strategic alliance with Isuzu became operational in 2021.

The Volvo Group employs 95,000 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 2021, the Volvo Group made purchases of goods and services totalling SEK 253,7 billion (EUR 22,2 billion). Purchases were made from suppliers in EMEA (60%), Americas (15%), and Asia-Pacific (25%). 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 internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved.

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

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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 shall not engage in or tolerate, restrictions of movement, unethical 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 also encouraged to have adequate policies, risk awareness, risk assessment and due-diligence processes in place to prevent modern slavery and forced labour throughout their supply chain. Suppliers are further encouraged to engage constructively with relevant stakeholders such as recruitment agencies, non-governmental organisations and industry associations in order to build awareness and proactively work towards preventing modern slavery and forced labour

Suppliers are required by the Supply Partner Code of Conduct to ensure that their own organization and its direct suppliers comply with the Supply Partner 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 Supply Partner Code of Conduct. The Supply Partner Code of Conduct is implemented through self-assessments and supplier audits as part of our Responsible Purchasing Program (see below). The Supply Partner Code of Conduct is publicly available at [Volvogroup.com](https://www.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 related risks in our operations are assessed within the framework of the Human Rights reviews while these risks in our supply chain are assessed through our Responsible Purchasing Program (see below). In these reviews and assessments, we prioritize the countries and purchase segments where we believe that we have the highest risks for adverse human rights impacts, using data from credible third party service providers on modern slavery risks in different countries. We noted increased risks in for example certain countries in Africa and Asia, the Middle East and South America.

2021 continued to be marked by Covid-19 and as a result demand and business activity levels were impacted. One of the Volvo Group's primary focus during 2021 has been to continuously 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, performing Human Rights reviews across our own



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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 2021, it has been difficult to conduct on-site sustainability audits due to the Covid-19 pandemic, and travel and meeting restrictions. To ensure the continuity of our ongoing Responsible Purchasing Program, audits were trialled via digital connection where on-site audits were not possible. During 2021, sustainability audits were performed on 45 suppliers in Brazil, China, India, Mexico, Russia and United Arab Emirates. No adverse findings relating to modern slavery were identified in connection with these audits.

In 2021, 821 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-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 2021, 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. In 2021, we also followed up on a 2019 review at a truck assembly partner in Malaysia focusing on employment practices. The review was carried out on-site and the final analysis of the outcome is still under discussion together with our partner.

### **Training and capacity building**

During 2021, 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 2021, the Volvo Group Code of Conduct e-learning included a focused module on Modern Slavery for all employees. By year-end, more than 37,000

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sub-contractors on human rights, working conditions and business ethics.

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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 Bus Corporation

and applies for the period January 1, 2021 to December 31, 2021.

Signed



Anna Westerberg  
Managing Director

May 17, 2022