

## **Modern Slavery and Human Trafficking Statement by TRATON GROUP (Fiscal year 2023)**

This statement has been prepared pursuant to section 54 of the United Kingdom Modern Slavery Act 2015. In particular, it details the measures implemented throughout the TRATON GROUP, including Scania, MAN, Navistar and Volkswagen Truck & Bus (also referred to hereinafter as "TRATON") to prevent forms of modern slavery and human trafficking.

At TRATON we respect human rights as a fundamental and general requirement in our operations and business relations throughout the world. We are committed to comply with all relevant regulations in force. We reject all use of slavery, servitude, exploitation, forced, bonded, and compulsory labor, child labor, as well as all forms of modern slavery and human trafficking. Our commitment to respecting human rights is transparently reflected in our Human Rights Policy Statement which inter alia describes which activities we have implemented within TRATON for the protection of human rights.

### **1. Organization**

TRATON GROUP and our four leading brands – Scania, MAN, Navistar and Volkswagen Truck & Bus – are committed to TRATON's shared purpose of "Transforming Transportation Together. For a sustainable world." This intention underlines TRATON's ambition to have a lasting and sustainable impact on the commercial vehicle business and on the Group's commercial growth.

TRATON was born in times of profound change for our industry — ongoing climate change, the growing importance of sustainability, decarbonization, and digital transformation pose different challenges for TRATON. The TRATON GROUP's strategy, the TRATON Way Forward, seeks to address these challenges and the resulting expected changes in the transportation and logistics industry. As part of this strategy, TRATON is committed to maintaining sustainable and responsible business operations at all times.

The Group's portfolio consists of trucks, buses, and light-duty commercial vehicles, as well as the sale of spare parts and customer services. The TRATON GROUP also offers a broad range of financial services to our commercial vehicle customers.

The TRATON GROUP's business activities are divided into the Industrial Business (TRATON Operations) and Financial Services (TRATON Financial Services) business areas. TRATON GROUP operates 33 production and assembly sites worldwide in Europe, North America, Latin America and Africa. TRATON SE is headquartered in Munich, Germany, while TRATON AB is

located in Södertälje, Sweden. As of year-end 2023, a total of 103,621 people worked for the Group.

## **2. Internal measures to prevent modern slavery and human trafficking**

### **COMPLIANCE AND INTEGRITY**

Integrity and Compliance are key cornerstones of our entrepreneurial activities. They form the basis for TRATON's reputation, for the trust that our customers and business partners place in us, for the well-being of our employees, and for our long-term commercial success.

Compliance with applicable laws and the Code of Conduct, which covers our guiding principles for acting with integrity, are basic preconditions for the success of our business.

#### **Code of Conduct**

The principles in the Code of Conduct are based on TRATON's shared corporate values: Customer First, Elimination of Waste, Respect, Responsibility, and Team Spirit<sup>1</sup>. The Code of Conduct focuses on the integrity and responsibility of each individual. It also uses practical examples to explain how each individual can live up to this responsibility and act with integrity — especially in conflict situations. Integrity means for us to act responsibly and in compliance with laws and ethical values — everywhere and at all times. This applies equally to every single one of us. We do not tolerate infringements of the law. The Code of Conduct is binding for all employees.

Our commitment to respect human rights and freedoms is explicitly addressed in our Code of Conduct.

#### **Qualification of employees**

Communication and employee training play a key role in compliance and sustainability work across all hierarchy levels. TRATON conducts regular face-to-face and online training sessions on compliance and integrity topics. A web-based training on the Code of Conduct is rolled out group-wide. Starting in 2023, TRATON additionally rolled out a web-based training on Business and Human Rights. This training includes comprehensive information on Business & Human Rights and is aimed at increasing the awareness of all employees to human rights risks and TRATON's mitigation measures.

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<sup>1</sup> After reviewing its corporate values in 2022 to ensure identical values for all brands, TRATON has issued above mentioned corporate values in 2023.

## **Reporting Compliance violations**

Potential risks or violations can be reported through TRATON's whistleblowing channels, which are always available to internal and external whistleblowers.

For instance, TRATON's "Speak up!" online whistleblower channel is used to report potential regulatory violations, including possible risks or violations of human rights. It is accessible to all people around the world and enables both employees and third parties, such as business partners and customers, to report suspected misconduct any day of the year in various languages.

Our whistleblower system guarantees the highest possible protection for whistleblowers and concerned persons. Discrimination against whistleblowers is considered a serious regulatory violation and is not tolerated.

## **Risk analysis in the own business area**

At TRATON, human rights have been added to the compliance management system as a focus topic. An abstract risk analysis was performed for the company's own business area. Based on the analysis of external sources such as industry studies and country indices, as well as a generic risk questionnaire, abstract human rights and environmental risks were identified and all relevant companies of the TRATON Group were divided into three risk categories. This abstract risk analysis was followed by a concrete risk analysis. Risk workshops were held in the identified high-risk companies with local experts from different disciplines in order to identify and prioritize specific human rights and environmental risks.

Preventive measures have been defined to mitigate human rights risks and to support the integration of human rights in the compliance management system.

## **RESPONSIBILITY FOR PEOPLE**

The TRATON Group is more than just a company – we're a global community made up of colleagues from many walks of life. We recognize that everyone is unique, but we all share a common desire for respect and inclusion. That's why we're committed to creating a workplace free of prejudice, discrimination, and intolerance; one where all voices are heard and valued, and everyone feels empowered, in line with the Diversity & Inclusion (D&I) framework, which aims to foster a workplace culture that is welcoming, respectful, and supportive of all individuals.

## **Diversity and Inclusion**

Diversity & Inclusion at TRATON GROUP is our long-term strategic approach to help ensure future success by developing our corporate culture through capturing and supporting the diversity of skills, experience, knowledge, and the perspectives of our most valuable asset – our employees.

We do not discriminate or tolerate discrimination on grounds of ethnic or national origin, sex, gender identity, religion, views, age, disability, sexual orientation, skin color, political views, social background, or any other characteristics protected by law. Going beyond traditional notions of diversity like acceptance or tolerance, D&I actively celebrates our differences and includes all aspects of diversity in our decision making and everyday work.

D&I is sustainably integrated into our everyday business at the TRATON GROUP. It is fundamentally anchored and implemented through a set of strategies and measures across all our brands. We follow up on the success of our D&I initiatives through relevant KPIs and regular evaluation of them. Our D&I activities are supported across the company, as reflected in our TRATON Group Diversity & Inclusion Commitment. We strive to develop D&I practices for our everyday business, inspiring others to make use of all aspects of diversity and inclusion practices along the value chain.

Furthermore, following policies provide guidance for our human resources work around the globe: UN Global Compact, OECD Guidelines for Multinational Enterprises, the TRATON Code of Conduct, the Volkswagen Group Charter on Labor Relations, the Volkswagen Group Charter on Temporary Work and the Conventions of the International Labour Organization.

## **Employee rights**

TRATON recognizes the rights of workers to form and participate in unions and to engage in collective bargaining. The right of workers to collectively bargain the terms and conditions of their work is an internationally recognized human right. At TRATON, the majority of employees throughout the Group are covered by collective bargaining agreements.

## **3. RESPONSIBILITY IN THE SUPPLY CHAIN**

Operational management of our supply chains sustainability issues is performed by the Sustainability in Supplier Relations teams within our Procurement departments in the brands. To identify current developments and long-term challenges in the individual countries, we also rely on communication between the brands and regions of the Volkswagen Group through the Sustainability Procurement Network.

In order to comply with the German Supply Chain Due Diligence Act (LkSG), which came into force on 1 January 2023, the “Responsible Supply Chain System (ReSC)” management approach was already introduced in 2022. Based on a systematic risk analysis, the new approach aims to avoid or minimize risks of human-rights-related, social or environmental nature as well as corruption along the supply chain. It is also intended to help remedy violations and continually improve the sustainability performance of suppliers. The ReSC system includes the following elements, which build on each other:

## **Risk analysis in the supply chain**

A regular risk analysis serves to identify risks in the supply chain. The risk analysis is updated once a year and/or on an ad hoc basis by Group Procurement Sustainability in consultation with relevant parent companies of the Volkswagen Group.

## **Standard measures**

- Code of Conduct for Suppliers and Business Partners  
We have defined core elements of our supplier management in our Code of Conduct for Suppliers and Business Partners. This document contractually sets out our expectations for the conduct of business partners with regard to key human rights, environmental, social and compliance standards.
- Supply Chain Grievance Mechanism  
Reports about risks or violations related to human rights and environmental obligations or violations of the Code of Conduct for Suppliers and Business Partners by indirect and direct suppliers of the TRATON Group are processed using the Supply Chain Grievance Mechanism.
- The processing of cases is uniformly defined in a binding manual, managed by the Volkswagen Group and carried out together with the brands and regions of the Group. Identified violations are categorized according to their severity to ensure adequate processing. Depending on the category of the violation, appropriate measures are then initiated.
- Media screening  
Continuous and risk-based media screening of relevant suppliers is done via an IT tool. If indications or possible violations of our Code of Conduct for Suppliers and Business Partners are identified, they are checked and processed in the Supply Chain Grievance Mechanism, if necessary.
- Sustainability rating  
As a key measure, the sustainability rating (S-rating) is used for suppliers with a high sustainability risk. The S-rating is used to check the sustainability performance of relevant suppliers and to identify opportunities for continuous improvement. It evaluates suppliers'

environmental performance as well as their social sustainability and integrity. The S rating is directly relevant to the award of contracts.

- Supplier training for employees and partners

The systematic training of our employees and suppliers is a central component of our strategy and essential for improving sustainability in the supply chain.

### Deep dive measures

- Human rights focus system

As part of our sustainable supplier management system, we are particularly committed to protecting those groups that may be exposed to a high risk of potential human rights violations at all stages in our supply chain. To this end, the Volkswagen Group implemented the Human Rights Focus system (HRFS) in 2022. The system aims to identify and appropriately address particularly high risks in our supply chain with regard to human rights violations and environmental aspects. We evaluate aggregated data from our Supply Chain Grievance Mechanism, on-site audits, as well as information from studies, NGO reporting, and stakeholder discussions to determine the relevant topics. Based on the detailed analysis, three focus topics were identified for the 2023 reporting year: forced labor, living wages and supplier management. The focus topics are processed within the Volkswagen Group.

- Raw Material Due Diligence Management System

With regard to responsible raw materials procurement, the Volkswagen Group implemented the five steps of the OECD Due Diligence Guidance for Responsible Business Conduct and the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas. In 2020, a raw material due diligence management system was implemented to address these requirements. It is used to identify, assess, prevent and mitigate actual and potential risks to human rights in our upstream raw material supply chains. Since 2021, the Volkswagen Group has provided information on the fulfillment of its human rights due diligence obligations in the raw materials supply chain, including reporting on the status, progress and targets of the Raw Materials Due Diligence Management System, in an annual "Responsible Raw Materials Report". The specific activities and measures for the 18 particularly high-risk raw materials are also listed there. An important prerequisite for identifying, preventing and mitigating human rights risks in the upstream supply chain is increasing transparency. The Volkswagen Group works closely with its direct suppliers and business partners as part of its Raw Materials Due Diligence Management System. Since human right risks are often most severe at the beginning of the supply chain and can be most effectively addressed there, direct cooperation with mine operators regarding the certification of mines is another part of our strategy. This is intended to review, evaluate

and improve the sustainability performance of the mines in our supply chain in the medium term.

#### 4. Outlook

TRATON is continuously improving its measures to prevent modern slavery and human trafficking. TRATON continues to raise public awareness for Business & Human Rights and accordingly engage with relevant stakeholders; TRATON is for example member of the UN Global Compact.

TRATON SE

Munich, June 2024

Christian Levin  
CEO TRATON SE

Darcy Morowitz  
Chief Compliance Officer





**Modern Slavery and Human Trafficking**

MAN Truck & Bus Group (MAN) is a brand within the TRATON Group and has implemented the Modern Slavery and Human Trafficking statement at brand level. MAN fully supports the TRATON Group position of having a zero tolerance approach to any form of modern slavery, human trafficking or exploitative employment practices.

A blue ink signature of Alexander Vlaskamp, consisting of a large, stylized 'A' followed by a horizontal line extending to the right.

**Alexander Vlaskamp**  
Chief Executive Officer  
MAN Truck & Bus SE

A blue ink signature of Dr. Bernhard Lippsmeier, featuring a large, stylized 'B' followed by a cursive 'Lippsmeier'.

**Dr. Bernhard Lippsmeier**  
Chief Compliance Officer  
MAN Truck & Bus SE

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