

V O L V O

MODERN SLAVERY STATEMENT

2024



A. Introduction

Volvo Car Australia Pty Ltd (ACN 004 830 611) (Volvo Car Australia) is an Australian incorporated entity that operates as a reporting entity under the *Modern Slavery Act 2018* (Cth) (Modern Slavery Act). As a subsidiary of the Volvo Car Group (Volvo Cars), which is headquartered in Gothenburg, Sweden and publicly traded on the Nasdaq Stockholm Stock Exchange, Volvo Car Australia maintains no ownership or control over active subsidiary entities.

Sustainability remains a cornerstone of Volvo Cars' mission, positioned alongside our commitment to safety. Our organisation strives to lead in the protection of both people and the planet through responsible business practices. Central to Volvo Cars' approach is the protection of human rights and our contribution to building a sustainable society.

This Australian Modern Slavery Statement outlines the comprehensive measures undertaken by Volvo Cars and Volvo Car Australia to identify, assess and address modern slavery risks within our operations and throughout our supply chains during the reporting period ending 31 December 2024.

This marks the fifth modern slavery statement developed by Volvo Car Australia in compliance with the Modern Slavery Act, reinforcing Volvo Cars' enduring dedication to ethical business practices and responsible corporate conduct.

Comprehensive information regarding Volvo Cars' human rights initiatives and sustainability policies can be found within:

- The Volvo Cars Human Rights Statement 2024 (which forms an appendix to this Statement)
- Our Position on Responsible Sourcing (available at www.volvocars.com), which governs suppliers providing components that contain raw materials linked to significant environmental, social and governance concerns, termed Raw Materials of Concern. This framework encompasses suppliers of battery components and materials containing tantalum, tin, tungsten and gold (collectively known as conflict minerals or 3TG)
- The Annual and Sustainability Report 2024 (accessible at <https://investors.volvocars.com/en/news-and-events/sustainability-update-2024>)

Volvo Cars acknowledges that combating modern slavery requires both global and local action. We remain committed to identifying and reducing modern slavery risks across every tier of our business operations and supply chain networks by applying a risk-based approach in line with the UN Guiding Principles on Business and Human Rights. Our support for human rights, environmental, and governance due diligence legislation reflects our commitment to responsible business conduct.



B. Our operations globally

Our commitment to safeguard human rights

Volvo Cars is committed to adhering to globally recognised human rights frameworks and standards¹. This commitment to protecting and advancing human rights is endorsed by the Volvo Cars Board of Directors and is expressed in Our Code of Conduct, including the People Policy, Our Volvo Cars Code of Conduct for Business Partners, our Volvo Cars Sustainability Strategy, this statement and the comprehensive Volvo Cars Human Rights Statement 2024 (which is annexed to this Statement).

Our operations and value chain are global

Volvo Cars designs, develops, manufactures, and sells a range of premium cars and services. While our headquarters are in Sweden, we have manufacturing, research, and design operations in Europe, Asia, and the Americas. In our own operations, we employ approximately 44,000 people, distributed across more than 50 different locations.

In 2024, Volvo Cars purchased goods and services to the value of 44.86 Billion AUD (SEK 314 bn) from approximately 12,900 directly contracted suppliers. Of these, 10,300 supplied services and 1,030 (at 2,600 supplier sites) supplied parts and components from the following locations:

- 35 per cent of these supplier sites are in China
- 12 per cent in Germany
- seven per cent in Sweden
- five per cent in the US
- five per cent in France
- five per cent in Poland
- four per cent in Mexico
- 22 per cent in other European countries
- 22 per cent in other European countries
- four per cent in other countries in Africa, Americas and Asia

¹The International Bill of Human Rights; The International Labour Organization's Declaration of Fundamental Principles and Rights at Work; The Ten Principles of the United Nations Global Compact; The Convention on the Rights of the Child; The United Nations Guiding Principles on Business and Human Rights; The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct; The OECD Due Diligence Guidance for Responsible Business Conduct; The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.



Volvo Cars conducts due-diligence

Volvo Cars implements risk-based due diligence to ensure responsible sourcing compliance, identify ESG risks, and drive supply chain improvements through a two-tiered approach:

- Basic Due Diligence: Applied to all directly contracted suppliers
- Enhanced Due Diligence: Used for e.g., suppliers in high-risk countries, sectors and those providing components with prioritised Raw Materials of Concern.

Assessments occur during supplier qualification and through regular periodic reviews. Meeting our sustainability requirements is a prerequisite to be part of our supplier selection process. This approach encourages suppliers to invest in sustainable practices and promote sustainability within their own supply chains.

Detailed due diligence processes are outlined in the Volvo Cars Human Rights Statement 2024.

Human rights risks in our value chain

Given our worldwide operations and diverse business activities, Volvo Cars must assess numerous human rights risks and applies a risk-based approach to guide our due diligence efforts. We have conducted a comprehensive saliency assessment following international best practices to pinpoint our most significant human rights risks.

This assessment considers actual and potential adverse human rights impacts that may be linked to our direct operations or our business partnerships and supply chain relationships.

Volvo Cars operates through an extensive supplier network encompassing thousands of sub-suppliers, creating various potential impacts on both people and the environment.

Further details regarding the identified salient human rights risks are set out in the Volvo Cars Human Rights Statement 2024.

Complaints mechanisms

Volvo Cars encourages employees, business partners and other stakeholders to raise concerns regarding suspected violations of our Code of Conduct or Code of Conduct for Business Partners through our main grievance channel – the Volvo Cars Tell Us reporting line. More details regarding this channel are outlined in the Volvo Cars Human Rights Statement 2024 and on our Volvo Cars website.



C. Our operations in Australia

Volvo Car Australia is responsible for marketing and distributing Volvo Car products within Australia. We import these products—including Volvo-branded vehicles, parts, and accessories—from our parent company, Volvo Cars, and wholesale them through an approved network of third-party dealers. Volvo Car Australia does not own or operate any dealerships or service centres.

The procurement of products and services related to the manufacturing and distribution of Volvo Car products is managed by Volvo Cars. These products are ultimately sold to Australian consumers via the Volvo Car Australia retailer network. We rely on Volvo Cars to ensure that third-party suppliers of goods and services engaged by Volvo Cars meet Volvo Cars' standards to supply goods and services. Volvo Cars conducts assessments to verify that its business partners remain compliant. Further details on Volvo Cars' procurement practices can be found in section B, Our operations globally, and in the Volvo Cars Human Rights Statement 2024.

Volvo Car Australia: risks of modern slavery

Volvo Car Australia operates as a non-manufacturing entity, with only a limited range of lifestyle accessories, uniforms and vehicle accessories produced by a small number of

suppliers being sourced directly, primarily for retailer network distribution. Primary product procurement and supplier risk management, including human rights and modern slavery oversight, remains centrally managed by Volvo Cars.

Volvo Cars delivers comprehensive global services to its sales company subsidiaries such as Volvo Car Australia including IT, marketing, logistics, risk management and compliance functions. Locally, Volvo Car Australia sources operational services including marketing support, taxation, financial services, technical assistance, and vehicle maintenance services.

Our organisational structure positions Volvo Cars as the primary entity responsible for product supply chains and associated risk management. Volvo Cars maintains assessment and mitigation processes for modern slavery risks while being responsible for supplier and business partner compliance with its standards, including contractual terms, due diligence processes and the Code of Conduct for Business Partners. For local suppliers and business partners, Volvo Car Australia adopts local compliance processes.

Given the limited scope and volume of Volvo Car Australia's local procurement activities, combined with the approach taken by Volvo Cars to address risks within the supply chain, we assess Volvo Car Australia's exposure to modern slavery practices as low risk.

D. Actions taken by Volvo Car Australia

Volvo Car Australia takes the risk of modern slavery practices in its operations and supply chain seriously.



Assessing and addressing risks in the global supply chain for Volvo Cars' products and services is a responsibility that sits primarily with Volvo Cars, however, Volvo Car Australia has also implemented standard and ongoing actions to assess and address modern slavery risks associated with the running of its Australian business operations. These include:

- A modern slavery questionnaire for new suppliers in order to be registered as a vendor
- Communicating the Code of Conduct for Business Partners to the dealer and repairer network and other business partners
- Auditing the dealer network's knowledge and awareness of the Code of Conduct for Business Partners, as part of the Volvo Car Retail Standards
- Requiring new third parties that Volvo Car Australia does business with to agree to the Code of Conduct for Business Partners or ensure they have equivalent policies in place.

We ask that our business partners not only comply with those principles, but communicate them to their employees, suppliers and subcontractors.

Volvo Car Australia's last Modern Slavery Statement identified 5 action items for 2024:

1. Finalise a framework for assessment of modern slavery risks
2. Finalise the Volvo Car Australia modern slavery supplier questionnaire to supply to existing and new suppliers. This questionnaire will assist Volvo Car Australia to assess suppliers' anti-slavery programs, promote awareness of anti-slavery measures and assess acceptance of the Business Partners Code of Conduct
3. Continue mandatory modern slavery training for stakeholders and employees
4. Continue to provide training and communication to the Volvo Car Australia retailer network on the Modern Slavery Act and Volvo Car Australia's Modern Slavery Statement
5. Assess training materials available and consider any updates or improvements

The progress made against these five action items is as follows:

Action Item 1 - finalise a framework for assessment of modern slavery risks

Volvo Car Australia has considered a framework for assessing modern slavery risks in 2024. This will continue to be progressed in 2025 in partnership with Volvo Car Corporation.

Action Item 2 - finalise and issue the Volvo Car Australia modern slavery supplier questionnaire for existing and new suppliers

In 2024, Volvo Car Australia began issuing its supplier questionnaire to all new suppliers prior to engagement. This questionnaire is issued in order to understand the business status and operations of a potential Volvo Car Australia supplier and identify risks of modern slavery in the supplier's supply chain. The questionnaire requests a range of information regarding country of origin, supply chain overview and management, and workplace conditions.

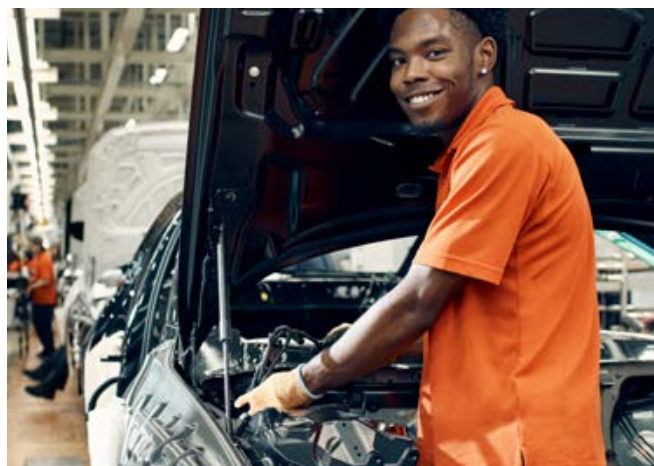
This evaluation is part of onboarding and registration of new suppliers in the Volvo Cars Australia vendor system. Completed questionnaires are reviewed by contract managers to identify any risks and any further information required from suppliers in order to proceed with registration or address/mitigate risks. Completed questionnaires may also be used for audit purposes in future.

Action Item 3 - continue mandatory modern slavery training for stakeholders and employees

In addition to annual training for employees, Volvo Car Australia initiated annual training as part of its online suite of mandatory training modules. This has been rolled out to employees and internal stakeholders and will be expanded to its retailer network in 2025. The completion rate in 2024 was 84%.

Action Item 4 - continue to provide training and communication to the Volvo Car Australia retailer network on the Modern Slavery Act and Volvo Car Australia's Modern Slavery Statement

Modern slavery training was made available to the Volvo Car Australia retailer network as part of the online training platform for retailer staff that



have registered on the platform. The course is not mandatory at this stage.

Action Item 5 - assess training materials available and consider any updates or improvements

Volvo Car Australia has assessed training materials and made changes as necessary. Volvo Car Australia will continue to monitor and refine its training and communication materials for staff and business partners.

Areas for improvement in 2025

Volvo Car Australia will continue to implement and enhance its anti-slavery program in 2025, including by taking the following steps:

- Partnering with Volvo Car Corporation to create a formal assessment of supplier modern slavery risks
- Issuing the Volvo Car Australia modern slavery supplier questionnaire to existing suppliers. This questionnaire will assist Volvo Car Australia to assess current suppliers' anti-slavery programs, promote awareness of anti-slavery measures and assess application of the Business Partners Code of Conduct in these suppliers' business operations
- Continuing modern slavery training for stakeholders and employees. This has been uploaded to the new Volvo Car Australia training platform and will be managed via reminders and notifications
- Continuing to provide training and communication to the Volvo Car Australia retailer network on the Modern Slavery Act and Volvo Car Australia's Modern Slavery Statement



E. Summary

The following checklist summarises the information presented in this Modern Slavery Statement, including the resources referenced within.

<i>Modern Slavery MSA 2018 (Cth) Criteria</i>	Document Reference	Volvo Car Australia inputs
(Criterion 1) Identifying the reporting entity	Page 2	Volvo Car Australia Pty Ltd is the reporting entity for the purposes of the Modern Slavery Act.
(Criterion 2) Describe the structure, operations and supply chains of the reporting entity	Pages 2-5	Volvo Car Australia is a subsidiary of Volvo Car Corporation. It is responsible for the importation, distribution and marketing of Volvo branded passenger vehicles, parts and services in Australia. Volvo Cars is responsible for the upstream supply chain including the procurement of materials, parts and components and the manufacture of Volvo branded products and delivery of Volvo branded services. Third party retailers appointed by Volvo Car Australia sell Volvo branded vehicles to end consumers in Australia.
(Criterion 3) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Pages 4 and 5	Volvo Cars operates through an extensive supplier network encompassing thousands of sub-suppliers, creating various potential impacts on both people and the environment. The scale and complexity of our supply chain can present ongoing transparency challenges. Volvo Cars annual global value chain human rights risk assessment is guided by its salient human rights risks and aims to identify people at risk in its value chain. By leveraging global risk indices, past due diligence results and insights from human rights experts and rightsholders, Volvo Cars identifies countries, activities and locations where people may face heightened risks. Based on these findings, Volvo Cars develops a value chain due diligence plan for the upcoming year, including enhanced due diligence activities in its value chain, and People Policy Assessments and workshops for its own operations. The 2024 risk assessment resulted in the identification and prioritisation of 20 countries with heightened risk, where Volvo Cars has own operations or a known presence through its value chain. High-risk sites in these countries will be prioritised for enhanced due diligence during 2025. Volvo Cars aims to review and, if necessary, update its salient human rights risks and the global value chain risk assessment annually.

Summary

The following checklist summarises the information presented in this Modern Slavery Statement, including the resources referenced within.

Modern Slavery MSA 2018 (Cth) Criteria	Document Reference	Volvo Car Australia inputs
(Criterion 3) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Pages 4 and 5	In 2024, the most frequent non-conformities found in RBA audits of suppliers were related to excessive working hours, and wages and benefits. Since 2018, 330 RBA audits have been carried out on directly contracted suppliers of Volvo Cars. 68 of these were conducted during 2024. 92 per cent of the corrective measures agreed with suppliers in 2023 have been addressed. The improvement of the rate of corrective measures being addressed is due to implementation of new processes and ways of working. The most common findings in audits of Volvo Cars' battery supply chain² were related to risk assessment and management system. Audit findings against the module aligned with the EU Battery Regulation mainly concerned labour and working conditions, e.g., working hours and emergency preparedness. Findings from audits at mine sites³ mostly concerned management system and risk assessment. Volvo Cars works closely with its suppliers and RCS Global to ensure that corrective measures are implemented within agreed time frames. To help suppliers in the battery supply chain fulfil their commitments, Volvo Cars launched a training program on the concerned audit standards in 2023.
(Criterion 4) Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	Pages 6 and 7	In respect of Volvo branded products (cars, parts and accessories), the Volvo Car Group manages the procurement of the majority of products and services from third parties connected to the manufacturing and distribution of Volvo Cars' products, which end up for sale to consumers in Australia. Volvo Car Australia relies on Volvo Cars to ensure that these third party suppliers meet the Volvo Car Group's high ethical standards and undertakes assessments to ensure business partners are compliant. This is due to the organisational structure of the organisation, as the Volvo Car Group remains responsible for the manufacture of Volvo Car products and the procurement of parts and components. Throughout 2024, Volvo Cars implemented multiple initiatives to strengthen human rights due diligence across its value chain, including deploying Sustainability Assessment Questionnaires (SAQs). Of the 1,042 suppliers requested to complete SAQs, 89 percent responded, with 93 percent of those submissions meeting compliance requirements. Suppliers that failed to meet standards were required to develop remedial action plans, which we actively monitor to track implementation progress. Volvo Car Australia has also taken proactive steps as explained in the Australian Modern Slavery Statement above, including in relation to issuing its own questionnaire to new suppliers.
(Criterion 5) Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Pages 3-5 and 4-5 of Volvo Cars Human Rights Statement 2024	For further information about the results of Volvo Cars' basic and enhanced due diligence activities please see the Volvo Car Group Annual and Sustainability Report 2024 pages 197 to 201. Volvo Car Australia will work with Volvo Car Group to understand its framework for assessing the modern slavery risks associated with the manufacture of vehicles parts and accessories. Volvo Car Australia is still developing a framework as to how it will assess the effectiveness of its actions when purchasing goods and services at a local level. This does not include the vehicles, parts and accessories that it purchases from Volvo Car Group.

²Audit criteria: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

³Audit criteria: IRMA Standard for Responsible Mining Critical Requirements.

Summary

The following checklist summarises the information presented in this Modern Slavery Statement, including the resources referenced within.

Modern Slavery MSA 2018 (Cth) Criteria	Document Reference	Volvo Car Australia inputs
(Criterion 6) Describe the process of consultation with owned or controlled entities	N/A	Volvo Car Australia has no active subsidiaries.
(Criterion 7) Any other relevant information	Page 5 of the Volvo Cars Human Rights Statement 2024	Volvo Car Australia utilises the Volvo Cars Tell Us Reporting Line, and has its own local whistle blower policy, that can be used to report grievances in managing modern slavery risks.
(Focus on continuous improvement)	Page 7	Volvo Car Australia has identified local actions to be taken while Volvo Car Group is continuing to improve its work in this area. Refer to the four points of focus for 2025.

This statement has been adopted and approved by Volvo Car Australia Pty Ltd Board of Directors on 27th June 2025 for the period 1 January 2024 to 31 December 2024 and in accordance with the *Modern Slavery Act 2018 (Cth)*.



Stephen Connor
Managing Director
Volvo Car Australia Pty Ltd



Volvo Cars human rights statement 2024

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About this statement

This statement provides an overview of Volvo Car Group's (Volvo Cars) commitment to safeguard human rights and effective human rights due diligence throughout Volvo Cars' value chain. It also describes the processes, risks identified, and actions taken during the reporting period from 1 January 2024 to 31 December 2024 (except where otherwise stated).

The current version was approved by Volvo Cars' Corporate Committee on 7 April 2025. We aim to review and update this statement annually.

Our commitment to safeguard human rights

At Volvo Cars, we are committed to adhering to internationally recognised human rights standards and guidelines⁴. Our commitment to safeguard and promote human rights is endorsed by Volvo Cars' Board of Directors, articulated in this statement and in:

- [Our Code of Conduct](#) including the People Policy which defines our principles and expectations of Volvo Car employees⁵ concerning human rights, non-discrimination, equal opportunities, child labour, forced labour, freedom of association, collective bargaining, health, safety, remuneration and working hours.
- [Volvo Cars Code of Conduct for Business Partners](#) which sets out the responsible business standards and principles that we expect all our business partners to abide by – and extend to their own operations and value chain, ensuring employees and subcontractors are made aware of and comply with the same or similar requirements. It covers business ethics and compliance, human rights, working conditions, environmental responsibility, and responsible value chain management.
- [Volvo Cars Sustainability Strategy](#), where “Safeguarding human rights” is one of the focus areas in the Responsible Business pillar with the aim to ensure responsible business conduct throughout the value chain.

Our operations and value chain are global

Volvo Cars designs, develops, manufactures, and sells a range of premium cars and services. While our headquarters are in Sweden, we have manufacturing, research, and design operations in Europe, Asia, and the Americas. In our own operations, we employ approximately 44,000 people, distributed across more than 50 different locations. Our total value chain is present in more than 100 countries and includes approximately 12,900 directly contracted suppliers (of these, about 1,030 are directly contracted suppliers of parts and components) and more than 2,400 retail partner sites.



Human rights risks in our value chain

Our global footprint and the diversity of our activities mean that we need to consider a wide range of human rights risks and apply a risk-based approach to our due diligence processes. Volvo Cars has performed a saliency assessment in line with international guidelines to identify our most salient human rights risks. The scope of the saliency assessment covered actual and potential adverse human rights impacts that Volvo Cars may cause or contribute to through our own activities, or which may be directly linked to our operations, products, or services via our business relationships.

Volvo Cars identified Salient Human Rights Risks

- ▶ **Impacts on the right to a clean, healthy, and sustainable environment.** As a mobility provider, we recognise the environmental challenges linked to our business. At Volvo Cars we strive to ensure that all people have the right to a clean, healthy, and sustainable environment, which is crucial for the enjoyment of a wide range of other human rights.
- ▶ **Impacts on the right to health and safety.** Safety is part of our heritage and the backbone of our company. As a human centric company, health and safety is and must be the highest priority in all our operations, products, and value chain.
- ▶ **Modern slavery, including forced labour.** We do not tolerate any form of forced labour relating to Volvo Cars' business, products, and services, including debt bondage, trafficking, or any other forms of modern slavery.
- ▶ **Child labour.** We do not tolerate any form of child labour in our own operations or value chain. Children have the right to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with their education or development.
- ▶ **Threats or occurrence of abuse or violence.** Volvo Cars has zero tolerance for threats, abuse, and violence. All employees of Volvo Cars, workers in the value chain, communities and other stakeholder shall be treated with respect and dignity.

There are several other potential human rights risks in Volvo Cars' value chain, including but not limited to, adverse impacts on decent working conditions, non-discrimination, privacy, land and water rights, and the rights of indigenous people. Our commitment to safeguard human rights and our due diligence activities include the full range of potential human rights risks, and we continuously monitor and follow up on any indication of human rights violations.

⁴The International Bill of Human Rights; The International Labour Organization's Declaration of Fundamental Principles and Rights at Work; The Ten Principles of the United Nations Global Compact; The Convention on the Rights of the Child; The United Nations Guiding Principles on Business and Human Rights; The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct; The OECD Due Diligence Guidance for Responsible Business Conduct; The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

⁵For the purposes of this statement, the notion of Volvo Car employees includes (1) all Volvo Cars employees, (2) consultants and agency personnel who work at Volvo Cars premises or under the direction of Volvo Cars, and (3) the members of the Volvo Car Group Board of Directors.

Our approach to human rights due diligence

With our risk-based approach, we prioritise our most salient risks, seek collaborative approaches through industry and multi-stakeholder initiatives and work to continuously improve our tools and processes.

The Due Diligence wheel [figure 1] illustrates our approach to human rights due diligence.

1. Responsible business conduct is embedded in our Code of Conduct, corporate policies, Code of Conduct for Business Partners, partner and supplier agreements, and management systems.
2. We identify and assess actual and potential adverse impacts that we may cause, contribute to or which are directly linked to our operations, products, or services by our business relationships.
3. We take action to cease, prevent, and mitigate potential and actual impacts and provide access to remediation for affected rightsholders when appropriate. We actively strive to drive positive change in our industry and contribute to a sustainable society through cross-sector initiatives, public advocacy⁶, collaborations, and investments.
4. We set targets and track our effectiveness by continuously monitoring and evaluating our due diligence processes and outcomes.
5. We communicate how potential and actual human rights risks and impacts are addressed in our Annual & Sustainability Report, in our position papers available on [volvocars.com](https://www.volvocars.com), and in this statement.

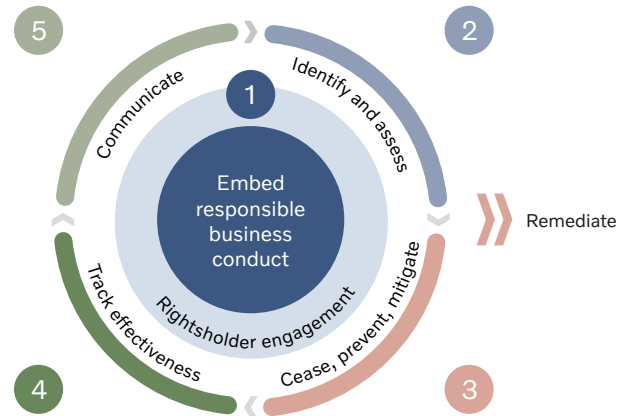


Figure 1 – Volvo Cars' Due Diligence wheel

Engaging with rightsholders and other stakeholders is a vital part of due diligence to identify, understand and mitigate risks, determine appropriate corrective and remedial actions, and to track the effectiveness of these actions. Our identified key rightsholder groups include the four social topics of ESRS⁷: (1) own workforce, (2) workers in the value chain, (3) affected communities and (4) consumers and end users. Based on the nature and context of risks, we aim to interact directly with rightsholders and/or with relevant proxies⁸ and expert stakeholders. Within the rightsholder groups, we work to identify rightsholders at heightened risk of facing adverse human rights impacts due to e.g., marginalisation, discrimination, harassment, under-representation or in need of particular protection (including but not limited to children, women, migrants, refugees, people with disabilities, ethnic minorities, LGBTQI+ individuals and indigenous people), with the aim to have the perspectives of vulnerable groups adequately considered and their rights protected.

The following sections present an overview of the key due diligence activities in the different parts of our value chain.

Own operations human rights due diligence

Volvo Cars uses People Policy Assessments (PPA) aligned with the UN Guiding Principles on Business and Human Rights for our own operations. This human rights impact assessment includes onsite interviews with potentially affected rightsholders, with the purpose of assessing potential adverse human rights impacts, focusing on impact at our manufacturing and office sites (including onsite contractors and service providers) and nearby communities. The assessments identify opportunities for improvement and propose actions to mitigate the risk of adverse human rights impacts. The methodology, insights and learnings from the People Policy Assessment also inform our approach to strategic projects, including the selection and establishment of new sites.

Building on the PPA methodology, we have implemented PPA risk workshops to train managers on maintaining responsible business practices in markets identified as high-risk in the annual global value chain human rights risk assessment. Training topics include legal requirements, stakeholder consultation, vulnerable groups, and risk identification in a local context. Corrective action plans are developed during the workshops, and the effectiveness of preventive and corrective measures is monitored.

In addition to the People Policy Assessments, we conduct an annual follow-up for all our own operations sites, covering respect for labour rights and the People Policy. The results are used as input for continuous improvement of our human rights due diligence efforts. If deficiencies are identified, adjustments are made to internal processes, with guidance from the Labour Affairs department.

Supply chain human rights due diligence

All suppliers of Volvo Cars are obliged to adhere to the requirements of the Code of Conduct for Business Partners, or similar principles, together with our other responsible business and sustainability requirements. Due diligence to identify risks and monitor compliance is carried out prior to finalising agreements and periodically throughout the business relationships. Our risk-based due diligence process operates on two levels, both structured around the due diligence wheel:

⁶See also [Volvo Cars position on public policy and advocacy](#).

⁷European Sustainability Reporting Standards under the Corporate Sustainability Reporting Directive (CSRD).

⁸Individuals or groups who are recognised as legitimate representatives of affected rightsholders.

Basic due diligence

Suppliers' conformance with the Code of Conduct for Business Partners and performance against a wider set of Environmental, Social and Governance (ESG) requirements are evaluated through on-site visits, self-assessment questionnaires and screenings.

- **The Sustainability Assessment Questionnaire (SAQ)**

The [SAQ](#) has been mandatory in our sourcing process since 2019 and was developed by Drive Sustainability, a collaborative initiative within the automotive industry. It requires suppliers to report on topics including business ethics, human rights, environmental management and responsible sourcing. All responses are validated by an external assessor. Existing suppliers are required to complete the SAQ every two years, with improvement recommendations based on their results.

- **Anti-Corruption and Trade Sanctions screening**

Suppliers are screened in an anti-corruption and trade sanctions process. This is done prior to sourcing and during ongoing business to identify and mitigate risks in the fields of corruption, trade sanctions, money laundering and human rights.

Enhanced due diligence

Enhanced due diligence is conducted on suppliers identified to be associated with heightened risk based on: (1) basic due diligence results (2) our global annual value chain human rights risk assessment; (3) provision of components containing Raw Materials of Concern, including the battery supply chain; or (4) alerts from stakeholders, media or our grievance channels.

Raw Materials of Concern

We have defined 20 minerals, metals, and bio-based materials associated with high ESG risks as Raw Materials of Concern (RMoC)⁹. We continuously strive to enhance traceability and transparency within these supply chains and mitigate ESG risks to support responsible sourcing in line with industry standards, best practice frameworks, and regulatory requirements. To strengthen these efforts, we have implemented blockchain technology for tracing raw materials used in our electric vehicle batteries. Blockchain technology enables the traceability of raw materials from the mine to the car, providing visibility into our supply chain tier by tier. This applies to cobalt, lithium, nickel, and graphite (used for battery manufacturing) and mica (for insulation sheets).

Our ambition is to source all components containing tantalum, tin, tungsten, and gold (commonly referred to as conflict minerals) from supply chains where every smelter and refinery has undergone relevant third-party assurance. Each year, we request suppliers of such components to declare their due diligence measures and disclose detailed information on the smelters used via the [Conflict Minerals Reporting Template \(CMRT\)](#) provided by the [Responsible Minerals Initiative \(RMI\)](#). By tracing the origins of minerals in our supply chain and buying components containing material from smelters validated as conformant with the Responsible Minerals Assurance Process (RMAP), we are working to secure responsible sourcing in line with global standards.

Supplier sustainability audits

We run two primary sustainability audit programs for identified high risk suppliers – (1) for existing directly contracted suppliers with a high-risk score in our risk assessments, as well as new directly contracted suppliers located in high-risk countries and (2) for suppliers in our battery supply chain. In addition, ad-hoc audits or specific audit programs are carried out based on identified risks or other needs. If needed, audits can be conducted without prior notification. We regularly track the effectiveness of our audit programmes and collaborate with our external audit providers to ensure continuous improvement and efficiency of our assessments.

1. *Audits on directly contracted suppliers*

We conduct comprehensive audits of suppliers' sustainability performance by utilising the [Validated Assessment Program \(VAP\)](#) from the [Responsible Business Alliance \(RBA\)](#) or equivalent standards. Auditing evaluates labour rights (including freely chosen employment), environment, business ethics, management systems and health and safety. The audits are carried out on-site by accredited third-party auditors over two to five days.

2. *Audits on suppliers in our battery supply chain*

The audit program covering the battery supply chain aims at ensuring that the suppliers and subcontractors in our cobalt, lithium, nickel, graphite and mica supply chains are conformant with relevant standards and frameworks. The purpose is to help ensure continuous improvement of responsible sourcing performance across our battery supply chain by monitoring the implementation of corrective action plans. The audits are conducted by an external party against criteria based on the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas](#) or, for mines, the [IRMA Standard for Responsible Mining Critical Requirements](#) or equivalent schemes. In 2024, we further expanded our audit standard to also include an audit module aligned with the EU Battery Regulation.

Audit findings and monitoring

Audit findings are summarised in a report, which includes identified non-conformities and a list of agreed corrective actions for the supplier to take within agreed timeframes. We monitor the corrective action plan implementation progress to ensure that the needed measures are taken, and that support can be provided where necessary. To help suppliers in the battery supply chain fulfil their commitments, we launched a training programme on the concerned audit standards in 2023.

⁹Aluminum/Bauxite, Cobalt, Copper, Gold, Graphite (natural), Lead, Leather, Lithium, Magnesium, Manganese, Mica, Natural Rubber, Nickel, Phosphorous, Rare-Earth Elements, Steel/Iron, Tantalum, Tin, Tungsten, Wool. Read more in [Volvo Cars Position on Responsible Sourcing](#).

Collaborating with the industry

Where possible, Volvo Cars works with industry peers and organisations to achieve a more responsible supply chain for the entire industry. Volvo Cars is a member of the [Responsible Business Alliance](#) (RBA), the world's largest industry coalition dedicated to corporate social responsibility in global supply chains with the purpose to drive change, exchange best practices and to get access to tools used in our supply chain due diligence efforts. We are also an active member of [Better Mining](#), [the Responsible Mica Initiative](#) and [Drive Sustainability](#). Through [Drive Sustainability](#), we work with other automotive manufacturers to enhance responsible sourcing in our supply chains.

Retail operations human rights due diligence

Retail partners are required to comply with the Code of Conduct for Business Partners and the Volvo Cars Retailer Standards.

Basic due diligence

Compliance with the Code of Conduct for Business Partners and the Retailer Standards is audited and assessed on an annual basis for all retailers. If deficiencies are identified, they are documented and reported in a central management system, followed by the development and execution of a corrective action plan. A follow-up audit is conducted after 90 days to ensure compliance. This process is overseen by the National Sales Companies (NSC) or the Importer Hubs, who manage escalations and further actions as necessary.

Enhanced due diligence

Due diligence, including screening, is conducted on retail partners in countries with high sanction and corruption risk before entering a contract and regularly throughout the business relationship. The screening covers e.g., adverse media, including violations of human rights and modern slavery risks. Red flags are manually reviewed by the Compliance & Ethics Office in collaboration with respective NSC or Importer Hub, who will take action based on agreed measures.

Governance

The Board of Directors has the overall responsibility for sustainability matters and oversees sustainability performance as an integral part of Volvo Cars' strategy. The President and CEO is responsible for the execution of Volvo Cars' sustainability strategy and its integration into business operations and decision-making processes. The responsibility for implementing effective human rights due diligence and compliance with applicable laws, internal policies and international guidance lies with the respective business functions of Volvo Cars. To strengthen, verify and monitor the processes and provide guidance to the business, Volvo Cars is establishing a Human Rights Compliance Program. The performance of our human rights due diligence efforts is further monitored through the cross-functional Human Rights Steering Team with representatives for the different parts of the value chain and is frequently reported on and discussed in various management fora.

Training programs

Volvo Cars has developed, and continues to develop, training programs that include human rights and prevention and mitigation management of human rights risks. As an example, we perform training in conjunction with our PPA, and we have mandatory training on our Code of Conduct annually and at onboarding of new employees, including face-to-face and web-based training. We further develop our own trainings and offer training via RBA to our suppliers and employees to raise awareness of ESG issues in our supply chain and promote responsible sourcing. Since 2024, retailers are required to take annual training on human rights.

Complaints mechanisms

We encourage our employees, business partners and other stakeholders to raise questions, report concerns and seek advice about suspected violations of our Code of Conduct or Code of Conduct for Business Partners, including incidents or situations that could lead to potential and actual adverse human rights impacts. Our main grievance channel is [the Volvo Cars Tell Us reporting line](#). This channel can be used by employees, consultants as well as external stakeholders, including rightsholders or organisations representing rightsholders (such as credible proxies and human rights NGOs) to report potential human rights violations.

All reports made via the Tell Us reporting line are received by the Compliance Investigation Unit, an independent function within the Compliance & Ethics Office, and handled confidentially, according to our compliance investigation procedure and relevant regulatory requirements. Volvo Cars does not accept any form of retaliation against individuals who report concerns in good faith. Reports can be made anonymously either via phone or a secure website. The system is available 24 hours per day and 365 days a year. There are multiple language options available, generally allowing for reporting in native language. Responses are provided in the same language. We are continuously exploring potential participation in collaborative complaints procedures and notification mechanisms such as those facilitated by industry associations, multi-stakeholder initiatives, or global framework agreements. For further information, visit our website: [Tell Us - Reporting Line | Volvo Cars](#).

Key actions taken in 2024

During 2024, several actions were taken to improve the performance of our human rights due diligence efforts. These included:

- Volvo Cars' second annual global value chain human rights risk assessment (read more below).
- Training on human rights provided to all non-production employees in the annual Compliance & Ethics training, and specific training on human rights, responsible sourcing or responsible business provided to specific departments.
- One full People Policy Assessment conducted at our local factory in Malaysia.
- Ten People Policy Risk Workshops organised with our organisations in Brazil, India, Malaysia, Mexico and Turkey.
- Updated contract templates for suppliers and other business partners with strengthened human rights and due diligence requirements.
- Performed 96 audits across our supply chain, covering locations in Mexico, Morocco, the Democratic Republic of the Congo, Madagascar, Germany, Hungary, Poland, Sweden, Turkey, Ukraine, China, India, Indonesia, Japan, Philippines, and Vietnam.
- Achieved 92 per cent closure rate for audit findings from audits of directly contracted suppliers.
- Implemented a new audit module aligned with the EU Battery Regulation for audits in the battery supply chain.
- Introduced enhanced due diligence measures for copper, leather, natural rubber and rare earth elements as part of our work with Raw Materials of Concern.
- Hosted training sessions for 190 employees from 17 of the suppliers in our battery supply chain, with the purpose to drive responsible business performance.
- Gap analysis on the human rights due diligence process for retailers, including market studies and interviews.
- Launched training on human rights and grievance channels for our retail partners.
- Updated our Retailer Standards, with strengthened responsible business criteria, set to be activated in 2025.
- Stakeholder engagement with e.g., non-governmental organizations, UN agencies, trade union representatives, rightsholders and industry associations.

Annual Global Value Chain Human Rights Risk Assessment

Our annual global value chain human rights risk assessment is guided by our salient human rights risks and aims to identify people at risk in our value chain. By leveraging global risk indices, past due diligence results and insights from human rights experts and rightsholders, we identify countries, activities and locations where people may face heightened risks. Based on these findings, we develop a value chain due diligence plan for the upcoming year, including enhanced due diligence activities in our value chain, and People Policy Assessments and workshops for our own operations.

The 2024 risk assessment resulted in the identification and prioritisation of 20 countries with heightened risk, where Volvo Cars has own operations or a known presence through its value chain. High-risk sites in these countries will be prioritised for enhanced due diligence during 2025. We aim to review and, if necessary, update our salient human rights risks and the global value chain risk assessment annually.

Examples of findings identified during supplier audits

In 2024, the most frequent non-conformities found in RBA audits of our suppliers were related to excessive working hours, and wages and benefits. Since 2018, 330 RBA audits have been carried out on our directly contracted suppliers. 68 of these were conducted during 2024. 92 per cent of the corrective measures agreed with suppliers in 2023 have been addressed. The improvement of the rate of corrective measures being addressed is due to implementation of new processes and ways of working.

The most common findings in audits of our battery supply chain¹⁰, were related to risk assessment and management system. Audit findings against the module aligned with the EU Battery Regulation mainly concerned labour and working conditions, e.g., working hours and emergency preparedness. Findings from audits at mine sites¹¹ mostly concerned management system and risk assessment. We work closely with our suppliers and RCS Global to ensure that corrective measures are implemented within agreed time frames. To help suppliers in the battery supply chain fulfil their commitments, we launched a training program on the concerned audit standards in 2023.

Read more about our due diligence activities in the [Volvo Car Group Annual and Sustainability Report 2024](#) p. 186-201.

¹⁰Audit criteria: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

¹¹Audit criteria: IRMA Standard for Responsible Mining Critical Requirements

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