

# **MODERN SLAVERY STATEMENT 2024**

Volvo Group Australia Pty Ltd



# MODERN SLAVERY STATEMENT 2024

This Statement is provided pursuant to section 13 of the *Australian Modern Slavery Act 2018* (Cth) (**MSA**).

## **Criteria 1 – 3: Identity, Structure, Operations, Supply Chain and Modern Slavery Risks, section 16(1)(a)-(c) MSA**

Volvo Group Australia Pty Ltd ACN 000 761 259 (**Volvo Group Australia**) is an Australian based company which manufactures, markets, imports and sells trucks, buses, and marine and industrial engines in Australia. Volvo Group Australia is a large multi-site enterprise with approximately 1,506 employees spread across circa 14 sites across the country including 1,221 permanent full-time employees, 46 temporary full-time employees, 124 apprentices/trainees, 1 casual employee, 114 independent contractors and 61 employees working in an arrangement where their visas tie them to the business. Volvo Group Australia's registered office is located at 41 Bivouac Place, Wacol, Queensland.

Volvo Group Australia, which is a member of the Volvo Group, is a wholly owned subsidiary of Volvo Business Services International AB, which is a wholly owned subsidiary of AB Volvo, both entities being based in Sweden. There are three other Australian entities in the Volvo Group: Volvo Finance Australia Pty Ltd (**VFS**), Volvo Treasury Australia Pty Ltd (**Treasury**) and Volvo Construction Equipment Australia (**VCE Australia**). Each has a different parent company to Volvo Group Australia, but all ultimately sit under AB Volvo. Neither VFS, Treasury or VCE Australia meet the reporting threshold under the MSA, nor are they subsidiaries of Volvo Group Australia. We do not

believe Volvo Group Australia has the ability to control any of these entities pursuant to the MSA definition but do wish to transparently explain the relationships. Volvo Group Australia and Treasury have one common director, and Treasury provides loans to Volvo Group Australia but otherwise runs entirely independently. VCE Australia was only established late in 2024 and had a \$NIL turnover that year. The purpose of VCE Australia going forward will be to rent out equipment as a service. The entity is in its early days but as the relationship between Volvo Group Australia and VCE Australia crystallises we will report on this in future reporting periods. VFS and Volvo Group Australia have one common director. Volvo Group Australia also provides certain services to VFS at cost, such as human resources and legal services. Volvo Group Australia does not own or control any entities. Volvo Group Australia does not hold any investments.

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 solutions for financing and service. In 2024, the Volvo Group's sales amounted to about SEK 527 billion. The Volvo Group main brands are Volvo, Volvo Penta, Rokbak, Renault Trucks, Prevost, Nova Bus and Mack. Volvo Group Australia is also responsible for the import and distribution of UD Trucks. The Volvo Group also partner in alliances and joint ventures in SDLG, Milence, Eicher, Dongfeng, cellcentric, Flexis and Cespira. By offering products and services under different brands, we address many different customer and market segments

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around the world. In 2024, the Volvo Group employed 102,000 people worldwide, had production facilities in 17 countries and its products were sold in almost 180 markets. The most significant manufacturing operations are in Sweden, the United States, Brazil, India, France and China.

## Operational Risks

Volvo Group Australia acknowledges that because of the nature and prevalence of modern slavery, every entity has risks of modern slavery occurring in its operations and supply chains. In this statement, we attempt to transparently identify where our potential risks may be so that we can take more targeted action in response.

We understand that our operations involve manufacturing which is identified in the literature as a higher risk industry for modern slavery. Generally speaking, manufacturing can involve a high degree of out-sourcing and subcontracting which if not managed well can reduce the control and visibility an entity has over its operations. Manufacturing can also be sensitive to supply and demand issues which can result in budgetary pressures. Of course, budgetary pressures if not managed well, can then place vulnerable workers at risk.

Volvo Group Australia's employee count has decreased since the last reporting period by approximately 200 staff. There are a number of explanations for this including our factory scheduling changing from two shifts to one as we were required to cease afternoon shifts, as well as a decrease in our labour hire engagements due to slowing of demand for new trucks. We understand that

fluctuations in the workforce present a risk of modern slavery as it may mean workers are more vulnerable. However, we also understand use of labour hire can come with its own risks and therefore note the decrease in the use of same may decrease our risks ultimately.

We acknowledge that power dynamics play an important role in modern slavery. Our apprentices are engaged in tradesperson roles ordinarily based in our service centres and factory. They are covered by Volvo Group Australia's Enterprise Agreement which incorporates the underlying Modern Award and are employed on the same employment contracts as all other employees, enjoying the same rights and protections. Volvo Group Australia does not engage Apprentices through third parties where employment arrangements may be different.

## Supply Chains and Risks

The Volvo Group depends on global and regional supply chains to deliver components, parts and complete services and systems. Approximately 12,000 suppliers support the Volvo Group's serial production. In total the Group's supply network is made up of more than 50,000 suppliers globally – being those suppliers that we directly procure from. We acknowledge that those who supply to our suppliers (i.e. that we do not directly procure from) are also part of our supply chain. In 2024, the Volvo Group made purchases of goods and services totalling SEK 354 billion. Our purchasing team, with more than 2,800 employees in over 25 countries, provides direct and indirect purchasing for Volvo Group business, brands and joint ventures. The supply

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chain is complex and there are in general several tiers of suppliers between the manufacturing entities and the supplier of raw material. Working with a global supply network presents a range of impacts, risks, and opportunities.

Volvo Group Australia's procurement is decentralised, and some of it is managed overseas. Approximately 70% of our factory spend at Volvo Group Australia is the purchase of components for the production of our trucks which are procured from other Volvo entities in North America and Europe. Because these purchases are considered internal Volvo transactions, they are not tracked in the same way external purchases are, and these differing processes create some limits to the collation of data in a risk analysis of our suppliers. However, we do believe that the large volumes of inter-Volvo purchasing do decrease our modern slavery risks as it means we have heightened control and awareness over the suppliers. We acknowledge that having clear awareness of all of Volvo Group Australia's supply chains is crucial in addressing modern slavery risks. We have consolidated a list of external suppliers and analysed this for risk.

Approximately 1,905 external suppliers support Volvo Group Australia's operations. Of these suppliers, 83.73% are based in Australia, 13.02% are based in countries with a low prevalence of modern slavery, and 3.25% are based in countries with a higher prevalence of modern slavery according to the Global Slavery Index. The vast majority of our spend percentage is with Australian suppliers and suppliers in low-risk locations, though we acknowledge spend has no causal relationship with modern

slavery risks. Our suppliers provide a range of goods and services, largely encompassing components and parts for our vehicles as well as tools and machinery. Outside of this we also procure a number of goods and services that support our operations such as facilities and property management; transport and logistics services; insurance; leasing services; waste management services; telecommunications; uniforms and workwear; legal and accounting services; information and technology goods and services. Among such purchasing categories of concern can be noted such as temporary labour, certain service providers (e.g. restaurants, cleaning, security, hotels, construction) and the supply chain of raw materials related to components.

## **Criteria 4-7: Actions, Effectiveness, Consultation and Other section 16(1)(d)-(f) MSA**

### **Human Rights Governance**

The Volvo Group is committed to respecting internationally recognised human rights. Negative human rights impacts may potentially materialise not only within our own organisation, but also through our business relationships and in our supply chain. We are also cognisant of downstream risks (i.e. those we supply to). We refer to both upstream (supply chain) and down stream (those we supply to) as our value chain. We seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:

- UN International Bill of Human Rights,

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- ILO's fundamental conventions,
- UN Global Compact,
- UN Guiding Principles on Business and Human Rights,
- OECD Guidelines for Multinational Enterprises, and
- Children's Rights and Business Principles.

This is an ongoing journey and the Volvo Group has adopted a risk based approach where we prioritise and focus on the areas where we consider that we have the highest risks for adverse human rights impacts. Our strategy to address a range of sustainability matters includes a double materiality assessment (explained below) to help us evaluate impacts, risks and opportunities associated with each relevant sustainability topic.

The Volvo Group launched a standalone Human Rights Policy in 2021. This policy sets the common threshold for our commitment to respect human rights and applies to all Volvo Group entities, employees and others working at our sites. The Human Rights Policy is complemented by the Volvo Group's Code of Conduct, the Volvo Group's Human Rights Program and specific policies, directives and guidelines developed by our Truck Divisions and Business Areas in several human rights-related areas. These include health and safety, responsible purchasing through our Supply Partner Code of Conduct, human resources, responsible sales and whistleblowing. The Volvo Group's human rights governance follows our allocation of business accountability and includes several cross-functional governance forums across the Group. At Group level, the strategic direction on human rights is overseen by

the Volvo Group Human Rights Board composed of relevant members of the Executive Board (the Executive Board sits directly underneath the Board of Directors). Implementation of the Human Rights agenda is supported by a cross-functional reference group and a working group with members from relevant Group Functions, Truck Divisions and Business Areas.

In 2022, the Volvo Group Executive Board adopted a Groupwide Human Rights Program. The Volvo Group Human Rights Program describes how we implement our commitment to respect human rights as set out in our Human Rights Policy. The purpose of the Human Rights Program is to support the Volvo Group in systematically identifying, mitigating and addressing human rights risks and to facilitate continuous improvement in our processes. The program provides further clarity on the Volvo Group's ambitions on human rights, applicable standards, salient human rights risks, human rights due diligence strategy, and human rights governance across various levels of the Volvo Group. The Human Rights Program is overseen by the Group Human Rights Board (as described above). Operationally, the program is led by our Group Function Corporate Responsibility together with representatives of Truck Divisions, Business Areas and other Group Functions.

During 2024, we carried out a Group wide Human Rights Risk and Maturity Assessment Project, initiated in late 2023, with the objectives to enable us (i) to deepen our understanding of our human rights risks across Volvo Group's value chain, (ii) to better understand the maturity of our existing management

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systems to perform human rights due diligence, and (iii) to prepare the setup and continuous integration of a robust, systematic, and coherent approach to the identification and management of human rights risks and impacts across the Volvo Group. The project is set to be finalised during 2025.

## **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-time and part-time employees, consultants, temporary staff, managers and the board of directors of Volvo Group companies. The Volvo Group Code of Conduct states that we do not tolerate any forms of modern slavery. The Code of Conduct also 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, imposing excessive recruitment fees, and restricting people's freedom of movement.

The Volvo Group Code of Conduct is available in fifteen different languages. All employees are required to undertake mandatory e-learning on the Volvo Group Code of Conduct on an annual basis. The Volvo Group Code of Conduct is publicly available on [Volvogroup.com](https://www.volvogroup.com) ([https://www.volvogroup.com/content/dam/volvo-group/markets/master/about-](https://www.volvogroup.com/content/dam/volvo-group/markets/master/about-us/company-values/code-of-conduct-other-policies/vg-code-of-conduct-en.pdf)

[us/company-values/code-of-conduct-other-policies/vg-code-of-conduct-en.pdf](https://www.volvogroup.com/content/dam/volvo-group/markets/master/about-us/company-values/code-of-conduct-other-policies/vg-code-of-conduct-en.pdf))

### *Volvo Group Human Rights Policy*

The Human Rights Policy states our commitment to respect internationally recognised human rights and to avoid causing or contributing to adverse impacts as stated in the UN Guiding Principles on Business and Human Rights and the UN Global Compact. The Human Rights Policy further states that the sustainability ambitions of the Volvo Group are divided into three areas: Climate, Resources and People, and that human rights risks may be associated with our activities and business relationships in all three of these areas. The Human Rights Policy applies to all Volvo Group entities, employees and others working at our sites.

The Human Rights Policy describes the Volvo Group's salient human rights risks across our three areas of sustainability ambitions. These have been identified on the basis of human rights due diligence undertaken to date across our value chain, as part of our enterprise risk management process, through ongoing discussions with unions, peers and other stakeholders, and as a result of concerns reported via the Volvo Group's grievance channels. This is further described in "Risk assessment, due diligence, and materiality" below. These risks are our current area of focus and we remain alert to the potential for other human rights risks that may arise in our business relationships. Modern slavery and children's rights are included as a salient human rights risk under the sustainability area People. The policy states that the Volvo Group does not tolerate any form of modern slavery and child labour in our own operations and our

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supply chain. The Volvo Group Human Rights Policy is publicly available on [Volvogroup.com](https://www.volvogroup.com/content/dam/volvo-group/markets/master/about-us/company-values/code-of-conduct-other-policies/Human_rights_policy.pdf) ([https://www.volvogroup.com/content/dam/volvo-group/markets/master/about-us/company-values/code-of-conduct-other-policies/Human\\_rights\\_policy.pdf](https://www.volvogroup.com/content/dam/volvo-group/markets/master/about-us/company-values/code-of-conduct-other-policies/Human_rights_policy.pdf))

## *Supply Partner Code of Conduct*

Since 1996, our Responsible Purchasing Program has consistently increased supplier requirements on environmental performance, business ethics and human rights. Since 2019, suppliers are required to commit contractually to comply with the Supply Partner Code of Conduct.

The Supply Partner Code of Conduct states that the Volvo Group does not tolerate any forms of modern slavery. Supply Partners shall have adequate policies, risk awareness, risk assessment and due diligence processes in place to prevent modern slavery, including remediation plans addressing situations if modern slavery is detected. Supply Partners are also encouraged to engage constructively with relevant stakeholders such as non-governmental organisations and industry associations to build awareness and proactively work towards preventing modern slavery.

Supply Partners are required to ensure that all Requirements<sup>1</sup> of the Supply Partner Code of Conduct are upheld in their own operations and in their full value chain. The Volvo Group also expects all

our Supply Partners to integrate, share and promote the Expectations<sup>2</sup> of the Volvo Group Supply Partner Code of Conduct internally and throughout their entire supply network.

All Supply Partners are required to perform due diligence in the areas covered by the Supply Partner Code of Conduct and/or applicable laws and regulations, including for the purpose of investigating and evaluating the integrity, quality, suitability, and credibility of all its potential business partners. Supply Partner's due diligence efforts shall be in accordance with international standards such as the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights. Supply Partners shall include impacts of its own operations and its supply network with a focus on where it has the highest risks of doing harm, and appropriate to company size and circumstances.

The Supply Partner Code of Conduct and the associated sustainability performance is a key indicator in the Volvo Group Supply Partner qualification and assessment process, and accepting the Supply Partner Code of Conduct is a prerequisite to doing business with the Volvo Group. We reserve the right to audit the Supply Partner and its network at any point during the contract period. Lack of cooperation and failure to address violations may result in reduction of business and, ultimately, an end to the

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<sup>1</sup> A "Requirement" refers to the mandatory requirements with which all Supply Partners must comply. A breach of a Requirement is considered a material breach and would entitle the Volvo Group to terminate the business relationship.

<sup>2</sup> An "Expectation" refers to Supply Partners' activities where the Volvo Group encourages each Supply Partner to actively go beyond our mandatory Requirements to further advance the Supply Partner's sustainable performance and impact in the areas covered by this Supply Partner Code of Conduct.

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business relationship with the Volvo Group. The Supply Partner Code of Conduct is publicly available at [Volvogroup.com](https://www.volvogroup.com/content/dam/volvo-group/markets/master/suppliers/our-supplier-requirements/Volvo-Group-Supply-Partner-Code-of-Conduct-edition3-2023.pdf) (<https://www.volvogroup.com/content/dam/volvo-group/markets/master/suppliers/our-supplier-requirements/Volvo-Group-Supply-Partner-Code-of-Conduct-edition3-2023.pdf>)

## **Risk assessment, due diligence and effectiveness**

Modern slavery may materialise not only in our own organisation and operations, but also through our business relationships and in other parts of our supply chain. Modern slavery related risks in our operations are assessed within the framework of human rights reviews as further described below under “Own Operations – Human Rights Reviews”. Risks in our supply chain are assessed through our Responsible Purchasing Program (see below). In these reviews and assessments, we prioritise 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.

To understand and address sustainability matters, including human rights, we conduct double materiality assessments that help us evaluate the impacts, risks and opportunities associated with each relevant topic. In the most recent double materiality assessment conducted, we identified risks in our value chain related to workers’ rights, forced labour, and child labour. Risks and opportunities have been identified by analysing actual risks and considering various theories on future

developments, covering short-, medium-, and long-term risks. For areas where there is high uncertainty, the process includes scenarios that explore potential outcomes. The theories have been developed by a network of sustainability professionals from different areas within the Volvo Group. In certain cases, particularly in relation to human rights impacts in upstream (those who supply to us) and downstream (those who we supply to) activities, the likelihood of impacts is highly uncertain. In these cases, the severity of potential impacts is prioritised over other factors in the materiality assessment. A concrete example is forced labour and child labour in the value chain, which may be difficult to identify or to ascribe a likelihood to. Where we have assessed that there is a possibility of occurrence, regardless of the likelihood, this matter is prioritised due to the high severity of the impact.

Our process to assess materiality contains many qualitative and quantitative data points, and this is not a strictly mathematical process due to the nature of the topics being assessed. However, mathematical assessment is used to avoid bias in the overall materiality assessment. As part of the assessment, we have internal controls to ensure that both quantitative and qualitative data is relevant and accurate. Decisions on matters considered as material for the Group are then taken in a steering committee with representatives from the Executive Board. The process is overseen by the Audit Committee of the AB Volvo Board.

In 2024, we increased our due diligence efforts in a range of human rights impacts over the value chain. Our assessments



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covered people working at supply partners and sub-suppliers further down the supply chain, contractors and service providers working on our own and our partners sites, as well as those working in our downstream value chain. Forced and bonded labour was identified as a potential risk in our upstream supply chain due to some business partners being located in geographical areas close to migrant corridors where there are elevated risks. Our due diligence processes have, on occasion, identified risks related to potential cases of forced labour. These issues have been addressed and are continuously monitored to prevent severe incidents.

During 2024, as part of the aforementioned efforts to strengthen our human rights due diligence, we have progressed our work to define particularly vulnerable groups, so that appropriate interventions can be tailored to these groups. The definition is still in the process of being finalised, but examples of worker groups that have been identified as being particularly vulnerable could include service providers working at our sites or at our partners sites (cleaning and canteen staff, janitorial, security guards, etc.) and migrant workers.

More generally, our main activities with the purpose to prevent, mitigate and remediate negative impacts on upstream and downstream workers include:

- Supply network due diligence – focusing on supply partners with whom we have a contractual relationship
- Sustainable minerals activities – focusing on transparency and due

diligence further upstream in the supply chain

- Downstream due diligence – focusing on distribution and sales

## *Own Operations - Human Rights reviews*

At a Group level, one tool used by the Volvo Group when it comes to implementing human rights due diligence across our organisation is country by country human rights reviews covering all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognised practices and includes the following main elements:

- Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labour rights laws.
- Self-assessments by country management teams and local human resources departments.
- Onsite visits with country management and human resources, and local internal subject matter experts, employees, and third-party personnel onsite. If appropriate also including external expert organisations.
- Corrective actions and follow-up after each review with agreed action plans and accountability within the local

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management and communication to relevant members of the Executive Board.

Human rights reviews are part of the Volvo Group due diligence process and are continuously performed, including during 2024. Human rights reviews are often overlapping with several other internal processes, such as those related to non-discrimination, health and safety, employee relations, quality and environmental management. Findings from reviews within the respective areas can highlight improvement areas in other processes, including human rights work.

## *Suppliers – Responsible Purchasing Program*

Volvo Group supply partners play an integral role in realising our sustainability strategy across the full value chain. Working with a global supply network presents a range of impacts, risks, and opportunities. Beyond the Group's direct supply partners, we also see opportunity for collective purchasing impact to influence the sustainability transformation throughout our extended supply network. To ensure that our supply partners adhere to the Volvo Group expectations and values, we implement due diligence procedures through our Supply Partner Code of Conduct (detailed above) and our own risk assessments.

Sustainability assessments focus primarily on suppliers that we contract directly with and are conducted through supply partners' self-assessments as well as targeted in-depth onsite audits. We prioritise audits based on sustainability risks by country, commodities, processes, or work areas. The risk assessment is

based on external tools, bringing a comprehensive view of risks related to human and labour rights, environmental and business ethics across the globe. Risks can be flagged during any type of supplier audit, training, or visit as well as via Volvo Group's grievance mechanism. The Volvo Group carries out most audits and reviews with internal resources. Procurement staff and specialised auditors share responsibility for ensuring that proper actions are taken to resolve identified gaps. Supply Partners and external stakeholders are encouraged to promptly report concerns of misconduct, violations of the law, and other unethical behaviours via a Volvo Group grievance mechanism.

Self-Assessments: The Volvo Group uses a standardised questionnaire for the automotive industry focused on sustainability in the supply network, which is the first part of the screening process for new supply partners. The Self-Assessment Questionnaire (SAQ), developed through the DRIVE Sustainability Automotive Partnership, considers sustainability performance within human rights and working conditions, as well as environmental and responsible supply chain management. Potential supply partners are invited to conduct the SAQ, and the result is used in the supply partner selection process. To verify the credibility of the SAQ, all responses by potential supply partners are validated by a third party. For a selected partner, the self-assessment result will lead to a corrective action plan if the supply partner falls below a risk threshold or if a selection of questions is not fulfilled. To drive continuous improvement, the rating is valid for three years, and thereafter a new assessment is required. In 2024, we expanded our pool

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of suppliers and supply partners completing the SAQ, which gives us a more complete view of our partner's compliance and allows us to more effectively address gaps. In 2024, 3,547 sustainability self-assessments were performed, which is an increase compared to 2,020 assessments in 2023. From a total Volvo Group direct material spend perspective, 94% of all supply partners have conducted the assessment. Of those conducting the assessment, 85% had a recorded approved rating. In high-risk areas, the corresponding result was 96% completion, out of which 85% had a recorded approved rating.

Sustainability Audits: In addition to self-assessments of supply partners, we conduct additional risk analysis of potential supply partners of direct materials in high-risk countries through onsite audits during the sourcing phase. Similarly, we audit potential indirect material supply partners located in high-risk countries with a contract value that exceeds a predefined threshold. The responsibility for improvements and corrective actions always lies with the potential supply partners. Deviations are managed by the responsible buyer, together with the auditor, until resolved. Auditing of existing supply partners follows the same procedures. Overall, the sustainability assessment of supply partners focuses on developing a sustainable supply base and establishing a strong partnership. In 2024, a total of 481 potential suppliers and existing supply partners of direct and indirect material were targeted for on-site audits to further assess, detect, mitigate and address potential risks and impacts. The results are used in sourcing decisions, and violations of the requirements are expected to be

resolved in a timely manner if the long-term partnership is to remain. Those who fail to address critical issues risk not being awarded a contract or having their contracts terminated. We strive to work together with our partners to enable continuous improvement and consider termination a last resort. One of the most common deviations identified through on-site audits at supply partners was related to the area of human rights and business ethics. The deviations were mainly related to excessive working hours for employees and lack of policy or procedures to prohibit forced labour. Deviations have also been found in the area of extending requirements on adequate social, environmental or business ethics requirements to their respective supply networks.

Sustainable Minerals Due Diligence: In mineral sourcing, we seek to minimise the risk of adverse impacts occurring through the Volvo Group Sustainable Minerals Program. The activities in the program are built on the framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas, as well as on the tools of the Responsible Minerals Initiative (RMI). The focus minerals of the Sustainable Minerals Program are tin, tantalum, tungsten, gold (3TG), and cobalt. These materials are part of our global supply chain and used in many components.

As part of the program, we identify supply partners that we directly procure from whose parts contain one or more of the focus materials and fall within scope. These supply partners are required to declare their due diligence measures and disclose smelters or refiners (SORs) used

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in their 3TG and cobalt supply chains. Engaging our supply partners in the Sustainable Minerals Program is vital, as their collaboration enables us to identify, map and mitigate potential risks in our supply network even more effectively. Since the program was launched, we have seen supply partner participation grow by 73% for 3TG and by 94% for cobalt. The Volvo Group strives to increase the participation rate. Supply partners' participation allows us to identify SORs associated with the upstream supply chain. Through assessments by RMI, eligible SORs are identified, meaning they are operational and meet the criteria for inclusion in the RMI Responsible Minerals Assurance Process (RMAP) program. These SORs then undergo assessments by independent third-party auditors, approved by RMI, to validate their conformity to RMAP standards. Audited SORs are classified as either conformant or non-conformant. In relation to Cobalt, in 2024, 696 supply partners were in scope, with 474 (68%) participating. 98 SORs were identified, with 52% deemed conformant and 3% deemed non-conformant. In relation to 3TG, 654 supply partners were in scope and 543 (83 %) participated. 602 SORs were identified with 63% deemed conformant and 8% deemed non-conformant. The portions not reported are in the intermediate stages of the process.

We are continuing to review whether additional critical raw materials and minerals should be brought in scope for the program. Currently, we are in the process of updating the program to align with upcoming regulations and industry best practices.

## *Remediation*

In the Volvo Group, we aim to provide for and cooperate in the remediation of negative impacts if our activities have caused or contributed to them and seek to play a role, where possible, in supporting the remediation of negative impacts that we may be linked to through our operations, products, services or business relationships.

When it comes to potential events in our value chain, investigations are carried out on a case-by-case basis. The responsibility lays with the relevant Truck Division or Business Area, supported by our Group Function Corporate Responsibility and other relevant Group Functions. As we progress the implementation of our human rights program, we intend to further strengthen our investigation process through the development of additional guidance and tools for provision of remedy. The main efforts to prevent, mitigate and remediate negative impacts on the value chain thus far have been directed at our supply chain. Based on our thematic risk assessments conducted as part of our double materiality assessment (see above) we understand that there are also risks to people in other parts of our value chain. In response, we aim to establish more robust due diligence processes for the full value chain as part of the implementation of the human rights program.

During 2024, we conducted a project to develop and agree on a common definition of severe human rights incidents for Volvo Group and to develop a comprehensive and structured reporting system to enable systematic tracking of such incidents across our value chain. As

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part of this program, we seek to implement both activity based and outcome-oriented targets as part of a performance framework. So far, we follow these main activity-based objectives:

1. To reach full audit coverage of suppliers' partners of direct material in high-risk countries.
2. To drive full transparency and participation of the supply chain regarding the high-risk minerals 3TG and cobalt.

## *Engagement with stakeholders*

For workers in the value chain, we engage directly at on-site audits. This is conducted in an interview format which is part of the standard audit procedure. In addition, we review industry reports and collaborate with a range of organisations whose purpose it is to promote workers' rights. As a complementary mechanism to understand potential impacts, the Volvo Group engages in dialogues with expert organisations providing insights as representatives of affected stakeholders. From our existing due diligence processes we have gained insights into some worker groups that are particularly vulnerable, for example service providers working at our sites or at our partners sites (cleaning and canteen staff, janitorial, security guards, etc.) and migrant workers. We have made deeper due diligence in some markets where these risks are higher. During 2024 we ran a project to propose an approach for Volvo Group to perform rightsholders consultation with civil society and community-based groups, which is consistent, scalable, and based on international standards and emerging best practice. The purpose of the initiative is to prepare for the emerging requirements

under the Corporate Sustainability Due Diligence Directive (CSDDD). Engagement with upstream and downstream workers, and with community stakeholders, is recognised as one of the key areas to further strengthen our human rights program implementation.

To better understand how we affect communities, we engage directly with community representatives, such as local government or individuals, in cases where we are expanding our industrial operations. The engagement aims to ensure that procedures are in line with stakeholders' expectations and regulatory demands. During 2024, we conducted an assessment of potential human rights risks connected with the planning and establishment of our new plant in Mexico. The aim of the consultation process was to identify potential human rights risks related to the establishment and seek to prevent negative impacts related to the operation. This assessment also included consultation with relevant proxies of rightsholders. The output helped inform decision-making in the assigned expansion project team. Consultations with local communities have to date mainly been carried out in relation to specific projects, and we strive to develop a more structured approach to consultation with rightsholders as part of the roll out of our human rights program.

## **Training and capacity building**

Training and raising awareness for our colleagues and relevant business partners is a key element of our human rights work and an area where it is recognised that continued improvement is needed.

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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 2023, the Volvo Group Code of Conduct e-learning included a focused module on Modern Slavery for all employees. By year-end 2024, more than 66,000 employees had completed the training. In late 2023, an introductory online training focusing on business and human rights and including modern slavery aspects was also made available in twelve languages to all Volvo Group employees and consultants.

As part of the supply chain due diligence program, the Volvo Group invests in capacity building in the form of supplier training. For broad implementation, this is done in collaboration with DRIVE Sustainability. In 2024, trainings were conducted for the Volvo Group supply partners in China focused on European ESG regulatory developments and their implications, including in respect of due diligence and supply chain management. Additionally, we engage in regular dialogues with our supply partners on sustainability throughout the year, for example Volvo Group Purchasing Summit, Business Review Meetings and Strategic Innovation Dialogues.

## **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 whistle-blower process, the “Volvo Whistle”, which is publicly available

on [Volvogroup.com](https://www.volvogroup.com). Our internal and external stakeholders are also made aware of the “Volvo Whistle” through our Code of Conduct, as part of compliance and human rights trainings, articles on our intranet, and in our Annual and Sustainability Report. The Volvo Group encourages our employees to report and act on suspected misconduct and invites external third parties to do the same. We do not tolerate any retaliation against whistle-blowers raising concerns in good faith, and we emphasise our commitment regarding anonymous reporting, confidentiality, independent and objective investigations and feedback to the reporting party. The Whistleblowing and Global Investigations function is an independent unit within Group Compliance that oversees the report intake and investigation process. In 2024, Group Compliance received 402 concerns through several available reporting channels. All reports were investigated.

## **Partnerships**

During 2024, the Volvo Group continued to be a member of and collaborate in several industry collaborations for sustainable supply networks.

DRIVE Sustainability is a network of 18 leading automotive companies working toward enhancing sustainability throughout the automotive industry by leveraging a common voice and by engaging with our supply chain partners, stakeholders, and related sectors on impactful activities. The Volvo Group is active in several working groups within the initiative to leverage a circular and sustainable automotive value chains. During 2024, we took steps to get further insights into the risks of modern slavery in

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nickel mining in Indonesia given the higher risk identified as part of our risk assessment (see above).

RMI is a collaborative platform addressing responsible mineral sourcing issues in global supply networks. The Volvo Group is working with RMI with the aim of ensuring responsible and sustainable sourcing of tin, tantalum, tungsten and gold (sometimes referred to as conflict minerals), as well as cobalt. Through RMI, participants develop and gain access to tools and resources to ensure regulatory compliance and support responsible sourcing of minerals from conflict-affected and high-risk areas.

The Global Battery Alliance is a public-private collaboration platform under the umbrella of the World Economic Forum. The vision is to create a circular and sustainable battery value chain set on ten guiding principles covering issues from the circular recovery of battery materials and ensuring transparency of greenhouse gas emissions and their progressive reduction, to eliminating child and forced labour.

The Volvo Group is involved in CSR Europe's Responsible Trucking Initiative,

which aims to improve employment and working conditions for truck drivers in the road transport sector across Europe. The initiative has released social guidelines for common expectations towards suppliers and subcontractors on human rights, working conditions and business ethics.

In 2024, Volvo Group Australia supported Solar Buddy, an international children's charity working to reduce energy poverty via a Volvo Group Seasonal Gift.

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The statement is made in accordance with Section 13 of the *Australian Modern Slavery Act 2018* (Cth). The statement has been approved by the Board of Directors of Volvo Group Australia and applies for the period January 1, 2024 to December 31, 2024.

Signed



**Martin Merrick**  
Director

30 June 2025