



**Modern Slavery and Human Trafficking**

MAN Truck & Bus Group (MAN) is a brand within the TRATON Group and has implemented the Modern Slavery and Human Trafficking statement at brand level.

MAN fully supports the TRATON Group position of having a zero tolerance approach to any form of modern slavery, human trafficking or exploitative employment practices.

A handwritten signature in blue ink, appearing to read 'A. Vlaskamp', with a long horizontal line extending to the right.

**Alexander Vlaskamp**  
CEO  
MAN Truck & Bus SE

A handwritten signature in blue ink, appearing to read 'Andreas Ansel'.

**Andreas Ansel**  
Chief Compliance Officer  
MAN Truck & Bus SE

Chairman of the supervisory board: Christian Levin  
Members of the Board of Directors: Alexander Vlaskamp (Chairman)  
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## **Modern Slavery and Human Trafficking Statement by TRATON GROUP (Fiscal year 2022)**

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

At TRATON we respect human rights as a fundamental and general requirement in our operations and business relations throughout the world. We are committed to comply with all relevant regulations in force. We reject all use of slavery, servitude, exploitation, forced, bonded, and compulsory labor, child labor, as well as all forms of modern slavery and human trafficking. Our commitment to respecting human rights is transparently reflected in our Human Rights Policy Statement of 2022, which inter alia describes which activities we have already implemented within TRATON for the protection of human rights.

### **1. Organization**

TRATON was established in 2015 to concentrate the activities of the three commercial vehicle brands Scania, MAN and Volkswagen Truck & Bus (formerly Volkswagen Caminhões e Ônibus). Those three brands together with Navistar<sup>1</sup>, and TRATON Financial Services<sup>2</sup> form the TRATON GROUP today.

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

The TRATON GROUP's most important products are heavy-duty trucks (>16 tons), medium- and light-duty trucks (<16 tons) and buses. TRATON operations also include external engines and components for marine and industrial applications, as well as used vehicles. In addition to its new and used vehicle offering, the TRATON GROUP also has an aftersales business, which contributes a significant portion to its sales revenue and operating result. The Group's services comprise a range of digital solutions, including an extended service offering based on a connected ecosystem, as well as flexible maintenance plans. Through its brand RIO, TRATON aims to provide a digital platform for the entire transportation industry that bundles digital solutions for the transportation and logistics ecosystem.

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<sup>1</sup> The acquisition of Navistar by TRATON was completed on July 1, 2021. Accordingly, the integration of Navistar in the TRATON GRC system started in 2021 and was still ongoing in 2022.

<sup>2</sup> TRATON Financial Services has started its operations on April 1, 2023.

Within TRATON, TRATON SE fulfills and coordinates certain strategic and operational tasks centrally for its affiliated companies. TRATON SE is headquartered in Munich, Germany with 297 employees (as per 31.12.2022). Activities are mainly concentrated in Munich and in its office in Södertälje, Sweden. The brands of TRATON have operations around the globe.

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

### COMPLIANCE AND INTEGRITY

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

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

#### Code of Conduct

The principles laid down in the Code of Conduct are based on TRATON's shared corporate values: Customer First, Elimination of Waste, Respect, Responsibility, and Team Spirit<sup>3</sup>. The Code of Conduct focuses on the integrity and responsibility of each individual. It also uses practical examples to explain how each individual can live up to this responsibility and act with integrity — especially in conflict situations. Integrity means for us to act responsibly and in compliance with laws and ethical values — everywhere and at all times. This applies equally to every single one of us. We do not tolerate infringements of the law. The Code of Conduct is binding for all employees.

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

This applies not only to all cooperation and all conduct within TRATON, but also to the conduct of and towards business partners and suppliers as specified in our TRATON Code of Conduct for Suppliers and Business Partners.

#### Qualification of employees

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

#### Reporting Compliance violations

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<sup>3</sup> After reviewing its corporate values in 2022 to ensure identical values for all brands, TRATON has issued above mentioned corporate values in 2023.

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

For instance, the "Speak up!" whistleblower online portal of TRATON is used for reporting potential regulatory violations, including potential risks or violations of human rights. It is accessible to all people, and enables not only employees, but also third parties such as business partners and customers around the world, to report suspected misconduct any day of the year. Written information can be submitted anonymously in any language using a specially protected online reporting channel. Additionally, an international toll free 24/7 telephone hotline of Volkswagen AG is available for reporting information in a total of 15 languages. Whistleblowers can also turn to the external ombudsman engaged by Volkswagen AG. Furthermore, whistleblowers can report potential regulatory violations directly to the TRATON Investigation Office or brand Compliance Organization under a designated e-mail address or telephone number.

Strict confidentiality and secrecy are maintained throughout the entire process, as far as legally possible. Our whistleblower system guarantees the highest possible protection for whistleblowers and concerned persons. Discrimination against whistleblowers is considered a serious regulatory violation and will not be tolerated.

For more information, please visit our website: [TRATON Whistleblowing System](#).

## **Risk analysis**

At TRATON, human rights have been added to the compliance management system as a further focus topic. In 2021, TRATON conducted a Group-wide compliance risk assessment, which also included a set of questions addressing potential human rights issues. On that basis, every entity has been assigned to a risk category (high, medium, low risk), which mainly reflects the entity's business model and its location. In 2022 we expanded our human rights-related risk assessment in order to enhance our understanding of how specific human rights issues may materialize in our business operations. This involved analyzing various external and internal information sources as well as interviews with internal departments and other relevant stakeholders.

A measure set has been defined to mitigate human rights risks and to support the integration of human rights in the compliance management system — among other things, this includes commitment to human rights by management as well as the initiation of specific training and communication measures.

With this, human rights are also part of the ongoing compliance monitoring system. The TRATON Human Rights Committee ("HRC") is responsible for monitoring our human rights risk management system. The HRC monitors, and when necessary, advises TRATON functions and brands regarding their implementation of human rights related measures. Furthermore, the HRC reports to the Executive Board of TRATON on its activities.

## RESPONSIBILITY IN THE SUPPLY CHAIN

Operational management of sustainability issues in our supply chains is carried out by the Sustainability in Supplier Relations team within our Procurement department. To identify current developments and long-term challenges in the individual countries, we also rely on communication between the brands and regions of the Volkswagen Group through the Sustainability Procurement Network, in which more than 70 experts from five continents work together.

In 2022, we adapted our management approach to procurement to meet the specifications of the new German Supply Chain Due Diligence Act (LkSG), which came into force on January 1, 2023. The "Prevent, Detect, React" approach previously used within the VW Group has been replaced by the "Responsible Supply Chain System (ReSC System)". Based on a systematic risk analysis, the new approach aims to avoid or minimize risks of human-rights-related, social or environmental nature as well as corruption along the supply chain. It is also intended to help eliminate violations and continually improve the sustainability performance of suppliers. The ReSC system includes the following elements, which build on each other:

### Risk analysis

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

### Standard measures

#### - Code of Conduct for suppliers and business partners

We have defined core elements of our supplier management in our Code of Conduct for Suppliers and Business Partners. This document contractually sets out our expectations for the conduct of business partners with regard to key human-rights-related, environmental, social and compliance-related standards.

#### - Supply Chain grievance mechanism

The supply chain grievance mechanism is used to process tip-offs of human-rights-related and environmental risks as well as violations of human rights-related or environmental obligations by direct and indirect suppliers of the Volkswagen Group.

#### - Media screening

Continuous and risk-based media screening of relevant suppliers takes place via an IT tool. If the IT tool identifies indications of possible violations of our Code of Conduct for Suppliers and Business Partners, these are examined and processed in the supply chain grievance mechanism, if necessary.

#### - Sustainability rating

As a key measure, the sustainability rating (S rating) was introduced in 2020 for all relevant companies and suppliers with a high sustainability risk. The S rating is used to check the sustainability performance of relevant suppliers and to identify opportunities for continuous improvement. It evaluates suppliers environmental performance as well as their social sustainability and integrity.

- Supplier and employee qualification

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

**Deep Dive Measures**

- Human rights focus system

As part of our sustainable supplier management system, we are particularly committed to protecting those groups that may be exposed to a high risk of potential human rights violations at all stages in our supply chain. To comply with international frameworks and requirements, the Volkswagen Group implemented a human rights focus system (HRFS) in 2022. The system aims to identify and appropriately address particularly high risks in our supply chain with regard to human rights violations and environmental aspects. We evaluate aggregated data from our supply chain grievance mechanism, on-site checks, and information from studies, NGO reporting, and stakeholder discussions to determine the relevant topics. For 2023, we plan to determine focus activities from this, that will then be worked on during the year. A toolbox of measures has been developed to reduce the identified risks from the reporting year 2023 onward.

- Raw material due diligence management system

With regard to responsible raw materials procurement, the Volkswagen Group implements the five steps of the OECD Due Diligence Guidance for Responsible Business Conduct and the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas. In 2020, a raw material due diligence management system was implemented to address these requirements. It is used to identify, assess and prevent actual and potential risks to human rights in our upstream raw material supply chains. Since 2021, the Volkswagen Group has provided information on the fulfillment of its human rights due diligence obligations in the raw materials supply chain, including reporting on the status, progress and targets of the raw materials due diligence management system, in an annual "Responsible Raw Materials Report". The specific activities and measures for the 16 particularly high-risk raw materials are also listed there. An important prerequisite for identifying, preventing and mitigating human rights risks in the upstream supply chain is increasing transparency. The Volkswagen Group works closely with its direct suppliers and business partners as part of its raw materials due diligence management system. Among other things, we cooperate with service providers who use artificial intelligence to facilitate comprehensive supplier screening. For example, continuous monitoring of freely available Internet sources and social media provides us with information about possible violations by suppliers. As human rights-related risks are often highest at the beginning of the supply chain and can be most effectively addressed there, direct cooperation with mine operators regarding the certification of mines is another part of our strategy. This is intended for the purposes of reviewing, evaluating, and improving the sustainability performance of the mines in our supply chain in the medium term.

## RESPONSIBILITY FOR PEOPLE

As one of the world's leading players in the commercial vehicles industry, TRATON relies on having a future-ready workforce of qualified and motivated employees. We offer our employees a safe and attractive working environment that allows them to develop and live up to their full potential. This is made possible by our value-based culture of determination, integrity, respect, customer focus and team spirit.

### Diversity and Inclusion

Diversity and Inclusion are key success factors for TRATON and it is our long-term strategic approach to ensure future success by developing our corporate culture through capturing and supporting the diversity of skills, experience, knowledge, and the perspectives of our most valuable asset – our employees. TRATON is committed to fulfilling standards that ensure diversity and inclusion sustainably.

Diversity, inclusion, and equal opportunities are essential to our business success and our ability to take good decisions, be innovative and ultimately achieve our goals as a company and as a responsible employer. We value all colleagues and strive to create an atmosphere of respect and mutual trust. Diversity & Inclusion is sustainably integrated into our everyday business at TRATON. It is fundamentally anchored, and effectively implemented through a set of strategies and measures across all our brands. We follow up on the success of our Diversity & Inclusion initiatives through relevant Key Performance Indicators and their regular evaluation. To support this and help ensure continuous best-practice sharing, we established a Group Diversity & Inclusion team with representatives from the diversity management teams from each of the brands across TRATON.

We stand for respect and tolerance. We have made a clear commitment to embrace diversity and inclusion and not to discriminate on grounds of ethnic or national origin, sex, gender identity, religion, views, age, disability, sexual orientation, skin color, political views, social background, or any other characteristics protected by law. This commitment has been formalized and signed by our employee representation and our TRATON Executive Board in early 2022. Since beginning of 2020, TRATON is an official member of the German Diversity Charter (Charta der Vielfalt e.V.). Furthermore, following policies provide guidance for our human resources work around the globe: UN Global Compact, OECD Guidelines for Multinational Enterprises, the TRATON Code of Conduct, the Volkswagen Group Charter on Labor Relations, the Volkswagen Group Charter on Temporary Work and the Conventions of the International Labour Organization.

### Employee rights

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

### 3. Outlook

TRATON is continuously improving its measures to prevent modern slavery and human trafficking. Because TRATON regards human rights violations as a dynamic and permanent risk, TRATON will align its monitoring procedures with ongoing processes such as the implementation of human rights and environmental aspects in the compliance risk assessment. TRATON continues to raise public awareness for Business & Human Rights; TRATON is for example member of the UN Global Compact.

TRATON SE

Munich, June 2023

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