

## TRATON Policy Statement on Human Rights

### Preamble

We, the TRATON GROUP (“TRATON”), are one of the world’s leading manufacturers of commercial vehicles together with our brands Scania, MAN, Navistar, and Volkswagen Caminhões e Ônibus (VWCO), and the digital RIO brand. Our product range comprises trucks, buses, and light-duty commercial vehicles. The Group aims to reinvent transportation — with its products, its services, and as a partner to its customers. Our business operations impact the lives of people every day, within and outside of our Company and throughout the entire supply and value chain.

At TRATON, we acknowledge the International Bill of Human Rights. We have joined the UN Global Compact and recognize our commitment to it and its principles regarding human rights and environmental protection. TRATON bases its approach to human rights on the UN Guiding Principles on Business and Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Furthermore, we acknowledge the following conventions:

- Minamata Convention on Mercury
- Basel Convention on the Control of transboundary Movements of Hazardous Wastes and their Disposal
- Stockholm Convention on Persistent Organic Pollutants (POPs Convention)

We see these international conventions and declarations as the basis of our commitment and of the way we want to conduct business.

### Scope

This document outlines our commitment as we move forward as a Company. All TRATON entities stand behind this Policy Statement on Human Rights. The principles stated therein shall be incorporated and inherent in our systems and processes. Our definition of human rights includes environmental aspects that can ultimately affect human rights.

The management in the TRATON entities is responsible for the implementation of the actions and requirements defined in this commitment in their entities. TRATON has the responsibility to adequately address negative human rights impacts that are linked to our own business area, products, or services through our business relationships. Therefore, we strive to work with business partners who share these values and the commitment outlined in this Policy Statement. Where there are conflicting local human rights laws or standards, or where state jurisdiction and/or enforcement is weak or deviates from international human rights laws or standards, we shall seek ways to respect human rights in line with international human rights conventions and standards while complying with local laws.

### Our commitment to human rights and environmental aspects

At TRATON, we take responsibility, not only for our products, but also for our people and for the consequences our business can have. We protect people and their environment and strive to eliminate any negative human rights impact by continuously reviewing our business operations for human rights risks and implementing preventive measures at an early stage in relation to identified risks. If we identify a violation of human rights or environmental obligations, we will take immediate action to prevent, stop or minimize the extent of the violation. With our principles mentioned below, we explain how we want to live up to our commitment to human rights.

## **TRATON does not accept violations of human rights**

We respect all regulations in force to protect human rights as a fundamental and general requirement throughout the world. We stress this in our Code of Conduct for employees, with human rights a main chapter in this document, emphasizing the importance of this aspect for us. Our employees are trained on the Code of Conduct in web-based and face-to-face trainings on a regular basis. It is a matter of course for us that respecting human rights applies not only to operations within our Company, but also to the behavior of suppliers and other business partners. It is a requirement for our collaboration that they adhere to the same international conventions on human rights as we do. These principles are laid down in our Code of Conduct for Suppliers and Business Partners that form part of our contracts and communication with external partners.

## **TRATON uses its influence to prevent and address human rights risks**

We regard human rights violations as a dynamic and permanent risk. Therefore, we align procedures to monitor these with ongoing processes such as the implementation of human rights and environmental aspects in the compliance risk assessment. At the same time, we have a responsibility to remediate when we have caused or contributed to a human rights violation.

Our risk classification (high, medium, low) is based on a compliance risk assessment carried out at MAN Truck & Bus, Scania, VWCO, and TRATON entities, which also includes questions on potential human rights violations based on location and business model. A measure set has been defined to mitigate human rights risks and to support the integration of human rights into 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, including reporting to relevant stakeholders, such as the TRATON Executive Board, and continuous improvement of measures related to human rights.

In the future, we will continue to develop our risk assessment to enhance our understanding of specific human rights risks in our business operations and their environment. This risk assessment will further be used to continuously adapt our processes and systems to detect, prevent and mitigate human rights risks. Human rights risks are not only assessed in our own business area but also considered in the selection and due diligence process of suppliers and business partners.

A central tool in this area is the sustainability rating (S-Rating) process, which is used to evaluate our direct suppliers' social and environmental performance as a mandatory component of the contract award process. S-Rating results of suppliers are shared across all TRATON brands. By tying sustainability performance directly to award eligibility for contracts of a certain volume and higher, together with the Volkswagen Group TRATON is aiming to send a signal to suppliers to encourage collaboration in order for sustainability aspects to permeate the supply chain. The primary objective is not to exclude suppliers from the supply chain, but rather to empower suppliers whose performance is not yet satisfactory to achieve a positive S-Rating. If necessary, TRATON appoints independent auditors to conduct risk-based sustainability checks on site. Any resulting shortcomings must be remedied by the suppliers using precisely defined measures as part of an action plan with firm deadlines.

In 2021, TRATON piloted a human rights due diligence management system (HRDDMS) together with the Volkswagen Group, which we use to systematically analyze, prioritize, and reduce human rights risks in our supply chain. For our initial risk analysis, aggregated assessments based on the S-Rating results of our suppliers were used to identify 15 countries with high human rights risks. As a result, we conducted a supplier training on human rights and the implementation of due diligence management systems with the lowest performing suppliers as preventive and mitigation measures.

On the sales side, red flags on human rights are part of the risk assessment process in the Business Partner Approval Tool, a system used to check the integrity of business partners before any engagement can take place.

The S-Rating as well as the Business Partner Approval Tool are currently used at MAN, Scania, and VWCO.

Based on the existing risk assessment, we consider the following risks to be relevant to our own operations and business relationships as well as to those of our supplies and other business partners. A deeper assessment and weighing of such risks is ongoing. The results will be reported in an updated version of this Policy Statement.

### **TRATON applies high standards for human rights at work**

Protecting employees while they are at work is a fundamental part of our commitment. Therefore, we see labor rights as a central element of human rights and want to set high standards within this field. We adhere to the UN Global Compact as well as to the ILO standards and protect the following areas, especially, with our internal rules and regulations:

#### **Rejection of forced or compulsory labor**

As described in the Code of Conduct for employees as well as for suppliers and business partners, TRATON rejects all kinds of forced or compulsory labor as well as modern slavery and human trafficking. This includes work carried out involuntarily due to intimidation, penalty, violence by security forces, or threat of being disadvantaged. Employment relationships are based on voluntary participation and can be terminated at any time by the employees of their own free will and within a reasonable period of notice. We thrive to protect our employees and ensure a safe and healthy working environment for everyone.

#### **Rejection of child labor and young workers**

Child labor is prohibited at all costs. The International Labour Organization determines the minimum age for employment, which must be adhered to.

#### **Equal treatment in employment**

We reject all forms of discrimination, harassment, and unwarranted disadvantages. Discrimination based on ethnic or social origin, skin color, gender and gender identity, nationality, language, religion, worldview, physical or mental limitations, sexual orientation, health status, age, marital status, pregnancy/parenthood, union membership, or political persuasion, insofar as this is based on democratic principles, is not tolerated. Fair wages and punctual remuneration are the basic rights of every employee. Equal opportunities, equal treatment, as well as respectful behavior are fundamental obligations for our work and collaboration with others. We promote and protect a culture of diversity, equity, and inclusion. TRATON signed the German Diversity Charter to reinforce our commitment to a pluralistic workforce.

#### **Freedom of association and collective bargaining**

We respect the right of all employees to establish and join unions as well as employee representative bodies. We as a Company reject any form of discrimination that could occur based on union activities. For us in the TRATON Group, the perspective of the employees and the employee representatives is an important asset. We are convinced that a good collaboration and a strong relation with our employee representatives contribute to the success of the Company.

## **Occupational health and safety**

TRATON is committed to its responsibility for the health and safety of its employees and the continuous improvement of their work environment. The adherence to occupational health and safety requirements is handled by the brands' health and safety systems that are subject to internal and external audits. TRATON provides preventive healthcare and health promotion measures to its employees and aims to increase job and performance satisfaction with the provision of development measures.

## **Commissioning of security forces**

Security operations are conducted in line with the TRATON Group Security Policy, which sets the protection of people as one of its primary objectives. The TRATON GROUP Security organization takes the lead in liaising with security providers and security authorities. A diligent selection process for external parties, contractual obligations, and close monitoring of the operations by the TRATON GROUP Security organization aim to ensure that security forces that are commissioned or used by TRATON adhere to the principles in the protection of health, life, and limb as well as the right to organize and freedom of association.

## **TRATON addresses environmental risks that could affect human rights**

TRATON recognizes that climate change and other environmental issues can also adversely impact human rights. The TRATON brands have environmental management systems to manage and ensure compliance with applicable environmental regulatory requirements. In addition, all brands strive to improve their environmental performance and optimize the use of natural resources to mitigate and avoid any risks that might have an effect on human rights.

## **TRATON recognizes the right to defend human rights and speak up against human rights violations**

For us, human rights are non-negotiable. We do not tolerate harassment against protectors of human rights. At TRATON, tip-offs regarding potential regulatory violations, including violations of human rights, can be reported by employees, business partners, direct and indirect suppliers, customers, and other third parties at any time and in any language, anonymously if desired, through various channels, e.g., using our "Speak up!" whistleblower portal, which can be accessed by everyone 24/7. The TRATON Investigation Office is responsible for processing tip-offs concerning the TRATON GROUP and monitors/coordinates investigations together with the responsible Investigating Unit. The TRATON Investigation Office confirms the receipt of the tip-off and aligns with the whistleblower on additional relevant information, wherever possible and necessary. In the event that the TRATON Investigation Office is informed about a potential risk that does not involve TRATON's employees, e.g., potential violations by suppliers, the TRATON Investigation Office will forward this information to a suitable body or department of TRATON SE or the TRATON brands, e.g., the responsible Procurement function.

All reports will be investigated in accordance with principles defined in TRATON's Group Policy on Internal Investigations, such as the protection of whistleblowers, procedural fairness, confidentiality, and principle of legality. Results of an investigation will be reported to the Executive Board and responsible committees that decide on further measures to be implemented.

## **TRATON address human rights violations appropriately**

Our measures and guidelines for human rights are structured to protect all rights holders in the best way possible. However, violations can never be fully prevented. Reacting and responding to possible violations is therefore an essential part of our Compliance Management System. When we receive information about cases of suspected misconduct, we

investigate immediately and find solutions to stop actual violations and limit and mitigate the negative impact. In the event of substantiated knowledge of a violation in our supply chain, we seek dialogue with our supplier or business partner and try to first find a common solution that ensures future adherence to human rights. If required, we make use of contractually agreed audit rights to obtain further information on potential violations and risks and for identifying and implementing mitigating measures. However, if suppliers do not take sufficient action to prevent, end or mitigate the extent of human rights violations, this may result in a last resort in the termination of our collaboration with the supplier or business partner.

### **TRATON aims to have a positive impact where we operate in our society**

Respecting human rights is our duty for our society and the environment. This means that we not only respect humans but also their living environment by reducing pollution of water, air, and soil. We are convinced that our Company's success must be built on responsible and sustainable conduct. We bear responsibility for the environmental compatibility and sustainability of our products, locations, and services. We seek to manage natural resources carefully and steadily reduce the environmental impact of our products to comply with environmental protection laws and regulations. The TRATON Sustainability Board, which is headed by the TRATON CEO and in which the brands and TRATON central functions are represented, gives strategic direction, and defines sustainability focus areas. The TRATON Sustainability Board is additionally used as a platform for knowledge transfer within the whole TRATON GROUP.

### **Reporting and responsibilities for human rights**

Human rights are a central topic that affects the whole Company. Within TRATON, human rights are embedded in the Compliance Management System and therefore governed by the Corporate Compliance department, which collaborates closely with all internal stakeholders such as the Procurement, Sustainability, HR, HSE, Security, and Legal functions. The Governance, Risk & Compliance department reports on human rights risks, activities, and developments within TRATON to the Executive Board of TRATON SE, for example in the bi-yearly Compliance Board meetings and the quarterly Governance & Risk Board meetings as well as on an ad-hoc basis. Our brands have also established additional committees on regional and local level to ensure reporting of human rights topics to the respective management. Furthermore, external reporting on human rights issues, for example as part of the TRATON Group's non-financial group statement, is ensured.

TRATON is planning the implementation of further due diligence measures throughout the following months. Those measures will be reviewed for effectiveness during future internal and external audits.

Munich, June 2022

The Executive Board of TRATON SE and the SE-Works Council of TRATON