

MODERN SLAVERY STATEMENT

2022

Structure, business and supply chain

VFS Financial Services Limited is a Scottish registered company operating in the United Kingdom. VFS Financial Services Limited is a single site enterprise with its business premises in Warwick, England, with in excess of 84 employees. VFS Financial Services Limited is a provider of financial solutions to customers of the Volvo Group.

VFS Financial Services Limited is a member of the Volvo Group. 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 financing solutions. In 2022, the Volvo Group's sales amounted to about SEK 473 billion (EUR 44.5 billion). The Volvo Group brands include Volvo Trucks, Volvo Construction Equipment, Volvo Buses, Volvo Penta, Renault Trucks, Mack Trucks, Rokbak, Prevost, Novabus and Arquus. The Volvo Group also has a number of strategic partnerships and joint ventures, including Dongfeng, Eicher, and Shandong Lingong Construction Machinery (SDLG). In addition, the Volvo Group has a strategic alliance with Isuzu Motors. We have partnered with Samsung SDI on batteries, we have established cellcentric together with Daimler Truck to commercialize fuel cell systems for heavy-duty vehicles and other use cases, and we work together with Aurora on autonomous vehicles. We are also pioneering a European high-performance charging network for heavy-duty trucks and coaches called Milence together with Daimler Truck and Traton Group.

The Volvo Group employs 102,000 people worldwide, has production facilities in 18 countries and its products are sold in more than 190

countries. The major production facilities are located in Australia, China, Belgium, Brazil, France, Germany, India, Mexico, Poland, Russia, South Africa, Sweden, the United Kingdom and the United States.

The Volvo Group has around 50,000 Tier 1 suppliers, of which approximately 12,000 supply automotive product components. In 2022, the Volvo Group made purchases of goods and services totalling SEK 333 billion (EUR 31,3 billion). Purchases were made from suppliers in EMEA (50%), Americas (25%), and Asia-Pacific (25%). The supply chain is complex and there are in general several tiers of suppliers between the manufacturing entities and the supplier of raw material.

Human Rights Governance

The Volvo Group's mission is to drive prosperity through transport and infrastructure solutions. Hence, respect for human rights is fundamental for the Volvo Group and the Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also 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 international frameworks such as the UN International Bill of Human Rights, ILO's fundamental conventions, the UN Global Compact, the 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 prioritize and focus on the areas where we consider that we have the highest

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risks for adverse human rights impacts. We also recognize that a core tenet of many of these frameworks is tracking and monitoring performance to drive continuous improvement and using experiences as a source of continuous learning.

The Volvo Group's human rights governance follows our allocation of business accountability and includes several cross-functional governance fora across the company. At the 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.

To further strengthen our human rights work, the Volvo Group Executive Board adopted a Group-wide Human Rights Program in 2022. 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 ensure that the Volvo Group can systematically identify, mitigate and address human rights risks and ensure continuous improvement in our processes. The program provides further clarity to the organization on the Volvo Group's ambition 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. Implementation of the Human Rights Program is supported by a cross-functional reference group and a working group with members from relevant Group functions, Truck Divisions and Business Areas. In the process of implementing the Human Rights Program, we have identified the need to further strengthen and develop central tools and processes to manage the Group's human rights work. This work is underway and intends to facilitate greater harmonization, accountability, and Group-wide awareness.

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- and part-time employees, consultants, temporary staff, and senior management. The current version of the Volvo Group Code of Conduct states that we do not tolerate any forms of modern slavery. Practices that constitute forced labour, including debt bondage, human trafficking, and other forms of modern slavery, are not accepted in any part of the Volvo Group. The Code of Conduct 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, debt bondage, imposing excessive recruitment fees, and restricting people's freedom of movement. The Volvo Group Code of Conduct is publicly available on Volvogroup.com.

Volvo Group Human Rights Policy

The Volvo Group's sustainability ambitions are divided into the three areas of climate, resources and people. Human rights risks may be associated with our activities and business relationships in all three of these areas. In 2021, the Volvo Group launched a standalone Human Rights Policy. The policy sets the common threshold for the Volvo Group's commitment to respect human rights and applies to all Volvo Group entities, employees and others working at our sites. The Human Rights Policy describes the Volvo Group's ten salient human rights risks across the three areas of sustainability ambitions. Modern slavery and

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children's rights are included in our list of salient human rights risks. The policy states that the Volvo Group do not tolerate any forms of modern slavery and child labor in our own operations and our supply chain. The Volvo Group Human Rights Policy is publicly available on [Volvogroup.com](https://www.volvogroup.com).

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. In 2021, we updated and strengthened our Supply Partner Code of Conduct with firmer requirements and targets including more due diligence requirements on our direct suppliers to cover further tiers in the supply chain. The Supply Partner Code of Conduct states that the Volvo Group does not tolerate any forms of modern slavery or forced labour in its supply chain, including but not limited to forced, bonded or compulsory labour and human trafficking. It is further stated that suppliers and their recruitment agencies shall not engage in or tolerate, restrictions of movement, unethical recruitment fees, confiscation of identity documents and/or passports, withholding of wages, abusive working conditions, debt bondage, violence or any other kind of exploitation or abuse. Suppliers are also encouraged to have adequate policies, risk awareness, risk assessment and due-diligence processes in place to prevent modern slavery and forced labour throughout their supply chain. Suppliers are further encouraged to engage constructively with relevant stakeholders such as recruitment agencies, non-governmental organisations and industry associations in order to build awareness and proactively work towards preventing modern slavery and forced labour

Suppliers are required by the Supply Partner Code of Conduct to ensure that their own organization and its direct suppliers comply with the Supply Partner Code of Conduct's minimum requirements. It is further stated that suppliers are expected to perform human rights due diligence of their supply chains, and suppliers are encouraged to work proactively in their supply chains beyond direct suppliers to implement standards that correspond to the standards of the Supply Partner Code of Conduct. The Supply Partner Code of Conduct is implemented through self-assessments and supplier audits as part of our Responsible Purchasing Program (see below). The Supply Partner Code of Conduct is publicly available at [Volvogroup.com](https://www.volvogroup.com).

Risk assessment, due diligence and effectiveness

Modern slavery, including forced labour and human trafficking, may materialize not only in our own organization and operations, but also through our business relationships and in other parts of our value chain. Modern slavery related risks in our operations are assessed within the framework of the Human Rights reviews while these risks in our supply chain are assessed through our Responsible Purchasing Program (see below). In these reviews and assessments, we prioritize 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. We noted increased risks in for example certain countries in Africa and Asia, the Middle East and South America.

One of the Volvo Group's primary focus during 2022 has been to continuously ensure the health, safety and well-being of our colleagues and external stakeholders such as suppliers and customers. We have continued with our human

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rights due diligence activities including follow-ups of previous activities as further detailed below.

Own Operations - Human Rights reviews

Based on our risk-based approach in the prioritization of the Human Rights reviews of our own operations, we have been in recent years, and intend to continue, performing Human Rights reviews across our own operations. These reviews also cover on-site service providers. It typically involves desktop reviews of country and sector human rights risks, self-assessments and in-person workshops with the local management and human resources personnel, in-person discussions with employees, on-site service providers and their employees, union representatives and also, if relevant, potential in-person discussions with other stakeholders. It is adapted to reflect the needs and risks of the country being reviewed. Following each Human Rights review, action plans for identified improvement areas are created with clear ownership and anchoring with the local management team. The results of the Human Rights reviews and the action plans are shared with relevant members of our Executive Management. Following each review, action plans are developed with ownership and accountability within the local management and relevant Truck Division and Business Area.

Human rights reviews have been performed in India (2017), South Africa (2018), and Mexico (2019). After a pause in 2020 and 2021 due to the Covid-19 pandemic and following a revision of the process and methodology we initiated the restart of the review processes in 2022, planning for reviews in Turkey, United Arab Emirates, Algeria and Morocco during 2023.

We have also continued our follow-up on findings from previous human rights reviews with the local management. No adverse findings relating to

modern slavery were identified in connection with these human rights reviews.

Suppliers – Responsible Purchasing Program

The Volvo Group supply partners play an integral role in realizing our sustainability strategy across the full value chain. With more than 50,000 tier one supply partners worldwide delivering 2.5 billion parts, Volvo Group has the opportunity to influence the sustainability transformation throughout the supply network beyond tier one suppliers. In 2019, an updated and improved Responsible Purchasing Program was implemented, and in 2021 we updated our Supply Partner Code of Conduct.

The foundation of the Volvo Group Responsible Purchasing program is our supply partner due diligence activities based on commitment, assessment, action and reporting including various due diligence activities in relation to our suppliers (see below). The sustainability assessments of the supply partners cover primarily tier one suppliers and are conducted through supply partners' self-assessments as well as targeted in-depth on-site audits. A risk-based approach is used, where prioritization of audits is made by reviewing risks by country or market, commodities, processes, or work areas of the suppliers. The risk assessment is based on external tools bringing an updated view of risks related to human and labour rights, environmental and business ethics risk across the globe. As a complement, risks can be flagged during any type of supplier audit, training or visit. The Volvo Group carries out most audits and reviews with internal resources with a shared responsibility between procurement staff and specialized auditors, whose tasks it is to ensure that proper actions are taken to resolve identified gaps.

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Supplier Self-Assessments: The Volvo Group utilizes a standardized questionnaire for the automotive industry focused on sustainability in the supply network. The self-assessment questionnaire (SAQ), considers sustainability performance within human rights, 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, together with other risk parameters, in the supply partner selection process. For a selected partner, the self-assessment result will result in a corrective action plan if it falls below a risk threshold. To drive continuous improvement the rating is valid for three years, thereafter a new assessment is needed. In total, 1,530 sustainability self-assessments were performed in 2022. From a total Volvo Group direct material spend perspective 89% of the supply partners had conducted the assessment, out of which over 99% had a recorded approved rating. In high-risk areas, the corresponding result was 93%, out of which 95% had a recorded approved rating.

Sustainability Audits: As part of the supplier selection process, new suppliers above a certain spend in high-risk countries and segments are assessed through on-site sustainability audits. Further, sustainability audits of existing suppliers are performed when deemed necessary due to risk indications from internal or external sources. During sustainability audits, suppliers' facilities are visited by trained Volvo Group personnel to assess, among other aspects, labour rights, working conditions, health and safety, and modern slavery related risks. After some time of lower audit activity due to travel and meeting restrictions due to the covid-19 pandemic, the number of audits has increased as restrictions in many countries have been removed. In 2022, 137 on-site audits

were carried out in Algeria, Argentina, Brazil, China, Egypt, India, Indonesia, Mexico, Russia, South Africa, Singapore, Turkey, and Peru. No adverse findings relating to modern slavery were identified in connection with these audits.

- Sustainable Minerals Program: The Volvo Group does not directly source conflict minerals or other minerals of concern such as tin, tantalum, tungsten, gold and cobalt, however these minerals are part of our global supply chain and are used in a variety of materials and components. We aim to support our suppliers to secure sustainable supply chains of these minerals through our Sustainable Minerals Program. The Volvo Group is a member of the Responsible Mining Initiative (RMI) and with the support of the tools provided by RMI we perform supply chain mapping and due diligence of our supply chain for conflict minerals. This is an important initiative with the aim of mitigating human rights related risks at the bottom of our supply chain, including but not limited to, modern slavery related risks and with a focus on the implementation of the EU Conflict Minerals Regulation. In 2022, 834 tier one suppliers were included in the Volvo Group's Sustainable Minerals Program with the aim to create transparency and visibility in the supply chains of minerals. Several of the invited companies already collaborate with the Volvo Group in this respect, and all invited suppliers will be assessed on the parameters of (a) the strength of their Human Rights Due Diligence program and (b) their association to smelters or refiners of concern in their supply chain. The long-term ambition of the Sustainable Minerals Program is to drive full transparency by 2025 with all in-scope supply chain partners complying with our Responsible Purchasing Standards and Requirements.

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Business Partners

In addition to our own manufacturing entities, the Volvo Group collaborates with truck assembly partners and bus body builders. Some of these partners are located in countries with elevated human rights risks. In 2022, we have continued our work with ongoing activities to secure that business partners operate in line with Group requirements including e.g. to implement social and environmental requirements in contractual agreements, requirements on self-assessments and on-site reviews. In 2021 a follow-up review was conducted at a truck assembly partner in Malaysia focusing on employment practices. The review was completed in 2022 and learnings from the reviews feed into our continued work with human rights due diligence. In 2021, Volvo Buses analyzed the risk profiles of its bus body builders from a human rights perspective and included human and labor rights related requirements in contractual agreements with body builders identified as high risk. In 2022, Volvo Buses initiated human rights training with business partners.

Training and capacity building

During 2022, the Volvo Group performed certain training initiatives, both for employees and suppliers.

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 2022, the Volvo Group Code of Conduct e-learning included a focused module on Modern Slavery for all employees. By year-end, more than 58,000 employees had completed the training.

Volvo has an e-learning program for all Volvo Group staff working with suppliers, outlining the concept of responsible purchasing. Further, during 2022, the Volvo Group conducted various internal trainings on more detailed sustainability topics connected to specific purchase segments, sales and connected risks.

In collaboration with Drive Sustainability, Volvo Group continuously work to train and develop supply partners in sustainability and responsible purchasing. In 2022, Volvo Group invited and onboarded supply partners located in USA, Germany, and Italy to participate in live sustainability trainings. We have also actively participated and invited suppliers to the Drive Sustainability e-learning, offering a basic introduction to Drive Sustainability and sustainable purchasing. During 2022, representatives from 85 supply partners completed the e-learning.

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 for example our Code of Conduct, included as part of compliance and human rights trainings, articles on our intranet, and in our Annual and Sustainability Report. The Volvo Group does not tolerate any retaliation against whistle-blowers raising concerns in good faith. In 2021, an updated Whistleblowing and Investigations Policy was published to emphasize Volvo Group’s commitment of non-retaliation and whistleblower protection, including confidentiality, right to anonymity, and other key aspects of proper handling of the reported

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concerns. No issues relating to modern slavery were reported through the Volvo Whistle since it was launched in 2017.

Partnerships

During 2022, the Volvo Group continued as a Lead Partner in DRIVE Sustainability. DRIVE Sustainability is a global network with the mission to drive sustainability in the supply chains of the automotive industry. We believe that a joint industry approach is one of the best ways to drive sustainability in our supply chains.

During 2022, the Volvo Group also continued its membership with the Responsible Minerals Initiative (RMI), an organization which holds valuable knowledge within the mining industry and provides important tools used within our Sustainable Minerals Program.

During 2022, the Volvo Group also collaborated in the Global Battery Alliance, 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, ensuring

transparency of greenhouse gas emissions and their progressive reduction, to eliminating child and forced labour.

In addition, the Volvo Group is involved in CSR Europe's Responsible Trucking Initiative. The initiative aims to improve employment and working conditions for truck drivers in the road transport sector across Europe.

The statement is made in accordance with Section 54 (1) of the UK Modern Slavery Act 2015. The statement has been approved by the Board of Directors of VFS Financial Services Limited and applies for the period January 1, 2022 to December 31, 2022.

Signed



Tabitha Brace

Director

June 2023