

**KEP 6**

**Corporate Social Responsibility**

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# 1. Introduction

Volvo Group is committed to a Code of Conduct which describes our intention on how to behave when we do business and how we interact with our stakeholders. Volvo Group enjoys an invaluable reputation for corporate trustworthiness around the world, based on consistently conducting business with integrity and in compliance with the laws and regulations governing its activities. Therefore we seek to ensure that all our suppliers operate in compliance with our requirements. The purpose of our supply chain management is to help our business partners understand our requirements and develop together with us.

## *Corporate Social Responsibility (CSR) within Volvo Group*

The Volvo Group's Code of Conduct is the corporate policy and general reference document on ethical issues and appropriate business practices.

It consists of 13 principles in the areas of: business principles, environmental principles and human rights and workplace practice. The principles in our Code of Conduct are based on UN Global Compact\* and the international conventions on which it is based.

The Code of Conduct formalizes the principles that the Volvo Group shall commit in relation to employees, business partners and other stakeholders.

All Volvo Group employees should know about the Code of Conduct, since the policy is applicable to all employees at all levels.

The Volvo Group encourages suppliers, dealers, consultants and other business partners within its sphere of influence to adopt these principles. In the assessment of potential and current suppliers, the principles described in this document shall be applied.

Please find Volvo Group Code of Conduct in section 2 of this document.

\*UN Global Compact United Nations' ten principles based on international conventions on human rights, anticorruption, International Labour Organization (ILO) conventions, workplace rights and sustainable development. <http://www.unglobalcompact.org/>

## 2. Volvo Group Code of Conduct

### Volvo Group Code of Conduct

*The Volvo Group enjoys an invaluable reputation for corporate trustworthiness around the world, based on consistently conducting business with integrity and in compliance with the laws and regulations governing its activities. The Volvo Group corporate values and commitment to sustainable development are, and will continue to be, reflected, promoted and implemented in Group policies, decisions and actions.*

#### **Scope of Application**

The Volvo Group Code of Conduct has been adopted to underscore the principles by which the Group conducts its relations with employees, business partners and other stakeholders. It applies to all members of the Board Of Directors, and all employed by the Volvo Group.

The Volvo Group encourages suppliers, dealers, consultants and other business partners within its sphere of influence to adopt these principles. In the assessment of potential and current suppliers, the principles described in this document shall be applied.

#### **Business Principles**

##### Legal Compliance

In every country in which it operates, the Volvo Group shall abide by the laws and regulations of that country. In situations where the law does not give guidance, the Group applies its own standards based on its corporate values and culture. In cases of conflict between mandatory law and the principles contained in this code, the law shall prevail.

##### Relations with Business Partners

The Volvo Group's dealings with its business partners are characterized by fairness.

The Volvo Group shall not offer customers, potential customers, governments, agencies of governments, or any representatives of such entities, any rewards or benefits in violation of either applicable laws or reasonable and generally accepted business practices.

Volvo Group employees must not accept payments, gifts, or other kinds of reimbursement from a third party that could affect or appear to affect their objectivity in their business decisions.

##### Accounting and Reporting

All financial transactions by the Volvo Group must be reported in accordance with generally accepted accounting practices, and accounting records must show the nature of all transactions in a correct and non-misleading manner. The Volvo Group will provide disclosure that is open, truthful, relevant, comprehensible and timely.

### Conflicts of Interest

Employees and members of the Boards of Directors of the Volvo Group shall conduct their private and other external activities and financial interests in a manner that does not conflict or appear to conflict with the interests of the Group. Should such a conflict of interest arise, it must be reported immediately by the person subject to the conflict to his/her immediate supervisor.

### Political Involvement

The Volvo Group observes neutrality with regard to political parties and candidates. Neither the names nor the assets of Volvo Group companies shall be used to promote the interests of political parties or candidates.

### Stakeholder Communications

The Volvo Group encourages an ongoing dialogue with its stakeholders.

## **Environmental Principles**

### Resource Efficiency

Volvo Group products and processes are designed in such a way that energy and raw materials are used efficiently, and waste and residual products are minimized over the products' life cycles.

### Precautionary Principle

The Volvo Group supports the precautionary principle by avoiding materials and methods posing environmental and health risks when suitable alternatives are available.

### Environmental Performance

The Volvo Group routinely audits, follows up and reports on its environmental performance, with particular emphasis on evaluating the potential risks of present and future products and operations.

## **Human Rights and Workplace Practices**

### Human Rights

Within its sphere of influence, the Volvo Group supports and respects the protection of internationally proclaimed human rights and ensures that it is not complicit in human rights abuses.

### Non-Discrimination

The Volvo Group hires and treats its employees in a manner that does not discriminate with regard to gender, race, religion, age, disability, sexual orientation, nationality, political opinion, union affiliation, social or ethnic origin. Workplace diversity at all levels is encouraged.

### Labour

No form of forced, compulsory or child labour is tolerated in the Volvo Group. The minimum employment age is the age of completion of compulsory school.

Freedom of association and the right to collective bargaining and agreements shall be respected in all Volvo Group operations.

### Work Environment

The necessary conditions for a safe and healthy work environment shall be provided for all Volvo Group employees.

**Responsibility of Managers and Employees**

It is the responsibility of Volvo Group managers to communicate and demonstrate the content as well as the spirit of this document within their organizations, and to encourage employees to reveal behaviour that may be non-compliant with these principles. Explicit or implicit approval of questionable actions will not be tolerated.

Reports of violations of this code may be done anonymously and confidentially to the chairman of the audit committee. Persons reporting violations in good faith will not be subject to retaliation.

This Code of Conduct will be promptly and consistently enforced. Failure to comply with its provisions can result in disciplinary action.

This Code of Conduct has been adopted by the Board of Directors of AB Volvo and can only be amended or waived by the Board. Any amendments or waivers shall be disclosed.

*Adopted by the Board of Directors 17 June 2003*

### 3. Corporate Social Responsibility requirements for suppliers

***The Volvo Group enjoys an invaluable reputation for corporate trustworthiness around the world, based on consistently conducting business with integrity and in compliance with the laws and regulations governing its activities. The Volvo Group corporate values and commitment to sustainable development are, and will continue to be, reflected, promoted and implemented in Group policies, decisions and actions***

In the same spirit we want our suppliers to adopt the principles in our Code of Conduct or similar principles.

Suppliers of materials, equipment, services and consumption goods play a vital part in the development and manufacturing of Volvo Group's products.

All suppliers and contractors must have knowledge of the Volvo Group Code of Conduct coupled with internal working procedures including the following aspects:

- comply with laws and regulations of the countries where the supplier operates; when the local laws and regulations are lacking the principles in the Code shall guide
- the principles described in the Code of Conduct should be the minimum level to be used in relations with their employees, business partners and other stakeholders
- take responsibility for their respective sub-suppliers for deploying these requirements through their supply chain
- maintain an open dialogue with Volvo Group companies concerning achievements, trends and possibilities for improvements in the area of Corporate Social Responsibility
- have a system in place to ensure compliance with the principles outlined in the Code of Conduct
- have a senior executive responsible for compliance with UN Global Compact

Each Business Area and Business Unit of the Volvo Group is responsible for evaluation of the requirements for its suppliers as well as maintaining the contact persons and channels of information to its suppliers.

## 4. The Corporate Social Responsibility Self Assessment

The purpose of this self- assessment is to get an overview of the status of performance in fulfilling the Volvo Group requirements in this document. As this is an important issue for us, we kindly ask you to fill in this assessment when you are asked to do so.

We will use the returned self-assessment for follow-up in connection with other visits to you, so please be prepared to show us documentation or evidence to your answers. For a number of suppliers we will also carry out social, environmental and anti-corruption audits. The purpose is to validate the answers given in the supplier self- assessment, to identify important needs of improvement.

**All answers will be handled with the strictest confidentiality.**

If you have any questions, do not hesitate to ask to your contact at the Volvo Logistics purchasing department!

## **Carrier Self-assessment Corporate Social Responsibility**

<b>Company name</b>	
<b>Address</b>	
<b>Telephone /Telefax</b>	
<b>Contact person (-s) at supplier</b>	
<b>Volvo Group contact</b>	
<b>Evaluation date</b>	
<b>Signature</b>	
<b>Email Address</b>	

# Corporate Social Responsibility Self-assessment

## Update Self-assessment in KEP 6

### Section 1 Company information

This self assessment is only valid for one Volvo Group Parma/ Supplier number; please indicate the Volvo Group Parma/ Supplier number:	
Number of employees:	
Number of employees at business partners e.g. cleaning personnel, temporary employees, entrepreneurs included:	
Number of sub- or sub-sub- contractors including your own company, is involved in fulfilment of the customer's contract(s)?	
Sector/branch:	
Contact person for Corporate Social Responsibility (CSR) issues at your facility:	
Contact person responsible for information in this self-assessment:	
Date of submission:	

### Section 2 Social performance

*References:*

*More information about United Nations (UN) Global Compact is available on <http://www.unglobalcompact.org/AboutTheGC>.*

1.	Have audits, <i>with focus on human rights and workplace practice</i> , been conducted in your company?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.	Has your company signed the UN Global Compact?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.	Has a senior management representative been appointed to ensure compliance with the requirements in this document?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.	Does your company have a Code of Conduct or similar?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

5.	Does your company place a contractual requirement on its suppliers to be compliant with issues outlined in this self-assessment?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6.	Does your company place a contractual requirement on other business partners to be compliant with issues outlined in this self-assessment?	Yes <input type="checkbox"/> No <input type="checkbox"/>
7.	Does your company have a procedure in place, where the employees anonymously can report on misconduct or violations relating to any of the principles or issues outlined in this self-assessment?	Yes <input type="checkbox"/> No <input type="checkbox"/>

### Section 3 Working environment and conditions

#### References:

*Workplace health and safety in accordance with ILO conventions 155 and ILO recommendations 164 and 190.*

1.	Is a monitoring system implemented to identify specific risks for health and safety of the employees and prevent recurrence of work accidents?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.	Are Statutory Laws and Regulations observed in all countries of transit?	Yes <input type="checkbox"/> No <input type="checkbox"/>
3.	Are all inspections of equipment and apparatus carried out at least in accordance with manufacturer's specification and documented/certificated?	Yes <input type="checkbox"/> No <input type="checkbox"/>
4.	Are all personnel trained in the safe and lawful operation of transport equipment and the apparatus to endure your compliance with working time regulations?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.	Are your personnel trained in the requirements of the ADR convention in any case where they might have to carry Hazardous cargo?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6.	Is adequate and suitable clothing and personal equipment for the safe operation of the equipment?	Yes <input type="checkbox"/> No <input type="checkbox"/>
7.	Do you keep accident records and follow up in order to prevent repetition?	Yes <input type="checkbox"/> No <input type="checkbox"/>
8.	Is the transport equipment adequately protected against fire and other hazards and appropriate training given for such events?	Yes <input type="checkbox"/> No <input type="checkbox"/>
9.	Do you have a monitoring system for preventing drinking in connection to driving?	Yes <input type="checkbox"/> No <input type="checkbox"/>

## Section 4 Workforce rights

*References:*

*Working hours in accordance with ILO conventions 1 and 14*

*Compensation in accordance with ILO conventions 26 and 131*

1.	Are working hours in your company in compliance with statutory laws and regulations in the country or region whether of origin or transit?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.	Is every employee paid at least the statutory minimum wage?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3.	Do all employees receive paid leave according to statutory regulations?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
4.	Are required overtime supplements paid to all employees?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

## Section 5 Child and force labour

*References:*

*Prohibition of Child Labour in accordance with ILO conventions 79, 138, 142 and 182 and recommendation 146.*

*Prohibition of Forced labour and disciplinary measures in accordance with ILO conventions 29 and 105.*

1.	Are all employees employed by your company at least the minimum age required by country law or other regulations?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.	Are employees allowed to leave the working premises after work at any time as far as in compliance with statutory regulations?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

## Section 6 Freedom of association

*References:*

*Freedom of association and the right to collective bargaining in accordance with ILO conventions 87, 98, 135 and 154.*

1.	Does your company uphold the employee's right to freely join and take actions in or form workers' organisations including union(s) of their right own choosing without previous authorisation of your company?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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## Section 7 Discrimination

### References:

*Prohibition of discrimination in accordance with ILO convention 100, 111, 143, 158 and 159*

1.	Are all employees treated in a non-discriminatory manner regarding benefits, hiring procedure, job assignment, retirement provisions, and access to services etc. (i.e. independent of gender, religion, age, union membership, race, caste, national origin, disability, sexual orientation or political affiliation)?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.	Does your company regulate inappropriate sexual coercive behaviour, including gestures, language and physical contact?	Yes <input type="checkbox"/> No <input type="checkbox"/>

## Section 8 Environment

NA

## Section 9 Business ethics

1.	Does your operation have policies and procedures in place to prevent and detect corruption by your employees, officers, managers, and any other working behalf of your operation, including but not limited to bribery, excessive gift-giving, extortion, or embezzlement, on the part of suppliers, contractors or agents representing the facility? If yes, please use the comment field below to describe those policies and procedures.	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.	Does your operation have policies and procedures to prevent, detect, and eliminate situations in which your employees, officers, managers, and others working on behalf of your operation have potential conflict of interest in connection with your operation's activities or dealing with governmental or similar authorities? If yes, please use the comment field below to describe those procedures.	Yes <input type="checkbox"/> No <input type="checkbox"/>

3.	Has any gifts, payments, or anything else of value for your operation, or anyone working on behalf of your operation, has offered or given, in the last three years, to any government official or employee, political party, political candidate, or any person related by blood, marriage, or otherwise to such persons, in order to obtain some advantage favour, decision, or actions. If yes, please use the comment field below to describe.	Yes <input type="checkbox"/> No <input type="checkbox"/>

4.	Does any governmental official or employee, political party, political candidate, or any person related by blood, marriage, or otherwise such persons (i) own beneficially, directly or indirectly, the whole or a part of your operation; or (ii) in the last three years served as an officer, director or manager of your operation? If yes, please use the comment field below to describe.	Yes <input type="checkbox"/> No <input type="checkbox"/>

5.	During the last three years has your operation been involved in any investigation, lawsuit, or other proceeding concerning the issues addressed in this self-assessment? If yes, please use the comment field below to describe.	Yes <input type="checkbox"/> No <input type="checkbox"/>

**Additional information**

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