

Volvo Construction Equipment Canada Inc.

Report on Measures to Prevent and Reduce the Risk of Forced and Child Labour under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

I. Introduction

This is the third report of Volvo Construction Equipment Canada Inc. (“**VCE Canada**”) under Canada’s *Fighting Against Force Labour and Child Labour in Supply Chains Act* (the “**Act**”). The report covers the related activities of VCE Canada from January 1st to December 31st, 2025.

II. VCE Canada Structure, Activities and Supply Chains

a. Corporate Information

Legal name of reporting entity: Volvo Construction Equipment Canada Inc.

Financial reporting year: January 1st to December 31st, 2025

Report version: Original

Corporation Number: 1062023-8

Business number: 77104 9715

Entity category: VCE Canada is a Canadian corporation that does business and has assets in Canada. VCE Canada has at least \$20 million in assets for at least one of its last two fiscal years, generated at least \$40 million in revenue for at least one of its last two fiscal years. VCE Canada employs less than 250 employees for at least one of its last two financial years.

Sectors or industries: Manufacturing

Headquarters: Toronto, Ontario, Canada

Entity structure: VCE Canada is a corporation incorporated under the Canada Business Corporations Act. It is wholly owned by Volvo Construction Equipment AB (Sweden). The latter, in turn, is wholly owned by AB Volvo (collectively, with all its subsidiaries and divisions, the “**Volvo Group**”), which is a publicly held company listed on the Nasdaq Stockholm, Sweden Stock Exchange (ST0:VOLV-B) and headquartered in Gothenburg, Sweden. The Volvo Group is one of the world's leading manufacturers of trucks, buses, construction equipment, marine and industrial engines and also provides complete financing solutions.

b. Activities and Supply Chains

VCE Canada sells construction equipment and parts in Canada, which are manufactured and provided from outside of Canada. All Volvo-branded construction equipment and parts sold in Canada are manufactured at an assembly plant in Brazil, France, Germany, Korea, Sweden and the United States.

III. Volvo Group and VCE Canada Commitment to Human Rights

Respect for human rights is fundamental to the Volvo Group and its members, including VCE Canada. We are committed to respecting internationally recognized human rights.

The Volvo Group and VCE Canada individually continue to strengthen their human rights work based on international frameworks such as the UN International Bill of Human Rights, the ILO's Core 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. The Volvo Group and VCE Canada further 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.

a. Policies and measures taken to combat forced labour and child labour in supply chains

As a member of the Volvo Group, VCE Canada is bound by and adheres to all policies and programs developed by the Volvo Group regarding human rights. The following policies and programs address forced and child labour:

The Volvo Group Human Rights Policy

The Volvo Group [Human Rights Policy](#) states our commitment to respect internationally recognized human rights and to avoid causing or contributing to adverse impacts as stated in the UN Guiding Principles on Business and Human Rights. The Human Rights Policy applies to all Volvo Group entities (including VCE Canada), employees and others working at its sites. The policy states that the Volvo Group does not tolerate any form of modern slavery or child labour in our own operations and in our supply chain. The Volvo Group Human Rights Policy is publicly available on volvogroup.com.

The Volvo Group Code of Conduct:

As part of its commitment to respecting internationally recognized human rights, the Volvo Group does not tolerate any form of modern slavery, including forced, bonded or compulsory labour and child labour. This has been an essential part of the [Volvo Group Code of Conduct](#) since 2003. The Code of Conduct applies to everyone who works on Volvo Group's behalf (which includes VCE Canada), including full- and part-time employees, consultants, temporary staff, and senior management. Practices that constitute forced labour, including debt bondage, human trafficking, and other forms of modern slavery, are not accepted. 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 bandage, imposing excessive recruitment fees, and restricting people's freedom of movement. The Volvo Group Code of Conduct is publicly available on volvogroup.com and is a mandatory part of the training for all employees and management of VCE Canada.

The Volvo Group Human Rights Program operationalizes our commitment to respect human rights as set out in our Human Rights Policy. The Human Rights Program describes our strategy, governance, roles and responsibilities and supports the Volvo Group in systematically identifying, mitigating and addressing human rights risks and facilitates continuous improvement in our processes. In 2025, we concluded a Volvo Group-wide human rights risk and maturity assessment commenced during late 2023. The analysis enabled Volvo Group to identify existing good practices in its management systems as well as opportunities for improvement. With the result as a baseline, Volvo Group is working continuously to address priority gaps and strengthen its human rights due diligence processes. As a result of the project, the Volvo Group has updated its salient human rights risks and established a number of priorities for further improvement, including increased focus on downstream due diligence and strengthening our human rights governance. With this, Volvo Group has also developed internal tracking and reporting of potential incidents. The Volvo Group Code of Conduct is publicly available at volvogroup.com.

The Volvo Group Supply Partner Code of Conduct:

Since 1996, the Volvo Group 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 form of modern slavery or forced labour, including but not limited to forced, bonded or compulsory labour and human trafficking. Consequently, Supply Partners, including their recruitment agencies, shall not engage in or tolerate restrictions of movement, 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. Supply Partners shall have adequate policies, risk awareness, risk assessment and due-diligence processes in place to prevent modern slavery and forced labour throughout their supply network, including remediation plans addressing situations if modern slavery or forced labour is detected. Supply Partners are also encouraged to engage constructively with relevant stakeholders such as non-governmental organizations and industry associations to build awareness and proactively work towards preventing modern slavery and forced labour.

The Supply Partner Code of Conduct also states that, to achieve full effectiveness of the Supply Partner Code of Conduct, Supply Partners must ensure that all requirements are lived by in their own operations, and that their full value chain complies to the same standards. The Volvo Group also expects all our Supply Partners to integrate, share and promote the expectations of the Volvo Group Supply Partner Code of Conduct internally and throughout their entire supply network.

It is further stated that the Volvo Group requires every Supply Partner 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 line 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, in a manner appropriate to their 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 business relationship with the Volvo Group. The Supply Partner Code of Conduct is publicly available at volvogroup.com.

Sustainable Materials Sourcing and Due Diligence Policy

In 2025 we introduced a Sustainable Materials Sourcing and Due Diligence Policy. This policy is based on internationally recognized human rights and labour standards and is intended to facilitate compliance with applicable legal regulations in our sourcing practices. It reinforces our expectations for traceability, responsible sourcing, and robust risk assessment across the supply chain, complementing the Supply Partner Code of Conduct. The Sustainable Materials Sourcing and Due Diligence Policy is publicly available at volvogroup.com

Sustainable Materials Program:

The Volvo Group does not directly source conflict minerals or other minerals of concern such as tin, tantalum, tungsten, gold, cobalt and mica, however these minerals are part of its global supply chain and are used in a variety of materials and components. The Volvo Group supports suppliers with a view to securing sustainable supply of these minerals through our [Sustainable Minerals Program](#). The Volvo Group is a member of the Responsible Minerals Initiative (RMI) and with the support of the tools provided by RMI it performs supply chain mapping and due diligence of its supply chain for conflict minerals. This is an important initiative with the aim of mitigating human rights-related risks at the bottom of its supply

chain, including but not limited to, modern slavery-related risks. 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 Volvo Group Responsible Purchasing Standards and Requirements.

For high-risk materials, Volvo Group work to prevent adverse impacts through the Volvo Group Sustainable Materials Program. The program follows the OECD Due Diligence Guidance for Responsible Supply Chains and uses tools from the Responsible Minerals Initiative (RMI). Focus materials for 2025 are tin, tantalum, tungsten, gold (3TG), cobalt and mica. These materials are used in many components, but we have limited influence over the source.

The program identifies and engages tier 1 supply partners whose parts contain these materials. Supply partners declare their due diligence measures and disclose smelters or refiners (SORs) in their supply chains. This collaboration enables us to identify, map and mitigate potential risks. Through RMI assessments, eligible SORs are evaluated and audited by independent third parties to confirm compliance with the RMI Responsible Minerals Assurance Process (RMAP) standards. Audited SORs are classified as either conformant or non-conformant. In relation to cobalt and mica, 339 supply partners were in scope in 2025, with 236 participating. A total of 140 SORs were identified, with 44% deemed conformant and 6% deemed non-conformant. In relation to 3TG (tin, tantalum, tungsten and gold), 556 supply partners were in scope in 2025 and 485 participated. A total of 601 SORs were identified with 63% deemed conformant and 9% deemed non-conformant. The remaining share of conformance assessments are pending and are in the intermediate stages of the process. Compared to 2024, 3TG conformance in 2025 remained on the same level. Conformance for in-scope materials other than 3TG showed a slight decline, primarily due to mica being introduced into the program for the first time, bringing in new upstream actors with limited prior experience in recognized audit programs.

Volvo Group continuously review additional critical raw materials, to expand the scope of the program to include additional materials and ensure regulatory compliance.

United States Uyghur Forced Labour Prevention Act (ULFPA) prohibited entity list:

VCE Canada will not contract with any entity identified by the above Act in order to respect its obligations emanating from the various Volvo Group Policies pertaining to human rights. Likewise, VCE Canada complies with sanctions imposed by Canada's Special Economic Measures (People's Republic of China) Regulations.

More information is available on our commitment and measures related to sustainability and human rights in the Volvo Group 2025 Annual Report available online at: [Volvo-Group-Annual-Report-2025.pdf](#)

b. Assessing Risk and Implementing Due Diligence in Relation to Forced Labour and Child Labour

The Volvo Group and VCE Canada acknowledge that there may be risks of forced or child labour in our supply chains. Specifically, and as detailed above in connection with our Sustainable Materials Program, the Volvo Group considers that certain metals and raw materials present supply chain risks in relation to forced or child labour. The following measures have been implemented by VCE Canada to identify such risks and to implement the above policies:

Mapping of activities:

VCE Canada has completed the mapping of all its manufacturing activities.

Mapping of supply chains: VCE Canada has completed the mapping of suppliers included in its supply chain using the procedures described below:

Supplier Self-Assessments:

VCE Canada utilizes a standardized questionnaire focused on sustainability in the automotive industry 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 60% risk threshold. To drive continuous improvement, that result is valid for three years and thereafter a new assessment is required.

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, including onsite audits during the sourcing phase. Similarly, potential supply partners of indirect material located in high-risk countries are audited if the contract value exceeds a predefined threshold. In 2025, a total of 254 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 Volvo Group sourcing decisions, as well as in supply partner development activities such as sustainability dialogues or training. Deviations from the Requirements are expected to be resolved in a timely manner if the long-term partnership is to remain. Deviations at both new and existing supply partners are managed by the responsible buyer, together with the auditor, until resolved. Actions may include direct engagement with the supplier and implementation and follow-up of corrective action plans. Those who fail to address critical issues risk not being awarded a contract or, for existing partners, having their contracts terminated. However, we strive to work together with our partners to enable continuous improvement and consider termination a last resort. The most common deviations identified through on-site audits at supply partners in 2025 were primarily related to supply chain management, human rights and business ethics, and governance. Within supply chain management, deviations mainly concerned missing or insufficient social, environmental, or business ethics requirements being set for, or communicated to, supply partners' own supply networks. With regard to human rights and business ethics, deviations were mainly related to excessive working hours for employees. Within governance, deviations most often involved missing codes of conduct or existing codes of conduct which did not adequately address key risk areas. In addition to the supply partner audits summarized above, deeper supply chain audits were conducted on components of strategic importance to increase supply chain transparency. One example is batteries, where Volvo Group commissions independent third-party audits of key battery suppliers as part of our due diligence program.

VCE Canada ongoing internal reviews and risk assessments have yet to detect or identify adverse findings relating to modern slavery. VCE Canada's above verifications have intensified in 2025. Should one of the above risk arise, VCE Canada will use its own commercial influence as well as that of the Volvo Group's to impose its policies to combat forced/child labour or if that does not yield satisfactory result, will terminate its contract with the offending supplier.

Contractual mechanisms:

VCE Canada regularly makes use of the Volvo Group's General Purchasing Conditions (GPCs) which provide a direct contractual link between third party suppliers to the aforementioned Supply Partner Code of Conduct. As previously stated, the said Code prohibits any form of modern slavery. The GPCs are included in our suppliers' contracts and within each suppliers' purchase order.

Grievance mechanisms:

The Volvo Group offers various channels allowing internal and external stakeholders to report on potential ethical concerns or violations of the Volvo Group policies, including our whistleblower process, the "Volvo Whistle", which is publicly available on Volvogroup.com. 'Volvo Whistle' is available to all employees, consultants, managers and staff of VCE Canada. Reports can be made anonymously wherever permitted by local law. It is also possible to reach out to the Whistleblowing and Global Investigations Team via email or regular mail. All available channels are easily found on volvogroup.com, along with our policy on protection from retaliation. The Volvo Group encourages our employees, representatives and external stakeholders to report and act on suspected breaches of our Code of Conduct and other policies, including human rights matters, and invite external third parties such as business partners, customers, suppliers, dealers, consultants, former or potential employees, or anyone else who is concerned with Volvo Group's business to report their concerns. In our publicly available Whistleblowing and Investigations Policy, we inform about how to report and our commitments regarding anonymous reporting, confidentiality, independent and objective investigations, the feedback to the reporting party and a clearly stated non-retaliation policy for good faith reporting.

c. Measuring the Effectiveness of our Actions

As explained in the [Volvo-Group-Annual-Report-2025.pdf](#) (see page 174 and following), there is a dedicated Group Compliance function that oversees the implementation of a compliance management system approach for core compliance areas. The Volvo Group's compliance management system includes, among other things, policies, guidelines and procedures, regular compliance communication and training, as well as assurance activities such as effectiveness testing and auditing.

The Volvo Group's internal audit function, Group Internal Audit, provides the Board and the Group Executive Board with an independent, risk based and objective assurance on the effectiveness and the efficiency of the governance, risk management and control systems of the Volvo Group. The audits cover, among other things, assessments on the adequacy and effectiveness of the Volvo Group's processes for controlling its activities and managing its risks and evaluation of compliance with policies and directives, including those reviewed in this report.

d. Training and capacity building:

VCE Canada regularly trains both its employees and suppliers. All employees with access to computers are required to complete a yearly Volvo Group Code of Conduct e-learning module. For employees in the production environment or without access to computers, managers are required to lead mandatory Volvo Group Code of Conduct training sessions.

Beyond the mandatory compliance training program, the Volvo Group also offers a series of other training modules on a demand basis. On top of this, Volvo Group's top management, Group Compliance and other internal stakeholders regularly communicate the importance of conducting business in an ethical manner.


It is of note that all VCE Canada employees must reiterate their commitment to this Code of Conduct at the end of each annual training.

e. Remediation Measures

VCE Canada has not identified any incidents of forced or child labour in the supply chains of any of its operating divisions. We have, therefore, not had occasion to adopt any remediation measures to address forced or child labour, nor any related measures to remediate income losses. In the unlikely event an incident does arise, VCE Canada is committed to implementing appropriate remediation measures and related loss-mitigation measures.

Approval and Attestation:

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. I attest that the report has been approved by the board of directors of VCE Canada and that, based on my knowledge, and having exercised reasonable diligence, the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.”

Signature:	
Name:	Sherry Lowe
Title:	VP General Counsel and Corporate Secretary
Date:	May 29, 2026
<i>I have the authority to bind Volvo Construction Equipment Canada Inc.</i>	