



# HUMAN RIGHTS POLICY



Scania is a global company with business in more than 100 countries. Our business operations impact the lives of people every day, both within our own company and throughout our entire value chain.

Scania is committed to its purpose of driving the shift towards a sustainable transport system. An effective transport system is the foundation of a competitive and resilient economy. The efficient flow of goods and people is a critical enabler of social development.

The international human rights movement was strengthened in 1948 when the United Nations General Assembly adopted the Universal Declaration of Human Rights (UDHR). Drafted as 'a common standard of achievement for all peoples and nations', the Declaration

for the first time in human history spells out basic civil, political, economic, social and cultural rights that all human beings should enjoy. It has over time been widely accepted as the fundamental norms of human rights that everyone should respect and protect.

We believe that sustainable business thrives where human rights are respected and protected. We therefore strive to manage our human rights impact every step of the way in line with the established frameworks for Business and Human Rights. We recognise our responsibility to respect human rights and our responsibility to remediate if we have caused or contributed to violations of human rights – ensuring victims access to remedy. We also believe that we have a possibility to contribute to positive human rights impact.

## Scope

This Group Policy applies as a minimum standard to all Scania entities.

The principles stated in this policy shall be incorporated and inherent in our systems and processes.

The management in the Scania entities ensure that the actions and requirements defined in this Group Policy are

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implemented in their entities. If parts of this Group Policy cannot be implemented due to local laws or collective bargaining agreements, the Group Policy creators must immediately be informed in writing.

Scania has the responsibility to adequately address negative human rights impact we are linked to through our business relationships, according to the UN Guiding Principles for Business and Human Rights (UNGPR). Therefore, we should strive to work with business partners who share these values and respect this policy, and human rights violations caused by our business partners shall always be addressed by Scania. When local human rights law or standards are in conflict, or where state jurisdiction and/or enforcement is weak or deviates from international human rights law or standards, we shall seek ways to respect human rights in line with international human rights law and standards while operating in line with local laws.

### Terms and definitions

**Human Rights** are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more. Everyone is entitled to these rights, without discrimination.

**International Human Rights law** lays down the obligations of Governments to act in certain ways or to refrain from certain acts, in order to promote and protect human rights and fundamental freedoms of individuals or groups.

**ILO, International Labour Organisation**, is a tripartite UN agency that brings together employees, employers and governments from 187 member states to develop policies and set labour standards. The aim of the organisation is to promote decent work for all.

**Shall** refers to requirements. All sections with the wording shall are compulsory.

**Should** refers to recommendations. All sections with the wording should are recommended but not compulsory.

**UN Global Compact** is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals. The Ten Principles of the UN Global Compact are the fundamental corporate responsibilities in the areas of human rights, labour, environment and anti-corruption.

**UN Guiding Principles** on Business and Human Rights (UNGPR) are a set of guidelines for states and companies to prevent, address and remedy human rights abuse committed in business operations.

### Established frameworks

We recognise our commitment to the UN Global Compact and its principles regarding human and labour rights. This Human Rights policy is an important part in adhering to our commitment to the UN Global Compact.

Scania further bases its approach to human rights on the International Bill of Human Rights (comprising the Universal Declaration of Human Rights (UDHR), the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights) and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and other Conventions. We strive to operate in line with the UN Guiding Principles on Business and Human Rights (UNGPR) and the OECD Guidelines for Multinational Enterprises.

### Scania's Human Rights Principles

The foundation of taking responsibility for people and responding to the frameworks and guidelines for business and human rights is to avoid and prevent negative impact on people. In addition to this, Scania has a positive impact on people in many ways, from support to our employees to our involvement in social programs. We believe in a holistic approach to our impact, building on the fundamental respect for human rights.

Scania is actively developing our company-wide approach to human rights risk and human rights due diligence. Our approach has its origin in the six Scania principles listed below. With these principles, Scania covers all The UN Global Compact Principles on Human Rights and Labour Rights.

#### Principle 1: Scania does not accept violations of human rights

Scania's main responsibility is to respect human rights, everywhere and irrespective of size or business. This includes respecting human rights in environments where human rights are not recognised or fully implemented. Based on this, we recognise our responsibility not to cause or contribute to human rights violations. Further, we seek to assess and mitigate existing or potential direct or indirect linkages to human rights violations occurring in connection to us for example through business relationships or product use.

In order to assess, manage and mitigate human rights impact in our operations and through the lifecycle of our products and services, it is our responsibility to develop processes for human rights due diligence in line with the UN Guiding Principles on Business and Human Rights (UNGPR).

#### Principle 2: Scania uses its influence to prevent and address human rights risks

Scania addresses human rights risk through a development approach. We believe that sustainable transport should be available to all, and that markets and societies should not be left behind. We understand that

this means that we will operate in markets where enforcement of human rights standards is inadequate. We believe that implementing human rights due diligence and appropriately mitigating human rights risks, including through use of leverage in line with the UN Guiding Principles, can contribute to improving the situation for human rights. We believe that a credible and responsible approach to human rights risk is a competitive advantage when operating in all markets.

When we identify a potential linkage to human rights risk in our operations, we shall use our leverage to mitigate these risks. When appropriate, we work together with others to improve our ability to mitigate the risks.

We recognise the importance of hearing the voice of our employees and their representatives, employees in the value chain and external stakeholders and rights-holders who are or could potentially be affected by us or our business partners. We believe that meaningful dialogue in relation to human rights is central for adhering to all principles in this policy.

### **Principle 3: Scania applies high standards for human rights at work**

Labour rights are human rights at work and as a responsible and sustainable company, Scania sets high standards in this area. The UN Global Compact and the ILO defines four areas that companies should give extra attention to. Below we describe Scania's approach to those areas.

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

Freedom of association and collective bargaining are fundamental rights. These rights serve as enablers to promote and appreciate decent conditions at work. We respect the basic right of employees to freely, voluntarily and without interference establish and join, or not join, unions and employee representation of their own choice and to bargain collectively. This right includes being able to elect bodies representing their interests at the workplace. In countries where this right is restricted by local laws, alternative legitimate options for employee participation and association are to be supported. Social dialogue is a process involving representatives of employees, employers and in some cases governments. It includes information sharing on subjects of common interest, consultation and all types of negotiation. Scania believes that social dialogue is one of the most important factors in being a successful and sustainable company. Therefore, all Scania entities shall have an organised way of conducting meaningful social dialogues with employee representatives.

#### **Forced or compulsory labour**

All work or service that is demanded from any person under the threat of a penalty and for which that person has not offered himself or herself voluntarily is forced or compulsory labour. Scania rejects all use of forced or compulsory labour as well as all forms of modern slavery including human trafficking. We shall never engage in any

form of forced, bonded, compulsory, trafficked, modern slavery or non-voluntary labour. We work proactively against forced labour and act with special care when recruiting migrant workers, both directly and indirectly. Scania employees shall never be required to pay any fees or cost for uniforms, personal protective equipment or other expenses needed to obtain and retain employment. If cases of such fees or expenses are found, the concerned employee must be repaid immediately. Scania shall at no time withhold employees original identification or travel documents.

#### **Child labour and young workers**

Child labour hinders children's development and is a violation of fundamental human rights. It can also lead to lifelong physical or psychological damage to the child. Scania does not accept child labour and managers shall take all reasonable measures to prevent and ensure that child labour does not take place. No child below the age of 15, unless the exceptions recognised by the ILO 138 Minimum Age Convention (article 6, 7) apply, shall be working for Scania directly or indirectly. According to the United Nations, a child is every human below the age of 18. It must be ensured that legally young employees do not work overtime or at night and are protected from conditions of work harmful for their health, safety, morals or development.

#### **Discrimination and harassment**

At Scania, we seek to capture the knowledge, experience and ambition of each individual to continuously improve what we do, and how we do it. There shall be no form of discrimination based on gender, age, religion or other belief, caste, social background, disability, health, ethnic, national or territorial origin, nationality, language, union membership or membership in any other legitimated organisation, political affiliation or opinion (as long as they show tolerance towards those who have different beliefs), sexual orientation, gender identity or expression, family responsibility, marital status, disease, pregnancy, or other conditions that could give rise to discrimination. We commit to a workplace free of harassment and foster a social environment with respect for the individual. Managers shall ensure that employees are not subject to any physical or psychological inhumane treatment, corporal punishment, threats or false promises.

### **Principle 4: Scania recognises the right to defend human rights and speak up against human rights violations**

Scania recognises that there is increasing pressure on human rights defenders, including trade unionists and environmental defenders. Scania does not tolerate threats, intimidation, physical or legal attacks against human rights defenders in relation to our operations. Scania recognises that limitations to civic space, meaning the possibility for people to organise, communicate and participate in public life freely jeopardise the foundation to open and democratic

societies and violate the human rights of defenders and rightsholders. Actions against human rights defenders has a negative effect on sustainable business, which thrives in open and predictable environments that shared civic space creates. Further, as information on risks and objections related to our operations becomes more difficult to obtain and limits the possibility for constructive dialogue, it increases risk to business.

**Principle 5: Scania shall always address human rights violations appropriately**

In cases where Scania identifies or is made aware of human rights violations in connection to our operations, we shall address them appropriately. Scania recognises our responsibility to provide access to remedy in cases where we have caused or contributed to human rights violations. This means that Scania shall assume responsibility to remediate the wrongdoing. This responsibility is shared with states and other involved actors depending on the situation. Scania recognises the importance of listening to the voice of the affected rightsholders in the process of remedy.

**Principle 6: Scania aims to support human rights and have a positive impact where we operate**

While we understand that Scania's responsibility first and foremost is to do no harm; to avoid, prevent and mitigate human rights risk, we also believe that in supporting people throughout our operations and during the lifecycle of our products, we play an important role for individual and social development. Our intention is to do good when possible and we believe that having a people-centred approach, relying on our core value "Respect for the individual", helps us build a culture where all employees are better equipped to contribute to a more responsible business environment.

For more information, please visit [scania.com](https://www.scania.com).