

MODERN SLAVERY STATEMENT 2016

AB VOLVO PENTA

OUR BUSINESS

AB Volvo Penta is a Swedish based company within the Volvo Group's Business Area Volvo Penta which manufactures, markets and sells marine and industrial engines world wide. It is a large multi-site Business Area with in excess of 1700 employees spread across circa 20 sites across the world.

AB Volvo Penta is a member of Volvo Group, one of the world's leading manufacturers of trucks, buses, construction equipment and marine and industrial engines. The Group also provides complete solutions for financing, parts and service. Volvo Group, with its headquarters in Gothenburg, Sweden, employs around 100,000 people worldwide, has 66 production facilities in 18 countries around the world and sells its products in more than 190 markets.

THE PROTECTION OF HUMAN RIGHTS - POLICIES, TRAINING AND FOLLOW-UP

Volvo Group products are built by people, used by people, and serve people with goods and services. That is why the protection of human rights are fundamental to Volvo Group. People are at the core of what we do and managing human capital responsibly, including respecting human rights and preventing modern slavery and human trafficking, are key to the long-term business success of Volvo Group.

Volvo Group has been a signatory to the United Nations Global Compact since 2001. The work of Volvo Group on the protection of human rights is guided by the United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises. This enables Volvo Group to make meaningful change at both the international and local level.

The Volvo Group Code of Conduct, which sets the framework for everything we do, is based on international charters such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The Code sets out, amongst other things, our principles on human rights and social justice. Zero tolerance to forced labour and child labour has been part of our Code since 2003. Forced labour, including debt bondage, human trafficking and other forms of modern slavery, is not accepted in any of the Volvo Group's businesses.

The Code is publicly available on www.volvogroup.com. The Code is complemented by around 20 other policies that describe in more detail how we address and deliver the Code's minimum standards. All employees are encouraged to report violations or suspected violations of the Code.

During 2016, Volvo Group launched the Game of Conduct, in order to increase awareness and knowledge of responsible behaviour across the entire Group. The game forms a part of mandatory training in respect of the Code and is made available in 14 languages and is also accessible on tablet and mobile devices.

SUPPLY CHAIN APPROACH

Volvo Group recognises that the automotive supply chain is complex. There are often more than 5 tiers of suppliers between the automotive manufacturing company and the supplier of raw materials.

Volvo Group's expectations on suppliers as regards the principles and minimum standards of responsible behavior are set out in our Code. Since 1996, our responsible purchasing program has consistently increased supplier requirements related to environmental issues, business ethics and human rights. We also expect our suppliers to take responsibility for their sub-suppliers for deploying these requirements through their supply chain.

OUR ACTIVITIES

Volvo Group's work on the protection of human rights and social justice is a continuous journey. During the course of 2016, Volvo Group:

- Carried out a risk analysis to identify the highest risks of forced labour and human trafficking in our operations and value chain.
- Commenced a supplier pilot to gain further insight on social audit processes in one of our high-risk countries. Based on the results of the pilot, a process will be set up to audit suppliers with a key focus on high-risk countries.
- Developed and initiated a pilot of an internal due diligence process to help identify, assess, mitigate and remedy potential human rights violations.
- Supported 2 independent assembly business partners in carrying out a self-assessment of compliance with our Code of Conduct.
- Further developed our customer risk assessment programme which focuses on business ethics, social and environmental issues.

More information on the Volvo Group's business, our Code of Conduct, the Game of Conduct, our Responsible Purchasing Program and our sustainability activities during 2016 can be found in the Volvo Group [Annual and Sustainability Report](#).

This statement is made in accordance with the Modern Slavery Act 2015 and has been approved by the Board of AB Volvo Penta.

Signed



Björn Ingerntansson
Director
June 30, 2017

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