



# TRANSPARENCY ACT REPORT 2022



BUS & COACH

# / INTRODUCTION

VDL Bus & Coach Norway AS, a fully owned subsidiary of VDL Bus & Coach BV in The Netherlands, is proud to present the first report regarding our work in relation to the Norwegian Transparency Act, "Åpenhetsloven". This report covers our work done in the period 1<sup>st</sup> July 2022 to 31<sup>st</sup> December 2022. This report will be available on our website [www.vdlbuscoach.com](http://www.vdlbuscoach.com) in both Norwegian and English and will be updated as new information and insights becomes available.

Basic human rights should be a given for all people. In our daily work we focus on delivering sustainable mobility solutions. Sustainability for us entails solid focus on the environment as well as sound conditions for our employees and the people working in our supply chain. We believe that good products and services are the result of good work done by talented people who take pride in the work they do. The pursuit of happiness and prosperity are best achieved in an environment where people can thrive because they are seen as valuable and treated respectfully.

Much of our business activities are tender based which often have a strong focus on pricing. As an organisation we welcome the demands set forth by the Transparency Act which will lead to more responsible procurement processes. We have also noticed that many of our partners and stakeholders have started to set clear demands on responsible business conduct, social values and the adherence to basic human rights throughout the supply chain, a development we fully support.

Working with the Transparency Act has given us better insight in where we can and will improve our business relations, as well as internal processes and has helped us to gain valuable knowledge within the organisation. I would like to thank all who contributed to this work.

We hope that our report will give you confidence in the work we do at VDL to identify, mitigate and remedy risk factors in our business eco-system and that we strive every day to leave the world a better place for the next generations to come.

Langhus, June 2023



**Frank Reichel**

*Managing Director*

*VDL Bus & Coach Norway AS*

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# / STATEMENT OF COMMITMENT

VDL Bus & Coach places high value on sustainability, people, ethical business practices, quality, safety, durability, the environment, low fuel consumption, comfort and low maintenance costs. Doing business the right way is all that matters. In order to assure responsible business conduct throughout the lifecycle of our products, we do everything within our capabilities to identify, assess, mitigate and monitor risks to people and their communities. Conducting research of our supply chain is done according to the OECD due diligence guidance approach, and on an overall level we have been working on implementing the Organisation for Economic Cooperation and Development (OECD) guidelines. As a result of this, VDL Bus & Coach has established related policies & routines, and actively communicates its code of conduct, supplier code of conduct and its policy on responsible business conduct to inform all partners of our principles & corporate values.

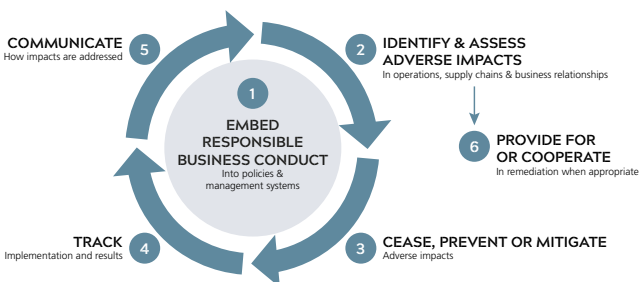
In order to add value to the total chain of electric buses, it is of paramount importance that not only our supply chain is set up in a sustainable way, but also our internal processes. We aim to do this is by manufacturing sustainable products in a sustainable environment. This year, VDL Bus & Coach opened a new factory in Roeselare, Belgium, being CO<sub>2</sub>-neutral and according to President Willem van der Leegte of VDL Groep 'the most modern bus factory in Europe'. It uses

green technology for the sustainable production of electric buses. VDL Groep has always been strongly involved in the living and working environment and it is therefore natural to contribute to the sustainable development of society. Our entire product portfolio is manufactured in the Netherlands and Belgium. Wherever possible, our suppliers operate in the same region, thus creating a local supply chain. As a consequence, our products have a very low carbon footprint during the production phase including the involved logistics. Local production drastically lowers the total environmental impact of the bus, due to the fact that transport is a major influencing factor on the total carbon footprint.

Care for the environment is a social responsibility of VDL Bus & Coach and all employees within the organisation. While competitors are increasingly moving their production to low-wage countries, we consciously choose to continue building our electric buses in Western Europe. Close to our customers, CO<sub>2</sub>-neutral and using sustainable production methods.

**'THE MANUFACTURING INDUSTRY HAS A FUTURE IN WESTERN EUROPE, WESTERN EUROPE HAS A FUTURE BECAUSE OF THE MANUFACTURING INDUSTRY'.**

To illustrate, the new generation VDL Citea has been developed with a focus on sustainability, where more than 80% of the bus's weight is supplied from Western European countries within a 1,250 km range of the assembly lines.





In the continuous search for areas in which the sustainable contribution of VDL Bus & Coach can be improved, the battery of this vehicle is also of great importance. To improve our chain on sustainability, VDL Groep already entered in 2020 into a partnership with [UNICEF](#). Together with the United Nations Children's Rights Organization, we map out the different components of our supply chain to ensure that no child labour is involved in our sourcing of raw materials. We believe it is important that our standards for western European production filter through to our supply chains and have a positive impact. UNICEF is furthermore supporting us in setting up a structure that will provide insight into VDL Groep's contribution to global sustainability goals, the so-called UN 17 Sustainable Developments Goals. It is our ambition to make a structural contribution to the sustainability goals formulated by the United Nations.

Finally, with the development, production and worldwide sales of innovative, competitive products and services, VDL Bus & Coach strives to deliver added value to the world around us. We bring people and organisations together to develop products, services and solutions that improve the

well-being and prosperity of us all. Everyone at VDL Bus & Coach is driven to make a difference and to strive for the best results. Together, we excel at how we think and act. People are our most important asset.

VDL Bus & Coach, as a group, respects all ILO international labour standards as well as national labour and social security laws. Therefore, on behalf of our corporate owned VDL Bus & Coach Norway office and its related business activities in the Norwegian market, we now also show our strong commitment to meet the spectrum of due diligence requirements under the Transparency Act, in Norway known as "Åpenhetsloven".

Its core focus is on promoting the enterprises' respect for fundamental human rights and decent working conditions; centralized around its operations, the supply chain and associated business relationships.

Accordingly, we now communicate to you as our valued stakeholder about our due diligence activities conducted during 2022 - in the first year of reporting.



Yours faithfully,

On behalf of VDL Bus & Coach Norway AS

Netherlands, Valkenswaard,  
June 15, 2023

**Richard van den Dungen**  
*Chairman of the Board*

Norway, Langhus,  
June 15, 2023

**Frank Reichel**  
*Managing Director*

Netherlands, Valkenswaard,  
June 15, 2023

**Sjef Stollman**  
*Board Member*

On behalf of VDL Bus & Coach B.V.

Netherlands, Valkenswaard,  
June 15, 2023

**Rolf Jan Zweep**  
*Chief Executive Officer*

Netherlands, Valkenswaard,  
June 15, 2023

**Sjef Stollman**  
*Managing Director*

# / COMPANY PROFILE

## NAME

VDL Bus & Coach

## ADDRESS

Head office De Vest 7, 5555 XL Valkenswaard

## CORE ACTIVITIES

The core activities of VDL Bus & Coach consist of the development, manufacturing, sales and after-sales of a wide range of buses and coaches, the conversion or extension of mini & midi buses and the purchase and sales of used buses. VDL Bus & Coach consists of multiple bus companies that operate cooperatively in the global market. Manufacturing takes place in Western Europe.

In the transition to zero emission transport, VDL Bus & Coach offers turnkey solutions and is not only bus supplier but also system supplier.

Sales of VDL Bus & Coach products take place through a worldwide network consisting of corporate-owned sales offices, importers and agents in more than 30 countries. VDL Bus & Coach Norway AS is responsible for all market activities on the Norwegian market, on behalf of VDL Bus & Coach BV.

For after-sales and maintenance, the customer can count on rapid, expert assistance from VDL Bus & Coach employees in any of the many service locations. An extensive distribution network ensures that spare parts and accessories are delivered to the requested destination as quickly as possible. VDL Bus & Coach is one of the largest bus and coach producers in Europe.

## CORE VALUES VDL BUS & COACH

- **Future-orientated:** Is our vision for sustainability, the environment, digital developments and new passenger transport initiatives. It is also about how we do more than delivering buses alone. We see what the world wants and can adapt and be inventive to meet these new trends.
- **Reliable:** Is about how we can act as a partner together with our stakeholders and help them with many new developments in a fast-changing world. But it's also about the undisputed quality that we deliver in answering every demand.
- **Flexible:** Is about the fact that every situation and demand is different and the way we deal with this. The uniqueness and strength in tailor-made solutions is how we offer flexible solutions for specific situations, rather than standard options.

## COMPANY STRUCTURE

VDL Bus & Coach is part of the stable and financially strong Dutch family business, VDL Groep. Headquartered in Eindhoven in The Netherlands, VDL Groep has over 15,000 employees and operates in 19 countries. The group comprises more than 105 operating companies, each with its own specialism, working together intensively. The activities of these companies can be summarized in the 'five worlds of VDL': Science, Technology & Health, Mobility, Energy & Sustainability, Infratech and Foodtech. 'Strength through cooperation' is the cornerstone of VDL Groep. The company was founded in 1953 by Pieter van der Leegte. In 2016, Willem van der Leegte succeeded his father Wim as President and CEO of VDL Groep. The combined annual revenue in 2022 amounted to € 5.752 billion. As a family business, we strive to ensure our company is better, stronger and healthier when we pass it on to the next generation. To ensure continuity, circularity and sustainability are fully

# PASSION FOR BUSES & COACHES

360° SERVICE  
 MODULAR  
 E-MOBILITY  
 LIGHTWEIGHT  
 FUTURE ORIENTED  
 WESTERN EUROPE  
 FUEL EFFICIENT  
 100% BUS  
 OUR BRAND VALUES  
 PARTNERSHIP STATE OF THE ART PRODUCTION  
 VAST EXPERIENCE  
 ADAPTING TO THE CHANGING WORLD

integrated into our business operations. VDL Bus & Coach is 9001 and 14001 ISO Certified. Periodic internal and external audits and risk assessments are held throughout the year.

The VDL companies break down into four divisions: Subcontracting, Car Assembly, Buses & Coaches and Finished products. VDL Bus & Coach is the Bus-division of the VDL Group and follows VDL Group policies.

#### COMPANY PRESENCE

VDL Bus & Coach BV is headquartered in the Eindhoven region in The Netherlands, and has in the Benelux area in Western-Europe 2 sites for the manufacturing of buses: one in Valkenswaard, The Netherlands - located next to our corporate head office - the other in Roeselare, Belgium.

Our sales offices are located in 13 countries, predominantly in Europe. In countries with no physical office presence, such as in Switzerland and Dubai, the representation is taken care off by our central commercial team in The Netherlands ([Click here for the overview of the VDL group structure](#)).

#### TURNOVER IN REPORTING YEAR 2022 (EUR)

454.000.000,-

#### NUMBER OF EMPLOYEES

1700



# / SUSTAINABILITY GOALS AND PROGRESS 2022

## SUSTAINABLE FOCUS

The transport systems of today play a significant role in sustainable development. To reduce the footprint of production and operation of public transport, whilst at the same time improving its contribution to modern society, large challenges must be overcome. The United Nations (UN) have identified the great impact of transport on the environment, public health, and economic welfare in terms of energy consumption and pollution. It therefore is not a surprise that transport is a key subject on “The 2030 Agenda for Sustainable Development” (UN, 2016). At its heart are the 17 Sustainable Development Goals (SDGs), which activate stakeholders worldwide to contribute to a sustainable future.

In our core company processes we define our impact to be the greatest in relation to four key SDGs as stated underneath.

VDL Groep continuously engages in initiatives that contribute to a more sustainable world for people and the environment. To give those commitments more depth, it has been decided to gear its entire sustainability policy to these SDGs, without losing sight of the other Sustainable Development Goals.

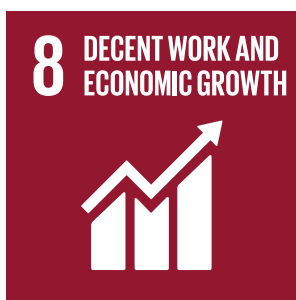
The four selected SDGs will be translated into targets and indicators, so that the human and environmental impact is transparent and can be further improved. In order to embed sustainability even more firmly throughout the organisation, VDL Groep is setting up a Sustainability Steering Group, in which the board of directors will be represented. The steering group will also monitor the sustainability performance and contribution to the Sustainable Development Goals. KPI's and target setting are being discussed.



Figure 1: United Nations' Sustainable Development Goals (UN, 2019)



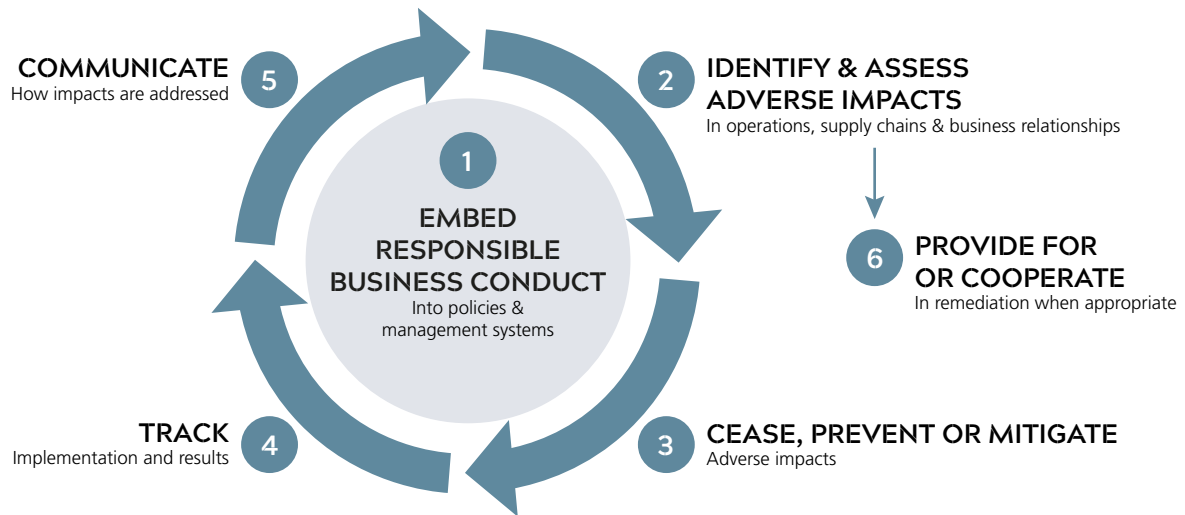
#### 4 KEY SDGS:



A primary focus in the development of our vehicles is the lowest possible intrinsic weight as a means to achieving minimum fuel consumption. We strive for an optimal balance between ecological and economic interests.

The application of advanced techniques such as clean diesel, hybrid, electric, fuel cell and/or alternative propulsion, and battery lifecycle management are central to this. VDL Bus & Coach strives to use materials sustainably and to reduce waste. All employees, whether permanent or temporary, must comply with these principles in their work.

# / IMPLEMENTING THE OECD GUIDELINES



## 1. EMBEDDING RESPONSIBLE BUSINESS CONDUCT

At VDL the tone is set by top management on the importance of responsible business conduct for the entire organization and on achieving corporate sustainability, ensuring that the highest levels of authority are involved at governance level.

As mentioned on the introductory pages of this report - in our statement of commitment - integration starts with the established involvement of the board of the VDL Groep through the Sustainability Steering Group. Here VDL's sustainability performance and contribution to the Sustainable Development Goals are monitored.

Within the organizational structure of VDL Bus & Coach the sustainability strategy is determined by the Chief Executive Officer. Through close collaboration and exchanges together with the Managing Director of Business Operations, as well as the Chief Commercial Officer, budget and resources are allocated. This to incorporate responsible business conduct and human rights due diligence in the operations. Additionally, the company path towards developing markets is determined at this level.

The VDL Bus & Coach approach is based on the United Nation's Guiding Principles on Business and Human Rights, additionally by the OECD guidelines for Multinational Enterprises, and connected due diligence guidance for Responsible Business Conduct.

As the foundation in our way of working in business with human rights, the VDL Bus & Coach policy on Responsible Business Conduct is defined to further determine direction and set the standard, which is included in the appendix.

Our organization closely monitors the applicable laws and regulations being adopted in various countries in Europe where we have market presence. Examples are the Dutch law on child labour due diligence and EU's Corporate Sustainability Reporting Directive (CSRD). Last mentioned shows similarities with the Norwegian Transparency Act, one of several introduced human rights due diligence legislations at a national level, which makes it mandatory for companies covered by the legislation to demonstrate compliance with its social requirements. The expectation for the Transparency Act is that it will be further harmonized in the future with present EU legislation. Our company follows these developments, to adapt where necessary, and for the purpose to continuously keep improving.

Our **Code of Conduct** sets the standard for our corporate values and principles for our own organization at every level and describes what we expect from our business partners. Important matters such as a safe and healthy workplace are brought to the attention, in addition to the right to join associations, how we handle the fundamental human right to privacy, what our thoughts are on diversity, and equal opportunities for all.

Commitment from all our employees and associated business partners is an important step along the way to live up to these values. The expectations on ethical behaviour and decision-making are applicable to all our employees. It serves as a framework, as well as supporting awareness of all personnel, creating understanding for potential implications, while increasingly strengthening the company culture. It also encourages all our employees to raise challenging matters and potential breaches of the Code of Conduct. VDL Bus & Coach has an established whistleblowing policy to help identify breaches on ethical behaviour and misconduct internally to ultimately intervene and return to the desired way of working as swiftly as possible.

Within the area of procurement and supply chain management, the Chief Procurement Officer is dedicated to the responsible sourcing of materials & services, for internally identifying and assessing human rights risks within the existing supplier base, handling non-compliances that may arise, and to diligently evaluate the profile of new suppliers during the supplier selection process to understand how they can meet expectations.

One of the preconditions to be met by each new supplier is to align with and commit themselves to the VDL Bus & Coach Supplier Code of Conduct. It addresses the various complexities present in the global market and expresses the importance of warranting that i.e. under any given circumstance child or forced labour is excluded, to refrain from discrimination, that HSE related conditions shall meet governmental regulations and standards, among other measures that promote decent working conditions. Even more, through the supplier code of conduct our suppliers are expected to conduct due diligence on human rights on their end, which can be periodically followed up by our organization to stimulate both improvement and the necessary engagement through the two-way cooperation.



All our supplier contracts refer to the implemented Supplier Code of Conduct. The current determined sourcing strategy focuses at this point on contract coverage with commitment to the supplier Code of Conduct from all key- and critical suppliers and addresses suppliers present in countries with an increased risk profile, at this point in time of our due diligence process.

Furthermore, a VDL Bus & Coach representative is directly involved in centrally held sustainability meetings within the VDL Groep, and actively investigates with the expertise from our partners externally what impacts our products may have on the environment and people, on how to overall improve our structure and addressing any adverse impacts.

With VDL Bus & Coach being ISO 9001 & 14001 certified for many years, knowledge is present on the effective

handling of management systems and the creation of enabling policies, procedures & routines. Input from our quality & environment responsible managers on how these mechanisms properly function has been a contributing factor in propelling the embedding of human rights due diligence forward.

For working towards compliance with the Norwegian Transparency Act a working group was established that collaborated on a frequent basis, and across departments, to work through the six stages of the OECD due diligence process. Including members of senior management (responsible for strategic decisions), marketing (responsible for communications), those internally responsible for quality & environmental management systems (responsibilities surrounding compliance, operations, auditing), product management (product & sustainability responsibilities),

procurement & supply chain (responsible for sourcing, procurement, company investments), together with colleagues at senior- and middle management level at the Norwegian Sales Organization (responsible for sales, operations and project management).

At VDL Bus & Coach Norway AS, the topic of human rights due diligence has at an early stage been elevated to a high priority to attend to in the day-to-day operations, and to foresee in the market demands and those from our stakeholders. Generally, the Norwegian government expects larger enterprises to follow the OECD Guidelines for MNE - while direct and indirect customers set firm requirements for respecting human rights and labour conditions during public procurement phases. The Norwegian Consumer Authority additionally plays their role and works towards achieving the purpose of the Transparency Act: to promote respect for basic human rights and decent working conditions by ensuring increased transparency.

At our Norwegian entity seminars have been frequently attended via i.e. the company membership with The Confederation of Norwegian Enterprise NHO. Collaboration has taken place on industry level with our partners to exchange related knowledge & information. Courses and conference participation with Ethic Trade organizations were scheduled to increase competences, such as in the conducting of human rights related risk assessments.

All activities and initiatives undertaken above provide insights into how human rights and decent working conditions receive attention at VDL Bus & Coach, and how we desire to continue to improve moving forward.

## 2. IDENTIFICATION & ASSESSMENT OF ADVERSE IMPACT

Applying due diligence as a process is an opportunity for VDL Bus & Coach to identify and assess negative consequences concerning fundamental human rights & decent working conditions in the supply chain, in cases where there is presence. Subsequently to take action and make justified contributions for a better living world.

The Norwegian Transparency Act sets the conducting of due diligence now as a firm requirement in the introduced legislation of July 2022, in addition to annual reporting about the due diligence activities carried out, which our organization fully embraces.

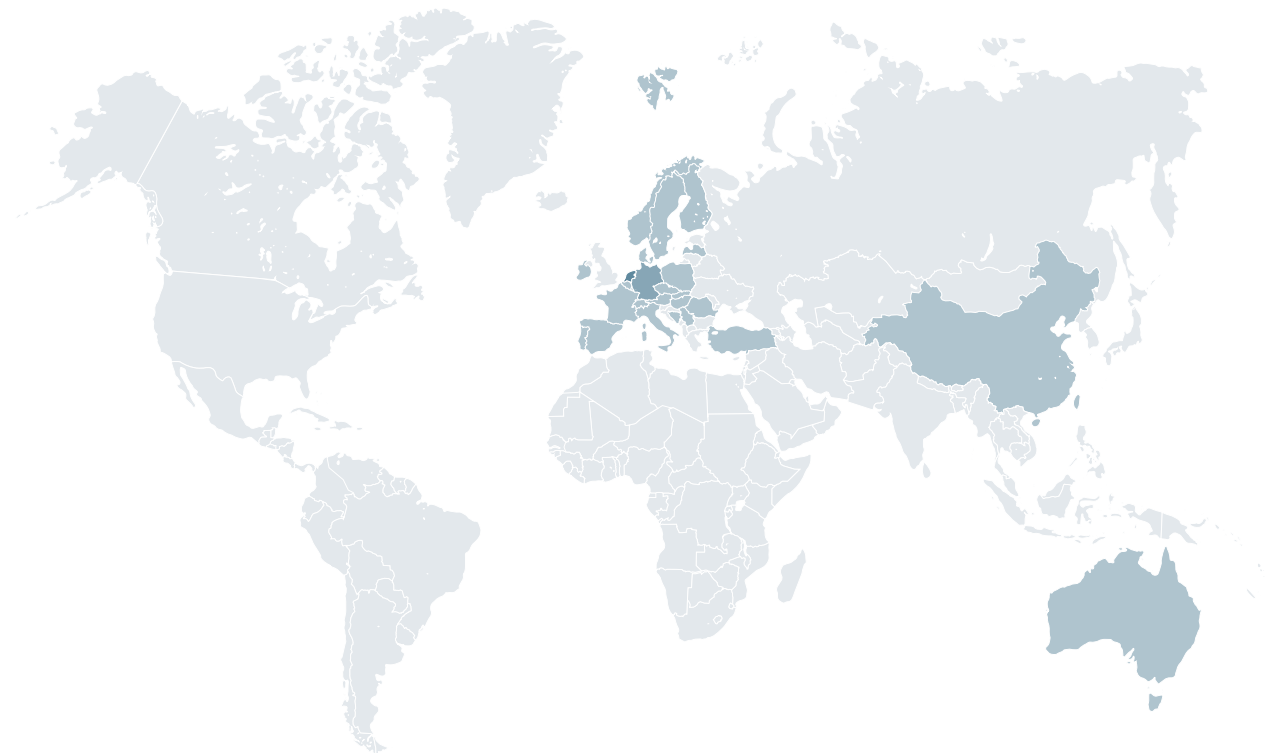
When looking at the human rights that shall be protected under the act it are those that are internationally recognized, and set out in the ICESCR, ICCPR and ILO's core conventions on fundamental principles and rights at work. With respect to decent working conditions, HSE conditions shall be covered and living wages for all employees - as overall employee rights.

VDL Bus & Coach is taking its steps gradually to integrate the corporate responsibility to respect human rights, and to contribute to ensuring that international labour standards, set by the International Labour Organisation (ILO), are respected, promoted and realized in our supply chain and by our business partners, concerning subjects as:

- The right to life, liberty and security
- The right to education
- The right to freedom of movement and residence
- Freedom of association and the effective recognition of the right to collective bargaining
- Equality of opportunity and treatment, the elimination of discrimination in respect of employment & occupation
- Adequate and regular wages
- The elimination of all forms of forced or compulsory labour, free choice of employment
- No presence of child labour
- Employment security, regular employment
- Not being subjected to cruel, inhuman or degrading treatment or punishment
- The regulation of working time
- A safe and healthy working environment
- The right to social security

The VDL Bus & Coach Supplier Code of Conduct addresses such fundamental human rights & decent working conditions and requests our supplier base to formally align with the standards presented, to show commitment, and accept periodical evaluations from us for safeguarding purposes.

## GEOGRAPHICAL REPRESENTATION OF OUR SUPPLY CHAIN

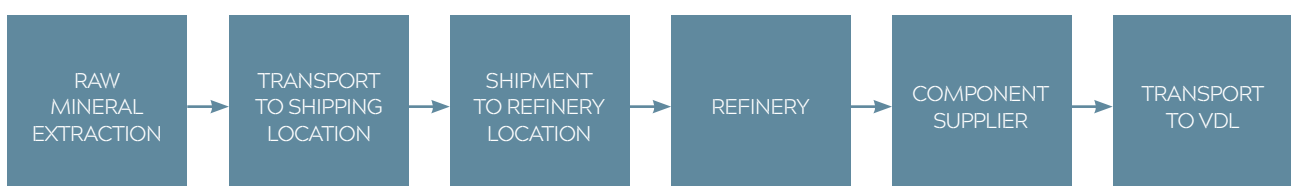


Our purchasing department has internally targeted up to now the top 50 suppliers - covering about 75% of the total purchased materials monetary volume, as well as all suppliers identified as being present in risk countries - to receive from our partners signed supplier COC agreements in return. Completion of this activity is expected during Q3/4 2023. In this period any necessary corrective actions will also be initiated.

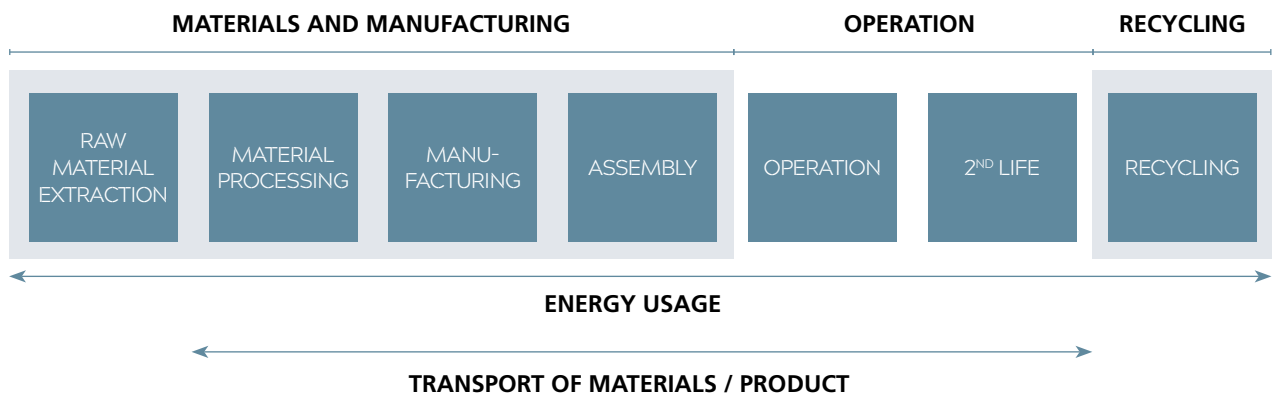
VDL Bus & Coach' first assigned due diligence priority, due to the severity of the potential human rights impact, has been to ensure that no child labour is involved in the links in the battery chain and mica supply for our electric bus NGC. Consequently, parts of the supply chain have been mapped over the past two years. Findings during this due diligence process are indicating thus far, that there is no presence of child labour in connection to VDL Bus & Coach its business activities. A statement from UNICEF is expected to be

received by September 2023, summarizing our activities & findings, while the press release on this initiative is available [here](#).

In line with the requirements of the Transparency Act, any major changes in this risk assessment will be accordingly communicated via the addendum of the report. Nonetheless, various publications in past years inform about the significant human right risks present in global supply chains, with the automotive industry being no exception. Identified areas of concern connected to vehicle production are related to electronics, conflict minerals, the battery - especially surrounding the extraction of cobalt - while also rubber, mica and aluminium, are all materials named where serious human rights violations and impact have been pointed out, occurring either during their extraction phase and/or at the sites of manufacturing.







It is therefore of essence to VDL Bus & Coach to increasingly improve the due diligence process to get a broader understanding in the supply chain of:

- which (raw) materials and semi-finished products are supplied to whom, that are connected to our products & services, and from where these originate geographically
- under what conditions their manufacturing takes place
- which facilitating processes are involved
- which country associated risks may be present, and at the local level at suppliers & subcontractors
- which stakeholders are factually or potentially negatively impacted, i.e. communities around operations; vulnerable groups, i.e.: migrant workers, indigenous people, women, children, people with disabilities, people living in poverty, refugees

This to name several important questions pending that will receive continued attention.

The life cycle impact analysis of our electric buses is divided into three overall phases: materials and manufacturing, operation and recycling. For the due diligence process, which mainly concentrates on upstream supply chain, we need to look at the materials and manufacturing phase, consisting of: the raw material extraction for the vehicle components, the material processing, manufacturing & assembly, as well as energy usage, and facilitating processes in between, such as transport.

The materials used for our vehicle components are divided into various categories. These serve as input factors for the systematically applied due diligence, consisting of: metal, aluminium, polyester sandwich, rubber, plastic, copper, fabric, glass, paint, lead, linoleum, coolant, oil and other chemicals.

For the lithium-ion based battery of the electric bus the raw material consists of lithium-ion chemistries: nickel, manganese, cobalt - abbreviated as NMC.

Cobalt in the batteries of our electric buses, for instance, come from 2 types of suppliers; new cobalt and recycling cobalt. In total 30% of the cobalt in our batteries is recycled cobalt from batteries. The other 70% comes from a supplier based in the European area that is part of the [Fair Cobalt Alliance](#) (FCA), [Responsible Minerals Initiative](#) (RMI) and the [Global Battery Alliance](#) (GBA).

To further strengthen our awareness of our social impact, VDL Bus & Coach is working towards developing its own internal risk register. To retrieve insights via thorough desk research by utilizing various global rights indexes and expand on working with CSR risk checking tools.

One prime example of interest is the use of the CSR Risk Checker of MVO Nederland, funded by the Dutch Ministry of Foreign Affairs.



### SELECT THE BEST SUPPLIERS

Our suppliers express their pro-active attitude and engage in sustainable initiatives such as the Responsible Cobalt Initiative (RCI).



### MONITOR THE SUPPLY CHAIN

VDL Bus & Coach includes the sustainability clause in the contract with suppliers. This sustainability clause includes our environmental, social and economic expectations of the suppliers' ethical business procedures. Cooperation with our suppliers is what we strive for.



### TAKE INITIATIVE

VDL Groep cooperates with the Eindhoven University of Technology on development of battery knowledge. Focus is to understand the rate at which materials used in batteries develop and which new technologies are created, specifically cobalt developments.

Upon conclusion of our investigations, a high-level overview of VDL Bus & Coach its potential and actual adverse human rights impacts will become available in due time, creating insight into the most salient human rights risks present, with an understanding of our relationship to these, and how they proactively can be managed.

Providing a basis for meaningful stakeholder dialogue, on-going reporting on achieved progress, and to continuously work towards improving a sustainable chain of supply for our products & services, whilst creating maximum transparency.

Primary & secondary resources currently employed: suppliers & supplier contracts, consortium information, third party audits, academic studies, institutional information.

#### **SOCIAL SUSTAINABILITY AT VDL BUS & COACH**

- Willingness to be a force for positive change.
- Understanding the social impact of VDL Bus & Coach.
- Getting grips of the things we can do, and how.
- Cooperate to leverage strengths.
- Maximize the positive social impact and minimize negative.

HEAVY VEHICLES – SIGNIFICANT HUMAN RIGHTS RISKS



COBALT

Mining of cobalt is connected to human rights violations, risks concerning child labor



ELECTRONICS

Manufacturing of electronics is linked to forced labor, child labor.



RUBBER

Concerns regarding forced- and child labor.



MICA

Risks with mining of Mica concerning child labor.

### 3. CEASE, PREVENT, MITIGATE

From the identification of risks within our supply chain, VDL Bus & Coach identifies the use of various critical raw materials within its products. As a reaction on this identification, a project has been started in 2020 together with UNICEF and Terre des Hommes focussing on the transparency of both cobalt and mica supply chains. Together with both parties, an operation has been started up as part of a large project, to identify, assess and eliminate any form of child labour from these supply chains if present. Through the cooperation with UNICEF and Terre des Hommes, VDL Bus & Coach has gained experience and learned how to implement an auditing process upstream in the supply chain all the way to the main source.

In the context of prevention and mitigation, a few options are available to choose from when identifying risks:

- Cooperate with suppliers to improve processes, mitigate risks and develop the supply chain.
- Cooperate with suppliers to change processes, decide on adaptations in the supply chain and focus on new suppliers upstream.
- Select new suppliers who can live up to our corporate values.
- Change our need to a different component or material to overcome the risk.

During the project with UNICEF and Terre des Hommes the above options have been discussed on extensively. These options have been listed in order of mitigation preference. The explanation for this order is that based on previous experiences in the Conflict-Free Tin Initiative (CFTI) project, in which the Dutch government played an active role, it was found that replacing existing supply chains marked by risks has negative effects for the involved individuals and could even lead to civil wars in some cases. Our goal from the beginning of the project therefore was, and still is, that in case any unwanted results may arise we focus on cooperation with parties to solve the problems. The help from organisations such as UNICEF and initiatives such as the Responsible Minerals Initiative is essential for success, especially considering VDL Bus & Coach is only a small part in the total supply chain.

Signing of the Supplier Code of Conduct will be part of our supplier selection approach and therefore VDL Bus & Coach shall not engage business with a new supplier without receiving their signed declaration.

VDL Bus & Coach will identify suppliers that are non-compliant. In such event, a specific approach and planning will be defined to work towards compliance with our corporate values and expectations. Introducing alternative supply sources can take time, especially when there are re-designs or re-validation activities involved. Yet we wish to ensure all actions will be taken to minimize or solve the risk and to minimize the timeline when a change of supplier is needed.



## 4. TRACK

Key Due Diligence results - fundamental human rights & decent working conditions:

- To embed sustainability firmly throughout the organisation, VDL Groep is setting up a Sustainability Steering Group, in which the board of directors will be represented. The steering group will monitor the sustainability performance and contribution to the Sustainable Development Goals
- Implementation of the Organisation for Economic Cooperation and Development (OECD) guidelines for MNE on responsible business conduct within the VDL Bus & Coach organization, focusing on IV. Human Rights, V. Employment and Industrial Relations.
- Establishment of new/updated policies & routines concerning the respecting of fundamental human rights & decent working conditions within VDL Bus & Coach.
- Through the UNICEF & Terre des hommes partnership, VDL Bus & Coach' salient human rights risks were addressed concerning the presence of potential child labour in the supply of cobalt for our batteries, as well as in the supply chains of mica - a group of silicate minerals: the results thus far confirm no presence. This research is nearing its completion, and a statement from UNICEF with a summary of our activities & findings is expected by September 2023.
- VDL Bus & Coach has through above mentioned cooperation gained valuable experience and learned how to implement an auditing process upstream in the supply chain all the way to the main source.
- VDL Bus & Coach its supplier of cobalt is part of the [Fair Cobalt Alliance](#) (FCA), [Responsible Minerals Initiative](#)

(RMI) and the [Global Battery Alliance](#) (GBA), enhancing responsible business practices.

- VDL Bus & Coach has identified through its whistle blowing channel 0 cases that required attention and follow-up during 2022 concerning own operations.
- After 1 month in total (update 15-06-2023), 24 of the 50 key- and critical suppliers have signed our supplier code of conduct, covering approx. 75% of the total purchased materials monetary volume, as well 28 of 48 Non-EU suppliers. A total of almost 52% response with 100% signing the document. Follow up of and tracking towards 100% signing will be updated on a regular basis.

Showing their alignment with our corporate expectations to:

- Conduct human rights due diligence
- Not engage or tolerate modern slavery
- Prevent child labour
- Respect the personal dignity, privacy, and rights of each employee
- Comply with relevant legal requirements on working hours, overtime, breaks and leave.
- Recognize and respect the right of employees to freely associate, organize and bargain collectively
- Among other sustainability & ethical requirements

The due diligence process - recognized areas for improvements:

- Updating and reviewing the VDL Bus & Coach company Code of Conduct, supplier Code of Conduct, and Responsible Business Conduct policy. Streamlining these and creating enhanced coherency, while being tailored fully to the OECD guidelines & salient human rights risks monitored in own operations/supply chain/associated business relationships.

- Follow-up of unsigned Supplier Code of Conduct documentation to achieve the current targets for contract coverage.
- Incorporate working with human rights & global right indexes together with CSR risk management tools in the routines for risk analysis within our procurement department.
- As the 2023 update of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct becomes available, VDL Bus & Coach likes to familiarize itself with the revised standard.
- Review the 2023 survey results on Responsible Business Conduct made available by the National Contact Point for Responsible Business Norway - get acquainted with their most important conclusions and takeaways for internal assessment.
- Roll-out of dedicated training plans at our corporate head office to raise competences in the functions involved in due diligence work.
- Evaluation of adopting a global sustainability reporting standard, covering EU and national due diligence reporting requirements.
- Establishing a revised priority of the salient human right risks of VDL Bus & Coach, through a new scoping exercise.

**VDL BUS & COACH, HAS AT THIS STAGE OF ITS DUE DILIGENCE PROCESS, NOT IDENTIFIED ANY ADVERSE IMPACTS.**

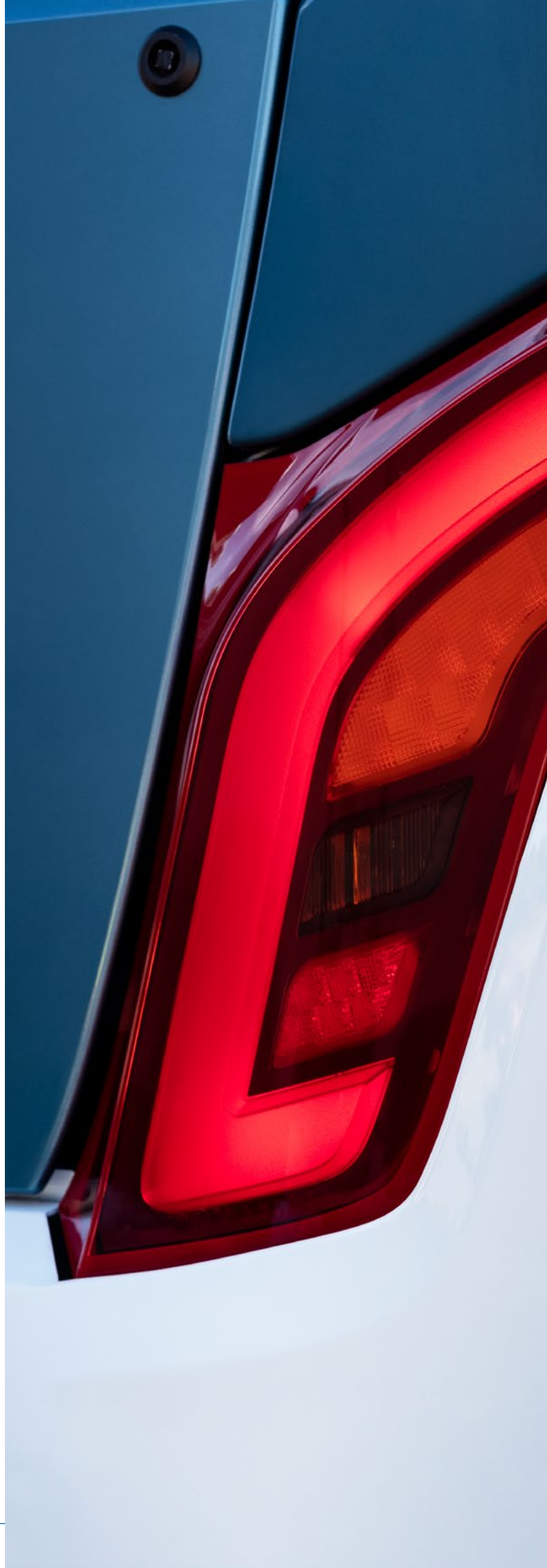
## 5. COMMUNICATE

The policies & principles we as VDL Bus & Coach develop and implement, are part of our corporate values. They are the core of how we responsibly wish to do business in today's world. Our sustainability commitments will accordingly be published on the "about section" of our company website - [vdlbuscoach.com](http://vdlbuscoach.com) - and is made easily accessible to our stakeholders, both in English and Norwegian language.

To embed sustainability and its respective expectations further into our own operations we will also communicate these standards internally through our monthly newsletter and on the various communication platforms for our employees.

### **QUESTIONS REGARDING THIS REPORT**

Questions regarding this report can be send to [info@vdlbuscoach.com](mailto:info@vdlbuscoach.com).



## 6. REMEDIATE

VDL Bus & Coach, has at this stage of its due diligence process, not identified any adverse impacts. Commitment and support is in place when we do identify any adverse impact.

VDL Bus & Coach is always looking to find innovative solutions in everything we do. Our concern is always for people and the environment, and we never shy away from pushing boundaries and challenging conventional thinking in order to achieve this. We value the feedback of the world around us. To emphasize that we are open to feedback we have created an option to give feedback via the website. The form will start a process within the organisation with support from our management. MOVE. TOGETHER.





# / ANNEXES

# / VDL BUS & COACH RESPONSIBLE BUSINESS CONDUCT POLICY

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# / DECLARATION ON COMPLIANCE WITH THE OECD GUIDELINES

Date: 22-3-2023

Subject: Declaration on compliance with the OECD guidelines

Dear Madam / Sir,

The mission of VDL Bus & Coach is to be the partner for sustainable mobility solutions. As part of the VDL Group, all activities are focused on the future and we act on a reliable and sustainable basis for human capital and the environment. This includes identifying, preventing, mitigating and accounting for adverse environmental, human rights and governance impacts in our own operations and supply chain.

We expect our organization to comply with the rules in the field of sustainability as described in the OECD guidelines.

The VDL Bus & Coach Code of Conduct ([www.vdlbuscoach.com/\\_asset/\\_public/Over-ons/EN-Code-of-Conduct-4-2020.pdf](http://www.vdlbuscoach.com/_asset/_public/Over-ons/EN-Code-of-Conduct-4-2020.pdf)) explains what interpretation is expected. We expect our suppliers to adhere to the same standards and values.

In order to receive a binding confirmation from our relevant suppliers, we ask you to sign attached Supplier Code of Conduct and return it to us by April 15<sup>th</sup>, 2023.

Thanks in advance,

Kind regards,

**Cees Sluys**

*Chief Procurement Officer*

**Sjef Stollman**

*Managing Director*

## INTRODUCTION

The mission of VDL Bus & Coach is to be the partner for sustainable mobility solutions. As part of the VDL Groep, all activities are focused on the future and we act on a reliable and sustainable basis for human capital and the environment. This includes identifying, preventing, mitigating and accounting for adverse environmental, human rights and governance impacts in our own operations and supply chain.

We expect our organization to comply with the rules in the field of sustainability as described in the OECD guidelines. The VDL Bus & Coach Code of Conduct explains what interpretation is expected. We expect our suppliers to adhere to the same standards and values. The VDL Bus & Coach Suppliers Code of Conduct explains on the one hand how this translates into practice and, on the other hand how we as VDL Bus & Coach, based on our responsibility for our activities, work with the suppliers to ensure that our sustainability objectives are achieved throughout the entire value chain.

## HUMAN RIGHTS, INCLUDING LABOR RIGHTS

VDL Bus & Coach considers respecting human and labor rights as very important. This includes, for example, treating employees fairly, with dignity and respect and avoiding causing or contributing to violations of human and labor rights.

Structural risk analyzes are part of the continuous improvement process of the working methods. In the assessment of processes, process changes and improvement actions, the effects with regard to human rights are assessed. If the intended improvements and actions jeopardize human rights performance, reconsideration will take place.

Child labor is unacceptable. To exclude child labor, applicable laws and regulations are uncompromisingly enforced at the VDL Bus & Coach companies when it comes to minimum age, duties and working hours for young employees. Risks in terms of mental pressure, physical strain and social and moral risks also play a role in the tasks, which are by definition taken into account when employing young workers.

Any form of (modern) slavery, including forced, bonded or compulsory labor and servitude, fraudulent recruitment, slavery based on descent and human trafficking is unacceptable. This does not only mean all involuntarily performed work. Coercion in the form of mental and/or physical threat in the form of abuse, abuse of power and deception is also regarded as reprehensible. The management system ensures that abuses are prevented. If misconduct does occur, the management system provides the options for each individual employee to report it. Abuses will be resolved in the interest of the person affected. Discrimination is unacceptable, including at work. Inclusive

and diverse teams contribute to improved performance and results for the company. To prevent discrimination in any form whatsoever, VDL Bus & Coach has drawn up and communicated guidelines for recruitment, remuneration, employment and equal opportunities. Mechanisms are also in place to report discriminatory or harassing behavior without risk of retaliation.

For VDL Bus & Coach, reasonable working hours and fair pay go hand in hand with decent working conditions. Sufficient rest and free time contribute to the prevention of work accidents and increase efficiency. As a result, working hours, overtime, breaks and leave comply with legal requirements and applicable collective agreements. Employees are aware of their employment conditions, including their rights and obligations, in Dutch and English via the written employment contract.

The freedom to legally and peacefully unite, organize and negotiate collectively is respected and supported by VDL Bus & Coach. This freedom promotes dialogue with employees, motivating and encouraging engagement in the workplace.

Land and the right to land tenure are central to ending poverty, income, inequality between men and women and contributing to peace and (food) security. VDL Bus & Coach is the lawful and rightful owner or rightful user of the property on which it operates. Negative social, health, environmental or economic impacts from land or resource acquisition, involuntary resettlement or land use restrictions are avoided.

VDL Bus & Coach transparently negotiates a recovery plan in the event of expropriation or forced relocation, including but not limited to appropriate compensation, with the aim of preserving the livelihood and standard of living of the persons involved.

## EMPLOYMENT AND INDUSTRIAL RELATIONS

For VDL Bus & Coach, the ethical procurement of all minerals is a requirement. Supply chains that directly or indirectly contribute to conflict or human rights violations are unacceptable. VDL Bus & Coach's efforts to respect human rights extend to issues in our supply chain, for example to prevent human rights violations in the extractive industry, particularly with regard to conflict minerals and cobalt. Conflict minerals is a term used to define minerals mined in conditions of armed conflict and human rights violations. The term refers to four minerals (tungsten, tantalum, tin and gold (also known as 3TG)) that are mined in the eastern region of the Democratic Republic of Congo (DRC). These minerals are used in the production of various goods such as batteries and electronic devices.

VDL Bus & Coach does not obtain minerals directly from mines in the DRC or elsewhere. The supply chain for these metals has many layers, including mines, traders, exporters, smelters, refiners, alloy producers and component manufacturers before they reach our direct suppliers. VDL Bus & Coach strives to ensure that these supply chains cannot be linked in any way to human rights violations.

Valkenswaard, 28.02.2023



**Sjef Stollman**  
*Directeur Bedrijfsvoering*

## ENVIRONMENT & CLIMATE

VDL Bus & Coach's mission is to be the partner for sustainable mobility solutions. As a member of the VDL Groep, all activities are focused on the future and we act on a reliable and sustainable basis for human capital, protecting the environment, combating climate change and building circularity. The company's environmental impact must be minimized and its environmental performance must be continuously improved. The VDL Bus & Coach environmental policy is further explained in the general VDL Bus & Coach policy.

## BUSINESS ETHICS

VDL Bus & Coach is committed to conducting business with high ethical integrity, including respecting competition law, safeguarding individuals' right to privacy and complying with all customs and export control regulations.

Valkenswaard, 28.02.2023



**Rolf-Jan Zweep**  
*CEO*

# / VDL BUS & COACH SUPPLIER CODE OF CONDUCT

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## INTRODUCTION

The mission of VDL Bus & Coach is to be the partner for sustainable mobility solutions. As part of the VDL Groep, all activities are focused on the future and we act on a reliable and sustainable basis for human capital and the environment. This includes identifying, preventing, mitigating and accounting for adverse environmental, human rights and governance impacts in our own operations and supply chain. VDL Bus & Coach's sustainability policy is described in the 'VDL Bus & Coach Policy Responsible Business Conduct document'.

We expect our suppliers to adhere to the same standards and values. This document explains on the one hand how this translates into practice and, on the other hand how we as VDL Bus & Coach, based on our responsibility for our activities, work with the suppliers to ensure that our sustainability objectives are achieved throughout the entire value chain.



# 1. HUMAN RIGHTS, INCLUDING LABOR RIGHTS

VDL Bus & Coach considers respecting human and labor rights very important. This includes, for example, treating employees fairly, with dignity and respect and avoiding causing or contributing to violations of human and labor rights.

## 1.1 HUMAN RIGHTS DUE DILIGENCE

### REQUIREMENTS:

Suppliers must be aware of the human rights impacts they cause or contribute to or are directly related to their activities, products or services. These impacts must be addressed by the supplier.

### DIRECTIVE:

Work proactively with human rights for example by performing human rights due diligence to identify, prevent, mitigate, and account for the business impact on human rights.

### HOW WILL VDL BUS & COACH VERIFY COMPLIANCE (POSSIBLE CHECKPOINTS):

Verification may include results of human rights due diligence performed.

## 1.2 CHILD LABOR

### REQUIREMENTS:

Child labor is unacceptable for VDL Bus & Coach. Suppliers must be pro-active in preventing child labor in their business and supply chain and to ensure legal working conditions for young workers. If child labor is identified, remediation must

be carried out in the best interests of the child.

Employees may not be younger than 15 years old, or older if local law requires a higher minimum age.

Young employees (under the age of 18) must not perform work that is mentally, physically, socially or morally dangerous or that interferes with their mandatory education. Young employees are not allowed to work night shifts.

### DIRECTIVE:

Keep records of legal working age for all employees, for example copies of age verification documentation.

### HOW WILL VDL BUS & COACH VERIFY COMPLIANCE (POSSIBLE CHECKPOINTS):

- Verifications may include:
- Checking the age of employees, especially in high-risk positions;
- Application of a system to guarantee that no underage workers are employed.

## 1.3 MODERN SLAVERY

### REQUIREMENTS:

Suppliers, including their recruitment agencies and/or subcontractors, shall not engage in or tolerate:

- movement restrictions;
- excessive recruitment fees or cash deposits;
- seizure of identity documents and/or passports;
- withholding of wages;
- unfair, abusive working conditions;
- debt bondage;
- violence.

Any form of forced, compulsory or illegal Labor, including human trafficking, prison Labor, child slavery or bonded Labor, or any other form of exploitation or abuse, must be prevented and counteracted.

**DIRECTIVE:**

Raise awareness of the risks of modern slavery in the industry and ensure policies and preventive measures with a zero-tolerance approach to modern slavery. Avoid business practices or decisions that may result in undue pressure on suppliers, contractors and subcontractors, which could lead to modern slavery.

**HOW WILL VDL BUS & COACH VERIFY COMPLIANCE (POSSIBLE CHECKPOINTS):**

Verifications may include:

- Overtime is only done on a voluntary basis, unless there is a demonstrable necessity and an obligation to do so under local law;
- Employees have the right to freely leave their home and workplace during their free time;
- Employees are not and will not be required to provide original personal certificates or identification documents such as government-issued IDs, passports or work permits as a condition of employment;
- No unlawful disciplinary practices or financial sanctions such as unfair or illegal wage deductions, withholding of wages or suspension of benefits will be used as a disciplinary measure;
- There are no deposits, fees, penalties, loans or repayment agreements that prevent employees from leaving employment after reasonable notice;
- Reimbursement agreements are foreseeable, reasonable and limited in time;
- Migrant workers are treated fairly and on an equal footing with local workers.

**1.4 DISCRIMINATION, HARASSMENT AND HARSH OR INHUMANE TREATMENT**

**REQUIREMENTS:**

Suppliers must respect the personal dignity, privacy and rights of each employee. Physical or mental harassment or abuse, whether verbal or non-verbal, will not be tolerated.

Behavior, language and physical contact that is sexual, coercive, threatening, abusive or exploitative should be prohibited.

Suppliers shall not unfairly discriminate upon hiring or during employment, whether actively or through passive support, based on age, nationality or ethnicity, religion, political affiliation, sexual orientation, gender identity or expression, physical ability or any other feature protected by law. Suppliers must prohibit public warnings and penalty systems.

**DIRECTIVE:**

It is expected that a work culture is promoted without discrimination. Strive for diversity in the workplace where people feel involved and safe to contribute and challenge. How will VDL Bus & Coach verify compliance (possible checkpoints):

- Follow up on what is being done for non-discrimination and equal opportunity with regard to recruitment, compensation and employment;
- Presence of the ability to report discriminatory or harassing behavior without retaliation.

**1.5 WORKING HOURS AND COMPENSATION**

**REQUIREMENTS:**

Working hours, overtime, breaks and leave must comply with relevant legal requirements or applicable collective agreements. Overtime should not be the norm.

As a minimum, employees must be offered compensation

and benefits in accordance with relevant legal requirements or applicable collective agreements. Employees should be informed of their employment conditions, including their rights and obligations, in their mother tongue or a language they understand, for example in a written employment contract.

Suppliers are encouraged to provide family-friendly working conditions that promote a healthy work-life balance, including, where appropriate, opportunities for caregiving and recreation.

**DIRECTIVE:**

Keep track of legal working hours and verify them accurately. Keep accurate records of all wages. Provide all employees with pay stubs that clearly list all components of their salary in an understandable manner, including overtime compensation, hours worked, benefits, statutory deductions, bonuses and other relevant posts. Inform employees about their employment conditions and keep records of this, for example in the form of copies of signed employment contracts.

**HOW WILL VDL BUS & COACH VERIFY COMPLIANCE (POSSIBLE CHECKPOINTS):**

Follow up of the registration of normal working hours and overtime;  
Checking signed employment contracts and payslips.

**1.6 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

**REQUIREMENTS:**

Suppliers must recognize and respect the right of employees to freely associate, organize and bargain collectively in accordance with the laws of the countries in which

they operate and recognize the importance of open communication and direct involvement between employees and management.

Suppliers must allow employees to appoint independent work representatives who communicate openly with management regarding labor conditions without fear of harassment, intimidation, fines, interference or retaliation. Employees' choice not to participate in employee associations should be respected.

**DIRECTIVE:**

Foster a work environment that facilitates constructive engagement between employees and management, avoiding unnecessary confrontation. Engage in dialogue with employees about working conditions and keep records of meetings and communications conducted.

**HOW WILL VDL BUS & COACH VERIFY COMPLIANCE (POSSIBLE CHECKPOINTS):**

Follow up on evidence showing that:

- workers have the right to organize and bargain collectively;
- employees have the right to appoint independent work representatives and communicate with management;
- employee representatives are recognized by management through evidence of functioning dialogue mechanisms between employees and management.

Collective agreements can be reviewed in relevant cases.

**1.7 LAND & RESOURCE ACQUISITION AND USE OF PROPERTY**

**REQUIREMENTS:**

Suppliers must be the lawful owner or rightful user of the property on which they operate. Negative social, health, environmental or economic impacts from land or resource

acquisition, involuntary resettlement or land use restrictions should be avoided.

In the event of expropriation or forced relocation, suppliers must transparently negotiate a recovery plan, including but not limited to appropriate compensation, with the aim of preserving the livelihoods and standard of living of the individuals involved.

**DIRECTIVE:**

Maintain evidence of land ownership or the lease for the property you operate on. In the event that people had to move or give up land to make room for the company, engage in an open and transparent dialogue to find the most appropriate solution, in the interests of the relocated people.

**HOW WILL VDL BUS & COACH VERIFY COMPLIANCE (POSSIBLE CHECKPOINTS):**

- Inspection of proof of land tenure or lease;
- Access to recovery plans adopted in consultation with relevant stakeholders, if applicable.

## 2. EMPLOYMENT AND INDUSTRIAL RELATIONS

### REQUIREMENTS:

Suppliers of raw materials and components containing tin, tantalum, tungsten, gold (3TG) or cobalt:

- must comply with all applicable responsible sourcing laws;
  - must follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas based on their position in the supply chain, including relevant reporting;
  - must ensure that all deliveries in their 3TG and cobalt supply chain are traceable to smelter or refinery level.
- We expect cooperation in conducting due diligence in accordance with the OECD Due Diligence Guidance;
  - The results of reasonable country of origin studies and reports on responsible sourcing of minerals and metals can be reviewed;
  - Assessment of smelters and refiners against the European Commission's list of responsible smelters, the Responsible Minerals Assurance Process (RMAP) compliant smelter lists or, where appropriate, approved by other equivalent industry regulations.

3TG smelters and refiners in our supply chain must be assessed as compliant with accepted third-party audit programs, such as the Responsible Minerals Assurance Process (RMAP) of the Responsible Minerals Initiative.

Cobalt smelters and refiners must strive to be assessed as compliant or, as a minimum, actively participate in third party audit programs.

While maintaining commercial confidentiality, suppliers must report on their 3TG and cobalt supply chain upon request by completing and submitting the Responsible Minerals Initiative Conflict Minerals Reporting Template (CMRT) and/ or Cobalt Reporting Template (CRT).

### DIRECTIVE:

Gain insight into your supply chains for responsible sourcing.

Only derive raw materials from responsible sources or deliberately influence your supply chain if there is a possible link between the production of raw materials and armed conflict or serious human rights violations.

How will VDL Bus & Coach verify compliance (possible checkpoints):

### 3. ENVIRONMENT & CLIMATE

#### **REQUIREMENTS:**

Requirements that VDL Bus & Coach sets for its suppliers in the supply chain in terms of environmental performance can be summarized as:

- Define, implement and maintain a risk-based approach to reduce or minimize any negative environmental impact of their activities, products and services;
  - Take precautions as soon as there is reason to believe that an activity may harm the environment or public health;
  - Strive to develop and support environmentally friendly techniques in their products, processes, designs and choice of materials;
  - Pay for the social, environmental and economic costs that arise if their business harms the environment;
  - Control, measure, document and plan work to minimize the environmental impact of their business, particularly in the following areas:
    - Greenhouse gas (GHG) emissions;
    - Circularity;
    - Chemicals and hazardous substances;
    - Waste;
    - Other emissions to air, water and soil;
    - Energy consumption;
    - Water consumption.
- Inform about the handling and treatment of end-of-life products;
  - Select materials and resources that can be reused and recycled;
  - Minimize waste to landfills, especially hazardous waste;
  - Include environmental aspects in product development with a life-cycle perspective from raw materials to end-of-life;
  - Actively work to replace hazardous chemicals with safer alternatives;
  - Actively work to optimize energy and resource efficiency;
  - Increase the share of low-emission energy sources;
  - Demonstrate and advocate for environmental responsibility by supporting global initiatives;
  - Publicly communicate environmental performance and targets.

#### **DIRECTIVE:**

- Conduct environmental risk assessments on a regular basis;
- Evaluate the efficiency of the measures taken to mitigate environmental impacts;
- Participate in the transition from a linear to a circular system;

#### **HOW WILL VDL BUS & COACH VERIFY COMPLIANCE (POSSIBLE CHECKPOINTS):**

- Follow up on progress measurements and efforts to minimize the company's negative impact on the environment;
- Access information about the presence of hazardous chemicals and substances of very high concern in the products.

## 4. BUSINESS ETHICS

### REQUIREMENTS:

- Suppliers must comply with local laws and international anti-corruption conventions and not engage in any form of corrupt practice;
- Suppliers of VDL Bus & Coach are not permitted to improperly influence employees or third parties, such as subcontractors or government officials;
- All potential conflicts of interest must be avoided. If conflicts of interest cannot be avoided, VDL Bus & Coach must be informed immediately;
- Suppliers must commit to transparency, quality and speed as part of the VDL Bus & Coach due diligence process;
- Suppliers must always negotiate agreements, regardless of the contract form, in accordance with the principles of fair competition and with the utmost care;
- Suppliers shall not enter into formal or informal contracts or agreements that are intended to prevent or restrict competition, or that result in the prevention or restriction of competition, or contracts or agreements that violate any applicable competition or fair dealing laws;
- Suppliers must follow all applicable personal data protection principles and use personal data only when legal and necessary to fulfill legitimate business purposes;
- Suppliers must maintain and share accurate trade records and documents related to their products;
- Suppliers must comply with local laws and international sanctions regulations and not engage in any form of sanctions violation.

### DIRECTIVE:

- Establish processes to prevent corruption, for example by implementing an anti-corruption policy and providing relevant training to staff;
- Inform and train relevant employees in the competition law policy;
- Inform individuals about when and why their data is being used;
- Only the personal data that is absolutely necessary to fulfill your lawful and reasonable purposes will be used;
- Retain personal data for as long as necessary to fulfill such purposes, and for as long as required by law;
- Protect the personal data you control by taking appropriate security measures;
- Implement trade compliance procedures and provide relevant training to your staff;
- Maintain and communicate relevant and valid information and documentation about your products, such as: HS tariff codes, export control classification status, country of origin and supporting documentation for both non-preferential and preferential origin for free trade purposes, and the US content in your products. Keep necessary records and supporting documents.

## SUPPLIER ACCEPT

Full company name	
Name	
Position	
Signature	
Company seal	



# FIND OUT MORE

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