



Statement pursuant to the UK Modern Slavery Act

The present statement is published in compliance with the Modern Slavery Act (MSA) 2015. It describes the efforts made by SAF-HOLLAND to prevent human rights violations, including any form of modern slavery and human trafficking in its operations and supply chains. The statement comprises actions taken by the SAF-HOLLAND Group (hereinafter SAF-HOLLAND or SAF-HOLLAND Group).

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1. Our Business

SAF-HOLLAND SE (the parent company of the Group), located in Bessenbach, Germany, is one of the leading international manufacturers of chassis-related assemblies and components, primarily for trailers, trucks, and busses. The Group is one of the few suppliers in the truck and trailer industry that is internationally positioned in most markets worldwide. In addition to axle and suspension systems, the product range includes braking systems, fifth wheels, coupling systems, kingpins and landing gears, which are sold under various brands.

Countries With Production Sites

- ✦ Germany
- ✦ Sweden
- ✦ Italy
- ✦ Hungary
- ✦ Turkey
- ✦ Canada
- ✦ USA
- ✦ Mexico
- ✦ Brazil
- ✦ India
- ✦ China

With a workforce of 5,900 employees, 25 production sites, and 48 subsidiaries in different countries across the world, SAF-HOLLAND is a global company. It sells its products to original equipment manufacturers (OEM) on six continents and works closely with fleet operators and trucking companies. In the Aftermarket business, the Company supplies spare parts to manufacturers' service networks (OES), wholesalers, and, with the help of distribution centres, to end customers and service centres via an extensive global sales network.

The operating business of SAF-HOLLAND is divided into three regions: EMEA, Americas and APAC. The regions cover both the original equipment and the aftermarket businesses. Each segment is fully responsible for its own results and has the necessary resources to carry out its operational activities.

SAF-HOLLAND requires numerous raw materials, products and services, which are procured from 4,360 suppliers across the globe. Of the goods and services procured in 2022, we purchased 35.6

per cent from suppliers based in EU countries, 34.2 per cent from suppliers based in OECD countries outside the EU and 30.2 per cent from non-OECD countries outside the EU.

For a deeper insight into the Group's set-up in terms of production locations, suppliers or financial key performance indicators please refer to the [sustainability](#) or [financial report](#).

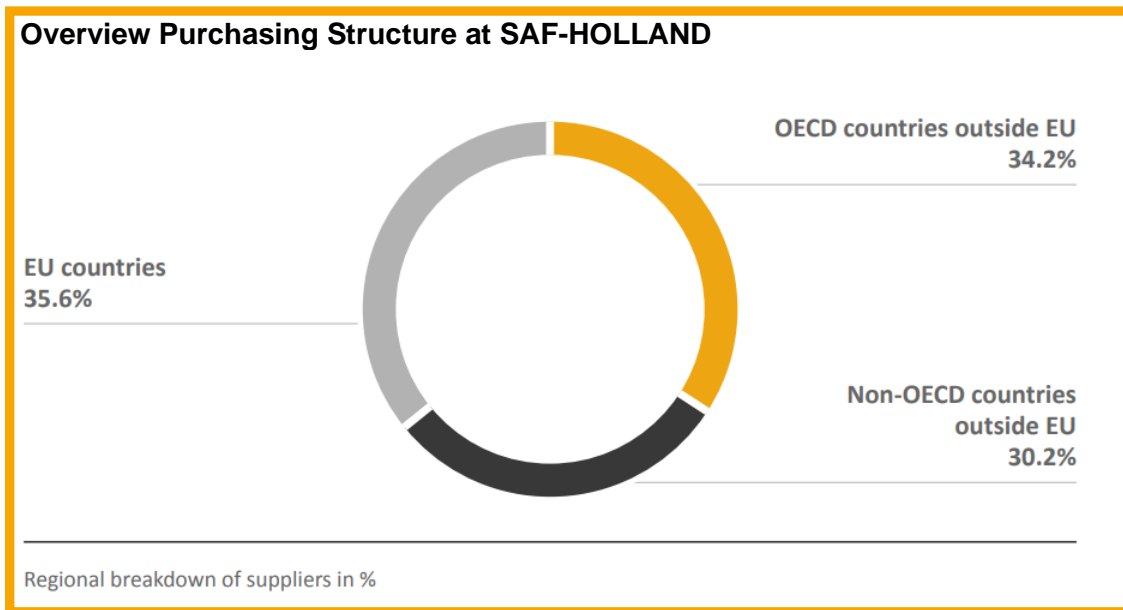
Worldwide

25 Production sites

48 Subsidiaries

5.900 Employees

ca. 10.000 Parts and service stations



2. Our Approach to Prevent Slavery and Human Trafficking

Internal measures

We believe that clear policies are an important step in communicating our commitments and embedding relevant practices throughout our business. We are also widely committed to the ten sustainability principles of the UN Global Compact Initiative, which we joined in 2018.

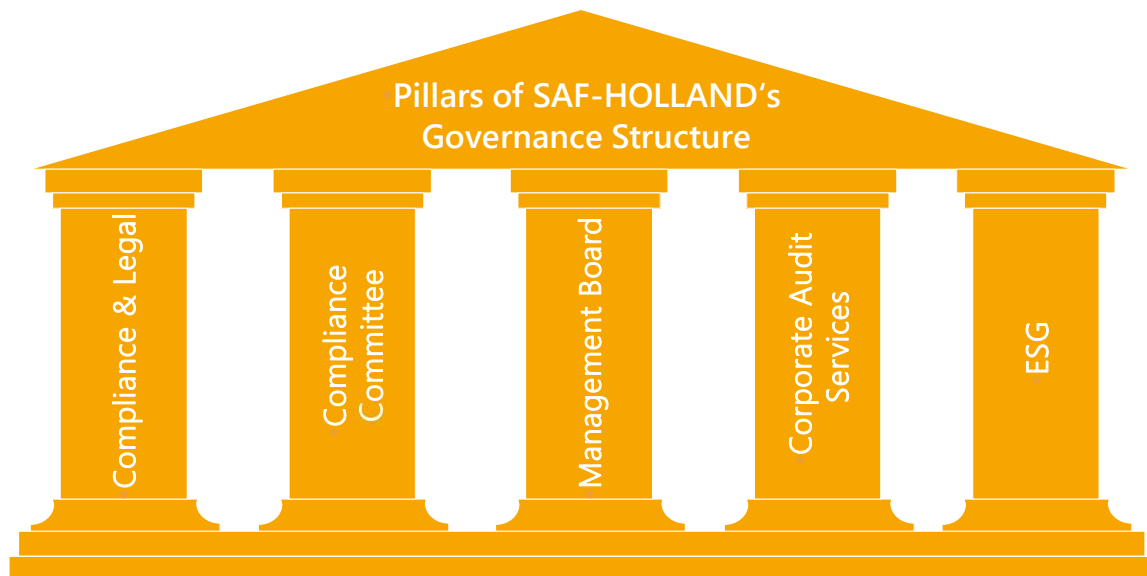
In our Human Rights Policy, we outline our human rights commitment in line with international human rights and labour standards and apply a Code of Conduct in the Group. Additionally, to ensure our business partners' compliance with the human rights and labour standards, we established an own Code of Conduct for Suppliers. In all the mentioned documents, we clearly outline our rejection of child labour and all forms of modern slavery and human trafficking.

Our human rights commitment extends to our employees, management staff in all business regions, business partners and, in the reach of our leverage and responsibility, to other parties in our supply chain. It is guided by the International Bill of Human Rights, the principles on workers' rights set out in the Declaration on Fundamental Principles and Rights to Work from the International Labour Organisation (ILO) as well as the OECD Guidelines for Multinational Enterprises.

Our Code of Conduct specifies the basic values and objectives of our responsible business conduct and applies to all employees worldwide. We aim at anchoring uniform and responsible behaviour in our global business activities in line with our corporate values and the respect for internationally recognized human rights. As part of our general principles of conduct, we veto any form of forced labour, as well as all forms of modern slavery and human trafficking.

Our governance structure to prevent and address human rights violations

We are committed to high ethical standards and to using our influence to prevent human rights risks, including modern slavery. We have developed a governance structure to manage and ensure compliance with our Code of Conduct and to implement our sustainability strategy along our activities.



- ➔ The **Compliance & Legal Department** serves as a central office and point of contact for compliance issues. The aim of our Compliance department is to establish and continuously improve preventive measures within the business processes as well as the early identification and clarification of potential violations of our Code of Conduct.
- ➔ We have established a **Compliance Committee** responsible for clarifying indications of any compliance violations. The committee includes permanent representatives from the following departments: Compliance & Legal, Human Resources and Corporate Audit Services. Depending on the nature and the extent of the incident, the Compliance Committee may at its own discretion include representatives of other departments as guests, if this appears necessary. Particularly in the case of serious or urgent incidents, the CFO may also be called in.
- ➔ The **Management Board** is responsible for ensuring compliance with legal requirements and the company's internal policies and works to ensure that these are also observed by the subsidiaries. The Management Board informs the Supervisory Board regularly, promptly and comprehensively about all issues of strategy, planning, business development, risk exposures, risk management and compliance that are relevant to the company. It addresses any deviations in the course of business from the plans and targets drawn up, stating the reasons.

- ➔ The **Corporate Audit Services Department** reviews the structure and effectiveness of compliance measures through regular audits.
- ➔ Our **ESG Team** identifies risks and issues in the three areas environment, social, and governance. They address these risks by implementing measures and projects to improve our general performance in each of the three scopes.

Awareness among employees about the importance of our Code of Conduct is crucial. Therefore, our employees receive regular training on this topic that is mandatory for all employees.

Trade unions and works councils represent the interests of our employees. We are not opposed to freedom of association or collective bargaining.

SAF-HOLLAND endeavours to continuously improve its risk identification and management processes. In future we will conduct an initial human rights risk assessment and carry out gap analysis in order to identify any deficits in our processes, prioritise measures at high-risk locations and work towards reinforcing the internal processes.

Our whistleblower system is used to document and process violations of our Code of Conduct. It constitutes a key piece of our compliance organization. The whistleblower system is publicly available on our website, and it gives, not only employees, but also external stakeholders the opportunity to report incidents anonymously. Moreover, any further communication with the whistleblower takes place exclusively via this confidential channel. No human rights violation incidents were identified in our operations or supply chain via the whistleblower system in the year 2022.

Measures in our supply chain

In our Human Rights Policy, we have laid out our human rights expectations towards suppliers. We expect our human rights standards to be upheld by our suppliers and business partners.

We aim to improve the management of human rights risks in our supply chain management procedures. We have categorized our supplier pool, focusing at first on a risk-based approach, that identifies suppliers that are located in potentially risky countries, deliver a high volume of products or services, are not substitutable or have the potential to create a common value in innovation and sustainability.

Subsequently, we have started to identify inherent risks to human rights based on the location of our suppliers using the Global Slavery Index as a source. Through this exercise, we identified that our suppliers operate in countries where the inherent risk of modern slavery varies from low to high.

As part of our supplier qualification procedure, new suppliers go through a screening process, which includes a self-assessment questionnaire in which we have recently added ESG-relevant questions, including aspects of human rights. New suppliers, regardless of their region, are screened based on ESG-relevant criteria. These include environmental issues (CO₂ emissions and energy consumption), social issues (occupational safety, employee development and exclusion of child labour) as well as compliance management and corporate governance. All new suppliers are audited by our internal quality department. The ESG-relevant criteria are also part of the audit framework that is applied in all regions.

We will continue working on improvements to our risk identification, countermeasures and management process in our supply chain. To this end, we will keep refining the human rights risk exposure map for our supply chain and conduct gap analysis of our current processes in order to identify any areas for improvement in the way SAF-HOLLAND manages and mitigates its human rights risks, including modern slavery.

3. Our Continued Commitment

SAF-HOLLAND will continue to review and improve its current processes with the aim of preventing modern slavery and human trafficking in its operations and supply chain. All efforts are communicated in the [sustainability report](#) and the annual statement pursuant to the Modern Slavery Act.

4. Next Steps

Modern slavery can take many different forms and is often difficult and challenging to identify. We acknowledge the complexity of monitoring this issue along the value chain. We are nonetheless at the beginning of a journey and, therefore continuously working to adopt the following steps:

1. Improve and strengthen the overarching approach to respecting human rights throughout the SAF-HOLLAND Group

- Further improve our current risk identification and management processes in our own operations, with a focus on our production sites, and enhance a human rights-based approach.

2. Improve measures aimed at preventing the risk of modern slavery in our supply chain

- Further develop our human rights risk identification processes based on procurement category and country-inherent human rights risk.
- Expand the human rights criteria of our supplier qualification and monitoring processes to include other relevant human rights topics, such as working conditions or forced labour. These are described in the Code of Conduct. Our suppliers are required to comply with the Code of Conduct.

3. Develop training courses with a focus on modern slavery, in particular for purchasers and internal auditors

- In order to communicate the awareness of human rights requirements internally, the Code of Conduct and the Human Rights Policy have been included in a global employee handbook, which is valid for all sites and is distributed to all employees to drive awareness.
- In addition, the topics of human rights and modern slavery were rolled out globally in the form of a roadmap as part of our operational excellence.

Bessenbach, November 2023

Alexander Geis
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