

“Precious Metals over Precious Lives”

The Corporate Responsibility of Mercedes and Volvo to Prevent Human Rights Abuses towards Children in the DRC Cobalt Mines.

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ABSTRACT

This study seeks to undertake an in-depth assessment of cobalt usage within electric car batteries and explore the connection between its supply and demand with child labour abuses in the DRC. Through a benchmarking analysis of Mercedes and Volvo's policies and procedures, this research aims to unpack the business and human rights (BHR) obligations within the supply chain process. It assesses the OCED Guidelines and the United Nations Guiding Principles (UNGP) as its criteria for the responsibility and compliance of the companies.

Keywords: Business and Human Rights, Child Labour, Extractive Industries, Cobalt, Electric Vehicle Batteries, Electric Cars, Responsibility, Artisanal Small Mining, Mercedes, Volvo

LIST OF ABBREVIATIONS

OECD	Organisation for Economic Co-operation and Development
UN	United Nations
UNGC	United National Global Compact
UNGP	United Nations Guiding Principles
UNSC	United National Security Council
UNCRC	United Nations Convention on the Rights of the Child
ILO	International Labour Organisation
IHRL	International Human Rights Law
UN ICCPR	United Nations International Covenant on Civil and Political Rights
UN ICESCR	United National International Covenant on Economic, Social and Cultural Rights
UDHR	Universal Declaration of Human Rights
SDGs	Sustainable Development Goals
MNCs	Multinational Corporations
TNCs	Transnational Corporation
MNE	Multinational Enterprises
TNEs	Transnational Enterprises
WEF	World Economic Forum
CDM	Congo Dongfang Mining International
DRC	Democratic Republic of Congo
ASM	Artisanal Small-Scale Mining
LSM	Large Scale Mining
HRDD	Human Rights Due Diligence
SCDD	Supply Chain Due Diligence
OEM	Original Equipment Manufacturers
HRBA	Human Rights-Based Approach
EV	Electric Vehicles
BEV	Battery Electric Vehicles
LIB	Lithium-Ion Batteries
ESG	Environmental, Social & Governance
BAU	Business as Usual

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1 Introduction

Electric vehicles (EVs) are the “state-of-the-art” of modern technology¹ and revolutionised the automotive and transportation industry.² With electricity as its primary source, EVs can maintain the engine's integrity as high-performance, durable, efficient vehicles while negating environmental harm.³ Hence, EVs are praised for their ability to omit excessive carbon emissions, a great advantage in combating climate-related issues.⁴

EVs were first introduced in the early nineteenth century but became unpopular after the first world war, and the automotive industry favoured cars powered by internal combustion engines (ICE).⁵ However, in the 1970s, climate change concerns from automotive companies and the national transportation sector international community reopened the potential of electric cars as part of the global initiative to keep carbon emissions low as possible.⁶ Since ICE were responsible for 27% of the global GHG emissions in that era.⁷

Accordingly, recent studies estimate that by 2030 EVs will increase from 1.3 to 2 billion globally.⁸ Regional governments, such as the EU, sought to promote EVs purchases by creating initiatives such as “no tax, free lanes and parking in cities”.⁹ The 2022 Global Electric Vehicle Outlook report, EU sales grew by 61% between 2016-2021, making them the world's highest sales, with China second.¹⁰

EV production is a positive step towards reaching global environmental goals. Still, particular minerals used within EV batteries are tied to severe human rights abuses of men, women and children in developing nations, often categorised by poor governments, corruption, economic instability, and lack of human rights protection from the state.¹¹ This research focuses on the cobalt mineral from the Democratic Republic of Congo (DRC) and its usage in EV batteries.

¹Jia Ying Yong and others, ‘A Review on the State-of-the-Art Technologies of Electric Vehicle, Its Impacts and Prospects’ (2015).pp.1

² Matthias Kannegiesser, Hans-Otto Günther and Ólafur Gylfason, ‘Sustainable Development of Global Supply Chains—Part 2: Investigation of the European Automotive Industry’ (2014).pp.48

³Lin Li, Fadwa Dababneh and Jing Zhao, ‘Cost-Effective Supply Chain for Electric Vehicle Battery Remanufacturing’ (2018).pp.22

⁴ibid.

⁵ Sergio Cherubini, Gennaro Iasevoli and Laura Michelini, ‘Product-Service Systems in the Electric Car Industry: Critical Success Factors in Marketing’ (2015).pp.40

⁶ ibid.

⁷ Livia Salles Martins and others, ‘Electric Car Battery: An Overview on Global Demand, Recycling and Future Approaches towards Sustainability’ (2021).pp.1

⁸ ibid.

⁹ Kannegiesser, Günther and Gylfason (n 2).

¹⁰ International Energy Agency, ‘Global Electric Vehicle Outlook 2022’ (2022).pp.17

¹¹ Amnesty International, ‘Time to Recharge - Corporate Action and Inaction to Tackle Abuses in the Cobalt Supply Chain’ (2017)

Lithium-ion (LIB) batteries dominate the EV division of the automotive industry.¹² LIBs demonstrate an overwhelming capacity for “high energy density, memory effect almost null, and low self-discharge rate, producing more autonomous, durable, and lightweight equipment.”¹³

But LIBs have “explosive [and] flammable components,”¹⁴ which compromises the batteries’ ability to withstand excessive heat and therefore requires a stabiliser.¹⁵ The cobalt material provides this function as a heat regulator and preserves high energy density for EV batteries.¹⁶

Cobalt is initially a by-product of copper and nickel,¹⁷ but its unprecedented demand has raised concerns within the supply chain since 70% of the global supply originates from the DRC¹⁸ because the DRC is rich in mineral resources.¹⁹ Concentrated mining within the DRC undermines the existing unsafe and insecure working conditions, which extends to child labour.²⁰

Under the Universal Declaration of Human Rights (UDHR), child labour in the mines violates the right to life, liberty and security²¹, not to be held in slavery or servitude²², the right to health²³ and the right to education.²⁴

Furthermore, the DRC’s weak governance structure²⁵ domestic and regional conflicts often exasperated by external actors²⁶ undermine the protections for children. This reality represents the DRCs entire history, from internal government oppression to increased exploitation due to the influence of multinational corporations (MNCs) since the beginning of the globalised era.²⁷

¹² Martins and others (n 7).pp.4

¹³ *ibid.*

¹⁴ *ibid.*

¹⁵ Sarah Scott and Robert Ireland, ‘Lithium-Ion Battery Materials for Electric Vehicles and Their Global Value Chains’. (2020).pp.8

¹⁶ *ibid.*

¹⁷ Scott and Ireland (n 15).pp.8

¹⁸ Filipe Calvão, Catherine Erica Alexina McDonald and Matthieu Bolay, ‘Cobalt Mining and the Corporate Outsourcing of Responsibility in the Democratic Republic of Congo’ (2021).pp.2

¹⁹ MakhuraB Rapanyane, ‘China’s Involvement in the Democratic Republic of Congo’s Resource Curse Mineral Driven Conflict: An Afrocentric Review’ (2022).pp.119

²⁰ Ruby T Nguyen and others, ‘Global Electrification of Vehicles and Intertwined Material Supply Chains of Cobalt, Copper and Nickel’ (2021).pp.1

²¹ Universal Declaration of Human Rights 1948. (Article 3)

²² *Ibid.* (Article 4)

²³ *ibid.* (Article 25)

²⁴ *Ibid.* (Article 26)

²⁵ Susan van den Brink and others, ‘Identifying Supply Risks by Mapping the Cobalt Supply Chain’ (2020).pp.8

²⁶ Rapanyane (n 22).pp.118

²⁷ Erik Kennes, ‘Footnotes to the Mining Story’.pp.603.

Cobalt is an expensive mineral.²⁸ Trading Economics listed cobalt as the second most costly industrial mineral in the market.²⁹ Its high demand leads the supply chain to maintain low trading costs.³⁰ Consequently, it increases the risks of exploitation and cheap labour. For example, children in the mines can earn up to \$1-2 per day.³¹

The working conditions described pertain to small-scale artisanal mining (ASM). ASM and large-scale mining (LSM) practices differ entirely. LSM refers to standard industry mining with proper equipment to carry out the mining activities and suitable worker protection, complying with standardised safety regulations.³² Yet, those who work in ASM use basic equipment³³ often their hands³⁴ to work through the tunnels.³⁵

The liberalisation of the market in the 90s contributed to increased growth in the ASM sector.³⁶ The collapse of the state-owned mining allowed for the informal economy to thrive.³⁷ However, artisanal mining is unregulated and susceptible to trespassing from companies.³⁸

As stipulated earlier, child labour is prominent within these mines. EV companies recognise such abuses and claim a zero-tolerance policy for child labour. The OECD Guidelines warn that they fail to conduct adequate human rights due diligence (HRDD) on their supply chain process,³⁹ which further perpetuates the issues and thus fails to respect the human rights of children and prevent abuses.⁴⁰

On the other hand, NGOs inform that companies are reluctant to report on their cobalt supply chains, and such companies claim that they are, in fact, unaware of the child labour abuses within the cobalt supply chains.⁴¹

The mineral supply chains included several actors. This could detach EV companies at one end of the supply chain from the reality of the extraction process, which is the other end. The upstream actors deal with mining and extraction, transportation, and trading, whereas the

²⁸ Martins and others (n 7).pp.5.

²⁹ Australia Consumer Confidence, 'Trading Economics' (2015)

³⁰ IM Ambe and JA Badenhorst-Weiss, 'Strategic Supply Chain Framework for the Automotive Industry' (2010).pp.2110

³¹ Amnesty International, "'This Is What We Die for" Human Rights Abuses in the Democratic Republic of the Congo Power the Global Trade in Cobalt.' (2016)

³² Benjamin K Sovacool, 'The Precarious Political Economy of Cobalt: Balancing Prosperity, Poverty, and Brutality in Artisanal and Industrial Mining in the Democratic Republic of the Congo' (2019).pp.923

³³ Amnesty International (n 31).pp.8

³⁴ Sovacool (n 33).pp.924

³⁵ Amnesty International (n 32).pp.4

³⁶ Kennes (n 33).pp.614

³⁷ *ibid.*

³⁸ Amnesty International (n 31).pp.5

³⁹ OECD, *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas: Third Edition* (OECD 2016).pp.35

⁴⁰ Amnesty International (n 31).pp.9

⁴¹ Austin Clements, 'Knowingly Benefitting: Blocking Relief for DRC Child Cobalt Miners' (2021).pp.65

downstream actors focus on smelting, refining, manufacturing, and delivering to the consumer.⁴²

The gap between child labour abuses in the mines and electric car companies requires a robust HRDD process from companies on the cobalt supply chain. This forms part of the company's responsibility to respect human rights.

This research focuses on two companies that produce electric cars and their relationship with their suppliers, Mercedes and Volvo ('the Companies'). It examines their human rights responsibilities within the cobalt supply chain towards children in the mines.

1.1 Research Questions

The primary research question addresses the first research theme, "Responsibility", and is as follows:

To what extent are electric car companies responsible for child labour abuses within the artisanal cobalt mines in the Democratic Republic of Congo?

The following sub-questions will support the primary research question by exploring two additional themes.

"Linkage"

To what extent is the demand for cobalt directly linked to child labour in the DRC?

This sub-question aims to establish a link between the demand for cobalt in EV batteries and child labour in the DRC and connects to the main research question because establishing a connection between EV companies and child labour abuses in ASM assumes responsibility.

"Performance Gap"

With reference to the UNGPs, OECD Guidelines, UN Convention on the Rights of the Child (CRC), and the International Labour Organisation Convention 182 and 138, is the chosen criterion effectively applied to prevent abuses?

⁴² OECD (n 39).pp.14.

This sub-research question will evaluate and critically analyse the Companies' human rights responsibilities towards the rights of children working in the cobalt mines and if they comply with the obligations set out in the guidelines and conventions.

1.2 Thesis Statement

This thesis primarily argues that child labour abuses continue within the artisanal cobalt mining in the DRC because EV companies prioritise their demand for cobalt in EV batteries over their responsibility to conduct practical and effective due diligence in the supply and value chain process to prevent human rights abuses towards children.

1.3 Scope of Study

The scope of this study is limited to a discussion on human rights abuses against children in artisanal cobalt mining and the responsibility of the Companies towards preventing abuses. However, it briefly includes themes such as the environment and the role of China and the EU to analyse the Company's responsibility towards children's rights.

1.4 Methodology

This research explores the extent of responsibility of EV companies towards children who experience human rights abuses in the artisanal mines in the DRC. The research design utilises qualitative data, relies on secondary sources and adopts a multidisciplinary approach. There are three overarching themes, responsibility, linkage and performance gap analysis, and each theme has a design, methods and structure.

All research themes have a qualitative literature review. Additionally, research two on "linkage" has a layer of network analysis since it deals heavily with the supply chain framework, which involves a series of actors and therefore requires a throughout analysis of those network structures. Finally, research three is the benchmarking criteria and comparative analysis, which assesses the Companies' performance in responsible business practices that respect and prevent child abuses in the cobalt mines.

1.4.1 Literature Review

This research conducts a content analysis of publicly available sources. For example, journal articles, company policies, the business and human rights (BHR) framework, international human rights law (IHRL), UN conventions and UN documents.

1.4.2 Network Analysis

Research theme two on ‘linkage’ examines the supply and value chain processes and where there is a direct link between the demand for cobalt in EV batteries and children who mine the ore. Both operate at opposite ends of the supply chain process. This section utilises a network analysis to assess relational dynamics, for example, power, within the value chain.⁴³

1.4.3 Benchmarking Analysis

Research theme three, “performance gap,” uses benchmarking criteria. The criterion is a list of social indicators to assess the Companies’ compliance with human rights standards.⁴⁴ The criteria have five categories: human rights due diligence, corporate governance, corporate finance, regulation and remedies, with ten indicators within each category. The criteria rely on principles contained within the OCED Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD RSC), OECD Due Diligence Guidance for Responsible Business Conduct, OECD Guidelines for Practical Actions for Worst Forms of Child Labour, G20/OECD Principles of Corporate Governance, the United Nations Guiding Principles on Business and Human Rights, the CRC and International Labour Law Convention, 182 and 138.

1.4.4 Comparative Analysis

This research is a comparative study between the Companies. The study will analyse similarities and differences in the results of the benchmarking assessment by determining trends and identifying gaps.⁴⁵ Each company will receive three different results, a score on their policy assessment, a procedures assessment and a combined score. The combined score is the most relevant result. However, in the performance gap analysis, in the discussion chapter, this

⁴³ Bård Andreassen, Hans-Otto Sano and Siobhán McInerney-Lankford, *Research Methods in Human Rights* (2017), pp.265

⁴⁴ *ibid.*

⁴⁵ *Ibid.*, pp.226

research conducts an in-depth analysis of the Company's results by category and level of analysis.

Since this research primarily argues that companies prioritise the demand for cobalt over their responsibility to conduct practical and effective due diligence to prevent human rights abuses towards children, the result from the benchmarking assessment, the comparative analysis and the chapters on responsibility and linkage aim to test the validity of this argument.⁴⁶

1.4.5 Limitations

Each methodology bears limitations. Firstly, this research solely relies on publicly available data to assess the Companies' performance in the assessment. Therefore, the results may not represent the Company's actual performance. Still, the BHR agenda require transparency from companies as a core principle.⁴⁷ For example, public access to policies and procedures. Therefore, lack of information based on the guidelines and conventions may undermine the principle of transparency.

Second, it only assesses two companies which may not represent the entire automotive industry. However, limiting the analysis to two companies will allow for a deeper analysis of the results, and the Companies are major actors in the industry.

Third, using network analysis to assess relationships within may cause considerable concerns. Such relationships are highly complex and subjective. Thus, relying on publicly available information for the variables that assess the relational dynamics between actors could misrepresent the reality of those networks.⁴⁸ However, this research relies on widely accepted frameworks within social science to aid in exploring the relationships.

1.5 Readers Guide

This research comprises four parts. Part one begins with Chapter Two, the Background, which has two parts. First, the historical and political context, which traces the historical development of the DRC's mining sector and its impact on child rights. Second, the theoretical framework outlines the BHR framework, extractive industry and child and labour rights within IHRL.

⁴⁶ *ibid.* pp.229

⁴⁷ OECD (n 39).pp.3

⁴⁸ Andreassen, Sano and McInerney-Lankford (n 43).pp.374

The BHR Framework conceptualises the HRDD of private companies and their responsibility towards human rights under IHRL to understand the responsibility of actors within the extractive industry and towards children's rights. The Child Rights and Labour Rights outlines the substantive law of the CRC and ILO and the extent of the company's responsibility towards children's rights under IHRL as private actors. Part two discusses the major themes of this paper which derive from the research questions. The three themes are responsibility, linkage and performance gap analysis. Section 1.1 of this chapter breaks down the objective and scope of each theme. Part 3 is the discussion and the analysis of the research themes but with a specific focus on the results of the benchmarking criteria. This section ties together the responsibility evaluation and linkage with the Companies' results from their assessment. It follows with a conclusion.

PART 1 BACKGROUND & THEORETICAL FRAMEWORK

2 Background

The section discusses the DRC's historical, political and economic mining journey to identify early evidence of child labour. It follows with a conceptual framework of BHR, the extractive industry, and its relationship to child labour to establish links between the cobalt demand and child exploitation.

2.1 The DRC's Historical & Political Background

The DRC experience destabilisation through colonisation and autocratic leadership, resulting in the exploitation of Congolese citizens, including children. Understanding the evolution of the mining sector in the DRC and its entry into the global extractive industry through its history aims to argue a connection between the exploitation of children through abusive labour practices in ASM and cobalt demand. First, it explores this point by dealing with the decline of the Congolese state from colonisation to Joseph Kabila. Then it ties cobalt supply chain practices to the DRC's current political and economic instability and its adverse effects on children's rights.

2.1.1 Historical Context: Colonisation, Nationalism & Globalisation of Resources

Child labour abuses can be traced back to colonialism in the Congo, where slavery and forced labour practices were present.⁴⁹ During King Leopold II of Belgium's reign in 1885, he privatised the Congolese Free State and its resources through capitalism and enslavement of Congolese nationals, violence, torture and no remuneration.⁵⁰ Colonial ownership allowed companies to benefit from its rich resource and maximised profits through economic exploitation to maintain low costs.⁵¹

Exploitation and violence continued after Belgium acquired Congo in 1908.⁵² Forced labour escalated⁵³ specifically during the discovery of copper, gold, diamonds and tin, which were the highest level of exports in that period and remains true today⁵⁴, except with the addition of cobalt.⁵⁵ The mining company Union Minière du Haut-Katanga (UMHK) exploited Congolese natural resources and which led to brutality and corruption towards citizens.⁵⁶

Therefore, private companies could profit from marginalised citizens and unstable economies and, indirectly, partook in framing the colonialist hegemony by exploiting Congolese resources.⁵⁷

After independence in 1960 under Mobutu's leadership, the Congolese state declined. Exeberger and Hartmann termed this "the Congo Crisis",⁵⁸ which consisted of "civil, secessionist and proxy war." Mobutu led the autocratic party⁵⁹ and sought to nationalise and control all enterprises, including the mining sector⁶⁰ in 1967.⁶¹ However, abusive power permeated the Congolese mining sector, where human rights abuses towards mining workers shifted from one political force to another.⁶² Government and military leaders possessed authority over all commercial industries and could exploit domestic resources at their

⁴⁹ John Burchill, 'Out of the Heart of Darkness: A New Regime For Controlling Resource Extraction In The Congo' (2010).pp.106

⁵⁰ Ibid. pp.104

⁵¹ Clements (n 49).pp.63

⁵² Burchill (n 1).pp.106

⁵³ *ibid.*

⁵⁴ Ewout Frankema, *Colonial Exploitation and Economic Development: The Belgian Congo and the Netherlands Indies Compared* (2013) pp.27

⁵⁵ Calvão, McDonald & Bolay, (n 18) pp.1

⁵⁶ Burchill (n 58).pp.107

⁵⁷ Erik Kennes, 'Footnotes to the Mining Story'.(2022)

⁵⁸ Frankema (n 5).

⁵⁹ *ibid.*pp.23

⁶⁰ Burchill (n 58).pp.107

⁶¹ Kennes (n 2).pp.603

⁶² *ibid.*

discretion.⁶³ In this autocratic state structure, Mobutu traded public and civil benefits for personal economic interests, which further destabilised the country.⁶⁴

In the 1980s, the parastatal mining enterprise Gécamines under the Mobutu government produced the world's largest supply of cobalt, but the company was associated with government corruption and unauthorised trading with other countries whilst refusing to pay workers.⁶⁵ The economic crisis and increased poverty led to an internal outbreak of armed conflict between social groups for mining work.⁶⁶

Whether Belgian control or autocratic control, Congolese nationals faced oppression, thereby leaving children, the most vulnerable subject to exploitative work and harm.⁶⁷ Thus, “the Congo Crisis”⁶⁸ led to a fully-fledged domestic war, “The Congolese War”⁶⁹ based on the tyranny of the government imposed on vulnerable groups, which denied citizens basic social needs and further resorted to internal conflict.⁷⁰

The ASM sector grew as a response to nationalisation. It fuelled rivalry with state-owned mining companies.⁷¹ The government was vulnerable⁷² and could not maintain the rapid growth of ASM.⁷³ The first war within Congo emerged in 1996-1997, leading to the overthrow of Mobutu by Laurent Kabila, a rebel leader.⁷⁴ Gécamines also collapsed after Mobutu's government ended, leaving workers unemployed and unpaid.⁷⁵ The company's corruption led to an economic demise within the mining industry.⁷⁶ The government could not revive the industry mining sector⁷⁷ during the Second Congolese War⁷⁸. ASM grew exponentially as many adults and children began to mine within this sector.⁷⁹

⁶³ Burchill (n 58).

⁶⁴ Frankema (n 5).

⁶⁵ Sovacool (n 39),pp.920

⁶⁶ *ibid.*

⁶⁷ Amnesty International, (n 39) pp.37

⁶⁸ Frankema (n 5).pp.29

⁶⁹ Sovacool (n 13),pp.920

⁷⁰ *ibid.*

⁷¹ Michael Priester, ‘African Artisanal Mining from the inside out: Access, Norms, and Power in Congo’s Gold Sector by Sara Geenen’ (2019).pp.379

⁷² *Ibid.*pp.30

⁷³ Kennes (n 2).pp.603

⁷⁴ Sovacool (n 39).pp.920

⁷⁵ Amnesty International (n 39).8

⁷⁶ MakhuraB Rapanyane, ‘China’s Involvement in the Democratic Republic of Congo’s Resource Curse Mineral Driven Conflict: An Afrocentric Review’ (2022),pp.122

⁷⁷ Amnesty International (n 39).pp.5

⁷⁸ Sovacool (n 13),pp.923

⁷⁹ Amnesty International (n 39).pp.5

2.1.2 Political Context: Regional and Corporate Dominance Over Congolese Resources

The rise of ASM led to de-localisation,⁸⁰ which is the process of the mining sector entering the international market, characterised by competition and flexibility.⁸¹ De-localisation of ASM paralleled the rise of liberalisation within the global market.⁸²

This was during the time cobalt demands inflated.⁸³ Joseph Kabila opened the DRC into the international market and sought aid from Western banks to remodel its infrastructure after the war destabilised the country in 2006.⁸⁴ The funds failed to materialise, and Kabila turned to China and entered into a Sicominex deal, securing a \$3 billion investment into the mining industry.⁸⁵ Moreover, China has invested a minimum of \$8 billion since 2012, predominately into the DRC's cobalt industry.⁸⁶ Thus China, a rising global hegemony in Africa⁸⁷, gained dominance over ASM.⁸⁸

Academics describe the Chinese-African relations as 'neo-colonial' through plundering resources, increased debt and promoting economic and political crises by fuelling regional conflict.⁸⁹ Within mining, such control has since had negative implications for children, who often extract cobalt sold to Chinese companies and traders at a significantly discounted rate and therefore underpaid⁹⁰, mines with their hands, exposing them to toxic and tenuous conditions.⁹¹

Huayou Cobalt Company Limited is a Chinese-owned company operating in the DRC and almost exclusively buys from local and small-scale mining companies or through its separate unregulated networks due to their political influence.⁹² Huayou Cobalt owns Congo Dongfang Mining International (CDM), who donated to Kabila's presidential elections.⁹³

⁸⁰ Kennes (n 2).pp.602

⁸¹ *ibid.*

⁸² *ibid.*

⁸³ Frankema (n 61).pp.32

⁸⁴ Andrew L Gully, 'One Hundred Years of Cobalt Production in the Democratic Republic of the Congo' (2022).pp.3

⁸⁵ Makhura B Rapanyane and Kgothatso B Shai, 'China's Multinational Corporations in the Democratic Republic of Congo's Mining Industry: An Afrocentric Critique' (2020).pp.3

⁸⁶ Rapanyane (n 22).pp.125

⁸⁷ Young-Chan Kim (ed), *China and Africa* (2017).pp.130

⁸⁸ Johanna Elbel, Stephan Bose O'Reilly and Rok Hrzic, 'A European Union Corporate Due Diligence Act for Whom? Considerations about the Impact of a European Union Due Diligence Act on Artisanal and Small-Scale Cobalt Miners in the Democratic Republic of Congo' (2023).pp.6

⁸⁹ *ibid.*

⁹⁰ Amnesty International (n 39).pp.29

⁹¹ Rapanyane (n 22).pp.125

⁹² *ibid.*pp.54

⁹³ *ibid.*

China reflects the complexity of the supply chain process⁹⁴ through their rapid political influence and ownership of the DRC mines.⁹⁵ Therefore they trade cobalt with other international companies at their prerogative, and suppliers can meet the demand for cobalt for EV batteries, allowing the market to thrive and promote production.

China is not the only geopolitical actor at play regarding the demand for cobalt minerals. The EU sources 68% of its cobalt supply from the DRC.⁹⁶ The EU has an agenda to reduce carbon emissions, and mass production of EVs is vital to that agenda.⁹⁷ In this context, the supply and demand model speaks to the tensions between environmental justice and the human rights of children within the mines. This thesis does not focus on the relationship between environmental and human rights. However, reducing GHG drives the demand for EV batteries, ultimately putting pressure on the supply quantity and labour. Since cobalt is highly concentrated in the DRC, social indicators such as poverty and corruption are high-risk factors for human rights abuses.

However, the reasons behind EV battery production are insufficient to uncover a more profound link between the demand for cobalt within the batteries and human rights abuses towards children in the DRC. This is because of the geopolitical, economic, and power structures between actors at play, especially regarding non-state actors who influence these structures but do not conform to the same rules as regional actors. Therefore, exploring the cumulative relational dynamics within the supply chain process is crucial to comprehend how much their supply chain activities affect child rights in the DRC. Chapter four on “linkage” explores this argument further.

2.2 Theoretical Framework

Corporations are powerful non-state actors that IHRL recognises as a potential threat to human rights.⁹⁸ Over the years, variations of corporate responsibility initiatives sought to keep companies accountable for human rights violations. This section outlines the evolution of the BHR regulatory system, specifically HRDD, the governing framework and defining scope of this research on corporate responsibility towards children in the cobalt mines. Second, it outlines the substantive law of child and labour rights, highlights salient human rights within

⁹⁴ *ibid.*

⁹⁵ *ibid.*

⁹⁶ European Commission European Commission: Critical Raw Materials Resilience: Charting a Path towards Greater Security and Sustainability’ (2020).pp.19

⁹⁷ Elbel, Bose O’Reilly and Hrzic (n 99).pp.2

⁹⁸ A Andreassen Bard and Khanh Vinh Vo, *Duties Across Borders: Advancing Human Rights in Transnational Business* (2016).pp.1

the mining sector, and concludes with a brief note on the extractive industry, which sets up the first research theme on responsibility.

2.2.1 Business & Human Rights Framework

Early developments of corporate responsibility began around the 1920s when corporations' idea of the public good was through providing business services to society.⁹⁹ Yet corporation's undue influence within a rapidly developed globalised and industrial society meant that industries could extend their business transnationally, but it began to impact human rights.¹⁰⁰

Such impacts included disasters compromising the safety of workers, exploitation and child labour abuses.¹⁰¹ However, since non-state corporate actors are not a party to international human rights law treaties,¹⁰² the only way to keep them accountable is if host states incorporate IHRL into domestic law. Therefore, extraterritorial abuses were challenging to obtain.¹⁰³

The free-market economy increased transnational business operations, and the BHR regulatory system sought to adopt incentives to strengthen compliance with human rights standards.¹⁰⁴ Multiple BHR initiatives emerged, such as Corporate Social Responsibility (CSR) which promoted philanthropy, charity and self-regulation.¹⁰⁵

Yet, BHR focuses on accountability, risk mitigation and the prevention of adverse human rights impacts arising from business practices on rights-holders.¹⁰⁶ As such, the charity-based, self-regulatory approach was not enough for the human rights regime to ensure businesses respect and prevent human rights.¹⁰⁷ The BHR regime aimed to transition from a purely voluntary-based framework to an accountability-based framework.¹⁰⁸

Bringing enterprises in line with the human rights regime collides with basic normative principles of international human rights law. The primary principle is that human rights law is state-centric,¹⁰⁹ inferring that only states are accountable for human rights violations through treaty ratification. However, there is an internationally recognised consensus on the definition

⁹⁹ *ibid.* pp.2

¹⁰⁰ *ibid.*

¹⁰¹ *ibid.*

¹⁰² *ibid.*

¹⁰³ *ibid.*

¹⁰⁴ César Rodríguez-Garavito, 'Business and Human Rights: Beyond the End of the Beginning' (2017).pp.5

¹⁰⁵ Anita Ramasastry, 'Corporate Social Responsibility Versus Business and Human Rights: Bridging the Gap Between Responsibility and Accountability' (2015).pp.238

¹⁰⁶ *ibid.*

¹⁰⁷ *ibid.*

¹⁰⁸ *ibid.*

¹⁰⁹ Bard and Vo (n 110).pp.1

of human rights, even among those states who have not ratified certain conventions.¹¹⁰ Therefore, it is not unreasonable to assume corporations' ability to appreciate the legitimacy of human rights and respect them without a legally binding commitment.

Before dwelling on the substantive nature of these initiatives, it is important to note that each incentive defines businesses based on their business activity. The uses of multinational corporations (MNCs), multinational enterprises (MNEs) or transnational corporations (TNCs) or transnational enterprises (TNEs)¹¹¹ will be used interchangeably. Each term refers applied to business activities across multiple jurisdictions.¹¹² This point is important for this research as it deals with a multijurisdictional supply chain of the cobalt mineral.

The UN Global Compact (GC) in 2000 was a "successful international soft-law initiative."¹¹³ The GC's ten principles advanced corporate responsibility for human rights,¹¹⁴ emphasised operations conducted in developing countries¹¹⁵ and extended into other areas, such as "labour, anti-corruption and the environment."¹¹⁶ The GC aims to promote good business practices but does not operate as a regulatory instrument, provide monitoring or measuring guidance or provide a framework for benchmarking analysis.¹¹⁷

Following the GC were the UN Norms on the Responsibilities of Transnational Corporations (UN Norms), which focused on accountability and had a more human rights focus.¹¹⁸ For example, the preamble included the International Bill of Human Rights (the UDHR, the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the UN Charter.¹¹⁹

The UN Norms promoted positive obligations on companies towards human rights, not solely the traditional approach focusing on negative obligations, which are the duty to respect and prevent human rights abuses.¹²⁰ However, scholars criticised the norms for overemphasising the state-centric nature of human rights, albeit states hold the primary duty for implementing human rights, and the scope of this responsibility does not extend to corporations.¹²¹ However, these IHRL norms do not negate the responsibility of companies

¹¹⁰ Surya Deva, *Regulating Corporate Human Rights Violations* (2012), pp.16

¹¹¹ *ibid.* pp.21

¹¹² *Ibid.*

¹¹³ Surya Deva and David Birchall (eds), *Research Handbook on Human Rights and Business* (2020), pp.28

¹¹⁴ *ibid.*

¹¹⁵ John Gerard Ruggie, 'Business and Human Rights: The Evolving International Agenda'. (2022), pp.820

¹¹⁶ Justine Nolan, 'Human Rights and Global Corporate Supply Chains: Is Effective Supply Chain Accountability Possible?' in Surya Deva and David Bilchitz (eds), *Building a Treaty on Business and Human Rights* (2017), pp.243

¹¹⁷ Deva (n 110), pp.93

¹¹⁸ *Ibid.*

¹¹⁹ *Ibid.* pp.101

¹²⁰ *Ibid.*

¹²¹ Wesley Cragg and Canadian Business Ethics Research Network (eds), *Business and Human Rights* (2012), pp.78

towards human rights. Thus, the issue with the BHR initiatives is that it requires more enforcement and effective implementation.¹²²

In 2011 the UNGPs were founded on John Ruggie's tripartite model of “respect, protect and remedy” with 31 principles.¹²³ This research, however, focuses on human rights due diligence, which falls under the Operational Principles as this research argues the importance of HRDD for preventing child labour abuses within the cobalt supply chain.

Ruggie defines due diligence as “a process whereby companies not only ensure compliance with national laws but also manage the risk of human rights harm with a view to avoiding it.”¹²⁴ HRDD in Principles 17-21 of UNGPs is the operational aspect of pillar 1, *respect* and focuses on negative obligations or preventing human rights abuses.¹²⁵ Principle 13 states that *respect* means enterprises should “avoid causing or contributing to adverse impacts through their own activities.”¹²⁶ Principle 17 focuses on “[identifying, preventing, mitigating, and accounting] for...adverse human rights impacts [through] HRDD.”¹²⁷ Principle 18 states that enterprises “should identify and assess...actual or potential adverse human rights impacts.”¹²⁸

The scope of the UNGPs is entirely discretionary,¹²⁹ lacks a practical implementation mechanism¹³⁰ and does not refer to any specific industry. Although some states impose mandatory HRDD through domestic legislation.¹³¹ However, assuming companies adopt the UNGPs, reliance on these guidelines alone cannot meet the practical requirements in preventing human rights abuses in the extractive industry due to its heavy supply chain component. The UNGPs do not mention supply chains within the document.

Still, the UNGPs provide a foundational framework, namely the relational dynamics between companies and states, which the preceding section on responsibility will explore in more detail. It is set apart from other guidance’s as it specifies that enterprises should respect all “internationally recognised human rights.”¹³² The emphasis on ‘should’ do infer a binding element but may fail in practice due to its voluntary nature.¹³³ However, the UNGPs may be

¹²² Rodríguez-Garavito (n 116).pp.23

¹²³ Deva and Birchall (n 113).pp.63

¹²⁴ United Nations (HRC),Protect, Respect and Remedy: A Framework for Business and Human Rights’ (2008).

¹²⁵ Deva and Birchall (n 113).pp.90

¹²⁶ United Nations, *Guiding Principles on Business and Human Rights : Implementing the United Nations ‘Protect, Respect and Remedy’ Framework* (2011).

¹²⁷ UNGPs (n 125).

¹²⁸ Ibid.

¹²⁹ Nolan (n 116).pp.246

¹³⁰ Cesar Rodriguez-Garavito, ‘Business and Human Rights’.(2017).pp.47

¹³¹ ibid.

¹³² United Nations (n 125).

¹³³ Rodríguez-Garavito (n 145).

more effective if conjugated with the OECD Guidelines for Multinational Enterprises (the Guidelines).

The Guidelines were developed in 1976. However, the 2011 revised edition included a human rights chapter.¹³⁴ This edition meant enterprises were asked to respect and commit to human rights and responsibilities in other jurisdictions.¹³⁵ Furthermore, the scope of responsibilities is broader. Deva provides an example of how MNCs are not only required to abolish child labour and all forms of forced labour by securing health and safety standards in working environments.¹³⁶

The Guidelines also have a procedural element called the National Contact Points (NCP) that allows for complaints against enterprises. This organisation aims to provide remedies and ensure future compliance with the Guidelines.¹³⁷

The OECD produced several industry-specific and practical guidelines this research utilises over time. (See section 1.7 for the list of documents) These guidelines draw parallels with International Labour Law standards because they deal with exploiting workers in the extractive industry. However, sub-chapter 2.2.2 discusses labour law further.

The OECD Guidelines apply to the host country of enterprises.¹³⁸ Yet, the extractive sector has transnational practices between multiple actors within the cobalt supply chain. Furthermore, many developing countries where the actors operate often have political and economic instability and high levels of human rights abuses inflicted upon citizens by the state.¹³⁹

For example, ASM in the DRC has high levels of sexual violence and rape among women and children.¹⁴⁰ The ASM economy is informal, which invites armed conflict between the government and non-state armed rebel groups, known as the resource curse. These minerals are further targets for large corporations to profit from this ‘curse’¹⁴¹

HRDD aid in identifying such risks that also arise from the flexible nature of the mineral supply chain and its broad and vague agreements that may give rise to corporate abuses.¹⁴² The

¹³⁴ Deva (n 122).pp.80

¹³⁵ Ibid.pp.81

¹³⁶ Ibid.

¹³⁷ Ibid.

¹³⁸ Ibid.

¹³⁹ Bard and Vo (n 110).pp.183

¹⁴⁰ Deva (n 122).

¹⁴¹ Bard and Vo (n 110).p.183

¹⁴² Nolan (n 116).262

regulatory gap within transnational activities¹⁴³ within the extractives further enhances the need for robust HRDD.

The BHR regulatory dilemma is still an issue.¹⁴⁴ Over time, BHR grew to include positive obligations on enterprises, which entails integrating human rights into their business culture and activities through HRDD. Still, enterprises primarily focus on maximising profit¹⁴⁵, a core principle within the supply chain framework.¹⁴⁶ This research pinpoints this issue as the tension between child labour abuses and the demand for EV batteries, which Section 4 on ‘linkage’ explores further.

Ultimately, analysing the BHR and the rise of HRDD aimed to provide a foundation for the benchmarking assessment of the Companies and address whether its principles are effective enough in answering how far they are responsible for child labour abuses.

2.2.2 Child Rights and Labour Rights

Notable conventions that govern child rights and labour rights for children are the UNCRC, the Worst Forms of Child Labour Convention 1999 (ILO no.182) and the Minimum Age Convention 1973 (ILO no.138). The No.182 Convention includes the trafficking of children, child prostitution, the use of children in illicit activities, and activities that will harm their health and safety in the definition of the worst forms of child labour.¹⁴⁷

These provisions align with IHRL, for example, the prohibition of slavery in Article 4 (UDHR),¹⁴⁸ trafficking in Article 35, forced recruitment of children in armed forces in Article 38, unlawful sexual practices in Article 34 work which may comprise their health in Article 32 of the CRC.¹⁴⁹

The Global Sustainable Development Goals (SDGs) target 8.4 aims to remove all forms of child labour by 2025.¹⁵⁰ However, according to the United Nations Children’s Fund (UNICEF), global efforts have fallen short of this commitment.¹⁵¹ Child Labour is linked to

¹⁴³ Deva (n 122).

¹⁴⁴ Ibid.pp.50

¹⁴⁵ Deva (n 122).pp.

¹⁴⁶ Ambe and Badenhorst-Weiss (n 36).

¹⁴⁷ Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour: 1999 (C182).

¹⁴⁸ Universal Declaration of Human Rights 1948.

¹⁴⁹ The United Nations Convention on the Rights of the Child 1989.

¹⁵⁰ United Nations General Assembly, ‘Transforming Our World: The 2030 Agenda for Sustainable Development’ (2015).

¹⁵¹ UNICEF, ‘Child Labour and Responsible Business Conduct A Guidance Note for Action’ (2021)

poverty, and the Child Poverty and Deprivation Report indicated that 74.6% of children under 17 in the DRC are equidimensional poor.¹⁵²

The economic instability in the DRC perpetuated increased labour amongst children as most households living in the cobalt copper belt depend on small-scale mining for their livelihoods.¹⁵³

Therefore, children work 10-24 hours a day working in the cobalt mines,¹⁵⁴ undermining other substantive rights, including the right to education in Article 26 (UDHR),¹⁵⁵ Article 24(c) and Article 28 (CRC)¹⁵⁶ and health in Article 25 (UDHR)¹⁵⁷, Article 12 (ICESCR)¹⁵⁸ and Article 24 (CRC).¹⁵⁹

Discussing the Minimum Age Convention is necessary because the average age range of children exposed to child labour and exploitation is between 5-17 years¹⁶⁰, which violates the convention. The general rule for minimum wage is defined under Article 3(1), which states,

The minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons shall not be less than 18 years.¹⁶¹

The exception to that rule is in Article 7(1), where “National laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work....”¹⁶² But it cannot cause harm to their health or development and interfere with education (Article 7(1) (a) and (b)).¹⁶³ This is also aligned with Article 1 of this convention, which states that “Each Member for which this Convention is in force undertakes to pursue a national policy designed to ensure the effective abolition of child labour”¹⁶⁴ and Article 32 of the CRC which asserts that children should be protected from economic exploitation and any hazardous work that may interfere with their health.¹⁶⁵

¹⁵² UNICEF, ‘Country Office Annual Report 2021 - Democratic Republic of the Congo: Update on the Context and Situation of Children.’ (2021)

¹⁵³ Benjamin Faber and Benjamin Krause, ‘Artisanal Mining, Livelihoods, and Child Labor in the Cobalt Supply Chain of the Democratic Republic of Congo’. (2017)

¹⁵⁴ Amnesty International.(n 39)

¹⁵⁵ Universal Declaration of Human Rights 1948.

¹⁵⁶ United Nations (n 149).

¹⁵⁷ Universal Declaration of Human Rights 1948.

¹⁵⁸ International Convention on Economic, Social and Cultural Rights 1966.

¹⁵⁹ United Nations (n 149).

¹⁶⁰ UNICEF (n 151)

¹⁶¹ Minimum Age Convention, C138 1973.

¹⁶² *ibid.*

¹⁶³ *ibid.*

¹⁶⁴ *ibid.*

¹⁶⁵ United Nations (n 149).

The risks of child labour and abuse of children's rights in the mines are linked to cobalt's economic potential. 70% of the global reserve for cobalt is in the DRC,¹⁶⁶ with 15-30% of the supply from ASM.¹⁶⁷ Furthermore, increased corporate involvement in the cobalt supply chain has led to a greater emphasis on HRDD to identify risks of child labour from numerous organisations.¹⁶⁸

The “This is What We Die For” Report by Amnesty report, explains that respecting the right to health of children through HRDD children looks like adequate monitoring¹⁶⁹ and tracking systems.¹⁷⁰

UNICEF details health risks of children to include carrying heavy loads, prolonged sun exposure, insufficient clean access to food or water, neurological and cardiovascular diseases, and sexual and physical violence.¹⁷¹ According to Development International, cobalt is usually ingested, primarily through contaminated food and water, which is common in ASM.¹⁷²

Without proper health and safety measures to match the increased demand for cobalt, continuous human rights abuses of children will occur. Therefore, the responsibility to provide effective HRDD throughout the cobalt supply chain process is necessary to protect child rights.

PART 2 RESEARCH THEMES

3 Research Theme One: Responsibility

3.1 DRC State Responsibility Under the International Human Rights Law

The DRC has a duty to children to respect, protect and fulfil their human rights. The DRC have ratified the Convention of the Rights of the Child, the Worst Forms of Child Labour Convention in 2001, the Minimum Age Convention in 2001, the African Charter on Human and Peoples' Rights and the International Bill of Human Rights. Thus, bear an obligation towards children to respect, protect and fulfil those rights and implement those conventions, covenants and treaties into domestic law.

¹⁶⁶ UNICEF, ‘Country Office Annual Report 2022 - Democratic Republic of the Congo: Update on the Context and Situation of Children’ (2022)

¹⁶⁷ UNICEF (n 151)

¹⁶⁸ Chris N Bayer and Anthony Cooper, ‘Worst Forms of Child Labour in the Democratic Republic of the Congo: Cobalt Refiner Due Diligence Reporting’.(2019).

¹⁶⁹ Amnesty International (n 39).pp.36

¹⁷⁰ *ibid*.pp.75

¹⁷¹ UNICEF (n 151)

¹⁷² Bayer and Cooper (n 168)

Section 2.2.2 discussed some of the substantive rights for children; however, this section aims to analyse some of the DRC's procedural obligations under IHRL using the right to health.

As mentioned, State parties' obligations are to *respect, protect* and *fulfil*¹⁷³ human rights. General Comment, 12 of the Human Right Council, extended the obligation to *fulfil* to include the obligation to *facilitate* and to *provide*.¹⁷⁴ The positive obligation to *fulfil* is the procedural obligation upon states.¹⁷⁵

For example, fulfilling the procedural obligation towards the right to health of children required established health care, education and social protection services.¹⁷⁶ With poverty and the absence of adequate systems in the DRC being risk factors for increased child labour in the cobalt mines, parents often send children to work to sustain household necessities.¹⁷⁷

UNICEF estimates 31-41% of children in ASM cobalt mining work in Lualaba, Kolwezi, which currently contains the most cobalt globally.¹⁷⁸ Although this region can improve the DRC's economic development,¹⁷⁹ it is considered a hazardous zone with high health risks and high levels of conflict.¹⁸⁰

The DRC needs governmental structures and institutions to secure, realise and protect children's rights in ASM. Amnesty reported the DRC must strengthen mining regulations, secure unauthorised ASM areas, prevent illegal cobalt import, provide adequate health, safety, and labour standards, and establish sufficient governmental institutions to monitor and enforce standards.¹⁸¹

The DRC introduced the Mining Code in 2002 and the Mining Regulations of 2033 to regulate and formalise the mining industry. But it aimed to reestablish the collapsed mining sector after the war to regain international investments. It also did not include provisions to protect ASM miners from health hazards or information regarding handling dangerous substances.¹⁸²

¹⁷³ UN Economic and Social Council, 'General Comment No. 12: The Right to Adequate Food (Art. 11 of the Covenant)

¹⁷⁴ *Ibid*

¹⁷⁵ UN Economic and Social Council (n 187)

¹⁷⁶ UNICEF (n 151)

¹⁷⁷ *Ibid*.

¹⁷⁸ *Ibid*.

¹⁷⁹ World Economic Forum, 'Making Mining Safe and Fair: Artisanal Cobalt Extraction in the Democratic Republic of the Congo' (2020).pp.5

¹⁸⁰ UNICEF (n 151)

¹⁸¹ Amnesty International (n 39)

¹⁸² *Ibid*

The 2018 revised version sought to have securer protectors for miners and implement traceability measures and accountability. Although, the DRC government requires resources to enforce these provisions procedurally.¹⁸³

The DRC also introduced the Child Protection Code per the ILO Conventions 138 on Minimum Age and 182 on Worst Forms of Child Labour. The Code aims to establish a minimum age for children to be 16 years old, and they can work up to 4 hours of light work a day.¹⁸⁴ Even with this protection code in place, children work a minimum of 12 hours per day.¹⁸⁵

The obligation to *fulfil* means, the DRC state must respect and protect child rights. *Respect* refers to negative obligations or preventative practices. However, it also includes their ability to prevent enterprises from depriving human rights of their state citizens.¹⁸⁶ The UNGPs also set out that “states must protect against human rights abuses within their territory and jurisdiction by third parties, including enterprises.”¹⁸⁷

For example, HRDD mechanisms, on-site investigations and traceability systems initiated by the government and actors within the supply chain.¹⁸⁸ Furthermore, “through [preventing, investigating, punishing and redressing] such abuse through effective policies, legislation, regulations and adjudication.¹⁸⁹ Taka also argues that HRDD may impact the ongoing domestic and regional conflict and strengthen security measures.¹⁹⁰

3.2 Responsibility of Host States and Regional Actors

Host states and regional actors are bound to IHRL substantive and procedural obligations. Article 2(1) of the ICESCR states,

Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.¹⁹¹

¹⁸³ Sovacool (n 39)

¹⁸⁴ Bayer and Cooper (n 168)

¹⁸⁵ Amnesty International (n 39).pp.66

¹⁸⁶ UN Economic and Social Council (n 187).pp.4

¹⁸⁷ United Nations (n 125).

¹⁸⁸ Bard and Vo (n 110).pp.207

¹⁸⁹ United Nations (n 125).

¹⁹⁰ Bard and Vo (n 110).pp.200

¹⁹¹ ICESCR Article 2(1)

States fully realise human rights through international cooperation with other states, party to this convention. Host states of large EV corporations, for example, Germany and Sweden, who also ratified the CRC and ILO conventions into their domestic law, understand the scope of these conventions and should respect and prevent human rights abuses from TNEs within their jurisdiction in other states.

Furthermore, developed and developing nations encounter political and power imbalances, complicating international business. Therefore, the broad nature of state power must be addressed when discussing the impact of MNEs operating in developing nations.¹⁹²

As mentioned earlier, China possess political and economic power over the DRC through funding elections and control over their mines.¹⁹³ China control “over 70% of global EV battery production, including the major battery manufacturer.”¹⁹⁴ Chinese-owned companies such as Huayou, who failed to respect children in the mines, did not carry out sufficient HRDD per the OECD Guidelines.¹⁹⁵ Principle 4 of the UNGPs on the State-Business Nexus mentions that state-owned companies must take additional steps to protect human rights since states are primary duty bears and human rights abuses by a state-own company may violate IHRL standards.¹⁹⁶

According to scholars, another regional actor is the EU, a minor player in the mining industry compared to China.¹⁹⁷ However, EU manufacturing initiatives such as the IPCEI European Battery Innovation (EuBatIn), which have invested 2.9 billion euros in battery manufacturing alone and is only one example of this type of investment into the value chain.¹⁹⁸ This demand increases pressure on mining and consequently increases labour amongst children, where cobalt is concentrated. However, the EU aims to continue operating in the DRC, receiving approximately 54-70% supply.¹⁹⁹

Introducing the new European Union Due Diligence Act could serve as a protection mechanism for DRC miners, which puts pressure on China to improve human rights standards. On the other hand, it increases political and power tensions between China and other regional actors for competing interests in the EV market, impacting the cobalt value chain.²⁰⁰

¹⁹² Deva and Birchall (n 113).pp.125

¹⁹³ Amnesty International (n 39)

¹⁹⁴ Yun Zhang and others, ‘A SWOT Analysis of the UK EV Battery Supply Chain’ (2020).pp.1

¹⁹⁵ Amnesty International (n 39) pp.9

¹⁹⁶ UNGPs (n 125).

¹⁹⁷ Elbel, Bose O’Reilly and Hrzic (n 99).pp.6

¹⁹⁸ Ibid.

¹⁹⁹ Fondazione Claudio Sabattini and others, ‘Automotive Global Value Chains in Europe’ (Institute for New Economic Thinking Working Paper Series 2021)pp.18

²⁰⁰ Elbel, Bose O’Reilly and Hrzic (n 99).pp.6

Yet, miners reacted positively to the EUDDAct. They mentioned that the DRC should divert cobalt sales to the EU because the working conditions and health and safety standards are better,²⁰¹ but within LSM. The Act does not include ASM within its scope, but its ASM is where child labour mainly persists.²⁰²

Therefore, the EU should include ASM within their HRDD standards. For example, interacting with local miners and encouraging free, prior, and informed consent.²⁰³ However, where child labour exists, the EU should cooperate with the DRC state to eliminate the worst forms of child labour by regulating the business activities of host state enterprises in the DRC.

Although Gaddi and Garbellini note the EU gave MNEs in the battery industry complete autonomy regarding manufacturing. Therefore, MNEs acting on behalf of political bodies, create an imbalance of power between other states. MNEs do not carry any political burden and seek to maximise profits by distributing labour in developing countries to secure the lowest labour costs in the value chain.²⁰⁴

States ought to protect child rights from unlawful business practices per the CRC, ILO, other IHRL instruments and the BHR framework.²⁰⁵ Yet, if one accepts the argument put forward by Gaddi and Garbellini, one ought to critically ask how host states can regulate the behaviour of enterprises under their jurisdiction to reduce the risk of abuses against children in the mines if they highly depend on MNEs to transform the extractive market who prioritises cost efficiency within labour activities? ²⁰⁶

Host states, by recognising the fragility of some developing nations, should regulate transnational business practices of enterprises within their jurisdiction through domestic legislation according to Principle 2 of the UNGPs.²⁰⁷ Examples are the Dodd-Frank Act in the United States of America (USA), the United Kingdom's (UK) Modern Slavery Act 2015, Norway's Transparency Act 2021, France's Corporate Duty of Vigilance Law 2017 and Germany's Supply Chain Act in 2021. In addition, host states, through international cooperation with developing States, should strengthen HRDD practices to secure the realisation of rights as outlined in Article 2 of the ICESCR and work with enterprises who operate in

²⁰¹ Ibid.

²⁰² Ibid.

²⁰³ Ibid.

²⁰⁴ Fondazione Claudio Sabattini and others (n 119) pp.6

²⁰⁵ UNGPs (n 125).

²⁰⁶ Fondazione Claudio Sabattini and others (n 119) pp.6

²⁰⁷ UNGPs (n 125).

conflict-affect zones to “identify, prevent and mitigate the human rights-related risks of their activities and business relationships.”²⁰⁸

Host states could further allow for remedial access for victims of human rights abuses through judicial cooperation²⁰⁹ and seek to investigate, punish and redress business-related...abuses to comply with their obligation to *protect*.²¹⁰ From a judicial perspective, reducing remedial barriers provides better access to justice and effective remedies for child labour abuses.²¹¹ Lowering procedural barriers that hold parent companies solely accountable for actions of their subsidiaries and allowing for victims to claim against subsidiaries directly.²¹²

Still, businesses should not prevent states from protecting human rights and instead cooperate with them to prevent abuses. Enterprises could participate in government initiatives to positively support children affected by child labour in the mines.²¹³ UNICEF’S ‘Guidance Note for Action’ outlines practical initiatives companies can undertake to mitigate child labour risks and promote and support children’s rights. Companies can contribute funds supporting child education, the formalisation of ASM, advocate for a transparent tax system and invest in basic welfare.²¹⁴

State responsibility entails hard law and legally binding instruments under IHRL, whereas the BHR framework that governs enterprises are soft-law non-binding guidelines.²¹⁵ Thus these instruments are operationally and conceptually different, which makes the definition and the scope of responsibility for companies and states differ. However, BHR developments evolved to include industry-specific responsibility, such as the OECD Guidelines, enabling enterprises to adopt responsible business practices into their industry-specific activities and relationships.

3.3 A note Extractive Supply Chains: Upstream & Downstream Responsibilities

Extractive supply chain responsibility falls into two frameworks, (1) supply chain management (SCM) and (2) supply chain due diligence (SCDD). HRDD in extractive supply chains suggest a fusion of the two frameworks to enhance the transparency of minerals,

²⁰⁸ Ibid.

²⁰⁹ Deva and Birchall (n 113).pp.465

²¹⁰ UNGPs (n 125).

²¹¹ Deva and Birchall (n 113).pp.465

²¹² Ibid.

²¹³ UNGPs (n 125).

²¹⁴ UNGPs (n 125).

²¹⁵ Deva and Birchall (n 113).pp.77

strengthen producer and manufacturing responsibilities and departure from solely voluntary commitment to legally binding enforcement of human rights standards into supply chain activities.²¹⁶

A typical mineral supply chain consists of upstream and downstream actors performing different value chain activities. This sub-section acknowledges these differences, but Chapter 4 on ‘Linkage’ will conduct a supply chain analysis unpacking the different activities within the value chain, exploring the relationships between actors, and establishing a link between their activities and relationships with child labour abuses.

4 Research Theme Two: Linkage

The first sub-research question focuses on ‘linkage’. It aims to explore a connection between the demand for cobalt and child labour abuses through the relationships and activities within the cobalt supply chain and what responsibilities arise from those practices.

Supply chain, according to the OECD Guidelines RSC, is the “system of all the activities, organisations, actors, technology, information, resources and services involved in moving gold from the source to end consumers.”²¹⁷ Ambe and Badenhost defined the idiosyncratic nature of supply chains as high competition, rigorous customer demands and expectations and evolving market demands.²¹⁸ Competitiveness is the core of supply chain strategy. It entails low-cost, high-quality commodities²¹⁹ and maximum capacity²²⁰ to meet the production capacity driven by customer demands.²²¹

Ambe and Badenhost on SCM distinguished two types of supply chains, agile and lean supply chains. Lean supply chains are predictable, with precise market systems that can monitor market demands.²²²

However, the cobalt supply chain resembles unpredictable agile supply chains, which require rapid, cost-effective measures to keep up with evolving customer demands.²²³ Agile supply chains “use market knowledge and corporation to exploit profitable opportunities in volatile markets.”²²⁴ Therefore the risk of human rights abuses is much higher in an unpredictable, profit-maximising system that operates in high-conflict zones.

²¹⁶ Bard and Vo (n 110).pp.187-188

²¹⁷ OECD (n 47). pp.70

²¹⁸ Ambe and Badenhorst-Weiss (n 36).pp.2110

²¹⁹ Ibid

²²⁰ Liu and others (n 175).pp.6

²²¹ Ambe and Badenhorst-Weiss (n 36).pp.2112

²²² Ibid. pp.2113

²²³ Ibid. pp.2112

²²⁴ Ibid.

Automotive companies must employ flexible and rapid responsiveness to maintain a competitive advantage, so end-users are pressuring manufacturers to keep up with their demands.²²⁵ In a supply and demand model, the demand side is primarily concerned with mass production and delivering the commodities on schedule.²²⁶ Cobalt mining is severely concentrated in the DRC.²²⁷ Consequently, increased labour and the DRC instability cannot negate human rights abuses amongst children.²²⁸ Therefore the cobalt supply chain potentially threatens child rights due to the high demand, putting pressure on the supply levels.

Supply chains are a “network of organisations [or actors] involved through upstream and downstream linkages in different processes and activities that produce value in the form of products and services in the hands of the ultimate consumer.”²²⁹ Croom, Romano, and Giannakis assessed three levels of analysis for supply chains which included the network level. This is a “network of operations”,²³⁰ namely, upstream/downstream relations within a supply chain. It differs from a dyadic level which is binary, and a chain level, which involves multiple binary relationships.²³¹

The cobalt supply chain operates at a network level, and the definition above highlights two important factors within the system, the concept of upstream and downstream companies and the idea that their processes and activities of that material produce value within the supply chain.

Upstream companies refer to the mineral supply as miners, traders, mineral processors and smelters or refiners.²³² For this research, upstream companies are the miners in the DRC, the Chinese mining companies that trade with the miners who process and refine the cobalt and sell it to international manufacturing companies.

Downstream companies include traders, a series of manufacturers, such as the component, product and original equipment manufacturers (OEM) and the consumers or retailers.²³³ In this context, we refer to the manufacturers as the battery companies who develop the EV batteries to sell to the Companies.

²²⁵ *ibid.* pp.2110

²²⁶ Liu and others (n 170). pp.5

²²⁷ *ibid.*

²²⁸ *ibid.*

²²⁹ Simon Croom, Pietro Romano and Mihalis Giannakis, ‘Supply Chain Management: An Analytical Framework for Critical Literature Review’ (2000). pp.69

²³⁰ *ibid.*

²³¹ *ibid.*

²³² OECD (n 47). pp.32

²³³ *Ibid.* pp.70

Upstream and downstream companies determine the value chain. Global value chains are the variety of activities that all the companies perform and provide to produce a product from the mining stage to the consumer stage and end-of-life stage.²³⁴ Academics use the terms global value chain and global supply chain interchangeably; however, it is important to differentiate the two terms for this research, especially to determine linkage.

Focusing on supply chains helps understand the network relationships between different stages of the supply and the impact of those relationships. Although, value chains speak to the activities that provide value to the product. The two terms are connected because value chains encompass other issues relevant to supply chains, such as power, control, corporate social responsibility (CSR) and sustainability.²³⁵ Thus providing depth to the supply chain network analysis by offering an interdisciplinary layer to such relationships. For example, “the process of adding value to a product” across various jurisdictions. The connections within the supply chain will strengthen the case for responsible practices of companies that operate in multiple jurisdictions.

A generic supply chain process involves the mine, trader and smelter (the upstream) who process the metal and the component producer, the contract manufacturer, then the retailer, who deals with manufacturing and production.²³⁶

4.1 Downstream Companies: Consumer/Retailer Stage

The customer stage is the centre of EV battery demand.²³⁷ With the demand for green technology²³⁸ to limit carbon footprints,²³⁹ automotive companies push for battery electric vehicles (BEVs) to eradicate dependence on ICE engines.²⁴⁰ Mercedes Benz campaigned for an “all-electric future” and aimed to spend 40 billion on EV research and development (R&D)²⁴¹, and Volvo also states to electrify all automobiles by 2030.²⁴²

Mercedes use “Start Your All-Electric Adventure”²⁴³ to promote their high-class performance and innovative technology. Journalist Stern at the US News Cars described a new

²³⁴ Robert O’Brien and Marc Williams, *Global Political Economy: Evolution & Dynamics* (2016), pp.138

²³⁵ *Ibid.*, pp.138

²³⁶ Amnesty International (n 39).8

²³⁷ E Savinova and others, ‘Will Global Cobalt Supply Meet Demand? The Geological, Mineral Processing, Production and Geographic Risk Profile of Cobalt’ (2023).pp.2

²³⁸ *Ibid.*, pp.2

²³⁹ David Coffin and Jeff Horowitz, ‘The Supply Chain for Electric Vehicle Batteries’.(2018).pp.1

²⁴⁰ Fondazione Claudio Sabattini and others (n 119).pp.13

²⁴¹ Mercedes-Benz, ‘The All-Electric Future of Mercedes-Benz’ <<https://www.mercedesbenzoffairfield.com/manufacture-information/mercedes-benz-electric-cars/>>.

²⁴² Volvo Group, ‘Volvo Cars to Be Fully Electric by 2030’ (2021) <<https://www.media.volvocars.com/global/eng/media/pressreleases/277409/volvo-cars-to-be-fully-electric-by-2030>>.

²⁴³ *Ibid.*

Mercedes model as the ‘most efficient ever’, ‘real world range’ and an EV whereby one is ‘slipping through the air.’²⁴⁴

Mercedes openly admits they source from the DRC and will continue to do so but from certified mining sites. They acknowledge the DRC as high-risk and the presence of child labour and stated sourcing from certified sites will minimise child labour and other risks.²⁴⁵

Mercedes enhanced marketing and promotion of EVs may put pressure on labour productivity, undermining the efforts to eliminate the worst forms of child labour.²⁴⁶ Furthermore, technological limitations of EV batteries require space for high experimental production, meaning the global value chain needs to maintain low costs and increased productivity.²⁴⁷

This issue arises from their relationship with their manufacturers, whose primary goal is to limit manufacturing and purchase costs for cobalt since they are responsible for any modifications the battery requires if technical issues arise.²⁴⁸ Therefore based on this analysis, the potential link between child labour and the demand for cobalt is the practice of minimising labour, production and manufacturing costs.

4.2 Downstream Companies: Component Producers & Manufacturers

The component manufacturers or OEMs assemble the batteries with the raw materials provided by the component producer and sell them to the consumer. The producer ensures the material's viability because of its use within the battery.²⁴⁹

OEMs measure performance indicators, including the production process, transport activities, and product usage and cost factors.²⁵⁰ Safety is also a critical factor in BEV hence the common use of cobalt in lithium-ion batteries. Lithium-ion batteries are preferred because of their longevity and highly efficient capacity.²⁵¹ But, overcharging pure lithium-ion batteries

²⁴⁴ Perry Stern, ‘Mercedes-Benz EQXX – The Future of Electric Cars’ (2022) <<https://cars.usnews.com/cars-trucks/features/mercedes-benz-eqxx-future-electric-car>>.

²⁴⁵ Mercedes-Benz, ‘The All-Electric Future of Mercedes-Benz’ <<https://www.mercedesbenzoffairfield.com/manufacture-information/mercedes-benz-electric-cars/>>.

²⁴⁶ Raphael Deberdt, ‘Land Access Rights in Minerals’ Responsible Sourcing. The Case of Cobalt in the Democratic Republic of the Congo’ (2022).pp.1

²⁴⁷ Ailton Conde Jussani, James Terence Coulter Wright and Ugo Ibusuki, ‘Battery Global Value Chain and Its Technological Challenges for Electric Vehicle Mobility’ (2017).pp.335

²⁴⁸ Ibid.p.366

²⁴⁹ Gilmar Masiero and others, ‘The Global Value Chain of Electric Vehicles: A Review of the Japanese, South Korean and Brazilian Cases’ (2017).pp.292

²⁵⁰ Günther, M Kannegiesser and N Autenrieb,(n 2) 225

²⁵¹ Amin Mahmoudzadeh Andwari and others, ‘A Review of Battery Electric Vehicle Technology and Readiness Levels’ (2017).pp.416

may result in fires and catastrophes²⁵² therefore, cobalt acts as the temperature alloy.²⁵³ Over 50% of cobalt's global supply will be used in BEV manufacturing.²⁵⁴ Although, manufacturers must consider manufacturing to maintain a competitive edge since the demand for EVs exceeds the current cobalt supply. According to excessive demand in microeconomics, the price will increase if the demand for cobalt in EV batteries exceeds the supply.²⁵⁵

The common denominator in all manufacturing activities is maintaining low cost, and the principle of excessive demand is linked to increased production capacity, which risks enterprises participating in high-cost activities to maximise and match the demand.²⁵⁶

Production capacity affects labour activity in the manufacturing process of the supply chain of cobalt. Since cobalt is concentrated in the DRC, a combination of increased labour and the DRC instability cannot negate human rights abuses amongst children due to the primary principle of production capacity, which is to secure cost-effective measures whilst achieving maximum capacity and maintaining a competitive advantage.²⁵⁷

Relevant examples of EV manufacturing companies are CATL, which distributes to Mercedes and Volvo. They are a Chinese-owned company with a 25% stake in one of the cobalt mines in the DRC. China's political and economic influence and known instances of human rights abuses on DRC miners, including Children, may prove a link between the manufacturing stage and child labour abuses. Since CATL have direct access to the mines.²⁵⁸ Suppose manufacturers have access to the supply chain's upstream side; those companies should carry out HRDD on suppliers, which the OECD Guidelines RSC identified as the main human rights risk amongst downstream companies.

4.3 Upstream Companies: Smelting/ Refining Stage

The smelting/refining stage is at the top end of the upstream supply chain. It is valuable to the cobalt value chain because it is the "concentration point between the extractive sector

²⁵² *ibid.* pp.416

²⁵³ E Savinova and others, (n 237). pp.1

²⁵⁴ *Ibid.* pp.1

²⁵⁵ Richard V Eastin and Gary L Arbogast, 'Demand and Supply Analysis: Introduction'. (2011). pp.50

²⁵⁶ Wei Liu and others, 'Resilience Assessment of the Cobalt Supply Chain in China under the Impact of Electric Vehicles and Geopolitical Supply Risks' (2023)

²⁵⁷ *Ibid.*

²⁵⁸ Cecilia Jamasmie, 'World's Top Battery Maker CATL Grabs Stake in DRC Cobalt-Copper Miner' <<https://www.mining.com/worlds-top-battery-maker-catl-grabs-stake-in-drc-cobalt-copper-miner/>>.

and the final product.”²⁵⁹ The cobalt ore, smelted with other raw materials, undergoes a refining process as a component used in the end products, the EV batteries.²⁶⁰

However, cobalt smelting and refining make tracing the origin of the cobalt in its raw form unfeasible.²⁶¹ Furthermore, EV companies as consumers are distant from the upstream supply chain and hardly have a “direct relationship with cobalt smelters or refiners.”²⁶²

The cobalt supply chain is complex and involves multiple actors, undermining the ability to trace human rights abuses adequately.²⁶³ Clements argues that the absence of companies' reporting systems allows them to claim no awareness of child labour in their value chain.²⁶⁴ Suppose EV companies were actively involved in the supply chain to the extent of their supplier; sole reliance on their suppliers' information on the materials and reporting processes to identify risks still keeps them detached from the reality of upstream cobalt supply.²⁶⁵

Amnesty stated that not one automotive entity has publicly stated their cobalt smelters or refiners.²⁶⁶ Therefore, the risk of child labour abuses between the smelters and downstream companies is the absence of a direct relationship. The OECD Guidelines RSC states that companies should adopt internal controls over their suppliers to avoid the inability to trace the cobalt mineral after the smelting and refining stage.²⁶⁷ Furthermore, downstream companies may temporarily suspend trade with refiners when the smelters are undergoing risk assessments and mitigation.²⁶⁸

4.4 Upstream Companies: Trading Stage

The cobalt ores are transported and traded at unauthorised trading houses owned by foreign companies that trade with large refining enterprises companies.²⁶⁹ Researchers further explain that the unauthorised nature of trading activities in the DRC sustains armed conflict in which multiple international enterprises are involved.²⁷⁰

²⁵⁹ Raphael Deberdt and Philippe Le Billon, ‘Conflict Minerals and Battery Materials Supply Chains: A Mapping Review of Responsible Sourcing Initiatives’ (2021).pp.793

²⁶⁰ OECD (n 47). pp.33

²⁶¹ Deberdt and Le Billon (n 273).pp.793

²⁶² Amnesty International, (n 12).pp.11

²⁶³ Clements (n 49).pp.65

²⁶⁴ Ibid.

²⁶⁵ Amnesty International (n 12).pp.17

²⁶⁶ Amnesty International, (n 12).pp.11

²⁶⁷ OECD (n 47). pp.33

²⁶⁸ Ibid.pp.103

²⁶⁹ Amnesty International (n 39).pp.18

²⁷⁰ Bard and Vo (n 110).pp.184

The United National Security Council (UNSC), in their Final Report on Illegal Exploitation of Natural Resources and Other Forms of Wealth in the Democratic Republic of Congo, outlined a series of illegal trading activities by corporations associated with raw minerals. For example, “illegal foreign exchange trading and money laundering.”²⁷¹

The informal economy is due to the DRC’s failure to regulate and govern ASM.²⁷² Companies benefit from ASM being cheaper than LSM because miners have no formal contracts and limited resources.²⁷³

Often children could not weigh the sack of ore independently, making them vulnerable to further exploitation. Children earned much less than adults and were forced to pay unlawful taxes to security guards and rebel actors.²⁷⁴

The 2002 Mining Code required traders to possess authorised licences and record trades by date, location, seller, quantity, and price. All companies that purchase cobalt must buy from licenced traders. Yet, there is no requirement to investigate where the cobalt was sourced, mining conditions or the presence of child labour.²⁷⁵

The OECD Guidelines RSC urges companies to develop risk management plans and monitor upstream companies' due diligence processes. Furthermore, in cases where the smelters or other traders are undergoing risk assessments and mitigation, downstream companies may temporarily suspend trade with those upstream companies.²⁷⁶

4.5 Upstream Companies: Mining Stage

Through the analysis of the cobalt supply chain, cumulative indicators that increase child labour risks are the demand for cobalt from the retailers, prioritisation of low costs from the manufacturers, in the ability to trace cobalt ore to the original mining site after smelting and refining process and illegal trading within the informal economy which again benefits from economic exploitation which leads back to child labour abuses at the mining stage. Therefore it is acceptable to conclude a link between the demand for cobalt and child labour abuses.

As described in previous sections, ASM is unregulated and child labour is rising due to the increasing demand for cobalt. The World Economic Forum (WEF) described child labour

²⁷¹ United Nations Security Council, ‘Final Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo’

²⁷² Bard and Vo (n 110).pp.185

²⁷³ Nick Bernards, ‘Child Labour, Cobalt and the London Metal Exchange: Fetish, Fixing and the Limits of Financialization’ (2021) 50 *Economy and Society* 542.

²⁷⁴ Amnesty International (n 39).pp.31

²⁷⁵ *Ibid.*pp.44

²⁷⁶ OECD (n 47). pp.33

as a “systematic issue”²⁷⁷ which alludes to intentional practices within the supply chain that keeps benefits from such labour economically.²⁷⁸ Therefore to manage risks, companies should focus on end-to-end²⁷⁹ HRDD and SCDD and increase traceability or chain of custody systems²⁸⁰ in transport routes and traders.²⁸¹

5 Research Theme Three: Benchmarking & Gap Analysis

5.1 Overview of Benchmarking Criteria and Gap Analysis

This final research theme addresses sub-question three, using UNGPs, OECD Guidelines, CRC and ILO, 182 and 138 to design benchmarking analysis criteria. The benchmarking criteria adopt similar approaches to the World Benchmarking Alliance and the Global Reporting Initiative.

To comply with the research questions, all indicators are child rights-specific, so the Company should directly or indirectly reference child rights. Indirect means child labour is listed as a salient right, and the Company has a procedure for addressing salient rights.

See Appendix 1.1 and 1.2 for a full breakdown of the indicators for policies and procedures.

5.1.1 Policies vs Procedures

There are two assessments: policies and procedures, with 50 indicators each. Both assessments have five categories, human rights due diligence, corporate governance, corporate finance, regulation and remedies, with ten indicators per category.

Policies refer to written principles and standards for responsible practices from high-risk zones within the supply chain process.²⁸² Whilst procedures prioritise the practical implementation of systems and processes, the Company stated in their written policies.²⁸³

5.1.2 The 4 Levels of Assessment

Each indicator is assessed on four levels, operational, supply chain, value chain and community. The operational level refers to the company's internal management systems implemented that demonstrate efforts towards respecting children's rights and preventing child

²⁷⁷ World Economic Forum, (n 193).pp.7

²⁷⁸ Clements (n 49).pp.65

²⁷⁹ Günther (n 2).pp.221

²⁸⁰ OECD (n 47). pp.33

²⁸¹ Amnesty International (n 39).pp.86

²⁸² Ibid.p.33

²⁸³ UNGPs (n 125).pp.17

labour. For example, training for employees on child labour risks within supply chains.²⁸⁴ The supply chain level focuses on how the Companies manage risks within their supply chain relationships.²⁸⁵ The value chain level assesses how the Companies manage risks within their supply chain activities and the activities of others in the value chain.²⁸⁶ Finally, the community level refers to how the Companies participation in society to improve their business practices and commit to preventing child labour.²⁸⁷

5.1.3 The Scoring

Each company can receive up to 2 points per indicator for both assessments and each level of assessment is worth 0.5 points. The maximum the Companies can receive per assessment is 100 points, and Policies weigh 30%; thus, the company's final score on policies will be multiplied by 0.3%, and procedures weigh 70%, so the company's final score on policies will be multiplied by 0.7%. After that, the Companies will receive a combined percentage where they will receive a final score of either poor (0-25), fair (26-50), good (51-75) or very good (76-100).

5.1.4 The Interval Scale to Percentage

Per Category				
Scale	0-5	6-10	11-15	16-20
Interval	Poor	Fair	Good	Very Good
Per Assessment				
Scale	0-25	26-50	51-75	76-100
Interval	Poor	Fair	Good	Very Good

²⁸⁴ OECD (n 47). pp.72

²⁸⁵ Ibid.

²⁸⁶ Ibid.

²⁸⁷ Bard and Vo (n 110).pp.185

5.2 Category 1 - Human Rights Due Diligence (hrdd)

HRDD is the core of responsible business practices across all high-risk industries.²⁸⁸ The HRDD criteria assess whether the Companies can “effectively [prevent] and [mitigate] adverse impacts [on children’s rights]²⁸⁹ in the cobalt supply chain. HRDD is characterised by prevention, various processes, risk-based, prioritises, accountable, flexible, and adaptable, focuses on IHRL, and engages in ongoing communication.²⁹⁰

Regarding child labour abuses, HRDD ensures companies adhere to the respect, protect, and remedy framework and adopt Principles 17-21 on HRDD according to the guiding principles and the aforementioned OECD Guidance’s that govern the extractive industry listed under the methodology section of this paper.

²⁸⁸ OECD, ‘OECD Due Diligence Guidance for Responsible Business Conduct’. (2018)

²⁸⁹ Ibid

²⁹⁰ Ibid

5.2.1 Human Rights Due Diligence Indicators

Policy Indicators	Procedures Indicators
hrdd.1 The EV Company has a publicly available HRDD policy	hrdd.1 The EV Company has publically available HRDD procedures
hrdd.2 Identify salient human rights risks of children and directly address actual and adverse impacts of children	hrdd.2 The company has a process to identify salient human rights risks of children and direct address actual and adverse impacts
hrdd.3 There is a human rights transparency statement	hrdd.3 There is a human rights transparency procedure
Hrdd.4 There are traceability and chain of custody declarations within the Company's human rights policies	hrdd.4 There are existing traceability and chain of custody procedures
hrdd.5 HRDD policies are reviewed periodically	hrdd.5 HRDD procedures are reviewed periodically
hrdd.6 HRDD policies acknowledge known risks within conflict affect and high-risk zone	hrdd.6 HRDD procedures include steps towards monitoring and identifying specific conflict-related risks within the DRC
hrdd.7 HRDD policies contain a risk mitigation statement of child labour abuses	hrdd.7 HRDD has risk mitigation procedures
hrdd.8 HRDD contain environmental, health and safety policies	hrdd.8 HRDD contain environmental, health and safety procedures
hrdd.9 HRDD policies involve ongoing communication	hrdd.9 HRDD procedures involve ongoing communication
hrdd.10 HRDD policies continuously evolve according to their human rights risk monitoring systems	hrdd.10 HRDD procedures constantly evolve according to their human rights risk monitoring systems

5.3 Category 2 - Corporate Governance (cg)

Large companies' structures function through corporate governance. This describes the "processes, customs, policies, laws and institutions that direct [the corporation's behaviour, administration culture and] ...operations."²⁹¹ Corporate governance assesses whether the Companies foster a culture respecting human rights practices,²⁹² such as finance, compliance, audit, development, and risk management. The policies and process should align with the OECD Guidelines and UNGPs, including the Reporting Framework, which narrows down on a human rights-based approach (HRBA) for day-to-day activities.²⁹³

²⁹¹ Humera Khan, 'A Literature Review of Corporate Governance'.(2011).pp.1

²⁹² UNGPs (n 125).pp.5

²⁹³ United Nations, 'The UN Guiding Principles Reporting Framework'.

5.3.1 Corporate Governance Policies Indicators

Policy Indicators	Procedures Indicators
cg.1 The company has a board of directors	cg.1 The company has a board of directors
cg.2 The company has an onboarding and supplier onboarding policy	cg.2 The company has an onboarding and supplier onboarding committee and a procedure
cg.3 The company has an audit policy	cg.3 The company has an audit committee and procedure
cg.4 The company has a risk policy	cg.4 The company has a risk committee and procedure
cg.5 The company has a product policy	cg.5 The company has a product committee and procedure
cg.6 The company has a finance policy	cg.6 The company has a finance committee and procedure
cg.7 The company has a compliance policy	cg.7 The company has a compliance committee and procedure
cg.8 The company has a code of ethics and code of conduct for board members	cg.8 The company has a code of ethics and code of conduct for board members
cg.9 The company has a knowledge management policy	cg.9 The company has a knowledge management person/team and procedure
cg.10 The company has Environmental, Social & Governance (ESG) policies	cg.10 The company has Environmental, Social & Governance (ESG) procedures

5.3 Category 3 - Corporate Finance (cf)

Assessing the management of corporate finance risks within the mineral supply chain is fundamental to responsible business practices in the extractive industry, allowing the identification of illicit trading activities through tax, corruption, fraud, and bribery²⁹⁴ which are high-risk factors for child labour in the cobalt mines. Such risks also arise from armed group activities.²⁹⁵ The assessment will discover whether the companies have included financial risks towards human rights within their financial policies and procedures.

²⁹⁴ OECD (n 47). pp.33

²⁹⁵ Ibid.pp.35

5.3.1 Corporate Finance Indicators

Policy Indicators	Procedures Indicators
cf.1 The company has existing annual financial reports	cf.1 The company has an existing annual financial reporting process
cf.2 The company has non-financial policies	cf.2 The company has a non-financial reporting process
cf.3 The company has policies on transactional practices	cf.3 The company has a procedure for transactional practices
cf.4 The company has a policy regarding their supplier, financial and trade agreements	cf.4 The company has procedures regarding their supplier, financial and trade agreements
cf.5 The company includes policies on recognising illicit financial activity by non-state armed rebel groups	cf.5 The company has monitoring and tracking procedures to identify illicit financial activity by non-state armed rebel groups
cf.6 Financial transparency statements are within their human rights policies	cf.6 There is a financial transparency system
cf.7. The company commits to meaningful investment and development for children in the DRC	cf.7. The company has a meaningful investment strategy
cf.8 The company has a sustainable finance policy	cf.8 The company has sustainable finance procedures
cf.9 The company has an AML & CTF policy that adheres to anti-money laundering and anti-bribery laws and regulations within their state	cf.9 The company has an AML & CTF procedure
cf.10 The company has a financial audit policy	cf.10 The company has a financial audit process

5.4 Category 4 - Regulation (rg)

Although enterprises are non-state actors, their business practices should comply with domestic and international law. Principle 12 of the UNGPs, states that respecting human rights “refers to internationally recognised human rights - understood, at minimum, as...the International Bill of Human Rights.” The phrase ‘at minimum suggests companies may need to consider further standards, for example, children and labour rights. The assessment under the regulation criteria considers whether the Companies as actors in the extractive supply chain have considered relevant domestic laws and regulations to minimise “causing or contributing to adverse human rights impacts”²⁹⁶ on children’s rights.

²⁹⁶ UNGPs (n 125).pp.15

5.4.1 Regulation Indicators

Policy Indicators	Procedures Indicators
rg.1 Corporate refers to the International Bill of Human Rights	rg.1 Corporate procedures refer to the International Bill of Human Rights
rg.2 Corporate policies refer to the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention	rg.2 Corporate procedures refer to the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention
rg.3 There are corporate policies that refer to the OECD Guidelines	rg.3 Corporate procedures refer to the OECD Guidelines
rg.4 Corporate policies refer to the UNGPs and its Reporting Framework	rg.4 Corporate procedures refer to the UNGPs and its Reporting Framework
rg.5 Corporate policies refer to UNICEF	rg.5 Corporate procedures refer to the UNICEF
rg.6 Corporate policies refer to the UN Global Compact	rg.6 Corporate procedures refer to the UN Global Compact
rg.7 Corporate policies refer to other initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc.	rg. 7 The company incorporate global initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc., into their company practices
rg.8 The company's policies are compliant with national legislation	rg.8 Company business and human rights procedures are compliant with national legislation
rg.9 The company's non-financial reports comply with EU DIRECTIVE 2014/95/EU	rg.9 The company actively participates in regional (the EU) sustainability and human rights initiatives and EU Law
rg.10 The company states it includes contractual clauses on the issue of child labour in its policies	rg.10 The company reviews and modifies contractual clauses to protect children from abuses when new information arises

5.5 Category 5 - Remedies (rm)

Access to adequate remedies allows victims of human rights abuses within the supply chain to receive remedial justice. Part Three of the UNGPs focuses on effective remedies and grievance mechanisms such as “apologies, restitution, rehabilitation, financial or non-financial compensation and punitive sanctions.”²⁹⁷ Grievance mechanisms are designed to address any business practices which cause human rights abuses to an individual or community through “State-based or non-State based, judicial or non-judicial process.”²⁹⁸

Companies can conduct HRDD to address the worst forms of child labour on upstream companies to identify instances of child labour abuse and if remedial action occurred after abuse.²⁹⁹ Therefore companies providing and ensuring an effective remediation process within the cobalt supply chain for instances of child labour abuses act as a response to adverse impacts.³⁰⁰ As such, the assessment will discover whether the Companies have proper remedies, including grievance mechanisms.

²⁹⁷ UNGPs (n 125).pp.27

²⁹⁸ Ibid.pp.28

²⁹⁹ OECD, ‘Practical Actions for Companies to Identify and Address the Worst Forms of Child Labour in Mineral Supply Chains’, (2017)

³⁰⁰ OECD, (n 300)

5.5.1 Remedies Indicators

Policy Indicators	Procedures Indicators
rm.1 The company has a whistle-blower policy	rm.1 The company has a whistle-blower procedure
rm.2 The company has a non-judicial grievance mechanism policy	rm.2 The company has a non-judicial grievance mechanism procedure
rm.3 The company has an open-door policy allowing access to the management team	rm.3 The company has an open-door procedure allowing access to the management team
rm.4. The company has a transparent follow-up policy on grievances	rm.4. The company has follow-up procedures on grievances
rm.5 The company states that the grievance mechanisms align with national and international human rights law	rm.5 The company has a grievance mechanism process aligned with national law and international human rights law
rm.6 The company states it incorporates outcomes from grievances into future practices	rm.6 The company has a system of incorporating outcomes from grievances into future practices
rm.7. The company has an equitable and transparent policy within their grievance mechanism	rm.7. The company ensures the grievance process is equitable and transparent
rm.8 The company states it monitors patterns of grievances	rm.8 The company actively monitors patterns of grievances
rm.9 The company states that the grievance mechanisms align with the UNGPs and OECD Guidelines	rm.9 The company states that the grievance mechanisms processes align with the UNGPs and OECD Guidelines
rm.10 The company states it provides financial support to victims	rm.10 The company provides financial support to victims

Part 3 Results, Discussion & Conclusion

6 Assessment and Results of Benchmarking and Gap Analysis

The following sections contain the results for both companies, which aim to address all three research questions on responsibility, linkage and whether the companies complied with the frameworks and conventions. The main argument is that ongoing child labour abuses are due to the increasing demand and prioritisation of batteries in EVs over practical HRDD in the supply and value chain. The analysis will further include a discussion on the gaps with the level of analysis and highlight critical indicators missed which are pivotal for preventing child rights abuses. Please see Appendix 1.1, 1.2, 2.2, 2.4, 3.2 and 3.4 for the indicators table, and the company information gathered.

6.1 Mercedes Benz - Overall Results

Final Results		
	Points received	Points available
Policies (30%)	55	100
Procedures (70%)	44	100
Combined Score (100%)	47.3	100

Mercedes scored 55 (good) points in their policies and 44 (fair) points in their procedures, with a combined score of 47.3. For policies, Mercedes was at the bottom of ‘good’, and procedures were at the top of ‘fair’. Overall, Mercedes performed fair, with 2.7 points from a ‘good’ score.

6.1.1 Mercedes Benz Results (hrdd)

Mercedes Benz Policies Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 1	Human Rights Due Diligence					
Indicators	hrdd.1	0.5	0.5	0.5	0.5	2
	hrdd.2	0.5	0.5	0.5	0.5	2
	hrdd.3	0.5	0.5	0.5	0.5	2
	hrdd.4	0.5	0.5	0.5	0.5	2
	hrdd.5	0.5	0	0	0.5	1
	hrdd.6	0.5	0.5	0.5	0.5	2
	hrdd.7	0.5	0.5	0.5	0.5	2
	hrdd.8	0.5	0.5	0.5	0	1.5
	hrdd.9	0.5	0.5	0.5	0.5	2
	hrdd.10	0.5	0.5	0.5	0.5	2
Final Score-Category 1:						18.5
Total Available for Category 1:						20

Mercedes Benz Procedures Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 1	Human Rights Due Diligence					
Indicators	hrdd.1	0.5	0.5	0.5	0.5	2
	hrdd.2	0.5	0.5	0.5	0.5	2
	hrdd.3	0.5	0.5	0.5	0.5	2
	hrdd.4	0.5	0.5	0.5	0.5	2
	hrdd.5	0.5	0	0	0.5	1
	hrdd.6	0.5	0.5	0.5	0.5	2
	hrdd.7	0.5	0.5	0.5	0.5	2
	hrdd.8	0	0	0	0	0
	hrdd.9	0.5	0.5	0.5	0.5	2

	hrdd.10	0.5	0.5	0.5	0.5	2
Final Score-Category 1:						17
Total Available for Category 1:						20

Mercedes scored 18.5 points (very good) in their policies and 17 (very good) in their procedures and scored the highest on an operational and community level. HRDD is about identifying, preventing, mitigating, and accounting for adverse human rights impacts.³⁰¹ In their Raw Material Report, Mercedes identified child labour as a salient human right and the DRC as a risk zone regarding the cobalt material.

Furthermore, provide individual and collective preventative measures to tackle human rights abuses within the supply chain. However, their procedures needed to provide evidence of an existing procedural approach to environmental, health and safety standards of their upstream actors and external investigations on the cobalt mines in the DRC, to assess whether those standards are compatible with labour rights.

The worst forms of child labour include work that “harms the health [and] safety...of children”³⁰², and many NGO reports have identified health and safety issues within the cobalt mines as a threat to child rights.³⁰³ Therefore, Mercedes should seek to include or mention an existing procedure that assesses their upstream actors on the mines' environmental, health and safety policies, which could improve workers' living conditions and protections for children in those communities.

³⁰¹ United Nations, (n 125)

³⁰² Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour:1999 (C182).

³⁰³ World Economic Forum, (n 179)

6.1.2 Mercedes Benz - Results (cg)

Mercedes Benz Policies Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 2	Corporate Governance					
Indicators	cg.1	0.5	0	0	0	0.5
	cg.2	0.5	0.5	0	0	1
	cg.3	0.5	0.5	0.5	0.5	2
	cg.4	0.5	0.5	0.5	0	1.5
	cg.5	0.5	0.5	0.5	0.5	2
	cg.6	0.5	0	0	0	0.5
	cg.7	0.5	0	0	0	0.5
	cg.8	0.5	0	0	0	0.5
	cg.9	0	0	0	0.5	0.5
	cg.10	0.5	0.5	0.5	0.5	2
Final Score-Category 2:						11
Total Available for Category 2:						20

Mercedes Benz Procedures Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 2	Corporate Governance					
Indicators	cg.1	0.5	0	0	0	0.5
	cg.2	0	0	0	0	0
	cg.3	0	0.5	0.5	0.5	1.5
	cg.4	0	0	0	0	0
	cg.5	0	0.5	0.5	0.5	1.5
	cg.6	0	0	0.5	0.5	1
	cg.7	0	0	0	0.5	0.5
	cg.8	0.5	0.5	0.5	0.5	2
	cg.9	0.5	0	0	0	0.5

	cg.10	0.5	0	0	0.5	1
Final Score-Category 2:						8.5
Total Available for Category 2:						20

Mercedes received 11 points (good) in their policies assessment and 8.5 (fair) points in their procedures and scored consistently low in their supply and value chain levels. Corporate governance primarily focuses on the internal governance of all the company’s operations in every department. Addressing the supply and value chain within corporate governance allows companies to extend their internal business practices into supplier relationships and activities. For example, Mercedes failed to provide or have adequate information on their finance, compliance and knowledge management policies and procedures and their onboarding procedures.

In particular, Indicator 9 on knowledge management ensures that all employees are properly acquainted with the relevant information within their industry. Mercedes employees should continuously possess knowledge of supply chains, the DRC, and child rights through training or a knowledge management system to identify, assess, and manage child labour risks within the cobalt supply chain. Furthermore, Mercedes should further integrate knowledge acquired by experts on the issue into their regular business as usual (‘BAU’) activities.

6.1.3 Mercedes Benz - Results (cf)

Mercedes Benz Policies Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 3	Corporate Finance					
Indicators	cf.1	0.5	0.5	0.5	0.5	2
	cf.2	0.5	0.5	0	0	1
	cf.3	0	0	0	0	0
	cf.4	0.5	0.5	0.5	0	1.5
	cf.5	0	0	0	0	0
	cf.6	0.5	0.5	0.5	0	1.5
	cf.7	0.5	0	0	0.5	1
	cf.8	0.5	0.5	0.5	0.5	2
	cf.9	0.5	0	0	0	0.5
	cf.10	0.5	0	0	0.5	1
Final Score-Category 3:						10.5
Total Available for Category 3						20

Mercedes Benz Procedures Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 3	Corporate Finance					
Indicators	cf.1	0.5	0.5	0	0	1
	cf.2	0.5	0	0	0	0.5
	cf.3	0	0	0	0	0
	cf.4	0	0.5	0.5	0	1
	cf.5	0	0	0	0	0
	cf.6	0	0	0.5	0.5	1
	cf.7	0	0	0	0.5	0.5
	cf.8	0.5	0.5	0.5	0.5	2
	cf.9	0.5	0	0	0	0.5

	cf.10	0.5	0	0	0.5	1
Final Score-Category 3:						7.5
Total Available for Category 3						20

Mercedes received 10.5 points in their policies and 7.5 points in their procedures assessment. The only indicator Mercedes did not score in was indicator five, which states that the Company includes policies on recognising illicit activity within the supply chain.

The absence of information on this indicator poses a risk to child labour. As discussed in section 2.2.1 on the DRC's historical background, the DRC has high levels of corruption and armed conflict over mineral resources, which fuels illicit financial activities. Therefore the OECD Guidelines for Responsible Supply Chains flagged the “risk of direct or indirect supported to non-state armed groups through extraction, transport and trade”³⁰⁴ as prominent in ASM mining and the financial risks, including illegal tax from miners³⁰⁵ for example, rebel groups using cash house to trade the cobalt ore.³⁰⁶ Therefore the Guidelines urge downstream companies to ensure upstream actors are mitigating risks in the supply chain.³⁰⁷ Mercedes should mention KYC, AML and CTF policies that include due diligence on upstream companies that do not contribute to the worst forms of child labour through their financial activities.

³⁰⁴ OECD, (n 47).pp.35

³⁰⁵ Ibid.

³⁰⁶ Amnesty International (n 39).8

³⁰⁷ OECD, (n 47).pp.45

6.1.4 Mercedes Benz - Results (rg)

Mercedes Benz Policies Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 4	Regulation					
Indicators	rg.1	0.5	0	0	0	0.5
	rg.2	0.5	0.5	0.5	0.5	2
	rg.3	0.5	0.5	0.5	0.5	2
	rg.4	0.5	0.5	0.5	0	1.5
	rg.5	0	0	0	0	0
	rg.6	0.5	0	0	0.5	1
	rg.7	0.5	0.5	0.5	0.5	2
	rg.8	0.5	0	0	0	0.5
	rg.9	0	0	0	0	0
	rg.10	0.5	0.5	0.5	0	1.5
Final Score-Category 4:						11
Total Available for Category 4:						20

Mercedes Benz Procedures Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 4	Regulation					
Indicators	rg.1	0.5	0	0	0	0.5
	rg.2	0.5	0.5	0.5	0	1.5
	rg.3	0.5	0.5	0.5	0.5	2
	rg.4	0.5	0.5	0.5	0	1.5
	rg.5	0	0	0	0	0
	rg.6	0	0	0	0	0
	rg.7	0.5	0.5	0.5	0.5	2
	rg.8	0	0	0	0	0
	rg.9	0	0	0	0	0

	rg.10	0	0	0	0	0
Final Score-Category 4:						7.5
Total Available for Category 4						20

Mercedes received 11 in its policies and 7.5 in their procedures for their regulation assessment. The regulation category ensures that Company refers to relevant IHRL and BHR instruments in their policies and business practices. Indicator five refers to whether the company referred to UNICEF, an international governing body with context-specific information on children’s rights, have information on children within the extractive industry and the DRC.

In both assessments, Mercedes did not refer to UNICEF or consider their work when addressing the worst forms of child labour in their policies. To assess, mitigate and manage child labour risks within the cobalt supply chain, Mercedes should rely on external bodies such as UNICEF to gain competent knowledge of the risk factors that lead to child labour abuses within their industry.

6.1.5 Mercedes Benz - Results (rm)

Mercedes Benz Policies Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 5	Remedies					
Indicators	rm.1	0.5	0	0	0.5	1
	rm.2	0.5	0.5	0	0	1
	rm.3	0.5	0	0	0.5	1
	rm.4	0	0	0	0.5	0.5
	rm.5	0	0	0	0	0
	rm.6	0	0	0	0	0
	rm.7	0	0	0	0	0
	rm.8	0	0	0	0	0
	rm.9	0	0	0	0	0
	rm.10	0	0	0	0.5	0.5
Final Score-Category 5:						4
Total Available for Category 5:						20

Mercedes Benz Procedures Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 5	Remedies					
Indicators	rm.1	0.5	0	0	0.5	1
	rm.2	0.5	0.5	0	0	1
	rm.3	0.5	0	0	0	0.5
	rm.4	0	0	0	0.5	0.5
	rm.5	0	0	0	0	0
	rm.6	0	0	0	0	0
	rm.7	0	0	0	0	0
	rm.8	0	0	0	0	0
	rm.9	0	0	0	0	0

	rm.10	0	0	0	0.5	0.5
Final Score-Category 5:						3.5
Total Available for Category 5:						20

Mercedes obtained 4 points in their policies and 3.5 points in their procedures in the remedies category, their lowest scoring category. In their supply chain and value chain categories, Mercedes scored 0.5 and 0, meaning they failed to provide examples of grievance mechanisms or whistle-blower policies that adequately provided child victims access to remedies for human rights abuses that occurred from their supply chain relationships and activities. Mercedes completely missed indicators four through nine. Indicator 4 states that the company has a follow-up policy, indicator 6 focuses on the outcomes of the grievances; Indicator 7 ensures the grievance process is equitable and transparent; Indicator 8 states that the company monitors patterns of grievances and Indicator 9 ensures all grievance mechanisms align with the UNGPs and OECD Guidelines. The cumulative effect of failing to meet these indicators for effective non-judicial grievance mechanisms undermines the company’s responsibility to remedy violations of human rights abuses against children within their supply chain.

Furthermore, transparency and accessible child-specific mechanisms are critical as children in the DRC are unlikely to be aware of the remedies available. Therefore Mercedes should work collaboratively with an institutionalised mechanism that provides effective remedies to child labour victims.³⁰⁸

6.1.6 Mercedes Benz Results - Conclusion

Figures 1 and 2 show that Mercedes achieved the most points on an operational *internal* level, which means they provided information on how the company deals with human rights issues within their internal policies and, to some extent, their procedures. Mercedes received a high score in the HRDD category with specific reference to child labour issues; however, their supply chain and value chain levels were lower in the latter categories. The main gap in their assessment is Mercedes in their policies referred to dealing with their ‘direct supplier’ and remaining detached from their upstream suppliers, which is a severe risk to children’s rights if the company’s not gathering the relevant information on their supplier on their supply chain relationships and activities. Therefore, to a greater extent, a lack of involvement and due

³⁰⁸ OECD, (n 47).pp.74

diligence from Mercedes on their upstream suppliers down to the mine level within their direct supply chain will fuel child labour abuses.

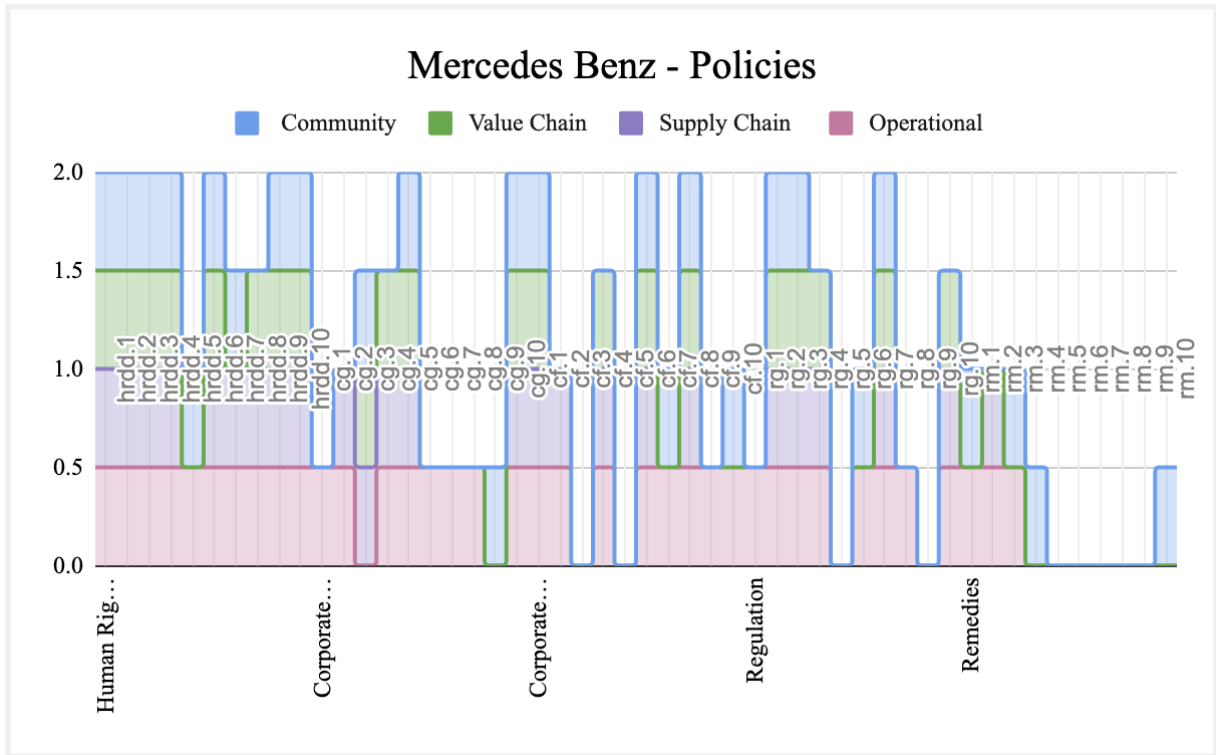


Figure 1 - Mercedes Benz Policies Stacked Stepped Area Chart

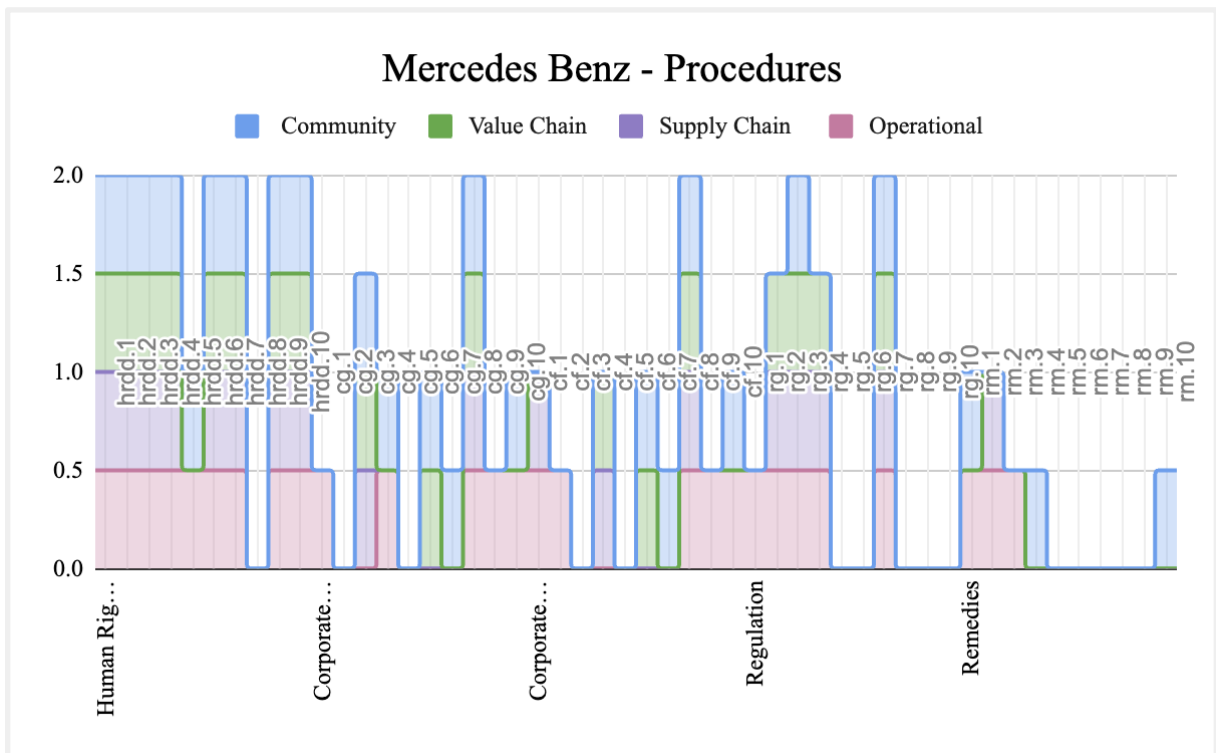


Figure 2 - Mercedes Benz Procedures Stacked Stepped Area Chart

6.2 Volvo - Overall Results

Final Results		
	Points received	Points available
Policies (30%)	43	100
Procedures (70%)	33	100
Combined Score (100%)	36	100

Volvo scored 43 (fair) points in their policies and 33 (fair) points in their procedures, with a combined score of 36. Therefore, Volvo performed fair in their overall assessment of their positive and negative obligations to prevent human rights abuses towards children in the DRC cobalt mines.

6.2.1 Volvo Results (hrdd)

Volvo Policies Assessment - Scorecard						
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Score	
Category 1	Human Rights Due Diligence					
Indicators	hrdd.1	0.5	0.5	0.5	0.5	2
	hrdd.2	0.5	0.5	0.5	0.5	2
	hrdd.3	0.5	0.5	0	0	1
	hrdd.4	0	0	0	0	0
	hrdd.5	0.5	0	0	0	0.5
	hrdd.6	0.5	0.5	0.5	0.5	2
	hrdd.7	0.5	0	0	0	0.5
	hrdd.8	0.5	0	0	0	0.5
	hrdd.9	0.5	0	0	0.5	1
	hrdd.10	0.5	0	0	0	0.5
Final Score-Category 1:					10	
Total Available for Category 1:					20	

Volvo Procedures Assessment - Scorecard						
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Score	
Category 1	Human Rights Due Diligence					
Indicators	hrdd.1	0.5	0.5	0.5	0.5	2
	hrdd.2	0.5	0	0	0.5	1
	hrdd.3	0	0.5	0	0	0.5
	hrdd.4	0	0	0	0	0
	hrdd.5	0	0	0	0	0
	hrdd.6	0	0	0	0	0
	hrdd.7	0.5	0	0	0	0.5
	hrdd.8	0.5	0	0	0	0.5
	hrdd.9	0.5	0	0	0	0.5

	hrdd.10	0.5	0	0	0	0.5
Final Score Category 1:						5.5
Total Available for Category 1:						20

Volvo scored 10 out of 20 (fair) for HRDD in policies and 5.5 out of 20 for procedures (poor). In both assessments, Volvo received more points on an operational level than on the other levels. However, the company emphasised internal policies and procedures more than addressing external factors regarding child labour. Also, Volvo missed essential indicators to identify, prevent, mitigate and account for adverse human rights abuses³⁰⁹ against children. HRDD 4, Volvo did not reference traceability or chain of custody statements in their policies, particularly on traceability.

Traceability “gains visibility of its business relationships further up the supply chain necessary for product-oriented enterprises with physical supply chains.”³¹⁰ The lack of traceability risks child labour abuses as it is a tool used by companies on suppliers to identify supply chain risks, especially within upstream production. Due to the complex nature of supply chains, as identified in the ‘linkage’ section, it is difficult to determine who extracted the cobalt minerals and how especially once the cobalt undergoes smelting and refining. Furthermore, in their procedures assessment, Volvo failed to provide adequate information on mitigation, monitoring systems, environmental standards and ongoing communication on child labour. Such HRDD indicators are crucial to their responsibility to prevent child labour abuses since their goal is to become fully electric by 2030³¹¹ meaning an increase in raw materials in their batteries.

³⁰⁹ United Nations, (n 125)

³¹⁰ OECD, (n 47), pp.74

³¹¹ Volvo Group (n 243)

6.2.2 Volvo - Results (cg)

Volvo Policies Assessment - Scorecard						
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Score	
Category 2	Corporate Governance					
Indicators	cg.1	0.5	0	0	0	0.5
	cg.2	0.5	0	0	0	0.5
	cg.3	0	0	0	0.5	0.5
	cg.4	0.5	0	0	0	0.5
	cg.5	0.5	0	0	0	0.5
	cg.6	0.5	0	0	0	0.5
	cg.7	0.5	0	0	0	0.5
	cg.8	0.5	0	0	0	0.5
	cg.9	0	0	0	0.5	0.5
	cg.10	0	0	0.5	0	0.5
Final Score-Category 2:						5
Total Available for Category 2:						20

Volvo Procedures Assessment - Scorecard						
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Score	
Category 2	Corporate Governance					
Indicators	cg.1	0.5	0	0	0	0.5
	cg.2	0.5	0.5	0.5	0	1.5
	cg.3	0.5	0	0	0	0.5
	cg.4	0.5	0	0	0.5	1
	cg.5	0.5	0	0	0	0.5
	cg.6	0	0.5	0	0	0.5
	cg.7	0	0	0	0.5	0.5
	cg.8	0	0	0	0.5	0.5
	cg.9	0	0	0	0.5	0.5

	cg.10	0	0	0.5	0	0.5
Final Score-Category 2:						6.5
Total Available for Category 2:						20

Volvo scored 5 out of 20 for corporate governance (poor) in their policies assessment and 6.5 in their procedures. Volvo had extensive information on governance but needed to be more on how they incorporate supply chain and value chain practices into their governance structures. The OECD Guidelines on RBP recognise the necessity to incorporate external hrdd practices within corporate governance to exercise whatever leverage they possess over suppliers and their business practices.³¹² UNICEF’s Guidance on Child Labour state that companies have the responsibility to align their governance policies and combine their business practices with “respecting child rights and eliminating child labour.”³¹³

Child labour risk increase due to inadequate policies and procedures regarding supplier relationships and activities such as auditing, risk assessment, finance and product development. Volvo scored low at the community level and should consult externally on their governance policies and procedures from NGOs and experts on child labour risks, mineral supply chains and the political situation to address child labour abuses within their supply chain.

³¹² OECD (n 288).

³¹³ UNICEF (n 151)

6.2.3 Volvo - Results (cf)

Volvo Policies Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 3	Corporate Finance					
Indicators	cf.1	0.5	0	0	0.5	1
	cf.2	0.5	0.5	0.5	0	1.5
	cf.3	0.5	0.5	0.5	0.5	2
	cf.4	0.5	0.5	0	0	1
	cf.5	0.5	0	0	0	0.5
	cf.6	0.5	0	0	0	0.5
	cf.7	0.5	0	0	0	0.5
	cf.8	0.5	0	0	0	0.5
	cf.9	0.5	0	0	0	0.5
	cf.10	0.5	0	0	0.5	1
Final Score-Category 3:						9
Total Available for Category 3:						20

Volvo Procedures Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 3	Corporate Finance					
Indicators	cf.1	0	0	0	0.5	0.5
	cf.2	0	0.5	0	0	0.5
	cf.3	0.5	0.5	0.5	0.5	2
	cf.4	0	0	0	0	0
	cf.5	0	0	0	0	0
	cf.6	0	0	0	0	0
	cf.7	0	0	0	0	0
	cf.8	0	0	0	0	0
	cf.9	0.5	0	0	0	0.5

	cf.10	0	0	0	0	0
Final Score Category 3:						3.5
Total Available for Category 3						20

Volvo scored 5 out of 20 for corporate finance (poor) in their policies assessment and 3.5 (poor) in their procedures and is Volvo’s lowest scoring category. The trading activities are high-risk in conflict-affected zones, where exploitation is persistent. The supply chain framework focuses on low costs. Thus, children are likely to experience high levels of exploitation compared to adult miners.³¹⁴

Therefore, companies are responsible for ensuring their upstream suppliers within their direct supply chain are not involved in illicit trading with other actors in the supply chain. The lack of corporate finance policies and HRDD in their procedures is considered a high-risk factor regarding child labour due to poverty, economic instability, and increased conflict, which increases the possibility of economic exploitation of children in the mines. Therefore, Volvo should seek to strengthen HRDD within its corporate finance strategies.

³¹⁴ Amnesty International (n 39).8

6.2.4 Volvo - Results (rg)

Volvo Policies Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 4	Regulation					
Indicators	rg.1	0.5	0.5	0.5	0	1.5
	rg.2	0.5	0.5	0.5	0	1.5
	rg.3	0.5	0.5	0.5	0	1.5
	rg.4	0.5	0.5	0.5	0	1.5
	rg.5	0.5	0.5	0.5	0	1.5
	rg.6	0.5	0.5	0.5	0	1.5
	rg.7	0.5	0	0	0	0.5
	rg.8	0	0	0	0	0
	rg.9	0.5	0	0	0	0.5
	rg.10	0.5	0	0	0	0.5
Final Score-Category 4:						10.5
Total Available for Category 4:						20

Volvo Procedures Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 4	Regulation					
Indicators	rg.1	0.5	0.5	0.5	0	1.5
	rg.2	0.5	0.5	0.5	0	1.5
	rg.3	0.5	0.5	0.5	0	1.5
	rg.4	0.5	0.5	0.5	0	1.5
	rg.5	0.5	0.5	0.5	0	1.5
	rg.6	0.5	0.5	0.5	0	1.5
	rg.7	0.5	0.5	0.5	0	1.5
	rg.8	0.5	0.5	0.5	0	1.5
	rg.9	0	0	0	0	0

	rg.10	0	0	0	0	0
Final Score Category 4:						12
Total Available for Category 4						20

Volvo scored 10.5 (fair) for policies and 12 (good) for procedures in their regulation assessment. Volvo scored higher in this category than the others, as they listed all relevant conventions and provided examples of implementation strategies on child labour as a salient human right.

In both assessments, Volvo did not provide information on third-party audits on their policies or membership of any association with groups committed to preventing the worst forms of child labour in alignment with the guidelines and conventions. External reviews increase the accountability and transparency of the company and provide feedback from experts who can strengthen their commitment towards protecting children's rights and abolishing the worst forms of child labour.

Furthermore, Volvo failed to state whether they include contractual clauses within their supply chain or trade agreements prohibiting child labour within the cobalt supply chain. Downstream companies should suspend or terminate contractual relationships with upstream suppliers if the company suspects the upstream supplier extracts or is connected to child labour abuses identified in the cobalt mines.³¹⁵ Furthermore, Volvo should combine its efforts with external partners to conduct risk management assessments on their suppliers when their contractual relationship is under review.

³¹⁵ OECD (n 299)

6.2.5 Volvo - Results (rm)

Volvo Policies Assessment - Scorecard						
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Score	
Category 5	Remedies					
Indicators	rm.1	0.5	0	0	0	0.5
	rm.2	0.5	0.5	0.5	0.5	2
	rm.3	0.5	0	0	0	0.5
	rm.4	0.5	0	0	0	0.5
	rm.5	0.5	0	0	0	0.5
	rm.6	0.5	0	0	0	0.5
	rm.7	0.5	0	0	0	0.5
	rm.8	0.5	0.5	0.5	0.5	2
	rm.9	0	0	0	0	0
	rm.10	0.5	0.5	0.5	0	1.5
Final Score-Category 5:						8.5
Total Available for Category 5:						20

Volvo Procedures Assessment - Scorecard						
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Score	
Category 5	Remedies					
Indicators	rm.1	0.5	0	0	0	0.5
	rm.2	0.5	0.5	0.5	0	1.5
	rm.3	0	0	0	0	0
	rm.4	0	0	0	0	0
	rm.5	0	0	0	0	0
	rm.6	0.5	0	0	0	0.5
	rm.7	0.5	0	0	0	0.5
	rm.8	0.5	0.5	0.5	0.5	2
	rm.9	0	0	0	0	0

	rm.10	0.5	0	0	0	0.5
Final Score Category 5:						5.5
Total Available for Category 5:						20

Volvo received 8.5 in its policies and 5.5 in its procedures in the remedies category. Volvo primarily missed the indicators in the supply and value chain and community level of assessment; thus, by only achieving scores on an operational level, Volvo fulfilled the based requirements for their whistle-blower policy and grievance mechanisms. The UNGPs have specific grievance requirements for companies, and the OECD Guidelines detail grievance policies for supply chains.

For example, the OECD Guidelines on addressing the worst forms of child labour specify that children may lack access to grievance mechanisms; therefore, companies should ensure they are child-friendly, and others can raise concerns on behalf of the child.³¹⁶ Hence, Volvo should focus on integrating child-related procedures within its grievance mechanisms and whistle-blower policies for victims of child labour abuses.

³¹⁶ *ibid.*

6.2.6 Volvo - Conclusion

Figures 3 and 4 show that Volvo consistently scored higher on an operational *internal* level than the supply chain, value chain and community, except for the regulation category in both assessments. Thus, Volvo should prioritise how their business relationships and business activities within the supply chain affect led child labour abuses, allow for independent assessments of their policies and procedures and partner with organisations who specialise in conflict mineral supply chains and children's rights. Since child labour abuses predominately arise from supplier relationships and activities across the supply chain. Therefore, if Volvo continues implementing adequate measures on its direct and indirect suppliers, it undermines its responsibility to respect and prevent human rights abuses towards children.

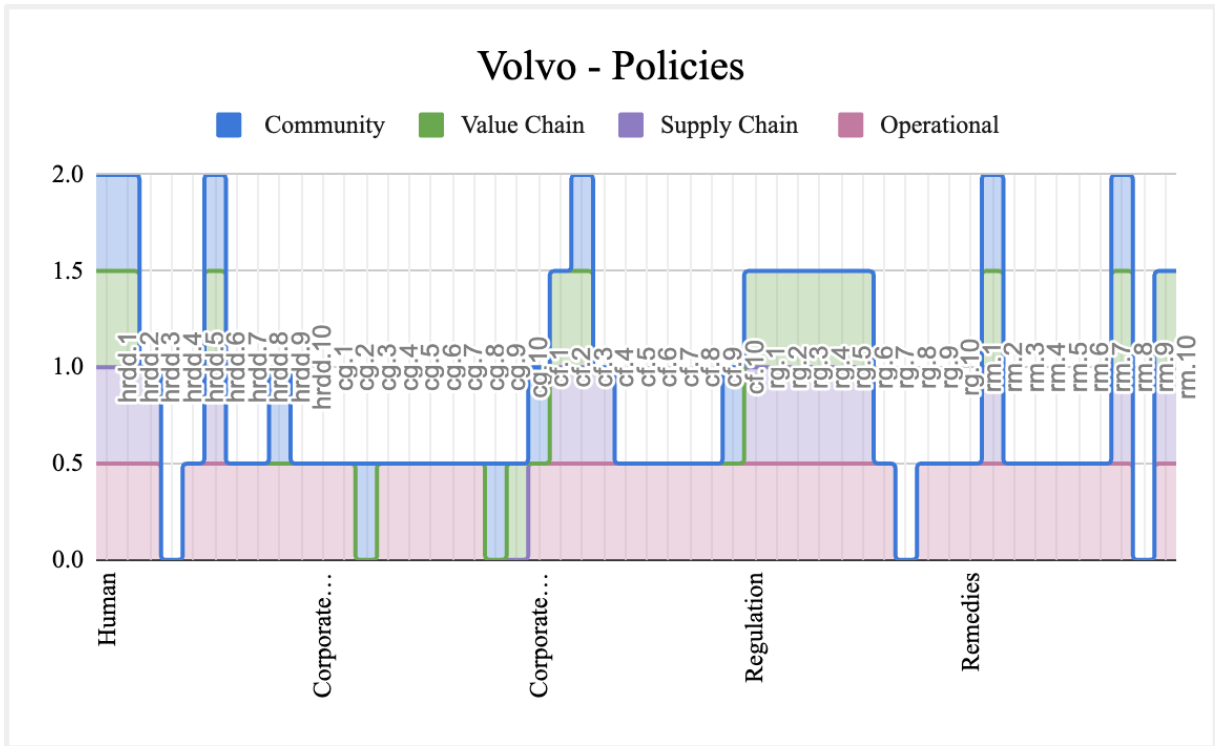


Figure 3 - Volvo Policies Stacked Stepped Area Chart

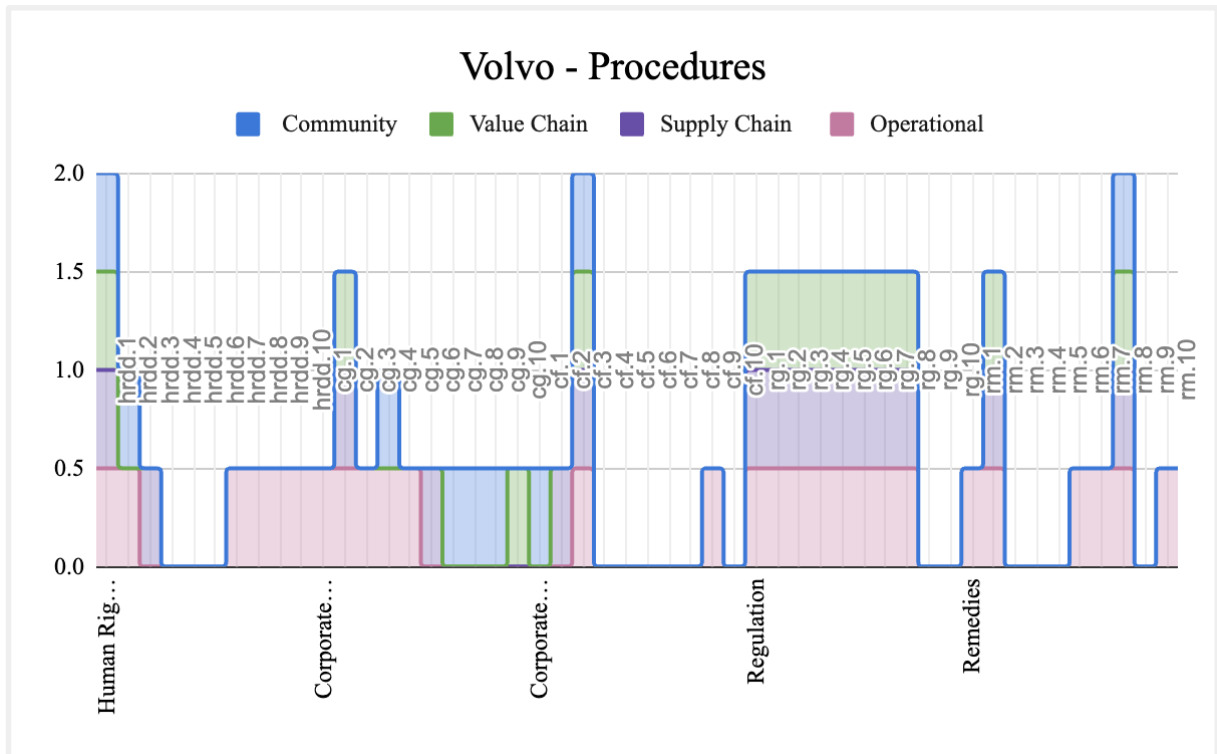






Figure 4 - Volvo Procedures Stacked Stepped Area Chart

7 Comparative Discussion - Gap Analysis by Category

This section is a comparative discussion that primarily focuses on identifying the indicators scored and missed by both companies and identifying gaps and trends in their results from both assessments within each category.

	Indicators Both Scored
	Indicators Both Missed
	Indicators Both Completely Scored
	Indicators Both Completely Missed

7.1 Comparative Gap Analysis (hrdd)

Comparative Scorecard - Human Rights Due Diligence								
	Mercedes				Volvo			
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Operational	Supply Chain	Value Chain	Community
Policies								
hrdd.1	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
hrdd.2	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
hrdd.3	0.5	0.5	0.5	0.5	0.5	0.5	0	0
hrdd.4	0.5	0.5	0.5	0.5	0	0	0	0
hrdd.5	0.5	0	0	0.5	0.5	0	0	0
hrdd.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
hrdd.7	0.5	0.5	0.5	0.5	0.5	0	0	0
hrdd.8	0.5	0.5	0.5	0	0.5	0	0	0
hrdd.9	0.5	0.5	0.5	0.5	0.5	0	0	0.5
hrdd.10	0.5	0.5	0.5	0.5	0.5	0	0	0
Procedures								
hrdd.1	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
hrdd.2	0.5	0.5	0.5	0.5	0.5	0	0	0.5
hrdd.3	0.5	0.5	0.5	0.5	0	0.5	0	0
hrdd.4	0.5	0.5	0.5	0.5	0	0	0	0
hrdd.5	0.5	0	0	0.5	0	0	0	0
hrdd.6	0.5	0.5	0.5	0.5	0	0	0	0
hrdd.7	0.5	0.5	0.5	0.5	0.5	0	0	0
hrdd.8	0	0	0	0	0.5	0	0	0
hrdd.9	0.5	0.5	0.5	0.5	0.5	0	0	0
hrdd.10	0.5	0.5	0.5	0.5	0.5	0	0	0

Both companies scored 19 sub-indicators for policies and 10 for procedures but missed three indicators for policies and 5 for procedures. Furthermore, four indicators were completely met. Indicator 5 was missed, a periodic review of supply chain relationships and activities on a supply and value chain level. Whilst both companies had an HRDD policy, failing to meet this indicator does not comply with the OECD Guidelines to regularly monitor and review hrdd

systems.³¹⁷

Mercedes scored considerably higher than Volvo; during the review of their materials, Mercedes had supply chain-specific policies such as their Raw Materials report that provided a breakdown of the cobalt supply chain system and specifically identified child labour in the DRC as a salient risk within the supply chain and offered other risk factors.

HRDD 4 for policies and procedures on traceability and chain of custody were met by Mercedes and completely missed by Volvo. Traceability aims to identify risks across the supply chain regarding cobalt processing and is therefore necessary for an effective and practical HRDD. Mercedes fulfils this by stating it “relies on its own inspections and audits as well as on communication and training measures...[and] have Supply Chain Walks “along critical points in the supply chain, if necessary to the mine.” (see appendix 2.2) Whereas Volvo provided no information on the matter. The demand for EV batteries for Volvo will increase due to their 2050 goal to electrify all automobiles. Therefore, a traceability system, such as Mercedes Raw Material’s Report, on the cobalt ore used in their batteries is essential to protect children from human rights abuses.

³¹⁷ OECD, (n 47).pp.78

7.2 Comparative Gap Analysis (cg)

Comparative Scorecard - Corporate Governance								
	Mercedes				Volvo			
Level of Analysis	Operatio nal	Supply Chain	Value Chain	Commun ity	Operatio nal	Supply Chain	Value Chain	Commun ity
Policies								
cg.1	0.5	0	0	0	0.5	0	0	0
cg.2	0.5	0.5	0	0	0.5	0	0	0
cg.3	0.5	0.5	0.5	0.5	0	0	0	0.5
cg.4	0.5	0.5	0.5	0	0.5	0	0	0
cg.5	0.5	0.5	0.5	0.5	0.5	0	0	0
cg.6	0.5	0	0	0	0.5	0	0	0
cg.7	0.5	0	0	0	0.5	0	0	0
cg.8	0.5	0	0	0	0.5	0	0	0
cg.9	0	0	0	0.5	0	0	0	0.5
cg.10	0.5	0.5	0.5	0.5	0	0	0.5	0
Procedures								
cg.1	0.5	0	0	0	0.5	0	0	0
cg.2	0	0	0	0	0.5	0.5	0.5	0
cg.3	0	0.5	0.5	0.5	0.5	0	0	0
cg.4	0.5	0	0	0.5	0.5	0	0	0.5
cg.5	0	0.5	0.5	0.5	0.5	0	0	0
cg.6	0	0	0.5	0.5	0	0.5	0	0
cg.7	0	0	0	0.5	0	0	0	0.5
cg.8	0.5	0.5	0.5	0.5	0	0	0	0.5
cg.9	0.5	0	0	0	0	0	0	0.5
cg.10	0.5	0	0	0.5	0	0	0.5	0

In corporate governance, both companies gained 10 points in their policies and 4 in their procedures and missed 18 points in their policies and 12 in their procedures. Both companies did not provide specific child-related information in the finance, compliance, and knowledge management indicators. Knowledge management, in particular, compliments any risk management assessments, monitoring and due diligence systems and mitigation of child labour risks because it is an ongoing system. Both companies need to provide details of knowledge management systems that regularly update information on the ongoing salient risks

towards child rights within the DRC and their cobalt supply chain, such as increases in conflict, poverty, health crises, and political and economic changes. In constantly reviewing the changes within the supply chain and acquiring context-specific knowledge on ongoing child labour risks, the Companies can assess where their business relationships and activities within the supply chain may cause further abuses and promptly address and adhere to responsible business practices to prevent the worst forms of child labour.

7.3 Comparative Gap Analysis (cf)

Comparative Scorecard - Corporate Finance								
	Mercedes				Volvo			
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Operational	Supply Chain	Value Chain	Community
Policies								
cg.1	0.5	0.5	0.5	0.5	0.5	0	0	0.5
cg.2	0.5	0.5	0	0	0.5	0.5	0.5	0
cg.3	0	0	0	0	0.5	0.5	0.5	0.5
cg.4	0.5	0.5	0.5	0	0.5	0.5	0	0
cg.5	0	0	0	0	0.5	0	0	0
cg.6	0.5	0.5	0.5	0	0.5	0	0	0
cg.7	0.5	0	0	0.5	0.5	0	0	0
cg.8	0.5	0.5	0.5	0.5	0.5	0	0	0
cg.9	0.5	0	0	0	0.5	0	0	0
cg.10	0.5	0	0	0.5	0.5	0	0	0.5
Procedures								
cg.1	0.5	0.5	0	0	0	0	0	0.5
cg.2	0.5	0	0	0	0	0.5	0	0
cg.3	0	0	0	0	0.5	0.5	0.5	0.5
cg.4	0	0.5	0.5	0	0	0	0	0
cg.5	0	0	0	0	0	0	0	0
cg.6	0	0	0.5	0.5	0	0	0	0
cg.7	0	0	0	0.5	0	0	0	0
cg.8	0.5	0.5	0.5	0.5	0	0	0	0
cg.9	0.5	0	0	0	0.5	0	0	0
cg.10	0.5	0	0	0.5	0	0	0	0

Under the corporate finance criteria, both companies scored 12 points in policies and 1 point in procedures and missed 13 points in policies and 19 in procedures. Furthermore, both companies missed Indicator 5 on providing procedures that recognise and assess illicit financial activity. The absence of a risk management system on their upstream suppliers, such as trading activities, is a serious gap in their policies and procedures as illicit financial activity is linked to child labour abuses through economic exploitation, untraceable trades, the use of cash houses

in the between the mining stage and the trading stage. The Companies also did not fulfil indicators 6 and 7 under corporate governance, which specifies the presence of AML, CTF and KYC policies, including the commitment to preventing human rights abuses against children. To fulfil their responsibility towards children's rights in the DRC, the Companies need to obtain an active role within the supply chain by constantly monitoring the activities of upstream actors and ensuring they conduct HRDD and risk assessments within the mining and trading stage.

7.4 Comparative Gap Analysis (rg)

Comparative Scorecard - Regulation								
	Mercedes				Volvo			
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Operational	Supply Chain	Value Chain	Community
Policies								
cg.1	0.5	0	0	0	0.5	0.5	0.5	0
cg.2	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0
cg.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0
cg.4	0.5	0.5	0.5	0	0.5	0.5	0.5	0
cg.5	0	0	0	0	0.5	0.5	0.5	0
cg.6	0.5	0	0	0.5	0.5	0.5	0.5	0
cg.7	0.5	0.5	0.5	0.5	0.5	0	0	0
cg.8	0.5	0	0	0	0	0	0	0
cg.9	0	0	0	0	0.5	0	0	0
cg.10	0.5	0.5	0.5	0	0.5	0	0	0
Procedures								
cg.1	0.5	0	0	0	0.5	0.5	0.5	0
cg.2	0.5	0.5	0.5	0	0.5	0.5	0.5	0
cg.3	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0
cg.4	0.5	0.5	0.5	0	0.5	0.5	0.5	0
cg.5	0	0	0	0	0.5	0.5	0.5	0
cg.6	0	0	0	0	0.5	0.5	0.5	0
cg.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0
cg.8	0	0	0	0	0.5	0.5	0.5	0
cg.9	0	0	0	0	0	0	0	0
cg.10	0	0	0	0	0	0	0	0

Both companies scored 12 points in policies and 12 points in procedures, missed 10 points under policies and 14 points under procedures in the regulation category. However, Volvo achieved significantly higher than Mercedes in this category because they listed all the relevant conventions for policies and procedures and provided examples of how they sought to comply with those frameworks on an operational, supply chain and value chain level.

Still, both companies completely missed Indicators 9 and 10 in their procedures assessment, which states the companies are involved in regional efforts to combat child labour and communicate their contractual clauses within their supply chain agreements on child labour. They are subject to review in conjunction with their ongoing risk assessments. Firstly, both companies score points on Indicator 4 in the corporate finance policy, meaning they include contractual clauses in their supplier agreements on adhering to child rights and combating child labour. However, child labour is an ongoing issue with the cobalt supply chain, and whilst both companies provided some information on including such provisions in their agreements, the Companies ought to specify amendments to those contractual clauses to include new risks identified by the Company based on their risk management and mitigation systems.

7.5 Comparative Gap Analysis (rm)

Comparative Scorecard - Remedies								
	Mercedes				Volvo			
Level of Analysis	Operatio nal	Supply Chain	Value Chain	Commun ity	Operatio nal	Supply Chain	Value Chain	Commun ity
Policies								
cg.1	0.5	0	0	0.5	0.5	0	0	0
cg.2	0.5	0.5	0	0	0.5	0.5	0.5	0.5
cg.3	0.5	0	0	0.5	0.5	0	0	0
cg.4	0	0	0	0.5	0.5	0	0	0
cg.5	0	0	0	0	0.5	0	0	0
cg.6	0	0	0	0	0.5	0	0	0
cg.7	0	0	0	0	0.5	0	0	0
cg.8	0	0	0	0	0.5	0.5	0.5	0.5
cg.9	0	0	0	0	0	0	0	0
cg.10	0	0	0	0.5	0.5	0.5	0.5	0
Procedures								
cg.1	0.5	0	0	0.5	0.5	0	0	0
cg.2	0.5	0.5	0	0	0.5	0.5	0.5	0
cg.3	0.5	0	0	0	0	0	0	0
cg.4	0	0	0	0.5	0	0	0	0
cg.5	0	0	0	0	0	0	0	0
cg.6	0	0	0	0	0.5	0	0	0
cg.7	0	0	0	0	0.5	0	0	0
cg.8	0	0	0	0	0.5	0.5	0.5	0.5
cg.9	0	0	0	0	0	0	0	0
cg.10	0	0	0	0.5	0.5	0	0	0

Both companies scored 4 points in their policies, 3 in their procedures, and both missed 19 in their policies and 24 in procedures under the remedies category. The companies missed the most indicators in this category. Also, both companies completely missed three times. Indicator 9 for policies and procedures, which states that the company's grievance mechanisms align with the OECD Guidelines and UNGPs, and Indicator 5 for procedures which states that their non-judicial grievance mechanisms align with national and international human rights

law. Both companies almost completely missed Indicators 6 and 7, which state that the company incorporates outcomes of grievances into their future practices and is equitable and transparent.

This category is a mixture of ensuring the Company has a system of providing non-judicial remedies to child victims and modifying their business practices based on outcomes. Volvo achieved higher in their category, mainly securing points on an operational level which means they possessed company-level information on remedies. However, both companies heavily missed their supply chain and value chain level, meaning they need more effective remedies in their supply chain relationships and activities. As mentioned for both companies in their independent evaluations, access to child-specific and child-friendly remedies is vital since children are most susceptible to economic exploitation in the cobalt supply chain and may require an advocate to claim or raise concerns about abuses. The OECD Guidelines and UNGPs have specific requirements under BHR, and IHRL companies ought to comply with as such need to both companies communicate compliance with those guidelines to increase accountability and responsibility towards victims of child labour in the mines.

8 Conclusion

The demand for cobalt continues to increase as an essential material for EVs. However, this demand should not cause adverse human rights impacts on children's rights. This research aimed to answer the extent EV companies are responsible for child labour abuses in the DRC cobalt mines by discovering a link between the demand for cobalt and child labour abuses and assessing two automotive companies through a benchmarking criterion developed based on BHR frameworks, IHRL and ILO. The questions aimed to answer this research's primary argument, which is that child labour abuses continue within ASM because EV companies prioritise the demand for cobalt over practical and effective HRDD.

The background discovered that child labour could be traced back to the Belgium colony in the DRC, but it increased after the Second Congolese War when state-owned mining collapsed, and as a result, ASM grew.³¹⁸ The cobalt supply chain is complex with multiple actors, including MNCs and governments such as China and the EU, and each actor possesses their agenda regarding the use of cobalt. Therefore, this demand directly impacts labour products in the DRC, where 70% of the cobalt used globally originates from.³¹⁹

³¹⁸ Amnesty International (n 39).pp.5

³¹⁹ Filipe Calvão, Catherine Erica Alexina McDonald and Matthieu Bolay, 'Cobalt Mining and the Corporate Outsourcing of Responsibility in the Democratic Republic of Congo' (2021).pp.2

The first research theme explored the different levels of responsibility towards children's rights. As such, the DRC's responsibility is to respect, protect and fulfil children's rights and protect against abuses from MNEs.³²⁰ Furthermore, all enterprises are responsible for effective HRDD within their supply chains.³²¹

The research theme linkage concluded that the cobalt supply chain, which is unpredictable, involves multiple actors, and rapid³²² is concerned with maintaining low costs. Therefore, the increasing demand puts pressure on supply, burdening labour activity and exposing children in the DRC to economic exploitation.

The benchmarking analysis on Volvo and Mercedes revealed that the Companies do not have separate child labour policies and predominately focus on operational-level oversupply, value chain, and community-level policies and procedures. To address child labour abuses, both companies should possess adequate HRDD procedures on all levels to identify risks towards children through their supply chain relationships and activities and perform HRDD beyond their immediate suppliers. This research solely used publicly available policies for this assessment. However, it concluded that the lack of child-specific approaches within their business conduct and their continued demand for cobalt within the EVs would perpetuate child labour abuses if the companies do not sufficiently fail to meet the indicators within the criteria.

8.1 Further Research

Further research may include discussing whether there is tension between EVs within the green agenda and child labour abuses in cobalt mines. For example, the EU Circular Economy prioritises the development of EVs to reduce carbon emissions. One could question if it considers the risk of child labour abuses amongst the companies that rely on EV production who source from the DRC.³²³ An additional research topic is the state-business nexus of China and its role dominance within the cobalt mines and child labour abuses.

³²⁰ United Nations (n 125).

³²¹ United Nations (HRC), Protect, Respect and Remedy: A Framework for Business and Human Rights' (2008).

³²² Ibid. pp.2112

³²³ European Commission (n 96).

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1. Benchmarking Criteria

1.1. Criteria for Policies

Policies				
Indicators	Internal Operational	Supply Chain	Value Chain	Community
Human Rights Due Diligence Policies				
hrdd.1 The EV Company has a publicly available human rights due diligence policy.	There are internal human rights due diligence policies from the relevant departments on their business as usual (BAU) activities that do not contribute to child labour.	The HRDD policy detailed information on supplier relationships and their commitment to children's rights.	The HRDD policy detailed whether they conduct due diligence on supplier activities and if those activities contribute to the worst forms of child labour.	The HRDD policies have been independently assessed by third parties such as civil society groups, NGOs, and expert consultants to include the protection of children's rights in the supply chain.
hrdd.2 Identify salient human rights risks of children and directly address actual and adverse impacts of children.	Internal policies issued by the relevant stakeholders on salient human rights abuses.	Identification of salient human rights risks and potential and adverse impacts on children within the supply chain that arise from the relationship amongst and between upstream and downstream actors. For example, their trading relationships.	Identification of salient human rights risks and potential and adverse impacts on children within the value chain that arise from the supply chain activities amongst and between upstream and downstream actors.	Evidence of using recommendations from independent parties on their salient human rights risks of children within the mines.

<p>hrdd.3 There is a human rights transparency statement.</p>	<p>Transparency statement in their policies about achieving better transparency in their business operations.</p>	<p>Transparency statement declaring the company collects relevant information from the upstream company on their supply chain flows and networks with other upstream companies. For example, identify all upstream actors within the supply chain to determine if child labour exists.</p>	<p>Transparency statement declaring the company collects relevant information from the upstream company on their supply chain activities within the mines to assess for potential child labour abuses.</p>	<p>The company ensures it has access to information independent investigators collect on upstream networks and activities and if those activities contribute to child labour.</p>
<p>hrdd.4 There are traceability and chain of custody declarations within the Company's human rights policies.</p>	<p>The company has internal traceability and chain of custody policies for the non-existence of child labour.</p>	<p>A statement within the company's human rights policies stating its commitment to secure traceability and chain of custody assessments to ensure upstream business relationships do not lead to the worst forms of child labour.</p>	<p>A statement within the company's human rights policies stating its commitment to secure traceability and chain of custody assessments to ensure upstream business relationships do not lead to the worst forms of child labour.</p>	<p>The company ensures that upstream actors have external investigators and on-the-ground assessment teams assessing, verifying, and providing up-to-date information on the upstream stages of the cobalt mineral and child labour risks—for example, the extraction, transportation, smelting and refining. An external auditor will conduct such assessments.</p>
<p>hrdd.5 HRDD policies are reviewed periodically.</p>	<p>All internal HRDD policies are reviewed at least once a year.</p>	<p>All supply chain due diligence (SCDD) policies are reviewed at least once a year.</p>	<p>All activities conducted by those within the cobalt supply chain process are reviewed at least once a year.</p>	<p>All internal and external policies are reviewed by an external auditor, consultant, and expert at least once a year.</p>

hrdd.6 HRDD policies acknowledge known risks within conflict affect and high-risk zone.	The company has an internal policy on coning business in high-risk zones and includes child labour risk factors.	The company acknowledges the relationship between the child labour risk factors in conflict-affect and high-risk zones, the cobalt supply chain, and their relationships.	The company acknowledges the relationship between child labour risk factors in conflict-affect and high-risk zones, the cobalt supply chain, and their supply chain activities.	The company declares in its policy that they consult experts who have access to the region to provide information on the political, social, and economic conditions to identify child labour risk factors related to its business.
hrdd.7 HRDD policies contain a risk mitigation statement of child labour abuses.	The company states in their internal policies a commitment towards risk mitigation of human rights abuses.	The ability to determine child labour risk mitigation is not feasible based on an assessment of the suppliers.	The actual determination of whether risk mitigation is not feasible is based on the supply chain activities.	Consult with suppliers, stakeholders, and government authorities on measurable child risk mitigation strategies and management plans.
hrdd.8 HRDD contain environmental, health and safety policies.	The company has an internal policy demonstrating its commitment to environmental, health and safety standards within supply chain activities.	The policies have a HRDD policy on ensuring business relationships and decisions between suppliers and their upstream/downstream actors that do not compromise the environmental, health and safety standards of children working in the mines.	The company has a HRDD policy on ensuring business activities between them, their suppliers, and other upstream/downstream actors do not compromise the environmental, health and safety standards of children working in the mines.	The company has access to policies conducted by upstream actors on the environmental conditions and health and safety standards of the mines where children were present, independently investigated by a third party
hrdd.9 HRDD policies involve ongoing communication.	The company has internal policies for all departments ensuring an ongoing commitment towards regular communication regarding human rights risks towards child rights.	The company states within their HRDD policies a commitment towards ongoing communication with suppliers on their business and trading relationships between them and their suppliers with other upstream or downstream actors on	The company states within their HRDD policies a commitment towards ongoing communication with suppliers on their business and trading activities in the upstream or downstream supply causes risks to child labour.	The company states within their HRDD policies a commitment towards ongoing communication with third parties such as IOs, NGOs, civil servants, the government, and expert consultants.

		whether their relationships cause risks to child labour.		
hrdd.10 HRDD policies continuously evolve according to their human rights risk monitoring systems.	The company's internal policies on their BAU activities are constantly evolving in accordance with their human rights risk monitoring systems in the cobalt supply chain.	The company's cobalt supply chain policies regarding its business relationships with its suppliers are constantly evolving in accordance with its human rights risks and monitoring system.	The company's cobalt supply chain policies regarding their business activities with their suppliers are constantly evolving in accordance with their human rights risks and monitoring system.	The company constantly consults with external experts on their policies to assess gaps based on newly discovered risks towards children.
Corporate Governance Policies				
cg.1 The company has a board of directors.	The company's internal policies state they have a full board of directors who oversee reviewing all corporate governance policies, which include respecting human rights.	The human rights policies state that the board of directors or equivalent are directly involved and oversee supplier relationships to ensure the absence of the worst forms of child labour.	The human rights policies state that the board of directors or equivalent are directly involved and oversee supplier activities to ensure the absence of the worst forms of child labour.	The company states that the board of directors allows for an independent investigation into the board of directors and their efforts towards mitigating and preventing child rights abuses in their industry.
cg.2 The company has an onboarding and supplier onboarding policy.	The company has an onboarding policy onboarding committee that clearly states all onboarding employees demonstrate commitment towards human rights.	The company has an onboarding policy for potential suppliers demonstrating a commitment to child rights.	The company has an onboarding policy for potential suppliers that demonstrate commitment towards child rights in their activities.	Before onboarding any client, the company conducts external background checks on suppliers and if they have been accused or involved in any form of child labour within the

				industry before onboarding any client.
cg.3 The company has an audit policy.	The company states in their audit policies that all human rights due diligence policies are subject to an internal audit.	The company states all business relationships within the supply chain are subject to an internal and external audit.	The company states all business activities within the supply chain are subject to an internal and external audit.	The company states in their audit policies that all human rights due diligence policies are subject to an external audit.
cg.4 The company has a risk policy.	The company has an internal risk management policy that monitors the human rights risks of children working in the mines.	The company states in their risk management policy that it assesses the child rights risks that could arise due to its business relationships.	The company states in their risk management policy that it assesses child rights risks that could arise within supply chain activities.	External partners review the company's risk management policies that assess child labour risks to ensure they are up to date.
cg.5 The company has a product policy.	The company has an internal product policy that assesses human rights risks in its product development. For example, their research and development (R&D) strategies include human rights risks.	The company includes in their product policy or similar that they conduct extensive research on how the materials used within the EV batteries move within the supply chain.	The company includes in their product policy or similar that they conduct extensive research on how the materials used within the EV batteries are processed in the value chain.	The company states that they consult experts on ethical product development.
cg.6 The company has a finance policy.	The company has an internal financial policy that states it does not invest where there are evidence human rights abuses.	The financial policy states that they invest in suppliers committed to child rights in the cobalt supply chain.	The financial policy states that they invest in suppliers whose activities do not lead to the worst forms of child labour.	An external auditor reviews the company's financial statements and investments.

<p>cg.7 The company has a compliance policy.</p>	<p>The company has an internal compliance policy and compliance officer.</p>	<p>The company declares in their compliance policy compliance with human rights instruments such as the International Bill of Rights, BHR instruments and other international human rights laws. It also contains Know Your Customer (KYC), Anti-Money Laundering (AML) and CTF Counter Terrorism-Financing policies on their suppliers and supply chain relationships and whether those relationships lead to the worst form of child labour.</p>	<p>The company declares in their compliance policy compliance with human rights instruments such as the International Bill of Rights, BHR instruments and other international human rights laws. It also contains Know Your Customer (KYC), Anti-Money Laundering (AML) and CTF Counter Terrorism-Financing policies on their suppliers and supply chain activities and whether those activities lead to the worst form of child labour.</p>	<p>An external compliance officer the company's compliance policy.</p>
<p>cg.8 The company has a code of ethics and code of conduct for board members.</p>	<p>The company has stated in their policies commitment towards human rights within their businesses in their code of ethics and code of conduct for board members/ stakeholders.</p>	<p>The code of ethics and code of conduct for board members include provisions on ethical relationships with suppliers who are committed to child rights.</p>	<p>The code of ethics and code of conduct for board members include provisions on ensuring ethical business practices with suppliers committed to child rights.</p>	<p>An external corporate governance expert reviews the company's code of ethics and code of conduct for board members.</p>
<p>cg.9 The company has a knowledge management policy.</p>	<p>The company has an internal knowledge management policy committed to integrating human rights due diligence policies.</p>	<p>The company has a knowledge management policy that commits to regularly updating information on supplier relationships and child labour risks within those relationships.</p>	<p>The company has a knowledge management policy that commits to regularly updating information on the relationships between different upstream and downstream actors and child labour risks.</p>	<p>The company states it consults experts, NGOs, research facilities and other independent consultants on upskilling their employees in the extractive industry, and conflict-affected and high-risk zones, child labour and EV battery production.</p>

cg.10 The company has Environmental, Social & Governance (ESG) policies.	The company has internal ESG policies or incorporates ESG principles into their human rights policies.	The company has ESG policies on how they deal with supplier relationships.	The company has ESG policies on how they deal with supplier activities.	The company states it consults experts on their ESG policies.
Corporate Finance Policies				
cf.1 The company has existing annual financial reports.	The company's financial report is publicly available.	The company include all their suppliers in their financial reports.	The company, including their suppliers' activities, stated their activities do not contribute to the worst forms of child labour.	The company allows for an external review of its financial reports.
cf.2 The company has non-financial policies.	The company's non-financial report is publicly available.	The company's non-financial policies include potential child labour risks within the supply chain relationships.	The company acknowledges the risk posed against children's rights within its supply chain activities.	The company has recommended on preventing child labour abuses in its non-financial reports.
cf.3 The company has policies on transactional practices.	The company has an internal policy that states business transactions do not contribute to human rights abuses.	The company states in their policies that its transactions with suppliers are legal and do not contribute to adverse human rights risks against children.	The company states it does not invest in illegal supply chain activities that do not contribute to adverse human rights risks against children.	The company allows for an external investigation of its financial transactions.
cf.4 The company has a policy regarding their supplier, financial and trade agreements.	The company has an internal policy that states it includes human rights within its trade and financial agreements, and its staff are aware of their contractual obligations to assess suppliers.	Companies state in their policies that suspension or termination of trade or financial agreements if evidence of business relationships with their suppliers and other actors within the supply chain contribute to the worst forms of child labour.	Companies that state in their policies that suspension or termination of trade or financial agreements is evidence of illicit supplier behaviour and risks of participation or association with the worst forms of child labour between other actors.	The company has a policy that states they allow external actors to review their financial and trade agreements.

<p>cf.5 The company includes policies on recognising illicit financial activity by non-state armed rebel groups.</p>	<p>The company has an internal policy that commits to monitoring illicit financial activity as part of its day-to-day activities as it poses a risk to human rights.</p>	<p>The risk management policy of trading relationships with suppliers and upstream actors to identify potential involvement with non-state armed rebel groups who pose a risk to child rights.</p>	<p>The risk management policy of trading activities with suppliers and upstream actors to identify potential involvement with non-state armed rebel groups who pose a risk to child rights.</p>	<p>The policy states suppliers within the upstream supply chain have appointed independent and onsite investigations for illicit trading activities in the mines and the presence of children in those trades.</p>
<p>cf.6 Financial transparency statements are within their human rights policies.</p>	<p>The company has an internal human rights policy which includes commitment towards financial transparency.</p>	<p>There are financial transparency statements on all supplier relationships.</p>	<p>There are financial transparency statements on all supplier activities.</p>	<p>The company allows for external review of financial transparency statements.</p>
<p>cf.7. The company commits to meaningful investment and development for children in the DRC.</p>	<p>The company has an internal policy of investing in children-related projects that strengthen its human rights policies within its financial practices.</p>	<p>The company states it invests meaningfully in local initiatives and collaborates with actors in the supply chain to help formalise the cobalt mines and prevent the worst forms of child labour.</p>	<p>The company states it meaningfully invests in local activities to support the formalisation of the cobalt mines and address child labour.</p>	<p>The company financially support local initiatives for children such as educational programs.</p>
<p>cf.8 The company has a sustainable finance policy.</p>	<p>The company has an internal sustainable finance policy.</p>	<p>The company commits to sustainable financial investments within their suppliers who undertake environmental initiatives within the DRC to improve the health and development of children.</p>	<p>The company commits to sustainable financial investments within supply chain activities and environmental initiatives within the DRC to improve the health and development of children.</p>	<p>The company states that it invests in sustainable initiatives in the DRC that focus on environmental safety within the mines and the local environment.</p>

cf.9 The company has an AML & CTF policy that adheres to anti-money laundering and anti-bribery laws and regulations within their state.	The company has internal AML and CTF policies which comply with international and domestic standards.	The company states it has an AML and CTF policy governing its relationship with its suppliers.	The company states it has an AML and CTF policy that monitors illegal financial activities within its supplier's trading and/or other supply chain activities.	The company states it has a yearly external review of AML and CTF policies.
cf.10 The company has a financial audit policy.	The company has an internal audit policy.	The company states it carries an internal and external financial audit of its supplier transactions with other actors within the supply chains to ensure investments are not tied to child labour abuses.	The company states it carries an internal and external financial audit of its supplier transactions with other actors within the supply chains to ensure investments are not tied to child labour abuses.	The company has a third-party audit on all their financial policies.
Regulation Policies				
rg.1 Corporate policies refer to the International Bill of Human Rights.	The company has internal policies that refer to the International Bill of Human Rights.	The company state respect the rights of children contained in the International Bill of Human Rights within their supplier relationships in their policies.	The company state they respect the rights of children contained in the International Bill of Human Rights when conducting supply chain activities and ensure their suppliers comply with the same standards.	The company allows for external reviews of whether their policies align with respecting child rights under International Bill of Human Rights.
rg.2 Corporate policies refer to the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention.	The company has internal policies that refer to the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention.	The company state respect the rights of children contained in the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention within their supplier relationships.	The company state they respect the rights of children contained in the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention when conducting supply chain activities and ensure their	The company allows for external reviews of whether their policies align with respecting child rights under CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention.

			suppliers comply with the same standards.	
rg.3 There are corporate policies that refer to the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, OECD Due Diligence Guidance for Responsible Business Conduct and OECD Guidelines for Practical Actions for Worst Forms of Child Labour.	The company has internal policies that refer to the OCED Guidelines.	The company states that all business relationships within the cobalt supply chain are governed by and compliant with the OECD Guidelines and adhere to the provision that address the worst form of child labour.	The company states that all business activities within the cobalt supply chain are governed by and compliant with the OCED Guidelines and adhere to the provision that address the worst form of child labour.	The company allows for external reviews of whether their policies align with OECD Guidelines on respecting and protecting children's rights.
rg.4 There are corporate policies that refer to the UNGPs and its Reporting Framework.	The company has internal policies that refer to the UNGPs and its Reporting Framework.	The company states that all business relationships within the cobalt supply chain are governed by and compliant with UNGPs and its Reporting Framework and that they conform to the respect, protect and remedy principle for children's rights.	The company states that all business activities within the cobalt supply chain are governed by and compliant with its UNGPs and the Reporting Framework and that they conform to the respect, protect and remedy principle for children's rights.	The company allows for external reviews of whether their policies align with UNGPs and the Reporting Framework and if they conform to the respect protect and remedy framework for children's rights.

<p>rg.5 There are corporate policies that refer to UNICEF.</p>	<p>The company has internal policies that refer to the UNICEF.</p>	<p>The company states that it respects the principles and work of UNICEF and considers their work within their business relationships and their supplier relationships with other actors within the supply chain.</p>	<p>The company states that it respects the principles and work of UNICEF and considers their work within their supply chain business activities and of their suppliers' activities.</p>	<p>The company allows for external reviews of whether their policies include the recommendations by UNICEF for business practices and child labour.</p>
<p>rg.6 There are corporate policies that refer to the UN Global Compact.</p>	<p>The company has internal policies that refer to the UN Global Compact.</p>	<p>The company states that all business relationships within the cobalt supply chain are governed by and compliant with the UN Global Compact, specifically principle five that governs child labour.</p>	<p>The company states that all business activities within the cobalt supply chain are governed by and compliant with the UN Global Compact specifically principle 5 that governs child labour.</p>	<p>The company allows for external reviews of whether their policies align with UN Global Compact and its principles on child labour.</p>
<p>rg.7 There are corporate policies that refer to other initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc.</p>	<p>The company has internal policies that refer to the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc; Extractive Industries Transparency Initiative and incorporate their principles regarding human rights.</p>	<p>The company states it commits to other initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc; Extractive Industries Transparency Initiative to monitor and assess their business relationships risks mitigating child labour risks.</p>	<p>The company states it commits to other initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc to monitor and assess their business activity risks mitigating child labour risks.</p>	<p>The company allows for external reviews of whether their policies align with Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc. to mitigate child labour risks.</p>
<p>rg.8 The company's policies are compliant with national legislation.</p>	<p>The company has internal policies for all their staff that states their compliance with national legislation on child labour abuses.</p>	<p>The company states it is compliant with all necessary domestic legislation with regards to their business and trading relationships</p>	<p>The company states it is compliant with all necessary domestic legislation with regards to their business, trading</p>	<p>The company allows for external consultation of whether their policies are compliant with national</p>

		and child labour abuses.	activities and child labour abuses.	standards.
rg.9 The company's non-financial reports are compliant with EU DIRECTIVE 2014/95/EU.	The company internal policies are compliant with the DIRECTIVE 2014/95/EU and those policies include respecting human rights.	The company states it is compliant with the DIRECTIVE 2014/95/EU with regards to their supply chain relationship and child rights.	The company states it is compliant with the DIRECTIVE 2014/95/EU with regards to their supply chain activities and child rights.	The company allows for external consultation of whether their non-financial agreements are compliant with national standards DIRECTIVE 2014/95/EU.
rg.10 The company states it includes contractual clauses on the issue of child labour in their policies.	The company's internal policies state they have contractual clauses regarding child labour issues.	The company states they have contractual clauses that states protecting children's rights from supply chain relationships.	The company states they have contractual clauses that states protecting children's rights from supply chain activities.	The company allows for external council on revision of their contractual clauses.
Remedies Policies				
rm.1 The company has a whistle-blower policy	The company has an internal whistle-blower policy for workers to report concerns regarding human rights labour and seek advice within the company	The whistle-blower policy allows for whistle-blowers raise concerns about child labour risks within the cobalt supply chain that arise from trading relationships	The whistle-blower policy allows for whistle-blowers raise concerns about child labour risks within the cobalt supply chain that arise from supply chain activities such as extraction, trade, handling, transport etc.	The policy states that past employees, suppliers, contractor, job applicants and customers are protected under whistleblowing policy
rm.2 The company has a grievance mechanism policy	The company states it has a supply chain level grievance mechanism and early warning risk awareness for victims of human rights	The company states that all and any grievated person on the company level and the mine level can bring a concern that arise from supplier relationships	The company states that all and any grievated person on the company level and the mine level can bring a concern that arise from supplier activities	The company states it conforms to industry or multistakeholder initiatives that have grievance mechanisms

rm.3 The company has an open-door policy allowing access to the management team	The company states have an internal open-door policy which allows employers to speak to management team safely on potential human rights risks within the business	The company states anyone can request to speak to a member of management on potential child labour risks within the supply chain that arise from their business or trade relationships or the relationships their supplier has with other actors within the supply chain	The company states anyone can request to speak to a member of management on potential child labour risks that arise from supply chain activities	The company states third party actors or investigators of child labour abuses within the cobalt supply chain may freely speak to management about potential risks
rm.4. The company has a transparent follow-up policy on grievances	The company states it has an internal follow up policy by the management team for victims within the grievance policies	The company states it has a follow up policy, for those raising the issue on the behalf of children that were injured by business or trade relationships within the supply chain	The company states it has a follow up policy for those raising the issue on the behalf of children that were injured by business or trade relationships within the supply chain	The company is part of an institutionalised system within the cobalt supply chain that has follow-up policies for the those raising concerns about child labour abuses with the company.
rm.5 The company states that the grievance mechanisms align with national law and international human rights law	The company states or has evidence its internal grievance mechanisms comply with national standards and IHRL and BHR to include remedies for human rights abuses	The company states or has evidence its grievance mechanisms comply with national standards and IHRL for complaints of child labour abuses against their suppliers and their business relationship	The company states or has evidence its grievance mechanisms comply with national standards and IHRL for complaints of child labour abuses against their suppliers and their business activities	The company states or has evidence that it conforms to industry or multistakeholder initiatives that have grievance mechanisms for children that further complies with national law and IHRL
rm.6 The company states it incorporates outcomes from grievances into future practices	The company has a policy that incorporates outcomes from all human rights grievances	The company has a policy that states it incorporates outcome from grievances based on supplier relationships within the supply chain	The company has a policy that states it incorporates outcome from grievances based on their supply chain activities	The company states include recommendations from external investigators on incorporating outcomes from grievances

rm.7. The company has an equitable and transparent policy within their grievance mechanism	The company has an internal policy on equitable handing of ongoing grievance	The company states that grieve parties will have access to information on the factors that contributed to the all child-related grievance through supplier relationships	The company states that grieve parties will have access to information on the factors that contributed to the all child-related grievance through supplier activities	The company states it seeks advice from experts to ensure the child related grievance is handled fairly
rm.8 The company states it monitors patterns of grievances	The company has an internal policy commits to monitoring patterns of grievances relating to human rights abuses within their own company	The company has policy that commits to identify instances where child labour was identified by supplier and what remedial action was taken.	The company has commits to identify instances where child labour was caused by supplier activities and what remedial action was taken.	The company states have an external consultant who reviews monitoring policies to identify patterns of child-related grievances
rm.9 The company states that the grievance mechanisms align with the UNGPs and OECD Guidelines	The company states or has evidence its internal grievance mechanisms for children comply with OECD Guidelines & UNGP	The company states or has evidence its grievance mechanisms are aligned with the OECD Guidelines & UNGPs, especially the principles related to child labour abuses in conflict-risk zones, for complaints against their suppliers and their business relationship	The company states or has evidence its grievance mechanisms are aligned with the OECD Guidelines & UNGPs, especially the principles related to principles related to child labour abuses conflict-risk zones, for complaints against their suppliers and their business activities	The company states or has evidence that it conforms to industry or multistakeholder initiatives that have grievance mechanisms that further complies with national law, international human rights law and BHR
rm.10 The company states it provides financial support to victims	The company states have a compensation policy for victims of human rights abuses	The company states that it as a compensation policy for children who were affected by supplier relationships	The company states that it as a compensation policy for children who were affected by supplier activities	The company and/or its suppliers state they provide compensation to the children affected by the cobalt supply chain

1.2. Criteria for Procedures

Procedures				
Indicators	Operational	Supply Chain	Value Chain	Community
Human Rights Due Diligence				
hrdd.1 The EV Company has publicly available human rights due diligence procedures	There are available internal human rights due diligence procedures from the relevant departments on their business as usual (BAU) activities do not contribute to child labour	The HRDD available procedures of how they conduct of their supplier relationships and their commitment to children's rights	Available HRDD procedures contains a detailed process on how they conduct due diligence on their supplier activities and if those activates contribute to worst forms of child labour	The HRDD procedures have been independent assessed by third parties such as civil society groups, NGOs, and expert consultants to include the protection of children's rights in the supply chain
hrdd.2 The company has a process to identify salient human rights risks of children and direct address actual and adverse impacts	Internal training and processes issued by the relevant stakeholders and run on salient human rights abuses towards children.	Examples of how the company conducts and recognises salient human rights risk and potential and adverse impact on children within the supply chain that arise from the relationship amongst and between upstream and downstream actors. For example, their trading relationships	Examples of how the company conducts and recognises salient human rights risk and potential and adverse impact on children through supply chain activities	Training days and process issued by independent consultants and experts
hrdd.3 There is a human rights transparency procedure	Transparency procedure from all relevant departments on their BAU activities and develop a system of controls.	An existing process of extracting relevant information from upstream companies on their supply chain transactions and networks with other upstream actors. For example, identification	An existing process of extracting information from the upstream company on their supply chain activates within the mines to assess for potential child labour abuses	The company is part of active transparency initiatives or groups that advise on improving transparency within their company and the supply chain

		of all upstream actors within the supply chain to determine if child labour is present.		
hrdd.4 There are existing traceability and chain of custody procedures	The company states provide training to employees on the development traceability and chain of custody policies to ensure their suppliers do not partake in child labour abuses	A statement within the company's human rights policies stating how its commitment to secure traceability and chain of custody assessments from relevant upstream actors within the supply chain on their commitment towards child labour free practices	A statement within the company's human rights policies stating how its commitment to secure traceability and chain of custody assessments from relevant upstream actors within the supply chain and their activities. Suppliers must show their commitment towards child labour free practices	The company uses externally developed software such as the Cobalt Reporting Template, consults with experts on their how to improve traceability systems or is part of an initiative which specialises in improving traceability
hrdd.5 HRDD procedures are reviewed periodically	All internal human right DD procedures are reviewed at least once a year. For example, internal training sessions for employees	All supply chain due diligence (SCDD) procedures are reviewed at least once a year and review of existing relationships with supplier are reviewed and modified all child labour policies and procedures are also reviewed	All activities conducted by those within the cobalt supply chain process are reviewed at least once a year to assess risks of child labour	All policies internal and external are reviewed by an external auditor, consultant and/or expert at least once a year to assess risks of child labour

hrdd.6 HRDD procedures include steps towards monitoring and identifying specific conflict-related risks within the DRC	The company has an internal monitoring systems and training on how to conduct business in high-risk zones and include the relevant child labour risk factors for employees	The company has an active monitoring system that assess child labour risks that arise within the supply chain from supplier relationships and has procedure to manage those risks	The company has an active monitoring system that assess child labour risks that arise within the supply chain from supplier activities and has procedure to manage those risks	The company visits the mines or receives reports from external partners on conditions of the mines to identify child labour
hrdd.7 HRDD has risk mitigation procedures	The company states in their internal policies a commitment towards risk mitigation	Ability to determine the risk mitigation is not feasible based on assessment of the suppliers	Actual determination of whether risk mitigation is not feasible based on the supply chain activities	Consult with suppliers, stakeholders including government authorities on measurable child labour risk mitigation strategies and management plans
hrdd.8 HRDD contain environmental, health and safety procedures	The company has an internal procedure on how they assess environmental, health and safety standards within business practices	The company has access to the suppliers environmental, health and safety procedures on their upstream actors	The company has HRDD policy on ensuring their business activities, their suppliers and other upstream/downstream actors do not compromise environmental, health and safety standards of children working in the mines	The company visits the mines or has third party investigators to assess the conditions of the sites
hrdd.9 HRDD procedures involve ongoing communication	The company promotes active communication on child labour risks through internal training sessions, e-learning platforms	The company has a HRDD procedure on how they manage and log ongoing communications with suppliers on their existing business relationships and the potential child labour risks that arise from those relationships	The company has a HRDD procedure on how they manage and log ongoing communications with suppliers on their existing business activities and the potential risks that arise from those activities	The company states within their herd policies a commitment towards ongoing communication with third parties such as IOs, NGOs, civil servants, the government, expert consultants

hrdd.10 HRDD procedures are constantly evolving according to their human rights risk monitoring systems	The company are actively monitoring human rights risk and are updating their processes	The company's supply chain procedures regarding their business relationships with their suppliers are constantly evolving in accordance with their human rights risks and monitoring system specifically child rights	The company's supply chain procedures regarding their supplier's business activities are constantly evolving in accordance with their human rights risks and monitoring system specifically child rights	The company constantly consults with external experts on their procedures to assess gaps based on new child labour risks and the company actively implements them within their systems
Corporate Governance				
cg.1 The company has a board of directors	The company internal policies state they have a full board of directors who oversee reviewing all corporate governance charters, processes and its implementation and ensuring human rights and child rights are included in those policies	The board of directors actively monitors and oversee supplier relationships that may affect child rights in their supply chains with periodic check-ins	The board of directors actively monitors and oversee supplier activities that may affect child rights in their supply chains	The company has an independent board who assess and ensures the board comply with their responsibilities to respect child rights
cg.2 The company has an onboarding and supplier onboarding committee and procedure	The company has an onboarding process and committee onboarding committee who provides training to new employees on general respect and compliance with child rights	The onboarding process provides training for new employees on risks towards children's rights within supply chain relationships	The onboarding process provides training for new employees on risks towards children's rights within supply chain activities	The companies onboarding process and training material is subject to external review to ensure material includes human rights training including child rights
cg.3 The company has an audit committee and procedure	The states in their audit policies that all human rights due diligence policies which include child rights are subject to an internal supply chain audit	The company states all business relationships within the supply chain are subject to an internal and external supply chain audit	The company states all business activities within the supply chain are subject to an internal and external supply chain audit	All internal audit processes that all human rights due diligence procedures which include child rights are subject to an external audit

<p>cg.4 The company has a risk committee and procedure</p>	<p>Training material for all departments to identify risks towards children's rights within their work</p>	<p>Training material for employees to assess risks towards children's rights within their relationships with suppliers</p>	<p>Training material for employees to identify risks towards children's rights within their suppliers' activities</p>	<p>Publicly available and online training material open to scrutiny from independent parties such as NGOs</p>
<p>cg.5 The company has a product committee and procedure</p>	<p>The company has an internal product committee and process that assesses risks towards children's rights in their product development. For example, in their research and development (R&D) strategies, risks towards children's rights are included in that process</p>	<p>The product development process conducts risk-assessment to identify risks towards children's rights on all supplier relationships within the supply chain when trading and/or buying materials</p>	<p>The product development process conducts risk-assessment to identify risks towards children's rights on all supplier activities within the supply chain for example transportation, handing, refining of materials from upstream actors or ensures their suppliers conduct effective HRDD on their upstream actors. As well as knowledge of the cobalt material, the demand and how it affects child rights</p>	<p>The company has an independent consult who reviews the product development in the cobalt supply chain to ensure the company has included all the risks towards children's rights</p>
<p>cg.6 The company has a finance committee and procedure</p>	<p>The company trains employees on ethical financial investments</p>	<p>There is a financial procedure how the company assess whether their potential suppliers comply with human right standards including child rights before committing to a financial investment</p>	<p>The company reviews potential suppliers' business practices to assess risks of child labour before committing to a financial investment</p>	<p>The company hires an independent consult to conduct a due diligence process on potential suppliers</p>

<p>cg.7 The company has a compliance committee and procedure</p>	<p>The company has an internal compliance procedure and compliance officer regularly updates all compliance related procedures</p>	<p>The compliance procedure assesses potential suppliers' compliance with human rights instruments such as the International Bill of Rights, CRC, ILO, BHR instruments and other international human rights law. And conducts a Know Your Customer (KYC), Anti-Money Laundering (AML) and CTF Counter Terrorism-Financing assessment on their existing supplier relationships before onboarding</p>	<p>The compliance procedure assesses potential suppliers and their business practices' compliance with human rights instruments such as the International Bill of Rights, CRC, ILO, BHR instruments and other international human rights law. And conducts a Know Your Customer (KYC), Anti-Money Laundering (AML) and CTF Counter Terrorism-Financing assessment on their supply chain activities</p>	<p>The company's compliance procedures are reviewed by an external compliance officer</p>
<p>cg.8 The company has a code of ethics and code of conduct for board members</p>	<p>The code of ethics explains how the practically implements human rights within their culture and that the board members are responsible for fostering a human rights-based approach to corporate governance which include children's rights</p>	<p>The code of ethics and code of conduct for board members includes provisions on ethical relationships with suppliers who are committed to children's rights</p>	<p>The code of ethics and code of conduct for board members includes provisions on ensuring ethical business practices with suppliers who are committed to children's rights</p>	<p>The company's code of ethics and code of conduct for board members are reviewed by an external corporate governance expert</p>
<p>cg.9 The company has a knowledge management person/team and procedure</p>	<p>The company has a knowledge management division that governs all internal information and resources on the cobalt industry, including context specific knowledge on the DRC etc.</p>	<p>Knowledge management commits to upskilling the company on risk management in the DRC, potential child labour-related abuses through training, regulation updates etc. that arise within supply chain relationships</p>	<p>Knowledge management commits to upskilling the company on risk management in the DRC, potential child labour-related abuses through training, regulation updates etc. that arise within supply chain</p>	<p>The company states it consults experts, NGOs, research facilities and other independent consultants on upskilling their employees on the extractive industry, conflict affect and high-risk</p>

			activities	zones, child labour risks and EV battery production
cg.10 The company has Environmental, Social & Governance (ESG) procedures	The company incorporate ESGs principles on preventing child rights into everyday BAU activities	The company recognises the role of ESG within business relationships and conducts due diligence on suppliers to ensure their commitment to ESG standards	The company conducts due diligence on suppliers to ensure their commitment to ESG in their business practices within the supply chain	The company has an independent panel who advice on ESG risks and the comply commits to implementing those recommendations.
Corporate Finance				
cf.1 The company has existing annual financial reporting process	The company's financial procedures are publicly available	The company include all their suppliers in their financial reporting process	The company include all their suppliers' activities in their financial reporting process and discuss potential risks or steps to mitigate child labour risks	The company allows for an external review of their financial reporting process
cf.2 The company has non-financial reporting process	The company's non-financial reporting process available	The company's non-financial process explain how they assess potential child labour risks with their supplier	The company's non-financial process explain how they assess potential risks with supply chain activities	The company allows for an external review of their non-financial processes to ensure it complies with all necessary standards when producing a final report

<p>cf.3 The company has a procedure for on transactional practices</p>	<p>There is an internal process on ethical finance on before committing to any investments</p>	<p>The company has a process that examines potential adverse impacts on children causes by supplier relationships between the company and supplier, and the supplier and other actors in the supply chain before committing to any transactions</p>	<p>The company has a process that examines potential adverse impacts on children causes by supply chain activities of the supplier and other actors in the supply chain before committing to any transactions</p>	<p>The company allows for external investigation on their financial transactions processes</p>
<p>cf.4 The company has procedures regarding their supplier, financial and trade agreements</p>	<p>There is internal training for all relevant employees on how to enforce contractual clauses on human rights and child rights within their supplier, trade, and financial agreements</p>	<p>The company will undergo a process of suspension or termination of trade or financial agreements if evidence business relationships with their suppliers and other actors within the supply chain contribute to the worst forms of child labour and states how they monitor their suppliers within suspension period before re-entering into contractual relationship</p>	<p>The company will undergo a process of suspension or termination of trade or financial agreements if evidence illicit behaviour from suppliers and risks of participation or association with the worst forms of child labour between other actors and states how they monitor their suppliers' efforts to mitigate child labour within suspension period before re-entering into contractual relationship</p>	<p>State they adopt recommendations from external actors on stricter trade and financial agreements to include all necessary child rights clauses and explicit prohibition of worst forms of child labour</p>
<p>cf.5 The company has monitoring and tracking procedures to identify illicit financial activity by non-state armed rebel groups</p>	<p>There is an internal monitoring and tracking systems that alerts risk of illicit financial activity within the company's day to day activities</p>	<p>Live and active risk management system of existing and potential trading relationships with suppliers and upstream actors to identify potential involvement with non-state armed rebel groups</p>	<p>Live and active management system of trading activities with suppliers and upstream actors to identify potential involvement with non-state armed rebel groups</p>	<p>Financial risk management systems are externally reviewed</p>

<p>cf.6 There is a financial transparency system</p>	<p>The company has an internal financial transparency for employers</p>	<p>The company has a financial transparency system for all supplier investments for investors, employers, customers etc and the system reveals that all investment are not linked to child labour</p>	<p>There is financial transparency system on all investments in supplier activities the system reveals that all investment is not linked to child labour</p>	<p>The financial transparency system is reviewed externally and made available to government when required by law</p>
<p>cf.7. The company has a meaningful investment strategy</p>	<p>The company actively invest in projects that strengthen their human rights procedures that monitor risks of child labour abuses as part of a financial initiative</p>	<p>The company invests meaningfully in local initiatives and collaborates with actors in the supply chain to help formalise the cobalt mines and provides examples to prevent the worst forms of child labour</p>	<p>The company meaningfully invests in local activities to support the formalisation of the cobalt mines and address child labour and provides examples</p>	<p>The company actively invests in educational and development programs for children in the DRC</p>
<p>cf.8 The company has a sustainable finance procedure</p>	<p>The company incorporates sustainable finance solutions into their day-to-day BAU activities</p>	<p>The company includes sustainable finance solutions in collaborating with their suppliers who also undertake sustainable finance initiatives within the cobalt supply chain</p>	<p>The company includes sustainable finance solutions in their supply chain activities in collaborating with their suppliers who also undertake sustainable finance initiatives within their business activities</p>	<p>The company provides examples of how it invests in sustainable initiatives in the DRC that focuses on environmental safety within the mines and the local environment</p>
<p>cf.9 The company has an AML & CTF procedure</p>	<p>The company has internal technological systems based on AML and CTF procedures</p>	<p>The company uses AML and CTF systems to monitor corruption, money laundering of their suppliers and other actors in the supply chain. This may include illegal trade with armed rebel groups in the DRC</p>	<p>The company uses AML and CTF systems to monitor corruption, money laundering to assess potential suppliers and further monitor their financial activities</p>	<p>The company's AML and CTF systems are reviewed periodically</p>

cf.10 The company has a financial audit process	The company has an internal audit process	The company used an internal and external financial audit process on their supplier transactions with other actors within the supply chains to ensure investments are not tied to child labour abuses	The company used an internal and external financial audit process on their supplier financial investments in business activities to ensure investments are not tied to child labour abuses	The company has a third-party audit on all their financial systems
Regulation				
rg.1 Corporate procedures refer to the International Bill of Human Rights	The company respects and fosters a culture of human rights and child rights by basing their business practices according to the International Bill of Rights	The company demonstrates respect for the International Bill of Rights in their supply chain relationships	The company demonstrates respect for the International Bill of Rights in their supply chain activities	External experts on human rights examines the company's business practices and provide recommendations on how can further commit to standard human rights practices
rg.2 Corporate procedures refer to the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention	The company respects and fosters a culture of human rights by basing their business practices on CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention to prevent abuses against children	The company basis its HRDD processes on CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention which aims to protect children's rights in assessing risks within their supplier relationships	The company basis its HRDD processes on CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention which aims to protect children's rights in assessing risks within their supplier relationships	The company does not undermine the States' ability, in their own jurisdiction and transnationally to respect, protect and fulfil human rights obligations towards children under the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention

<p>rg.3 Corporate procedures refer to the OECD Guidelines</p>	<p>The companies demonstrates that internal business practices are governed by the OECD Guidelines</p>	<p>The company provides examples of how business relationships within the cobalt supply chain are governed by and compliant with the OECD Guidelines adhere to the provisions that address worst form of child labour</p>	<p>The company provides examples of how business activities within the cobalt supply chain are governed by and compliant with the OECD Guidelines adhere to the provisions that address worst form of child labour</p>	<p>External experts advise the company on the extent their business practices align with OECD principles, provide recommendations and the company implements them and if they conform to the respect protect and remedy framework for children's rights</p>
<p>rg.4 Corporate procedures refer to the UNGPs and its Reporting Framework</p>	<p>The companies demonstrates that internal business practices are governed by the corporate procedures refer to the UNGPs and its Reporting Framework</p>	<p>The company provides examples of how business relationships within the cobalt supply chain are governed by and compliant with the corporate procedures refer to the UNGPs and its Reporting Framework</p>	<p>The company provides examples of how business activities within the cobalt supply chain are governed by and compliant with the corporate procedures refer to the UNGPs and its Reporting Framework</p>	<p>External experts advise the company on the extent their business practices align with corporate procedures refer to the UNGPs and its Reporting Framework, provide recommendations and the company implements them</p>
<p>rg.5 Corporate procedures refer to the UNICEF</p>	<p>The company respects and demonstrates support to the work of UNICEF</p>	<p>The company refer to UNICEF's work and demonstrate implementation of their recommendations regarding child labour in the DRC mines in their supply chain relationships</p>	<p>The company refer to UNICEF's work and demonstrate implementation of their recommendations regarding child labour in the DRC mines in their supply chain relationships</p>	<p>The company consults with experts on child rights and include their knowledge and recommendations into their business practices</p>

<p>rg.6 Corporate procedures refer to the UN Global Compact</p>	<p>The companies demonstrates that internal business practices are governed by the corporate procedures refer to the UN Global Compact specifically principle five that governs child labour</p>	<p>The company provides examples of how business relationships within the cobalt supply chain are governed by and compliant with the corporate procedures refer to the UN Global Compact specifically principle five that governs child labour</p>	<p>The company provides examples of how business activities within the cobalt supply chain are governed by and compliant with the corporate procedures refer to the UN Global Compact specifically principle five that governs child labour</p>	<p>External experts advise the company on the extent their business practices align with corporate procedures refer to the UN Global Compact, provide recommendations and the company implements them</p>
<p>rg.7 The company incorporate global initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc. into their company practices</p>	<p>The company has internal processes and company culture that are based relevant global initiatives which aid in monitoring and assessing child labour risks</p>	<p>The company practically implements core value and principles global initiatives into their supply chain relationships which aid in monitoring and assessing child labour risks</p>	<p>The company practically implements core value and principles global initiatives into their supply chain activities which aid in monitoring and assessing child labour risks</p>	<p>The company consults with members or is a member of some global initiatives for responsible business practices in relation to preventing harm against children</p>
<p>rg.8 Company business and human rights procedures are compliant with national legislation</p>	<p>The company demonstrates compliance with national legislation on child labour abuses</p>	<p>The company demonstrates compliance necessary domestic legislation with regards to their business and trading relationships its impact on child labour</p>	<p>The company demonstrates compliance necessary domestic legislation with regards to their business and trading activities and its impact on child labour</p>	<p>The company allows for external consultation and assessment of whether their business practices are compliant with national laws</p>
<p>rg.9 The company actively participates in regional (the EU) sustainability and human rights initiatives and EU Law</p>	<p>The company and its employees are familiar EU human rights and sustainability initiatives and bring their business practices in alignment with their principles</p>	<p>The company implements EU sustainability and human rights principles into their supplier relationships and ensures those trading relationships are compliant with EU Law</p>	<p>The company states it is compliant with the DIRECTIVE 2014/95/EU with regards to their supply chain activities</p>	<p>The company does not undermine the EU's ability, to respect, protect and fulfil human rights obligations towards children according to EU law</p>

rg.10 The company reviews modify contractual clauses to protect against children from abuses when new information arises	The company reviews and modifies clauses to protect against children from abuses based on new information that is gathered from their monitoring systems	The company states they amend their contractual clauses that states protection of children's rights from supply chain relationships when the dynamic of those supplier relationships changes and pose new risks	The company states that they amend their contractual that states protection of children's rights from supply chain activities when the nature of the new activities pose greater risks to child labour abuses	The company allows for external council on amendment of their contractual clauses
Remedies				
rm.1 The company has a whistle-blower procedure	The company has an internal whistle-blower procedure for workers to report concerns regarding child labour and seek advice within the company	The whistle-blower has a specific procedure for whistle-blowers raise concerns about child labour risks within the cobalt supply chain that arise from trading relationships	The whistle-blower has a specific procedure for whistle-blowers raise concerns about child labour risks within the cobalt supply chain that arise from trading activities	The company demonstrates how past employees, suppliers, contractor, job applicants and customers are raising concerns within the whistleblowing procedure
rm.2 The company has a grievance mechanism procedure	The company provides a supply chain level grievance mechanism and early warning risk awareness procedure for victims of child labour	The company outlines how all and any grievd persons on the company level and mine level can bring a concern that arise from supplier relationships	The company outlines how all and any grievd persons on the company level and mine level can bring a concern that arise from supplier activities	The company belongs to an industry-wide or multistakeholder initiatives that have grievance mechanisms
rm.3 The company has an open-door procedure allowing access to the management team	The company outlines the open-door procedure which allows employers to speak to management team safely on potential child labour risks within the business	There is procedure on how interested parties can request to speak to a member of management on potential child labour risks within the supply chain that arise from their business or trade relationships or the relationships their supplier has with other actors within the supply chain	There is procedure on how interested parties Anyone can request to speak to a member of management on potential child labour risks that arise from supply chain activities	The company receives external recommendations on how to increase transparency within management

<p>rm.4. The company has follow-up procedures on grievances</p>	<p>The company demonstrates an internal follow-up procedure for child victims or advocates by a senior staff member</p>	<p>The company demonstrates a follow up procedure for child victims by business or trade relationships within the supply chain</p>	<p>The company demonstrate a follow up procedure for those injured by business or trade activities within the supply chain</p>	<p>The company is part of an institutionalised system within the cobalt supply chain that allows has follow-up procedures that the company can adopt within their company for injured parties</p>
<p>rm.5 The company has a grievance mechanism process aligned with national law and international human rights law</p>	<p>The company demonstrates its internal grievance mechanisms are based on national standards and IHRL and BHR to include remedies for children</p>	<p>The company demonstrates its grievance mechanisms are based on national standards and IHRL and BHR for complaints of child labour abuses against their suppliers and their business relationship</p>	<p>The company demonstrates its grievance mechanisms are based on national standards and IHRL and BHR for complaints of child labour abuses against their suppliers and their business activities</p>	<p>The company demonstrates that it conforms to industry or multistakeholder initiatives that have grievance mechanisms for children that follow national law, international human rights law and BHR standards</p>
<p>rm.6 The company has a system of incorporating outcomes from grievances into future practices</p>	<p>The company an internal procedure that incorporates outcomes from all child-related grievances into their day-to-day business activities</p>	<p>The company has a procedure incorporates outcome from all child-related grievances based on supplier relationships within the supply chain</p>	<p>The company has a procedure incorporates outcome from all child-related grievances based on their supply chain activities</p>	<p>The company practically include recommendations from external investigators on incorporating outcomes from grievances</p>
<p>rm.7. The company ensures the grievances process is equitable and transparent</p>	<p>The company has an internal ongoing equitable and transparent procedures</p>	<p>The company has a procedure that provides clear information, access to experts and other necessary resources the factors that contributed to the grievance through supplier relationships to promote transparency, equity and respect for aggrieved child or</p>	<p>The company has a procedure that provides clear information, access to experts and other necessary resources the factors that contributed to the grievance through supplier activities to promote transparency, equity and respect for aggrieved child</p>	<p>The company seeks included independent consultants into the process to ensure the grievance is handled fairly</p>

		advocate within the procedure.	or advocate within the procedure	
rm.8 The company actively monitors patterns of grievances	The company an internal monitoring system that establish patterns of child-related grievances within their own company	The company has monitoring and assessment mechanism that identify instances where child labour was identified by supplier and what remedial action was taken - the company further consults with suppliers on their grievance mechanism.	The company has monitoring and assessment mechanism that identify instances where child labour was caused by supplier activities and what remedial action was taken - the company further consults and follows up with suppliers on their how they sought to improve their mitigation strategies	The company states have an external consultant who reviews monitoring systems to identify patterns of grievances internally and with their suppliers
rm.9 The company states that the grievance mechanisms processes align with the UNGPs and OECD Guidelines	The company demonstrates that internal grievance mechanisms for children comply with OECD Guidelines & UNGPs	The company states or has evidence its grievance mechanisms are aligned with the OECD Guidelines & UNGPs, especially the principles related to child labour conflict-risk zones, for complaints against their suppliers and their business relationship	The company states or has evidence its grievance mechanisms are aligned with the OECD Guidelines & UNGPs, especially the principles related to child labour conflict-risk zones, for complaints against their suppliers and their business activities	The company states or has evidence that it conforms to industry or multistakeholder initiatives that have grievances mechanisms that further complies with national law, international human rights law and BHR

<p>rm.10 The company's provides financial support to victims</p>	<p>The company has a process for providing financial support or compensation to child victims</p>	<p>There is compensation procedure for children who were affected by supplier relationships</p>	<p>There is compensation procedure for children who were affected by supplier activities</p>	<p>The company and/or its suppliers have compensation scheme to the children affected by the cobalt supply chain</p>
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2. Mercedes Assessment & List of Policies

- Whistleblower System Business Practices Office.
- Responsible Sourcing Standards
- The Mercedes-Benz Human Rights Respect System
- Taking responsibility for raw material supply chains
- “Sustainability is not just a trend”
- Supply chain management at Mercedes-Benz
- Responsibilities, policies and memberships
- Principles of Social Responsibility and Human Rights
- Our Commitment to Human Rights
- Our activities in the lithium supply chain
- Mercedes-Benz will in future only source battery cells with cobalt & lithium from certified mining sites, while significantly reducing cobalt
- Mercedes-Benz EQXX – The Future of Electric Cars
- Initiatives for sustainable raw material supply chains
- Human rights in the supply chain
- Handling risk raw materials
- ESG at Mercedes-Benz
- ESG Targets Summary
- Annual Report 2022
- Sustainability Report 2022
- Due diligence for conflict minerals
- Distributing opportunities and risks more fairly
- Raw Materials Report
- Daimler is committed to combating child labor: education projects in India and the Congo – joining another initiative
- Corporate Citizenship.
- Audited raw materials and less cobalt in future battery cells.
- Principles of Social Responsibility and Human Rights
- Business Partner Standards
- Green Finance Investor Report 2021

2.1. Mercedes Results Policies

Mercedes Benz Policies Assessment - Scorecard						
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Score	
Category 1	Human Rights Due Diligence					
	hrdd.1	0.5	0.5	0.5	0.5	2
	hrdd.2	0.5	0.5	0.5	0.5	2
	hrdd.3	0.5	0.5	0.5	0.5	2
	hrdd.4	0.5	0.5	0.5	0.5	2
	hrdd.5	0.5	0	0	0.5	1
	hrdd.6	0.5	0.5	0.5	0.5	2
	hrdd.7	0.5	0.5	0	0.5	1.5
	hrdd.8	0.5	0.5	0.5	0	1.5
	hrdd.9	0.5	0.5	0.5	0.5	2
Indicators	hrdd.10	0.5	0.5	0.5	0.5	2
Final Score Category 1:						18
Total Available for Category 1:						20
Category 2	Corporate Governance					
	cg.1	0.5	0	0	0	0.5
	cg.2	0.5	0.5	0	0	1
	cg.3	0	0.5	0.5	0.5	1.5
	cg.4	0.5	0.5	0.5	0	1.5
	cg.5	0.5	0.5	0.5	0.5	2
	cg.6	0.5	0	0	0	0.5
	cg.7	0.5	0	0	0	0.5
	cg.8	0.5	0	0	0	0.5
	cg.9	0	0	0	0.5	0.5
Indicators	cg.10	0.5	0.5	0.5	0.5	2
Final Score Category 2:						10.5

Total Available for Category 2:						20
Category 3	Corporate Finance					
	cf.1	0.5	0.5	0.5	0.5	2
	cf.2	0.5	0.5	0	0	1
	cf.3	0	0	0	0	0
	cf.4	0.5	0.5	0.5	0	1.5
	cf.5	0	0	0	0	0
	cf.6	0.5	0.5	0.5	0.5	2
	cf.7	0.5	0	0	0.5	1
	cf.8	0.5	0.5	0.5	0.5	2
	cf.9	0.5	0	0	0	0.5
Indicators	cf.10	0.5	0	0	0.5	1
Final Score Category 3:						11
Total Available for Category 3						20
Category 4	Regulation					
	rg.1	0.5	0	0	0	0.5
	rg.2	0.5	0.5	0.5	0.5	2
	rg.3	0.5	0.5	0.5	0.5	2
	rg.4	0.5	0.5	0.5	0	1.5
	rg.5	0	0	0	0	0
	rg.6	0.5	0	0	0.5	1
	rg.7	0.5	0.5	0.5	0.5	2
	rg.8	0.5	0	0	0	0.5
	rg.9	0	0	0	0	0
Indicators	rg.10	0.5	0.5	0.5	0	1.5
Final Score Category 4:						11
Total Available for Category 4						20
Category 5	Remedies					

	rm.1	0.5	0	0	0.5	1
	rm.2	0.5	0.5	0	0	1
	rm.3	0.5	0	0	0.5	1
	rm.4	0	0	0	0.5	0.5
	rm.5	0	0	0	0	0
	rm.6	0	0	0	0	0
	rm.7	0	0	0	0	0
	rm.8	0	0	0	0	0
	rm.9	0	0	0	0	0
Indicators	rm.10	0	0	0	0.5	0.5
Final Score Category 5:						4
Total Available for Category 5:						20
Final Score for Policies Assessment:						54.5
Total Available for Policies Assessment:						100

2.2. Mercedes Assessment - Policies

The following table contains extracted information from the relevant policies considered for the assessment. Boxes that contain 'N/A' means the company failed to provide the appropriate information to fit the criteria.

Mercedes Assessment Policies

Indicators	Internal Operational	Supply Chain	Value Chain	Community	References
Human Rights Due Diligence Policies					
hrdd.1 The EV Company has a publicly available human rights due diligence policy	"With the Human Rights Respect System (HRRS), Mercedes-Benz has developed its own, systematic approach to preventing human rights violations in our supply chains."	The Partner should establish a separate policy prohibiting child labor within their business activities and supply chains in line with the relevant ILO conventions. The Partner should integrate this requirement into their legally binding contracts and agreements. If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child labor is to be prevented.	The Partner should establish a separate policy prohibiting child labor within their business activities and supply chains in line with the relevant ILO conventions. The Partner should integrate this requirement into their legally binding contracts and agreements. If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child labor is to be prevented.	Together with the Initiative for Responsible Mining Assurance (IRMA), Mercedes-Benz AG collaborated on an approach to create better opportunities for local communities affected by mining to participate in audits. The aim of the project was to test and enhance procedures for effectively engaging affected persons before, during and after the audit of mining sites. Through the effective engagement with affected persons throughout the audit cycle, mining standards can be more effective in reducing risks of mining operations. The year-long project was completed at the end of 2022. The results will be	Due diligence for conflict minerals.

				published in the spring of 2023.	
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<p>hrdd.2 Identify salient human rights risks of children and directly address actual and adverse impacts of children</p>	<p>"It went against the widespread assumption that child labour is considered normal in the region and that's why families don't send their kids to school. Instead, we often found that the normalisation of child labour comes out of necessity"; In accordance with the United Nations (UN) Guiding Principles, the Mercedes-Benz Group has identified salient human rights risks according to the nature and scope of its own business operations. The legal frame of reference relevant to the Group included all internationally recognised human rights – but especially the ILO Core Labour Standards and the International Bill of Human Rights. In the specific context of automotive production, this results in significant human rights risks, which are put into concrete terms in the Group's Principles of Social Responsibility and Human Rights as well as in the RSS</p>	<p>Child labour is very often just a consequence of poverty. And that poverty is driven by structural elements of inequality - people who are working at the sources of our raw materials or within factories do not have social security or medical insurance.</p>	<p>Known occurrences of cobalt in the Mercedes-Benz AG supply chain and the risks associated with these occurrences; Identified salient risks - B: Child labour</p>	<p>NGOs confirm child labour and small-scale mining as the most salient risks; Together with these NGOs, we carry out projects to address systemic human rights violations at the start of the supply chain. To put it simply, it's not enough to combat child labour – we need to address the causes, which are poverty and social disintegration. And we need to create alternative means of subsistence.</p>	<p>Sustainability Report; Raw Materials Report; Social Compliance</p>
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	<p>directed at the suppliers. These also comprise the human rights specified in the LkSG.</p> <p>Abolition of child labour</p>				
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<p>hrdd.3 There is a human rights transparency statement</p>	<p>In fact, we can only achieve more transparency and sustainability for our supply chains by working closely with our suppliers in order to achieve our goals.</p>	<p>That includes the screening of our suppliers, risk-based due diligence analyses, and sustainability training courses for suppliers. Through these measures we enforce compliance with social standards and environmental requirements and achieve greater transparency in the supply chain; Transparency – Six tier levels from mine to OEM: mine - refinery precursor - cathode - battery cell - OEM – Largely transparent from tier-1 up to mine level –Critical node: mine –Primary sources: Democratic Republic of the Congo and South Africa Identified salient risks B Child labour C Community and indigenous peoples’ rights E Insufficient due diligence processes at (sub-)suppliers; Creating transparency and auditing of the company's cobalt supply chain at every tier from the battery cell supplier down to mine level; With the</p>	<p>"Transparency –Six tier levels from mine to OEM: mine - refinery precursor - cathode - battery cell - OEM –Largely transparent from tier-1 up to mine level –Critical node: mine –Primary sources: Democratic Republic of the Congo and South Africa"; Creating transparency and auditing of the company's cobalt supply chain at every tier from the battery cell supplier down to mine level; With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.</p>	<p>With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.; Creating transparency and auditing of the company's cobalt supply chain at every tier from the battery cell supplier down to mine level</p>	<p>Raw Materials Report; Human rights in the supply chain; Our Activities in the Cobalt Supply Chain</p>
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		<p>Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.</p>			
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<p>hrdd.4 There are traceability and chain of custody declarations within the Company's human rights policies</p>	<p>Child labour is explicitly forbidden. In order to promote the transfer of requirements to suppliers in downstream stages of the value chain, the company relies on its own inspections and audits as well as on communication and training measures. "It is not only the direct supplier who must operate sustainably, but the entire supply chain," says Angermann. To monitor the supply chains, Mercedes-Benz Cars carries out risk-based "Supply Chain Walks": Starting point is the Tier 1 supplier and then the path goes along the critical points in the supply chain, if necessary to the mine. These onsite checks are carried out by interdisciplinary teams.</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society; Child labour is explicitly forbidden. In order to promote the transfer of requirements to suppliers in downstream stages of the value chain, the company relies on its own inspections and audits as well as on communication and training measures. "It is not only the direct supplier who must operate sustainably, but the entire supply chain," says Angermann. To monitor the supply chains, Mercedes-Benz Cars carries out risk-based "Supply Chain Walks": Starting point is the Tier 1 supplier and then the path goes along the critical points in the supply chain, if necessary to the mine.</p>	<p>Child labour is explicitly forbidden. In order to promote the transfer of requirements to suppliers in downstream stages of the value chain, the company relies on its own inspections and audits as well as on communication and training measures. "It is not only the direct supplier who must operate sustainably, but the entire supply chain," says Angermann. To monitor the supply chains, Mercedes-Benz Cars carries out risk-based "Supply Chain Walks": Starting point is the Tier 1 supplier and then the path goes along the critical points in the supply chain, if necessary to the mine. These onsite checks are carried out by interdisciplinary teams.</p>	<p>Auditing by RCS Global: The audit requirements are tailored to the different supplier levels, and are based on international standards relevant to cobalt due diligence. Criteria assessed as part of the program include: Due diligence management systems for cobalt, including material control, risk management and mitigation and public reporting, based on the 5-step criteria set out in OECD Due Diligence Guidance for Responsible Sourcing from High Risk Areas; the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chain (Chinese Guidelines), and CCCMC, RCI and RMI Pilot Cobalt Refiner Supply Chain Due Diligence Standard; Human rights including</p>	<p>Raw Materials Report; Strong for human rights – Daimler goes on the offensive for a sustainable raw material supply chain</p>
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		These onsite checks are carried out by interdisciplinary teams.		child labour, modern slavery, severe human rights violations, based on OECD Due Diligence Guidance Annex 2, the Chinese Guidelines, and the UK Modern Slavery Act (2015).	
hrdd.5 HRDD policies are reviewed periodically	During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process. Monitoring in this area is designed to ensure that the company can identify possible	N/A	N/A	During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process. Monitoring in this area is designed to ensure	Sustainability Report, 54.

	integrity violations by its sales partners.			that the company can identify possible integrity violations by its sales partners.	
hrdd.6 HRDD policies acknowledge known risks within conflict affect and high-risk zone	Identifying risk hot spots in the supply chains; Business conduct in conflict-affected and high-risk areas (CAHRAs); Child labour	Identifying risk hot spots in the supply chains; Business conduct in conflict-affected and high-risk areas (CAHRAs); Child labour	Identifying risk hot spots in the supply chains; Business conduct in conflict-affected and high-risk areas (CAHRAs); Child labour	Ines Kaempfer, CEO of The Centre for Child Rights and Business, says, through transparency, long-term commitment and addressing the structural causes of inequality. In this interview, the child rights expert reports on conversations with miners and shows what companies can do to give workers and their families at the beginning of the supply chain a perspective for the future.	Sustainability Report; Raw Materials Report; Handling risk raw materials.
hrdd.7 HRDD policies contain a risk mitigation statement of child labour abuses	Assessments and Regular Reporting We at Mercedes-Benz Group will continue to make annual disclosures on our due diligence activities in the supply chain, including a disclosure of the results of the risk assessment	Assessments and Regular Reporting We at Mercedes-Benz Group will continue to make annual disclosures on our due diligence activities in the supply chain, including a disclosure of the results of the	Assessments and Regular Reporting We at Mercedes-Benz Group will continue to make annual disclosures on our due diligence activities in the supply chain, including a disclosure of the results of the	Using internationally recognised standards, for example the Initiative for Responsible Mining Assurance and the Responsible Minerals Assurance Process	Principles of Social Responsibility ; Raw Materials Report

	in the supply chain and a detailed description of our measures to mitigate the risks identified and evaluate their effectiveness.	risk assessment in the supply chain and a detailed description of our measures to mitigate the risks identified and evaluate their effectiveness.	risk assessment in the supply chain and a detailed description of our measures to mitigate the risks identified and evaluate their effectiveness.		
hrdd.8 HRDD contain environmental, health and safety policies	"Children must not be hampered in their development and education. Their health and safety must not be adversely affected. The Partner is obliged to agree with its direct suppliers on the requirements for the prevention of child labor and also to request them to forward these."	"Children must not be hampered in their development and education. Their health and safety must not be adversely affected. The Partner is obliged to agree with its direct suppliers on the requirements for the prevention of child labor and also to request them to forward these."	"Children must not be hampered in their development and education. Their health and safety must not be adversely affected. The Partner is obliged to agree with its direct suppliers on the requirements for the prevention of child labor and also to request them to forward these."	N/A	Sustainability Report
hrdd.9 HRDD policies involve ongoing communication	Initiate a process of continuous improvement by monitoring the implementation of corrective action plans and providing auditee trainings; Regular dialogue with mine operators	Initiate a process of continuous improvement by monitoring the implementation of corrective action plans and providing auditee trainings; Regular dialogue with mine operators	Auditing the due diligence management systems and procurement practices of suppliers in the cobalt supply chain Initiate a process of continuous improvement by monitoring the implementation of corrective action plans and providing auditee trainings.	Another challenge is to examine if our own companies and our supply chains are complying with human rights – in a risk-based and systematic manner. For this, we have developed our "Human Rights Respect System," which deals with this area. In addition, we are also	Sustainability Report; Strong for human rights – Daimler goes on the offensive for a sustainable raw material supply chain

				working together with local non-government organizations (NGOs). One example of this is the cooperation with the aid organization Bon Pasteur, with which we are working against child labor in the Democratic Republic of Congo.	
hrdd.10 HRDD policies continuously evolve according to their human rights risk monitoring systems	The supply chains of battery cell suppliers to Mercedes-Benz are assessed at all tiers, from battery cell supplier to mine site, by RCS Global. This assessment includes aspects such as the prevention of child labour and forced labour, health and safety at work, material control and due diligence systems. Where necessary individual corrective action plans are agreed with the suppliers and their implementation is continuously monitored. The aim of this corrective action and regular monitoring is to ensure that a continuous improvement process takes place in the supply chain.	We define and implement risk mitigating measures and make sure that they are effective.	The supply chains of battery cell suppliers to Mercedes-Benz are assessed at all tiers, from battery cell supplier to mine site, by RCS Global. This assessment includes aspects such as the prevention of child labour and forced labour, health and safety at work, material control and due diligence systems. Where necessary individual corrective action plans are agreed with the suppliers and their implementation is continuously monitored. The aim of this corrective action and regular monitoring is to ensure that a continuous	Stakeholder dialogue about raw material risks – Exchanges with NGOs – NGOs confirm child labour and small-scale mining as the most salient risks	Responsible Sourcing Standards, p.6; Supply chain management at Mercedes-Benz; Raw Materials Report

	This ultimate aim is that the cobalt for battery cells comes from responsible sources of supply that meet the requirements of Mercedes-Benz AG.		improvement process takes place in the supply chain. This ultimate aim is that the cobalt for battery cells comes from responsible sources of supply that meet the requirements of Mercedes-Benz AG.		
Corporate Governance Policies					
cg.1 The company has a board of directors	Since 2012, the Group's own integrity management has been intensively monitored by the external Advisory Board for Integrity and Sustainability and developed further on the basis of its input.	N/A	N/A	N/A	Principles of Social Responsibility ; Sustainability Report 46;
cg.2 The company has an onboarding and supplier onboarding policy	During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process.	During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process.	N/A	N/A	

	Monitoring in this area is designed to ensure that the company can identify possible integrity violations by its sales partners.	Monitoring in this area is designed to ensure that the company can identify possible integrity violations by its sales partners.			
cg.3 The company has an audit policy	<p>Auditing the due diligence management systems and procurement practices of suppliers in the cobalt supply chain</p> <p>Initiate a process of continuous improvement by monitoring the implementation of corrective action plans and providing auditee trainings.</p>	<p>It is here, in particular between the mines and smelters, that there is a heightened risk to human rights, for example the risk of child labor. In addition to auditing the mines and smelters and with a view to counteracting such risks effectively and continuously, social projects aimed at improving the livelihoods of the people in the region surrounding the mines have proven to be most effective in producing sustained change; During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process. Monitoring in this area is designed to ensure that the company can identify possible integrity violations by its sales</p>	<p>During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process. Monitoring in this area is designed to ensure that the company can identify possible integrity violations by its sales partners.</p>	<p>Continuing the third party auditing project – Continuing local engagement through Bon Pasteur –Sourcing of cobalt from mines that have been audited by the Initiative for Responsible Mining Assurance and assessed as reaching at least IRMA 50 in its achievement system three years after production starts</p>	Sustainability Report

		partners.			
cg.4 The company has a risk policy	We at Mercedes-Benz Group will continue to make annual disclosures on our due diligence activities in the supply chain, including a disclosure of the results of the risk assessment in the supply chain and a detailed description of our measures to mitigate the risks identified and evaluate their effectiveness.	We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas ¹ .	We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas ¹ .	N/A	Raw Materials Report

cg.5 The company has a product policy	We use different criteria for the analysis like the number of processing steps within our supply chains as well as the technical methods of raw material extraction and the origin of raw materials. Another criterion is the future relevance of a raw material for our products with regard to the transition to electric mobility. Because raw material and service supply chains are very different we look at them separately.	We use different criteria for the analysis like the number of processing steps within our supply chains as well as the technical methods of raw material extraction and the origin of raw materials. Another criterion is the future relevance of a raw material for our products with regard to the transition to electric mobility. Because raw material and service supply chains are very different we look at them separately.	We use different criteria for the analysis like the number of processing steps within our supply chains as well as the technical methods of raw material extraction and the origin of raw materials. Another criterion is the future relevance of a raw material for our products with regard to the transition to electric mobility. Because raw material and service supply chains are very different we look at them separately.	For this purpose, we take into account relevant reports, studies, expert interviews as well as collaborative work. One example is the Raw Materials Outlook platform, which we developed jointly with other automotive manufacturers as part of the "Drive Sustainability" initiative. The aim of the collaboration was to create a cross-industry online portal that helps automotive manufacturers identify their human rights and environmental risks in the supply chain.	Raw Materials Report	
cg.6 The company has a finance policy	Annual Report 2022	N/A	N/A	N/A		
cg.7 The company has a compliance policy	Annual Report 2022	N/A	N/A	N/A		
cg.8 The company has a code of ethics and code of conduct for board members	Our Integrity Code.	N/A	N/A	N/A		

<p>cg.9 The company has a knowledge management policy</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>"Apart from addressing the root causes, what other measures are needed to strengthen child rights?" From Interview with Ines Kaempfer Centre for Child Rights and Business; Together with these NGOs, we carry out projects to address systemic human rights violations at the start of the supply chain. To put it simply, it's not enough to combat child labour – we need to address the causes, which are poverty and social disintegration. And we need to create alternative means of subsistence. In the Congo, for example, many years of war have led to a lack of agricultural know-how. This knowledge has to be recreated. Moreover, many mine workers don't know that as well as obligations they also have rights, for example the right to education.</p>	<p>Study Profiles, Sustainability Report</p>
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<p>cg.10 The company has Environmental, Social & Governance (ESG) policies</p>	<p>ESG at Mercedes-Benz; Raw Materials Report</p>	<p>In future, Mercedes-Benz will do business exclusively with raw materials suppliers that agree to comply with IRMA requirements. This reaffirms our commitment to respecting human rights and protecting the environment across our products' supply chains</p>	<p>Our Daimler Human Rights Respect System (HRRS) employs a risk-based approach to systematically address human rights issues. It is designed to identify and avoid systemic risks and possible negative effects of our business activities on human rights early on.</p>	<p>Using internationally recognised standards, for example the Initiative for Responsible Mining Assurance and the Responsible Minerals Assurance Process</p>	<p>ESG Targets</p>
<p>Corporate Finance Policies</p>					

<p>cf.1 The company has existing annual financial reports</p>	<p>Annual Report 2022</p>	<p>Cobalt: Overview of smelters and refiners in our current supply chains</p>	<p>As things stand at present, there are currently no cobalt mines certified in accordance with IRMA Standard. Mercedes-Benz is therefore working with IRMA and RCS Global on a step-by-step approach for dealing with particularly challenging local situations. This approach will be taken with a limited number of cobalt mines in the Democratic Republic of the Congo, auditing them against specific requirements in the IRMA Standard for Responsible Mining. In the medium term, this approach aims on the one hand to establish realistic expectations of mining suppliers, while on the other pressing for increasingly responsible practices in order to meet Mercedes-Benz's requirements for sustainable supply chains. The long-term objective is a clear commitment to a process of</p>	<p>We have audited the consolidated financial statements of Mercedes-Benz Group AG, Stuttgart, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2022,</p>	<p>Annual Report 2022</p>
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			continuous improvement. Included in this are transitional periods for the achievement of different levels of performance for an IRMA certification.		
cf.2 The company has non-financial policies	Non-Financial Declaration in the Annual Report 2022	The company's non-financial policies acknowledges potential risks with their supplier	N/A	N/A	Annual Report 2022
cf.3 The company has policies on transactional practices	N/A	N/A	N/A	N/A	

<p>cf.4 The company has a policy regarding their supplier, financial and trade agreements</p>	<p>"The Partner should establish a separate policy prohibiting child labor within their business activities and supply chains in line with the relevant ILO conventions. The Partner should integrate this requirement into their legally binding contracts and agreements."</p>	<p>All suppliers must respect internationally recognized human rights that can also be found in the contractual agreements with them. We reserve the right to check compliance with the contractual terms and conditions and, in the event of violations, exercise our rights under the contract that may also include legal action and may lead to the termination of the business relationship.</p>	<p>All suppliers must respect internationally recognized human rights that can also be found in the contractual agreements with them. We reserve the right to check compliance with the contractual terms and conditions and, in the event of violations, exercise our rights under the contract that may also include legal action and may lead to the termination of the business relationship.</p>	<p>N/A</p>	<p>Responsible Sourcing Standards</p>
<p>cf.5 The company includes policies on recognising illicit financial activity by non-state armed rebel groups</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	

<p>cf.6 Financial transparency statements are within their human rights policies</p>	<p>The procurement units of Mercedes-Benz AG and Daimler Truck AG jointly conduct comprehensive human rights assessments for raw materials that pose an increased risk of human rights violations. By the end of 2020 we had assessed 24 percent of all high-risk raw materials, including the battery raw materials cobalt and lithium. In 2018 Mercedes-Benz commissioned RCS Global, experts in responsible battery sourcing, to help enhance transparency along the complex cobalt supply chains and to audit them at every stage in line with OECD Due Diligence Guidance.</p>	<p>Our Daimler Human Rights Respect System (HRRS) employs a risk-based approach to systematically address human rights issues. It is designed to identify and avoid systemic risks and possible negative effects of our business activities on human rights early on. Battery-electric drive systems are a key element on the way to achieving carbon neutrality. This is associated with a changing and increasing demand for specific raw materials, in particular cobalt and lithium, but also nickel, graphite, manganese, and copper. Our approach to sourcing raw materials for batteries is responsible and holistic. The aim is to minimize the social and environmental impacts of raw materials extraction and to ensure responsible sourcing. We only want products that have been produced without human rights violations. That is why we have</p>	<p>Our Daimler Human Rights Respect System (HRRS) employs a risk-based approach to systematically address human rights issues. It is designed to identify and avoid systemic risks and possible negative effects of our business activities on human rights early on. Battery-electric drive systems are a key element on the way to achieving carbon neutrality. This is associated with a changing and increasing demand for specific raw materials, in particular cobalt and lithium, but also nickel, graphite, manganese, and copper. Our approach to sourcing raw materials for batteries is responsible and holistic. The aim is to minimize the social and environmental impacts of raw materials extraction and to ensure responsible sourcing. We only want products that have been produced without</p>	<p>N/A</p>	<p>Responsible Sourcing Standards; Annual Report 2022</p>
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		firmly established this topic in our sustainable business strategy. Under the umbrella of the HRRS, we analyse 24 critical raw materials for human rights risks, create transparency in our supply chains and take measures to reduce risks.	human rights violations. That is why we have firmly established this topic in our sustainable business strategy. Under the umbrella of the HRRS, we analyse 24 critical raw materials for human rights risks, create transparency in our supply chains and take measures to reduce risks.		
cf7. The company commits to meaningful investment and development for children in the DRC	“A key component of the project with GSIF is to give the children in Kolwezi the opportunity of education and thus future prospects. Thanks to the cooperation with Bon Pasteur in Congo, more than 300 children have been able to attend school in	N/A	N/A	We are supporting the social structures in the region, in order to meet our social responsibility in raw material extraction. Our engagement is aimed at creating the foundations for long-term change. That	Education to counter child labor – Daimler supports a social project in the Democratic

	<p>the past twelve months,” said Renata Jungo Brüngger. More than 50 of them had previously worked in mines. In addition to schooling, the children also receive healthcare assistance.</p>			<p>includes children attending school and improving the economic conditions for families</p>	<p>Republic of the Congo with over one million euros</p>
<p>cf.8 The company has a sustainable finance policy</p>	<p>Green Finance More and more investors are making their investment decisions on the basis of criteria such as environmental protection, social conduct and fair corporate governance. They want to invest in companies with a sustainable business strategy. With our Green Finance Framework, we have created the conditions for sustainable finance instruments such as green bonds and green loans.</p>	<p>In addition to the measures, such as checks through audits in its own supply chains, the company launched a social project against child labor in the Democratic Republic of Congo back in 2019 with the aid organization Bon Pasteur. The aim is to improve the living conditions of the people in the Kolwezi mining region.</p>	<p>In addition to the measures, such as checks through audits in its own supply chains, the company launched a social project against child labor in the Democratic Republic of Congo back in 2019 with the aid organization Bon Pasteur. The aim is to improve the living conditions of the people in the Kolwezi mining region.</p>	<p>To support human rights in mining regions, the company is also continuing existing partnerships with Bon Pasteur in the Democratic Republic of the Congo (DRC) and with Terre des Hommes in India. The focus of both projects is to prevent child labour by addressing its root causes such as extreme poverty, lack of community protection systems and limited alternative livelihood opportunities. Support is being extended to a total of 34 villages from the 12 that have benefitted so far.</p>	<p>Mercedes-Benz underlines ESG commitment with substantial achievements and measurable targets</p>

<p>cf.9 The company has an AML & CTF policy that adheres to anti money laundering, and anti bribery laws and regulations within their state</p>	<p>The Anti Financial Crime & Export Control (AFC & ECL) specialist unit supports the Money Laundering Officer in all their tasks: for example, it performs the regulatory function for Mercedes-Benz Group AG and all its companies in the area of goods trading across all business divisions, and is responsible for the standards and processes applicable throughout the Group in accordance with the Money Laundering Act</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Annual Report 2022, 51</p>
<p>cf.10 The company has a financial audit policy</p>	<p>Our Cobalt Supply Chain Policy</p>	<p>N/A</p>	<p>N/A</p>	<p>We have audited the consolidated financial statements of Mercedes-Benz Group AG, Stuttgart, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2022,</p>	
<p>Regulation Policies</p>					

<p>rg.1 Corporate policies refer to the International Bill of Human Rights</p>	<p>We respect internationally recognized human rights and are committed to the following national and international standards, among others:</p> <p>the Universal Declaration of Human Rights</p> <p>the International Pact on Civil and Political Rights</p> <p>the International Pact on Economic, Social and Cultural Rights</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	
<p>rg.2 Corporate policies refer to the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention</p>	<p>Abolition of Child Labor At Daimler, we are strictly opposed to any form of child labor as defined in the relevant ILO conventions⁴ and are committed to the effective abolition of child labor. All employer practices at Daimler must at least comply with the aforementioned ILO conventions. Children must not be inhibited in their development. Their dignity must be respected and their safety and health must not be impaired, but protected by appropriate measures; The company has internal policies</p>	<p>The Partner ensures that child labor is not tolerated within its own operations or within its direct suppliers under any circumstances. The Partner is obliged within its own business area to comply with ILO Conventions No. 138 on Minimum Age and No. 182 on the Worst Forms of Child Labour as a minimum and to check the age of employees and applicants accordingly. Children must not be hampered in their development and education. Their health and</p>	<p>Abolition of child labour</p> <p>The Mercedes-Benz Group is strictly opposed to any kind of child labour as specified by the pertinent ILO Conventions number 138 and 182.</p> <p>It is committed to the effective abolition of child labour and aligns its employer practices accordingly.</p>	<p>The Partner should work collectively, for example, in industry associations, to promote the rights of children and their access to education and healthy development.</p>	<p>Annual Report 2022</p>

	<p>that refer to the International Bill of Human Rights. We respect internationally recognized human rights and are committed to the following national and international standards, among others: the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work</p>	<p>safety must not be adversely affected. The Partner is obliged to agree with its direct suppliers on the requirements for the prevention of child labor and also to request them to forward these.</p>			
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<p>rg.3 There are corporate policies that refer to the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, OECD Due Diligence Guidance for Responsible Business Conduct and OECD Guidelines for Practical Actions for Worst Forms of Child Labour</p>	<p>Since 2018, the audit and consulting company RCS Global has been creating transparency for Mercedes-Benz on the complex cobalt supply chains of battery cells and auditing them across all stages in accordance with OECD due diligence guidelines. After initial progress in the cobalt supply chains, the commitment was extended to other battery raw materials in 2022 – specifically to lithium, nickel, graphite, manganese and copper.</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society.</p> <p>We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas¹.</p> <p>In order to be able to develop and design targeted measures, we evaluate all 24 critical raw materials based on nine identified risk fields. These are derived from our sustainability standards, taking into account the international frameworks relevant to raw material supply</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society.</p> <p>We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas¹.</p> <p>In order to be able to develop and design targeted measures, we evaluate all 24 critical raw materials based on nine identified risk fields. These are derived from our sustainability standards, taking into account the international frameworks</p>	<p>In addition to our own raw material assessments, from which we derive material-specific measures, the use of recognized external standards is a central instrument in order to meet our own due diligence responsibilities. The Standard for Responsible Mining of the Initiative for Responsible Mining Assurance (IRMA) is of particular importance for us here. The IRMA standard is currently the widest-ranging standard and comprehensively covers the risks associated with the extraction of raw materials.</p>	<p>Annual Report 2022</p>
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		<p>chains, such as the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Area</p> <p>Business Conduct in Conflict and High Risk Areas (Potentially) adverse impacts of a company's operation, contributing to conflict, which result from a company's own activities or its relationships with third parties including suppliers.</p> <p>Child Labour: Illegal or exploitative employment of children (potentially) depriving children of their childhood and education.</p>	<p>relevant to raw material supply chains, such as the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Area</p> <p>Business Conduct in Conflict and High Risk Areas (Potentially) adverse impacts of a company's operation, contributing to conflict, which result from a company's own activities or its relationships with third parties including suppliers.</p> <p>Child Labour: Illegal or exploitative employment of children (potentially) depriving children of their childhood and education.</p>		
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<p>rg.4 There are corporate policies that refer to the UNGPs and its Reporting Framework</p>	<p>We respect internationally recognized human rights and are committed to the following national and international standards, among others:UN Guiding Principles on Business and Human Rights</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society.</p> <p>We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas¹.</p> <p>In order to be able to develop and design targeted measures, we evaluate all 24 critical raw materials based on nine identified risk fields. These are derived from our sustainability standards, taking into account the international frameworks relevant to raw material supply</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society.</p> <p>We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas¹.</p> <p>In order to be able to develop and design targeted measures, we evaluate all 24 critical raw materials based on nine identified risk fields. These are derived from our sustainability standards, taking into account the international frameworks</p>	<p>N/A</p>	<p>Annual Report 2022</p>
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		<p>chains, such as the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Area</p> <p>Business Conduct in Conflict and High Risk Areas (Potentially) adverse impacts of a company's operation, contributing to conflict, which result from a company's own activities or its relationships with third parties including suppliers.</p> <p>Child Labour: Illegal or exploitative employment of children (potentially) depriving children of their childhood and education.</p>	<p>relevant to raw material supply chains, such as the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Area</p> <p>Business Conduct in Conflict and High Risk Areas (Potentially) adverse impacts of a company's operation, contributing to conflict, which result from a company's own activities or its relationships with third parties including suppliers.</p> <p>Child Labour: Illegal or exploitative employment of children (potentially) depriving children of their childhood and education.</p>		
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rg.5 There are corporate policies that refer to UNICEF	N/A	N/A	N/A	N/A	
rg.6 There are corporate policies that refer to the UN Global Compact	In this agreement, the Mercedes-Benz Group commits to the principles of the UN Global Compact, including the internationally recognized human and labour rights regulated therein, freedom of association, sustainable environmental protection and the prohibition of child and forced labour.	N/A	N/A	In addition, the company agreed on the Principles of Social Responsibility with the International Works Council. They are applicable at Mercedes-Benz Group AG as well as throughout the entire Group. In this agreement, the Mercedes-Benz Group commits to the principles of the UN Global Compact, including the internationally recognized human and labour rights regulated therein, freedom of association, sustainable environmental protection and the prohibition of child and forced labour.	
rg.7 There are corporate policies that refer to other initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining	With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of	With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of	With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to	In order to assess its corporate performance with regard to the 17 SDGs, the Mercedes-Benz Group conducted an SDG analysis together with the analytical experts of TruCost in 2020.	Sustainability Report

and Metals etc;	child labour, and increase transparency and governance.	child labour, and increase transparency and governance.	reduce the risk of child labour, and increase transparency and governance.	This involved examining the positive and potentially negative impacts of its business activities on the SDGs.	
rg.8 The company's policies are compliant with national legislation	We respect internationally recognized human rights and are committed to the following national and international standards, among others: the National Action Plan on Business and Human Rights (Germany)	N/A	N/A	N/A	
rg.9 The company's non-financial reports are compliant with EU DIRECTIVE 2014/95/EU	N/A	N/A	N/A	N/A	
rg.10 The company states it includes contractual clauses on the issue of child labour in their policies	"The Partner should establish a separate policy prohibiting child labor within their business activities and supply chains in line with the relevant ILO conventions. The Partner should integrate this requirement into their legally binding contracts and agreements."	"The Partner should establish a separate policy prohibiting child labor within their business activities and supply chains in line with the relevant ILO conventions. The Partner should integrate this requirement into their legally binding contracts and agreements."	"The Partner should establish a separate policy prohibiting child labor within their business activities and supply chains in line with the relevant ILO conventions. The Partner should integrate this requirement into their legally binding contracts and agreements."	N/A	
Remedies Policies					

<p>rm.1 The company has a whistleblower policy</p>	<p>"The Business Practices Office (BPO) whistleblower system enables all employees, as well as business partners and third parties, to report misconduct anywhere in the world." If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child labor is to be prevented.</p>	<p>N/A</p>	<p>N/A</p>	<p>"The Business Practices Office (BPO) whistleblower system enables all employees, as well as business partners and third parties, to report misconduct anywhere in the world." If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child labor is to be prevented.</p>	<p>Sustainable Development</p>
<p>rm.2 The company has a grievance mechanism policy</p>	<p>To capture them, we have established a so-called "risk radar" within the company, where we regularly work together with colleagues from the investor relations, external affairs or communications departments, for example. There, early warning signals and current issues are discussed, and it is examined</p>	<p>If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child</p>	<p>N/A</p>	<p>N/A</p>	<p>Responsible Sourcing</p>

	what opportunities and risks could arise for us. The earlier we recognise developments, the better.	labor is to be prevented.			
rm.3 The company has an open door policy allowing access to the management team	Freedom of association The Mercedes-Benz Group and its partners ensure that their employees can openly discuss working conditions with management without fear of retaliation. We respect the right of employees to come together in groups, join a trade union and appoint a committee of representatives and be elected as members of such committees.	N/A	N/A	The company states third party actors or investigators of child labour abuses within the cobalt supply chain may freely speak to management about potential risks	Business partner standards.pp.25
rm.4. The company has a transparent follow-up policy on grievances	N/A	N/A	N/A	For this purpose, we take into account relevant reports, studies, expert interviews as well as collaborative work. One example is the Raw Materials Outlook platform, which we developed jointly with other automotive manufacturers as part of the	

				"Drive Sustainability" initiative. The aim of the collaboration was to create a cross-industry online portal that helps automotive manufacturers identify their human rights and environmental risks in the supply chain.	
rm.5 The company states that the grievance mechanisms align with national law and international human rights law	N/A	N/A	N/A	N/A	
rm.6 The company states it incorporates outcomes from grievances into future practices	N/A	N/A	N/A	N/A	
rm.7. The company has an equitable and transparent policy within their grievance mechanism	N/A	N/A	N/A	N/A	
rm.8 The company states it monitors patterns of grievances	N/A	N/A	N/A	N/A	

<p>rm.9 The company states that the grievance mechanisms align with the UNGPs and OECD Guidelines</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	
<p>rm.10 The company's provides financial support to victims</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child labor is to be prevented.</p>	<p>Responsible Sourcing Standards</p>

2.3. Mercedes Results - Procedures

Mercedes Benz Procedures Assessment - Scorecard						
Level of Analysis		Operational	Supply Chain	Value Chain	Community	Score
Category 1	Human Rights Due Diligence					
Indicators	hrdd.1	0.5	0.5	0.5	0.5	2
	hrdd.2	0.5	0.5	0.5	0.5	2
	hrdd.3	0.5	0.5	0.5	0.5	2
	hrdd.4	0.5	0.5	0.5	0.5	2
	hrdd.5	0.5	0	0	0.5	1
	hrdd.6	0.5	0.5	0.5	0.5	2
	hrdd.7	0.5	0.5	0.5	0.5	2
	hrdd.8	0	0	0	0	0
	hrdd.9	0.5	0.5	0.5	0.5	2
	hrdd.10	0.5	0.5	0.5	0.5	2
Final Score Category 1:						17
Total Available for Category 1:						20
Category 2	Corporate Governance					
Indicators	cg.1	0.5	0	0	0	0.5
	cg.2	0	0	0	0	0
	cg.3	0	0.5	0.5	0.5	1.5
	cg.4	0.5	0	0	0.5	1
	cg.5	0	0	0	0	0
	cg.6	0	0	0.5	0.5	1
	cg.7	0	0	0	0.5	0.5
	cg.8	0.5	0.5	0.5	0.5	2
	cg.9	0.5	0	0	0	0.5
	cg.10	0.5	0	0	0.5	1
Final Score Category 2:						8

Total Available for Category 2:						20
Category 3	Corporate Finance					
Indicators	cf.1	0.5	0.5	0	0	1
	cf.2	0.5	0	0	0	0.5
	cf.3	0	0	0	0	0
	cf.4	0	0.5	0.5	0	1
	cf.5	0	0	0	0	0
	cf.6	0	0	0.5	0.5	1
	cf.7	0	0	0	0.5	0.5
	cf.8	0.5	0.5	0.5	0.5	2
	cf.9	0.5	0	0	0	0.5
	cf.10	0.5	0	0	0.5	1
Final Score Category 3:						7.5
Total Available for Category 3						20
Category 4	Regulation					
Indicators	rg.1	0.5	0	0	0	0.5
	rg.2	0.5	0.5	0.5	0	1.5
	rg.3	0.5	0.5	0.5	0.5	2
	rg.4	0.5	0.5	0.5	0	1.5
	rg.5	0	0	0	0	0
	rg.6	0	0	0	0	0
	rg.7	0.5	0.5	0.5	0.5	2
	rg.8	0	0	0	0	0
	rg.9	0	0	0	0	0
	rg.10	0	0	0	0	0
Final Score Category 4:						7.5
Total Available for Category 4						20
Category 5	Remedies					

Indicators	rm.1	0.5	0	0	0.5	1
	rm.2	0.5	0.5	0	0	1
	rm.3	0.5	0	0	0	0.5
	rm.4	0	0	0	0.5	0.5
	rm.5	0	0	0	0	0
	rm.6	0	0	0	0	0
	rm.7	0	0	0	0	0
	rm.8	0	0	0	0	0
	rm.9	0	0	0	0	0
	rm.10	0	0	0	0.5	0.5
Final Score Category 5:						3.5
Total Available for Category 5:						20
Final Score for Policies Assessment:						43.5
Total Available for Policies Assessment:						100

2.4. Mercedes Assessment - Procedures

The following table contains extracted information from the relevant policies considered for the assessment. Boxes that contain 'N/A' means the company failed to provide the appropriate information to fit the criteria.

Mercedes Assessment Procedures

Indicators	Operational	Supply Chain	Value Chain	Community	References
	Human Rights Due Diligence				
hrdd.1 The EV Company has publicly available human rights due diligence procedures	"With the Human Rights Respect System (HRRS), Mercedes-Benz has developed its own, systematic approach to preventing human rights violations in our supply chains."	"With the Human Rights Respect System (HRRS), Mercedes-Benz has developed its own, systematic approach to preventing human rights violations in our supply chains."	"With the Human Rights Respect System (HRRS), Mercedes-Benz has developed its own, systematic approach to preventing human rights violations in our supply chains."	Together with the Initiative for Responsible Mining Assurance (IRMA), Mercedes-Benz AG collaborated on an approach to create better opportunities for local communities affected by mining to participate in audits. The aim of the project was to test and enhance procedures for effectively engaging affected persons before, during and after the audit of mining sites. Through the effective engagement with affected persons throughout the audit cycle, mining standards can be more effective in reducing risks of mining operations. The year-long project was completed at	Due diligence for conflict minerals.

				the end of 2022. The results will be published in the spring of 2023.	
hrdd.2 The company has a process to identify salient human rights risks of children and direct address actual and adverse impacts	We have developed specially tailored training courses on human rights for the various departments and target groups in their respective functions. In order to further sensitize all employees to the importance of the topic and their own possibilities for influencing the respect and protection of human rights, our integrity training contains exemplary cases and complex situations from everyday work. Especially for our compliance experts, we have developed a supplementary training course in which we explain in detail our responsibility for human rights in	Agreement of awarding requirements for battery cell suppliers: –Sourcing of cobalt from smelters that conform to the Responsible Minerals Assurance Process –Sourcing of battery raw materials from mines that have been audited by the Initiative for Responsible Mining Assurance and assessed as reaching at least IRMA 50 in its achievement system	Agreement of awarding requirements for battery cell suppliers: –Sourcing of cobalt from smelters that conform to the Responsible Minerals Assurance Process –Sourcing of battery raw materials from mines that have been audited by the Initiative for Responsible Mining Assurance and assessed as reaching at least IRMA 50 in its achievement system	Individual Measures – Contractual agreement with battery cell suppliers to purchase exclusively from cobalt sources audited with the Initiative for Responsible Mining Assurance (IRMA) in the future –Long term third party auditing along the cobalt supply chain, including implementing and monitoring Corrective Action Plans – Regular training of suppliers on appropriate	Sustainability Report; Raw Materials Report; Social Compliance

	<p>accordance with the UN Guiding Principles on Business and Human Rights. Our aim is to sensitize specifically to human rights risks and enable their identification.</p>			<p>measures for responsible sourcing –Regular dialogue with mine operators</p>	
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<p>hrdd.3 There is a human rights transparency procedures</p>	<p>That includes the screening of our suppliers, risk-based due diligence analyses, and sustainability training courses for suppliers. Through these measures we enforce compliance with social standards and environmental requirements and achieve greater transparency in the supply chain; Transparency –Six tier levels from mine to OEM: mine - refinery precursor - cathode - battery cell - OEM –Largely transparent from tier-1 up to mine level –Critical node: mine –Primary sources: Democratic Republic of the Congo and South Africa Identified salient risks B Child labour C Community and indigenous peoples’ rights E Insufficient due diligence processes at (sub-)suppliers; Creating transparency and auditing of the company's cobalt supply chain at every tier from the battery cell supplier down to mine level; With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child</p>	<p>That includes the screening of our suppliers, risk-based due diligence analyses, and sustainability training courses for suppliers. Through these measures we enforce compliance with social standards and environmental requirements and achieve greater transparency in the supply chain; Transparency –Six tier levels from mine to OEM: mine - refinery precursor - cathode - battery cell - OEM –Largely transparent from tier-1 up to mine level –Critical node: mine –Primary sources: Democratic Republic of the Congo and South Africa Identified salient risks B Child labour C Community and indigenous peoples’ rights E Insufficient due diligence processes at (sub-)suppliers; Creating transparency and auditing of the company's cobalt supply chain at every tier from the battery cell supplier down to mine level; With the</p>	<p>That includes the screening of our suppliers, risk-based due diligence analyses, and sustainability training courses for suppliers. Through these measures we enforce compliance with social standards and environmental requirements and achieve greater transparency in the supply chain; Transparency – Six tier levels from mine to OEM: mine - refinery precursor - cathode - battery cell - OEM –Largely transparent from tier-1 up to mine level –Critical node: mine –Primary sources: Democratic Republic of the Congo and South Africa Identified salient risks B Child labour C Community and indigenous peoples’ rights E Insufficient due diligence processes at (sub-)suppliers; Creating transparency and auditing of the company's cobalt supply chain at every tier from the</p>	<p>With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.; Creating transparency and auditing of the company's cobalt supply chain at every tier from the battery cell supplier down to mine level</p>	<p>Raw Materials Report; Human rights in the supply chain; Our Activities in the Cobalt Supply Chain</p>
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	<p>labour, and increase transparency and governance.</p>	<p>Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.</p>	<p>battery cell supplier down to mine level; With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.</p>		
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<p>hrdd.4 There are existing traceability and chain of custody procedures</p>	<p>Child labour is explicitly forbidden. In order to promote the transfer of requirements to suppliers in downstream stages of the value chain, the company relies on its own inspections and audits as well as on communication and training measures. "It is not only the direct supplier who must operate sustainably, but the entire supply chain," says Angermann. To monitor the supply chains, Mercedes-Benz Cars carries out risk-based "Supply Chain Walks": Starting point is the Tier 1 supplier and then the path goes along the critical points in the supply chain, if necessary to the mine. These onsite checks are carried out by interdisciplinary teams.</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society; Child labour is explicitly forbidden. In order to promote the transfer of requirements to suppliers in downstream stages of the value chain, the company relies on its own inspections and audits as well as on communication and training measures. "It is not only the direct supplier who must operate sustainably, but the entire supply chain," says Angermann. To monitor the supply chains, Mercedes-Benz Cars carries out risk-based "Supply Chain Walks": Starting point is the Tier 1 supplier and then the path goes along the critical points in the supply chain, if necessary to the mine. These onsite checks are carried out by interdisciplinary teams.</p>	<p>Child labour is explicitly forbidden. In order to promote the transfer of requirements to suppliers in downstream stages of the value chain, the company relies on its own inspections and audits as well as on communication and training measures. "It is not only the direct supplier who must operate sustainably, but the entire supply chain," says Angermann. To monitor the supply chains, Mercedes-Benz Cars carries out risk-based "Supply Chain Walks": Starting point is the Tier 1 supplier and then the path goes along the critical points in the supply chain, if necessary to the mine. These onsite checks are carried out by interdisciplinary teams.</p>	<p>Auditing by RCS Global: The audit requirements are tailored to the different supplier levels, and are based on international standards relevant to cobalt due diligence. Criteria assessed as part of the program include: Due diligence management systems for cobalt, including material control, risk management and mitigation and public reporting, based on the 5-step criteria set out in OECD Due Diligence Guidance for Responsible Sourcing from High Risk Areas; the Chinese Due Diligence Guidelines for Responsible Mineral Supply Chain (Chinese Guidelines), and CCCMC, RCI and RMI Pilot Cobalt Refiner Supply Chain Due</p>	<p>Raw Materials Report; Strong for human rights – Daimler goes on the offensive for a sustainable raw material supply chain</p>
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				Diligence Standard; Human rights including child labour, modern slavery, severe human rights violations, based on OECD Due Diligence Guidance Annex 2, the Chinese Guidelines, and the UK Modern Slavery Act (2015).	
hrdd.5 HRDD procedures are reviewed periodically	During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process. Monitoring in this area is designed to ensure that the company can identify possible integrity violations by its sales partners.	N/A	N/A	During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process. Monitoring in this area is designed to ensure that the company	Sustainability Report, 54.

				can identify possible integrity violations by its sales partners.	
hrdd.6 HRDD procedures include steps towards monitoring and identifying specific conflict-related risks within the DRC	Under the umbrella of the Human Rights Respect System (HRRS), Mercedes-Benz Group is conducting raw material assessments for the 24 raw materials. We are doing this by researching the respective raw material, its sourcing steps and the general associated risks. We then use this knowledge to identify the related main components used in our products and to initiate the raw material assessments, which consist of three steps: 1. Creating transparency along the raw material supply chains. 2. Identifying risk hot spots in the supply chains. 3. Defining and implementing risk mitigation measures and reviewing their effectiveness; Child Labour	Under the umbrella of the Human Rights Respect System (HRRS), Mercedes-Benz Group is conducting raw material assessments for the 24 raw materials. We are doing this by researching the respective raw material, its sourcing steps and the general associated risks. We then use this knowledge to identify the related main components used in our products and to initiate the raw material assessments, which consist of three steps: 1. Creating transparency along the raw material supply chains. 2. Identifying risk hot spots in the supply chains. 3. Defining and implementing risk mitigation measures and reviewing their effectiveness; Child Labour	Under the umbrella of the Human Rights Respect System (HRRS), Mercedes-Benz Group is conducting raw material assessments for the 24 raw materials. We are doing this by researching the respective raw material, its sourcing steps and the general associated risks. We then use this knowledge to identify the related main components used in our products and to initiate the raw material assessments, which consist of three steps: 1. Creating transparency along the raw material supply chains. 2. Identifying risk hot spots in the supply chains. 3. Defining and implementing risk mitigation measures and	The supply chains of battery cell suppliers to Mercedes-Benz are assessed at all tiers, from battery cell supplier to mine site, by RCS Global. This assessment includes aspects such as the prevention of child labour and forced labour, health and safety at work, material control and due diligence systems. Where necessary individual corrective action plans are agreed with the suppliers and their implementation is continuously monitored. The aim of this corrective action and regular monitoring is to ensure	Sustainability Report; Raw Materials Report; Handling risk raw materials.

			reviewing their effectiveness; Child Labour	that a continuous improvement process takes place in the supply chain. This ultimate aim is that the cobalt for battery cells comes from responsible sources of supply that meet the requirements of Mercedes-Benz AG.	
hrdd.7 HRDD has risk mitigation procedures	Assessments and Regular Reporting We at Mercedes-Benz Group will continue to make annual disclosures on our due diligence activities in the supply chain, including a disclosure of the results of the risk assessment in the supply chain and a detailed description of our measures to mitigate the risks identified and evaluate their effectiveness.	Assessments and Regular Reporting We at Mercedes-Benz Group will continue to make annual disclosures on our due diligence activities in the supply chain, including a disclosure of the results of the risk assessment in the supply chain and a detailed description of our measures to mitigate the risks identified and evaluate their effectiveness.	Assessments and Regular Reporting We at Mercedes-Benz Group will continue to make annual disclosures on our due diligence activities in the supply chain, including a disclosure of the results of the risk assessment in the supply chain and a detailed description of our measures to mitigate the risks identified and evaluate their effectiveness.	Using internationally recognised standards, for example the Initiative for Responsible Mining Assurance and the Responsible Minerals Assurance Process	Principles of Social Responsibility; Raw Materials Report
hrdd.8 HRDD contain environmental, health and	N/A	N/A	N/A	N/A	N/A

safety procedures					
hrdd.9 HRDD procedures involve ongoing communication	Initiate a process of continuous improvement by monitoring the implementation of corrective action plans and providing auditee trainings; Regular dialogue with mine operators	Initiate a process of continuous improvement by monitoring the implementation of corrective action plans and providing auditee trainings; Regular dialogue with mine operators	Initiate a process of continuous improvement by monitoring the implementation of corrective action plans and providing auditee trainings; Regular dialogue with mine operators	Another challenge is to examine if our own companies and our supply chains are complying with human rights – in a risk-based and systematic manner. For this, we have developed our "Human Rights Respect System," which deals with this area. In addition, we are also working together with local non-government organizations (NGOs). One example of this is the cooperation with the aid organization Bon Pasteur, with which we are working against child labor in the Democratic Republic of Congo.	Sustainability Report; Strong for human rights – Daimler goes on the offensive for a sustainable raw material supply chain

<p>hrdd.10 HRDD procedures are constantly evolving according to their human rights risk monitoring systems</p>	<p>The supply chains of battery cell suppliers to Mercedes-Benz are assessed at all tiers, from battery cell supplier to mine site, by RCS Global. This assessment includes aspects such as the prevention of child labour and forced labour, health and safety at work, material control and due diligence systems. Where necessary individual corrective action plans are agreed with the suppliers and their implementation is continuously monitored. The aim of this corrective action and regular monitoring is to ensure that a continuous improvement process takes place in the supply chain. This ultimate aim is that the cobalt for battery cells comes from responsible sources of supply that meet the requirements of Mercedes-Benz AG.</p>	<p>The supply chains of battery cell suppliers to Mercedes-Benz are assessed at all tiers, from battery cell supplier to mine site, by RCS Global. This assessment includes aspects such as the prevention of child labour and forced labour, health and safety at work, material control and due diligence systems. Where necessary individual corrective action plans are agreed with the suppliers and their implementation is continuously monitored. The aim of this corrective action and regular monitoring is to ensure that a continuous improvement process takes place in the supply chain. This ultimate aim is that the cobalt for battery cells comes from responsible sources of supply that meet the requirements of Mercedes-Benz AG.</p>	<p>The supply chains of battery cell suppliers to Mercedes-Benz are assessed at all tiers, from battery cell supplier to mine site, by RCS Global. This assessment includes aspects such as the prevention of child labour and forced labour, health and safety at work, material control and due diligence systems. Where necessary individual corrective action plans are agreed with the suppliers and their implementation is continuously monitored. The aim of this corrective action and regular monitoring is to ensure that a continuous improvement process takes place in the supply chain. This ultimate aim is that the cobalt for battery cells comes from responsible sources of supply that meet the requirements of Mercedes-Benz AG.</p>	<p>The supply chains of battery cell suppliers to Mercedes-Benz are assessed at all tiers, from battery cell supplier to mine site, by RCS Global. This assessment includes aspects such as the prevention of child labour and forced labour, health and safety at work, material control and due diligence systems. Where necessary individual corrective action plans are agreed with the suppliers and their implementation is continuously monitored. The aim of this corrective action and regular monitoring is to ensure that a continuous improvement process takes place in the supply chain. This ultimate aim is that the cobalt for battery cells comes from responsible sources of</p>	<p>Responsible Sourcing Standards, p.6; Supply chain management at Mercedes-Benz; Raw Materials Report</p>
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				supply that meet the requirements of Mercedes-Benz AG.	
	Corporate Governance				
cg.1 The company has a board of directors	Since 2012, the Group's own integrity management has been intensively monitored by the external Advisory Board for Integrity and Sustainability and developed further on the basis of its input.	N/A	N/A	N/A	Principles of Social Responsibility; Sustainability Report 46;
cg.2 The company has an onboarding and supplier onboarding committee and procedure	N/A	N/A	N/A	N/A	N/A

<p>cg.3 The company has an audit committee and procedure</p>	<p>N/A</p>	<p>It is here, in particular between the mines and smelters, that there is a heightened risk to human rights, for example the risk of child labor. In addition to auditing the mines and smelters and with a view to counteracting such risks effectively and continuously, social projects aimed at improving the livelihoods of the people in the region surrounding the mines have proven to be most effective in producing sustained change; During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process. Monitoring in this area is designed to ensure that the company can identify possible integrity violations by its sales partners.</p>	<p>During the reporting year, the Group subjected all of the new sales partners to a due diligence audit. In addition, it audits the existing sales partners as part of the monitoring process. Monitoring in this area is designed to ensure that the company can identify possible integrity violations by its sales partners.</p>	<p>Continuing the third party auditing project – Continuing local engagement through Bon Pasteur –Sourcing of cobalt from mines that have been audited by the Initiative for Responsible Mining Assurance and assessed as reaching at least IRMA 50 in its achievement system three years after production starts</p>	<p>Sustainability Report;</p>
<p>cg.4 The company has a risk committee and procedure</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

<p>cg.5 The company has a product committee and procedure</p>	<p>N/A</p>	<p>For this purpose, we take into account relevant reports, studies, expert interviews as well as collaborative work. One example is the Raw Materials Outlook platform, which we developed jointly with other automotive manufacturers as part of the "Drive Sustainability" initiative. The aim of the collaboration was to create a cross-industry online portal that helps automotive manufacturers identify their human rights and environmental risks in the supply chain.</p>	<p>For this purpose, we take into account relevant reports, studies, expert interviews as well as collaborative work. One example is the Raw Materials Outlook platform, which we developed jointly with other automotive manufacturers as part of the "Drive Sustainability" initiative. The aim of the collaboration was to create a cross-industry online portal that helps automotive manufacturers identify their human rights and environmental risks in the supply chain.</p>	<p>For this purpose, we take into account relevant reports, studies, expert interviews as well as collaborative work. One example is the Raw Materials Outlook platform, which we developed jointly with other automotive manufacturers as part of the "Drive Sustainability" initiative. The aim of the collaboration was to create a cross-industry online portal that helps automotive manufacturers identify their human rights and environmental risks in the supply chain.</p>	<p>Raw Materials Report</p>
<p>cg.6 The company has a finance committee and procedure</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>cg.7 The company has a compliance committee and procedure</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>cg.8 The company has a code</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

of ethics and code of conduct for board members					
cg.9 The company has a knowledge management person/team and procedure	N/A	N/A	N/A	<p>"Apart from addressing the root causes, what other measures are needed to strengthen child rights?" From Interview with Ines Kaempfer Centre for Child Rights and Business; Together with these NGOs, we carry out projects to address systemic human rights violations at the start of the supply chain. To put it simply, it's not enough to combat child labour – we need to address the causes, which are poverty and social disintegration. And we need to create alternative means of subsistence. In the Congo, for example, many years of war have led to a lack of agricultural know-how. This knowledge has to be</p>	Study Profiles, Sustainability Report

				recreated. Moreover, many mine workers don't know that as well as obligations they also have rights, for example the right to education.	
cg.10 The company has Environmental, Social & Governance (ESG) procedures	ESG at Mercedes-Benz; Raw Materials Report	In future, Mercedes-Benz will do business exclusively with raw materials suppliers that agree to comply with IRMA requirements. This reaffirms our commitment to respecting human rights and protecting the environment across our products' supply chains	Our Daimler Human Rights Respect System (HRRS) employs a risk-based approach to systematically address human rights issues. It is designed to identify and avoid systemic risks and possible negative effects of our business activities on human rights early on.	Using internationally recognised standards, for example the Initiative for Responsible Mining Assurance and the Responsible Minerals Assurance Process	ESG Targets
Corporate Finance					
cf.1 The company has existing annual financial reporting process	Annual Report 2022	Cobalt: Overview of smelters and refiners in our current supply chains	N/A	N/A	Annual Report 2022

cf.2 The company has non-financial reporting process	Non-Financial Declaration in the Annual Report 2022	N/A	N/A	N/A	N/A
cf.3 The company has a procedure for on transactional practices	N/A	N/A	N/A	N/A	N/A
cf.4 The company has procedures regarding their supplier, financial and trade agreements	N/A	All suppliers must respect internationally recognized human rights that can also be found in the contractual agreements with them. We reserve the right to check compliance with the contractual terms and conditions and, in the event of violations, exercise our rights under the contract that may also include legal action and may lead to the termination of the business relationship.	All suppliers must respect internationally recognized human rights that can also be found in the contractual agreements with them. We reserve the right to check compliance with the contractual terms and conditions and, in the event of violations, exercise our rights under the contract that may also include legal action and may lead to the termination of the business relationship.	N/A	Responsible Sourcing Standards
cf.5 The company has monitoring and tracking procedures to identify illicit financial activity by non-state armed rebel groups	N/A	N/A	N/A	N/A	N/A

cf.6 There is a financial transparency system	N/A	N/A	<p>Our Daimler Human Rights Respect System (HRRS) employs a risk-based approach to systematically address human rights issues. It is designed to identify and avoid systemic risks and possible negative effects of our business activities on human rights early on. Battery-electric drive systems are a key element on the way to achieving carbon neutrality. This is associated with a changing and increasing demand for specific raw materials, in particular cobalt and lithium, but also nickel, graphite, manganese, and copper. Our approach to sourcing raw materials for batteries is responsible and holistic. The aim is to minimize the social and environmental impacts of raw materials extraction and to ensure responsible sourcing. We only want products that have been</p>	<p>The policy states suppliers within the upstream supply chain have appointed independent and onsite investigations for illicit trading activities in the mines and the presence of child in those trades</p>	Green Finance Investor Report
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			produced without human rights violations. That is why we have firmly established this topic in our sustainable business strategy. Under the umbrella of the HRRS, we analyse 24 critical raw materials for human rights risks, create transparency in our supply chains and take measures to reduce risks.		
cf7. The company has a meaningful investment strategy	N/A	N/A	N/A	Education to counter child labor – Daimler supports a social project in the Democratic Republic of the Congo with over one million euros	Education to counter child labor – Daimler supports a social project in the Democratic

					Republic of the Congo with over one million euros
cf.8 The company has a sustainable finance procedures	<p>Green Finance</p> <p>More and more investors are making their investment decisions on the basis of criteria such as environmental protection, social conduct and fair corporate governance. They want to invest in companies with a sustainable business strategy. With our Green Finance Framework, we have created the conditions for sustainable finance instruments such as green bonds and green loans.</p>	<p>In addition to the measures, such as checks through audits in its own supply chains, the company launched a social project against child labor in the Democratic Republic of Congo back in 2019 with the aid organization Bon Pasteur. The aim is to improve the living conditions of the people in the Kolwezi mining region.</p>	<p>In addition to the measures, such as checks through audits in its own supply chains, the company launched a social project against child labor in the Democratic Republic of Congo back in 2019 with the aid organization Bon Pasteur. The aim is to improve the living conditions of the people in the Kolwezi mining region.</p>	<p>To support human rights in mining regions, the company is also continuing existing partnerships with Bon Pasteur in the Democratic Republic of the Congo (DRC) and with Terre des Hommes in India. The focus of both projects is to prevent child labour by addressing its root causes such as extreme poverty, lack of community protection systems and limited alternative livelihood opportunities. Support is being extended to a total of 34 villages from the 12 that have benefitted so far.</p>	<p>Mercedes-Benz underlines ESG commitment with substantial achievements and measurable targets; Daimler is committed to combating child labour: education project in India and the Congo</p>

cf.9 The company has an AML & CTF procedure	The Anti Financial Crime & Export Control (AFC & ECL) specialist unit supports the Money Laundering Officer in all their tasks: for example, it performs the regulatory function for Mercedes-Benz Group AG and all its companies in the area of goods trading across all business divisions, and is responsible for the standards and processes applicable throughout the Group in accordance with the Money Laundering Act	N/A	N/A	N/A	Sustainability Report
cf.10 The company has a financial audit process	Our Cobalt Supply Chain Policy	N/A	N/A	We have audited the consolidated financial statements of Mercedes-Benz Group AG, Stuttgart, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2022,	Our Cobalt Supply Chain Policy; Sustainability Report
Regulation					

<p>rg.1 Corporate procedures refer to the International Bill of Human Rights</p>	<p>Abolition of Child Labor At Daimler, we are strictly opposed to any form of child labor as defined in the relevant ILO conventions⁴ and are committed to the effective abolition of child labor. All employer practices at Daimler must at least comply with the aforementioned ILO conventions. Children must not be inhibited in their development. Their dignity must be respected and their safety and health must not be impaired, but protected by appropriate measures; The company has internal policies that refer to the International Bill of Human Rights We respect internationally recognized human rights and are committed to the following national and international standards, among others: the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
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<p>rg.2 Corporate procedures refer to the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention</p>	<p>Abolition of Child Labor At Daimler, we are strictly opposed to any form of child labor as defined in the relevant ILO conventions⁴ and are committed to the effective abolition of child labor. All employer practices at Daimler must at least comply with the aforementioned ILO conventions. Children must not be inhibited in their development. Their dignity must be respected and their safety and health must not be impaired, but protected by appropriate measures; The company has internal policies that refer to the International Bill of Human Rights We respect internationally recognized human rights and are committed to the following national and international standards, among others: the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work</p>	<p>The Partner ensures that child labor is not tolerated within its own operations or within its direct suppliers under any circumstances. The Partner is obliged within its own business area to comply with ILO Conventions No. 138 on Minimum Age and No. 182 on the Worst Forms of Child Labour as a minimum and to check the age of employees and applicants accordingly. Children must not be hampered in their development and education. Their health and safety must not be adversely affected. The Partner is obliged to agree with its direct suppliers on the requirements for the prevention of child labor and also to request them to forward these.</p>	<p>The Partner ensures that child labor is not tolerated within its own operations or within its direct suppliers under any circumstances. The Partner is obliged within its own business area to comply with ILO Conventions No. 138 on Minimum Age and No. 182 on the Worst Forms of Child Labour as a minimum and to check the age of employees and applicants accordingly. Children must not be hampered in their development and education. Their health and safety must not be adversely affected. The Partner is obliged to agree with its direct suppliers on the requirements for the prevention of child labor and also to request them to forward these.</p>	<p>N/A</p>	<p>N/A</p>
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<p>rg.3 Corporate procedures refer to the OECD Guidelines</p>	<p>Since 2018, the audit and consulting company RCS Global has been creating transparency for Mercedes-Benz on the complex cobalt supply chains of battery cells and auditing them across all stages in accordance with OECD due diligence guidelines. After initial progress in the cobalt supply chains, the commitment was extended to other battery raw materials in 2022 – specifically to lithium, nickel, graphite, manganese and copper.</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society.</p> <p>We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas¹.</p> <p>In order to be able to develop and design targeted measures, we evaluate all 24 critical raw materials based on nine identified risk fields. These are derived from our sustainability standards, taking into account the international frameworks relevant to raw material supply chains, such as the OECD Due</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society.</p> <p>We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas¹.</p> <p>In order to be able to develop and design targeted measures, we evaluate all 24 critical raw materials based on nine identified risk fields. These are derived from our sustainability standards, taking into account the international frameworks</p>	<p>In addition to our own raw material assessments, from which we derive material-specific measures, the use of recognized external standards is a central instrument in order to meet our own due diligence responsibilities. The Standard for Responsible Mining of the Initiative for Responsible Mining Assurance (IRMA) is of particular importance for us here. The IRMA standard is currently the widest-ranging standard and comprehensively covers the risks associated with the extraction of raw materials.</p>	<p>Sustainability Report</p>
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		<p>Diligence Guidelines for Minerals from Conflict and High-Risk Area</p> <p>Business Conduct in Conflict and High Risk Areas (Potentially) adverse impacts of a company's operation, contributing to conflict, which result from a company's own activities or its relationships with third parties including suppliers.</p> <p>Child Labour: Illegal or exploitative employment of children (potentially) depriving children of their childhood and education.</p>	<p>relevant to raw material supply chains, such as the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Area</p> <p>Business Conduct in Conflict and High Risk Areas (Potentially) adverse impacts of a company's operation, contributing to conflict, which result from a company's own activities or its relationships with third parties including suppliers.</p> <p>Child Labour: Illegal or exploitative employment of children (potentially) depriving children of their childhood and education.</p>		
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<p>rg.4 Corporate procedures refer to the UNGPs and its Reporting Framework</p>	<p>We respect internationally recognized human rights and are committed to the following national and international standards, among others: UN Guiding Principles on Business and Human Rights</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society.</p> <p>We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas¹.</p> <p>In order to be able to develop and design targeted measures, we evaluate all 24 critical raw materials based on nine identified risk fields. These are derived from our sustainability standards, taking into account the international frameworks relevant to raw material supply chains, such as the OECD Due</p>	<p>In addition to an initial review of the situation, important elements of our assessments include the intensive analysis of our supply chains and the involvement of our direct suppliers and further stakeholders from science, industry, and civil society.</p> <p>We identify and prioritise risks in our raw material supply chains in line with the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Areas¹.</p> <p>In order to be able to develop and design targeted measures, we evaluate all 24 critical raw materials based on nine identified risk fields. These are derived from our sustainability standards, taking into account the international frameworks</p>	<p>N/A</p>	<p>Sustainability Report</p>
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		<p>Diligence Guidelines for Minerals from Conflict and High-Risk Area</p> <p>Business Conduct in Conflict and High Risk Areas (Potentially) adverse impacts of a company's operation, contributing to conflict, which result from a company's own activities or its relationships with third parties including suppliers.</p> <p>Child Labour: Illegal or exploitative employment of children (potentially) depriving children of their childhood and education.</p>	<p>relevant to raw material supply chains, such as the OECD Due Diligence Guidelines for Minerals from Conflict and High-Risk Area</p> <p>Business Conduct in Conflict and High Risk Areas (Potentially) adverse impacts of a company's operation, contributing to conflict, which result from a company's own activities or its relationships with third parties including suppliers.</p> <p>Child Labour: Illegal or exploitative employment of children (potentially) depriving children of their childhood and education.</p>		
rg.5 Corporate procedures	N/A	N/A	N/A	N/A	N/A

refer to the UNICEF					
rg.6 Corporate procedures refer to the UN Global Compact	N/A	N/A	N/A	N/A	N/A
rg.7 The company incorporate global initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc. into their company practices	With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.	With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.	With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.	With the Responsible Cobalt Initiative, Mercedes-Benz Cars is developing measures to counter social and ecological risks throughout the entire cobalt supply chain. The aim is especially to reduce the risk of child labour, and increase transparency and governance.	Sustainability Report
rg.8 Company business and human rights procedures are compliant with national legislation	N/A	N/A	N/A	N/A	N/A
rg.9 The company actively participates in regional (the EU) sustainability and human rights initiatives and EU Law	N/A	N/A	N/A	N/A	N/A
rg.10 The company reviews modifies contractual clauses to protect against children	N/A	N/A	N/A	N/A	N/A

from abuses when new information arises					
	Remedies				
rm.1 The company has a whistle-blower procedure	<p>"The Business Practices Office (BPO) whistleblower system enables all employees, as well as business partners and third parties, to report misconduct anywhere in the world." If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child labor is to be prevented.</p>	N/A	N/A	<p>"The Business Practices Office (BPO) whistleblower system enables all employees, as well as business partners and third parties, to report misconduct anywhere in the world." If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child labor is to be prevented.</p>	Sustainable Development

<p>rm.2 The company has a grievance mechanism procedure</p>	<p>To capture them, we have established a so-called "risk radar" within the company, where we regularly work together with colleagues from the investor relations, external affairs or communications departments, for example. There, early warning signals and current issues are discussed, and it is examined what opportunities and risks could arise for us. The earlier we recognise developments, the better.</p>	<p>If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child labor is to be prevented.</p>	<p>N/A</p>	<p>N/A</p>	<p>Responsible Sourcing</p>
<p>rm.3 The company has an open door procedure allowing access to the management team</p>	<p>Freedom of association The Mercedes-Benz Group and its partners ensure that their employees can openly discuss working conditions with management without fear of retaliation. We respect the right of employees to come together in groups, join a trade union and appoint a committee of representatives and be elected as members of such committees.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Business partner standards.p p.25</p>

<p>rm.4. The company has follow-up procedures on grievances</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>For this purpose, we take into account relevant reports, studies, expert interviews as well as collaborative work. One example is the Raw Materials Outlook platform, which we developed jointly with other automotive manufacturers as part of the "Drive Sustainability" initiative. The aim of the collaboration was to create a cross-industry online portal that helps automotive manufacturers identify their human rights and environmental risks in the supply chain.</p>	<p>Sustainability Report</p>
<p>rm.5 The company has a grievance mechanism process aligned with national law and international human rights law</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>rm.6 The company has a system of incorporating outcomes from grievances into future practices</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>

rm.7. The company ensures the grievances process is equitable and transparent	N/A	N/A	N/A	N/A	N/A
rm.8 The company actively monitors patterns of grievances	N/A	N/A	N/A	N/A	N/A
rm.9 The company states that the grievance mechanisms processes align with the UNGPs and OECD Guidelines	N/A	N/A	N/A	N/A	N/A
rm.10 The company's provides financial support to victims	N/A	N/A	N/A	If the Partner identifies child labor in its workforce, the Partner should not only terminate the employment, but also take care to create adequate measures to remedy the situation, for example, including them into an appropriate education program. A mere postponement of child labor is to be prevented.	Responsible Sourcing

3. Volvo Assessment & List of Policies

- Whistleblowing and Investigations
- Volvo Group Supply Partner Code of Conduct
- Volvo Group Health and Safety Policy
- Volvo Group Code of Conduct
- Tax Policy
- Supply Partner Quality Assurance Manual
- Safety Policy
- Report on the first quarter 2023
- Report on the first quarter 2022
- Quality Policy
- Logistics Requirements
- Leading the Transformation
- Key Elements Procedure 3 Production and Engineering
- Human Rights Policy
- Geared for Growth
- Environmental Policy
- Chemical substances which shall be declared and substances that must not be present in Volvo Group products placed on the market
- Chemical substances which shall be declared and substances that must not be present in Volvo Group products placed on the market
- Chemical substances which must not be present in processes or chemical products within the Volvo Group

3.1. Volvo Results Policies

Volvo Policies Assessment - Scorecard						
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Score	
Category 1	Human Rights Due Diligence					
Indicators	hrdd.1	0.5	0.5	0.5	0.5	2
	hrdd.2	0.5	0.5	0.5	0.5	2
	hrdd.3	0.5	0.5	0	0	1
	hrdd.4	0	0	0	0	0
	hrdd.5	0.5	0	0	0	0.5
	hrdd.6	0.5	0.5	0.5	0.5	2
	hrdd.7	0.5	0	0	0	0.5
	hrdd.8	0.5	0	0	0	0.5
	hrdd.9	0.5	0	0	0.5	1
	hrdd.10	0.5	0	0	0	0.5
Final Score-Category 1:						10
Total Available for Category 1:						20
Category 2	Corporate Governance					
Indicators	cg.1	0.5	0	0	0	0.5
	cg.2	0.5	0	0	0	0.5
	cg.3	0	0	0	0.5	0.5
	cg.4	0.5	0	0	0	0.5
	cg.5	0.5	0	0	0	0.5
	cg.6	0.5	0	0	0	0.5
	cg.7	0.5	0	0	0	0.5
	cg.8	0.5	0	0	0	0.5
	cg.9	0	0	0	0.5	0.5
	cg.10	0	0	0.5	0	0.5
Final Score-Category 2:						5

Total Available for Category 2:						20
Category 3	Corporate Finance					
Indicators	cf.1	0.5	0	0	0.5	1
	cf.2	0.5	0.5	0.5	0	1.5
	cf.3	0.5	0.5	0.5	0.5	2
	cf.4	0.5	0.5	0	0	1
	cf.5	0.5	0	0	0	0.5
	cf.6	0.5	0	0	0	0.5
	cf.7	0.5	0	0	0	0.5
	cf.8	0.5	0	0	0	0.5
	cf.9	0.5	0	0	0	0.5
	cf.10	0.5	0	0	0.5	1
Final Score-Category 3:						9
Total Available for Category 3						20
Category 4	Regulation					
Indicators	rg.1	0.5	0.5	0.5	0	1.5
	rg.2	0.5	0.5	0.5	0	1.5
	rg.3	0.5	0.5	0.5	0	1.5
	rg.4	0.5	0.5	0.5	0	1.5
	rg.5	0.5	0.5	0.5	0	1.5
	rg.6	0.5	0.5	0.5	0	1.5
	rg.7	0.5	0	0	0	0.5
	rg.8	0	0	0	0	0
	rg.9	0.5	0	0	0	0.5
	rg.10	0.5	0	0	0	0.5
Final Score-Category 4:						10.5
Total Available for Category 4						20
Category 5	Remedies					

Indicators	rm.1	0.5	0	0	0	0.5
	rm.2	0.5	0.5	0.5	0.5	2
	rm.3	0.5	0	0	0	0.5
	rm.4	0.5	0	0	0	0.5
	rm.5	0.5	0	0	0	0.5
	rm.6	0.5	0	0	0	0.5
	rm.7	0.5	0	0	0	0.5
	rm.8	0.5	0.5	0.5	0.5	2
	rm.9	0	0	0	0	0
	rm.10	0.5	0.5	0.5	0	1.5
Final Score-Category 5:						8.5
Total Available for Category 5:						20
Final Score for Policies Assessment:						43
Total Available for Policies Assessment:						100

3.2. Volvo Assessment - Policies

The following table contains extracted information from the relevant policies considered for the assessment. Boxes that contain 'N/A' means the company failed to provide the appropriate information to fit the criteria.

Volvo - Policies

Indicators	Internal Operational	Supply Chain	Value Chain	Community	References
Human Rights Due Diligence Policies					
hrdd.1 The EV Company has a publicly available human rights due diligence policy	<p>"The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved."; "The Volvo Group assesses risks related to child labor and children's rights as part of our overall human rights due diligence in our own operations and relevant parts of the value chain. In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the</p>	<p>"The Volvo Group assesses risks related to child labor and children's rights as part of our overall human rights due diligence in our own operations and relevant parts of the value chain; In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations."</p>	<p>"The Volvo Group assesses risks related to child labor and children's rights as part of our overall human rights due diligence in our own operations and relevant parts of the value chain. In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations."</p>	<p>"In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations."</p>	<p>Geared for Growth; Leading the Transformation</p>

	<p>conflict minerals supply chains through collaboration with local civil society organizations."</p>				
<p>hrdd.2 Identify salient human rights risks of children and directly address actual and adverse impacts of children</p>	<p>"Salient human rights risks The Volvo Group's sustainability ambitions are divided into the three areas of climate, resources and people. Human rights risks may be associated with our activities and business relationships in all three of these areas. The Human Rights Policy describes the Volvo Group's ten salient human rights risks across these three areas."</p>	<p>"In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations; A dedicated Sustainable Minerals Program supports our efforts to pursue due diligence for supply chain transparency and to promote responsible sourcing, extraction, and handling of such materials."</p>	<p>"In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations; A dedicated Sustainable Minerals Program supports our efforts to pursue due diligence for supply chain transparency and to promote responsible sourcing, extraction, and handling of</p>	<p>In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations; A dedicated Sustainable Minerals Program supports our efforts to pursue due diligence for supply chain transparency and to promote</p>	<p>Leading the Transformation</p>

			such materials."	responsible sourcing, extraction, and handling of such materials.	
hrdd.3 There is a human rights transparency statement	A dedicated Sustainable Minerals Program supports our efforts to pursue due diligence for supply chain transparency and to promote responsible sourcing, extraction, and handling of such materials.	We require Supplier to ensure that all smelters and refiners in its Conflict Minerals and cobalt supply chain take part and actively engage in third party audit programs and to provide any information on such smelters and refiners upon request to the Volvo Group.	N/A	N/A	Human Rights Policy
hrdd.4 There are traceability and chain of custody declarations within the Company's human rights policies	N/A	N/A	N/A	N/A	
hrdd.5 HRDD policies are reviewed periodically	Volvo Human Rights Policy	N/A	N/A	N/A	Human Rights Policy

<p>hrdd.6 HRDD policies acknowledge known risks within conflict affect and high-risk zone</p>	<p>"These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process"</p>	<p>The Volvo Group's sustainability ambitions are divided into the three areas of climate, resources and people. Human rights risks may be associated with our activities and business relationships in all three of these areas." And Volvo identified child labour as one of those risks</p>	<p>The Volvo Group's sustainability ambitions are divided into the three areas of climate, resources and people. Human rights risks may be associated with our activities and business relationships in all three of these areas." And Volvo identified child labour as one of those risks</p>	<p>Supplier is further encouraged to engage constructively with relevant stakeholders such as children's rights experts, non-governmental organisations and industry associations in order to build awareness and proactively work towards preventing child labour and respect children's rights.</p>	<p>Geared for Growth; Human Rights Policy</p>
<p>hrdd.7 HRDD policies contain a risk mitigation statement of child labour abuses</p>	<p>"Our human rights work is designed to identify, prevent, and mitigate potential or actual adverse human rights risks and impacts. To facilitate systematic and ongoing human rights due diligence throughout the Volvo Group, we adopt and implement a Human Rights Plan listing prioritized activities. We strive to align the processes and methodology with the UN Guiding Principles on Business and Human Rights, and other recognized international best practices."</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Leading the Transformation</p>

<p>hrdd.8 HRDD contain environmental, health and safety policies</p>	<p>"Social impacts in the supply chain and actions taken In 2021, deviations were found within the areas of health and safety, working hours and sustainability communication towards sub-suppliers. In the area of health and safety, the deviations related mainly to hazardous waste disposal. In the area of working hours, the findings were related to excessive working hours and in the area of supplier communication, the deviations were found around inconsistent sub-supplier Codes of Conduct, lack of cascading requirements and information and training to sub-contractors about social, environmental or business ethics requirements.; As part of our Supply Chain Due Diligence program, the Volvo Group has a specific focus on a range of selected minerals and materials. The Volvo Group's ambition is to support its suppliers to secure sustainable supply chains of these minerals and the ultimate aim is</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Gearred for Growth.pp.17 7</p>
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		to secure an environmentally and socially sound supply chain of components and minerals."				
hrdd.9 HRDD policies involve ongoing communication		These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process, ongoing dialogues with unions, inputs from grievance channels including the Volvo Group Whistle mechanism, and collaboration with peers and others.	N/A	N/A	These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process, ongoing dialogues with unions, inputs from grievance channels including the Volvo Group Whistle mechanism, and collaboration with peers and others.	Volvo Group Supply Partner Code of Conduct

hrdd.10 HRDD policies continuously evolve according to their human rights risk monitoring systems	To help facilitate systematic and ongoing human rights due diligence throughout the Volvo Group, each year we adopt and implement a Human Rights Plan listing prioritized activities for the year to come.	N/A	N/A	N/A	
Corporate Governance Policies					
cg.1 The company has a board of directors	In 2022, the Volvo Group Executive Board adopted a Group-wide Human Rights Program. The Volvo Group Human Rights Program describes how we implement our commitment to respect human rights as set out in our Human Rights Policy.	N/A	N/A	N/A	Human Rights Policy
cg.2 The company has an onboarding and supplier onboarding policy	Drive Sustainability have also been re-launched in a digital format and during 2021 Volvo Group has invited and onboarded suppliers located in Russia, France, India and Turkey. We have also actively participated and invited suppliers to the Drive Sustainability e-learning, offering a basic introduction to Drive Sustainability and	N/A	N/A	N/A	Geared for Growth

	sustainable purchasing. During 2021, a total of 1,100 number of supplier employees completed the e-learning.				
cg.3 The company has an audit policy	N/A	N/A	N/A	We require Supplier to ensure that all smelters and refiners in its Conflict Minerals and cobalt supply chain take part and actively engage in third party audit programs and to provide any information on such smelters and refiners upon request to the Volvo Group.	Volvo Group Supply Partner Code of Conduct
cg.4 The company has a risk policy	The human rights due diligence and mitigation efforts adopt a risk-based approach considering country-specific risk levels and our operational context in the country, inherent risks in certain purchasing categories and sales segments, and potential concerns brought to our attention by internal and external stakeholders.	N/A	N/A	N/A	Leading the Transformation

<p>cg.5 The company has a product policy</p>	<p>The human rights due diligence and mitigation efforts adopt a risk-based approach considering country-specific risk levels and our operational context in the country, inherent risks in certain purchasing categories and sales segments, and potential concerns brought to our attention by internal and external stakeholders. This means that our divisions managing research and development, manufacturing and procurement focus on certain human rights risks, and our business areas and market companies focus on others. The most important risks for our divisions and business areas make up the Group's salient issues.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Leading the Transformation</p>
<p>cg.6 The company has a finance policy</p>	<p>Supply chain due diligence The basis of the Volvo Group Responsible Purchasing program are our supply chain due diligence activities based on commitment, assessment, reaction and reporting.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Volvo Group Supply Partner Code of Conduct</p>

<p>cg.7 The company has a compliance policy</p>	<p>Where deemed necessary we have further documents in adjacent areas such as anti-money laundering and fraud reporting. Group Compliance is responsible for designing and developing the Volvo Group anti-corruption compliance program and monitors the implementation across the Group. A network of compliance officers in the business areas and divisions work closely with Group Compliance to ensure the implementation in their respective areas; Know your customer, understand the terms of all transactions and be alert for signs of money laundering.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Code of conduct; Geared for Growth</p>
<p>cg.8 The company has a code of ethics and code of conduct for board members</p>	<p>Volvo Group Code of Conduct: "The Volvo Group is committed to respecting internationally recognized human rights. We comply with applicable laws and agreements on employment conditions including working and resting hours, and compensation and benefits. We do not tolerate any forms of modern slavery, including forced, bonded or</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Geared for Growth</p>

	compulsory labor, or human trafficking. We respect children's right to personal development and education, and we do not use child labor. We respect employees' right to freedom of association and collective bargaining as well as any employee's choice to refrain from joining a union."				
cg.9 The company has a knowledge management policy	N/A	N/A	N/A	Global Battery Alliance The Global Battery Alliance a public-private collaboration platform under the umbrella of the World Economic Forum. The vision is to create a circular and sustainable battery value chain set on ten guiding principles covering issues from the circular recovery of battery materials, ensuring transparency of greenhouse gas emissions and their progressive reduction, to eliminating child and forced labor.	Geared for Growth

<p>cg.10 The company has Environmental, Social & Governance (ESG) policies</p>	<p>N/A</p>	<p>N/A</p>	<p>Drive Sustainability also during 2021 launched the Raw Material Outlook Platform, an open platform helping the automotive industry to manage and remediate sustainability risks of raw materials through value chain mapping and Sustainability/ESG risk identification.</p>	<p>N/A</p>	<p>Leading the Transformation</p>
<p>Corporate Finance Policies</p>					
<p>cf.1 The company has existing annual financial reports</p>	<p>Report on the first quarter 2022</p>	<p>N/A</p>	<p>N/A</p>	<p>Deloitte AB, was appointed auditor of AB Volvo by the general meeting of the shareholders on April 6, 2022 and has been the company's auditor since April 5, 2018.</p>	<p>Report on the first quarter 2022</p>
<p>cf.2 The company has non-financial policies</p>	<p>Geared for Growth</p>	<p>Salient human rights risks; Child labor & children's rights, In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict</p>	<p>Human rights due diligence across the value chain Our human rights work aims to identify, prevent, and mitigate potential or actual adverse human rights risks and impacts. The Volvo Group's scope of responsibility, influence, and leverage varies</p>	<p>N/A</p>	<p>Geared For Growth</p>

		minerals supply chains through collaboration with local civil society organizations.	across different parts of the value chain and operational contexts. Therefore, our human rights related processes and activities should be adopted to reflect the context of our role within the respective parts of our value chain including own operations, the supply chain, business partners and sales deals.		
cf.3 The company has policies on transactional practices	The human rights due diligence and mitigation efforts adopt a risk-based approach considering country-specific risk levels and our operational context in the country, inherent risks in certain purchasing categories and sales segments, and potential concerns brought to our attention by internal and external stakeholders.	Sales to conflict-affected and high-risk areas The sale and use of our products in conflict and other high-risk contexts could result in potential adverse human rights impacts. Therefore, we make extended reviews of certain sales deals – involving customer financing and support from export credit guarantees, sales to certain high-risk end users such as military and law enforcement end-users, and sales to conflict-affected areas.	Sales to conflict-affected and high-risk areas The sale and use of our products in conflict and other high-risk contexts could result in potential adverse human rights impacts. Therefore, we make extended reviews of certain sales deals – involving customer financing and support from export credit guarantees, sales to certain high-risk end users such as military and law enforcement end-users, and sales to conflict-affected areas.	Deloitte AB, was appointed auditor of AB Volvo by the general meeting of the shareholders on April 6, 2022 and has been the company’s auditor since April 5, 2018.	Leading the Transformation; Geared for Growth

<p>cf.4 The company has a policy regarding their supplier, financial and trade agreements</p>	<p>The Volvo Group works to promote human rights interests in its own operations and throughout the value chain – including the Group’s own operations, supply chain, strategic business partners and certain sales transactions – but also on country/region levels as well as purchase categories and/or sales segments.</p>	<p>Overall, the sustainability assessment of supply partners focuses on developing a sustainable supply base and establishing a strong partnership. The results are used in the sourcing decisions. Those who fail to address critical issues risk not to be rewarded with a contract or having their contracts terminated.</p>	<p>N/A</p>	<p>N/A</p>	<p>Report on the first quarter 2022</p>
<p>cf.5 The company includes policies on recognising illicit financial activity by non-state armed rebel groups</p>	<p>Sales to military end-users The Volvo Group’s Business Areas are required to escalate potential sales to military end-users in certain countries for assessment by Group Functions before submitting an offer. Military end-users include the armed forces and other armed law enforcement agencies. Factors such as the existence of arms embargoes, armed conflicts, political instability, and human rights-related risks are considered in this assessment. This process is governed by an internal directive on military sales and is on top of any export license requirements</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Report on the first quarter 2022</p>

	<p>from national authorities. The European Union’s common rules governing control of exports of military technology and equipment include several criteria on respect for human rights and international humanitarian law, which member states are expected to consider when granting such export licenses.</p>				
<p>cf.6 Financial transparency statements are within their human rights policies</p>	<p>Volvo Group co-funds independent third-party audits of SORs due diligence practices through a partnership with RMI and finances the RMAP. The ambition of the Volvo Group's Sustainable Minerals program is to drive full transparency by 2025, where all supply partners in scope are to be compliant with our Responsible Purchasing standards and requirements.</p>	N/A	N/A	N/A	<p>Report on the first quarter 2022</p>
<p>cf7. The company commits to meaningful investment and development for children in the DRC</p>	<p>The company has an internal policy of investing in children related projects that strengthen their human rights policies within</p>	N/A	N/A	N/A	

	their fanatical practices				
cf.8 The company has a sustainable finance policy	<p>Transition to a circular economy: Circularity includes a range of issues relating to product design, manufacturing and ways of doing business. It has been recognized that circularity and moving upwards in the waste hierarchy is challenging. Where relevant, environmental design tools are used that further outline ways to support the transition towards circular economy. This includes evaluations of design criteria for durability, recyclability and remanufacturing as well as avoiding certain substances that would hinder reuse and recycling at the end of the use phase. The environmental design tools used are furthering the Group's environmental policy.</p>	N/A	N/A	N/A	Leading the Transformation

<p>cf.9 The company has an AML & CTF policy that adheres to anti money laundering, and anti bribery laws and regulations within their state</p>	<p>Where deemed necessary we have further documents in adjacent areas such as anti-money laundering and fraud reporting. Group Compliance is responsible for designing and developing the Volvo Group anti-corruption compliance program and monitors the implementation across the Group. A network of compliance officers in the business areas and divisions work closely with Group Compliance to ensure the implementation in their respective areas.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Leading the Transformation</p>
<p>cf.10 The company has a financial audit policy</p>	<p>The supplier screening and auditing is centrally coordinated by Volvo Group Purchasing and covers primarily tier one suppliers. A risk-based approach is used to prioritize screenings and audits. Prioritization is made by reviewing risks by country or market, commodities, processes or work areas of the suppliers. In addition to this overall risk mapping, environmental, human rights and other social risks can be flagged during any type of</p>	<p>N/A</p>	<p>N/A</p>	<p>The board and audit committee of AB Volvo are informed regularly during the year about the development of the Volvo Group's financial risks and other matters covered within the financial risk policy. The financial risk policy is reviewed on an annual basis.</p>	<p>Leading the Transformation</p>

	supplier audit, training or visit.				
Regulation Policies					
rg.1 Corporate policies refer to the International Bill of Human Rights	The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks: UN International Bill of Human Rights.	The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks: • UN International Bill of	The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks: • UN International Bill of	N/A	Geared For Growth

		<p>Human Rights.</p> <ul style="list-style-type: none"> • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and Business Principles. 	<p>Human Rights.</p> <ul style="list-style-type: none"> • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and Business Principles. 		
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<p>rg.2 Corporate policies refer to the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention</p>	<p>The Supply Partner Code of Conduct is based on the Volvo Group Sustainability Ambitions including the Volvo Group Code of Conduct and our Group Policies. It is also guided by the Automotive Industry Guiding Principles of Drive Sustainability as well as frameworks such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles of Business and Human Rights, the UN International Bill of Human Rights⁸, the International Labour Organisation's (ILO) eight Fundamental Conventions and the UN Children's Rights and Business Principles</p>	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>N/A</p>	<p>Geared For Growth</p>
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		Business Principles.	Business Principles.		
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<p>rg.3 There are corporate policies that refer to the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, OECD Due Diligence Guidance for Responsible Business Conduct and OECD Guidelines for Practical Actions for Worst Forms of Child Labour</p>	<p>Tin, tantalum, tungsten, gold (3TG), cobalt and their ores shall be declared to the Volvo Group. Suppliers must be willing to conduct due diligence in accordance with the OECD Due Diligence Guidelines and shall declare the source of these minerals if they are present in parts. The definition of conflict mineral can be found in the following OECD</p>	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>N/A</p>	<p>Geared For Growth</p>
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		Business Principles.	Business Principles.		
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<p>rg.4 There are corporate policies that refer to the UNGPs and its Reporting Framework</p>	<p>The Supply Partner Code of Conduct is based on the Volvo Group Sustainability Ambitions including the Volvo Group Code of Conduct and our Group Policies. It is also guided by the Automotive Industry Guiding Principles of Drive Sustainability as well as frameworks such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles of Business and Human Rights, the UN International Bill of Human Rights⁸, the International Labour Organisation's (ILO) eight Fundamental Conventions and the UN Children's Rights and Business Principles</p>	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>N/A</p>	<p>Geared For Growth</p>
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		Business Principles.	Business Principles.		
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<p>rg.5 There are corporate policies that refer to UNICEF</p>	<p>The Supply Partner Code of Conduct is based on the Volvo Group Sustainability Ambitions including the Volvo Group Code of Conduct and our Group Policies. It is also guided by the Automotive Industry Guiding Principles of Drive Sustainability as well as frameworks such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles of Business and Human Rights, the UN International Bill of Human Rights⁸, the International Labour Organisation's (ILO) eight Fundamental Conventions and the UN Children's Rights and Business Principles</p>	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>N/A</p>	<p>Geared For Growth</p>
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		Business Principles.	Business Principles.		
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<p>rg.6 There are corporate policies that refer to the UN Global Compact</p>	<p>The Supply Partner Code of Conduct is based on the Volvo Group Sustainability Ambitions including the Volvo Group Code of Conduct and our Group Policies. It is also guided by the Automotive Industry Guiding Principles of Drive Sustainability as well as frameworks such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles of Business and Human Rights, the UN International Bill of Human Rights⁸, the International Labour Organisation's (ILO) eight Fundamental Conventions and the UN Children's Rights and Business Principles</p>	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks:</p> <ul style="list-style-type: none"> • UN International Bill of Human Rights. • ILO's eight fundamental conventions. • UN Global Compact. • UN Guiding Principles on Business and Human Rights. • OECD Guidelines for Multinational Enterprises. • Children's Rights and 	<p>N/A</p>	<p>Geared for Growth</p>
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		Business Principles.	Business Principles.		
rg.7 There are corporate policies that refer to other initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc;	The Volvo Group has prepared a sustainability report in accordance with the Global Reporting Initiative's guidelines (GRI Standards) and the non-financial disclosure requirements in the Swedish Annual Accounts Act; Connection to Agenda 2030 and reporting standards	N/A	N/A	N/A	Supply Partner Code of Conduct
rg.8 The company's policies are compliant with national legislation	N/A	N/A	N/A	N/A	N/A

<p>rg.9 The company's non-financial reports are compliant with EU DIRECTIVE 2014/95/EU</p>	<p>The Volvo Group reports on its human rights related work under applicable laws and regulations, including national laws under the EU's non-financial reporting directive, and the Modern Slavery legislation in Australia and the United Kingdom. In 2022, we published Modern Slavery Statements for relevant companies within the Volvo Group in line with these legal disclosure requirements.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Geared for Growth</p>
<p>rg.10 The company states it includes contractual clauses on the issue of child labour in their policies</p>	<p>Overall, the sustainability assessment of supply partners focuses on developing a sustainable supply base and establishing a strong partnership. The results are used in the sourcing decisions. Those who fail to address critical issues risk not to be rewarded with a contract or having their contracts terminated.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Geared for Growth</p>
<p>Remedies Policies</p>					

<p>rm.1 The company has a whistleblower policy</p>	<p>These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process, ongoing dialogues with unions, inputs from grievance channels including the Volvo Group Whistle mechanism, and collaboration with peers and others.; In Volvo Group, we believe that a vivid speak-up culture is a crucial element for the company's success, can help uncover misconduct, and prevent violations of the law. The Volvo Group Whistle, is hosted by a third party and open to anyone within or outside the company to ask a question or report a concern related to the Volvo Group Code of Conduct.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Leading the transformation</p>
<p>rm.2 The company has a grievance mechanism policy</p>	<p>These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process, ongoing dialogues with unions, inputs from grievance</p>	<p>These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process, ongoing dialogues with unions, inputs from grievance</p>	<p>These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process, ongoing dialogues with unions, inputs</p>	<p>The Whistleblowing and Global Investigations function is an independent unit within Group Compliance.</p>	<p>Geared for Growth</p>

	channels including the Volvo Group Whistle mechanism, and collaboration with peers and others.	channels including the Volvo Group Whistle mechanism, and collaboration with peers and others. Risk identified included child labour	from grievance channels including the Volvo Group Whistle mechanism, and collaboration with peers and others. Risk identified included child labour		
rm.3 The company has an open door policy allowing access to the management team	We expect that all our managers are open to receiving and handling concerns professionally. Our top preference, therefore, is that you should initially raise any concern you may have directly with your manager, your manager's manager or your Legal, Compliance, HR, Finance or Security representative	N/A	N/A	N/A	Whistleblowing
rm.4. The company has a transparent follow-up policy on grievances	We are committed to manage all Follow-up activities in a fair, impartial, and objective manner with respect for all person(s) involved, including the Reporter, Person(s) Concerned and any other, e.g., witnesses.	N/A	N/A	N/A	Leading the transformation

<p>rm.5 The company states that the grievance mechanisms align with national law and international human rights law</p>	<p>Volvo Group wants to identify, stop, and prevent violations of the law, our internal policies and regulations and other unethical behavior, including the following: Violations of local or international law, especially corruption, bribery, fraud, violations of anti-trust or competition law, export control and trade sanctions, money laundering and terrorist financing, financial statement fraud, smuggling of drugs, black market dealings and production/sales of counterfeit products, insider dealing, or unpermitted use of intellectual property by the Volvo Group or a related third party</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Whistle-blower Policy</p>
<p>rm.6 The company states it incorporates outcomes from grievances into future practices</p>	<p>We will take adequate corrective action(s), if during the Follow-up a need for such action(s) is identified. This holds true regardless of the outcome of the investigation. Examples of corrective actions can be internal controls and process improvements, training,</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Whistle-blower Policy</p>

	feedback and coaching, organizational change, various forms of disciplinary actions, or legal proceedings.				
rm.7. The company has an equitable and transparent policy within their grievance mechanism	We are committed to manage all Follow-up activities in a fair, impartial, and objective manner with respect for all person(s) involved, including the Reporter, Person(s) Concerned and any other, e.g., witnesses.	N/A	N/A	N/A	Whistle-blower Policy
rm.8 The company states it monitors patterns of grievances	These have been identified on the basis of human rights due diligence undertaken to date across our value chain, as part of our enterprise risk management process, through ongoing discussions with unions, peers and other stakeholders, and as a result of concerns reported via the Volvo Group's grievance channels. These risks are our current area of focus and we will remain alert to the potential for other human rights risks that may arise in our business relationships.	These have been identified on the basis of human rights due diligence undertaken to date across our value chain, as part of our enterprise risk management process, through ongoing discussions with unions, peers and other stakeholders, and as a result of concerns reported via the Volvo Group's grievance channels.	These have been identified on the basis of human rights due diligence undertaken to date across our value chain, as part of our enterprise risk management process, through ongoing discussions with unions, peers and other stakeholders, and as a result of concerns reported via the Volvo Group's grievance channels.	These have been identified on the basis of human rights due diligence undertaken to date across our value chain, as part of our enterprise risk management process, through ongoing discussions with unions, peers and other stakeholders, and as a result of concerns reported via the Volvo Group's grievance channels.	Whistle-blower Policy

<p>rm.9 The company states that the grievance mechanisms align with the UNGPs and OECD Guidelines</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>rm.10 The company's provides financial support to victims</p>	<p>The Volvo Group aims to provide for or cooperate in the remediation of negative human rights impacts where our activities have caused or contributed to them, and seek to play a role in the remediation of negative human rights impacts that we are directly linked to in our operations, products, services or business relationships.</p>	<p>The Volvo Group aims to provide for or cooperate in the remediation of negative human rights impacts where our activities have caused or contributed to them, and seek to play a role in the remediation of negative human rights impacts that we are directly linked to in our operations, products, services or business relationships.</p>	<p>The Volvo Group aims to provide for or cooperate in the remediation of negative human rights impacts where our activities have caused or contributed to them, and seek to play a role in the remediation of negative human rights impacts that we are directly linked to in our operations, products, services or business relationships.</p>	<p>N/A</p>	<p>Whistle-blower; Human Rights Policy</p>

3.3. Volvo Results - Procedures

Volvo Procedures Assessment - Scorecard						
Level of Analysis	Operational	Supply Chain	Value Chain	Community	Score	
Category 1	Human Rights Due Diligence					
Indicators	hrdd.1	0.5	0.5	0.5	0.5	2
	hrdd.2	0.5	0	0	0.5	1
	hrdd.3	0	0.5	0	0	0.5
	hrdd.4	0	0	0	0	0
	hrdd.5	0	0	0	0	0
	hrdd.6	0	0	0	0	0
	hrdd.7	0.5	0	0	0	0.5
	hrdd.8	0.5	0	0	0	0.5
	hrdd.9	0.5	0	0	0	0.5
	hrdd.10	0.5	0	0	0	0.5
Final Score-Category 1:					5.5	
Total Available for Category 1:					20	
Category 2	Corporate Governance					
Indicators	cg.1	0.5	0	0	0	0.5
	cg.2	0.5	0.5	0.5	0	1.5
	cg.3	0.5	0	0	0	0.5
	cg.4	0.5	0	0	0.5	1
	cg.5	0.5	0	0	0	0.5
	cg.6	0	0.5	0	0	0.5
	cg.7	0	0	0	0.5	0.5
	cg.8	0	0	0	0.5	0.5
	cg.9	0	0	0	0.5	0.5
	cg.10	0	0	0.5	0	0.5
Final Score Category 2:					6.5	

Total Available for Category 2:						20
Category 3	Corporate Finance					
Indicators	cf.1	0	0	0	0.5	0.5
	cf.2	0	0.5	0	0	0.5
	cf.3	0.5	0.5	0.5	0.5	2
	cf.4	0	0	0	0	0
	cf.5	0	0	0	0	0
	cf.6	0	0	0	0	0
	cf.7	0	0	0	0	0
	cf.8	0	0	0	0	0
	cf.9	0.5	0	0	0	0.5
	cf.10	0	0	0	0	0
Final Score-Category 3:						3.5
Total Available for Category 3						20
Category 4	Regulation					
Indicators	rg.1	0.5	0.5	0.5	0	1.5
	rg.2	0.5	0.5	0.5	0	1.5
	rg.3	0.5	0.5	0.5	0	1.5
	rg.4	0.5	0.5	0.5	0	1.5
	rg.5	0.5	0.5	0.5	0	1.5
	rg.6	0.5	0.5	0.5	0	1.5
	rg.7	0.5	0.5	0.5	0	1.5
	rg.8	0.5	0.5	0.5	0	1.5
	rg.9	0	0	0	0	0
	rg.10	0	0	0	0	0
Final Score Category 4:						12
Total Available for Category 4						20
Category 5	Remedies					

Indicators	rm.1	0.5	0	0	0	0.5
	rm.2	0.5	0.5	0.5	0	1.5
	rm.3	0	0	0	0	0
	rm.4	0	0	0	0	0
	rm.5	0	0	0	0	0
	rm.6	0.5	0	0	0	0.5
	rm.7	0.5	0	0	0	0.5
	rm.8	0.5	0.5	0.5	0.5	2
	rm.9	0	0	0	0	0
	rm.10	0.5	0	0	0	0.5
Final Score Category 5:						5.5
Total Available for Category 5:						20
Final Score for Policies Assessment:						33
Total Available for Policies Assessment:						100

3.4. Volvo Assessment - Procedures

The following table contains extracted information from the relevant policies considered for the assessment. Boxes that contain 'N/A' means the company failed to provide the appropriate information to fit the criteria.

Volvo - Procedures

Indicators	Operational	Supply Chain	Value Chain	Community	References
Human Rights Due Diligence					
hrdd.1 The EV Company has publicly available human rights due diligence procedures	"The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved."; "The Volvo Group assesses risks related to child labor and children's rights as part of our overall human rights due diligence in our own operations and relevant parts of the value chain. In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict	"The Volvo Group assesses risks related to child labor and children's rights as part of our overall human rights due diligence in our own operations and relevant parts of the value chain; In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations."	"The Volvo Group assesses risks related to child labor and children's rights as part of our overall human rights due diligence in our own operations and relevant parts of the value chain. In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations."	"In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations."	Geared for Growth; Leading the Transformation

	minerals supply chains through collaboration with local civil society organizations."				
hrdd.2 The company has a process to identify salient human rights risks of children and direct address actual and adverse impacts	While these risks are the current areas of focus, we will remain alert to the potential for other human rights risks that may arise. Many of these topics are also part of the mandatory training for all employees on the Volvo Group Code of Conduct and other human rights-related training and awareness initiatives.	N/A	N/A	We require Supplier to ensure that all smelters and refiners in its Conflict Minerals and cobalt supply chain take part and actively engage in third party audit programs and to provide any information on such smelters and refiners upon request to the Volvo Group.	Leading the Transformation
hrdd.3 There is a human rights transparency procedures	N/A	In 2021, 821 tier one companies are selected in the Volvo Group's sustainable minerals program with the aim to create transparency and visibility in the supply chains of conflict	N/A	N/A	Human Rights Policy

		minerals and cobalt by using the Conflict Minerals and Cobalt Reporting template of the RMI.			
hrdd.4 There are existing traceability and chain of custody procedures	N/A	N/A	N/A	N/A	N/A
hrdd.5 HRDD procedures are reviewed periodically	N/A	N/A	N/A	N/A	N/A
hrdd.6 HRDD procedures include steps towards monitoring and identifying specific conflict-related risks within the DRC	N/A	N/A	N/A	N/A	N/A
hrdd.7 HRDD has risk mitigation procedures	"Our human rights work is designed to identify, prevent, and mitigate potential or actual adverse human rights risks and impacts. To facilitate systematic and ongoing human rights due diligence throughout the Volvo Group, we adopt and implement a Human Rights Plan listing prioritized activities. We strive to align the processes and methodology with the UN Guiding Principles on Business and Human Rights, and other recognized	N/A	N/A	N/A	Leading the Transformation

	international best practices."				
hrdd.8 HRDD contain environmental, health and safety procedures	"Social impacts in the supply chain and actions taken In 2021, deviations were found within the areas of health and safety, working hours and sustainability communication towards sub-suppliers. In the area of health and safety, the deviations related mainly to hazardous waste disposal. In the area of working hours, the findings were related to excessive working hours and in the area of supplier communication, the deviations were found around inconsistent sub-supplier Codes of Conduct, lack of cascading requirements and information and training to sub-contractors about social, environmental or business ethics requirements.; As part of our Supply Chain Due Diligence program, the Volvo Group has a specific focus on a range of selected	N/A	N/A	N/A	Geared for Growth.pp.177

	minerals and materials. The Volvo Group's ambition is to support its suppliers to secure sustainable supply chains of these minerals and the ultimate aim is to secure an environmentally and socially sound supply chain of components and minerals."				
hrdd.9 HRDD procedures involve ongoing communication	We require Supplier to ensure that all smelters and refiners in its Conflict Minerals and cobalt supply chain take part and actively engage in third party audit programs and to provide any information on such smelters and refiners upon request to the Volvo Group.	N/A	N/A	N/A	Volvo Group Supply Partner Code of Conduct
hrdd.10 HRDD procedures are constantly evolving according to their human rights risk monitoring systems	To help facilitate systematic and ongoing human rights due diligence throughout the Volvo Group, each year we adopt and implement a Human Rights Plan listing prioritized activities for the year to come.	N/A	N/A	N/A	

Corporate Governance					
cg.1 The company has a board of directors	In 2022, the Volvo Group Executive Board adopted a Group-wide Human Rights Program. The Volvo Group Human Rights Program describes how we implement our commitment to respect human rights as set out in our Human Rights Policy.	N/A	N/A	N/A	Human Rights Policy
cg.2 The company has an onboarding and supplier onboarding committee and procedure	Drive Sustainability have also been re-launched in a digital format and during 2021 Volvo Group has invited and onboarded suppliers located in Russia, France, India and Turkey. We have also actively participated and invited suppliers to the Drive Sustainability e-learning, offering a basic introduction to Drive Sustainability and sustainable purchasing. During 2021, a total of 1,100 number of supplier employees completed the e-learning.	Volvo Group Purchasing employees receive regular mandatory trainings on the concept of sustainability and on the content of our Code of Conduct. In collaboration with Drive Sustainability, Volvo Group continuously work to also train and develop supply partners in sustainability and responsible purchasing. In 2022, Volvo Group invited and onboarded supply partners located in USA, Germany, and Italy to participate in live sustainability trainings.	Volvo Group Purchasing employees receive regular mandatory trainings on the concept of sustainability and on the content of our Code of Conduct. In collaboration with Drive Sustainability, Volvo Group continuously work to also train and develop supply partners in sustainability and responsible purchasing. In 2022, Volvo Group invited and onboarded supply partners located in USA, Germany, and Italy to participate in live sustainability trainings.	N/A	Geared for Growth

<p>cg.3 The company has an audit committee and procedure</p>	<p>We require Supplier to ensure that all smelters and refiners in its Conflict Minerals and cobalt supply chain take part and actively engage in third party audit programs and to provide any information on such smelters and refiners upon request to the Volvo Group.</p>	<p>N/A</p>	<p>N/A</p>	<p>We require Supplier to ensure that all smelters and refiners in its Conflict Minerals and cobalt supply chain take part and actively engage in third party audit programs and to provide any information on such smelters and refiners upon request to the Volvo Group.</p>	<p>Volvo Group Supply Partner Code of Conduct</p>
<p>cg.4 The company has a risk committee and procedure</p>	<p>The human rights due diligence and mitigation efforts adopt a risk-based approach considering country-specific risk levels and our operational context in the country, inherent risks in certain purchasing categories and sales segments, and potential concerns brought to our attention by internal and external stakeholders.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Leading the Transformation</p>

<p>cg.5 The company has a product committee and procedure</p>	<p>The human rights due diligence and mitigation efforts adopt a risk-based approach considering country-specific risk levels and our operational context in the country, inherent risks in certain purchasing categories and sales segments, and potential concerns brought to our attention by internal and external stakeholders. This means that our divisions managing research and development, manufacturing and procurement focus on certain human rights risks, and our business areas and market companies focus on others. The most important risks for our divisions and business areas make up the Group's salient issues.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Leading the Transformation</p>
<p>cg.6 The company has a finance committee and procedure</p>	<p>N/A</p>	<p>Supply chain due diligence The basis of the Volvo Group Responsible Purchasing program are our supply chain due diligence activities based on commitment, assessment, reaction and reporting.</p>	<p>N/A</p>	<p>N/A</p>	<p>Volvo Group Supply Partner Code of Conduct</p>

<p>cg.7 The company has a compliance committee and procedure</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Upon being onboarded as a Supplier to the Volvo Group and thereafter as required from Volvo Group from time to time, the Volvo Group verifies compliance with the Requirements and Aspirations of this Supply Partner Code of Conduct by means of a self assessment questionnaire and reserves the right to conduct an on-site audit, either through employees of the Volvo Group or through an independent third party appointed by the Volvo Group.</p>	<p>Code of conduct; Geared for Growth</p>
<p>cg.8 The company has a code of ethics and code of conduct for board members</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Further, the company is exposed to third-party compliance risks due to its interactions with a broad range of business partners and other third parties, such as officials or representatives of government bodies or institutions.</p>	<p>Geared for Growth</p>

<p>cg.9 The company has a knowledge management person/team and procedure</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Global Battery Alliance The Global Battery Alliance a public-private collaboration platform under the umbrella of the World Economic Forum. The vision is to create a circular and sustainable battery value chain set on ten guiding principles covering issues from the circular recovery of battery materials, ensuring transparency of greenhouse gas emissions and their progressive reduction, to eliminating child and forced labor.</p>	<p>Geared for Growth</p>
<p>cg.10 The company has Environmental, Social & Governance (ESG) procedures</p>	<p>N/A</p>	<p>N/A</p>	<p>Drive Sustainability also during 2021 launched the Raw Material Outlook Platform, an open platform helping the automotive industry to manage and remediate sustainability risks of raw materials through value chain mapping and Sustainability/ESG risk identification.</p>	<p>N/A</p>	<p>Leading the Transformation</p>

Corporate Finance					
cf.1 The company has existing annual financial reporting process	N/A	N/A	N/A	Deloitte AB, was appointed auditor of AB Volvo by the general meeting of the shareholders on April 6, 2022 and has been the company's auditor since April 5, 2018.	Report on the first quarter 2022
cf.2 The company has non-financial reporting process	N/A	Salient human rights risks; Child labor & children's rights, In connection with our Sustainable Minerals Program in the supply chain, we are also considering how the Volvo Group can be more involved on the ground to prevent child and forced labor in the conflict minerals supply chains through collaboration with local civil society organizations.	N/A	N/A	Geared For Growth

cf.3 The company has a procedure for on transactional practices	The human rights due diligence and mitigation efforts adopt a risk-based approach considering country-specific risk levels and our operational context in the country, inherent risks in certain purchasing categories and sales segments, and potential concerns brought to our attention by internal and external stakeholders.	Sales to conflict-affected and high-risk areas The sale and use of our products in conflict and other high-risk contexts could result in potential adverse human rights impacts. Therefore, we make extended reviews of certain sales deals – involving customer financing and support from export credit guarantees, sales to certain high-risk end users such as military and law enforcement end-users, and sales to conflict-affected areas.	Sales to conflict-affected and high-risk areas The sale and use of our products in conflict and other high-risk contexts could result in potential adverse human rights impacts. Therefore, we make extended reviews of certain sales deals – involving customer financing and support from export credit guarantees, sales to certain high-risk end users such as military and law enforcement end-users, and sales to conflict-affected areas.	Deloitte AB, was appointed auditor of AB Volvo by the general meeting of the shareholders on April 6, 2022 and has been the company’s auditor since April 5, 2018.	Leading the Transformation ; Geared for Growth
cf.4 The company has procedures regarding their supplier, financial and trade agreements	N/A	N/A	N/A	N/A	N/A
cf.5 The company has monitoring and tracking procedures to identify illicit financial activity by non-state armed rebel groups	N/A	N/A	N/A	N/A	N/A
cf.6 There is a financial transparency system	N/A	N/A	N/A	N/A	N/A

cf7. The company has a meaningful investment strategy	N/A	N/A	N/A	N/A	N/A
cf.8 The company has a sustainable finance procedures	N/A	N/A	N/A	N/A	N/A
cf.9 The company has an AML & CTF procedure	Where deemed necessary we have further documents in adjacent areas such as anti-money laundering and fraud reporting. Group Compliance is responsible for designing and developing the Volvo Group anti-corruption compliance program and monitors the implementation across the Group. A network of compliance officers in the business areas and divisions work closely with Group Compliance to ensure the implementation in their respective areas.	N/A	N/A	N/A	Leading the Transformation
cf.10 The company has a financial audit process	N/A	N/A	N/A	N/A	N/A
Regulation					

<p>rg.1 Corporate procedures refer to the International Bill of Human Rights</p>	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks: UN International Bill of Human Rights.</p>	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks: UN International Bill of Human Rights.</p>	<p>The Volvo Group is committed to respecting internationally recognized human rights. Negative human rights impacts may potentially materialize not only within our own organization, but also through our business relationships and in the value chain. We also seek to address adverse human rights impacts with which the Volvo Group is involved. We are continuing to strengthen and align our human rights work with the following international frameworks: UN International Bill of Human Rights.</p>	<p>N/A</p>	<p>Geared For Growth</p>
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<p>rg.2 Corporate procedures refer to the CRC, ILO 182 Worst Forms of Child Labour, and the 138 Minimum Age Convention</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts,</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and</p>	<p>N/A</p>	<p>Geared For Growth</p>
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	<p>accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>		
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<p>rg.3 Corporate procedures refer to the OECD Guidelines</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts,</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and</p>	<p>N/A</p>	<p>Geared For Growth</p>
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	<p>accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>		
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<p>rg.4 Corporate procedures refer to the UNGPs and its Reporting Framework</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts,</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and</p>	<p>N/A</p>	<p>Geared For Growth</p>
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	<p>accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>		
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<p>rg.5 Corporate procedures refer to the UNICEF</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts,</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and</p>	<p>N/A</p>	<p>Geared For Growth</p>
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	<p>accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>		
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<p>rg.6 Corporate procedures refer to the UN Global Compact</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts,</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and</p>	<p>N/A</p>	<p>Geared for Growth</p>
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	<p>accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>		
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<p>rg.7 The company incorporate global initiatives, such as the Sustainable Development Goals (SDGs), Responsible Cobalt Initiative, the Global Reporting Initiative Mining and Metals etc. into their company practices</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts,</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and</p>	<p>N/A</p>	<p>Geared for Growth</p>
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	<p>accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>	<p>local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and accountability within the local management and communication to relevant members of the Executive Board.</p>		
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<p>rg.8 Company business and human rights procedures are compliant with national legislation</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts, employees and third party personnel onsite. If appropriate also including external expert organizations. • Corrective actions and follow-up after each review with agreed action plans and</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and local internal subject matter experts,</p>	<p>At a Group level, country-by-country human rights reviews are carried out with the ambition to cover all operations, employees, and other personnel at our sites in the reviewed country. These reviews are conducted using a methodology developed in accordance with internationally recognized practices and includes the following main elements: • Desktop analyses based on internal data such as workforce data, local policies, internal expert interviews, employee survey responses and collective bargaining agreement, and external sources such as country human rights reports and human and labor rights laws. • Self-assessments by country management teams and local human resources departments. • On-site visits with country management and human resources, and</p>	<p>N/A</p>	<p>Geared for Growth</p>
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rg.9 The company actively participates in regional (the EU) sustainability and human rights initiatives and EU Law	N/A	N/A	N/A	N/A	N/A
rg.10 The company reviews and modify contractual clauses to protect against	N/A	N/A	N/A	N/A	N/A

children from abuses when new information arises					
Remedies					
rm.1 The company has a whistle-blower procedure	Human rights violations such as signs of modern slavery, child labor, human trafficking, forced, bonded or compulsory labor related to Volvo Group operations or a Volvo Group business partner	N/A	N/A	N/A	Leading the transformation
rm.2 The company has a grievance mechanism procedure	These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process, ongoing dialogues with unions, inputs from grievance channels including the Volvo Group Whistle mechanism, and collaboration with peers and others.	These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process, ongoing dialogues with unions, inputs from grievance channels including the Volvo Group Whistle mechanism, and collaboration with peers and others. Risk identified included child labour	These risks have been identified through the implementation of human rights due diligence across the value chain, the enterprise risk management process, ongoing dialogues with unions, inputs from grievance channels including the Volvo Group Whistle mechanism, and collaboration with peers and others. Risk identified included child labour	N/A	Leading the transformation
rm.3 The company has an open-door procedure allowing access to the management team	N/A	N/A	N/A	N/A	N/A

rm.4. The company has follow-up procedures on grievances	N/A	N/A	N/A	N/A	N/A
rm.5 The company has a grievance mechanism process aligned with national law and international human rights law	N/A	N/A	N/A	N/A	
rm.6 The company has a system of incorporating outcomes from grievances into future practices	We will take adequate corrective action(s), if during the Follow-up a need for such action(s) is identified. This holds true regardless of the outcome of the investigation. Examples of corrective actions can be internal controls and process improvements, training, feedback and coaching, organizational change, various forms of disciplinary actions, or legal proceedings.	N/A	N/A	N/A	Whistle-blower Policy
rm.7. The company ensures the grievances process is equitable and transparent	We are committed to manage all Follow-up activities in a fair, impartial, and objective manner with respect for all person(s) involved, including the Reporter, Person(s) Concerned and any other, e.g., witnesses.	N/A	N/A	N/A	Whistle-blower Policy

<p>rm.8 The company actively monitors patterns of grievances</p>	<p>These have been identified on the basis of human rights due diligence undertaken to date across our value chain, as part of our enterprise risk management process, through ongoing discussions with unions, peers and other stakeholders, and as a result of concerns reported via the Volvo Group's grievance channels. These risks are our current area of focus and we will remain alert to the potential for other human rights risks that may arise in our business relationships.</p>	<p>These have been identified on the basis of human rights due diligence undertaken to date across our value chain, as part of our enterprise risk management process, through ongoing discussions with unions, peers and other stakeholders, and as a result of concerns reported via the Volvo Group's grievance channels.</p>	<p>These have been identified on the basis of human rights due diligence undertaken to date across our value chain, as part of our enterprise risk management process, through ongoing discussions with unions, peers and other stakeholders, and as a result of concerns reported via the Volvo Group's grievance channels.</p>	<p>These have been identified on the basis of human rights due diligence undertaken to date across our value chain, as part of our enterprise risk management process, through ongoing discussions with unions, peers and other stakeholders, and as a result of concerns reported via the Volvo Group's grievance channels.</p>	<p>Whistle-blower Policy</p>
<p>rm.9 The company states that the grievance mechanisms processes align with the UNGPs and OECD Guidelines</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>
<p>rm.10 The company's provides financial support to victims</p>	<p>The Volvo Group aims to provide for or cooperate in the remediation of negative human rights impacts where our activities have caused or contributed to them, and seek to play a role in the remediation of negative human rights impacts that are directly linked to in our operations, products, services or business relationships.</p>	<p>N/A</p>	<p>N/A</p>	<p>N/A</p>	<p>Whistle-blower Policy</p>

