



Navistar Policy Statement on Human Rights

Preamble

We, Navistar, have approximately 14,500 employees worldwide and are part of TRATON SE, a global champion of the truck and transport services industry. Our core business is in the truck and parts markets for the U.S. and Canada, where we participate primarily in the Class 6 through 8 vehicle markets. With more than a million of our trucks on the road in the U.S. and Canada, one in five Class 6 through 8 vehicles is an International® truck. Nearly half of all school buses on the road today are our IC Bus® brand and we have one of the largest commercial vehicle parts distribution networks in the U.S.. Navistar is a purpose-driven company, reimagining how to deliver what matters to create more cohesive relationships, build higher-performing teams and find solutions where others don't.

At Navistar, we acknowledge the Declaration of Human Rights adopted by the United Nations and the European Convention for the Protection of Human Rights and Fundamental Freedoms. The declaration states what is required and expected of the international community when it comes to observing and respecting human rights. These tenets are further supported by applicable US federal, state and local laws pertaining to civil rights, human rights and freedoms.

Scope

This document outlines our commitment as we move forward as a Company. The principles stated therein shall be incorporated and inherent in our systems and processes. Our definition of human rights also includes environmental aspects that can ultimately affect human rights.

Navistar's management is responsible for the implementation of the actions and requirements defined in this commitment. Navistar has the responsibility to adequately address negative human rights impacts that are linked to our own business area, products, or services through our business relationships. Therefore, we strive to work with business partners who share these values and the commitment outlined in this Policy Statement. Where there are conflicting local human rights laws or standards, or where state jurisdiction and/or enforcement is different from international human rights laws or standards, we shall seek ways to respect human rights in line with international human rights conventions and standards while complying with federal, state and local laws.

Our commitment to human rights and environmental aspects

At Navistar, we take responsibility, not only for our products, but also for our people and for the consequences our business can have. We protect people and their environment and strive to eliminate any negative human rights impact by continuously reviewing our business operations for human rights risks and implementing preventive measures at an early stage in relation to identified risks. If we identify a violation of human rights or environmental obligations, we will take immediate action to prevent, stop or minimize the extent of the violation. With our principles mentioned below, we explain how we want to live up to our commitment to human rights.

Navistar does not accept violations of human rights

We respect all regulations in force to protect human rights as a fundamental and general requirement throughout the world. We stress this in our Code of Conduct for employees, with human rights a main chapter in this document, emphasizing the importance of this aspect for us. Our employees are trained on the Code of Conduct in web-based and in-person trainings on a regular basis. It is a matter of course for us that respecting human rights applies not only to operations within our Company, but also to the behavior of suppliers and other business partners. It is a requirement for our collaboration that they adhere to the same international conventions on human rights and/or civil rights as we do. These principles are laid down in our Code of Conduct for Suppliers and Business Partners that form part of our contracts and communication with external partners.



Navistar uses its influence to prevent and address human rights risks

We regard human rights violations as a dynamic and permanent risk. Therefore, we align procedures to monitor these with ongoing processes such as the implementation of human rights and environmental aspects in the compliance risk assessment. At the same time, we have a responsibility to remediate when we have caused or contributed to a human or a civil rights violation.

In the future, we will continue to develop our risk assessment to enhance our understanding of specific human rights risks in our business operations and their environment. This risk assessment will further be used to continuously adapt our processes and systems to detect, prevent and mitigate human rights risks. Human rights risks are not only assessed in our own business area but also considered in the selection and due diligence process of suppliers and business partners.

A central tool in this area is the sustainability rating (S-Rating) process, which is used to evaluate our direct suppliers' social and environmental performance as a mandatory component of the contract award process. Suppliers' S-Rating results are shared across all TRATON brands. Together with the Volkswagen Group, Navistar is aiming to send a signal to suppliers by tying sustainability performance directly to award eligibility for contracts of a certain volume. The goal is to encourage collaboration when it comes to sustainability aspects within the supply chain. The primary objective is not to exclude suppliers from the supply chain, but rather to empower suppliers whose performance is not yet satisfying in order to achieve a positive S-Rating. If necessary, Navistar appoints independent auditors to conduct risk-based sustainability checks on site. Any resulting shortcomings must be remedied by the suppliers using precisely defined measures as part of an action plan with firm deadlines.

In 2021, TRATON piloted a human rights due diligence management system (HRDDMS) together with the Volkswagen Group, which is used to systematically analyze, prioritize, and reduce human rights risks in the supply chain. For the initial risk analysis, aggregated assessments based on the S-Rating results were used to identify 15 countries with high human rights risks. As a result and a preventive measure, a supplier training on human rights was conducted for suppliers with the lowest performing score.

On the sales side, red flags on human rights are part of the risk assessment process in the Business Partner Approval Tool, a system used to check the integrity of business partners before any engagement can take place.

Based on the existing risk assessment, we consider the following risks to be relevant to our own operations and business relationships as well as to those of our supplies and other business partners. A deeper assessment and weighing of such risks is ongoing. The results will be reported in an updated version of this Policy Statement.

Navistar applies high standards for human rights at work

Protecting employees while they are at work is a fundamental part of our commitment. We protect the following areas, especially, with our internal rules and regulations:

Rejection of forced or compulsory labor

As described in the Code of Conduct for employees as well as for suppliers and business partners, Navistar rejects all kinds of forced or compulsory labor as well as modern slavery and human trafficking. This includes work carried out involuntarily due to intimidation, penalty, or violence by security forces. Employment relationships are "at will," meaning that the employee or Navistar may terminate the employment relationship at any time and for any reason, with or without notice. We thrive to protect our employees and ensure a safe and healthy working environment for everyone.

Rejection of child labor and young workers

Child labor is prohibited at all costs. Federal, state and local laws determine the minimum age for employment, which must be adhered to.



Equal treatment in employment

Navistar strictly prohibits any conduct that constitutes unlawful discrimination as defined by the courts based on race, color, gender, gender identity, national origin, ancestry, religion, physical or mental disability, medical condition, pregnancy, childbirth or related medical condition, marital status, sexual orientation, age, military status, protected Veteran status, Vietnam Era Veterans status or any other characteristic protected under federal, state or local law. All conduct deemed to be discriminatory by Navistar is prohibited under this policy even if it does not rise to the level of being legally actionable. We promote and protect a culture of diversity, equity, and inclusion.

Freedom of association and employee representation

We recognize the right of employees to establish trade unions and pursue employee representations. Navistar will not interfere with employees in the exercise of rights to form, join or assist a labor organization for collective bargaining, or refraining from any such activity.

Occupational health and safety

Navistar is dedicated to conducting its business in a manner that protects the safety and health of its employees, contractors and visitors. We comply with all applicable local, state, and federal occupational safety and health laws and regulations in all countries in which we operate our business.

Commissioning of security forces

Security operations are conducted in line with the Navistar's Security Policy, which sets the protection of people as one of its primary objectives. Navistar's Security organization takes the lead in liaising with security providers and security authorities. A diligent selection process for external parties, contractual obligations, and close monitoring of the operations aim to ensure that security forces that are commissioned or used by Navistar adhere to the principles for our employees' protection.

Navistar addresses environmental risks that could affect human rights

Navistar is a global provider of commercial vehicles as well as associated services. Being in this position, Navistar is aware of its special responsibility toward the environment. We bear responsibility for the environmental compatibility and sustainability of our products, locations and services. We comply with applicable local, state, and federal environmental protection laws and regulations in all countries in which we operate our business. It is everyone's responsibility to be familiar with the requirements that apply to their area and take personal responsibility for compliance. We also strive to conduct operations that use a lifecycle approach, considering all impacts upstream and downstream from a particular activity. Our aim is to conduct our operations in a manner that considers and minimizes those impacts on the environment and natural resources to mitigate and avoid any risks that might have an effect on human rights.

In accordance with our government relations standards, we seek a dialogue with state and local governments on future mobility and energy concepts and on shaping ecologically sustainable development.

Navistar recognizes the right to defend human rights and speak up against human rights violations

For us, human rights are non-negotiable. We do not tolerate harassment against protectors of human rights. At Navistar, tip-offs regarding potential regulatory violations, including violations of human rights, can be reported by employees, business partners, direct and indirect suppliers, customers, and other third parties at any time and in any language, anonymously if desired, through Navistar Ethics and Compliance Hotline which can be accessed by everyone 24/7. The Navistar Investigation Office is responsible for processing tip-offs concerning Navistar and monitors/coordinates investigations together with the responsible Investigating Unit. The Navistar Investigation Office confirms the receipt of the tip-off and aligns with the whistleblower on additional relevant information, wherever possible and necessary. In the event that the Navistar Investigation Office is informed about a potential risk that does not involve Navistar employees, e.g., potential violations by suppliers, the Navistar Investigation Office will forward this information to a suitable department of Navistar e.g., the responsible Procurement function.



All allegations will be investigated in accordance with principles defined in Navistar's Policy on Internal Investigations, such as the protection of whistleblowers, procedural fairness, confidentiality, and principle of legality. Results of an investigation are reported to either the Investigations Operating and/or Investigations Review Committees, who decide on further measures to be implemented.

Navistar address human rights violations appropriately

All our measures and guidelines for human rights are structured in a way that means that they protect all rights holders to the best of their ability. Reacting and responding to possible violations is therefore an essential part of our Compliance Management. When we receive information about cases of suspected misconduct, we investigate immediately and find solutions to stop actual violations and limit and mitigate the negative impact. In the event of substantiated knowledge of a violation in our supply chain, we seek dialogue with our supplier or business partner and try to first find a common solution that ensures future adherence to human rights. If required, we make use of contractually agreed audit rights to obtain further information on potential violations and risks and for identifying and implementing mitigating measures. However, if suppliers do not take sufficient action to prevent, end or mitigate the extent of human rights violations, this may result in the termination of our collaboration with the supplier or business partner.

Navistar aims to have a positive impact where we operate in our society

Respecting human rights is our duty for our society and the environment. This means that we not only respect humans but also their living environment by reducing pollution of water, air, and soil. We are convinced that our Company's success must be built on responsible and sustainable conduct. We bear responsibility for the environmental compatibility and sustainability of our products, locations, and services. We seek to manage natural resources carefully and steadily reduce the environmental impact of our products to comply with environmental protection laws and regulations.

Reporting and responsibilities for human rights

Within Navistar, human rights are governed by the Corporate Compliance department, which collaborates closely with all internal stakeholders such as the Procurement, Sustainability, People & Culture, Environmental, Security, and Legal functions. The Governance, Risk & Compliance department reports on human rights risks, activities, and developments within Navistar to the Executive Board of TRATON SE.

Navistar is planning the implementation of further due diligence measures throughout the following months. Those measures will be reviewed for effectiveness during future internal and external audits.