

V O L V O

Sustainable Manufacturing and Sustainable Supply Chains

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V O L V O

For life. To give people freedom to move in a personal, sustainable and safe way.

PURPOSE-LED COMPANY

PERSONAL FOR LIFE

Life is precious. So is living. That is why Volvo helps people come to life and live life freely. We celebrate individuality and the freedom to be you. We want to make life easier and to help you save time and stress. To enable joy and peace of mind. Volvo comes from Sweden after all, a place that believes quality of life is as important as being alive itself.

SUSTAINABLE FOR LIFE

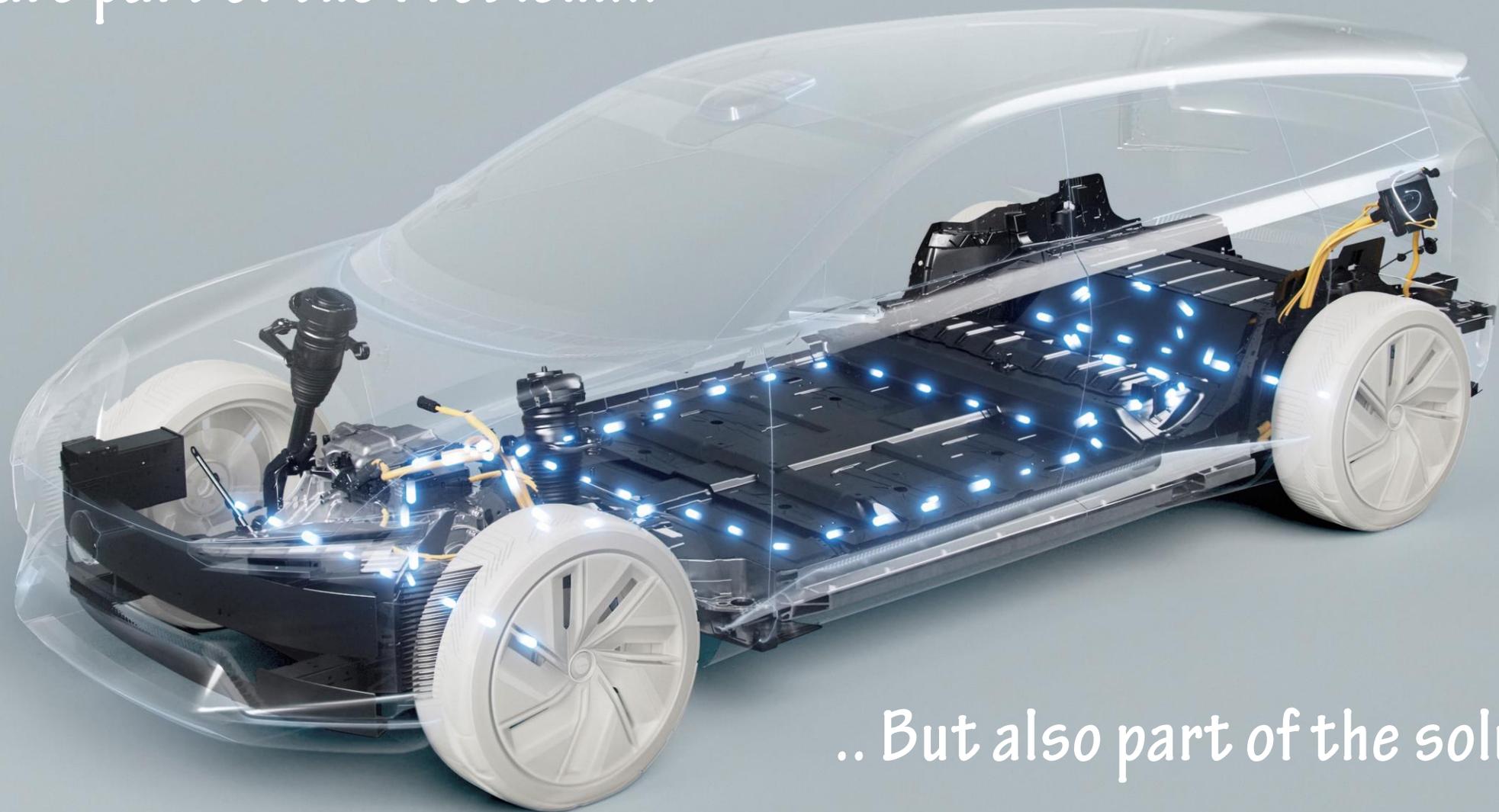
We do not only protect people in and around our cars. We also work hard to protect the planet we live on. We commit to the highest standard of sustainability in mobility in order to protect the world we all share. We want to keep the world around our cars as safe as the people in them.

SAFE FOR LIFE

In 1927 one of our founders, Gustaf Larsson, stated: "Cars are driven by people. The guiding principle behind everything we make at Volvo, therefore, is and must remain, safety." This principle made our brand synonymous with safety and is today as relevant as ever before. We will continue to pioneer the safest, most intelligent technology solutions in mobility and everyday life to protect what is important to people. Their lives, and the lives they are living.



We are part of the Problem...



.. But also part of the solution!

Sustainability is key to our future success

WE CONCENTRATE ON THREE AREAS



CLIMATE ACTION

Become a climate neutral company by 2040

We are taking action to reduce greenhouse gas emissions throughout our value chain, with the ambition to be aligned with the 1.5°C pathway and the goals of the Paris Agreement. It is our ambition to become a climate neutral company by 2040, while meeting ambitious interim targets by 2025 and 2030.



CIRCULAR ECONOMY

Become a circular business

Volvo Cars is committed to the circular economy. We need to make better use of valuable, and often finite, material, within our vehicles, operations, supply chain and at our vehicles' end of life. Adopting circular principles will significantly reduce our environmental footprint, reduce costs, and create new revenue streams.



RESPONSIBLE BUSINESS

Lead in ethical & responsible business

We strive to live our values and support a culture of ethical and responsible behaviour, at both a corporate and individual level. We support international standards and conventions, as well as the United Nations' Sustainable Development Goals.

Climate action

BECOME CLIMATE NEUTRAL BY 2040

2025 ambitions

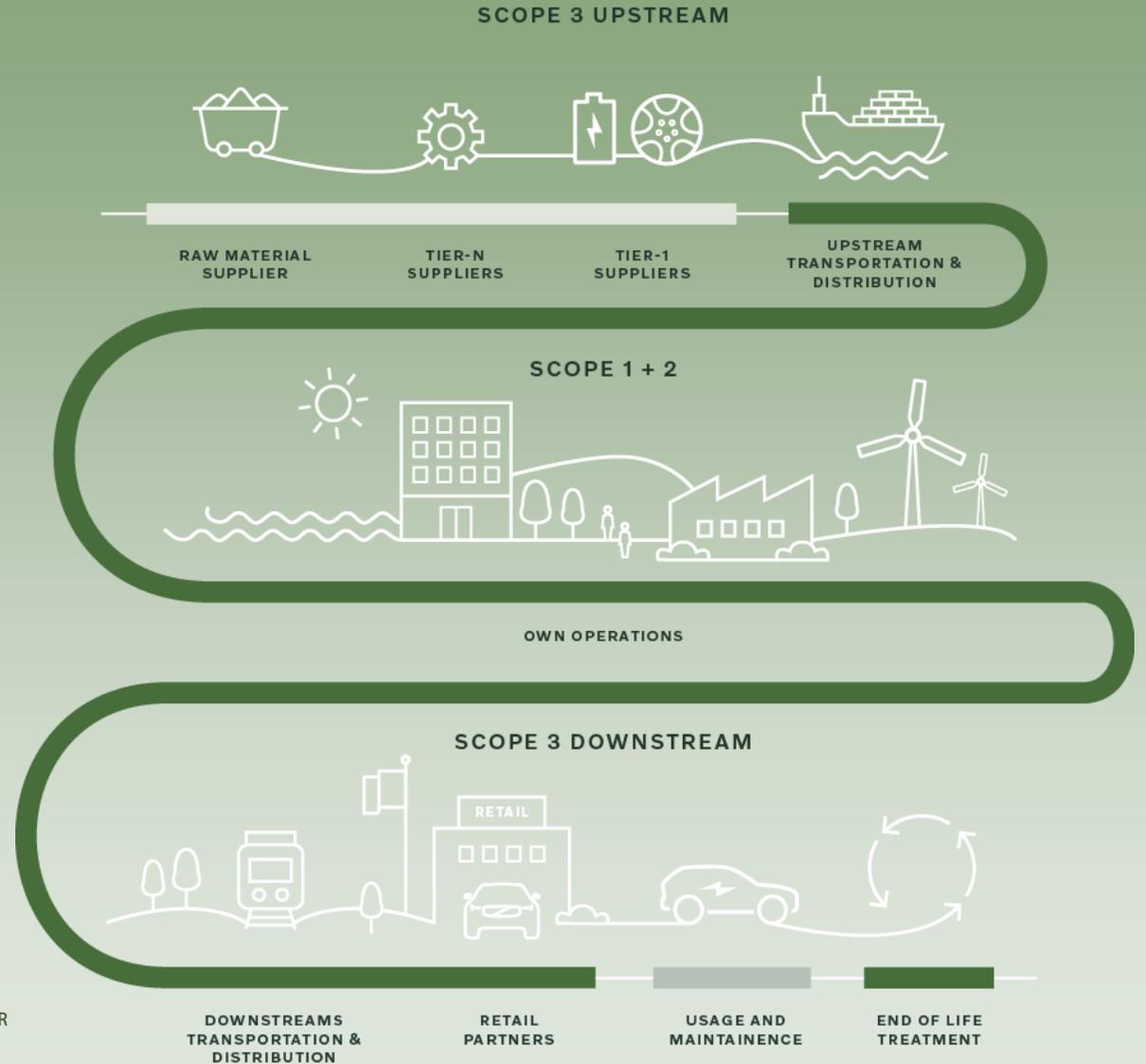
To reduce CO₂ emissions by 40% per average vehicle (from a 2018 baseline):

- 50% reduction in tailpipe emissions
- 25% reduction in supply chain emissions
- 25% reduction in operational emissions

2030 ambitions

To meet targets verified by the Science Based Targets initiative (SBTi)

- 60% reduction in absolute Scope 1 and Scope 2 greenhouse gas emissions (from a 2019 baseline)
- 52% reduction in Scope 3 greenhouse gas (GHG) emissions from Use of sold products per vehicle kilometre (from a 2019 baseline) (well-to-wheel)



Volvo Cars Manufacturing Environmental Strategy

With a lifecycle approach securing a resource efficient manufacturing operation

25% Reduction in operational emissions

| Energy  | Waste  | Water  |
|--|---|---|
| <p>2025 target</p> <p>Climate neutral mfg ops</p> <p>Reduce energy usage by 30%</p> | <p>2025 target</p> <p>Reduce production waste by 40%</p> | <p>2025 target</p> <p>Reduce water usage by 40%</p> |

Achievements

- ✓ Climate Neutral Energy in manufacturing operations at 66%
- ✓ All plants globally powered by climate neutral electricity
- ✓ Energy use in plants globally reduced with more than 20%
- ✓ Production waste in plants globally reduced by more than 20%
- ✓ Water use in plants globally reduced with more than 30%

Circular economy

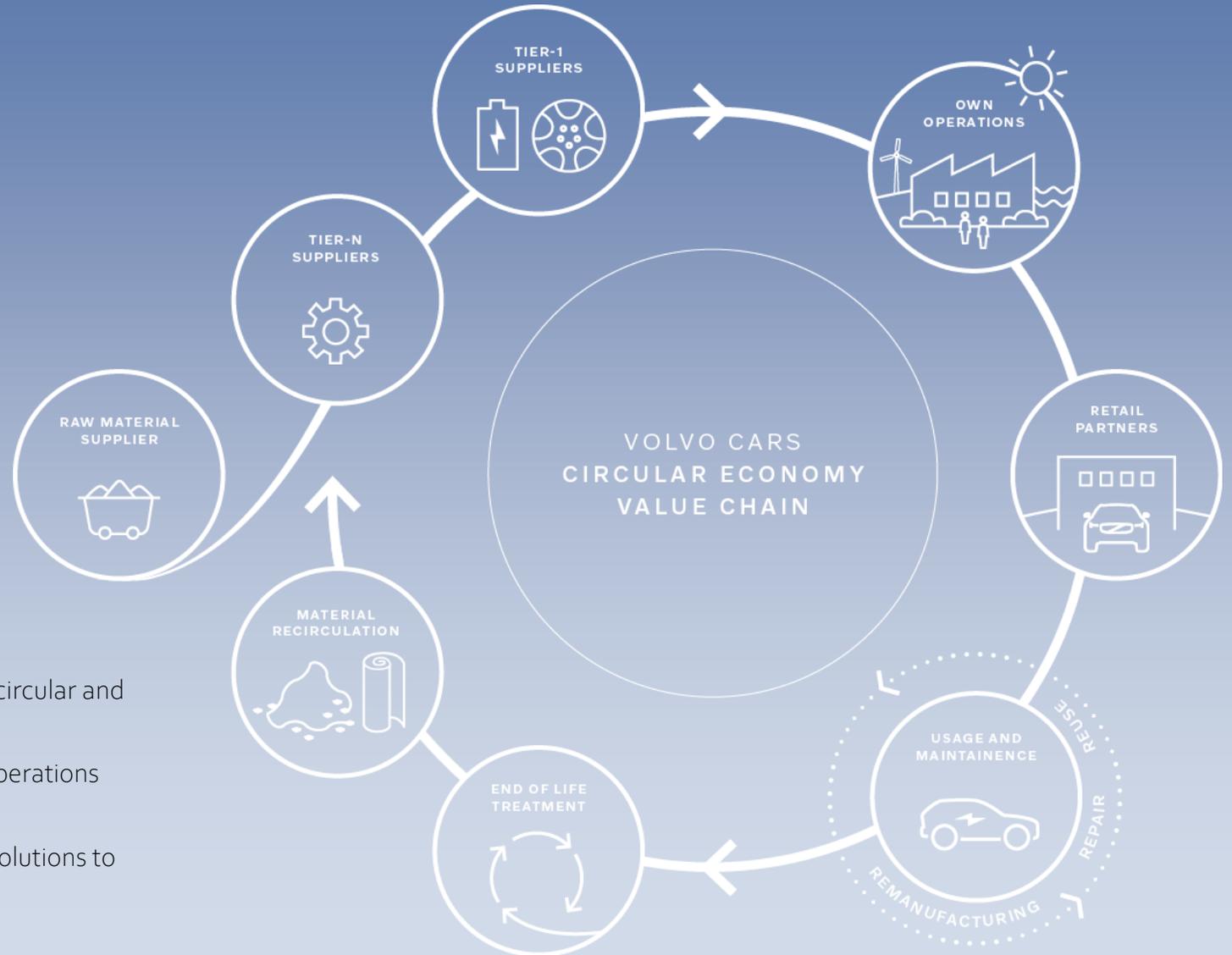
BECOME A CIRCULAR BUSINESS

2025 ambitions

- 2,500 kilo tonnes CO₂ emission reduction annually by adopting circular economic principles (from a 2018 baseline)
- 25% recycled or bio-based materials in new vehicle models
- 40% reduction in production waste per vehicle produced (from a 2018 baseline)

We apply three principles throughout our value chain

- Use less resources by improving efficiency, making materials circular and circulating them at maximum value
- Eliminate all waste and pollution by designing products and operations for long and high utilization lifecycles
- Enable growth beyond vehicle sales by offering services and solutions to all Volvo users and products



Sustainable Supply Chains

CASCADING OUR AMBITIONS

Ambitions and targets for our suppliers:

- All production sites connected to Volvo Cars to only run on climate neutral electricity and energy (fuel and heating)
- 1.5C carbon neutrality commitment validated by the Science Based Targets Initiative (SBTi)
- Annual targets for waste reduction
- Carbon Disclosure Project (CDP) participation and evaluation
- Only deliver products that comes from Volvo approved Aluminium smelters
- Only use Responsible Steel certified suppliers of cast iron and steel
- Only use Responsible Minerals Initiative (RMI) approved smelters and refiners of conflict minerals
- Approved score in the Sustainability Assessment Questionnaire (SAQ)
- All production sites connected to Volvo Cars and classified as high risk to actively participate in the Volvo Cars Social Audit programme

VOLVO

Thank you!

