

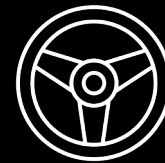
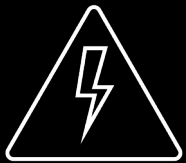
V O L V O

Leading Sustainability in a disruptive world

James Lundström, Volvo Cars



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GM CEO Ma 'race to the

Eco

* Annual Cum

Regi

Chi

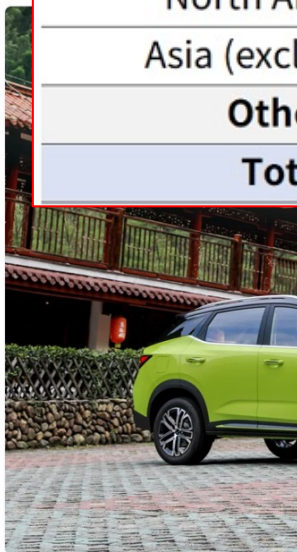
Euro

North A

Asia (excl

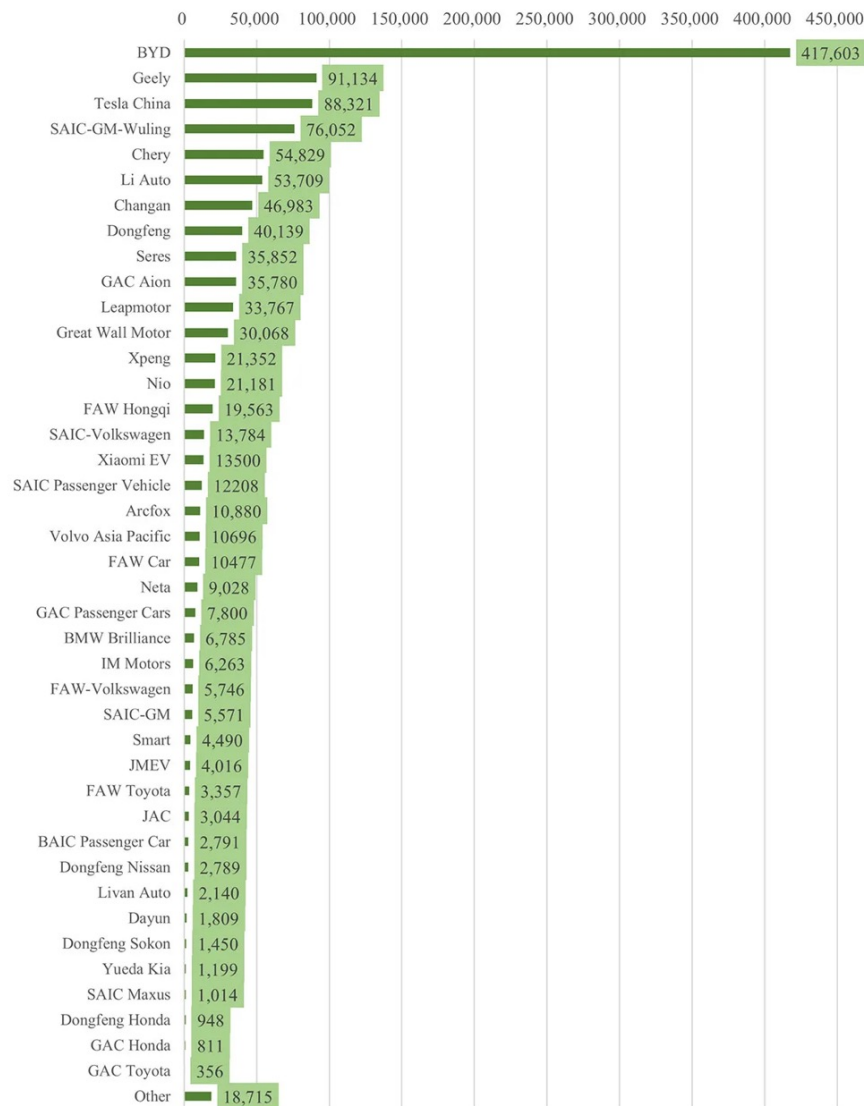
Oth

Tot



The Wuling Xing Chi compact SUV. G an ongoing price war. Courtesy of Wuli

China passenger NEV wholesale sales (Sept 2024)



Source: CPCA

*Figures for Xiaomi and Others are CPCA estimates

© CnEVPost

volt files for bankruptcy

om a 2017 high to 2.1 million units in 2023.

	Incl. Commercial (Unit: K units)	
th Rate	2023 M/S	2024 M/S
33.6%	57.5%	63.2%
-1.4%	23.5%	19.0%
8.6%	12.6%	11.2%
15.4%	5.1%	4.8%
58.7%	1.3%	1.7%
21.7%	100.0%	100.0%
	2020	2021
	2022	2023

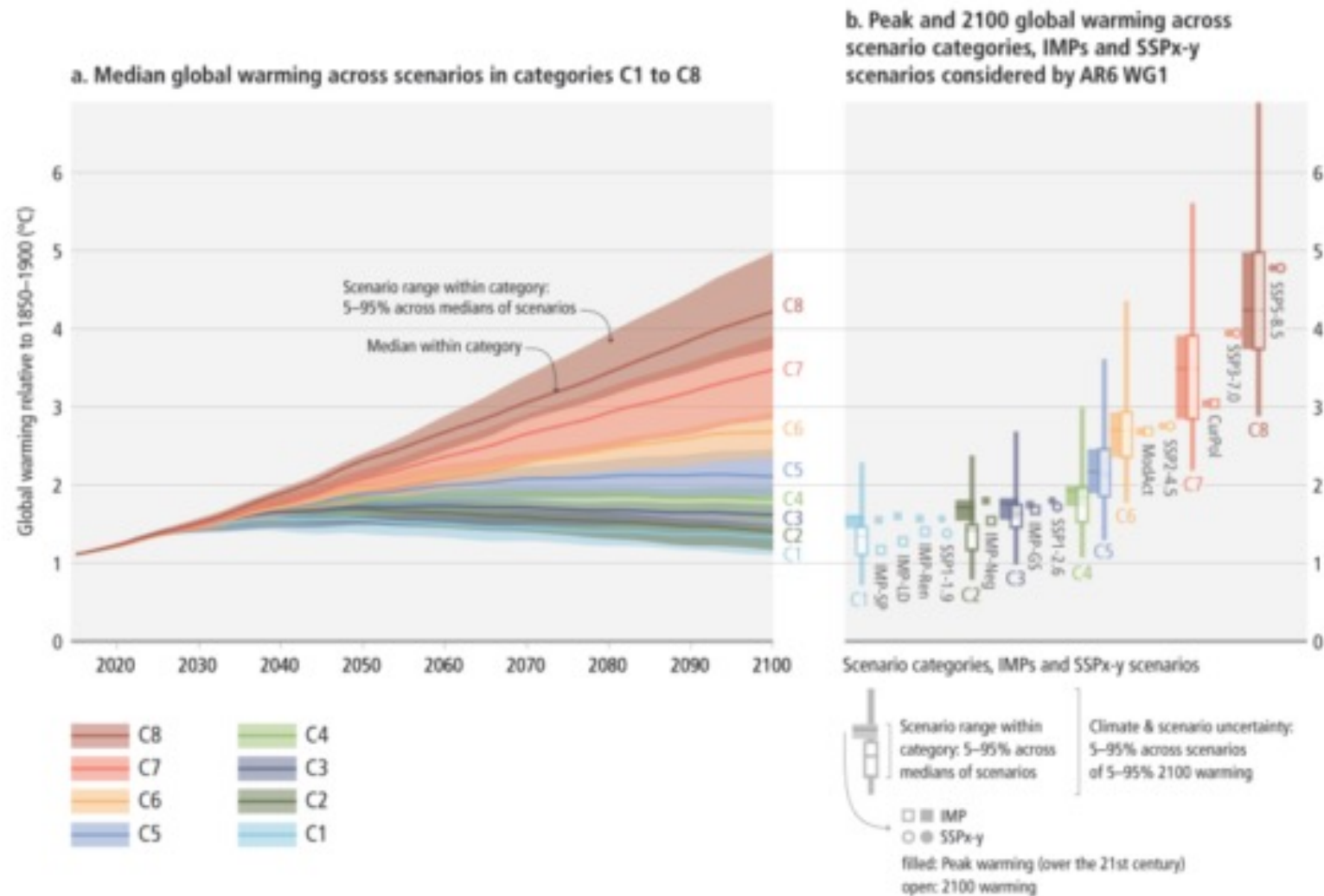
ries in this weekly newsletter.



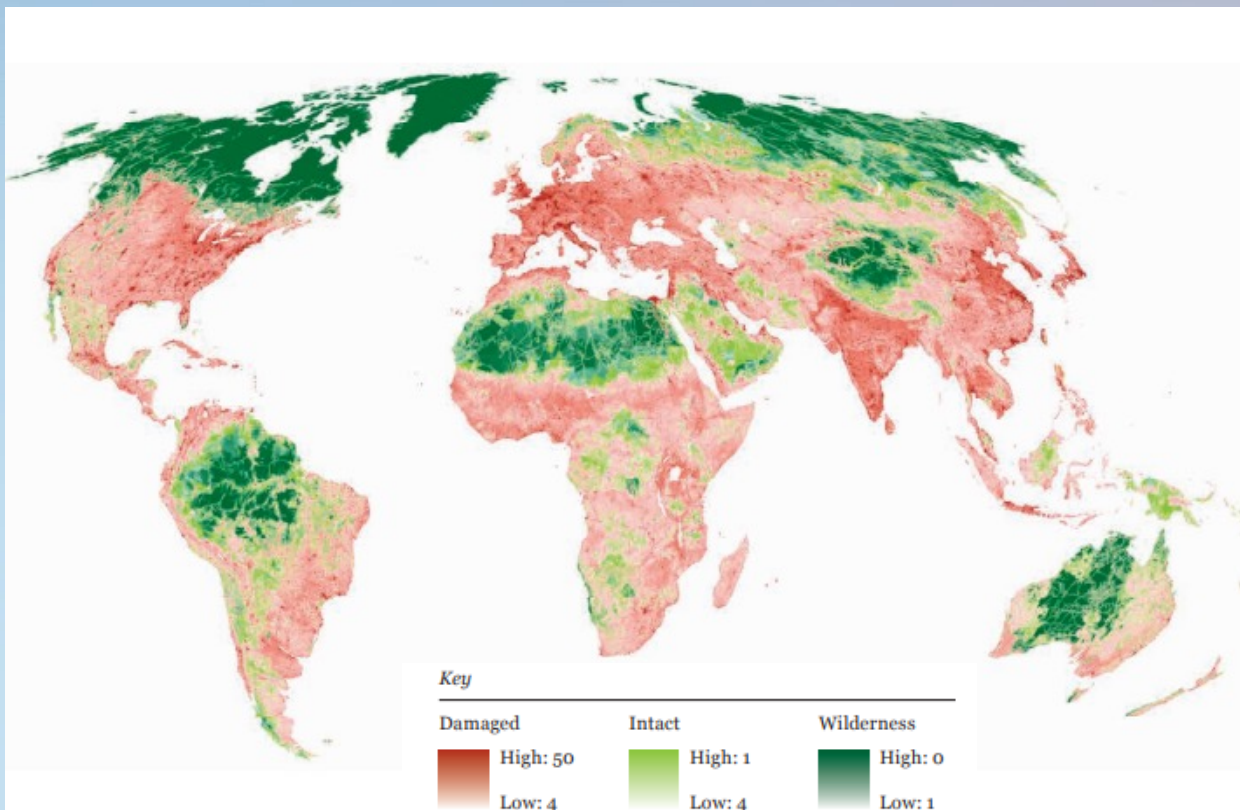
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ruptcy after Europe's best-funded start- n dominance in electric vehicle batteries ckage with investors.

The range of assessed scenarios results in a range of 21st century projected global warming.



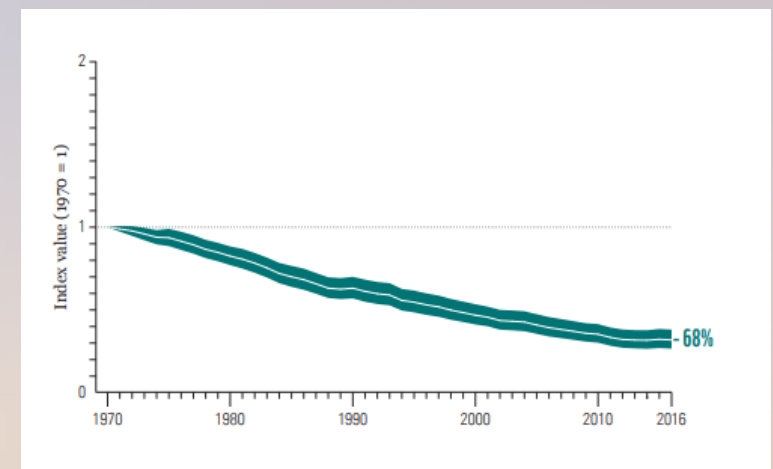
The human population has put significant pressure on biodiversity



There are an estimated 8.7 million species on Earth (+/- 1-3 million).

- 6.5 million species on land.
- 2.2 million species in the water

> ~1 million of these are threatened with extinction!



Regulatory outlook more uncertain

EU

- 2035 ICE Ban unclear
- CO2 emission targets challenged
- LCA Standards behind schedule
- Omnibus package approved

USA

- New political landscape
- Ideological shift “Sustainability is woke”
- Electrification is not supported anymore

China

- Stable shift towards renewable energy
- Rapid change through other factors



Our vision / Who we are

Pioneers in the protection of people & planet.

In a time when car makers valued form over function, and beauty over protection, our founders saw a world where each of these elements could coexist in one car. Never without meaning, and always with safety at its core.

While others assembled cars with generic parts, Volvo custom-built and innovated, elevating safety through open patents and modern design.

This is why we are synonymous with safety today; and how, for 100 years, we have pioneered the protection of people and planet. This is our most distinct brand asset and greatest strength.

Therefore, we devote ourselves to continuing our work: to make the world a safer place through inventive thinking and collaborative action. Just as we have always done.

Together, we push the needle even further, creating solutions to challenges not yet seen, and asking questions not yet spoken aloud. Because tomorrow demands it, and today is where our journey begins.

Sustainability is key to our success

We aim to be pioneers in protecting people and the planet by working towards net zero, embracing the circular economy and improving peoples's lives. We concentrate on three areas.



CLIMATE ACTION

We aim to reach net zero greenhouse gas emissions by 2040

- Transform to pure electrification
- Minimise emissions from materials
- Minimise operational emissions



CIRCULAR ECONOMY

We aim towards becoming a circular business by 2040

- Minimise primary resource use
- Eliminate waste and pollution
- Grow circular business



RESPONSIBLE BUSINESS

We aim to protect and improve people's lives in our value chain and wider society

- Ensure employee wellbeing
- Safeguard human rights
- Contribute to a sustainable society

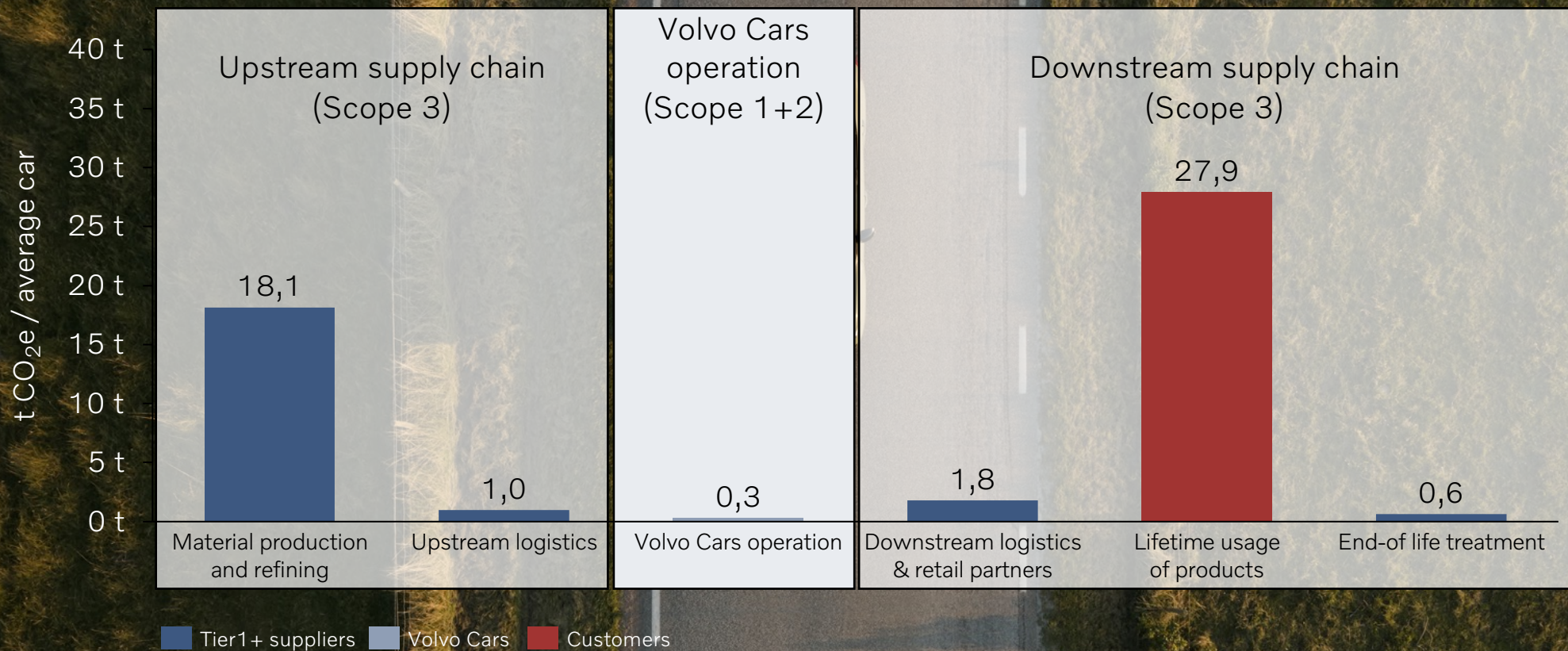
Supported by stakeholder collaboration and advocacy.

We aim to reach net zero greenhouse gas (GHG) emissions by 2040.

AMBITIONS	CO ₂ PER AVERAGE CAR	TRANSFORM TO PURE ELECTRIFICATION	MINIMISE EMISSIONS FROM MATERIALS	MINIMISE OPERATIONAL EMISSIONS
2025	-30-35%	50-60% Electrified vehicles (PHEV and BEV)	-25% Sourcing of low-emission steel, aluminium and batteries.	-25% Climate neutral energy in own operations. Reduce GHG emissions from retail partners' operations and facilities by 50%.
2030	-65-75%	90-100% Electrified vehicles (PHEV and BEV) Reduce Scope 3 GHG emissions from use of sold products by 52% per vehicle km.	-30% 10% of primary aluminum near zero.	-30% 40% reduced energy use in own operations per average car. Reduce absolute Scope 1&2 GHG emissions by 60%.
2040	-90-95%	<div> <div>←</div> <div>NET ZERO GREENHOUSE GAS EMISSIONS BY 2040</div> <div>→</div> </div>		

2018 is baseline for all ambitions
CO₂ – including carbon dioxide equivalents

99% OF THE EMISSIONS IN CAR PRODUCTION COMES FROM THE SUPPLY CHAIN





CIRCULAR ECONOMY

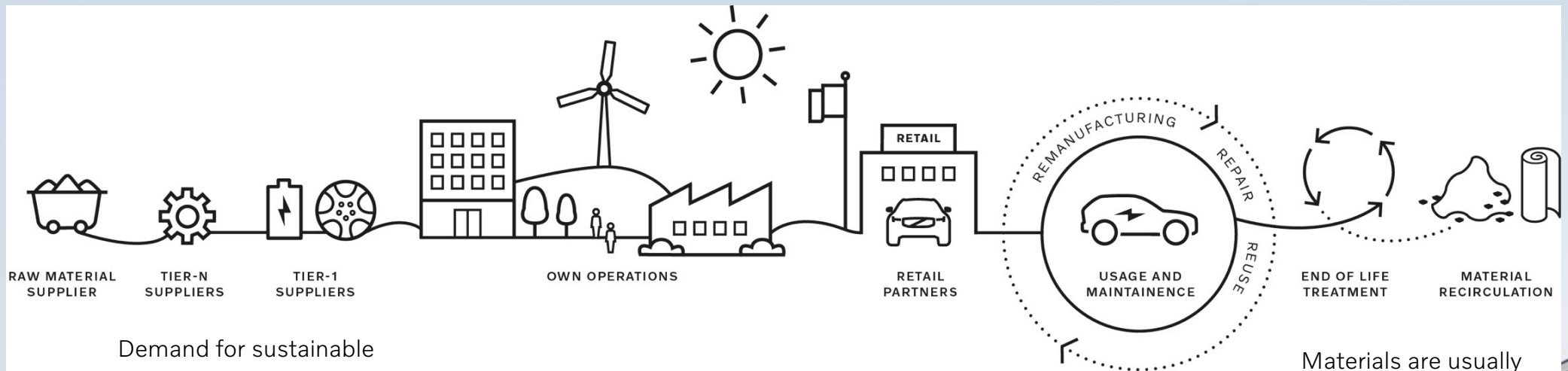
We aim towards becoming a circular business by 2040

AMBITIONS	MINIMISE PRIMARY RESOURCE USE	ELIMINATE WASTE AND POLLUTION	GROW CIRCULAR BUSINESS
	By avoiding primary material and freshwater use and increasing overall efficiency	By preventing it, redirecting outputs to high-value circular loops, and tackling biodiversity impact	By generating more circular revenue to support the decoupling of revenue and primary resource use
2025	Reach 25% recycled content in new car models. Reduce water use in manufacturing by 45% per average car.	Reduce waste in manufacturing by 40% per average car.	+SEK 1bn revenue from circular initiatives.
2030	Reach 30% average recycled content across the fleet, with new car models having at least 35% recycled content. Reduce water use in own operations by 50% per average car.	At least 99% of all our waste is either reused or recycled.	

Biodiversity: Longer term Volvo Cars strives to be Net Positive across its value chain and to contribute to a Nature Positive future.

VOLVO

The automotive value chain is not circular

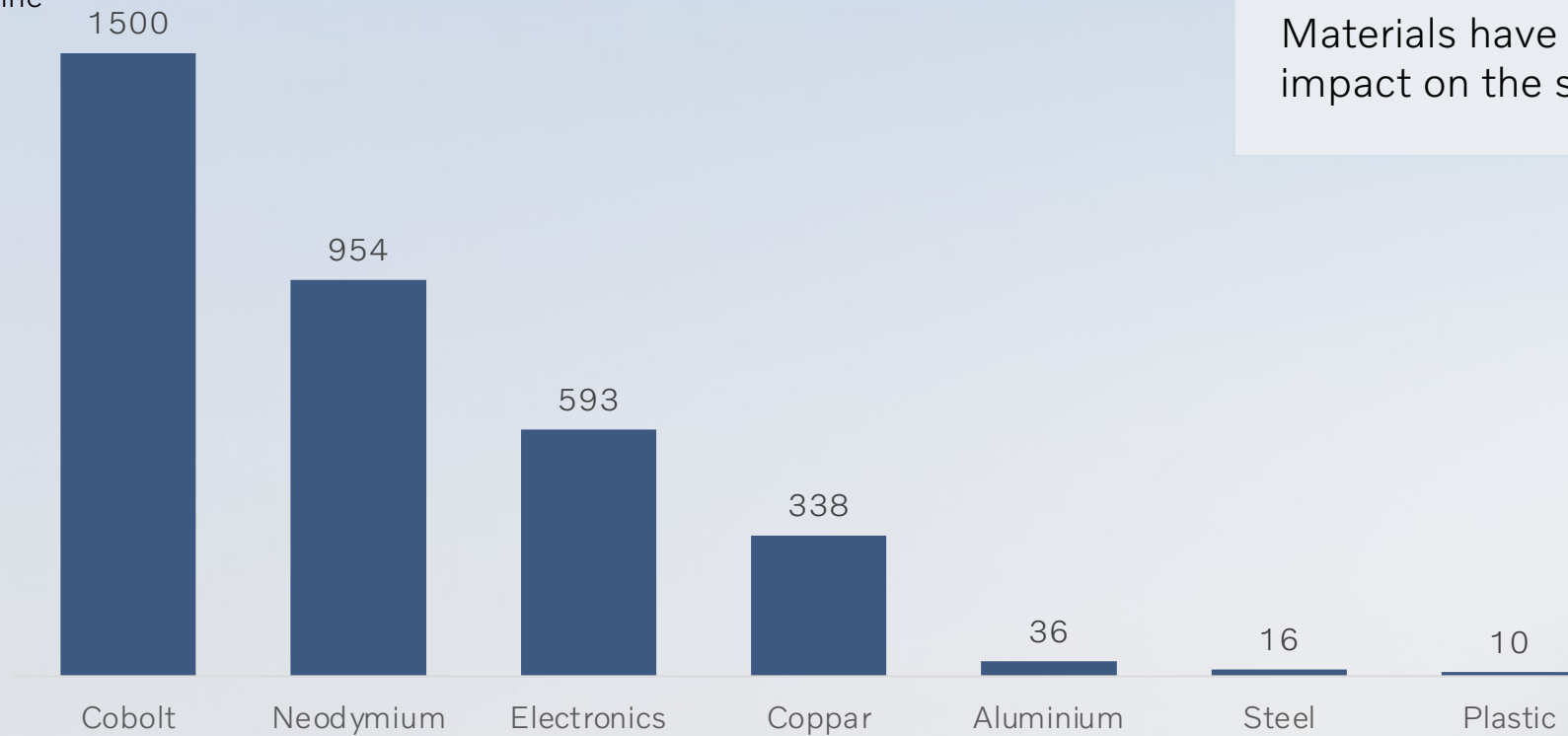


Demand for sustainable material is increasing and access risks are recognized

Materials are usually down graded

Supply chain resource consumption

Tonne / tonne
materials



Materials have different
impact on the supply chain

We aim to protect and improve people's lives in our value chain and wider society.

AMBITIONS	ENSURE EMPLOYEE WELLBEING	SAFEGUARD HUMAN RIGHTS	CONTRIBUTE TO A SUSTAINABLE SOCIETY
	Secure equality, protect our people, educate and encourage sustainable behavior	Ensure responsible business conduct throughout the value chain	Collaborate with stakeholders, invest sustainably, support and protect the most vulnerable in society
2025	<p>Ensure YoY improvement of share of women in senior leadership.</p> <p>Ensure a culture of Inclusion & Belonging: employee survey score +1 compared to global benchmark</p> <p>Injury rate (Lost Time Case Rate) for employees: 0.04.</p>	<p>Risk-based human rights due diligence processes to trace, identify, assess and address human rights risks in the value chain implemented globally.</p> <p>Yearly responsible business leadership training for senior leaders implemented.</p> <p>Ensure YoY improvement of number of sites in value chain being assessed.</p>	<p>The Volvo For Life Fund helps deliver social impact that improves lives and protects the planet in areas inside and outside of our value chain, in partnerships with leading NGOs.</p> <p>100% green debt or sustainability-linked financing of assets.</p> <p>EU Taxonomy Alignment 50% of CAPEX.</p>
2030	<p>Achieve gender equity pay (2027).</p> <p>Women in senior leadership 34%.</p> <p>Ensure a culture of Inclusion & Belonging: employee survey score +3 compared to global benchmark</p> <p>Injury rate (Lost Time Case Rate) for employees: 0.02.</p>		<p>EU Taxonomy Alignment 70% of CAPEX.</p>

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Volvo EX30

- First car to be developed with our new Sustainability Strategy as our baseline
- Move from a single subject approach to holistic approach
- Affect all areas that have an impact
- Looking at all phases (Design → End of life)
- Result: 150 different target areas with defined metrics
 - Design
 - R&D
 - Procurement
 - Manufacturing
 - Logistics



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Results



- Most recycled content of any Volvo (17%)
- Multiple sustainable interiors
- Unique solutions (denim deco)
- CO2 reduction in materials
- Blockchain traceability
- Animal welfare requirements



- From 169 Wh/Km
- CO2 reduction plans for batteries already in place
- PT efficiency >90%
- Different battery types



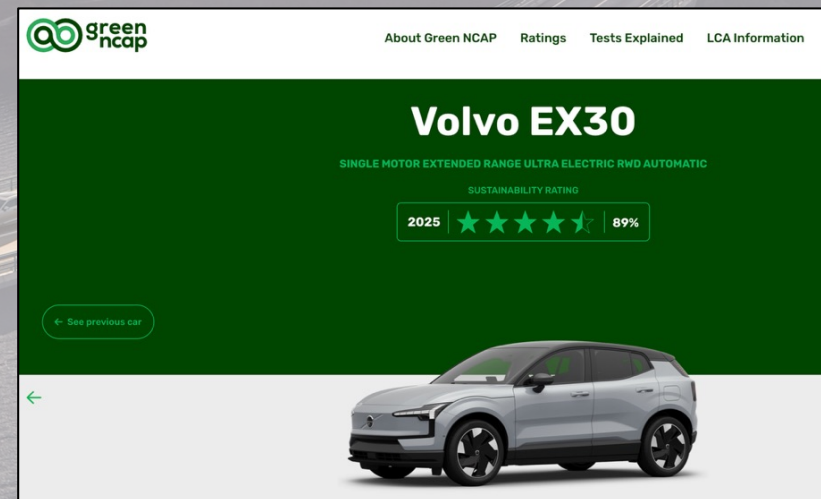
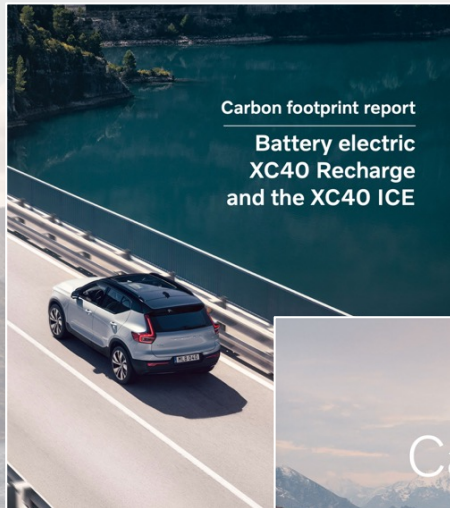
- 100% wind power in factory
- Suppliers commitment towards green electricity by 2025
- High MUD rate
- People Policy assessment
- Waste reduction
- Supplier audit scheme

How do we proceed

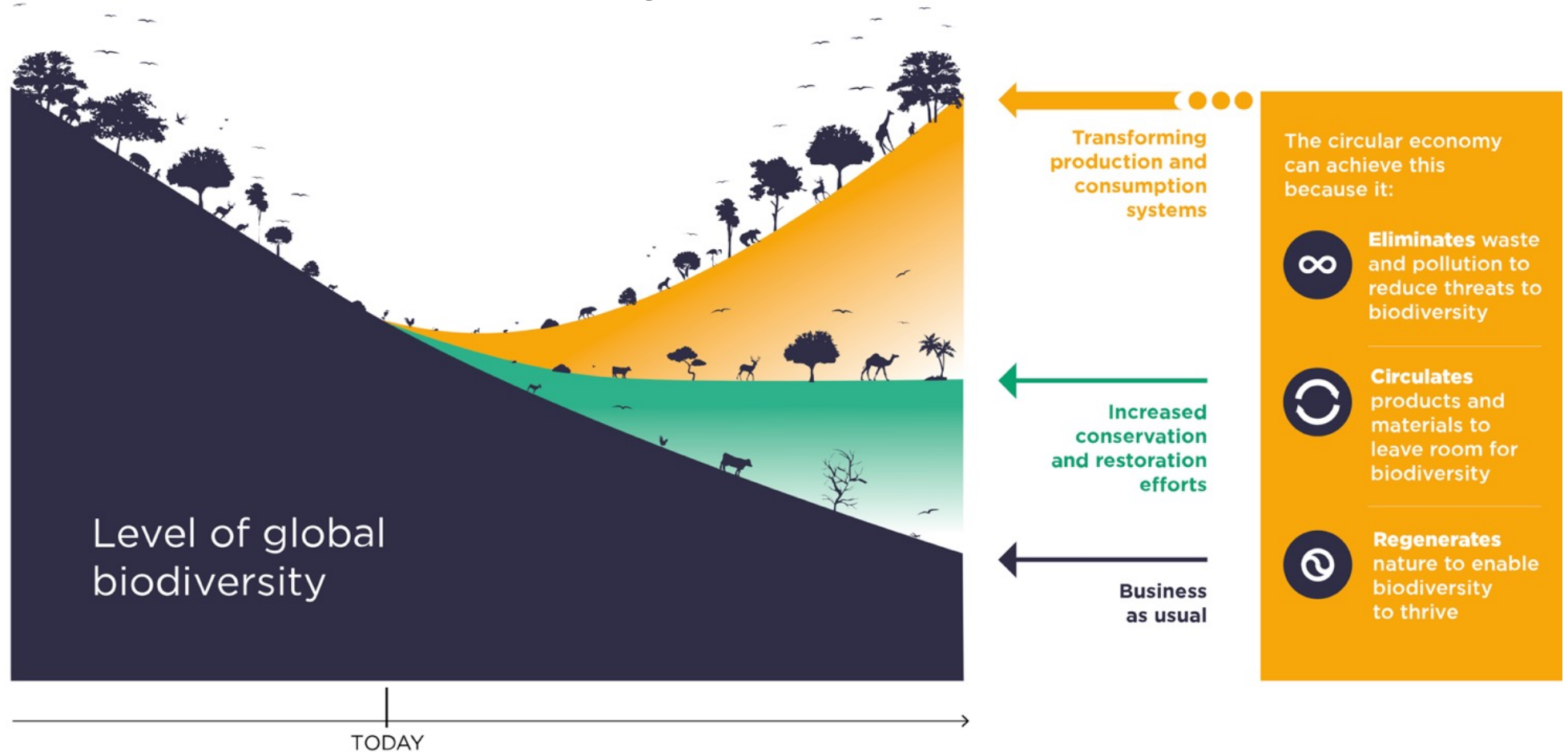
- The same method is now used in our future products
- Learnings on materials and solutions
- Better understanding of overall impact in vehicle programs through LCA reports
- Better connection between program targets and external reporting



VOLVO



CO2 is the tip of the iceberg of planetary boundary impacts



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THANK YOU

