

VOLVO

Volvo Cars' Sustainability Update



V O L V O

Responsible Business



VOLVO CARS SUSTAINABILITY STRATEGY



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



RESPONSIBLE BUSINESS

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

AMBITIONS

ENSURE EMPLOYEE WELLBEING

Secure equality, protect our people, educate and encourage sustainable behavior

SAFEGUARD HUMAN RIGHTS

Ensure responsible business conduct throughout the value chain

CONTRIBUTE TO A SUSTAINABLE SOCIETY

Collaborate with stakeholders, invest sustainably, support and protect the most vulnerable in society

<p>2025</p>	<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>New social and environmental initiatives and partnerships improving lives across our value chain and in wider society, as well as helping protect the planet.</p> <p>100% green debt or sustainability-linked financing of assets.</p> <p>EU Taxonomy Alignment 50% of CAPEX.</p>
<p>2030</p>	<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>



RESPONSIBLE BUSINESS

Progress 2023

WOMEN IN SENIOR LEADERSHIP

34% IN 2030

30.1%

2023



INJURY RATE EMPLOYEE (LTCR)

0.02 IN 2030

0.06

2023



2020	2021	2022	2023
0.10	0.06	0.07	0.06

GENDER PAY GAP

GENDER PAY EQUITY BY 2027

-3.4%

2023



INCLUSION INDEX

+3 COMPARED TO GLOBAL BENCHMARK IN 2030

75(-1)

2023

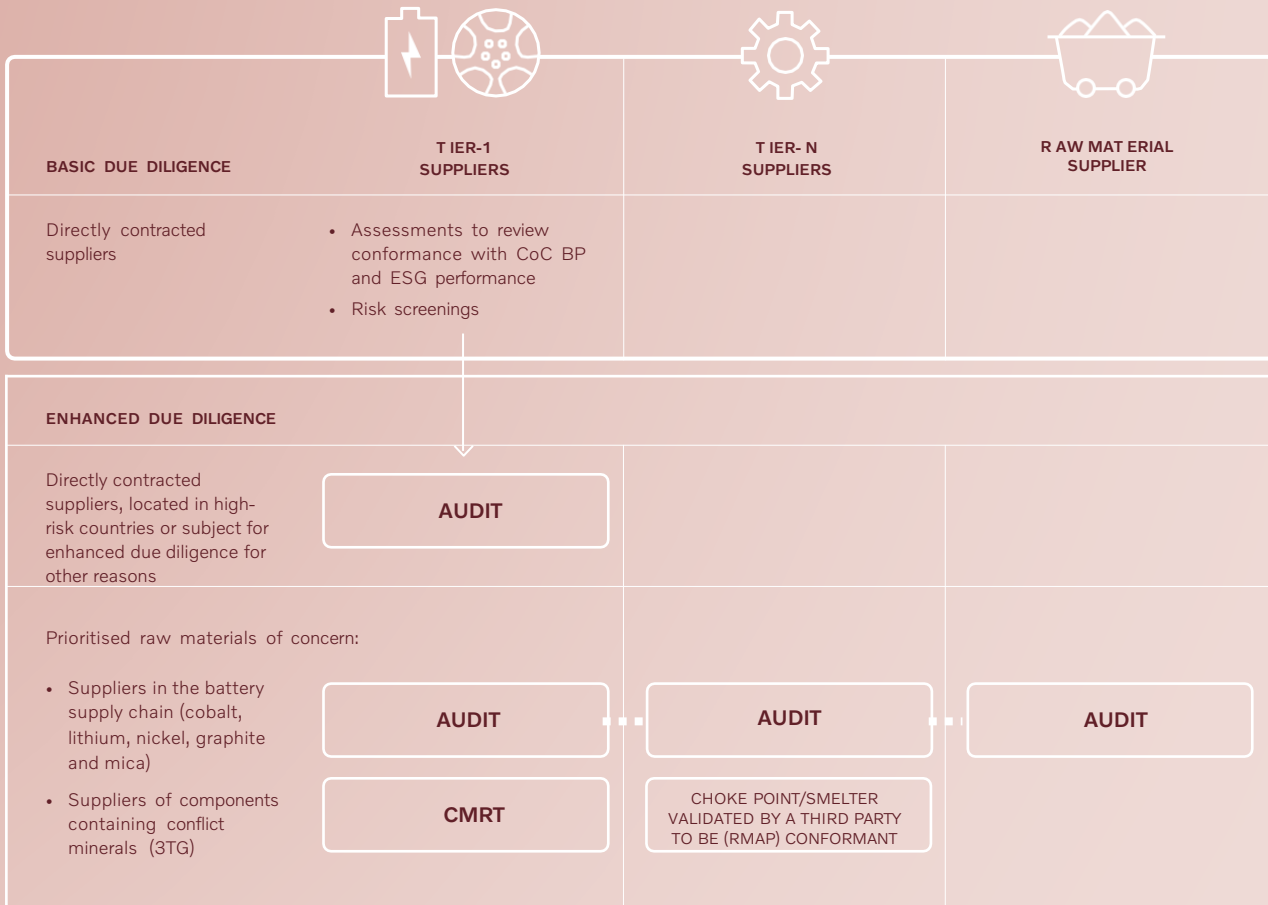




RESPONSIBLE SUPPLY CHAIN

Results 2023

SUPPLY CHAIN DUE DILIGENCE OVERVIEW



88 audits in the supply chain 2023

68 audits – directly contracted suppliers

36 audits – new suppliers in high-risk countries

32 audits – existing suppliers

20 audits – in the battery supply chain

V O L V O

Sustainable Finance





SUSTAINABLE FINANCE

- Financial community plays a critical role in driving sustainable development
- Volvo Cars continues to offer sustainable financing and investment opportunities to investors
 - February 2023 – 1.5 bn SEK green bonds issuance
 - New credit facility agreements with European Investment Bank (EIB) of a total of EUR 420 m to develop a new all-electric vehicle platform
 - EUR 250 m signed in December 2023 and EUR 170 m in January 2024
- 2025 and 2030 ambitions for green debt or sustainability-linked financing and taxonomy alignment
- Collaboration with our business partners is key to drive impact across value chain
 - Sustainability Linked Supply Chain Finance program

CONTRIBUTE TO A SUSTAINABLE SOCIETY

Collaborate with stakeholders, invest sustainably, support and protect the most vulnerable in society

New social and environmental initiatives and partnerships improving lives across our value chain and in wider society, as well as helping protect the planet.

100% green debt or sustainability-linked financing of assets.

EU Taxonomy Alignment 50% of CAPEX.

2025

EU Taxonomy Alignment 70% of CAPEX.

2030



GREEN FINANCING FRAMEWORK

- Framework first introduced in 2020, and updated in May 2023
- Issued bonds linked to the framework but also entered bilateral and multilateral credit facilities
- Framework received the highest possible rating, Dark Green from CICERO Shades of Green

Share of green debt or sustainability-linked financing of assets eligible under the Green Financing Framework as percentage of Outstanding Debt

52.3%

IN 2023



EU TAXONOMY

Updated ambitions for CAPEX alignment:

- 50% by 2025 and 70% by 2030
- Commitments to do no significant harm and other environmental objectives
- Ensuring minimum safeguards

2023

CAPEX ALIGNMENT

12%

OPEX ALIGNMENT

7%

- Commitment to increase alignment related to CCM 3.3 (Manufacturing of low carbon vehicles for transport)
- Approved CapEx plan
- Operational action plan to address use of substances in our manufacturing and supply chain

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