

VOLVO



SUSTAINABILITY, CIRCULARITY & ALUMINIUM. A GREAT COMBINATION?

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VOLVO

2023: A great year for Volvo Cars



RETAIL SALES

708k



RECHARGE

37%



FULLY ELECTRIC

16%

% OF TOTAL RETAIL SALES

41%

294,794 UNITS

EUROPE

24%

170,091 UNITS

CHINA

18%

128,701 UNITS

US

16%

115,130 UNITS

OTHER

VOLVO

Our Updated Sustainability Strategy



VOLVO

Clarified ambitions

Sustainability integrated in our strategic objectives

2025

50%

FULLY ELECTRIC
SALES

2025

40%

CO₂ REDUCTION
PER CAR

2026

550–600

REVENUE
(SEK BN)

2026

Above 8%

EBIT MARGIN
(excl. JVs & associates)



Why Sustainability?

1

CLIMATE
CHANGE
- WE MUST ACT

2

MEET GROWING
REGULATORY
DEMANDS

3

MEET
CONSUMER
EXPECTATIONS

4

ATTRACT
EMPLOYEES
AND BUSINESS
PARTNERS

5

INCREASE
PROFITABILITY

6

CREATE LONG
TERM
FINANCIAL
MARKET VALUE



Sustainability at Volvo Cars

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





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



Climate Action

we aim to reach net zero greenhouse gas emissions by 2040

2025

40% reduction of CO₂ emissions per car

2030

100% Battery Electric Vehicles
Cut CO₂ emissions per car by 75 per cent

2040

Net zero greenhouse gas emissions



Circular Economy

we aim towards becoming a circular business by 2040

2025

25% recycled or bio-based materials in new vehicles

2030

35% recycled or bio-based materials in new vehicles



Responsible Business

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

2025

100% green debt or sustainability-linked financing of assets

Risk-based human rights due diligence processes to trace, identify, assess and address human rights risks in the value chain implemented globally

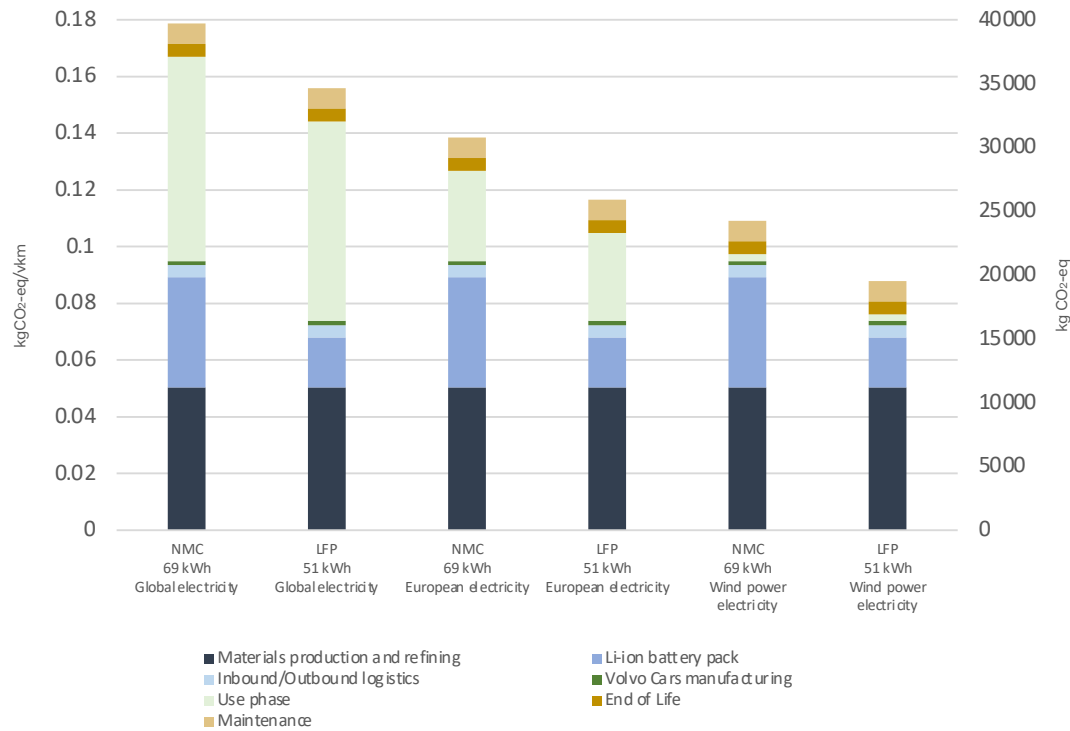
2030

Achieve gender equity pay (2027)

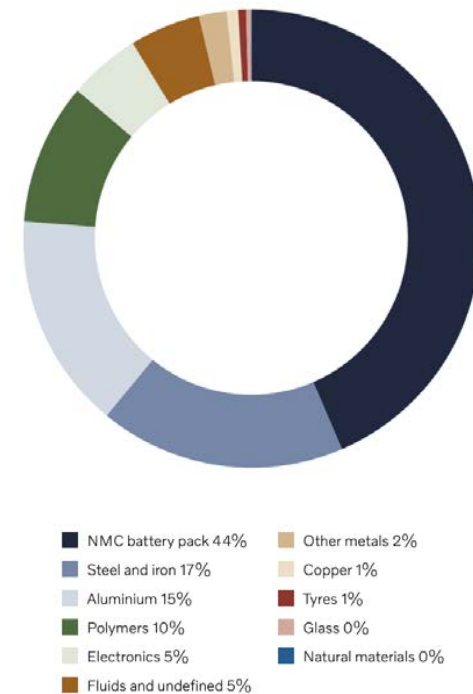
Supported by stakeholder collaboration and advocacy

Life Cycle Assessment: EX30 Carbon Footprint

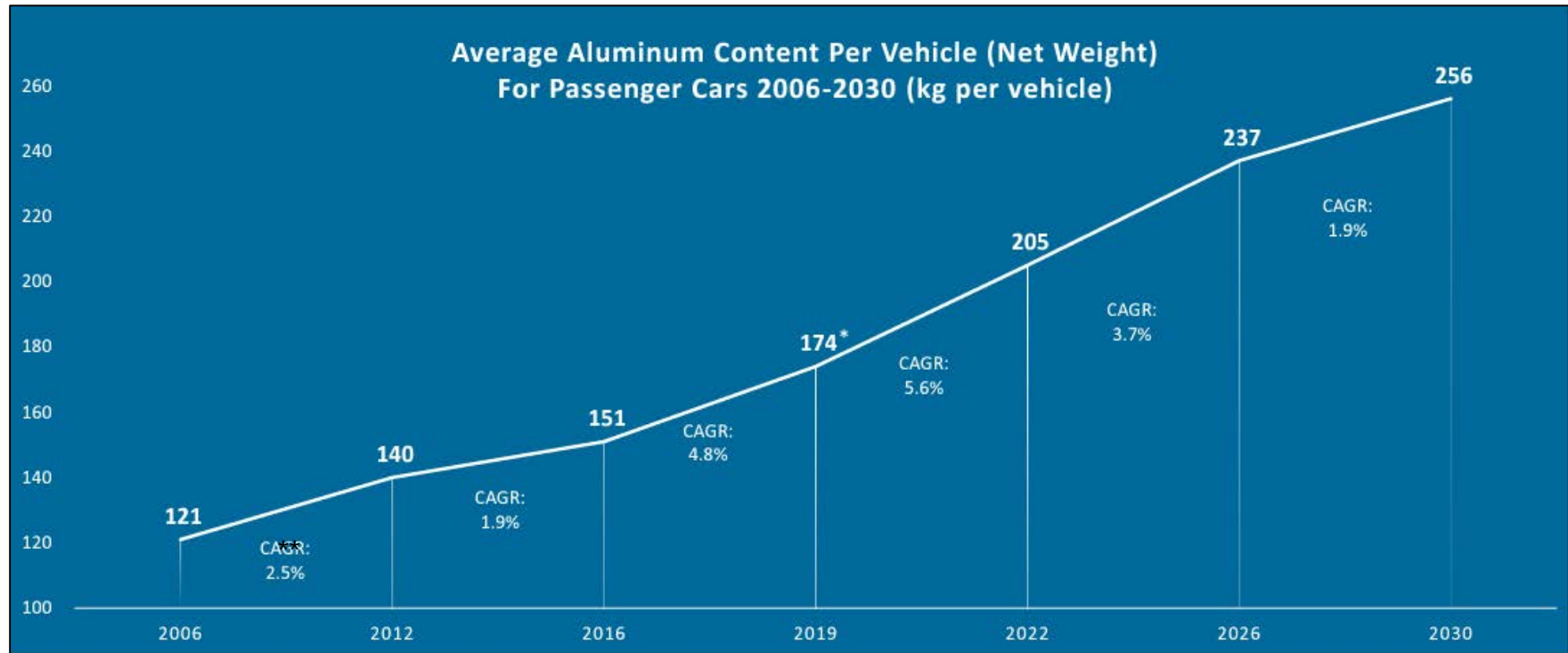
Total climate footprint per vehicle-km and per total lifetime mileage, in kg CO2-eq.



Relative impacts from material production & refining



Aluminium Content In Cars Is Increasing – Driven by BEVs



* Content Per Vehicle of 179 kg in EA study 2019 as second set of OE wheels was included

**Compound Annual Growth Rate (CAGR)

Source: [Ducker April '23 - Aluminum Content in Passenger Vehicles \(EU\)](#)

V O L V O



How Do We Do It?

By developing, specifying and sourcing the right materials, together with our partners and suppliers.

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Aluminium users need to speak up

CLARIFY OUR NEEDS, VOICE OUR AMBITIONS

4

CO₂ intensity
limit for primary
Aluminium

>40%

Average
Recycled
Content

Engage

WEF FMC
IAI FFO 2030

Near zero emission Aluminium – Needed in multiple regions



Volvo Cars sourcing strategy:

- Build where we sell
- Source where we build

➤ We need to be able to access near-zero emission Aluminium in all the regions where we build

Beyond CO₂

Climate neutrality is only one of our Planetary Boundaries.

In our material selection criteria, we also need to tackle other environmental and societal challenges.

Circularity, including:

- Component & Material Value Retention
- Tolerance to tramp elements
- Energy consumption
- Biodiversity impact
 - Water consumption
 - Land use

Ethical & responsible supply chain risks, including:

- Indigenous rights
- Forced labour
- Child labour



Supply Chain Resilience

THE WHO, HOW AND WHAT

Transparency

Supply chain configuration
Actors identified
Clear across tiers

Traceability

of materials,
from source
to car

Certification

Globally recognized
Standardised &
comparable
3rd party Audited

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COLLABORATION
COLLABORATION
COLLABORATION

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