Luxembourg, 17 November 2015

Environmental and Social Data Sheet

Overview

Project Name:	VOLVO TRUCKS RDI VEHICLE IMPROVEMENTS
Project Number:	2015-0457
Country:	Sweden, France
Project Description:	RDI investments over the 2015-2019 period in fuel efficiency and safety related to heavy and medium weight trucks, buses and construction equipment.

EIA required: no

Project included in Carbon Footprint Exercise[1]: no

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The project concerns investments in research and development that will be carried out in existing facilities without changing their already authorised scope. An Environmental Impact Assessment (EIA) is therefore not required by EIA Directive 2011/92/EU. The project per se does not have any impact on the environment and overall, it is considered as environmentally acceptable. Most of the R&D sub-projects have as an objective the improvement of CO2 emissions while a smaller portion concerns research in safety.

Environmental and Social Assessment

Environmental Assessment

The project's principle objective is the reduction of fuel consumption and CO_2 emissions through developments in conventional, and electrified powertrains, improvements of vehicles and development of novel transport solutions, while to a smaller extent the activities address improvement of safety characteristics. The developments in electrified powertrains will bring valuable solutions in people and goods transport in urban areas and will bring significant improvement in pollutant emissions and fuel efficiency.

The developments in the different conventional powertrain and vehicle upgrade areas are expected to bring up to 5% improvements in fuel efficiency when compared to the previous or updated products.

Other Environmental and Social Aspects

Volvo has group-wide activities in place in order to reduce its environmental impact; The Group's 2014 total energy consumption amounted to 2,176 GWh, down from 2,536 GWh in 2013. This was achieved in large part through the implementation of an effective energy reduction program in truck manufacturing. The company's new WWF Climate Savers 2015-2020 commitment is to improve energy efficiency in production by identifying energy saving activities, reaching a level of 150 GWh by 2020; this would be equivalent to an 8% energy saving, compared to the baseline year 2013.

In 2014, CO2 emissions from the Volvo Group's production facilities decreased from 279,900 tons to 230,700 tons. This was due to a lower energy use and the ongoing increased use of renewable energy. About 800 GWh, or almost 37%, of the total energy consumption came from low-carbon renewable sources, including hydropower electricity and biomass heating.

[1] Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO2e/year absolute (gross) or 20,000 tons CO2e/year relative (net) – both increases and savings.

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The Volvo Group has carbon-neutral facilities in Ghent, Belgium, as well as Vara, Tuve and Braas in Sweden and the goal is long-term ambition is to make all the production facilities carbon neutral. In addition the group has achieved reductions in water consumption, waste generation and pollutant emissions.

98% of production facilities and 90% of distribution centres have been certified in accordance to the ISO 14001 Environmental management system

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