PRESS RELEASE

Volvo Construction Equipment brings low carbon emission steel to serial production of its articulated haulers

As part of efforts to reduce carbon emissions across every area of its business, Volvo Construction Equipment (Volvo CE) is now for the first time implementing low carbon emission steel into serial production of all its articulated haulers built in Braås, Sweden. The announcement was made as part of the company's biggest articulated hauler launch to date, delivering a new range that helps customers reduce emissions through improved product carbon emission footprint, enhanced fuel efficiency, and smart solutions.



- Volvo CE is taking the next step in its sustainability journey by introducing low carbon emission steel into serial production of all Volvo CE articulated haulers built in the Braås facility.
- It is part of the company's holistic approach to ongoing carbon emission reduction, addressing both a machine's operation and the materials it is made from.
- With steel being a major component in its products, the gradual shift will be contributing to Volvo CE's ambition to reach net zero greenhouse gas emissions by 2040.

Conventional steel is a heavy emitter – and, as one of the main components in Volvo CE's products, critical to reducing carbon emissions. Steel makes up approximately 60% of Volvo articulated haulers' total mass and accounts for more than 50% of the machine's total carbon footprint in the cradle-to-gate scope*.

As part of this transformation, Volvo CE was the first in the world to showcase a <u>concept hauler built using pilot</u> <u>deliveries of fossil-free steel</u>, one type of carbon emission-reduced steel, in partnership with Swedish steel manufacturer SSAB in 2021. The following year, Volvo CE became the first to hand over a construction machine built

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using this fossil-free steel to a customer, demonstrating the fast-tracking of innovation into real-world solutions, as companies across the value chain come together to drive change.

And now Volvo CE has entered the next phase of its continued exploration into low carbon materials by implementing low carbon emission steel into the serial production of its full range of articulated haulers in Braås, Sweden.

While the two steel alternatives are produced with close to zero fossil carbon emissions, with production powered by fossil-free electricity and biogas, the key difference is that the fossil-free version is based on iron ore, whereas the low carbon emission steel is produced using recycled steel.

Minimizing the carbon footprint

Rickard Alm, Head of Volvo CE's Life Cycle Assessment (LCA) program said: "We are proud to lead the way in the industry and move forward towards minimizing our climate footprint across the entire lifecycle of our products. While emissions from product use represent the vast majority of carbon output in our industry, it is important to also act to cut emissions in the production phase, including materials like steel, in close collaboration with our global supply partners."

Cutting over 13,000 tons of CO₂ emissions

In the initial phase, around 13% of the total mass of steel in all articulated haulers manufactured in Braås is now replaced with the low carbon emission steel – a number that is set to increase as availability of the low carbon material increases in collaboration with the company's supply chain.



Rickard Alm, Head of Volvo CE's LCA program

With this change, Volvo CE is able to reduce total CO₂ emissions by around 13,000 tons annually, or over 5%, in the cradle-to-gate scope. As an example, for an A40, this represents a reduction of nearly six tons of CO₂ emissions.

Steps toward a better tomorrow

No stranger to pioneering new ways of working for the benefit of the environment, Volvo CE Braås was also recently the first of the company's facilities to reach <u>Climate Efficient Site</u> status. And in 2014, it became the company's first carbon neutral premises, as well as the <u>first construction equipment production facility in the world</u> to be powered entirely by renewable energy.

For further insights into Volvo CE's ongoing efforts to reduce carbon emissions, an extensive and evolving catalogue of Product Carbon Footprint reports provides detailed information on the emissions related to each product.

*Cradle-to-gate describes the environmental impact of a product from raw material extraction to the point it leaves the manufacturing site.

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Volvo Construction Equipment (Volvo CE) is a global leader in construction solutions, delivering premium products and services that combine power and performance with a more sustainable way of working. We are a company driven by people and together we have a purpose: To build the world we want to live in. Founded in 1832 and with a distribution network across every major market, our many dedicated experts around the world are fulfilling our shared purpose through a focus on sustainability, electromobility and services. As well as our expanding range of electric machines and charging solutions, Volvo CE provides industry-leading haulers, loaders, excavators and much more, all built to suit the demands of our customers' varied construction and infrastructure needs. Volvo CE benefits from being connected to the Volvo Group, which also offers trucks, buses, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity. Through its holistic perspective, Volvo Group is committed to shaping the future landscape of sustainable transport and infrastructure solutions. For further company information and to explore our values further please visit www.volvoce.com