



European Investment Bank (EIB)

Luxembourg, 15 September 2022

Environmental and Social Completion Sheet (ESCS)¹

Overview

Project Name: VOLVO CARS INNOVATIVE TECHNOLOGIES RDI
 Project Number: 2016-0129
 Country: Sweden
 Project Description: R&D aimed at the development of fuel-efficient powertrains, active safety systems and telematics and connected vehicles technologies.

Summary of Environmental and Social Assessment at Completion

EIB notes the following Environmental and Social performance and key outcomes at Project Completion.

The project concerns R&D activities that will be carried out in existing facilities without changing their already authorised scope and do not have any significant negative environmental impact and an Environmental Impact Assessment (EIA) is not required by EIA Directive 2011/92/EU as amended. The R&D activities cover the development of (i) Active Safety systems (ii) the company's new connectivity platform; (iii) the new platform of fuel-efficient petrol and hybrid engines and (iv) a new range of electric vehicles.

The R&D activities did not have any substantial environmental impact. In addition, based on the CA guidelines in place at the time of the appraisal the project's contribution to Climate Action is assessed at **58%**, up from 45% at appraisal due to the increased spending in the BEV project. It should however be mentioned, that according to the guidelines in place today, the contribution would fall as most of the activities for the improvement of fuel efficiency in Petrol engines would not qualify as CA. The above activities contributed to the improvement of the environmental characteristics of motor vehicles while the other remaining part contributed at the improvement of safety and connectivity aspects of motor vehicles.

The company aims to be climate neutral in all own manufacturing operations by 2025 and a climate neutral company by 2040. The climate plan, under which Volvo Cars strives to achieve this has been scientifically verified by the Science Based Targets initiative (SBTi), a collaboration that provides companies with a clear pathway to support the Paris Agreement. According to SBTi, Volvo Cars' emissions reduction targets are in line with the required carbon reduction levels to limit global warming to well below 2°C compared to pre-industrial levels.

Summary opinion of Environmental and Social aspects at completion:

EIB is of the opinion based on reports from the promoter and other sources available publicly, that the Project has been implemented in line with EIB Environmental and Social Standards, applicable at the time of appraisal.

¹ The template is for ILs and FLs