

VOLVO

Key Elements Procedure 5 Environmental Requirements

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1. FORWARD

To achieve the Volvo Group's vision to be the world's most desired and successful transport solution provider, we place high demands on our suppliers.

Our approach is holistic, which means that every aspect of environmental impact, globally and locally, comes under scrutiny. The total life cycle of the products, from design and production, through the use phase, to handling and recycling of end-of-life material, must be examined and the product adjusted to reduce its effect on the environment.

Suppliers play a vital part in the development and production of Volvo products. A truly holistic view means that every link in the supply chain is equally responsible for the best possible environmental care.

The similar mind set must be applied at suppliers delivering IT products & services or professional services and production equipment machineries etc.

This document gives you information on the Volvo Group environmental policy and its consequence for the supplier co-operation.

Requirements listed in section 3 apply to suppliers to the Volvo Group.

Specific cases where full requirements cannot be implemented will be handled by each Truck Division or Volvo Business Area's purchasing management teams.

For definition of environmental terms used in this document please refer to ISO 14001.

2. VOLVO GROUP ENVIRONMENTAL POLICY

The Volvo Group's goal is to be ranked as a leader in terms of Environmental Care among the world's top producers of transport-related products, equipment and systems. The Volvo Group's Environmental Care programme shall be characterized by a holistic view, continual improvement, technical development and resource efficiency. These means shall give the Volvo Group a competitive advantage and contribute to sustainable development.

Holistic view

In our efforts to reduce the environmental impact of our products, operations and services, we shall:

- take the complete lifecycle into account
- take a leading position regarding environmental care, everywhere we operate around the world
- comply with legal and other applicable requirements as a minimum standard
- make pollution prevention a prerequisite for all operations
- engage suppliers, dealers and other business partners within our sphere of influence to adopt the principles in this policy.

Continual improvement

Environmental Care shall be integrated in all our operations and be improved continually by:

- formulating, communicating and monitoring clearly defined goals
- engaging our employees

Technical development

We shall strive to exceed our customers' and society's demands and expectations by:

- active, pioneering research and development
- developing transport solutions with a low environmental impact
- promoting the development of harmonized legal requirements
- continually reducing our products' fuel consumption, emissions, noise and impact on climate change
- reducing the use of environmentally harmful materials.

Resource efficiency

By taking the complete lifecycle of our products and industrial operations into account, we shall:

- minimize our consumption of natural resources
- minimize and responsibly manage our waste and residual products.

(Ref. 0001-28-12 vers.3.3)

3. ENVIRONMENTAL REQUIREMENTS FOR VOLVO GROUP SUPPLIERS

- Suppliers are also responsible for their respective sub-suppliers for deploying these requirements through their supply chain.
- Suppliers must comply with applicable environmental legal requirement.
- Supplier must confirm that the product composition fulfils legal requirements for relevant markets
- Suppliers must have knowledge of the Volvo Group Environmental Policy.
- Suppliers of production materials and services on regular call off's and schedules, shall be third party certified to ISO 14001 or EMAS (Eco Management and Audit Scheme). According their specific Business criteria, each TD/BA can adapt where the full requirements will be implemented, after approval from Volvo Group Environmental Committee.
- Suppliers must be able upon request to report on their environmental work, including organisation, fulfilment of legal demands, and environmental results.
- Suppliers shall maintain an open dialogue with Volvo Group concerning achievements, trends and possibilities for environmental improvements.
- Environmental related data from production, products and transport must be available upon request for Volvo Group to enable environmental assessments (ex. Life Cycle Assessment).
- Chemicals or materials involved in products or services delivered to Volvo Group must fulfil the requirements stated in the Volvo standards [100-0002](#), [100-0003](#) and [100-0005](#) also known as the Volvo Black, Grey and Red list. (Red list = GADSL-P (*Global Automotive Declarable Substance List - Prohibited*) with the exception of hexavalent Chromium and Lead where special conditions have been specified)
- All Volvo Group suppliers situated in EU shall comply with the EU legislation; Registration, Evaluation, Authorization and regulation of Chemicals (REACH) (EC) 1907/2006.
- Suppliers outside of EU which deliver chemical products to Volvo Group companies within EU shall point out an REACH Only Representative within EU. Please update name, e-mail address and phone number in the REACH questionnaire at the Volvo Supplier Portal or send the information to your Volvo Group Buyer for update. More info at ECHA.europa.eu/helpdesk

- A supplier that is responsible for planning and choosing packing materials for products delivered to Volvo Group should do it in such a way that the total environmental impact is minimized in accordance to legal requirement.
- Suppliers should handle excess and rejected materials in a manner which minimizes impact on the environment.
- Suppliers shall consider recycled/recyclable materials when selecting materials and design solutions.
- When required by Volvo Group, suppliers shall report specified chemical and material content of a product/part in the International Material Data System (IMDS).
(Volvo standard [100-0006](#))

4. GUIDELINES FOR SELF ASSESSMENTS

4.1 Purpose

The purpose of the self assessment is to give Volvo Group an overview of the environmental status of its suppliers. Focus on implementation of ISO14001 or EMAS, fulfillment of the Volvo Black, Grey and Red lists and the possibility of reporting on International Material Data System, IMDS. Give information, if all the suppliers situated in the European Union (EU) and non-EU suppliers of chemical products, are in compliance with the REACH legislation.

Volvo Group expects its suppliers to demonstrate professionalism, transparency and ensure traceability of records (if & when required) when providing answers to the self-assessment questionnaire.

To fill in, go to the [Volvo Group Supplier Portal](#) enter your password into the controlled area. Updates are made online in “my performance” section.

If you do not have access to the Volvo Group Supplier Portal, please go to [Volvo Group.com](#) print and fill in the evaluation and return it to your contact at Volvo Group purchasing. Either as signed PDF files or stamped printed copies.

4.2 Environment - Use of the questionnaire

This questionnaire is part of the Supplier Evaluation Model (SEM) for Volvo, giving the score for the environmental assessment.

The supplier is requested to decide whether the assessment should be filled out for each operation site (delivering to Volvo Group), or be combined for all sites. The supplier shall document each Volvo Supplier number (Parma number) that is covered by the answer to the questionnaire.

Volvo Group reserves the right to conduct audits at supplier's premises (including their subcontractors where applicable) either by themselves or through their authorized service providers such as an external audit services company on behalf of the Volvo Group, to assess the compliance levels claimed by the suppliers via this self-assessment questionnaire.

The assessment consists of four parts:

- A. Questions related to the environmental situation of your company: third party certification, requirements to suppliers and improvement plans.
- B. Questions related to the products or services delivered to Volvo Group. The basic documents are Volvo Group environmental requirements for suppliers and the Volvo standard Black list: [100-0002](#), Grey list: [100-0003](#) and Red list: [100-0005](#)
- C. Additional Questions for suppliers that do not hold a third party certificate.
- D. A space for you to use for additional information, comments, etc.

4.3 REACH – Use of the questionnaire

This assessment is part of the sourcing process for Volvo, giving the information if all the suppliers, situated in the European Union (EU) and non-EU suppliers of chemical products, are in compliance with the REACH legislation.

The suppliers are requested to fill in for each operation site (delivering to Volvo Group). The supplier shall document each Volvo Supplier number (Parma number) that is covered by the answer to the questionnaire.

The assessment consists of two parts:

- A. Questions related to the REACH legislation.
- B. Additional information and comments.