



Volvo Treasury AB (publ)

(Incorporated with limited liability under the laws of Sweden)

under the guarantee of

AB Volvo (publ)

(Incorporated with limited liability under the laws of Sweden)

U.S.\$15,000,000,000

Euro Medium Term Note Programme

This Prospectus Supplement (the "**Supplement**") constitutes a supplement to and must be read in conjunction with the base prospectus dated 7 May 2021 (together the "**Prospectus**"), prepared by Volvo Treasury AB (publ) (the "**Issuer**") and guaranteed by AB Volvo (publ) (the "**Parent**") with respect to the U.S.\$15,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and the Luxembourg Law dated 16 July 2019 relating to prospectuses for securities, as may be amended from time to time (the "**Prospectus Law**").

Each of the Issuer and the Parent accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer and the Parent (each having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

This Supplement has been prepared pursuant to Article 23.1 of the Prospectus Regulation for the purposes of updating the "Recent Developments – Significant Events" section of the Prospectus by including the press release dated 8 June 2021 '*SBTi-approval of Volvo Group's industry-leading climate targets*'.

A copy of this Supplement will be available (i) without charge from the specified offices of the paying agents, (ii) on the website of the Luxembourg Stock Exchange (www.bourse.lu) and (iii) on the website of the Volvo Group (www.volvogroup.com).

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated in the Prospectus, the statements in this Supplement will prevail.

The sub-section "Recent Developments – Significant Events" in the section entitled "Description of the Parent" on pages 73-75 of the Prospectus shall be supplemented by the following event:

"SBTi-approval of Volvo Group's industry-leading climate targets"

Volvo Group's climate targets are in line with what the latest climate science deems necessary to keep global warming at a maximum 1.5° C. Volvo Group's pathway to reach the goals of the Paris Climate Agreement has now been validated by the Science Based Targets initiative (SBTi). "We are committed to take the lead and transform our industry towards a more sustainable future," says Martin Lundstedt, President and CEO of Volvo Group.

In November 2020, Volvo Group committed to establish interim targets and a pathway towards net-zero value chain greenhouse gas emissions by 2050 at the very latest. Today, these targets have been validated by the SBTi.

"The Volvo Group has with this approval the most ambitious SBTi targets in the industry and our roadmap is in line with the Paris Agreement and the SBTi higher level of ambition. We are leading the way by also targeting the 1.5-degree target

when it comes to emissions from the trucks and buses we sell, which constitute most of our business,” says Martin Lundstedt, President and CEO of Volvo Group.

The Science Based Targets initiative offers organizations two different ambition levels in their pursuit to reduce greenhouse emissions. The Standard Commitment to limit global warming to well below 2°C above pre-industrial levels and the Business Ambition for 1.5 °C to align emissions reduction targets to the 1.5-degree target in the Paris agreement. Volvo Group has committed to the latter option and is taking it further in several areas:

- In an industry-first, Volvo Group has developed its own pathway towards the 1.5°C target for trucks and buses, with a targeted emissions reduction of 40% per vehicle km by 2030.
- Volvo Group’s targets for indirect emissions covers approximately 95% of the products sold. This is industry-leading and well above SBTi’s minimum requirement of 67%.
- Volvo Group targets to reach net-zero value chain emissions by 2040 at the latest, ten years earlier than the SBTi commitment. Volvo’s products have an average lifetime of ten years in the customer use-phase. For the entire rolling fleet to have net-zero emissions by 2050, it is necessary that all products delivered after 2040 have net-zero emissions.

With 2019 as a base year, Volvo Group has set its interim targets and will follow up and report on its progress continuously in a transparent way.

“Climate change is real and one of the greatest challenges of our time. The Volvo Group has embarked on an irreversible transformational journey to change our offering with an ambition to be 100 percent safe, 100 percent fossil-free and 100 percent more productive. We are ready to drive the needed transformation journey for our industry together with our customers, partners and society,” says Martin Lundstedt, President and CEO of Volvo Group.

FACTS

The Science Based Targets initiative (SBTi) helps companies establish science-based targets to reduce greenhouse gas emissions and transform business operations to fit the future low-carbon economy. Targets adopted by companies to reduce greenhouse gas (GHG) emissions are considered to be “science based” if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. SBTi is a collaboration between CDP, United Nations Global Compact (UNGC), World Resources Institute (WRI), World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments."