

P R E S S R E L E A S E

Volvo Construction Equipment invests in battery pack production at excavator plant

Volvo Construction Equipment (Volvo CE) has announced an investment into battery pack production at its excavator plant in Changwon, South Korea, signaling once again its ambition to drive industry transformation with sustainable solutions.

- The Changwon plant in South Korea specializes in the production of excavators and is the biggest excavator production site in Volvo CE
- The SEK 80 million (\$7.8 million) investment from Volvo Group will enable the plant to begin manufacturing a wide range of battery pack solutions for the Volvo Group
- This is another important step forward towards the company's Science Based Targets initiative and its ambitions to be fossil free, with 35% of machine sales to be electric by 2030

With the SEK 80 million (around \$7.8 million) investment from Volvo Group, a new production facility and equipment will be built at the Changwon plant in South Korea – which at around 1.1 million sq. m is the largest excavator production site in Volvo CE, producing around 55% of its total excavator volumes.

The new facility at the Changwon plant will produce a wide range of common electric storage solutions (battery packs) for Volvo Group and become a core competence center for electric excavators. This will enable Volvo Group to offer more sustainable solutions to its APAC markets in a more flexible, cost-effective and agile way and will include supply chain, manufacturing and logistics.

Andy Knight, Head of Operations Excavator and Managing Director of Volvo Group Korea, says: “As the largest plant in Volvo CE and the core site for excavator development and production, Changwon is at the forefront of our shift to a sustainable future.

“This investment is an important milestone in our electrification roadmap and supports our recent investments in production facilities for electric excavators. Changwon is ideally located close to battery module supply partners and other key suppliers in South Korea to meet the needs of customers in the future. We are also home to a highly skilled and motivated workforce who are fully committed to meeting our future environmental targets.”

The new production facility will be built inside the current component workshop at Changwon – without disruption to the existing operation. Once complete the facility will be approximately 2,500 sq. meters including assembly and logistics areas. The building work will begin in April 2023, with battery pack production expected to commence in June 2024.

Coming soon after an announcement to invest in the production of electric wheel loaders at its plant in Arvika, Sweden, and electric haulers from the company's production facility in Braås, Sweden, this is another sign that Volvo CE is committed to becoming completely fossil free by 2040 – in line with the Paris Agreement and as laid out in its Science Based Target goals. And it is taking another step forward in its ambition to transform the industry through electromobility and other more sustainable solutions.

Volvo CE has already successfully introduced compact electric excavators to the global market with the ECR25 Electric, ECR18 Electric, EC18 Electric and the mid-size EC230 Electric excavators. Together with its compact electric wheel loaders, Volvo CE has one of the largest electric ranges on the market.

February 17, 2023

Journalists wanting further information, please contact:

*Åsa Alström
Head of Strategic Communications
Volvo Construction Equipment
asa.alstrom@volvo.com*

For more information, please visit www.volvoce.com

For frequent updates, follow us on
Twitter: @VolvoCEGlobal
LinkedIn: @Volvo Construction Equipment
Facebook: @VolvoCEGlobal
Instagram: @VolvoCE
YouTube: @Volvo Construction Equipment

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
