

PRESS INFORMATION

Volvo CE delivers its vision of the Factory 4 Tomorrow

The Fourth Industrial Revolution is occurring at a speed that has never been seen before. It has the potential to change everything. For Volvo Construction Equipment (Volvo CE), it's an opportunity not only for digital transformation, but to build a future that we all want to live and work in.



The Fourth Industrial Revolution, or Industry 4.0 – which was first identified by <u>Klaus Schwab</u>, Founder and Executive Chairman of the World Economic Forum in his book of the same name - is revolutionizing the way companies manufacture, improve and distribute their products. Volvo CE is embracing the change and putting the power for innovation directly in the hands of its employees with a vision of the future it's calling Factory 4 Tomorrow (F4T).

Volvo Construction Equipment Building Tomorrow



Explaining the company's approach, Lina Stålberg, Manufacturing Technology Development and Governance at Volvo CE, says: "For us, Factory 4 Tomorrow is about far more than just introducing new technologies, there's a far higher purpose behind it. It's about building a world we want to live in and workplaces we want to work in."

Across 14 sites around the world, smart factory teams have been set up, tasked with looking for ways to innovate and impact the business. Working closely with others at the site, these teams are actively seeking ways to solve everyday business problems and challenges with the help of exciting new technologies, such as IoT, AI and machine learning. They will be experimenting and testing to generate new ideas and ways of working. It will be a complete overhaul of every production detail and the innovations that are explored could very well become a reality on the factory floor in the coming years. Automation in the factories and offices, for example, will reduce the need for employees to engage in repetitive tasks, creating a safer and more ergonomic work environment.

Lina adds: "To be successful, it's critical to create the right culture for change. We want our people to be excited by the possibilities new technologies can deliver and the solutions they can provide to real problems they might face in their day-to-day jobs and lives. That's why our approach is collaborative and very much bottom-up. We're empowering our employees to help enact change."



Factory 4 Tomorrow will explore new technologies and ways of working to make manufacturing more sustainable.

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Brunno Muller, Head of Advanced Manufacturing Engineering and Research at Volvo CE, comments: "Our role is very much to facilitate good dialogue and collaboration and provide coaching and mentoring to help guide the site teams on their journeys. We hold the big picture, but it is up to the individual sites to identify areas for change. It's very inspiring to see how engagement in Factory 4 Tomorrow is growing across the entire organization, from employees all the way up to leaders. And with it, we are all developing new skills and competencies."

As well as creating an attractive workplace, Factory 4 Tomorrow will transform manufacturing processes at Volvo CE, delivering significant benefits for customers, many of whom are demanding more customization and more individualized products. Thanks to globalization and new technologies, flexibility and speed of change are becoming ever more important. A digital transformation will accelerate Volvo CE's lean journey towards operational excellence. Optimized manufacturing will also bring sustainability benefits, helping to reduce Volvo CE's industrial footprint.

Brunno continues: "At Volvo CE, our mindset is very much based on collaboration, both internally between teams and across sites, as well as externally with customers, suppliers and partners. We cannot build the future we want by ourselves. We need to step away from silo thinking and consider how we do this end-to-end, joining forces with partners and sharing experiences."

Transformation is happening everywhere, and with Factory 4 Tomorrow, Volvo CE is once again demonstrating its commitment to building a future that is cleaner, safer and more connected.

Ends.

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