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# Volvo Cars receives Science Based Targets initiative approval for climate action plan



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Volvo Cars has received a valuable third-party approval for its climate action plan, one of the most ambitious in the car industry.

The climate plan, under which Volvo Cars strives to become a climate neutral company by 2040, 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.

In its validation process, SBTi specifies how much and how quickly individual companies have to reduce their greenhouse gas emissions in order to meet the ambitions as laid out in the Paris Agreement.

"As a mobility provider, we are part of the problem of climate change, but we can also be part of the solution," said Hanna Fager, Head of Corporate Functions at Volvo Cars. "We have a responsibility to act. That is why carbon reduction has the highest priority within our company. Having our climate ambitions validated by SBTi gives us valuable reassurance that we are on the right track."

Launched last year, Volvo Cars' comprehensive climate plan addresses carbon emissions across all its operations and products, towards its vision to become climate-neutral by 2040.

The plan goes beyond addressing tailpipe emissions through electrification; the company will also tackle carbon emissions in its manufacturing network and wider operations, its supply chain and through recycling and reuse of materials.

As a first, tangible step towards its 2040 vision the company aims to reduce its lifecycle carbon footprint per car by 40 per cent by 2025.

The plan includes the following ambitions: a 50 per cent reduction in tailpipe emissions per car, a 25 percent reduction per car in operational carbon emissions, including from manufacturing and logistics, and a 25 per cent reduction per car in supply chain carbon emissions.

Volvo Cars was the first established car maker to commit to all-out electrification and is the only brand to offer a plug-in hybrid variant on every model in its line-up. It will also introduce a range of fully electric models in coming years, starting with the XC40 Recharge, deliveries of which will start later this year.

Sales of its plug-in hybrid cars amounted to almost a quarter of sales in Europe during the first half of 2020. During the period, Volvo Cars was the number one plug-in hybrid premium brand in Europe as measured by market researcher IHS, and by 2025 Volvo Cars

aims for its global sales volume to consist of 50 per cent fully electric cars, with the rest hybrids.

## Notes to editors

- SBTi is a collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

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### **Volvo Car Group in 2019**

*For the 2019 financial year, Volvo Car Group recorded an operating profit of 14.3 BSEK (14.2 BSEK in 2018). Revenue over the period amounted to 274.1 BSEK (252.7 BSEK). For the full year 2019, global sales reached a record 705,452 (642,253) cars, an increase of 9.8 per cent versus 2018. The results underline the comprehensive transformation of Volvo Cars' finances and operations in recent years, positioning the company for its next growth phase.*

### **About Volvo Car Group**

*Volvo Cars was founded in 1927. Today, it is one of the most well-known and respected car brands in the world with sales of 705,452 cars in 2019 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding since 2010.*

*In 2019, Volvo Cars employed on average approximately 41,500 (41,500) full-time employees. Volvo Cars head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars head office for APAC is located in Shanghai. The company's main car production plants are located in Gothenburg (Sweden), Ghent (Belgium), South Carolina (US), Chengdu and Daqing (China), while engines are manufactured in Skövde (Sweden) and Zhangjiakou (China) and body components in Olofström (Sweden).*

*Under its new company purpose, Volvo Cars aims to provide customers with the Freedom to Move in a personal, sustainable and safe way. This purpose is reflected into a number of business ambitions: for example, by the middle of this decade it aims for half of its global sales to be fully electric cars and to establish five million direct consumer relationships. Volvo Cars is also committed to an ongoing reduction of its carbon footprint, with the ambition to be a climate-neutral company by 2040.*

### **Keywords:**

Environment, Corporate, Sustainability

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Descriptions and facts in this press material relate to Volvo Cars' international car range. Described features might be optional. Vehicle specifications may vary from one country to another and may be altered without prior notification.



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