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Volvo Cars Climate Action Position paper

Volvo Cars has the ambition to be a climate neutral company by 2040. We recognize the scale and urgency of global warming and its extreme consequences for the planet and society. That's why Volvo Cars makes climate action the highest priority in its sustainability strategy and that's why we focus on demonstrating results from concrete short-term actions.

We acknowledge that

- the science is clear – we face a climate emergency that if left unchecked will have severe consequences for the environment and society, including the global economy.
- passenger vehicles represent a major source of CO₂e emissions – about 9% globally (source: www.theicct.org) - and will continue to be a significant contributor to global warming for the foreseeable future.
- we have a substantial CO₂e footprint across our entire value chain, including the usage of our cars, the supply chain, the production operations as well as the end-of-life processing.

We recognise that

- the global average temperature needs to be limited to a 1.5°C rise above pre-industrial levels to avoid potentially devastating environmental and social impacts, as highlighted by the UN's Intergovernmental Panel on Climate Change (IPCC).
- climate change can be mitigated with corporate leadership and advanced technology in a free market, in combination with an ambitious international policy framework.
- corporations should lead by example for employees, individuals and the general public to follow. Individual, as well as collective, behavioural change can help mitigate climate change.
- existing and potential future customers, employees, policymakers and investors are increasingly demanding low-carbon and sustainable solutions.
- transitioning to a climate neutral and circular business will give us a competitive advantage, if managed correctly and if opportunities are seized.

Our ambitions include to

- be a climate neutral company by 2040, in line with the Paris Agreement.
- Transform into a fully electric premium car company, having 100% of our sales being battery electric vehicles by 2030.
- Reduce the total carbon footprint (CO₂e) per car by 40% between 2018 and 2025. This includes reducing tailpipe emissions by 50%¹, supply chain emissions by 25% and emissions from our own operations including logistics by 25%.
- publically report and communicate our progress in an open and transparent manner.
- validate our ambitions with third parties.
- disclose the full lifecycle carbon footprint of every new model, starting with the XC40BEV.
- ensure that our lobbying efforts are in line with the above ambitions.

We will work to achieve our ambitions through

- a reduction of the CO₂e footprint across the whole value chain, including through transitioning to electric vehicles, embracing the circular economy, and a greater usage of renewable energy within our own operations as well as our supply chain.
- calling on other industry sectors to deliver their share and being supportive of each other to achieve the overall goals.
- close collaboration with our business partners, including suppliers and retailers.
- To meet our short-term targets by 2025, Volvo Cars will not resort to any offsetting. More information can be found in our externally communicated offsetting position paper.

¹ Tailpipe emissions are Tank-to-wheel and do not include the production of the fuel.