



VOLVO CAR GROUP

Press Release

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Volvo Cars aims for 25 per cent recycled plastics in every new car from 2025

Volvo Cars, the premium car maker, today announced its ambition that from 2025, at least 25 per cent of the plastics used in every newly launched Volvo car will be made from recycled material.

Volvo Cars also urged auto industry suppliers to work more closely with car makers to develop next generation components that are as sustainable as possible, especially with regards to containing more recycled plastics.

To demonstrate the viability of this ambition, the company has unveiled a specially-built version of its XC60 T8 plug-in hybrid SUV that looks identical to the existing model, but has had several of its plastic components replaced with equivalents containing recycled materials.

“Volvo Cars is committed to minimising its global environmental footprint,” said Håkan Samuelsson, President and CEO of Volvo Cars. “Environmental care is one of Volvo’s core values and we will continue to find new ways to bring this into our business. This car and our recycled plastics ambition are further examples of that commitment.”

The special XC60’s interior has a tunnel console made from renewable fibres and plastics from discarded fishing nets and maritime ropes. On the floor, the carpet contains fibres made from PET plastic bottles and a recycled cotton mix from clothing manufacturers’ offcuts. The seats also use PET fibres from plastic bottles. Used car seats from old Volvo cars were used to create the sound-absorbing material under the car bonnet.

“We already work with some great, forward-thinking suppliers when it comes to sustainability,” said Martina Buchhauser, Senior Vice President of Global Procurement at Volvo Cars. “However, we do need increased availability of recycled plastics if we are to make our ambition a reality. That is why we call on even more suppliers and new partners to join us in investing in recycled plastics and to help us realise our ambition.”

The recycled-plastics XC60 was revealed at the Ocean Summit during the Gothenburg Volvo Ocean Race stopover. The race’s focus on sustainability centres on a partnership with the United

Nations Environment Clean Seas campaign, focussing on the call to action, 'Turn the Tide on Plastic'.

"Extensive recycling and reuse of plastic is vital to our efforts to turn the tide on plastic pollution," said Erik Solheim, Head of UN Environment. "Volvo's move to integrate plastic waste into the design of their next fleet of cars sets a new benchmark that we hope others in the car industry will follow. This is proof that this problem can be solved by design and innovation."

The recycled plastics ambition is the most progressive statement around the use of recycled plastic by any premium automotive manufacturer. It represents another demonstration of Volvo Cars' commitment towards reducing its impact on the environment across all operations and products. Last month, Volvo Cars committed to eradicate single-use plastics across all its premises and events by the end of 2019.

In 2017, the company announced an industry-leading commitment to electrify all new Volvo cars launched after 2019. Last month, Volvo Cars reinforced this strategy, by stating that it aims for fully electric cars to make up 50 per cent of its global sales by 2025.

In terms of operations, Volvo Cars aims to have climate-neutral manufacturing operations by 2025. In January this year, the engine plant in Skövde, Sweden, became its first climate-neutral facility.

Volvo Car Group in 2017

For the 2017 financial year, Volvo Car Group recorded an operating profit of 14,061 MSEK (11,014 MSEK in 2016). Revenue over the period amounted to 210,912 MSEK (180,902 MSEK). For the full year 2017, global sales reached a record 571,577 cars, an increase of 7.0 per cent versus 2016. 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 has been in operation since 1927. Today, Volvo Cars is one of the most well-known and respected car brands in the world with sales of 571,577 cars in 2017 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding (Geely Holding) of China since 2010. It formed part of the Swedish Volvo Group until 1999, when the company was bought by Ford Motor Company of the US. In 2010, Volvo Cars was acquired by Geely Holding.

In 2017, Volvo Cars employed on average approximately 38,000 (30,400) full-time employees. Volvo Cars head office, product development, marketing and administration functions are mainly located in Gothenburg, Sweden. Volvo Cars head office for China is located in Shanghai. The company's main car production plants are located in Gothenburg (Sweden), Ghent (Belgium), Chengdu and Daqing (China), while engines are manufactured in Skövde (Sweden) and Zhangjiakou (China) and body components in Olofström (Sweden).