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Volvo Cars position on public policy and advocacy

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Volvo Cars position on public policy and advocacy

Purpose of this document

The overall intention of Volvo Cars position papers is to provide clarity to stakeholders in areas of high relevance to the company considering its ambitions and long-term strategies. This position paper outlines the issues and areas that Volvo Cars advocates on, as well as contributions we make to organisations through which we advocate and/or work with to shape public policy. We believe that collaborating with organisations that share our values and vision is key to our future success.

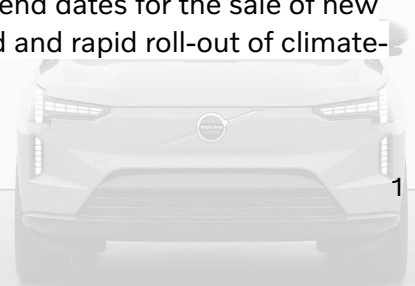
Background and challenge

Volvo Cars has been actively supporting and advocating for policy development in the EU, the US and Sweden on a wide range of topics, including trade and digital policy as well as sustainability and electrification. This is done through stakeholder collaboration, public advocacy and participation in trade associations.

Volvo Cars position

Volvo Cars engages with stakeholders and trade associations whose role is partly to influence governmental policy, legislation and action. We advocate in favour of:

- Greater climate action to enable the transition to a low-carbon economy including through governments meeting their Paris Agreement commitments, enabling greater access to and availability of clean energy and introducing legislation and incentives to encourage the growth of clean technology. Volvo Cars aims for 90 to 100 per cent of its global sales volume by 2030 to consist of electrified cars, meaning a mix of both fully electric and plug-in hybrid models and intends to shape the pace of the automotive industry's transition to full electrification.
- Sustainability and circularity across the automotive sector - the adoption of the circular economy through minimizing primary resource usage, eliminating waste and pollution (including through the expansion of infrastructure for reuse and advanced recycling) as well as supporting circular business models including shared mobility.
- Accelerating the electrification of mobility including through the rapid rollout of charging infrastructure, unlocking the potential of EVs to support the grid (through smart and bi-directional charging), regional and national measures to speed up the decarbonization of existing fleets (e.g. science-based end dates for the sale of new internal combustion engine vehicles) and an increased and rapid roll-out of climate-neutral energy to support the green transition.



- Supporting a safe digital transformation of the automotive sector through a digital policy that is fair and enables technological development including the transfer of own non-personal product data between countries and regions.
- Promoting free and fair trade - Existing and future free trade agreements can contribute to companies' ability to solidify and diversify supply chains and, at the same time, they ensure a level playing field.
- Nurturing talents and competences within an open and collaborative R&D eco-system and measures that support research, reskilling and upskilling of the automotive workforce.
- Adherence to internationally recognised human rights standards and guidelines. Volvo Cars welcome national and regional legislation that safeguards human rights.

Volvo Cars actions

Volvo Cars has been active in calling for action, engaged in relevant questions and making commitments within specific areas, in collaboration with others who share our vision. Examples are:

- **We Mean Business Coalition "Fossil to Clean" Campaign:** Volvo Cars is an active supporter of WMB's campaign to accelerate the move away from fossil fuels to clean energy and clean energy solutions. Ahead of COP28, 200+ companies representing over \$1.5 trillion in global annual revenue urged national governments to address the primary cause of climate change: burning fossil fuels.
- **WEF Alliance of CEO Climate Leaders:** The Alliance of CEO Climate Leaders consists of over 120 CEOs from across industry, dedicated to bold climate ambition and encouraging policy makers to abide by their Paris Agreement commitments. Volvo Cars CEO, Jim Rowan, signed the Alliance's Open Letter which called upon policymakers to use COP28 as an opportunity to e.g. scale up investment in renewable energy.
- **WWF Moratorium on Deep Sea Mining:** In 2023 Volvo Cars joined the WWF's Moratorium on Deep Sea Mining and committed to not source any minerals from the seabed until it is clearly demonstrated that such activities can be done while effectively protecting our seas and oceans.
- **WEF First Movers Coalition (Aluminium Sector):** As a member of the Coalition Volvo Cars is committed to ensuring that at least 10% (by volume) of all our primary aluminum procured annually will be low-carbon, emitting less than 3t CO₂ per ton of primary aluminum, by 2030*. Volvo Cars joined the FMC in 2023.
- **Responsible Mica Initiative (RMI):** Volvo Cars is committed to address challenges in the mica supply chain such as environmental impact, supply chain transparency, social responsibility, and ethical mining practices by working with the Responsible Mica Initiative. Volvo Cars joined the RMI in 2023.
- **Accelerating to Zero Coalition:** The Accelerating to Zero Coalition consists of a broad group of stakeholders committed to facilitating and increasing the pace of the transition to zero emission mobility, calling for more climate action from governments. The Coalition was launched at COP 27 in 2022.



- **Steel Zero Initiative:** In 2022, Volvo Cars became the first car maker to sign up to The Climate Group's SteelZero initiative, which aims to increase demand for fossil-free steel and accelerate a transition to carbon neutrality in the global steel industry.
- **Glasgow declaration on Zero emission vehicles:** Volvo Cars along with other signatories, has committed to making 100% of global car and van sales free of tailpipe emissions by 2040, and no later than 2035 in leading markets. Launched at COP 26, 2021.
- **Business for Nature:** In 2022 Volvo Cars has signed up for Business for Nature's Call to Action "Nature is everyone's business", calling on governments to adopt policies now to reverse nature loss in this decade.
- **Responsible Business Alliance:** is the world's largest industry coalition dedicated to responsible business conduct in global supply chains. As a member (since 2018), we are committed and held accountable to a common set of responsible business principles. Volvo Cars is specifically active in the Responsible Minerals initiative focusing on the challenges of responsible sourcing of minerals and the Responsible Minerals Assurance Process tool.
- **Drive Sustainability:** Volvo Cars is a founding member of this network (launched in 2017) of 16 global OEMs that make a collective commitment to collaborate to improve supply chain sustainability in the automotive industry. Collaboration happens through common and unified positions on Sustainability challenges towards suppliers, business partners and other stakeholder.

Largest contributions to associations relevant for our advocacy 2023

Organisation	Description	Amount (SEK)
WEF	The World Economic Forum (WEF) is an international organization for public-private cooperation. It provides a global, impartial and not-for-profit platform for connection between stakeholders to establish trust, and build initiatives for cooperation and progress. As part of our broader engagement with the Forum, Volvo Cars' advocates through several WEF initiatives and platforms, including the Alliance of CEO Climate Leaders and First Movers Coalition.	3,270,000
Auto Innovators	The Alliance for Automotive Innovation (Auto Innovators) actively engages with policymakers, legislators and regulators to transform personal mobility, in a cleaner, safer, and smarter manner. Auto Innovators is comprised of the manufacturers producing nearly 99 per cent of new cars and light trucks sold in the U.S.	3,110,000
Mobility Sweden	Mobility Sweden (formerly BIL Sweden) is the Swedish trade association for manufacturers and importers of cars, trucks and buses. Member companies account for around 99 per cent of new car sales in Sweden. Mobility Sweden sees the car as an integral part of a sustainable society where the climate, the environment, security, mobility, development and growth are central.	3,150,000
Other contributions		8,250,000
Total		17,780,000

*This voluntary commitment made by joining the First Movers Coalition is subject to the availability of technology supply that enables companies to meet their 2030 purchase pledges, and to Volvo Cars' business prerequisites as approved by Volvo Cars leadership.

