Volvo Cars Daqing Car Plant Powered By 100 Per Cent Climate Neutral Electricity

Volvo Cars’ manufacturing plant in Daqing, China is now powered by 100 per cent climate neutral electricity and follows in the footsteps of the company’s other large Chinese manufacturing plant in Chengdu, which reached the same milestone last year.

With the addition of Daqing, Volvo Cars’ global manufacturing network is now powered by close to 90 per cent climate neutral electricity, an important step towards the company’s goal of making its manufacturing operations climate neutral by 2025.

Going forward, the Daqing plant in Heilongjiang province will be powered by electricity generated from biomass (83 per cent) and wind power (17 per cent), which is estimated to bring down the plant’s annual CO2 emissions by around 34,000 tonnes.

More specifically, the biomass power plants that supply the Daqing site are using locally and sustainably-sourced agricultural and forestry residues.

“For us at Volvo Cars, sustainability is as important as safety,” said Javier Varela, senior vice president for industrial operations and quality. “To achieve our ambitious climate targets, tackling emissions from our manufacturing network is crucial and I am very pleased that Daqing is now powered by 100 per cent climate neutral electricity.”

Apart from the Daqing milestone, Volvo Cars has also made further progress in emission reduction around its China plants. It has been in close contact with its local suppliers in recent months, encouraging them to follow suit and switch to 100 per cent climate neutral power. The response thus far has been very positive.

For Volvo Cars to achieve its target of climate neutral manufacturing operations by 2025, it needs access to climate neutral electricity and heating. Achieving this target requires Volvo Cars to find local partners in government and business that support development of sustainable alternatives.

“We can only achieve our climate action targets by working together with our suppliers,” said Javier Varela. “We are encouraged by the support we have received so far in China and aim to be a benchmark of sustainability for its manufacturing industry.”

Volvo Cars’ climate neutral manufacturing target is part of the company’s climate plan, one of the most ambitious in the automotive industry. The centrepiece of the plan is Volvo Cars’ ambition to be a fully electric car brand by 2030, with only pure electric cars in its line-up.

Yet the plan goes beyond addressing tailpipe emissions through all-out electrification and also seeks to tackle carbon emissions in the company’s wider operations, its supply chain and through recycling and reuse of materials.

In the short term, these and other steps aim to reduce the life cycle carbon footprint per car by 40 per cent between 2018 and 2025. By 2040, Volvo Cars aims to be a climate neutral company.

Volvo Car Group in 2020
For the 2020 financial year, Volvo Car Group recorded an operating profit of 8.5 BSEK (14.3 BSEK in 2019). Revenue over the period amounted to 262.8 BSEK (274.1 BSEK). For the full year of 2020, global sales reached 661,713 cars (705,452), a decline of 6.2 per cent compared to 2019.

**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 661,713 cars in 2020 in about 100 countries. Volvo Cars has been under the ownership of the Zhejiang Geely Holding since 2010.

As of December 2020, Volvo Cars employed approximately 40,000 (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:
Manufacturing, Sustainability, Press Releases

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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