

Volvo Cars – Our approach to tax in the UK

Volvo Car Group Strategic Journey

The global automotive industry is changing, and Volvo wants to lead the way in transformation – in safety, connectivity, electrification and autonomous drive technology. Rather than just building and selling premium cars, we will provide our customers with the freedom to move in a personal, sustainable and safe way.

In a couple of years from now, we will celebrate our 100th birthday. But we are not resting on our laurels or basking in past glories. We are looking at the next hundred years. We are putting in the work and laying the foundations for the next century of our existence. Most importantly, we will prioritise value creation. In order to do so, we are investing in the future, pushing the boundaries and aiming to deliver solid, profitable, growth with the advancement of new technologies that will power and enhance our cars and other products. To compete on value, we will build premium cars with great features and technologies that provide an enhanced customer experience.

By 2030 Volvo Cars expects electrified cars to represent between 90-100 per cent of global sales volumes. Volvo Cars is also committed to an ongoing reduction of its carbon footprint, with the ambition to be a climate-neutral company by 2040.

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, serving customers in over 100 countries and with sales of 763,000 cars in 2024. They engage with round 2,500 retailers and provide employment to 43,000 employees. Volvo Cars has been under the ownership of the Zhejiang 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.

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), South Carolina (US), Chengdu and Daqing (China), while engines are manufactured in Skövde (Sweden) and Zhangjiakou (China) and body components in Olofström (Sweden).

The principal activity of our business in the UK is the distribution of cars, car parts and services around consumer mobility, primarily through the network of franchised dealerships but also directly to end customers via its online sales channel and independent retailers under agent agreement. Further, the company offers vehicle lease agreements to end-customers.

Volvo Cars is listed on the Nasdaq Stockholm exchange, where it is traded under the ticker "VOLCAR B".

Our approach to tax risk management and governance arrangements

The Volvo Cars Code of Conduct states that it is the responsibility of all employees to ensure that we conduct business in an ethical and compliant way. Our internal code states that we will comply with all relevant laws, regulations and standards in all countries in which we operate. This extends to our tax affairs.

The overall responsibility for our Group's tax matters is held by the Volvo Cars Global Finance and Tax team, with the Head of Tax who has day-to-day responsibility for tax risk governance, risk management and tax decision making. The local Business Controllers have day-to-day responsibility for the UK tax function and raise local queries to the VCUK Executive Management Team (the local management based in the UK). However, where required, any significant matters would be communicated to the Head of Tax, with ultimate responsibility being held by the CFO of the Group. If required, tax matters are discussed with the Board of Directors of Volvo Car AB, the parent company of the Volvo Car Group.

Enterprise Risk Management is embedded in our daily activities and when risks and mitigating actions are identified, these are summarised and reported to the Volvo Car AB Board of Directors and the Audit Committee. Information is provided annually (or more frequently if required) to the Board of Directors on ongoing tax matters.

We have both an internal audit function and internal control function. The internal audit function, at the request of the Board or Audit Committee, will periodically assess tax risks. The internal control function will support those with tax responsibilities with the identification and mitigation of tax risks.

Our attitude towards tax planning

Tax planning (if any) is dictated by applicable laws and is based upon the commercial reality of our business.

Our Group applies transparent business practices and complies with the OECD Transfer Pricing guidelines and ensures that the transfer pricing methodologies are consistently applied wherever we are present, including in the UK.

We pay various taxes including, Corporation Tax, Value Added Tax, National Insurance and other duties annually in the UK.

We will seek external advice on areas of tax complexity and to supplement our internal tax teams.

Relationships with UK Tax Authorities

We will provide tax-related information and documents that may be requested by the relevant tax authorities as soon as practicable. We strive to build good professional and transparent working relationships with tax authorities. We seek to work collaboratively with HMRC to address any issues on a timely basis through open and honest dialogue.

The level of risk in relation to UK taxation that we are prepared to accept

We follow our internally approved Global Tax Policy and Tax Directives as part of our control processes. As such, we can identify, review and manage tax risks on an ongoing basis. This ensures that we are compliant with tax laws and maintain a low tax risk tolerance in the UK.



Further information

Volvo Car UK Limited publishes this Tax Position Statement in accordance with the requirements of the United Kingdom ("UK") Finance Act of 2016 ("the Act") - Schedule 19 paragraph 22(2). This Tax Position Statement is effective for the year ending 31 December 2024. It will be accessible at: <https://www.volvocars.com/uk/sustainability/downloads/>, a website owned by the Volvo Car Group.

This statement will be reviewed and updated annually. It was last approved by the Board of Directors of Volvo Car UK Limited on 27 June 2025.