



## PRESS RELEASE

# Volvo Group and SSAB to collaborate on the world's first vehicles of fossil-free steel

**Volvo Group and SSAB have signed a collaboration agreement on research, development, serial production and commercialization of the world's first vehicles to be made of fossil-free steel. Volvo plans already this year to start the production of concept vehicles and components from steel made by SSAB using hydrogen.**

"We are determined to be a climate-neutral company by 2050 in line with [the Paris Agreement](#). This means that our vehicles and machines will be emission-free when in operation but also that we will review the materials, like steel, used in our products and will gradually switch to fossil-free alternatives here as well. This is an important step on the road to completely climate-neutral transports," says Martin Lundstedt, President and CEO at [Volvo Group](#).

"We are now taking a giant leap towards an entirely fossil-free value chain all the way to the end customer. Together with Volvo Group, we will start work on the development and serial production of fossil-free steel products. We will work together with our customers to reduce their climate impact while strengthening their competitiveness. We are constantly looking at how we can become a more comprehensive supplier of fossil-free steel to customers like Volvo. We see a new green revolution emerging," says Martin Lindqvist, President and CEO at [SSAB](#).

Volvo will start manufacturing the first concept vehicles and machines with steel from SSAB using hydrogen already in 2021. Plans are for smaller-scale serial production to start during 2022 and for a gradual escalation towards mass production to follow. Volvo and SSAB will also work together in research and development to optimize the use of steel in Volvo's products with regard to weight and quality. Together, the two companies will develop a number of products of fossil-free steel with the goal of reaching serial production within a few years.

Newly made fossil-free steel from SSAB will be an important complement to the traditional and recycled steel used in Volvo's trucks, construction equipment and other products. Fossil-free steel will be made by a completely new technology using fossil-free electricity and hydrogen. The result will be a much lower climate impact and a fossil-free value chain. The steel industry considers that the need for steel will grow significantly in the long term and that newly made fossil-free steel will be needed to meet this demand.

The collaboration framework also includes a review of common logistics solutions that can contribute to reducing SSAB's environmental impact from internal and external transports. The ambition is to use Volvo vehicles that are powered by [batteries](#) or [fuel cells](#).

SSAB aims to start supplying the market with fossil-free steel at a commercial scale in 2026. Development of a fossil-free value chain from mine to finished steel products will take place within the framework of the HYBRIT initiative, which SSAB has been driving with LKAB and Vattenfall since



2016. A pilot plant has been in place since August 2020 and this will soon start to produce smaller volumes of sponge iron made using hydrogen. This steel will be used to make the steel for use in this collaboration.

April 8, 2021

*Journalists wanting further information, please contact  
Claes Eliasson, Volvo Group Media Relations, +46 76 553 72 29, or  
Mia Widell, SSAB Media Relations, +46 76 527 25 01*

**For more information, please visit [volvogroup.com](http://volvogroup.com)**

The Volvo Group drives prosperity through transport and infrastructure solutions, offering trucks, buses, construction equipment, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity. Founded in 1927, the Volvo Group is committed to shaping the future landscape of sustainable transport and infrastructure solutions. The Volvo Group is headquartered in Gothenburg, Sweden, employs almost 100.000 people and serves customers in more than 190 markets. In 2020, net sales amounted to about SEK 338 billion (EUR 33.6 billion). Volvo shares are listed on Nasdaq Stockholm.