



Scania AB

Green Bond Second Opinion

September 14, 2020

Scania AB (“Scania”) is a Swedish corporate in the transport sector, including trucks and buses for heavy transport applications combined with product-related service offerings. In 2019, Scania produced more than 89,000 trucks and more than 7,700 buses. In 2019, Scania has sold 56 hybrid vehicles and no pure electric vehicles.

All of Scania’s project categories exclude investments in fossil fuel equipment and are exclusively dedicated to development and production of fossil free solutions. In addition, Scania excludes investments in development and production of hybrid vehicles. Investments are either in R&D or in capital expenditures related to production of zero emission trucks, busses and other transport solution. CICERO Shades of Green is encouraged by the company’s efforts to drive innovation to unlocking hard-to-abate emissions. We recognize individual modes of zero-emission transportation as Dark Green and part of a 2050 solution. While Scania focuses on fossil free solutions, it cannot be excluded that electric transport solutions will be developed that will subsequently be used for transportation of fossil fuels or other fossil fuel intensive goods by Scania’s clients.

The company has ongoing work with life-cycle assessments of products and components on vehicles (well-to-wheel). Scania is committed to reduce absolute Scope 1 and 2 GHG emissions by 50% by 2025 from a 2015 base year and to reduce Scope 3 GHG emissions from the use of sold vehicles by 20% per vehicle-km by 2025 from a 2015 base year in a “well-to-wheel” perspective. Scania is currently putting together a cross-functional team for a CO₂ supply chain program, but currently does not yet assess upstream emissions for zero emission vehicle production. The company has no binding criteria regarding transparency of suppliers’ emissions, renewable energy use or selection thresholds. However, the company is working actively on facilitating biofuel supply for its customers and investing in charging infrastructure which goes hand in hand with increased electric vehicle deployment.

Increased zero-emission vehicle production can lead to increased pressure on material sourcing in the production of batteries and production emissions. We encourage Scania to continue to increase efforts and to be transparent on supply chain issues, especially regarding battery material sourcing and production emissions, as these account for a substantial share of battery vehicles’ production emissions.

Based on an assessment of the framework’s alignment with the Green Bond Principles, the project categories and Scania’s governance, Scania’ green bond framework receives the overall **CICERO Dark Green** shading and a governance score of **Excellent**. Scania could strengthen its framework by including resiliency screening and formalizing its climate risk approach according to TCFD as well as by setting transparency requirements on upstream emissions and setting life-cycle emission targets.

SHADES OF GREEN

Based on our review, we rate the Scania’s green bond framework **CICERO Dark Green**.

Included in the overall shading is an assessment of the governance structure of the green bond framework. CICERO Shades of Green finds the governance procedures in Scania’s framework to be **Excellent**.



GREEN BOND PRINCIPLES

Based on this review, this Framework is found in alignment with the principles.





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1 Terms and methodology

This note provides CICERO Shades of Green's (CICERO Green) second opinion of the client's framework dated July 2020. This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client's policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

Expressing concerns with 'shades of green'

CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

CICERO Shades of Green



Dark green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Ideally, exposure to transitional and physical climate risk is considered or mitigated.



Medium green is allocated to projects and solutions that represent steps towards the long-term vision, but are not quite there yet. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Physical and transition climate risks might be considered.



Light green is allocated to projects and solutions that are climate friendly but do not represent or contribute to the long-term vision. These represent necessary and potentially significant short-term GHG emission reductions, but need to be managed to avoid extension of equipment lifetime that can lock-in fossil fuel elements. Projects may be exposed to the physical and transitional climate risk without appropriate strategies in place to protect them.



Brown is allocated to projects and solutions that are in opposition to the long-term vision of a low carbon and climate resilient future.

Examples



Wind energy projects with a strong governance structure that integrates environmental concerns



Bridging technologies such as plug-in hybrid buses



Efficiency investments for fossil fuel technologies where clean alternatives are not available



New infrastructure for coal

Sound governance and transparency processes facilitate delivery of the client's climate and environmental ambitions laid out in the framework. Hence, key governance aspects that can influence the implementation of the green bond are carefully considered and reflected in the overall shading. CICERO Green considers four factors in its review of the client's governance processes: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.



2 Brief description of Scania's green bond framework and related policies

Scania AB (“Scania”) is a Swedish corporate in the transport sector, including trucks and buses for heavy transport applications combined with product-related service offerings. Scania also produces industrial and marine engines. Scania has 52,100 employees in about 100 countries. Research and development activities are mainly concentrated in Sweden, with branches in Brazil and India. Production takes place in Europe, Latin America and Asia with facilities for global trade of both components and complete vehicles. In addition, there are regional production centers in Africa, Asia and Eurasia. In 2019, Scania produced more than 89,000 trucks and more than 7,700 buses. More than 65% of its trucks are delivered to European clients (27% of buses) and more than 16% to the Americas (more than 44% of buses). In these two regions, Scania also delivered the majority of its more than 10,000 industrial marine engines it produced in 2019.

Environmental Strategies and Policies

Scania monitors and reports its emissions in its annual reports, reports according to GRI core option and partly incl. Scope 3 emissions and has in place concrete targets on energy efficiency, CO₂ emissions and waste. Scania does currently not report customers' emissions but informed us that it will start reporting in its report Q1 2021 customers emissions (partly scope 3). In 2019, Scania's Scope 1 and 2 CO₂ emissions from industrial operations totaled 50,300t. According to Scania, total emissions have decreased by 44% compared to 2015. Scania has targets in place that are approved by the Science-Based Target initiative: Scania commits to reduce absolute Scope 1 and 2 GHG emissions by 50% by 2025 from a 2015 base year and to reduce Scope 3 GHG emissions from the use of sold vehicles by 20% per vehicle-km by 2025 from a 2015 base year in a “well-to-wheel” perspective.

Part of Scania's Scope 3 emissions from all logistics (land, air, overseas) (related to parts, buses, trucks and engines) from 2019 totaled 253 000 tonnes CO₂ eq. The total CO₂ from land transport amounted to 161 000tCO₂eq and the intensity amounted to 47kg CO₂ per transported tonne. From 2016 to 2019 the emission intensity has decreased from 61 to 47 kg CO₂ per transported tonne. At the same time, total emissions from land transport has increased from 158 000t CO₂e to 161 000t. According to Scania, 96% of all emissions result from the use phase of its trucks, buses and engines.

Air and sea transport are currently not subject to separate targets but are reported separately. By 2020 the company aims to reduce energy within the production by 33% from 2010 levels and reduce the amount of waste material that is not recycled by 25% from its level in 2015. According to the company, by the end of 2019 the company has achieved 26% reductions on energy and 20% reductions on waste. In addition, Scania will use 100% renewable electricity (both purchased and internally generated) by 2020 partly guaranteed by certificates of origin.

According to the issuer Scania has the broadest range of engines running on alternative fuels such as liquid natural gas, compressed natural gas, biogas, ethanol and biodiesel. In 2019, Scania sold 6,631 vehicles which amounts to 6.6 percent of total sales that are running on alternative fuels. In addition, more than 40 percent of bus sales are alternatives to diesel, incl. gas powered vehicles with can run on both natural gas and biogas. In 2019, Scania has sold 56 hybrid vehicles and no pure electric vehicles.

Scania is committed to the ten principles of the UN Global Compact (UNGC), complemented, by Agenda 2030 and its sustainability goals (SDG's). According to the supplier code of conduct Scania's suppliers are required to have thorough knowledge about their own environmental challenges and should always strive to choose alternatives with less environmental impact. Scania has won awards in Germany, Benelux and Italy for its



sustainability work. According to Scania, the company is currently putting together a cross-functional team for a CO₂ supply chain program.

Scania does currently not implement TCFD recommendations and has no policies regarding climate resilience in place. However, Scania is currently considering implementing respective measures and will start including parts of what is needed for reporting in accordance with TCFD in the Q1 2021 annual report.

Use of proceeds

Green bond proceeds will be allocated to projects in Sweden within sustainable transport solutions, energy and resource efficiency, sustainable water and wastewater management, waste handling and recycling as well as green buildings. Scania's Green Bonds will not finance nuclear power or fossil-fuel generation projects or the promotion of fossil transportation solutions. According to the issuer that more than 75% of proceeds will likely be invested in this category and green buildings is expected to be a comparably small category. The remaining proceeds are expected to be allocated approximately evenly across the other categories. Scania's Green Bonds can be used to both refinance and finance new assets. The split between the financing of new assets and refinancing will be included in Scania's annual Green Bond Impact Report.

Net proceeds from Green Bonds will be allocated exclusively to expenditures that promote fossil free transportation solutions within all Eligible Asset categories

Selection:

The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the governance process.

Scania has established a Green Bond Committee consisting of the Head of Sustainability and the Head of Treasury. This committee evaluates projects and decides in consensus if green proceeds are eligible for green financing. According to the framework only projects where there is a high likelihood that the net, long-term environmental effects are positive will be approved. The Green Bond Committee will document and keep record of its decisions. According to Scania, the company has an ongoing work with lifecycle assessments of products and components on vehicles (well-to-wheel), but has not yet started external communication. Scania does not screen for rebound effects or climate resilience.

Management of proceeds

CICERO Green finds the management of proceeds of Scania to be in accordance with the Green Bond Principles. An amount equal to the net proceeds will be credited to a segregated green account with the purpose of financing Scania's green assets. Unallocated proceeds will be placed on a bank account. If, for any reason, a financed Eligible Asset no longer meets the eligibility criteria, it will be removed from the pool of green assets. Proceeds will be allocated to individual projects that already have been singled out.

Reporting

Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs. Procedures for reporting and disclosure of green finance investments are also vital to build confidence that green finance is contributing towards a sustainable and climate-friendly future, both among investors and in society.



Scania will provide an annual Green Bond Impact Report in line with the GHG protocol to be published in April each year. This report will inter alia include: a list of the Eligible Assets and where possible and subject to confidentiality considerations, quantitative descriptions of the environmental benefits of each asset. Scania provides an indicative list of impact metrics in the framework, e.g., expected/achieved new production capacity of electric vehicles and expected/achieved reduction of GHG emission based on a well-to-wheel perspective.

The internal tracking method, the allocation of funds from the Green Bond and the Green Bond Impact Report will be verified by an external auditor appointed by Scania with the relevant expertise and experience. Both, the Green Bond Impact Report and the opinion of the external auditor will also be publicly available on Scania's website. The Second Opinion as well as this Green Bonds Framework will be publicly available on Scania's website. <https://www.scania.com>



3 Assessment of Scania’s green bond framework and policies


The framework and procedures for Scania’s green bond investments are assessed and their strengths and weaknesses are discussed in this section. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised in this section to note areas where Scania should be aware of potential macro-level impacts of investment projects.

Overall shading

Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in Scania’s green bond framework, we rate the framework **CICERO Dark Green**.

Eligible projects under the Scania’s green bond framework

At the basic level, the selection of eligible project categories is the primary mechanism to ensure that projects deliver environmental benefits. Through selection of project categories with clear environmental benefits, green bonds aim to provide investors with certainty that their investments deliver environmental returns as well as financial returns. The Green Bonds Principles (GBP) state that the “overall environmental profile” of a project should be assessed and that the selection process should be “well defined”.

Category	Eligible project types	Green Shading and some concerns
Sustainable transport solutions 	Expenditures under the category Sustainable transport solutions are eligible only when related to fossil-free transport solutions for people and goods including electric and fuel cell vehicles and other fossil-free transport solutions. Eligible assets in this category can be related to R&D and capital expenditures throughout the complete value chain including end of life. It is expected that a majority of the proceeds under this category will be allocated to R&D. a. R&D - The development of electrified vehicle drivelines and new technologies connected with fossil-free solutions. Eligible assets in this subcategory include project involving electrification and autonomation. b. Sourcing - Investments in facilities to manage material, new component categories or suppliers that is needed for the development of fossil-free solutions. Eligible	Dark Green ✓ Zero emission busses, trucks and other zero emission transport solutions are part of a 2050 solution. ✓ The issuer informed us that more than 75% of proceeds will likely be invested in this category, exclusively dedicated to development and production of non-fossil solutions. ✓ According to Scania, this category is dedicated to development and production of zero emission solutions that are uniquely dedicated for Scania’s zero emission vehicles and excludes, e.g., hybrid solutions. ✓ Zero-emission trucks will not be dedicated to fossil fuel transport,



assets in this subcategory include storage and distribution to production sites of batteries

c. Logistics - Testing in real conditions new fossil-free powertrains or future fossil-free technologies. Eligible assets in this subcategory include battery labs.

d. Production - Investment in production facilities and constructions of new manufacturing facilities needed to produce fossil-free vehicles and production facilities to produce and distribute fossil free fuels. Eligible assets in this subcategory include new lines for production of fossil-free transportation solutions.

e. Sales - Tools or methods needed to support the sales of fossil-free vehicles. Eligible assets in this subcategory include education for salespeople.

f. In use - Promotion of activities aiming for reduced energy consumption. Eligible assets in this subcategory include programs for education for drivers of fossil free vehicles and infrastructure such as charging stations for fossil free vehicles.

g. Service - Investments in the service network needed to meet the future demands for service of fossil-free transport solutions. Eligible assets in this subcategory include certified workshops for fossil free transportation solutions.

h. End of life. Investments in circularity, disposal or end of life technologies for batteries and e-mobility components with an aim to move large amounts of material up the waste hierarchy. Eligible assets in this subcategory include recycling of batteries.

but Scania cannot exclude end-use of its trucks.

Investments in fossil fuel equipment and machinery is excluded under this category, but while the production exclusively uses renewable electricity according to Scania, indirect emissions stem from, e.g., heating.

The production of batteries and sourcing of raw materials can have substantial climate and environmental impact. Scania is aware of these risks and has a robust supplier policy in place. Scania has no additional energy efficiency or climate resiliency requirements for constructing new production facilities.

New production facilities will only be in Sweden according to the issuer.

Energy and resource efficiency



Capital expenditures related to energy and/or resource efficiency improvements in fossil-free production processes, management and operations incl. energy storage and eco-efficiency and/or circular economy adaptation of products and processes. The expected or actual efficiency gains will be reported and described in the Green Bond Impact Report.

Medium to Dark Green

The issuer informed us that only energy and resource efficiency improvements for fossil free solutions qualify as defined in the project category above. Production processes that are powered by fossil fuels and/or are associated with production of fossil-based solutions are excluded.






		<ul style="list-style-type: none"> ✓ The issuer has not specified any minimum requirements
<p>Sustainable water and wastewater management</p> 	<p>Capital expenditures related to water conservation, water efficiency and improved water quality in production and office facilities incl. recycling and re-use of water in industrial processes</p>	<p>Dark Green</p> <ul style="list-style-type: none"> ✓ The issuer informed us that large water clearing facilities are excluded. ✓ Equipment will not be powered by fossil fuels and will only serve production of fossil free solutions.
<p>Waste handling and recycling</p> 	<p>Capital expenditures related to reducing the amount and harmful waste and to increase re-use and recovery of materials in production processes with an aim to move large amounts of material up the waste hierarchy.</p>	<p>Dark Green</p> <ul style="list-style-type: none"> ✓ The issuer informed us that waste to energy projects and fossil fuel-based transport of waste is ineligible
<p>Green buildings</p> 	<p>a) New buildings in Sweden with an energy use which is at least 30% lower than the applicable national building code and preferably with a certification by BREEAM Very Good or LEED Gold or higher b) Major renovations leading to a reduced energy use of at least a 30% (kWh/m²/year) c) Capital expenditures on renewable energy sources at production, storage, sales and office buildings.</p>	<p>Medium Green</p> <ul style="list-style-type: none"> ✓ Renewable energy sources for buildings include solar panels and windmills. ✓ Buildings will be in Sweden and solely dedicated to the production of fossil free solutions and not heated by fossil fuels. According to the issuer, buildings for the production units in Sweden are heated by district heating and in extreme cases, such as extremely cold weather or production disruptions in the district heating operation, fuels for these municipal reserve heating plants may be from fossil sources. ✓ Scania has no additional criteria regarding public transportation access, climate resiliency screenings and building materials.

Table 1. Eligible project categories



Background

In the EU, road transport contributes approximately 21% of total EU emissions of CO₂ with cars and light commercial vehicles being responsible for the majority of road transport emissions (15% of total EU emissions)¹. According to the international Energy Agency (IEA) technology and policy can steer transport towards increased sustainability. Electrification emerges as the major low-carbon pathway for the transportation sector. This trend is already partly underway, with the electric car stock projected to increase 28 times by 2030 from today's two million vehicles. Fast tracking electro-mobility will require major technological developments and infrastructure investments based on strong policy support. Policies and technologies that reduce the need for individual transportation — such as better urban planning or increased use of collective transportation — can make deployment of new technologies more manageable and significantly reduce the required investment. Aviation, shipping and heavy-duty road are the most difficult modes to decarbonize.

In 2018, Scania conducted a study that shows that achieving net zero CO₂ emissions for heavy commercial transport by 2050 is not only possible but is also financially attractive from a societal perspective. In CICERO Green's Shades of Green methodology dark green solutions are allocated to the zero emission solutions such as heavy trucks running on electricity, fuel cells and sustainable biofuels. According to Scania's internal assessment, use of biogas can lead to CO₂ reduction of as much as 90 percent compared to a similar diesel engine. Electrification is a fast-developing technology and Scania has hybrid buses and trucks, as well as battery-powered electric buses. Scania is developing several applications for electrified vehicles, including continuous charging along electric roads, fuel cell trucks and wirelessly-charged buses.

In order to assess the environmental impacts of the electric trucks the emission factor for the electricity grid should be considered. While electric modes of transportation are preferable both when it comes to reducing carbon emissions and local pollution to those that directly use fossil fuels, we should nevertheless be aware of the indirect GHG emissions stemming from the production and use of cars and strive to keep increasing their efficiency.²

EU Taxonomy

In 2020 the final reports to the European Commission on the EU Taxonomy and Green Bond Standard were published in a multi stakeholder effort moving to standardize thresholds and metrics to aid the green transition. This also includes social guidelines (not released yet) and “Do-No-Significant-Harm” criteria of the green transition activities. The Taxonomy provides signposting for investors and bond issuers to aid in their decision-making and project selection processes

Scania's investments in zero emission heavy duty road transportation vehicles would likely qualify under the EU taxonomy.

Governance Assessment

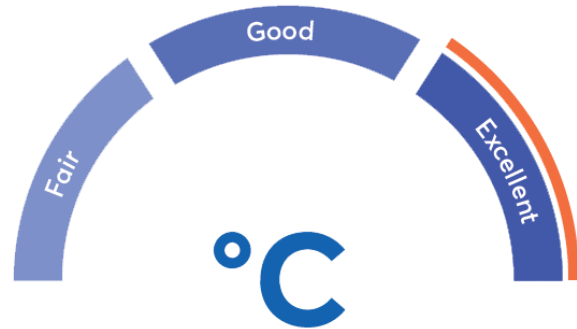
Four aspects are studied when assessing the Scania's governance procedures: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify eligible projects under the framework; 3) the management of proceeds; and 4) the reporting on the projects to investors. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.

¹ https://ec.europa.eu/clima/policies/transport/vehicles_en

² <https://www.sciencedirect.com/science/article/pii/S030626192030533X>



Scania has approved Science-Based Targets in place that includes absolute emissions from the production and a strategic focus of developing zero emission solutions. The company reports according to GRI core and has a supplier code of conduct in place. However, Scania currently does not have mandatory requirements regarding disclosure of emissions and no requirements regarding upstream emissions. However, Scania is currently putting together a cross-functional team for a CO₂ supply chain program. While Scania does not yet screen for climate risks according to TCFD, Scania has conducted scenario analysis on fossil free transport and is in the process of implementing TCFD recommendations. Scania has set up a green bond committee that decides in consensus and that includes environmental expertise, but does not have dedicated criteria for life cycle impacts or rebound effects. The company will also provide reporting on impacts and will obtain an external review of its impact reporting. The overall assessment of Scania's governance structure and processes gives it a rating of **Excellent**.



Strengths

It is a strength that Scania focuses its framework exclusively on the development and production of fossil free transport solutions. Scania informed us that it excludes investments in electrified parts of hybrid vehicles in their framework.

According to Scania, the company has an ongoing work with lifecycle assessments of products and components on vehicles (well-to-wheel). This is strength and focuses on the key aspects of emissions for decarbonized vehicles. Scania is currently putting together a cross-functional team for a CO₂ supply chain program and is working on biofuel solutions. This is in line with Scania's commitment to reduce absolute Scope 1 and 2 GHG emissions by 50% by 2025 from a 2015 base year and to reduce Scope 3 GHG emissions from the use of sold vehicles by 20% per vehicle-km by 2025 from a 2015 base year in a "well-to-wheel" perspective.

It is a strength that Scania includes investments in development of charging infrastructure as this goes hand in hand with the deployment of electric vehicles.

Weaknesses

We find no material weaknesses in Scania's green bond framework.

Pitfalls

CICERO Shades of Green recognizes individual modes of zero-emission transportation as Dark Green and part of a 2050 solution. However, CICERO Green encourages considering alternatives to inefficient modes of transporting goods through trucks such as low carbon rail bound or water transportation where possible and to consider its environmental impacts compared to other ways of environmentally efficient transportation.

It is a pitfall that substantial increase in electric truck production could lead to increased pressure on rare earth material sourcing and other environmental impacts that might occur especially in regions with environmental regulation that is less strict than in the EU. Scania is aware of this challenge and is taking active measures to address these issues, e.g., establishing partnerships to secure sustainable production of batteries. However, Scania does not yet assess upstream emissions for zero emission vehicle production and has no binding criteria regarding transparency of suppliers' emissions, renewable energy use or selection thresholds. CICERO Shades of Green encourages Scania to increased efforts on supply chain and transparently report on key issues Scania encounters



in order to support a global approach toward avoidance of negative environmental and social impacts of material sourcing.

While Scania focuses on fossil free solutions, it cannot be excluded that electric transport solutions will be developed that will subsequently be used for transportation of fossil fuels or other fossil fuel intensive goods by Scania's clients.

It is a pitfall that Scania currently does not commit to reporting the absolute number of low carbon vehicles produced and does not report the respective carbon footprint of these vehicles.

It is a pitfall that Scania does currently not implement TCFD recommendations and has no policies regarding climate resilience in place. However, Scania has conducted scenario analysis on low carbon transportation, is currently considering implementing respective measures and will start including parts of what is needed for reporting in accordance with TCFD in the Q1 2021 annual report.



Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	Scania Green Bonds Framework, July 2020	
2	Annual report 2018 and 2019	Scania's combined annual and sustainability report.
3	Sustainability at Scania https://www.scania.com/group/en/home/sustainability/sustainability-at-scania.html	Short description available on the web describing Scania's work on sustainability issues (last updated March 21 st)
4	Environmental policy https://www.scania.com/content/dam/group/sustainability/responsible-business/scania-environmental-policy.pdf	Scania's one page environmental policy. Scania's purpose is to drive the shift towards a sustainable transport system
5	Environmental footprint https://www.scania.com/group/en/home/sustainability/responsible-business/environmental-footprint.html	Overview of Scania's environmental footprint with special focus on climate change, water, chemicals and waste.
6	Code of conduct https://www.scania.com/content/dam/group/sustainability/sustainability-at-scania/policies-and-documents/scania-code-of-conduct-1.1.pdf	Code of conduct that covers a broad set of issues including on environmental protection.
7	Supplier Code of Conduct https://www.scania.com/content/dam/group/sustainability/responsible-business/people-sustainability/scania-supplier-code-of-conduct.pdf	According to the supplier code of conduct Scania's suppliers are required to have thorough knowledge about their own environmental challenges and should always strive to choose alternatives with less environmental impact.



8	ISO certifications	Scania is certified according to ISO 14001 (2019) and ISO 9001 (2018)
	a) https://www.scania.com/content/dam/group/sustainability/responsible-business/scania-group-iso-14001-certificate.pdf	
	b) https://www.scania.com/content/dam/group/sustainability/responsible-business/scania-group-iso-9001-certificate.pdf	
9	Sustainability commitments	Scania is committed to the ten principles of the UN Global Compact (UNGC), complemented, by Agenda 2030 and its sustainability goals (SDG's)
	a) https://www.scania.com/group/en/home/sustainability/sustainability-at-scania/committed-to-strong-principles.html	
	b) https://www.scania.com/group/en/home/sustainability/sustainability-at-scania/transport-and-the-agenda-2030.html	
10	Sustainability awards	Scania has won awards in Germany, Benelux and Italy for it's sustainability work.
	a) Green Truck 2019 Award https://www.scania.com/group/en/home/newsroom/press-releases/press-release-detail-page.html/3320814-scania-scores-hat-trick--scania-r-450-is-green-truck-2019	
	b) Greener Supply Chain Award https://www.scania.com/group/en/home/newsroom/news/2018/scania-wins-greener-supply-chain-award.html	
	c) European Traffic Safety Award https://www.scania.com/group/en/home/newsroom/news/2017/scania-engineer-awarded-the-european-traffic-safety-award.html Sustainable truck of the year in Italy https://www.scania.com/group/en/home/newsroom/news/2017/scania-wins-italian-sustainable-truck-of-the-year-award.html	
11	The pathways study: Achieving fossil-free commercial transport by 2050 (May 2018)	In 2018, Scania conducted this study that shows that achieving net zero CO2 emissions for heavy commercial transport by 2050 is not only possible, but is also financially attractive from a societal perspective.
12	Scania – Self-Assessment Questionnaire – Internal document See attached pdf	



Appendix 2: About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University and the International Institute for Sustainable Development (IISD).

