Annual and Sustainability Report 2024

DRIVING THE SHIFT

Our decarbonisation journey continues

See page 23 →

Strong operational and financial performance

See page 9 →

Scania wins its 9th Green Truck Award

See page 7 →

SCANIA

A TIME FOR LEADERSHIP

We are in the middle of the biggest change our industry has seen in over 100 years.

The shift towards a sustainable transport system is underway, and Scania is taking a leading role in driving it.

We are transforming our company. Introducing new products and technologies. Pioneering new processes and approaches to doing business. In doing so, we are paving the way for a world of mobility that's better for everyone.

But for change to happen at the pace we need to see, our whole system must work together.

We need everyone, from transport buyers and policy makers to providers of infrastructure and financial institutions, to step up to the plate.

The time has come for bold leadership. We need to join forces. Because the world can't afford to wait.

CONTENTS

Towards greater transparency

This report summarises Scania's progress in the financial year 2024. It gives an overview of our financial and sustainability performance during the year, covering Scania's business units, subsidiaries and production units worldwide.

The European Union's Corporate Sustainability Reporting Directive (CSRD) applies to Scania as from reporting year 2025. The CSRD expands the requirements for companies to disclose Environmental, Social and Governance (ESG) information, with the ambition of bringing them on par with the requirements for financial disclosure.

Scania has published combined Annual and Sustainability reports since 2015, reflecting how sustainability is integrated into our strategy and core processes. We therefore fully support the aims of the CSRD, which we believe will improve both comparability and accountability, while promoting sustainable practices and investments. We recognise that greater transparency allows ourselves and our partners, customers and other stakeholders to make better-informed decisions, that will in turn improve our sustainability performance.

In anticipation of the mandatory requirements coming into effect 2025, we have prepared the sustainability report for 2024 using the CSRD's European Sustainability Reporting Standards (ESRS) as inspiration.

The Scania Group's formal financial reports encompass pages 97–174 and are audited by the company's auditors, Ernst & Young AB. The statutory sustainability report encompasses pages 24–81. Guidance on the sustainability report can be found on page 62.

CEO STATEMENT

"We saw robust demand for our products and services throughout the year and delivered an outstanding financial performance."

Welcome to the Scania annual and sustainability report for 2024.

2024 was an exciting but sometimes frustrating year, with financial results at an all-time high but also delivery problems and challenges in our battery electric vehicles ramp-up. Despite this we made good progress in transitioning to sustainable transport through new partnerships, products and services.

Business highlights

Firstly, to the positives. We saw robust demand for our products and services throughout the year and delivered an outstanding financial performance. I am proud that Scania delivered at record levels in 2024 despite macroeconomic and geopolitical concerns, finally reaching over 100,000 vehicles. Thanks to resolving many of the supply chain issues, we had the most stable production flow since the pandemic. We captured market share in Europe and Latin America: a testament to the excellence of the Scania Super driveline and the successful reduction of our order book to more normal levels.

Demand for trucks was more hesitant in Europe compared with previous years. In contrast, demand in Latin America continued strongly, with good momentum particularly in Brazil. Once again, we reaped the benefits of having a global production system, with hubs in both Europe and Latin America balancing regional fluctuations in demand.

CEO STATEMENT

"I am certain that the winners will be the ones who embrace change, turn risks into green opportunities and demonstrate bold, brave and sometimes stubborn leadership."

In 2024, we hit a milestone as we reached half a million trucks produced in Brazil since we started the production there in 1957 – an impressive figure reflecting the dedication of many colleagues. Thanks to our truly global product and production system, a Scania is a Scania anywhere in the world. The production hub in Brazil supplies our premium products not only to the Brazilian market, but to some 30 markets in, and outside of, Latin America. The upcoming establishment of our third industrial hub in China will create even more of this global resilience in our business. The new plant, which is due to start production at small scale this year, will deliver our products to customers in China and wider Asia with a set-up of regional supply chains, manufacturing and commercial operations.

Among a range of product and service launches and business milestones in 2024, a major highlight was making Scania autonomous vehicles commercially available – a key step in the road towards a safe, decarbonised future transport system. We also launched start-ups to accelerate the sustainable transition of transport. One great example is Erinion, a company that will support the adoption of electric trucks by installing charging points at customer locations across Europe.

Finally, we were honoured to receive the Green Truck Award 2024. Scania has won the prestigious annual award seven times out of the last eight years, and I think that is a remarkable achievement. We were also delighted to be awarded the Sustainable Bus Award 2025 in the coach category for the liquid biogas/natural gas variant of our Scania Touring coach.

Delivery and battery electric vehicle ramp up challenges

Alongside these successes, we also faced challenges. Updating our software platform to meet new cybersecurity legislation while also ensuring new, value-adding functionality for our customers proved to be a bigger challenge than anticipated. Complexity and quality issues in the implementation of the software meant that many of our customers had to wait too long for their vehicles to be delivered. Letting customers down is not acceptable, and I can assure you that everyone at Scania is doing their utmost to resolve these issues.

In another setback, our ramp up of battery electric trucks did not move as quickly as we had intended, due partly to supply chain issues. Converting an entire industrial system to electrification is a major undertaking that requires new types of partnerships and taking bold decisions in often unchartered territories. We are doing everything in our power to shape this new ecosystem, investing our time, money, and competence. Battery electric trucks require a vast number of completely new components, and many of them come from suppliers we are forging new partnerships with. Not all endeavours will be successful. But the transition to electric is core to Scania's business strategy, and we are focused on establishing the resilient supply chains needed to make large-scale electrification feasible across different regions and applications.

The ramp-up delay in turn affected our progress in decarbonisation, a key strategic priority for our business. Back in 2020, we set a benchmark by becoming the first OEM in our industry to set science-based carbon reduction targets not only for our own operations (scope 1 and 2), but also crucially for our vehicles when in use by our customers (scope 3). Thanks to the focused work of everyone across our organisation, we are set to overperform on our scope 1 and 2 targets. However, despite great progress in mitigating measures such as optimal vehicle specification and driver coaching, we are not on track to fully achieve our ambitious scope 3 target.

Our commitment to decarbonising our business in line with science is unwavering, and we are determined to do all we can to narrow the gap as we approach our 2025 target horizon. We have also introduced new targets for 2032 across all scopes to ensure our continued efforts and full focus in the years ahead.

CEO STATEMENT

Overcoming the barriers

Overcoming the barriers to adopting sustainable transport is a complex challenge that demands action on several different fronts. Firstly, it's about recognising that there is no one-size-fits-all solution: different markets require different solutions. While we know electrification is key in achieving decarbonisation, at the same time the wider adoption of biofuels will also be required as an interim solution, and in some cases the end-game. Here, Scania's modular approach gives us an advantage as we can easily adjust our products and services to fit local requirements and legislation.

Secondly, the transport ecosystem needs to work together to clearly demonstrate the business case for widespread electric vehicle adoption. This year for example, we collaborated with SKF, through Scania's LOTS Group, to launch one of Europe's longest routes for electric trucks. The initiative is a valuable test-case proving that, with the right logistical planning, using electric trucks for goods transport is not only sustainable but also highly cost effective.

Finally, we acknowledge that, for customers, sustainable transport involves navigating a whole new set of complex issues and business uncertainties. Scania's job is to be the trusted advisor in this new business reality and continue ensuring that our customer's profitability and sustainability goes hand in hand. Our solutions offering covers a wide range of services designed to support customers as they step into this new reality, from monitoring, analytics and CO_2 tracking (all building on data and connectivity), to providing depot charging and access to public charging. We need to support our customers in reducing as much as possible of the complexity and risk, and increase their flexibility. One recent example is JUNA, a joint venture partnership solution that gives customers access to electric trucks on a pay-per-use basis, thereby removing the risks of full ownership.

Bold leadership

Taking action to overcome these barriers is essential, but they will only get us so far. To accelerate the transition, we need to get the enabling conditions for sustainable transport in place – and that depends on will and ambition from leaders across the whole transport ecosystem. In particular, we need a favourable policy and regulatory environment that creates customer confidence and encourages investment in infrastructure, grid modernisation and green energy production. I am deeply concerned that faltering political support for zero emissions commitments is slowing the pace of change. We urgently call on politicians and governments to show coordinated leadership on this issue.

I am convinced that the winners in the new ecosystem of transport and logistics will be the ones who embrace change, turn risks into green opportunities and demonstrate bold, brave and sometimes stubborn leadership. They will be the ones who forge new partnerships across the ecosystem and team up. For Scania, being part of TRATON GROUP means we can stay on top of development and continue strengthening our premium position in a fast-changing world.

I also believe strongly that none of this would be possible without the continuing commitment and dedication of our people. On that note, I want to thank everyone in our Scania family – employees, customers and partners – for their contribution and support during a turbulent year. I look forward to a successful and productive year ahead as we continue to drive the shift together towards a sustainable transport system.

Christian Levin
President and CEO,
Scania and TRATON GROUP

Read more over the next pages on how Scania is addressing our sustainability aspirations directly through our products, services and solutions.

→

Scania wins Green Truck Award

Once again, Scania scooped the annual Green Truck Award for most fuel-efficient, lowest weight, highest average speed long-haul truck. Scania has now won the award seven times out of the last eight tests.

Read more →

Autonomous trucks go commercial

Scania opened its order book for self-driving mining trucks for the first time in 2024: a breakthrough in the commercialisation of autonomous heavy transport.

Read more →

Scania Touring wins Sustainable Bus Award

Offering best-in-class fuel efficiency and a seamless transition to biogas, the Scania Touring LBG/LNG was a worthy winner of the Sustainable Bus Award 2025.

Read more →

A world-first in sustainable truck manufacturing

Scania achieved a significant milestone by becoming the first truck manufacturer to integrate remanufactured components, in research collaboration with KTH Royal Institute of Technology, on its main assembly line.

Read more →

A new venture for seamless electric truck charging

Scania launched Erinion, a charging solutions company with bold plans to provide 40,000 new charging points at customer locations in Europe by 2030.

Read more →

Timber transport goes electric

Delivered in 2024, SCA's second electric timber truck, a Scania capable of hauling up to 70 tonnes, will save the Swedish timber manufacturer about 170 tonnes per year in CO_2 emissions.

Read more →

2024 IN NUMBERS

Scania delivered another successful year in 2024. Despite geopolitical and macroeconomic instability, overall demand for Scania's transport solutions remained high and drove a strong financial performance alongside continued sustainability progress.

Deliveries
New vehicles 102,069 up 6% from 2023

+6%

Net Sales
SEK 216,129 million, up 6% from 2023

+6%

Operating margin, adjusted
SEK 30,449 million, adjusted operating income

14%

CO_2e from vehicle use
Emission level at 88.5%, down 12% since 2015

-12%

CO_2e from operations
Tonne CO_2e 110,048 down 47% since 2015

-47%

Sales of alternative fuels and electrified vehicles
No. of vehicles sold 6,558 in 2024, 6% of total sales

6%

ABOUT SCANIA

Premium solutions
for sustainable transport.

Highlights

OUR VISION FOR SUSTAINABLE TRANSPORT

Scania's purpose is to drive the shift towards a sustainable transport system.

Transport is the lifeblood of a functioning society. By keeping people and goods moving, it drives social and economic growth and resilience. Sustainable development depends on it.

Yet transport in its current form also presents a problem. The transport sector is a major contributor to global CO_2 emissions. The planet is at a tipping point, but demand for transport is growing. We need to break the system's dependency on fossil fuels and move rapidly to renewable sources of energy. The transport industry also needs to improve the integration of social risks and challenges into its operations.

The shift to a sustainable transport system is underway, and Scania is taking a leading role in driving it. Driving the shift matters not just because it's the right thing to do, but because the future of our business depends on it. Transport is transforming faster than any time since the industrial revolution, and it's vital that we are ahead of the curve. To stay competitive and profitable, we need to embrace change, take risks and show leadership. Those who fail to do so risk being left behind.

A sustainable transport system is one that meets the needs of planet, people and business. Decarbonisation is central to this vision, but it's not the only part of the picture. We want to ensure that the transition to renewable energy is done in a way that maximises value for society, and minimises negative impacts. To do this we look at sustainable transport through three lenses:

Decarbonisation: rapidly transitioning away from fossil fuels.

People sustainability: ensuring a just transition for people and society.

Circular business: optimising the use of resources and minimising waste throughout the product life cycle.

Read more on achieving a sustainable transport system →

WHAT MAKES TRANSPORT SUSTAINABLE?

Scania's vision aligns closely with global definitions and aspirations for sustainable transport as set out by the UN and the World Bank. Scania supports these aspirations both directly through our business activities, and through our partnerships and advocacy.

A sustainable transport system should be:

Inclusive
Accessible to all.

Safe
Not only for drivers and transport users but also for other road users, and all others indirectly affected by it.

Healthy and clean
Minimising harm to physical and mental health and well-being.

Decarbonised
Reducing carbon emissions by breaking the dependency on fossil fuels.

Efficient
Both in how it moves goods and people and in its use of resources.

OUR VALUE CHAIN

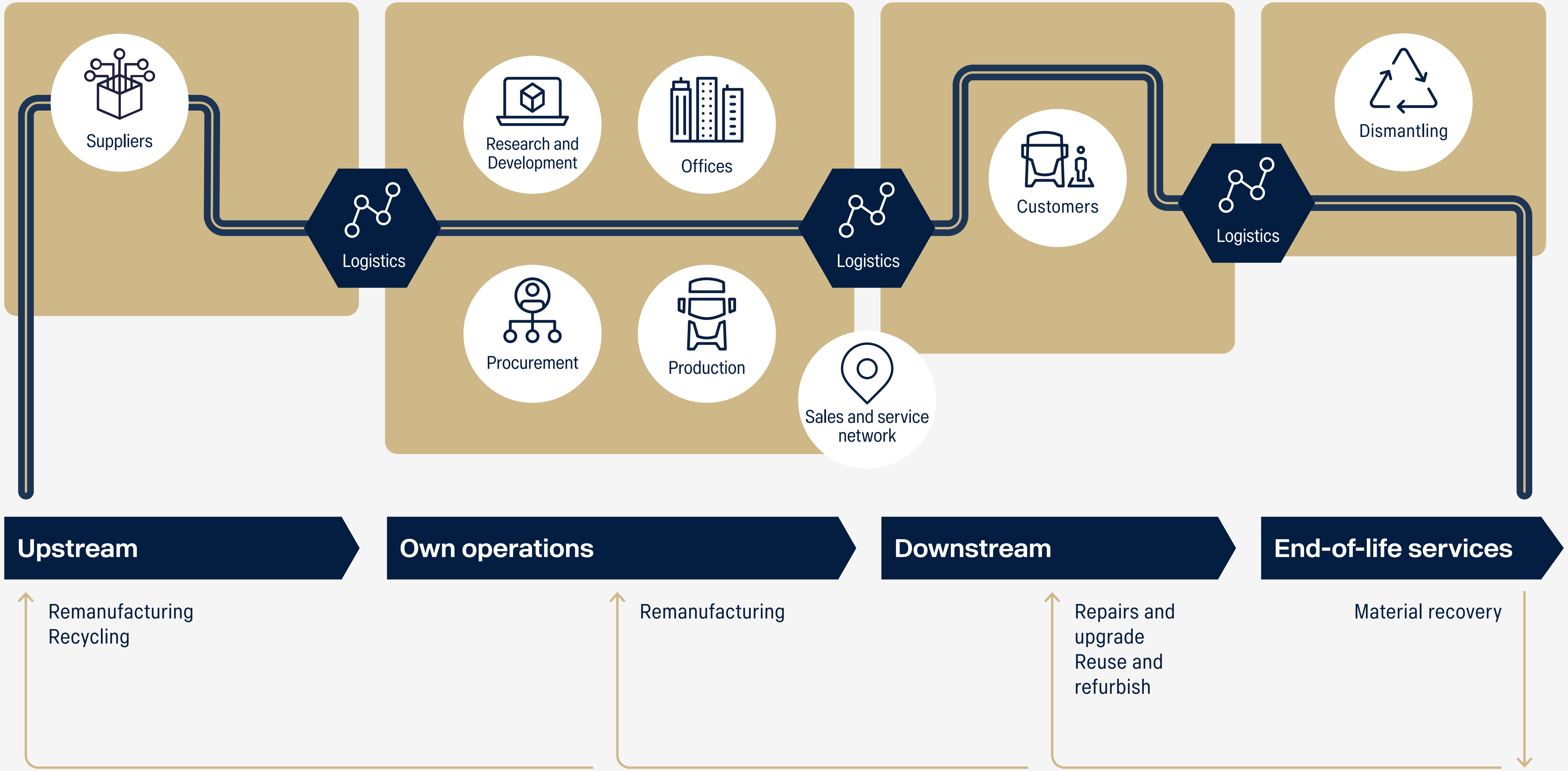
Our value chain encompasses the key stages of our product and service life cycle. It defines the scope and boundaries we use to assess and manage our social and environmental impacts, risks and opportunities.

Upstream
Upstream activities include raw material extraction and the sourcing of parts and components from suppliers.

Own operations
Scania's own operations cover the development, production, sales and delivery of our products and services.

Downstream
Scania provides services to customers while our products and services are in use, including maintenance, repairs and logistics.

End-of-life
End-of-life management includes the recovery of materials for remanufacturing, and the recycling of batteries and other components.



OUR GLOBAL OPERATIONS

With nearly 59,000 employees in more than 100 countries, Scania is a truly global player. Our sales and service network is strategically placed where our customers need us, no matter where they operate.

Scania's production takes place in Europe and Latin America, and a production site in Asia is underway. With synergies in TRATON GROUP, research and development is carried out globally, with our main site in Södertälje, Sweden acting as the hub for our R&D activities.

We provide premium products, services and solutions for sustainable transport and our offering includes trucks, people transport, power solutions and services. By integrating products and services, and by working in close partnership with our customers, we offer complete transport solutions tailored to individual need.

Employees

59,000

Markets served

100+

Service points

1,500+

Number of connected Scania products

700K

GLOBAL NET SALES

- **Trucks** 66%
- **People transport** 5%
- **Power solutions** 2%
- **Service related products** 20%
- **Used vehicles** 5%
- **Other** 2%

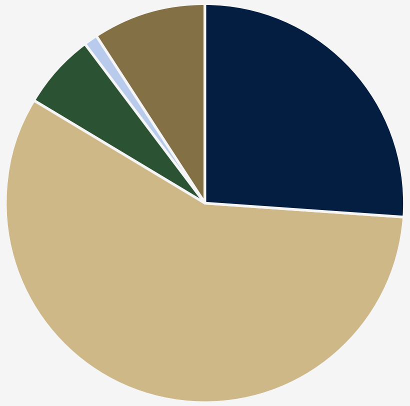
Read more over the next five pages.

→

TRUCKS

Scania supports transport companies across the world by delivering heavy trucks for each customer's need. We offer solutions for a range of applications including long-distance, urban applications and construction.

DELIVERIES



America*	27%
Europe	57%
Africa & Oceania	6%
Eurasia	1%
Asia	9%

* Refers to Latin America.

CASE STUDY

Power meets efficiency

When you combine Scania's 770 hp V8 engine with its new G38 gearbox, the result is an ideal balance of power and fuel efficiency, bringing significant savings in fuel and carbon emissions. Introduced in 2024, the G38 is designed to handle 3,800 Nm of torque without adding weight or dimensions. The gearbox is also lighter by 60–70 kg due to its all-aluminium housing, further enhancing fuel efficiency.

Read more about our G38 gearbox →

CASE STUDY

A battery electric for every application

Long gone are the days when electric trucks were suitable only for a limited number of transport applications. Today, Scania electric trucks are taking on an increasingly broad range of tasks, from light, urban applications all the way through to long-haul distribution and construction operations. Scania broadened its electric truck offer further in 2024, expanding the range while also introducing more electric machines, axle configurations and cab alternatives, plus a number of power take-off solutions.

Read more about our electric truck offer →

CASE STUDY

Easing the transition to sustainable coach transport

We know that many express coach and long-distance operators want to make the transition to sustainable transport. But how to do that without major investments and operational headaches? Step forward the Scania Touring.

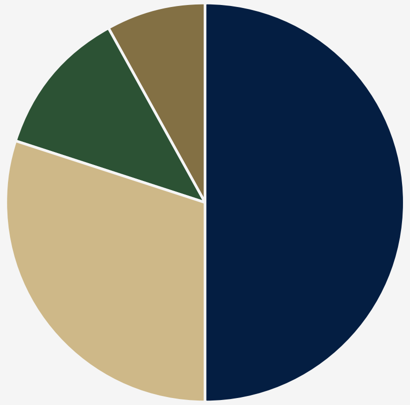
Launched in 2024, the new LBG/LNG variant of our long-distance coach can run on both natural gas and biogas, or a mix of the two. As such it allows a smooth transition to biogas, creating a circular and economically viable solution for sustainable long-distance transport that's available here and now.

Read more about Scania Touring →

PEOPLE TRANSPORT

Scania offers buses and coaches for customers in the urban and travel segment, working closely with bodybuilders and partners. Our offer includes complete solutions, tailored to help solve today's mobility challenges.

DELIVERIES



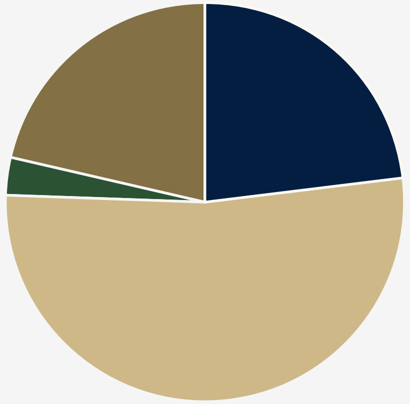
America*	50%
Europe	30%
Africa & Oceania	11%
Eurasia	0%
Asia	9%

* Refers to Latin America.

POWER SOLUTIONS

Scania engines can be found at the heart of machines required to be in use 24 hours a day, including in wheel loaders, patrol and public transport boats, and power gensets.

DELIVERIES



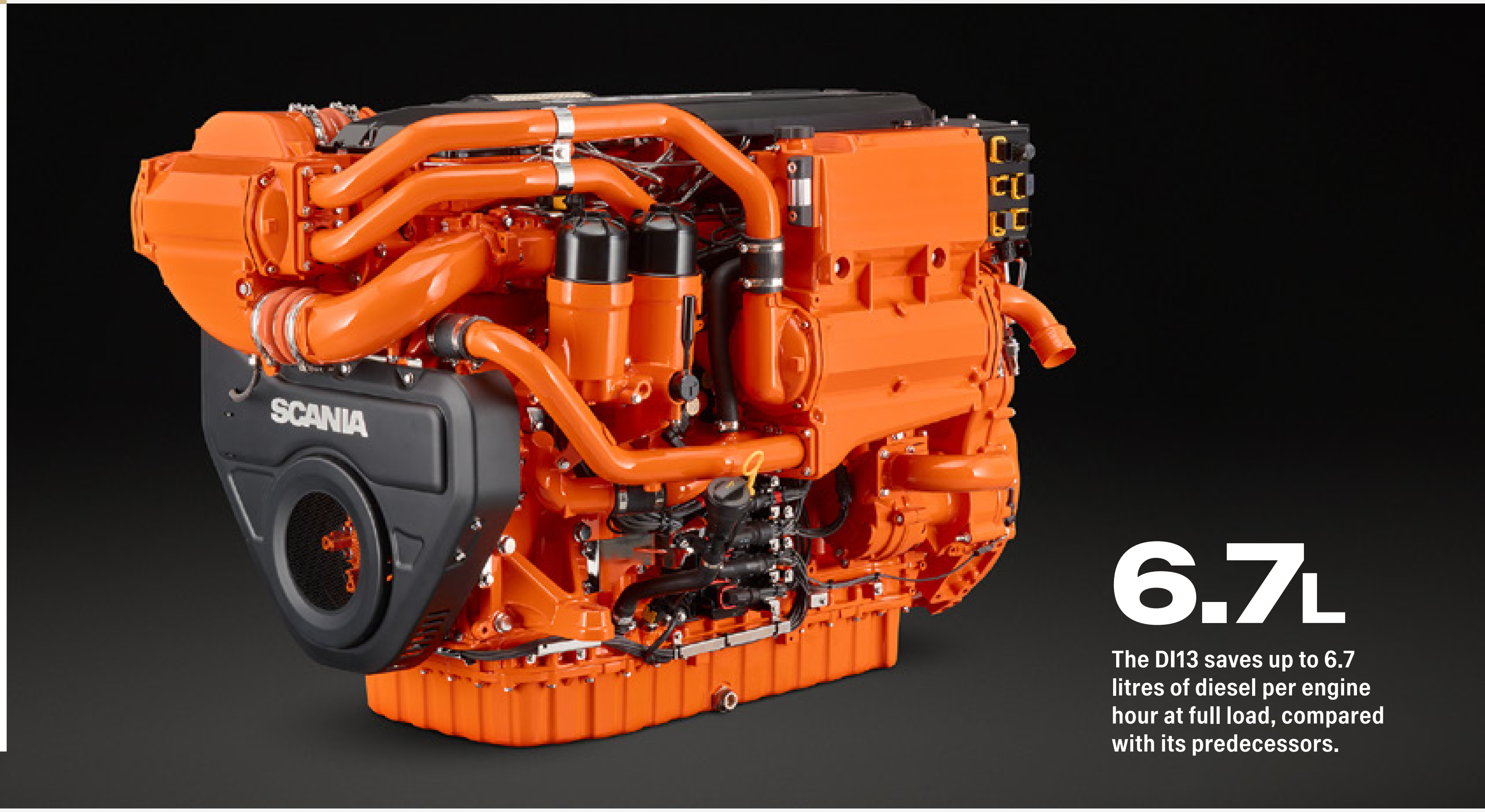
America	23%
Europe	52%
Africa & Oceania	4%
Eurasia	0%
Asia	21%

CASE STUDY

DI13 engine: versatility meets sustainability

Unveiled in September 2024, Scania's new 13-litre DI13 engine sets a new standard for sustainability in the maritime industry. Our most advanced marine engine, the DI13 significantly offers up to 8 percent improvement in fuel consumption compared to its predecessors. That translates to a potential saving of up to 6.7 litres of diesel per engine hour at full load. The engine meets IMO Tier III emission standards and support biodiesel and HVO fuels. With its ability to handle both heavy and light-duty operations, the DI13 is both a versatile and sustainable choice.

Read more about our marine engines →



6.7L

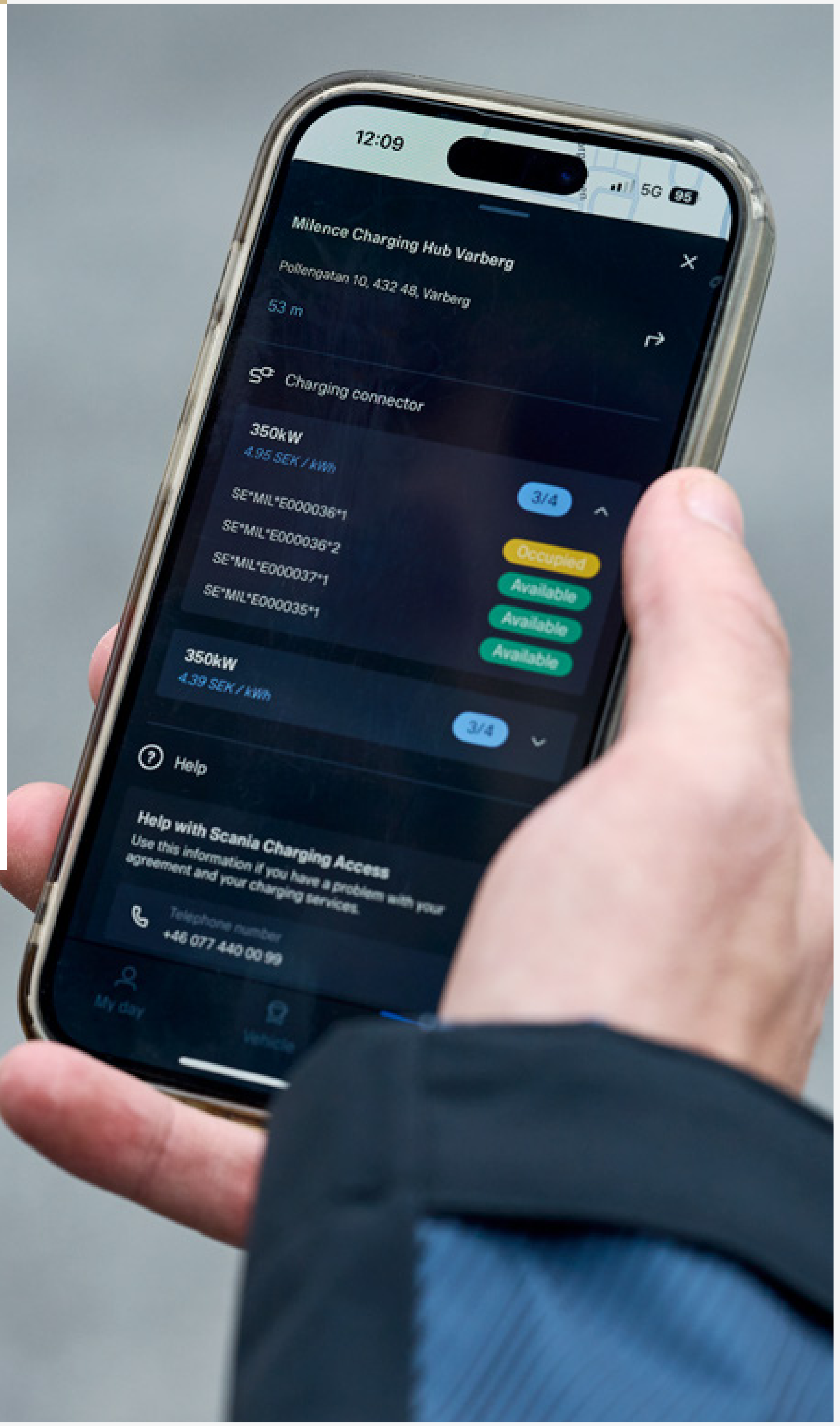
The DI13 saves up to 6.7 litres of diesel per engine hour at full load, compared with its predecessors.

CASE STUDY

ProDriver: unlocking fuel savings through driver training

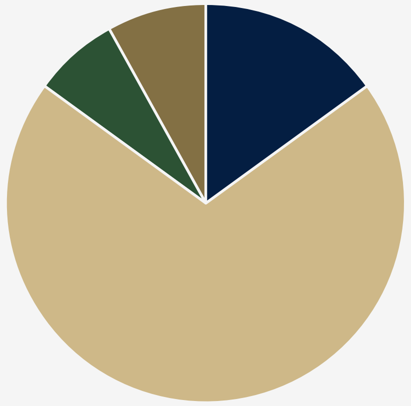
At Scania, we know that driving habits have a big impact on fuel economy. That's why, in 2024, we introduced ProDriver, a revolutionary digital coaching service created for and with professional drivers in long-haul and regional transport. Combining the excitement of gamified learning with actionable insights, ProDriver promotes sustainable driving practices, helping customers achieve up to 5 percent in fuel savings. It's a new way to drive smarter and more sustainably, turning everyday routes into opportunities for growth.

Read more about our smart services →



SERVICES

Scania's extensive service offering includes workshop services, tailormade maintenance with flexible and predictive plans, driver training and evaluation. We also offer services for support and management of our customers' operations.



America*	15%
Europe	70%
Africa & Oceania	7%
Eurasia	0%
Asia	8%

* Refers to Latin America.

Through TRATON Financial Services, Scania also offers flexible financing and insurance solutions, tailored to give our customers predictable costs and manageable risks over the entire life cycle of their vehicles.

OUR STRATEGY

Connecting our actions today with our ambitions for tomorrow.

Highlights

SHAPING OUR STRATEGY

Our strategy is shaped by insights into how the global transport industry is changing, both in terms of the forces affecting it today, and the directions it might take tomorrow.

The forces shaping transport today

Certain forces are reshaping the transport industry and driving radical changes in Scania's operating environment. Our strategy has been developed in response to the risks and opportunities these key trends present to our business. Examples include the following:

Climate change

– Urgent and collective action needed to mitigate climate impacts
– Climate adaptation measures necessary to prepare for global heating and more frequent extreme weather events.

Geopolitical trends

– Increasing geopolitical tensions and polarisation could inhibit collective action necessary for sustainable transition
– Risk of weakening political support for climate action and retreat from net zero commitments.

Societal trends

– Increasing urbanisation putting pressure on transportation infrastructure
– Increasing social expectation for businesses to take action to address sustainability impacts.

Digital and technological transformation

– Technological innovation is transforming the transport sector and accelerating the sustainable transition
– Transformation creates new business opportunities but also risks for companies who fail to adapt quickly enough.

Legal and regulatory changes

– Increased legislation (e.g. emission legislation, human right frameworks, transparency regulations)

MODELLING THE FUTURE: THREE SCENARIOS

Scania's strategy is informed by insights into how our world might look in the future, based on how current trends could play out over the coming years. By modelling plausible scenarios and testing our strategy against the main ones below, we can ensure our strategy is robust and make course corrections where necessary.

Biosphere highway

A biotech world with intense competition among sustainability leaders.

Diverging roads

A polarised world in which strong nations focused on power lead their blocks.

Hyperlocal paths

A local world of re-use economies, micro-solutions and virtual communities.

For more information visit scania.com →

OUR STRATEGIC FRAMEWORK

Our strategic framework connects our actions today with our ambitions for tomorrow. It brings together all the elements we need to deliver on our purpose in the near, mid and long term.

Long-term horizon = >10 years
Mid-term horizon = 5–10 years
Near-term horizon = Next 12 months

1 Our purpose
Scania is driving the shift towards a sustainable transport system. This overarching purpose guides all our actions and decisions every day.

2 Corporate objectives
Our long-term aspirations. Our corporate objectives give everyone in our company a shared view of where we are going, and the kind of company we want to be.

3 Future transport ecosystem
Our scenario tested strategy is robust and flexible enough to ensure we succeed, no matter what the long-term future holds.

4 Strategic direction
Sets out our direction of the company in the mid-term. It covers our strategy for the transport ecosystem, our business areas and our industrial and commercial presence.

5 Corporate targets
Set out the most important things we need to achieve in the mid-term horizon to meet our long-term objectives and fulfil our purpose.

6 Key yearly challenge
What we need to focus on doing this year to ensure we're moving in the right direction.

7 The Scania Way
The values and ways of working that make us special and by which we are recognised. We will always remain true to these values, even as our business transforms.

Corporate objectives

- Our actions leave a better tomorrow for people and planet
- We have the most satisfied, sustainable and profitable customers
- We innovate, invest and scale into a highly transformative environment
- We continuously improve our flows, in small and big steps
- We are the best performing company in our industry
- Employees and partners are proud to be part of the Scania family

OUR STRATEGIC DIRECTION

Scania's strategic direction sets out how we want our company to develop in the mid-term perspective.

Our Executive Board sets and annually refines our strategic direction, covering our strategy for the transport ecosystem, business areas and global presence.

For over 130 years Scania's core business has been to provide premium vehicles, services and solutions for sustainable transport. Maintaining the excellence of our core is a cornerstone of our strategic direction, along with developing our service network to fit new technologies and ways of doing business, as well as optimising our global industrial and commercial presence.

In addition, as the ecosystem evolves, growth opportunities in areas complementing our core emerge.

Complementing solutions: three new key growth areas for Scania

Energy and infrastructure
Co-creating the energy infrastructure needed to accelerate the shift to electric transport.

Asset management and circularity
Managing vehicles and fleets over their entire life cycle to minimise environmental impact.

Autonomous and supply chain
Working with shippers to develop and deploy autonomous technologies.

CASE STUDY

JUNA: making it easier to switch to electric

Transport operators can now enjoy all the benefits of electric trucks without the risks of full ownership thanks to JUNA, a new joint venture partnership between Scania and sennder Technologies GmbH. Through JUNA, small and medium carriers can access Scania electric trucks on a pay-per-use basis, with pricing also covering repair, maintenance, insurance and digital and analytics services. The company is an example of how we venture into asset management and circularity, and supports our wider ambition to accelerate the adoption of electric vehicles.

Read more →

"70 percent of all trucks in Europe are owned by small carriers with fewer than 10 trucks. JUNA's offering will effectively remove the barriers to adopting electric trucks for these carriers."

David Nothacker,
sennder Technologies GmbH CEO

OUR DECARBONISATION JOURNEY

Decarbonisation is the area where Scania can make the biggest contribution to sustainability. We have a plan to make that happen.

WHAT WE WANT TO ACHIEVE

We are convinced that we as a company, as well as the world of transport, can be fossil-free before 2050 as agreed in the Paris Agreement on Climate Change. As a key strategic priority, we have committed to cutting emissions across our entire value chain in line with that target.

>90% of our total carbon emissions come from our vehicles when they are in use

HOW WE'LL GET THERE

We are focused on three key areas:

Vehicles in use
The emissions from our vehicles when in use in our customers' operations, account for most of our carbon footprint. Steps we're taking to reduce these emissions include shifting to electric vehicles, promoting renewable fuels and improving energy efficiency. We also work with partners across our ecosystem to create the enabling conditions to make sustainable transport a reality.

Our own operations
Our day-to-day operations – including running our industrial, retail and office facilities and transporting goods and materials – produces carbon emissions. Decarbonisation activities include switching to renewable energy for our facilities and using electric vehicles for our transport needs.

Our supply chain
We are committed to decarbonising our supply chain with a special focus on the most emitting materials and components such as steel, batteries, aluminium and cast iron. Supply chain decarbonisation will become more important as our portfolio shifts to electric vehicles, because then the supply chain will account for a greater proportion of our overall emissions.

OUR TARGETS AND PROGRESS

We are coming to the end of our target cycle for 2025, and have introduced new targets for 2032. We are on track to achieve our 2025 operations emissions target. However, we are currently not on track to meet our target for vehicles in use.

For more on our decarbonisation progress and challenges, see page 32.

2025

1 Direct emissions from owned or controlled sources
2 Indirect emissions from the generation of purchased energy, heat and steam

50% 1.5°C
CO_2 reduction from our operations in 2025 (tonnes CO_2e compared to 2015)
-46.9% (2024)

3 Indirect emissions that occur in the value chain both upstream and downstream

20%
Use-phase CO_2e/km reduction from vehicles produced 2025 compared to vehicles produced 2015
-11.5% (2023)

2030
100 percent green purchases of steel, batteries, aluminium and cast iron for European operations

2032

1 Direct emissions from owned or controlled sources
2 Indirect emissions from the generation of purchased energy, heat and steam

50% 1.5°C
CO_2e reductions from our own operations in 2032 compared to 2022

3 Indirect emissions that occur in the value chain both upstream and downstream

45%
Use-phase CO_2e/km reduction from our vehicles produced 2032 compared to vehicles produced 2022

Towards zero emissions

SUSTAINABILITY REPORT

This Sustainability Report is prepared in compliance with the Annual Accounts Act while using the CSRD`s European Sustainability Reporting Standards (ESRS) as inspiration.

SUSTAINABILITY GOVERNANCE

Scania's sustainability governance

As a signee of the UN Global Compact, Scania is committed to uphold the 10 principles in the areas of environment, human rights, labour rights and anti-corruption. Scania views these global goals as a shared agenda to invest in our planet and society. This requires collaboration across government, business, and wider civil society.

At Scania, there is no separate strategy for sustainability. Instead, sustainability is at the core of the business strategy aiming to align targets and activities with sustainable development. The strategic work is dependent on understanding the sustainability impact, including the risks and opportunities along the product life cycle, with the ambition of linking targets and actions with science. Our strategic sustainability actions are focused around three interconnected priorities, based on our key impacts throughout our product life cycle: decarbonisation, people sustainability and circular business.

Our ambition is to implement a just transition that aims to ensure that no people, workers, places, sectors, countries or regions are left behind in the transition from a high-carbon to a low-carbon economy. It involves maximising the social and economic opportunities of climate action, while minimising and managing challenges, including building meaningful stakeholder engagement and effective social dialogue among all groups impacted, and respect for fundamental labour principles and human rights. Scania puts people alongside climate change in its strategy and operations.

Sustainability management

Sustainability is integrated into Scania's general steering processes and organisational structure which are described in the Corporate Governance report (page 82). Ownership of sustainability at Scania is positioned at the highest level, under the Executive Vice President, Head of Communications and Sustainability. Operationally, each function and entity at Scania is accountable for implementing sustainability in line with our objectives and priorities. This is supported by the Corporate Sustainability Team, led by the Head of Sustainability, as well as by other support functions including Compliance, People and Culture, Commercial operations, Sales and Marketing, Finance and business control, Research and Development and Procurement.

SUSTAINABILITY GOVERNANCE

Scania's strategic sustainability work is dependent on understanding our impact, including the risks and opportunities along the value chain. The Double Materiality Assessment (DMA) provides an overview of the most material sustainability topics (read more on page 28).

The risks and opportunities within sustainability are identified in all functions, and may relate to, for example, government regulation, technology development, customer satisfaction and physical risks. The risks and opportunities within sustainability are managed and integrated in the Scania risk and strategy processes. (Read more on the risk process on page 87).

Scania measures and follows up on sustainability performance in relation to set targets. Scania's key sustainability commitments, such as the science-based climate targets, are part of our corporate targets and impact investment decisions across our business areas, from production and logistics to product development and sales priorities.

To ensure further integration of sustainability in processes and decision-making, the target for carbon emissions scope 1 and 2 are implemented in the incentive programme for our management which covers senior executives and key position holders.

Scania Sustainability Board
The Scania Sustainability Board (SSB) is the highest operational executive decision forum for strategic sustainability topics at Scania. Established in 2016, the SSB consists of executives across all our business areas and corporate functions, as well as representatives from the business value tables. The SSB is chaired by the Executive Vice President, Head of Communications and Sustainability. Each SSB participant has the responsibility to contribute actively by representing their organisation as well as the whole company and bring information, decisions and actions from the meeting to relevant forums.

The SSB is responsible for setting the sustainability direction, targets and initiatives, and ensuring cross-functional action on sustainability priorities. The SSB tracks progress through four roadmaps: operations and supply chain decarbonisation; sustainable transport (includes vehicle in use); people sustainability and circular business. The SSB is an integrated part of the strategic yearly process where these roadmaps are evaluated quarterly. The SSB also approves the Double Materiality Assessment (DMA).

The SSB has quarterly meetings and can also have extra meetings if needed on specific agenda points. During 2024, the SSB held four meetings.

Policies within Scania
Scania's Code of Conduct and Scania's Group Policies are valid for all Scania employees and entities globally. More information is found in the Corporate Governance report (page 82).

Each Group Policy has an owner who is responsible for continuously assessing the need for developing or updating Group Policies.

The Corporate Governance Board is the body responsible for monitoring the implementation of Group Policies. Once a new or updated policy is approved and released, requests for implementation are sent to the top management responsible, who is expected to implement the policy in its respective operational units or legal entities within six months. If implementation is not possible in due time, they must apply for an exception. The implementation status and applications for exception are followed up monthly in the Corporate Governance Board.

Scania ensures wide availability and understanding of its policies through multiple channels and stakeholder-specific approaches, including on the intranet for employees together with mandatory policy communication by managers.

Key documents and policies related to sustainability are available externally on Scania's website.

Stakeholder engagement

Scania's stakeholders range from customers, employees and other workers throughout the value chain and their representatives, owners and lenders to transport ecosystem partners, infrastructure providers, transport users and the wider society. By working with stakeholders across the ecosystem, Scania can promote the adoption of today's most sustainable solutions, while developing the technology and enabling conditions that will support the transport system of tomorrow. Scania responds to needs and expectations and addresses potential adverse impacts.

For Scania it is essential to create value for our stakeholders. We continuously engage with our business stakeholders to find out what they perceive are the most important topics facing the transport industry as a whole and Scania as a company.

Stakeholder engagement also includes the rightsholder perspective, meaning individuals at risk of being adversely impacted throughout Scania's value chain. Scania recognises its responsibility to manage impacts on rightsholders and the environment throughout the value chain.

Stakeholder engagement is integrated in Scania's strategy deployment process as well as within specific processes related to, for example, our environmental management system (ISO 14001) and within certain projects. Throughout the strategy process input is gathered from different stakeholder groups such as shareholders, customers and employees. The stakeholder engagement is a key part in determining needs and expectations, as well as impacts and risks, which is the foundation for Scania's DMA but also key in strategy development and resilience testing. The DMA is part of Scania's strategic work and continuous improvement philosophy. These assessments, coupled with continuous stakeholder dialogue, lay the foundation of Scania's strategic direction and target setting.

Double Materiality Assessment

In 2024, Scania undertook its first Double Materiality Assessment (DMA) in line with the European Sustainability Reporting Standards (ESRS) to evaluate key sustainability impacts, risks and opportunities (IROs). This assessment considers two dimensions:

Impact materiality: This dimension examines Scania's direct impact on the environment, people and society, including impacts on employees, emissions, resource use and supply chain practices. By assessing these areas, Scania can prioritise actions to reduce our environmental footprint and strengthen our social responsibility.

Financial materiality: This aspect evaluates sustainability-related risks that may affect Scania's financial performance, such as regulatory changes, shifting demand for low-emission transport, and resource scarcity. Understanding these factors helps us anticipate impacts on revenue, operational costs, access to cash flows and market position as well as our role as employer.

Key impacts and dependencies identified include CO_2 emissions and reliance on critical resources like steel and lithium. In response to increasing customer as well as regulatory demands, Scania is investing in renewable energy and sustainable materials sourcing, addressing environmental concerns, promoting ethical practices, and supporting community well-being. These efforts reduce regulatory risks and enhance Scania's competitive position in the heavy commercial vehicles market.

Methodology and assumptions

Process overview
The DMA process began by first identifying and engaging key stakeholders, followed by a high-level scoping of IROs to evaluate issues relevant to Scania. This initial phase leveraged internal and external data sources aligned with ESRS standards. Insights were then refined through detailed reviews by internal experts and continuous stakeholder engagement. Results were presented to executive decision forums and the Board of Directors for approval, initiating integration into Scania's risk management and strategic planning. The DMA will be reviewed annually to maintain alignment with emerging trends, business developments, and stakeholder expectations.

The analysis, conducted in collaboration with Scania and the TRATON GROUP, covered the entire value chain, addressing internal operations, upstream, and downstream activities. Data collection and stakeholder engagement were key components, incorporating insights from desktop research, internal reports, workshops, and surveys. Topics included sustainability, decarbonisation, human rights, procurement, and compliance.

For social IROs, Scania partnered with Business Social Responsibility (BSR)[1] to assess social risks and opportunities, forming the basis for its salient issues (see page 53). The result was incorporated into the DMA. Nature-related IROs were assessed in collaboration with the World Wildlife Fund (WWF)[2], focusing on water, biodiversity, and ecosystems. Insights from the work with WWF will guide Scania's nature-action strategy.

1 Business Social Responsibility (BSR) is a sustainable business network and consultancy focused on social sustainability.
2 World Wildlife Fund (WWF) is a global environmental organisation, focused on conserving nature and combating environmental threats.

DMA Process

SUSTAINABILITY GOVERNANCE

Impact materiality
To assess the impact materiality, both positive and negative impacts were considered, along with actual and potential outcomes. Following ESRS guidelines, the impacts were determined by evaluating severity and likelihood where severity was assessed based on three factors: scale, scope, and remediability.

- When scoring **scale**, Scania evaluated the extent of the impact on the environment or people, excluding any consideration of existing mitigation actions.
- For scoring **scope**, Scania evaluated the extent of the impact based on parameters like the percentage of affected sites, employees, or financial expenditure related to the impact.
- For scoring **remediability**, Scania assessed the difficulty of reversing damage, factoring in costs, recovery time, and impacts on people.

By calculating the mean of these three dimensions, a score for severity was determined for negative impacts. For positive impacts, both actual and potential, only scale and scope were considered. A comprehensive likelihood assessment was performed for each impact, enabling an evaluation of the probability associated with each, spanning from rare occurrences to probable events.

Financial materiality
To assess financial materiality, both positive and negative financial outcomes were considered, along with actual and potential impacts. In line with ESRS guidelines, the materiality assessment evaluated three primary factors: likelihood, magnitude, and reputational effect.

- **Likelihood assessment:** Each risk or opportunity was evaluated based on the probability of occurrence, considering a range from rare to probable events.
- **Magnitude of financial impact:** This factor reflects the potential financial loss (for risks) or gain (for opportunities) without factoring in existing mitigation actions. The extent of the impact was assessed using parameters such as financial expenditure and projected revenue impact.
- **Reputational effect:** The potential reputational impact was evaluated based on the degree to which the event could affect stakeholder perception and brand integrity.

For overall materiality, the financial impact and reputational effect were combined, with financial impact given greater weight (75%). The likelihood score was then applied to this combined result to establish a materiality rating for each item.

Overall, an impact, risk or opportunity was material if the multiplication of severity and likelihood resulted in a risk score of 20 or more, with 100 being the highest possible score. After the assessment, a confidence score was assigned to indicate areas where further data may be needed, ensuring clarity for decision-making.

Integration in other processes

Sustainability-related risks identified through the DMA are being systematically integrated into Scania's overall risk management framework. This process reflects varying levels of maturity across topics, with some areas being well-established and others still in earlier stages of development. By leveraging a value chain perspective, Scania assesses sustainability risks and opportunities across all stages of its operations, from sourcing to end-of-life management. This approach guides decision-making, prioritises actions, and identifies key impact areas, while also considering both immediate risks and long-term goals. The risks are assessed and ranked based on a variety of indicators, such as the potential severity of the impact, the likelihood of occurrence, possible reputational effects and legal compliance.

SUSTAINABILITY GOVERNANCE

Once these risks are identified, they are categorised within the risk management framework at Scania, ensuring a consistent approach to both mitigating risks and capturing opportunities that arise from sustainability issues. This process allows Scania to proactively address risks that may affect its operations, ensuring alignment with corporate sustainability goals and long-term value creation. The material topics identified through the DMA form the foundation for Scania's 2025 reporting framework. While central to our sustainability strategy, not all will be fully addressed in the 2024 report, with some topics to be explored in future reports.

SUSTAINABILITY GOVERNANCE

KEY:

- Upstream
- Own Operations
- Downstream
- S Short
- M Medium
- L Long

MATERIAL TOPIC		VALUE CHAIN	TIMEFRAME
E1.1	Climate change adaptation	Upstream, Own Operations, Downstream	L
E1.2	Climate change mitigation	Upstream, Own Operations, Downstream	S, M
E1.3	Energy	Upstream, Own Operations, Downstream	M, L
E2.1	Pollution of air	Upstream, Own Operations, Downstream	M, L
E2.2	Pollution of water	Own Operations, Downstream	S
E2.6	Substances of very high concern	Upstream, Own Operations, Downstream	M, L
E.2.7	Microplastic	Downstream	M, L
E3.1	Water	Upstream, Own Operations, Downstream	L
E4.1	Direct impact of biodiversity loss	Upstream, Own Operations, Downstream	L
E5.1	Resources inflows, including resource use	Upstream	S
E5.2	Resource outflows related to products and services	Upstream, Own Operations, Downstream	S, M, L
E5.3	Waste	Own Operations	S
S1.1	Own workforce: Working conditions	Own Operations	S, L
S1.2	Own workforce: Equal treatment and opportunities for all	Own Operations	S
S2.1	Workers in the value chain: Working conditions	Upstream	S, L
S2.3	Workers in the value chain: Child & forced labor	Upstream	S, L
S3.1	Affected communities: Communities' economic, social and cultural right	Upstream	S, L
S3.X	(Entity specific) Road safety & privacy	Downstream	S, L
G1.1	Corporate culture	Own Operations, Downstream	S
G1.2	Protection of whistleblowers	Upstream, Own Operations	S
G1.4	Political engagement	Downstream	L
G1.5	Management of relationships with suppliers including payment practices	Own Operations, Downstream	S
G1.6	Corruption and bribery	Upstream, Own Operations, Downstream	S

DECARBONISING OUR VALUE CHAIN

Addressing our climate impact is our main contribution to sustainable development, and a key strategic priority for Scania.

Transport is essential for economic resilience, growth and development, but the sector is currently also a key contributor to global carbon emissions. For society to transition to an urgently needed net zero economy, we need a sustainable transport system: one that no longer depends on fossil fuels.

Driving the shift to sustainable transport is Scania's purpose. Addressing our climate impact through decarbonisation is at the core of our strategy and our most important contribution to delivering on our purpose.

Our approach

Climate change risks and opportunities

Our strategy is shaped by an informed understanding of the risks and opportunities climate change brings to our business.

For Scania, climate risks can be grouped into two categories. We face **transition risks** related to the transformation of the transport sector, and the technological and policy changes this transformation brings. We also face **physical risks** involving extreme weather and long-term climate shifts. The transition to sustainable transport is also a significant business opportunity for Scania, opening new markets and potential for growth.

The risk management process is one example of how we integrate these risks and opportunities into our business strategy. We also aim to mitigate risks through comprehensive scenario testing, using various scenarios based on different global temperature increases.

Setting targets to manifest our commitment

We are convinced that our company, and the transport sector as a whole, can decarbonise in line with the aims of the Paris Agreement. In 2020, we adopted science-based climate targets, and became the first Original Equipment Manufacturer (OEM) in the heavy transport industry to do so.

By setting science-based climate targets early, we wanted not only to hold ourselves accountable, but also to set an example and inspire change across our sector. Our aim was to demonstrate – both to ourselves and our industry – that we had the technology, products, and strategies necessary to reduce CO_2 emissions across our value chain, in line with scientific recommendations.

Our science-based targets are supported by a suite of near-term and long-term decarbonisation targets and commitments across our full value chain. See page 35 for details of our targets and our progress towards them.

Aligning our climate and business goals

Decarbonisation is integral to our business strategy. It is one of the six overarching corporate targets that shape our mid-term strategic direction.

Our carbon reduction targets guide our priorities and ensure that the transition to a lower-carbon transport system is central to our decision-making processes. Our target on scope 1 and 2 emissions are tied to our incentive system and executive remuneration, ensuring that accountability runs through every level of our organisation. All our corporate functions share responsibility for achieving carbon reduction in their area.

Scania takes a whole value chain approach to decarbonisation, reducing emissions at every stage of our value chain.

DECARBONISING OUR VALUE CHAIN

Our value chain impacts

To manage our climate impact and mitigate risk, we are committed to reducing emissions throughout our entire value chain and across all relevant scopes. We focus on our material impacts in three key areas: operational emissions, vehicle-in-use-emissions and supply chain emissions.

Operational emissions (scope 1 and 2)

Our operational carbon footprint includes the running of company assets such as our industrial and commercial facilities and our use of company vehicles (scope 1), as well as the energy we use for heating and cooling (scope 2). Decarbonisation activities include switching to renewable energy for our facilities, and transitioning to electric vehicles for our transport needs.

We prioritise efficient resource use in operations and production processes, guided by the core value “elimination of waste” and aiming to contribute to a circular economy.

We have a science-based target to reduce operational emissions by 50 percent until 2025 (from a 2015 baseline). In addition we have supporting targets covering energy and use of fossil-free electricity (read more on page 40).

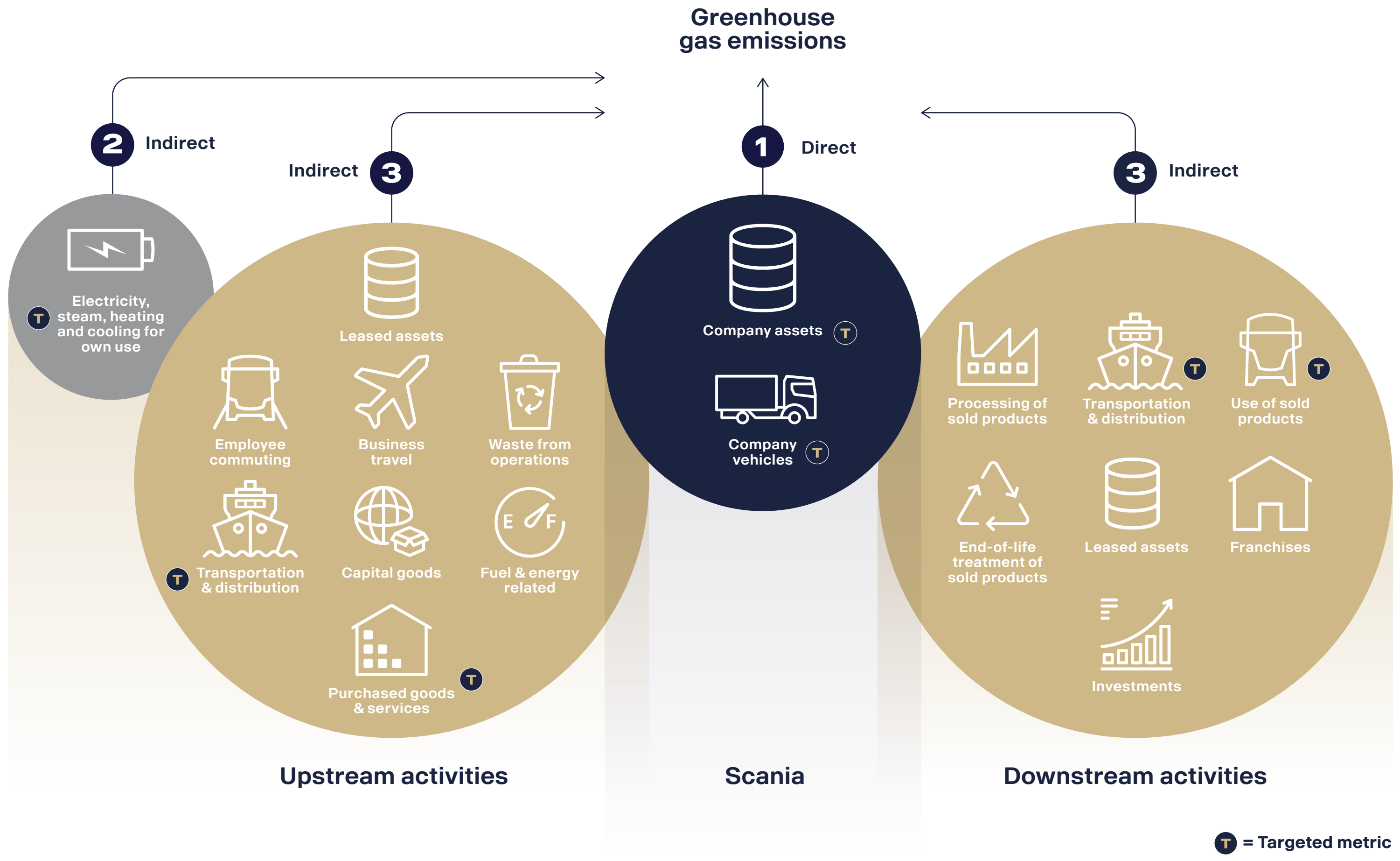
Vehicles-in-use emissions (scope 3)

The emissions produced by our vehicles once they have been sold and are in use by our customers account for the absolute majority – more than 90 percent – of our total value chain emissions. We take action to reduce the carbon impact of our vehicles in use in several ways, with a focus on electrification, renewable fuels and energy efficiency.

To measure the carbon impact from our vehicles in use, we base our calculations on well-to-wheel emissions. This means we include emissions that come from the production and distribution of the energy or fuel being used to run the vehicle as well as tailpipe emissions.

We have a science-based target to reduce emissions from our vehicles in use by 20 percent until 2025 (from a 2015 baseline).

Scania has also set a target on reducing emissions from the logistic chain (land transport) as one part of our scope 3 actions (read more on this target on page 39).



Scania takes a whole value chain approach to decarbonisation, cutting emissions at every stage of our value chain. To understand our full carbon impact and identify areas for improvement we carry out ISO-approved life cycle assessments. We calculate and report greenhouse gas emissions in accordance with the Greenhouse Gas (GHG) Protocol Corporate Standard.

DECARBONISING OUR VALUE CHAIN

Supply chain emissions (scope 3)

Reducing our supply chain carbon footprint is an important focus of our upstream scope 3 decarbonisation activities. This area will become increasingly important as our portfolio transitions to battery electric vehicles, and the most carbon intensive phase of our vehicles' life cycle shifts from in-use to production.

Certain key materials and components we use in vehicle production – steel, aluminium, batteries and cast iron – can be carbon-intensive to produce and contribute significantly to our scope 3 emissions. For each of these materials, we have committed to switching over to 100 percent green versions – i.e. materials produced using low-carbon processes – in our European production by 2030. These commitments have been embedded in our sourcing policies as mandatory requirements.

Transports of these materials also amount to emissions in the supply chain, and we are, therefore, constantly pushing the market to provide us with sustainable solutions on the transports of our goods and finished products, following Scania's general strategy to increase electrification and replace fossil fuels with renewable fuels.

Reducing emissions from our vehicles in use

We reduce emissions from transport through a range of products, services and solutions, with a focus on the following four areas.

Electrification

Electrification is vital to the long-term decarbonisation of transport. We offer electric alternatives for a wide range of applications, from urban operations to long-haul and heavy industrial environments.

Aside from providing electrified vehicles, we support our customers in their needs to transition to sustainable transport including analysing and planning their specific need to tailor, finance and implement charging solutions that build on public charging or depot charging.

Renewable fuels

While electric transport solutions need time to mature in some markets, renewable fuels offer our customers a low-cost route to significantly cutting carbon emissions here and now. All our internal combustion engines can run on hydrotreated vegetable oil (HVO), and our gas vehicles can run on biomethane, which offer a carbon saving of up to 90 percent compared with a diesel-powered equivalent.

Energy efficiency

We contribute to fuel economy and carbon reductions by making continuous improvements in driveline technologies. The Scania Super, our most efficient internal combustion engine (ICE) driveline, delivers fuel savings of up to 8 percent and significantly cuts emissions, particularly when used with renewable fuels. Using real-time data from our connected vehicles, we develop services to lower fuel consumption and enhance vehicle uptime, including driver training for fuel-efficient and safe driving. Optimised specification of our customers' vehicle also contributes to decarbonisation.

Enabling conditions

Beyond managing our own direct and indirect impacts, we also help to create the long-term conditions necessary to accelerate the transition to sustainable transport, with a focus on circularity, energy infrastructure, autonomous solutions, and a decarbonised supply chain. We work with partners across the transport ecosystem to develop sustainable infrastructure and technologies, and push for the policies and investments needed to make sustainable transport a reality.

DECARBONISING OUR VALUE CHAIN

Progress and challenges to climate reduction targets

Focusing on our biggest impacts

SCOPES IN ACCORDANCE WITH GHG PROTOCOL

1 Direct emissions from owned or controlled sources

2 Indirect emissions from the generation of purchased energy, heat and steam

Aligning our decarbonisation strategy with science

50% 1.5°C

CO_2 reduction from our operations in 2025 (tonnes CO_2e compared to 2015)

Our way of reaching the targets

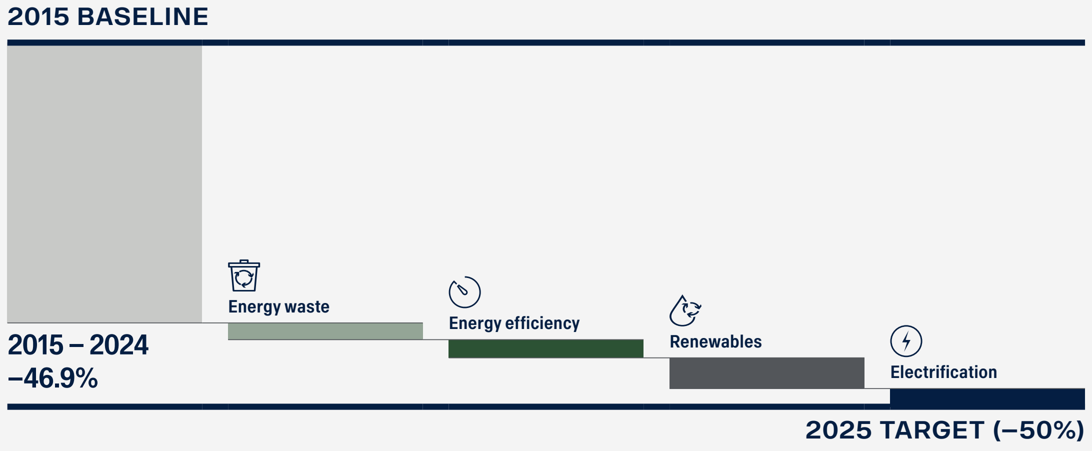
How to impact emissions from operations

Energy waste
Eliminating energy waste through continuous improvements

Energy efficiency
Optimising heat, ventilation, lighting and production processes

Renewables
Purchasing fossil-free electricity and transition to renewable fuels

Electrification
Reducing emissions by electrification of own company vehicles



3 Indirect emissions that occur in the value chain both upstream and downstream

>90% of all Scania's emissions come from when our customers use our products

20%

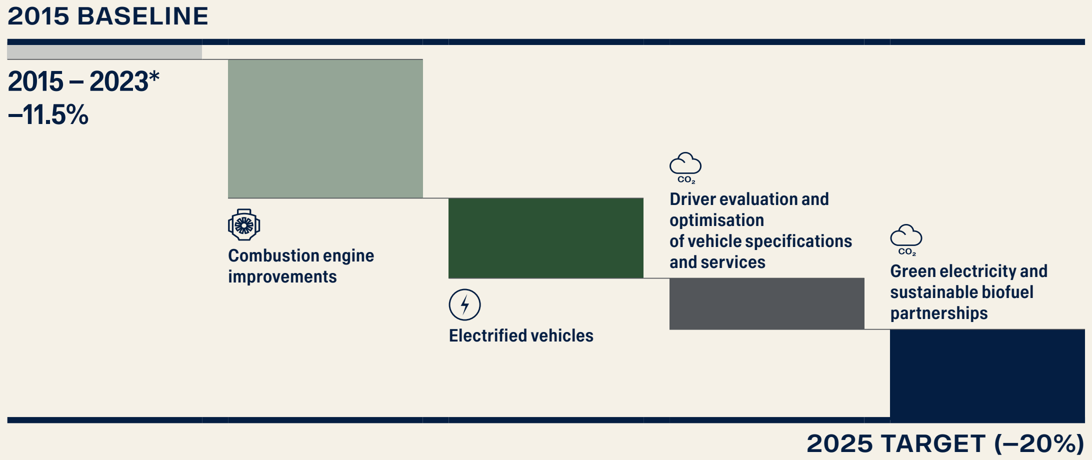
Use-phase CO_2e/km reduction from vehicles produced 2025 compared to vehicles produced 2015

How to impact emissions from our products

Conventional powertrains
Developing more fuel efficient solutions of the traditional combustion engine

Electrification
Selling an increased share of electrified vehicles

Adjacent initiatives
Adjacent mechanisms that can improve CO_2 reduction within both conventional and electrified technology



* Input data is CO_2e/km from operative months within 12 months and starting after the month of production, causing reporting to lag one year. The result reported 2024 refers to units produced in 2023.

DECARBONISING OUR VALUE CHAIN

Actions to reduce our scope 1 and 2 emissions
By following our decarbonisation roadmap, Scania has a clear plan towards reaching the target for 2025. Important steps towards this goal will be to increase the number of electrified vehicles in the company fleet, as well as switching to renewable fuels and fossil-free electricity in our operations globally.

Throughout 2024, actions were taken across Scania's captive dealer and workshop network worldwide to reduce greenhouse gas emissions from daily operations. These actions are divided into three major streams: electricity, heating, and vehicle emissions.

To reduce greenhouse gas emissions from electricity consumption, Scania strives to purchase renewable electricity and invest in renewable energy generation systems, such as solar photovoltaic systems, where available. Within our industrial network all electricity comes from renewable energy and within our commercial network we are year by year increasing the sum.

During 2024 Scania reduced around 11 percent of the emissions from electricity compared to the previous year.

As part of the efforts to reduce CO_2 emissions from heating systems, Scania has invested in converting gas and oil boilers powered by fossil fuels to electric heat pumps (powered by green energy) in our facilities.

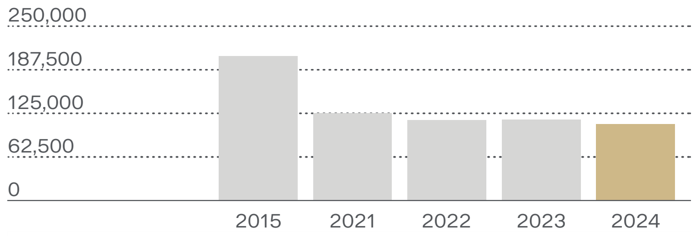
Emission reduction activities on our vehicles are also well underway with electrifying Scania's commercial company vehicle fleet worldwide.

Actions to reduce our scope 3 emissions
We are currently not on track to meet our 20 percent emissions reduction target for vehicles in use. But we have made important progress. Between 2022 and 2023, the latest reported period, the carbon reduction increased from 3 to 11.5 percent, mainly due to worldwide deliveries of the fuel-efficient Super powertrain. Emissions are expected to continue to decrease. However, not at the pace required to meet the 2025 target.

Our target was set based on certain expectations around the speed of the transition to electric transport. In recent years, that shift has not happened at the pace needed. The delayed ramp-up of electric vehicles deliveries is one explanation. Other challenges include insufficient investment in critical infrastructure, and governments retreating from climate commitments. This is slowing the adoption of the solutions needed to reduce our sector's carbon footprint.

CO_2E FROM OPERATIONS – SCOPE 1 AND 2 (SCIENCE-BASED TARGET)[1]

–46.9%



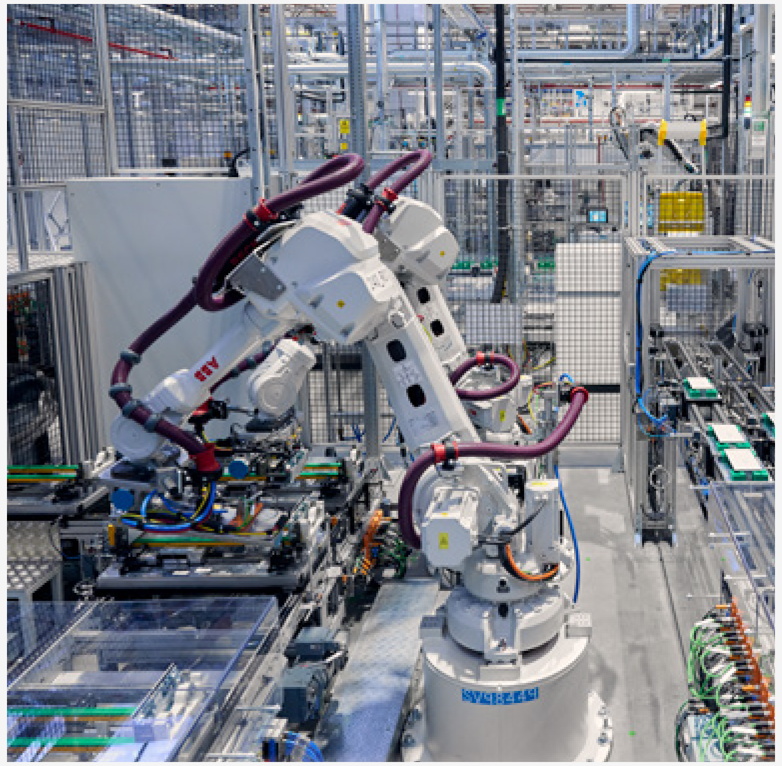
	Tonnes CO_2e
2024	**110,048**
2023	116,535
2022	115,172
2021	125,342
2015	207,121

Emissions have fallen by 46.9 percent since 2015. By following our decarbonisation roadmap, Scania sees a clear plan towards reaching our target for 2025. Important steps towards this goal include growing the number of electrified vehicles in the company fleet, as well as switching to renewable fuels and fossil-free electricity in our operations globally.

Target

50%

CO_2e reduction 2015–2025 (CO_2e)
From operations (scope 1 and 2)

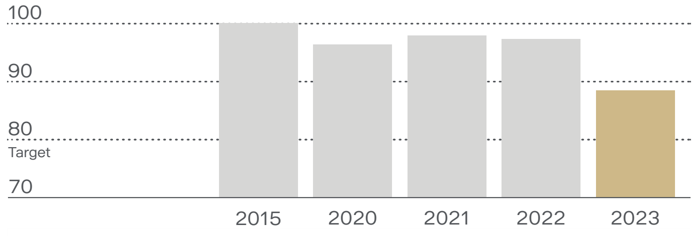


Definitions:
1. Absolute scope 1 and 2 greenhouse gas (GHG) emissions are disclosed in accordance with the principles in the GHG Protocol. Due to time constrains, parts of data are estimated (read more on pages 63–66). It covers Scania's global operations, including industrial operations as well as commercial operations. Figures for previous years (including base year – 2015) have been recalculated to account for divestments within the Scania subsidiary and the transport company LOTS, which occurred in 2024.

DECARBONISING OUR VALUE CHAIN

CO_2E EMISSIONS FROM VEHICLE USE (SCIENCE-BASED TARGET)[2]

–11.5%



	%
2023	**88.5**
2022	97.3
2021	97.9
2020	96.2
2015	100.0

Despite not being on track towards –20% in 2025, 2023 shows a large improvement in this measure. The two main contributors to this were the increased penetration of the Super powertrain and a high share of European vehicles, which meant that the adverse sales mix effects seen in the last three years were diminished. 2023 shows a reduction of 11.5 percent since 2015; and we expect further improvements in the coming years with continued focus on electric vehicles, renewable fuels and the efficient use of our products. The result reported 2024 refers to units produced in 2023.

Target

20%

CO_2e reduction 2015–2025 (CO_2e/km) WtW

While there is also room for further fuel-saving actions, such as driver training and optimised vehicle specifications, electrification is what will lead to a fully decarbonised transport system in the longer perspective. The technology is ready, and it will eventually be delivered at large scale, but transforming an entire ecosystem requires action from all its involved actors.

No single entity can resolve these challenges alone. The whole system must work in unison, guided by strong leadership and a renewed commitment to creating a future-proofed transport system that serves society. Public policy must deliver incentives to accelerate the shift to sustainable transport, including ending fossil fuel subsidies, putting a higher price on emissions and achieving total cost of ownership (TCO) parity between battery electric vehicles and internal combustion engines. Increased investments in renewable electricity, grid capacity, and charging infrastructure are also vital.

Scania calls on transport buyers to use their spending power to drive change and to engage in cross-industry collaborations, and cities and policy makers to work together to accelerate the shift to sustainable transport, using all available tools at their disposal.

Near-term targets: 2032

Although our forecast shows that we are unlikely to achieve our vehicles in use emissions target by 2025, we are determined to close the gap as much as possible. Our commitment to decarbonise is unwavering and we will continue with the ambition to phase out emissions in line with science. Moving forward, we will redouble our efforts to decarbonise our business at the pace science says is necessary to limit global heating to 1.5 degrees celsius. To achieve this we have introduced new interim targets for 2022–2032, committing us to halving emissions every decade.

Definitions:

2. Climate emissions indicator, scope 3 category 11 use of sold products, for all trucks and buses produced by Scania globally in a calendar year, calculated in a well-to-wheel perspective as CO_2e/vehicle-km (intensity target). Input data is CO_2e/km from operative months within 12 months and starting after the month of production, causing reporting to lag one year. For absolute numbers of scope 3 category 11 see page 70.

CLIMATE TARGETS 2022–2032

1.5°C

50%

CO_2e reduction from our operations by 2032 (2022)

Tonnes CO_2e

SCOPE 1 and 2

absolute

45%

CO_2e reduction from our vehicles by 2032 (2022)

CO_2e/KM WtW

SCOPE 3

intensity

ENVIRONMENTAL FOOTPRINT

It is central to Scania's daily operations to proactively reduce the environmental footprint from the whole value chain. This is achieved by working actively with emission reduction, resource use and energy efficiency. Scania's own environmental impact stems from production processes, global workshop facilities and offices. However, there is also an indirect environmental impact stemming from the materials sourced to build products, and the logistics required to be a manufacturer.

Environmental management system

To address the direct and indirect environmental impact, Scania works with several proactive measures such as an environmental management system, policies for our employees and business partners, and targeted initiatives.

The environmental management system is certified in accordance with ISO 14001 and is regulated in a global environmental policy. The policy's purpose is to ensure that Scania operates according to the highest global standard in all relevant environmental areas and lays the foundation for environmental work.

The management system is based on the Plan-Do-Check-Act (PDCA) cycle which aligns with our core values and main principles that guide our everyday actions throughout the organisation.

The corner stones are: Planning and Risk Analysis, Competence, Training and Awareness, Operations, Performance Evaluation and Continuous Improvement.

Scania's efforts are based on the precautionary principle and take a life cycle perspective. Furthermore, Scania's core value "elimination of waste" guides us in our work to continuously improve our processes in areas such as CO_2 emissions, energy, waste and water. The environmental work is integrated into daily operations through continuous improvements with risk assessment in focus. Our product development and all our production sites are certified according to ISO 14001. All production sites have permits that comply with national legislation. In addition to legal requirements and the conditions included in these permits, operations may also be subject to local requirements and rules. To assess the potential impact on the environment when changes in operations are to be implemented, the Scania Global Environmental Checklist shall be used as a basis to identify preventive actions and minimise possible environmental risk. Scania uses an internal audit programme to continuously evaluate our processes, methods and performance including management reviews to evaluate the environmental management system.

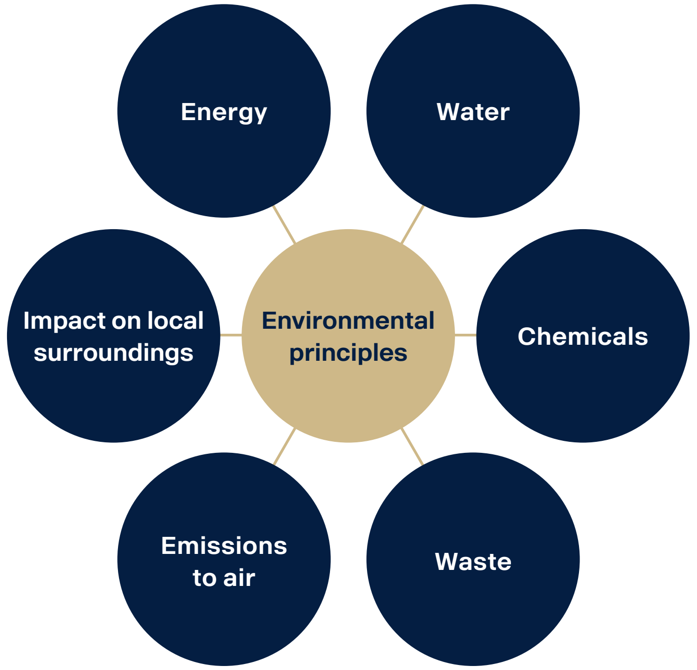
Environmental training programme

Scania's environmental e-learning is translated into 29 languages and mandatory for all employees. The training programme aims to ensure that all employees, including contractors, are provided with the training necessary to gain basic environmental awareness. The training also includes a more comprehensive manager training which is an additional mandatory training for all managers aimed at creating an understanding of the importance of environmental leadership.

Environmental targets

Scania´s decarbonisation targets are complemented with reduction targets related to our logistics as well as targets related to energy, waste, water and the amount of fossil-free electricity in our operations. Scanias environmental targets for energy, waste and water are set as intensity targets referring to reduction per produced vehicle. These targets were set in 2019 with a different market and volume situation expected. In combination with running double foundries (2022-23) as well as that the new foundry is not yet running at the environmental capacity predicted, has lead to that we are not on track to meet the targets for 2025. Scania is identifying actions to get as close as possible and will continue to work on reductions.

Scania's Environmental Principles



Scania has established environmental principles to guide the work in managing different challenges within energy, waste, chemicals, water, emissions and impact on local surroundings. For each environmental principle, there are internal guidelines that Scania employees should follow.

ENVIRONMENTAL FOOTPRINT

Emission from logistics

Transportation of goods and wares has always been a crucial part of operating a business, and for Scania this entails the transport of goods from suppliers to the factories and delivering the finished products and spare parts to our customers. The prime mode of transportation within our network is conducted on land, and includes transportation with trucks, trailers and train, but also on ferries and barges on short sea and inland waterway routes. Since land transports are the primary transportation mode within our network, it is also where we have the biggest environmental impact.

In order to reduce the environmental impact from our transport flows, Scania employs three different strategies:

- Optimisation of flows, loading and packaging, as well as network design and modality shift.
- Investing in new transport technology such as electrification, and low carbon emission fuels used in our own logistics network.
- Funding of low emission fuels, transport technologies and improvements to the transport sector as a whole.

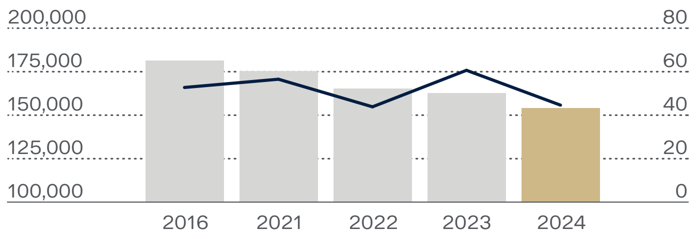
Following Scania's ambition to be the leader in sustainable transports, we have high demands in our logistics network aiming to reduce CO_2 emissions by 50 percent per transported tonne by the end of 2025.

Only focusing on the types of fuels and modes of transportation used in our network will not be enough to reach the target. It is also important to facilitate and create conditions to use sustainable transports which is why Scania, in November 2024, celebrated the inauguration of the first electric charging station for heavy vehicles implemented in the company, located at Scania's production unit in Södertälje. Moving forward, Scania plans to open up more charging stations in connection to our production units in Oskarshamn (Sweden), Zwolle (The Netherlands) and Oudsbergen (Belgium).

Transforming the transport sector comes with a lot of challenges, involving other players outside of our scope and control, making it tough for us to reach our ambitious target for 2025. However, despite this, we at Scania are committed to continue to do our utmost to reduce our CO_2 emissions in our logistics flow and come as close to the target as possible.

CO_2E EMISSIONS FROM LAND TRANSPORT[3]

–33.8%



	— Total tonnes CO_2e	Kg CO_2e/ transported tonne
2024	**155,668**	**43**
2023	175,669	50
2022	154,712	52
2021	170,541	60
2016	165,812	65

We continued to encourage transportation providers and carriers operating in our network to provide sustainable solutions to lower our CO_2 emissions. Moving from diesel to increasing our share of sustainable fuels being used, as well as shifting from road to train transportation and electrification, we end the year with a decrease in emissions of approximately 34 percent of the target.

Target

50%

reduction in CO_2 emissions per transported tonne between 2016–2025.

Definitions:

3. Part of scope 3 GHG emissions. Total emissions of WTW CO_2 equivalents in kg from Scania's land transport per transported tonne. Included transport are road, short sea and train transport of production material to our factories, our packaging network, transport of vehicles to the first address according to INCOTERM (International Commercial Terms) and transport of spare parts to our workshops. The methodology is in line with the ISO14083 standard as well as the GLEC Framework.

ENVIRONMENTAL FOOTPRINT

Energy

Energy is needed to run our operations globally. Our processes need electricity or fuels, such as natural gas and oil. Energy for lighting and heating is needed for our buildings and this can come from electricity, district heating or different kinds of fuels.

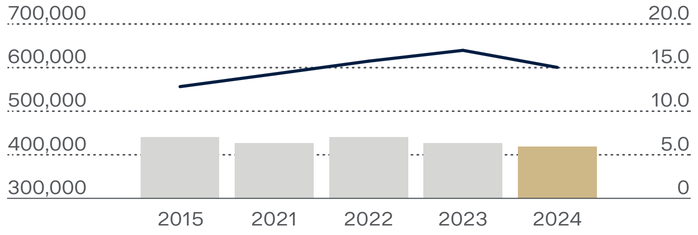
In order to reduce energy use, Scania works continuously to reduce energy waste and to increase energy efficiency.

- The first step in the energy efficiency work is to eliminate energy waste, i.e. energy which is used even though no value or utility is created in the process.
- The second step is to use energy smartly, by creating the same or increased value from a lower energy use.
- The third step is to see which energy source is used and if possible switch to a renewable energy source.

Our ambition is to have 100 percent green electricity in our operations. Some of the activities in 2024 have been to replace old lighting with LED, installing heatpumps to replace heat from gas boilers and reducing temperatures in washing processes.

ENERGY CONSUMPTION[4]

–15.7%



	— Total MWh	MWh/Vehicle
2024	**600,550**	**5.9**
2023	639,874	6.3
2022	614,928	7.0
2021	585,385	6.3
2015	556,323	7.0

Despite the large investment programmes in recent years in increased production capacity (for example battery factory and battery lab), which have contributed to increased energy use in the short term, the reduction is 15.7 percent since 2015.

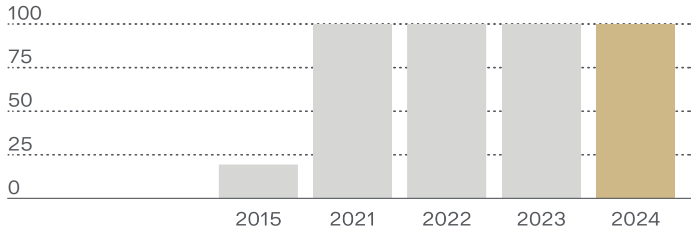
Target

25%

less energy per produced vehicle 2015–2025.

FOSSIL-FREE ELECTRICITY[5]

99.97%



	% of total MWh
2024	**99.97**
2023	99.96
2022	99.96
2021	99.96
2015	19.33

During 2024 Scania's facilities ended up on 99.97 percent fossil-free electricity. Scania has been on a level close to 100 percent since 2020 but will continuously follow the level of fossil-free electricity and always aim for the 100 percent target.

Target

100%

of our operations run on fossil-free electricity where the necessary prerequisites are in place.

Definitions:

4. Covers the use of electricity, heat and fuels in stationary systems at Scania premises including fuel consumed for engine testing. Energy used in vehicles is not included except for electric vehicles charged at Scania premises. Scope is production units and logistic centres globally. Global energy consumption including commercial network is shown on page 69.
5. Fossil-free electricity purchased and internally generated. Share of MWh for Scania CV's production units and regional product centres.

Water

The purpose of Scania's sustainable water management efforts is to reduce the usage of fresh water and conserve resources by using water saving technology and processes, while also reusing and recycling water. This will further reduce the environmental impact of wastewater contaminants on surface water and groundwater. By establishing transparency on water usage through measuring points and material flow analyses, combined with installing water serving technologies Scania actively tries to preserve both water quality and reduce the usage. With modern treatment equipment we also avoid water contamination and treat the wastewater that do get contaminated in a sewage plant before entering natural water bodies.

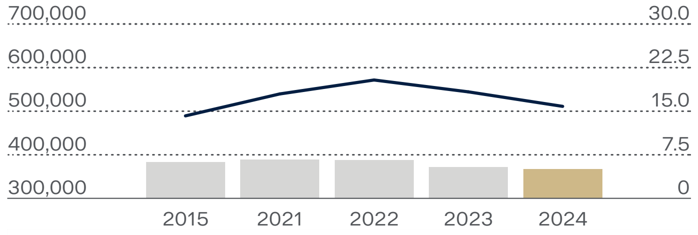
There are continuous improvement efforts to reduce water use and thereby also the management of wastewater. Scania reviews its production facilities to identify impact in areas with limited water resources. Scania's production processes are not water-intensive, and water is primarily used in closed systems.

However, in many regions the supply of fresh water becomes increasingly scarce and expensive due to pollution and droughts. Natural bodies of water can be severely damaged by contaminants that enter them via wastewater. We need to treat water responsibly and continuously reduce the consumption of fresh water and conserve resources by using water saving technology and processes, while also reusing and recycling water.

During 2024 Scania implemented improvements in wastewater treatment to increase recycling of water. The increased recycling volume corresponds to approximately 1 percent of the total use of water.

WATER USAGE[6]

–19.4%



	— Total m³	m³ per vehicle
2024	**512,214**	**5.0**
2023	544,915	5.3
2022	571,687	6.5
2021	540,231	5.8
2015	490,812	6.2

Use of water per produced vehicle decreased to a level of 5.0 cubic metres. The reduced need for freshwater in production have been achieved through increased use of internally recycled water. Water usage per vehicles have fallen by almost 19.4 percent since 2015. During 2025 focus is to initiate further actions towards water reduction.

Target

40%

reduction of water use per vehicle 2015–2025

Definitions:

6. Total amount of freshwater used divided with the number of produced vehicles. Scope is production units and logistic centres globally. To see information on water usage covering full Scania operations, see page 71.

ENVIRONMENTAL FOOTPRINT

Waste

Responsibility and elimination of waste are our core values, and we aim to take initiatives for resource efficiency. We strive to go from a linear working model to a circular model and a continual use of material. Waste material should always be considered as a resource and used instead of discarded. To reduce the amount of waste, ensure efficient use of resources and reduce negative impact on environment, Scania applies the waste hierarchy:

1. Prevent generation of waste
2. Reuse of material and resource
3. Recycling of material and resource
4. Other treatment and recovery

Scania has one target in place to increase reuse and recycling within production: by 2025 we aim to reduce the amount of waste material that is not recycled by 50 percent from its level in 2015. To support this target, all units have studied material flows to identify ways to reduce waste and increase recycling of materials.

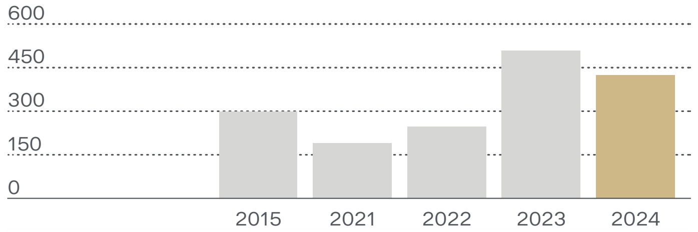
The main categories of waste are scrap metal, metal filings and metalworking fluids from machining, paint waste, casting sand and packaging material. The main materials in the waste are metals, oil, organic solvents, sand, cardboard, plastics and wood.

Waste generated by Scania is managed by a third party, where certain requirements and conditions are part of the agreement between the supplier and Scania. The supplier is responsible for ensuring that the service is performed with care and in accordance with the agreement, applicable laws and regulations, and to hold permits and licenses needed to fulfil the assignment.

Several improvement activities have been performed during the year including reduction of castings and waste in collaboration with a company that can utilise our used casting sand as raw material in their production process. In addition there have been activities to increase recycling of wooden pallets and organic solvents.

WASTE MATERIAL NOT RECYCLED[7]

42.4%



	Kg/Vehicle
2024	**426**
2023	510
2022	248
2021	190
2015	299

The amount of not recycled waste increased during 2022 and 2023. This is explained by lacking demand of recovered material for certain fractions. These fractions were sent to landfill. Another contributing factor is the operation of two foundries during a transition period (2022–2023). Measures have been taken in order to reduce the waste fractions as well as to find suitable recovery operation methods to avoid landfill, which resulted in a reduction by 17 percent in 2024 compared to 2023.

However, due to the aforementioned reasons, in 2024 the material not recycled have increased by 42.4 percent compared to base year 2015.

Target

50%

Reduction of waste not recycled per produced vehicle 2015–2025.

Definitions:

7. Sum of waste sent for energy recovery and waste sent for landfill divided by the total number of units produced. Scope is industrial operation. (Industrial operation sites located in Luleå, Södertälje, Oskarshamn, Słupsk, Angers, Zwolle, Meppel, São Bernardo, Tucumán, Taipei, Kuala Lumpur, Bangalore and Johannesburg).

ENVIRONMENTAL FOOTPRINT

Pollution

Scania works towards substituting hazardous substances in line with the precautionary principle to mitigate the long-term negative effect on both health and the environment. Global, European and national legislation govern the area, and Scania has high ambitions in the work environment and environment area through mandatory standards and procedures.

During 2024 no accidents occurred that caused significant environmental impact or led to major clean-up expenses. Significant and major are aligned with Scania's risk methodologies regarding level of reputational, financial and legal impact.

Emissions to air and water
Scania strives for more resource-efficient and clean technology. Our most relevant air emissions (after CO_2) are nitrogen oxides and dust from combustion and volatile organic compounds (VOC) from painting. By using paint and cleaners with low content of organic solvents and having shorter test cycles and exhaust systems for engine testing we actively minimise our pollution emissions. By using air pollution control systems to collect dust we also make sure to optimise the maintenance of such systems to reduce pollution as much as possible. Furthermore, we aim to eliminate emissions and the use of refrigerants with properties that damage the ozone layer and cause climate change.

All waste water from our operation is treated in our own waste water facilities or in public waste water facilities before discharge.

Microplastics is not considered a material pollutant from Scanias own operation. However, from the downstream value chain especially from tires it can be material. This is an area Scania will look further into in coming years.

Chemical management
Scania works to proactively minimise the use of hazardous substances that affect human health and the environment. To comply, support and follow up demands and objectives regarding substitution and safe handling of chemicals we have Scania Group Policies, technical regulations, internal audits and the mandatory Scania Standards to restrict the use of chemical products. Scania also has specific processes and procedures for introducing new chemicals that include continuous risk assessments to minimise the potential impact and risks associated with chemicals in our operations.

The goal is to always strive for minimised use of materials and substances, especially those that are hazardous to health or the environment. Furthermore, we chose materials and substances with a circular mindset. If hazardous substances cannot be eliminated the STOP principle shall be used to prevent and reduce the risks.

S-ubstitution
T-echnological measures
O-rganisational measures
P-ersonal protective equipment, PPE

Biodiversity

Biodiversity is an emerging topic of importance for Scania. We are currently assessing the transport industry's impact and dependency on biodiversity and ecosystems through a joint initiative within TRATON GROUP and WWF, which will be finalised during 2025. Scania will use the outcome of the assessment to understand which activities we can initiate to favour biodiversity.

CIRCULAR BUSINESS

We are focused on adopting a more circular economic model, where our use of existing resources is maximised and waste is minimised at every stage of our value chain.

Why it matters to us

The imperative to transition to a circular economy, which focuses on reducing waste and optimising resource utilisation, is widely recognised as essential for safeguarding our environment. Scarcity of resources is also a cause of increased costs, supply chain disruption, and slowdowns in production. If we can decouple business growth from resource use along Scania's entire value chain, we can address these issues and save both natural resources and CO_2 emissions as the use of virgin material in production is very energy intense.

The use of certain key materials in our industrial processes – such as steel and aluminium – accounts for a substantial proportion of our total carbon footprint. Adopting a more circular approach to our use of these resources is therefore a key part of our overall decarbonisation strategy. Circularity also plays an important role in mitigating other environmental impacts in our value chain, such as air and water pollution as well as impacts from energy usage and waste.

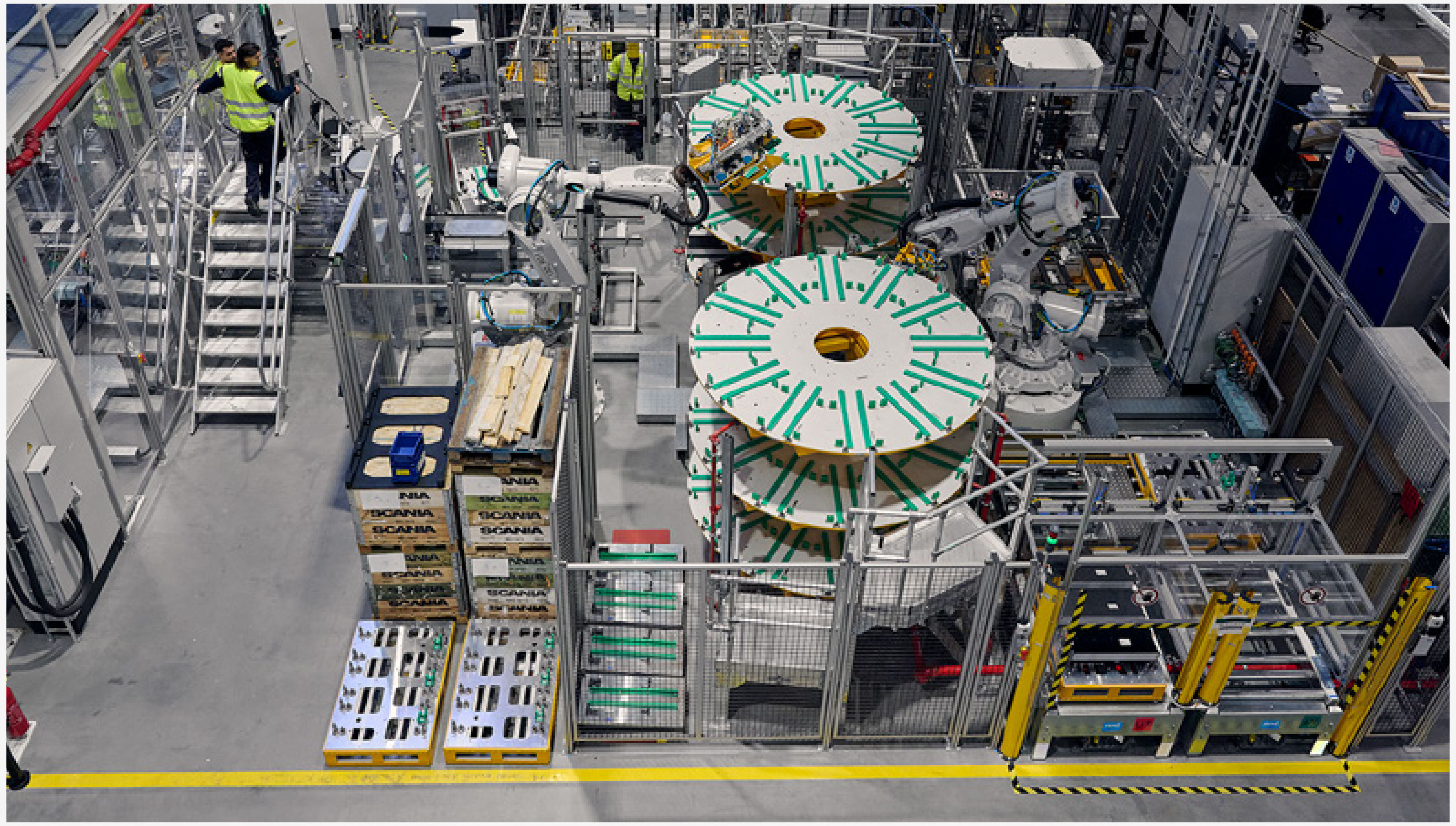
While sustainable transport depends on electrification, the shift to battery electric vehicles creates the potential for new value chain impacts – particularly around the increased production and use of batteries. Embedding a circular approach to batteries is important for ensuring that the transition happens in a way that maximises efficiency and minimises these impacts.

Circularity also represents a business opportunity for Scania, decreasing production costs, increasing financial resilience and creating more value for our customers.

Our approach

One of Scania's core values "elimination of waste", is a guiding star in our circularity endeavours. Many of Scania's long-standing principles and methods support circularity, including our modular production system and lean production methodologies. However, to achieve our sustainability goals, we need to challenge the linear way of thinking and shift to a more circular, regenerative system.

We are aiming to embed a circular approach to resource use in every aspect of our business. This includes minimising impacts and eliminating the need for virgin materials across the entire life cycle of our products and services, from the design phase to end of life. It is about closing the loop of products, components, parts and materials for multiple life cycles, while keeping their value as high as possible. It also includes exploring and developing new business models to extend the life of products and components. It means, operating in a business model that is designed to include restorative practices for products, components, parts and materials in order to generate financial benefits and lower environmental impact – circular products in circular business models.



CIRCULAR BUSINESS

Ambitions, commitments and progress

To decouple business growth from resource use along Scania's entire value chain, we have developed four roadmaps that cover different value chain areas: circular inputs, circular operations, circular services and circular enablement. These roadmaps outline ways of decreasing the use of virgin material, increasing recycled or renewable options, increasing reused or remanufactured parts, increase service offerings and handle operational waste. An important part of progressing in this area is getting the commitment from the organisation and we are working on getting everyone onboard on this learning journey.

During 2024 many great achievements were made in the area of circular business. Read more on this online.

[Read more about circular business on scania.com →](#)

The illustration shows a selection of circular practices relevant to Scania. The most valuable circular practices focus on inner loops, where it is about maximising the product lifetime, while the outer loops ensure material and energy recovery.

By rethinking solutions and designing with multiple life cycles in mind, we can capture more value from the circular practices along the value chain.

Circular business models, which include at least one of the circular practices, enable us to discover and reduce waste and generate more value for our customers, society, and Scania.

PEOPLE SUSTAINABILITY

A sustainable transport system must serve the needs of people and society as well as the environment. These needs are interconnected and inseparable from each other. For transport solutions to be sustainable, they must consider both perspectives. We are therefore committed to supporting a just transition, one that achieves net zero ambitions while maximising social and economic value and minimising negative social impacts.

Why it matters to us

As a large, global company, our business operations have a significant impact on people and communities around the world. Acting with social responsibility is not just aligned with our core values, it is essential to our long-term success and resilience. This includes safeguarding human rights, health, well-being and safety of those affected by our business activities.

We recognise that driving the shift towards a sustainable transport system involves managing our impacts on people and delivering social value across our value chain. Upholding human rights in line with international standards is critical for maintaining our licence to operate and supporting a just transition within our industry and ecosystem.

Our approach

We have a range of systems, policies and procedures in place to identify and manage social risks and opportunities in our operations and value chain. Our sustainability roadmap prioritises the following three key areas:

Our workforce

Our business depends on healthy, engaged and motivated employees. We are committed to creating a safe, inclusive, and supportive workplace where everyone has the opportunity to grow. Through talent development initiatives and Skill Capture, we empower employees to reach their potential while equipping our organisation for future challenges. By fostering innovation and creativity, we ensure that new ideas and diverse perspectives drive our success.

Our supply chain

We rely on a large supply chain with more than 1,000 direct and 10,000 indirect suppliers. Some of these suppliers operate or have supply chains in locations or are engaged in types of work with heightened risk of human rights abuses and other social harms. These risks are particularly prevalent in the extraction of certain raw materials such as lithium, nickel, cobalt and natural graphite. We monitor and mitigate these risks through close engagement with our suppliers.

Road safety

Road safety is a key priority at Scania. Large vehicles are overrepresented in fatal accidents, and with this comes significant responsibility. Promoting road safety goes beyond reducing fatalities—it's about protecting the fundamental rights to life, health, and well-being. A sustainable transport system is safe for everyone, which requires acknowledging that the risk of accidents is not equally shared.

Steering conventions for people sustainability

Scania is guided by the implementation of its duty to ensure respect for human rights as required by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This is reflected in various group-wide policies and the Code of Conducts. Additionally, Scania recognises the International Bill of Human Rights, the International Labour Organisation's (ILO) core conventions, and is committed to the ILO Declaration on Fundamental Principles and Rights at Work.

Scania aims to comply with all relevant local, national, and international laws in the countries where it operates. Scania's commitment to these international standards and principles underpins its policies and practices, ensuring that the company operates as a responsible business actor globally.

Stakeholder engagement

Through Stakeholder engagement Scania aims at a just transition by applying the principles, processes and practices that ensure that no people, workers, sectors, countries or regions are left behind while pursuing our purpose to drive the shift towards a sustainable transport system.

A key purpose of engagement with stakeholders in the context of the corporate responsibility to respect human rights is to ensure a full understanding of how the company's business can affect individuals and groups. Stakeholder engagement within the social area at Scania is currently focused on trade union and employee representatives, as well as business alliances and company networks that relate to human rights risks in our value chain. In addition, we conduct stakeholder dialogues with non-governmental organisations (NGOs) and civil society organisations (CSOs) connected to specific projects. Scania also focuses on building a way of working with rightsholders throughout the supply chain. The objective is to focus on systemic, regional and global sustainability challenges and engage regularly. Target groups are regional or local CSOs and NGOs, academics and researchers specialised in relevant fields and topics, as well as regional and global sector trade union federations.

Scania also has a group of experts that handle specific questions from our stakeholders, including NGOs, financial actors and media.

Scania recognises that certain stakeholders may face potential barriers, such as language, culture, gender, or power imbalances, to stakeholder engagement and aims to remove or reduce these barriers. Scania prioritises engaging directly with impacted stakeholders in the supply chain and if not possible their legitimate representatives. Meaningful stakeholder engagement is based on trust, fit for purpose, rights-based and characterised by co-ownership and is sensitive to context. Meaningful stakeholder engagement is an essential component of Scania's human rights due diligence work (read more on Scania's human rights due diligence on page 53).

Workforce management

At Scania, we are committed to providing economic security, predictability, and opportunities for growth, ensuring a workplace where people can thrive.

To guide our approach, we leverage Scania Group Policies (SGPs) that set a clear baseline for all entities globally. These serve as a foundation for addressing key workforce-related impacts, risks, and opportunities. Scania continuously monitors and reviews these policies through various mechanisms such as: audits, whistleblowing process, employee feedback including social dialogue and performance metrics to ensure compliance and effectiveness. This proactive approach enables us to build a resilient, future-ready workforce while reinforcing our commitment to the well-being, sustainability, and success of our employees.

PEOPLE SUSTAINABILITY

The SGPs cover various critical aspects:

- Secure employment: Scania ensures job stability through policies covering economic security, predictability and social protection. Employment contracts must specify the agreed-upon minimum working hours, and zero-hour contracts are not permitted.
- Working conditions: To promote a healthy work-life balance for employees policies are in place to regulate working hours, including limitations on overtime and facilitating family-related leave.
- Adequate wages: Scania's ambition is to ensure that all employees receive adequate wages, aligning with prevailing benchmarks to sustain a decent standard of living.
- Social dialogue: The company encourages robust social dialogue, including regular consultations with employee representatives and the establishment of work councils, ensuring that employees' voices are considered in decision-making processes.
- Freedom of association: Scania promotes the rights of employees to form and join trade unions, ensuring non-interference and promoting collective bargaining practices.
- Health and safety: A comprehensive health and safety management system is in place to cover our workforce, aiming to prevent workplace accidents and illnesses.
- Diversity, equity and inclusion: We develop our corporate culture via our Skill Capture model. This aims to capture the diversity of skills, know-how, and perspectives of our most valuable asset, our workforce, by equal opportunity and equitable treatment. It also includes an anti-discrimination and zero-tolerance policy for discrimination and harassment of any form, of any individual, in or outside the workforce.
- Training and development: The company invests in enhancing the skills and career prospects of employees through continuous training and development programmes.
- Child and forced labour: Policies are enforced to identify and prevent child labour and forced labour, ensuring responsible labour practices throughout the organisation.

PEOPLE SUSTAINABILITY

Diversity and Inclusion

Skill Capture – Scania's way of working with Diversity and Inclusion

Scania firmly believes that fostering a diverse workforce is key to its success. The right mix of skills and perspectives, combined with a workplace built on trust and inclusion, is essential for driving the shift towards a sustainable transport system. To address the challenges of this transition, Scania developed the Skill Capture Model, which promotes diversity across a wide spectrum: gender, age, ability, religion, ethnicity, background, personality, and experience. The model aims to enhance inclusiveness at all organisational levels, guiding employees from initial awareness to actionable steps. In 2024 we launched the updated Skill Capture Model that emphasises flexibility and modularity, enabling teams to design their Skill Capture journey based on their specific challenges and objectives. Teams across the organisation, as well as management, can participate in workshops tailored to their needs. These include the Skill Capture Initial Lab, focusing on Diversity and Inclusion (D&I) awareness, and advanced modules for deeper engagement with specific diversity topics.

The updated Skill Capture Model reinforces the importance of actionable plans with local business needs as a starting point, requiring teams to identify and prioritise their focus areas. Progress on management teams' commitment is monitored through biannual revisits, which ensure continuous improvement by tracking engagement, highlighting key focus areas, and sharing successful practices. Revisits conducted in 2024 revealed global team efforts in recruitment, work-life balance, inclusive practices, cultural awareness, and onboarding processes.

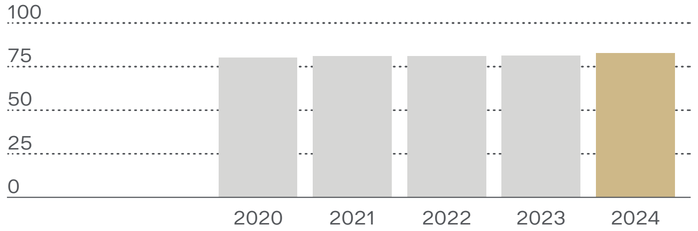
A commitment to continuous improvement and the Skill Capture mindset is deeply embedded in Scania's culture. This is reflected in the corporate target "Gender Diversity in Management", introduced in 2024 to increase gender diversity in management by 2 percent annually. In 2024, we reached 30.7 percent at levels 1–3, compared to 24 percent in 2023. Level 1 represents the Executive Board, level 2 comprises those reporting directly to the Executive Board, and level 3 includes employees reporting to level 2. Together with the D&I Index and the Revisits, this target strengthens Scania's efforts to create a more inclusive, balanced, and sustainable organisation.

Definitions:

8. Perception of Scania's diversity and inclusion climate from Barometer-survey: The KPI is a weighed result of three questions from the survey concerning Scania employees' perception of the diversity and inclusion climate at their workplace.

DIVERSITY AND INCLUSION INDEX[8]

82.8%



2024	**82.8**
2023	81.2
2022	81.1
2021	80.9
2020	80.0

53,987 employees had the opportunity to participate in the 2024 employee survey (Employee Satisfaction Barometer) with a participation rate of 84 percent. The Skill Capture programme gives Scania's different markets the opportunity to highlight issues that are relevant to the local working environment.

Target

>85%

score on the D&I related questions in the Employee Satisfaction Barometer.

PEOPLE SUSTAINABILITY

Health and Safety

As a natural part of the sustainability focus, the health and safety of all Scania employees is a top priority. The goal is to preserve and promote the safety, health, and well-being at work for all employees and visitors to the premises. All work within this area is executed and aligned with existing principles and the core values. Scania strives to achieve a healthy and safe workplace and provide the foundation for a good work life balance for our employees. Scania is committed to comply with any demands in accordance with legal and other applicable requirements issued by national authorities and by Scania self-appointed targets within the area.

To become and remain the employer of choice, Scania empowers and engages all our people. All activities shall be based on the principle "By creating good working conditions, all injuries and ill health can be prevented". During 2024 the collaboration with the Skill Capture team has been strengthened to jointly explore and address areas such as neurodiversity, psychological safety, and mental health, ensuring a more inclusive and supportive workplace.

The Scania Group Policy for health and safety is the guiding document globally and lays the foundation for the management system. Scania has initiated ISO 45001 certification to demonstrate the commitment to high occupational health and safety standards. The policy focuses on preventing injuries and illnesses and on creating good working conditions. To complement the policy, Scania has guidelines that describe basic conditions for achieving safe and healthy workplaces. These supporting documents guide all health and safety activities within the Scania organisation. The guidelines consist of four parts: organisation, workplace design and working conditions, management of health and safety risks and learning from experience. The four areas are connected in a continuous process where follow-up, learning and continuous improvement are central.

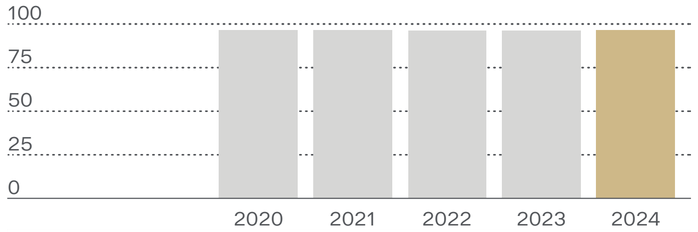
One hundred percent of Scania's workforce (covering also non-employees) are covered by a health and safety management system based on legal requirements or recognised standards or guidelines.

During 2024 there were no fatalities in our own operations.

Definitions:
9. Hours of attendance relative to defined total working hours for Scania's global operations and all Scania's own employees.
10. Total number of work-related accidents with Scania employees with sick-leave relative to one million working hours for operations in Sweden and industrial operations globally (inclusive regional product centres and logistic centres). From 2023 it also covers accidents in commercial operation units.

HEALTHY ATTENDANCE[9]

96.4%



	%
2024	**96.40**
2023	96.30
2022	96.25
2021	96.54
2020	96.41

The health attendance has increased and it is 96.4 percent in 2024. Scania is very close to achieve the set target to have 97 percent healthy attendance.

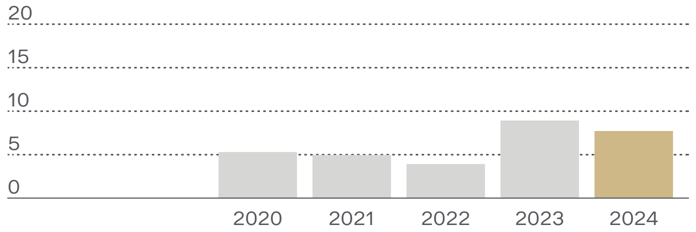
Target

97%

healthy attendance.

OCCUPATIONAL ACCIDENTS WITH SICK-LEAVE[10]

7.42



	No. of accidents per million hours
2024	**7.42**
2023	8.85
2022	3.90
2021	4.90
2020	5.25

In 2024, occupational accidents with sick-leave decreased compared to 2023 and reached 7.42. The continued implementation of the occurrence handling system TIA will give a better systematic work environment management for Scania globally. The scope of reporting changed in 2023 and includes now all Scania entities (including Commercial Operation).

Target

5

or less accidents per million worked hours.

Social dialogue

Scania believes that social dialogue is one of the most important factors in being a successful and sustainable company. Therefore, all Scania entities shall have an organised way of conducting meaningful social dialogue with employee representatives. This also means that all of our employees have the possibility to bargain collectively or in other ways engage in constructive dialogue. To have a systematic approach to tackle the challenges with social dialogue at a global scale, Scania participated in the creation and launch of the Global Deal. This is a multi-stakeholder partnership of governments, businesses and employers' organisations, trade unions, civil society and other organisations for the promotion of social dialogue and sound industrial relations as effective means for achieving decent work and inclusive growth.

Based on the Scania global principles for labour relations, the Scania Labour Relations Improvement Programme has been developed together with employee representatives. The programme focuses on improving dialogue between management and employee representatives. During 2024, all business areas have initiated the implementation of the programme.

The Scania Labour Relations Principle

"Employee representation should be involved early in decision-making processes to integrate their viewpoints". This principle aligns with the Skill Capture mindset and Scania's "business is local" philosophy, which emphasises empowering decision-making as far out in the organisation as possible. Operational responsibility for ensuring the engagement lies with the Scania Group CEO & Executive Vice President for People & Culture with management involved throughout the people and culture organisation. Together with employee representatives, we co-created the principles of labour relations and developed processes for engaging with our workforce. Scania also assesses the effectiveness of its engagement with its employees through a multi-faceted approach, incorporating regular monitoring, feedback mechanisms, and structured evaluations.

Processes for engaging with our workforce

Scania engages with its employee representatives at three distinct levels, with frequency varying with jurisdiction and entity.

On group level, global representatives from four different unions are integrated into the Board of Directors and maintain regular interactions with the Scania Executive Board. These representatives are also involved early in global initiatives to ensure their perspectives are considered.

PEOPLE SUSTAINABILITY

On the transnational level, the Scania European Committee (SEC) acts as a European Works Council (EWC) in accordance with EU Directive 2009/38/EC. The SEC represents all employees within the European Economic Area (EEA) and is involved in information and consultation processes, primarily through its working body, the SEC Select. Additionally, Switzerland and non-EEA countries where Scania employs 500 or more employees are represented as co-opted members. Through this co-opting, the SEC effectively functions as a global works council, even though such a formal entity does not officially exist.

On national level, various Scania entities engage with their respective employee representatives in line with applicable laws, collective agreements, or other jurisdiction-specific agreements.

Providing remedy

Scania's general approach to providing or contributing to remedy for material negative impacts on its workforce is deeply rooted in its commitment to respecting labour rights and human rights. The process begins with adherence to the Scania Code of Conduct, which sets the standard for responsible behaviour and respect for human rights within the company. When deviations from these standards occur, Scania employs a structured deviation handling process (see page 59 on whistleblower channels for further information on Scania's third-party mechanisms and processes to remediate negative impact) in line with the principles outlined in the Scania Way.

The Scania Way is an overarching framework that embodies the company's values, principles, and methods of operation. It emphasises open communication and continuous improvement, encouraging employees to voice their concerns directly to their supervisors or through internal feedback mechanisms such as the People and Culture organisation.

Find more on the Scania Way on our website →

General actions to manage our own workforce

During 2024, Scania's People and Culture (P&C) function implemented a new operating model to adapt and support evolving business needs, emphasising collaboration, business value, and unified company-wide efforts. A revised governance structure and Communities of Expertise (CoEs) were established to enhance alignment and drive global priorities effectively. This means that local and corporate P&C colleagues meet, prioritise, and co-create, ensuring that local business needs are taken into consideration. Key initiatives include streamlining processes and advancing digitalisation. The efforts aim to deliver consistent value to the business while supporting managers in their daily operations.

Scania provides continuous professional development opportunities for its employees. In 2024, initiatives included implementing mentorship programmes to support career growth and conducting skill needs analyses to better tailor training programmes.

Regular performance reviews were also implemented to align individual development plans with organisational objectives.

Additionally, the recruitment and onboarding processes were refined to ensure new hires are effectively integrated into the organisation. All these efforts contribute to a more comprehensive talent sourcing strategy to meet Skill Capture goals and future workforce needs.

Human rights governance

Scania has a Human Rights Policy in place that applies to all Scania entities and operational units. The Human Rights Policy elaborates on Scania's recognition of our responsibility to respect human rights and covers information regarding how Scania performs human rights due diligence, including stakeholder engagement. According to the Human Rights Policy, all Scania entities need to fulfil the human rights due diligence requirements described in the policy. However, integration of human rights due diligence is a journey with continuous ongoing integration into Scania's relevant processes and procedures.

Other group policies refer to the Human Rights Policy for the requirements concerning human rights risks and human rights due diligence processes.

Scania has identified its salient human rights issues, meaning Scania's most prominent human rights issues, based on the criteria scale, scope and remediability. The salient issues include, among others, issues that have been core to Scania's operations for decades, such as a decent work, social dialogue, equal opportunities, child labour and forced labour in the supply chain, as well as road safety. They are in line with the outcome of the 2024 Double Materiality Assessment (DMA).

Salient issues
Road safety
Occupational safety and health
Working conditions: working hours, wages and benefits
Child labor and juvenile work
Forced labor and modern slavery
Social dialogue: freedom of association and collective bargaining
Ethical data use: application of AI and technology
Grievance mechanism and access to remedy
Just transition
Discrimination, harassment, and equal opportunities
Conflict-affected and high-risk areas
Community impacts
Climate change and environmental impact

Scania drives efforts related to human rights through the Scania Human Rights Framework, that is organised around the following three pillars:

- **Commit** – with clear actions planned to improve policies and guidelines.
- **Know** – making sure that human rights are integrated into decision-making processes.
- **Show** – improving Scania's ability for grievance and remediation and in communication, with the aim to increase transparency regarding human rights–related information and data.

Key forums for monitoring of the Human Rights Framework and the human rights risk management, include the Human Rights Steering Committee and a Human Rights Working Group.

Both forums consist of members from different functions with the purpose of addressing human rights-related topics cross-functionally throughout the organisation, benefiting from the members' diverse expertise.

The role of the Human Rights Steering Committee is to coordinate, monitor and advise on the implementation of its own commitments, including the Human Rights Framework, and obligations under applicable human rights due diligence laws and standards Scania has committed to. When identifying gaps, the committee has the possibility to issue guidelines in the form of recommendations. However, the responsibility for the implementation of Scania's obligations and commitments remains with the Scania entities or operational units. The Human Rights Steering Committee reports to the Scania Sustainability Board (SSB) and the TRATON Human Rights Committee on a quarterly basis.

Scania's human rights due diligence framework for supply chain

Scania takes conscious decisions when it comes to suppliers, especially in high-risk segments. Scania employs specific mitigation strategies with actions connected to high-risk raw materials, such as the raw material management system, the sustainability rating (S-rating) and providing training for suppliers. Scania also sets out human rights due diligence requirements.

Identify and assess actual and potential adverse impacts

Scania has established a structured process for identification, assessment and prioritisation of risks within our supply chain. The process starts with a risk analysis based on the relevant industries in scope of Scanias procurement considering both human rights and environmental risk factors. This assessment is done together within the Volkswagen group. The procurement segments are then categorised into high, medium and low risk groups.

A deeper assessment is also performed of prioritised operations and suppliers, taking into account the identified high and medium risk segments. The analysis includes engagement with external stakeholders and results in the salient issues for the supply chain.

Cease, prevent or mitigate actual and potential adverse impacts

Scania`s responsibility on taking appropriate action on the identified actual or potential impact will depend on our nature of involvement in the negative impact.

When Scania **causes** or may cause adverse impact, we should take the necessary steps to cease or prevent this.

PEOPLE SUSTAINABILITY

When Scania **contributes** to adverse impact, we should cease or prevent the contribution and also use our leverage to mitigate the remaining impact.

When Scania is **directly** linked to an adverse impact through another entity such as a business relationship, we should use our leverage to prevent and mitigate the impact.

Communication and engagement
Read about how Scania integrates stakeholder engagement in the due diligence process in the Stakeholder Engagement section (page 47).

Grievance
Scania's process to provide remedy for a negative human rights impact is also described in the Scania Supply Chain Due Diligence Guideline. The Supply Chain Grievance Mechanism (SCGM) is used to process indications of possible violations of the Supplier Code of Conduct (SCoC) by direct suppliers or suppliers in the supply chain. Once anyone working at Scania is made aware of potential violations against the Supplier Code of Conduct, all relevant information must be passed on to the sustainability team at procurement which is the responsible team at Scania handling the cases. Relevant internal expert functions and external stakeholders are further consulted throughout the process. All employees working at procurement are also trained in the Supply Chain Grievance Mechanism process.

The need to provide or request another company to provide remedy comes from the Supply Chain Grievance Mechanism process. If it has been concluded during this process that Scania contributed to the adverse impact, Scania should contribute to remediation in relation to our contribution to the adverse impact. The remediation process starts with a deep dive investigation of the incident including who the affected people are and their potential additional vulnerabilities. Relevant stakeholders are identified and involved, and the incident might be reported to relevant authorities. Scania then identifies the affected rightsholders' needs which could be in the format of compensation, new employment, rehabilitation, or other. The process should always end with taking necessary steps to prevent further violations.

Scania demands all suppliers to develop and implement grievance mechanisms adequate to their business and that allows for concerns or complaints related to business ethics, human rights, or the environment to be raised by both own employees as well as other potentially affected people anonymously, confidentially and without fear of retaliation. The grievance channel should be developed on the effectiveness criteria from UN Guiding Principles and cover the supplier's own operations and the supply chain.

Actions to manage human rights risks

In 2024, human rights risks have been further integrated into Scania's general processes. There has also been focus on capacity building in high-risks areas. Some key actions throughout the year include:

- Integration of human rights into Scania Group's risk process, including training session for Scania's entities throughout the world to support understanding and be able to assess human rights risks in their respective contexts.
- A capacity building project has been set up for managers in charge of our franchise network in Conflict-Affected and High Risk Areas (CAHRA) to ensure that responsible business is conducted through Scania's policies and processes.
- Start of a project to strengthen the downstream human rights due diligence processes in CAHRA in collaboration with the TRATON GROUP.
- Launch of project to assess the material impact on supply chain workers regarding forced labour.
- Continuation of the Marikana Coalition project where the aim is to mitigate the risk of violence and poverty in the area of the Platinum Group Metals (PGM) mines.

CASE STUDY

Marikana – building a future beyond mining

For young people in Marikana, a town in South Africa's Rustenburg industrial hub, opportunities are limited by a chronic lack of schools and educational funding. The coalition is addressing the problem by turning an unused mine building into an educational facility. The facility will help students to develop skills and build careers beyond mining, especially important as mining operations in the area are due to be scaled back significantly within ten years. The extraction of certain raw materials needed for vehicle production comes with human rights and environmental challenges, including poor working conditions and child labour. For Scania, taking a systematic approach to these challenges is fundamental to creating a sustainable transport system. Our support for the Marikana Coalition is just one example of our commitment to people sustainability in our supply chain, with a special focus on high-risk raw materials such as platinum.

Read more here →

Supply Chain Management

In order to identify, assess, and mitigate risks in Scania's supply chain the work is divided into two levels. The first level focuses on tier-1 suppliers and includes the Supplier Code of Conduct, the S-rating, trainings, media screening and sustainability audits and is elaborated on in the Scania Supply Chain Sustainability Handbook. This document applies to all entities with direct relationship with suppliers. It guides employees in Scania's internal processes that support sustainability work at Scania procurement.

The second level consists of supply chain wide approaches (tier-1 to tier-n) for human rights and decarbonisation. Measures to address the second level are described in the Scania Supply Chain Due Diligence Guideline. This guideline focuses on the supply chain-wide approaches Scania employs to cease, prevent and mitigate potential adverse impacts and remedy actual adverse impacts.

Scania Supplier Code of Conduct

The Scania Supplier Code of Conduct (SCOC) applies to all suppliers and sub-contractors of goods and services. Such suppliers and sub-contractors shall ensure that the requirements in the Scania SCOC are implemented in relation to all their respective employees, including permanent, temporary, agency workers and any other individuals directly or indirectly performing work for the relevant suppliers and sub-contractors. The SCOC is part of each supplier's contracts and is also available externally on the Scania website and the Scania Supplier Portal. It covers requirements within human and labour rights, health and safety, environment, ethics, management, the Supply Chain Grievance Mechanism as well as the description of our verification process.

Scania Independent Distributor Code of Conduct (IDCC)

The IDCC is a comprehensive governance regulation similar to Scania SCOC and Scania Group Policies (SGP) that governs independent (i.e. non-Scania owned) companies being authorised as distributor, dealer or workshop.

Scania employs specific mitigation strategies with actions connected to high-risk raw materials, such as the raw material management system, the S-rating and providing training for suppliers. Such laws or collective bargaining agreements are applicable and take precedence over IDCC. In all cases where local law is less strict than IDCC, the requirements described in this document shall be adhered to.

Scania distributors and other Network Members shall make IDCC contractually binding for all their locally appointed dealers and workshops. Further, Scania distributors and other Network Members shall strive to ensure that IDCC becomes contractually binding for and adhered to any other direct or indirect business partners, customers and end-users.

The distributor shall make a yearly updated business and market plan covering:

- Compliance and ethics
- Sustainability, including, but not limited to, human rights, labour rights, environment and anticorruption

Assessing suppliers on sustainability performance

Scania uses an S-rating system to check suppliers' sustainability performance and to identify opportunities for continuous improvement. By tying sustainability performance directly to eligibility for being awarded contracts, we aim to send a signal to our suppliers and partners to encourage collaboration to allow sustainability aspects to permeate the supply chain. The primary objective is to empower suppliers whose performance is not yet satisfactory, so that they can improve and achieve the approved rating, rather than exclude suppliers from the supply chain.

The review, as a part of the S-Rating, is carried out on a risk-based and event-driven basis before a new contract is awarded. This multi-stage process includes risk exposure assessment, self-assessment questionnaires and is based on the country-risk index. The result of the S-rating is divided into three rating categories (A, B and C): Suppliers with an A or B rating fulfil our requirements to a sufficient extent and are therefore eligible to be awarded contracts. If a supplier does not meet our sustainability compliance requirements, and their S-Rating score is low, an audit can be conducted. The audit results can affect the S-rating category both positively and negatively, and consequently could lead to a C-Rating. Then suppliers must complete measures in order to improve their rating and be eligible to be awarded contracts. The aim is for most of our suppliers to be A-rated.

The sustainability performance of suppliers is assessed on a risk basis and with the help of audits. If suppliers pass this audit with a score of less than 100 percent, they receive improvement measures. If the score is below 80 percent, these measures are recorded in a plan. Their implementation is agreed with the supplier and followed up. Depending on the measure, the supplier must implement the plan within six months at the latest. If the supplier receives an audit result of less than 60 percent, a new audit is carried out, following the implementation of the action plan.

Target

95%

Of turnover from approved (A & B) suppliers by 2040

During 2024 Scania revised the S-Rating methodology as well as the connected targets. This resulted in new targets which is tied to the risk prioritisation based on suppliers' turnover for the previous year. A short-term target for 2024 was set to reach 83 percent and for 2040 the target is 95 percent. The S-Rating indicator is defined as the percentage of sum of turnover of positively rated (A or B) suppliers out of sum of turnover of suppliers in the scope (A, B, C and "-"), for automotive and indirect procurement suppliers. By the end of 2024 SEU (Scania Europe) reached the target and ended up at 90 percent, whereas SLA's (Scania Latin America) result was 98 percent.

Raw material management system

Scania has implemented a raw materials due diligence management system based on the OECD (this has been done in collaboration within the Volkswagen group). It serves to identify, assess and mitigate actual and potential human rights risks in our upstream raw materials supply chains. In the reporting year focus for Scania has been on battery raw materials, conflict minerals and natural rubber.

Fair logistics

For Scania sustainable transport means much more than reducing our environmental impact, sustainable transport also means engaging with logistics providers who uphold driver's fundamental human rights and working conditions. Fair logistics is a concept that Scania applies to its logistics network on a daily basis.

When referring to fair logistics, Scania includes ethical supplier sourcing and human rights in the discussion. We make sure we do things right from the initial sourcing of the transport provider through the entire value chain, from delivering goods to produce our products to the deliveries of them to our final customers in our sales points. In this way, we proactively manage our supplier relationships to ensure our logistics network is sustainable throughout the entire value chain.

Scania's effort to advocate fair logistics includes being an active member of the CSR Europe-led Responsible Trucking Group initiative, which promotes the attainment of good health, well-being, equality, decent work and potential growth opportunities for drivers in the European network. The group has developed the Truck Transport Social Guidelines, which articulates requirements and aspirations towards logistics providers on working conditions and business ethics. It addresses expectations on topics such as harassment and abuse, working and resting times, remuneration and benefits, health and safety, facilities and road safety. The Responsible Trucking Group has also launched annual surveys with drivers to monitor their working conditions and well-being. The results from the survey guide Scania's actions to achieve fair logistics.

Thus, Scania is at the forefront from moving the industry towards the implementation of higher social standards, that translates into better working conditions for truck drivers. One example is the focus on road safety across logistics by contracting logistics suppliers that maintain their trucks in good conditions, respect the driving and resting time legislations and have drug and alcohol policies implemented.

Examples on fair logistics requirements

- Transport companies cooperating with Scania need to pay their drivers with the proper living wages according to the law.
- Only contracting with tier-1 suppliers for logistics, allowing them just one tier of subcontractors to pursue maximum transparency and human rights compliance throughout the transports value chain.
- Overtime payment should be provided to all drivers working beyond regular hours.
- Drivers should have good possibilities for sleeping and access to facilities during weekly resting times.

CASE STUDY

Scania's principles of fair logistics

We have established principles of fair logistics that guide our operations. These are:

- We partner with suppliers who uphold drivers' fundamental human rights
- We are accountable for our impact on drivers' working conditions and road safety in logistics
- We demonstrate integrity by partnering with suppliers who follow all legal requirements
- We show respect by committing to equitable and ethical practices that prioritise drivers' well-being

The principles are integrated into Scania's daily work, including in the tender process for selecting new suppliers and in the sustainability audits performed on suppliers.

PEOPLE SUSTAINABILITY

Road safety

At Scania, we are committed to improve road safety for all. By investing in cutting-edge safety technologies, promoting safety solutions and their use as well as influencing the broader value chain, we aim to contribute to the global effort of reducing road traffic fatalities. Through collaboration with external bodies and the continued enhancement of our own standards, we strive to play a leading role in achieving a safer, more sustainable transport system for the future.

The driver must have the prerequisites and security solutions to assist in protecting the driver and cargo in various situations, both ensuring physical safety and preventing losses. Going to the first stage of driving we have **safe driving,** where solutions assist and warn the driver in different scenarios, making the journey safer.

The second stage is the **crash avoidance,** where systems intervene if an accident is imminent, which either prevents the accident from happening entirely or mitigates the damage. The third stage, **crash protection,** reduces the effects of an accident through safety systems like the safety belt or Scania's high strength cab structure, and in case of a roll-over accident the side curtain airbag. Other passive safety systems include brakes, stability control and the crash structure. The last stage is **post crash** to support after the crash, by facilitating an escape from the vehicle and providing information to the rescue workers.

Read more on the website →

CASE STUDY

FIA Road Safety Index

As part of Scania's commitment to road safety, Scania has worked with the FIA Road Safety Index. Initially, we focused on the operation in Sweden for the value chain and footprint, while the areas of commitment are in most cases applicable globally. The value chain analysis has given valuable information on how to map and give insight about the sphere of influence. Scania generates transport by selling vehicles but also by purchasing goods and from employee commuting and traveling. Furthermore, we evaluated the governance structure supporting road safety. Scania has received the highest score of 3 stars and is the first heavy duty vehicle company to be accredited. Finally, we defined a measurement for causalities throughout the value chain in order to drive the shift towards zero accidents, Scania's long-term ambition for road safety.

BUSINESS ETHICS AND COMPLIANCE

The purpose of business ethics and compliance-related initiatives and activities at Scania is to identify, prevent, detect and respond to compliance risks that Scania's business may face worldwide.

The key areas of business ethics and compliance are anti-corruption, Anti-Money Laundering (AML), antitrust/competition law and human rights. Scania Group Compliance, a dedicated central function with regional reach, manages compliance and business ethics programme, advises on business ethics topics and provides training and support. Scania's compliance programme employs a risk-based approach and is implemented globally.

Read more about how business ethics is incorporated in Scania's governance process on page 89 →

Business conduct policies

Wherever in the world Scania operates, we adhere to high ethical standards. The Scania Code of Conduct is applicable to all employees laying down the overarching framework and providing guidance on expected behaviors. All new employees shall read the Code of Conduct, and top managers must declare adherence to it on a yearly basis.

Scania has several Group Policies and Code of Conducts that cover the identified material topics within business conduct:

- Handling donations and sponsorship measures
- Prevention of money laundering and terrorism financing
- Competition law compliance
- Handling gifts, hospitality and invitations to events and facilitation payments
- Whistleblowing and internal investigations
- Compliance due diligences
- Human rights (read more on page 53)
- Conflict of interest
- Code of conduct (read more on page 47)
- Independent distributor code of conduct (read more on page 55)
- Supplier code of conduct (read more on page 55)

Training on business conduct

Communication and employee training play a key role in Scania's preventive compliance and sustainability work across all hierarchy levels. Scania conducts regular face-to-face and online training sessions on various compliance topics, such as anti-corruption, anti-money laundering, anti-trust/competition law and business and human rights.

BUSINESS ETHICS AND COMPLIANCE

Code of Conduct training is mandatory for all employees in Scania entities and needs to be repeated on a regular basis.

A risk-based approach is used as the basis for whoever needs to perform certain training based on different employee groups. The risk level is decided based on the risk exposure. All white collar employees are considered to have a high risk within corruption and bribery and are therefore covered by anti-corruption training, which must be completed every three years. In addition, employees that are exposed to higher money laundering risks due to their tasks and responsibilities, such as involvement in payment processes or contact with customers, dealers and suppliers, participate in a mandatory training on prevention of money laundering.

Scania also provides physical and online training for Scania's employees regarding the handling of whistleblowing cases, whistleblower's rights and the principles for protection of whistleblowers. Aside from the Scania whistleblowing system, as part of the compliance programme, compliance trainings are rolled-out to the organisation to promote awareness about the compliance policies.

Anti-bribery and corruption

Scania has zero tolerance for corruption and unethical business practices. Scania is a signatory to the UN Global Compact and adheres to its principles, including anti-corruption. Moreover, Scania is a supporting member of the Swedish Anti-Corruption Institute (Institutet Mot Mutor (IMM)) and a member of Transparency International Sweden's Business Integrity Forum.

Assessing and managing risks are integral to Scania's compliance work. Anti-corruption and other business ethics risks, including adverse human rights impacts, are covered by Scania's risk process, which is conducted regularly across all operations. Additionally, a more comprehensive and detailed internal compliance risk assessment focusing on anti-corruption, anti-money laundering, antitrust/competition law and business and human rights is performed regularly.

Whistleblowing

To avoid or minimise potential risks due to regulatory and internal governance violations, it is crucial that potential regulatory violations by employees, suppliers, business partners or other external parties related to Scania are identified at an early stage, clarified and stopped, and that disciplinary measures against employees and remediation actions are applied where necessary.

BUSINESS ETHICS AND COMPLIANCE

To meet this objective, the whistleblowing system is one important cornerstone. The whistleblowing system is available to all Scania employees as well as third parties, and it provides several channels through which reports can be submitted.

Scania employees have the possibility to address their concerns directly to functions within Scania, such as direct managers, People and Culture function (local or central), Group Internal Audit, Corporate Security, Group Compliance and locally or regionally designated contact persons. The receiving function will then forward the information to the dedicated whistleblowing functions, as set out in Scania's internal procedures. Other channels that are available are local intake channels for Group companies, channels connected to the TRATON investigation office, the TRATON Speak Up! Tool, and the Volkswagen hotline. Reports can be made at any time, and in any language. Information about the whistleblower system is available on both the Scania Group website and intranet.

The whistleblower system is designed to protect both whistleblowers and the persons concerned. All investigations are based on the fundamental principles of respect of whistleblowers' right to confidentiality, and Scania upholds the presumption of innocence and fairness of investigations towards any persons concerned. All information received via the whistleblowing system is reviewed promptly, and in a sensitive manner and is always treated with the highest level of confidentiality.

Scania has an established procedure for conducting internal investigations regarding hints of suspected misconduct by Scania employees reported through the whistleblowing system. All these investigations are handled by the Group Investigation Office and conducted in line with applicable laws and policies. Dedicated functions at Group Compliance, Group Security, Group Internal Audit, Group Legal Affairs and People and Culture may support the investigations if needed. Other matters submitted through the whistleblowing channels concerning i.e. suppliers, business partners and other external partners, are swiftly transferred to other internal functions. An investigation of a hint is only initiated after a careful examination of the facts and following reasonable suspicion of a regulatory, ethical or other violation.

Upon receipt of a report, whistleblowers will first get a confirmation of receipt from the Group Investigation Office, which will then assess the report for potential risks and categorise the hint based on its severity. This includes asking clarifying questions about the reported matter and gathering available facts particularly from the whistleblowers. If the initial evaluation shows grounds for suspicion of a violation, an investigation by a dedicated investigating unit within Scania will be started. Afterwards, the results of the investigation will be legally assessed. If a violation is confirmed, appropriate disciplinary measures will be recommended. The Scania Group Investigation Office will present the outcome, along with appropriate disciplinary measures, to its Disciplinary Committee. The Disciplinary Committee is composed of the Head of Group Compliance, Head of Global Labor Law and the Managing Director of the Scania company where the person concerned is employed. The Disciplinary Committee is further supported by local HR representatives.

Scania has zero tolerance for retaliation and pressure against whistleblowers. One suspected case of retaliation against whistleblowers is considered a violation in itself and handled with the highest priority. An important measure for protecting whistleblowers against retaliation is providing them the possibility to submit reports and communicate in a confidential manner. Furthermore, all information received via the whistleblowing system, including the identity of the whistleblower, is always treated with the highest level of confidentiality.

BUSINESS ETHICS AND COMPLIANCE

In 2024, Scania received 196 allegations, of which approximately 37 percent were further investigated as potentially serious or other regulatory violations. Of all the investigations conducted in the reporting period, 16 percent resulted in disciplinary measures and 32 percent resulted in suggested remediation actions.

Public affairs and lobbying

Scania's work with public affairs and lobbying is centred around using our influence to support the transition a sustainable transport system. This comprehensive approach involves several key elements.

- We engage in opinion making and advocacy through dialogue with decision-makers and stakeholders to create better regulation, in order to comply with regulations and contribute to political targets.
- We place significant emphasis on networking, building and maintaining relationships with policy-makers, stakeholders and society.
- We support our organisation to better understand and influence the political environment.

Ensuring that Scania's public affairs messaging is coherent and balanced is also a priority, considering market, policy, and technology aspects. We strive to maintain and enhance our role as a key societal actor at local, national, and global levels. Furthermore, Scania acts as a representative voice in industry associations, reinforcing our presence and influence within the sector.

Partnerships play a vital role in Scania's strategy. We aim to initiate and sustain long-term collaborations with both private and public entities to reinforce our policy agenda and business development. By leveraging these partnerships, Scania enhances our credibility and impact in advocacy efforts, broadening the scope and amplifying its message. Active participation in partnerships allows Scania to influence others towards sustainable transport, manage messages and activities, and gain a deeper understanding of other actors' challenges and plans concerning the decarbonisation of the transport sector.

SUSTAINABILITY REPORT INDEX

Scania is committed to transparent sustainability reporting. Our aim is to provide our stakeholders with regular and relevant information about our sustainability efforts.

Sustainability report in accordance with the Swedish Annual Accounts Act (NFRD index)

All of Scania's business units, subsidiaries and production units worldwide are included in the report.

In this section you find an index on where to find the different mandatory parts for the sustainability report in accordance with the Annual Accounts Act.

Sustainability is an integrated part of Scania's work. Read more on how we integrate it into our business model and strategy, how we work with risks and how we measure our progress in the different areas through KPIs:

Read more on our way of working, also covering management and policies, in the following different areas:

Annual Accounts Act (ÅRL 6 kap 12 a §) and the Taxonomy Regulation states that companies covered by the Non-Financial Reporting Directive must report on how and to what extent the company's activities are associated with economic activities that are considered to be environmentally sustainable according to the technical screening criteria. More information including Scania's level of eligibility and alignment can be found on pages 72–81.

The auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders of Scania AB (publ), org.nr 556184-8564

Engagement and responsibility

The Board of Directors is responsible for the statutory sustainability report for fiscal year 2024 on pages 24–81, and that it is prepared in accordance with the Annual Accounts Act, according to the previous wording in the Annual Accounts Act that applied before 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

As of the date of the electronic signature

Ernst & Young AB

Heléne Siberg Wendin
Authorised Public Accountant

SUSTAINABILITY REPORTING PRINCIPLES

General reporting principles

The reporting period for Scania's Annual and Sustainability report is 1 January 2024 to 31 December 2024.

The ambition for Scania is to have global quality assured data that is aligned with the financial report, with the aim to increase the scope of our sustainability reporting and continuously improve the data quality.

Within the sustainability report we often refer to our industrial operations (covering production sites, research and development and logistics) and our commercial operations which covers the commercial entities owned by Scania. New acquisitions or sales are included in the sustainability reporting through the regular reporting structure by the business units. When new entities are implemented in Scania systems (e.g. Quentic and HFM) they are required to report data (e.g. sustainability information and employee information) retroactively starting at the beginning of the entities operation.

Some of the financial services entities, which are now part of the TRATON Group consolidation structure, are included in the Scania energy reporting. This is based on them sharing the same facilities as Scania. This is not a material amount in relation to the total figures.

Reporting scope

An analysis executed during 2024 shows that our sustainability reporting scope corresponds with the financial reporting scope, with the exception of reporting units that are used for financial purposes only. Our Chinese production entities are excluded from the environmental reporting for 2024, as they are still under construction however, commercial entities in China are included. Scope 3 GHG emissions and data points for social information include the Chinese entities.

Scania does not have any associated companies over which we have operational control. Therefore, environmental data (scope 1 and 2 emissions) for these entities is not reported. Scania has three joint ventures: one of which we have operational control and where environmental data is reported; one which is excluded from environmental reporting based on the immateriality of contribution to the full Scania Group data set; and one in China which is excluded from environmental reporting based on the same reason as for all Chinese production entities above.

General method for estimations

Estimations of data are used when they provide useful information to stakeholders and represent the substance of the phenomena that they intend to present. They are used when actual data cannot be collected within the necessary time frame for the Annual Report; when Scania does not have actual data for a specific data point; or when the use of estimations reflects the data quality better than potential actual data available.

Reporting principles per topic

Energy consumption and greenhouse gas emissions scope 1 and 2

Greenhouse gas emissions from scope 1 and 2 are collected from all industrial operation sites and the commercial network. Scania calculates and reports greenhouse gas emissions in accordance with the Greenhouse Gas (GHG) Protocol. For consolidation, the operational approach is used and the platform Quentic is used for data collection. Scania reports in CO_2 equivalents (CO_2e) including carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_20). Emissions are calculated with emission factors (EF), net calorific values and Global Warming Potential (GWP) values from IPCC1[1] (2006 IPCC Guidelines, AR4, 2007. AR5 2014, is used for CH_4 and N_20). Emission factors from IEA[2] (2020) are also used for the calculation of emissions scope 2. For district heating in Sweden emission factors (EF) from Swedenergy are used. For the production sites in France and Poland, we use EF provided by the supplier and for commercial operation entities we use country specific EF from IEA.

Biogenic emissions connected to scope 2 are calculated using emission factors from VDA[3]. Not all geographical locations are covered by the VDA, so an average emission factor for remaining locations is used for sites not covered.

Scope 2 emissions are calculated using both market-based and location-based methods as outlined in the GHG Protocol Scope 2 Guidance. For markets where we buy fossil-free electricity the market-based approach is used which is the case for most of our commercial network and our industrial operations (except for the RPC Regional Product Center) in Taiwan) while on markets where we do not buy fossil-free electricity the location based approach is used.

Estimations of energy consumption data and GHG emissions scope 1 and 2 are made for December for industrial operations entities, excluding the Lots Group where actual data is available. The estimations are made using data from the previous year for the same period.

1 IPCC – Intergovernmental Panel on Climate Change
2 IEA – International Energy Agency
3 VDA – German Association of the automotive Industry

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Estimations for commercial operation entities are made for Q4, which are derived using the corresponding period in the previous year as a baseline and adjusting for the percentage variance observed between Q1 and Q3 of 2024 and the same period in 2023. This methodology accounts for year-to-date changes influenced by decarbonisation initiatives, shifts in business activity, and climate-related factors.

Greenhouse gas emissions scope 3
Scope 3 emissions are calculated in accordance with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard. The scope 3 emissions presented exclude categories 8, 9 and 13 (upstream: leased assets, downstream transportation and distribution). In accordance with the GHG protocol, category 3.8 is included in scope 1 and 2 calculations. Category 3.9 is included in the calculation of category 3.4. Category 13 is included in the calculation of category 11.

Categories 1 and 11 are the sources of the biggest emissions for Scania. Activity data used for GHG calculations is based on invoiced data, real-time data, models and data reported by suppliers. Assumptions and estimations have been used when needed, in general using historical data. GHG emission calculations are subject to inherent uncertainties in general due to data measurement methodologies, incomplete scientific knowledge behind emission factors and lack of specific data resulting in a need for estimations and assumptions.

Scope categories:

Category 1 Purchased goods and services
Several reference vehicles are selected based on configurations of Scania trucks and buses to retrieve material data. The material data originates from the International Material Data System (IMDS) and provides a comprehensive breakdown of all materials used in our products and is further mapped towards material datasets in our LCA software (provided by Sphera) to calculate the CO_2e impact. In the same way, power solutions (external engines) and intermediate vehicle products (gearboxes, electric propulsion units and other components) are calculated and accounted for. Included is also the CO_2e impact from spare parts and packaging materials.

Category 2 Capital goods
Emissions associated with capital goods are calculated based on an economic input-output analysis using monetary values for investments made during the reporting year.

Category 3 Fuel and energy related activities
Calculated based on the reported use of energy and fuels.

Category 4 Upstream transportation and distribution
Emissions from inbound and outbound logistics is collected from Quentic. Methodology is aligned with ISO14083 and the Global Logistics Emissions Council (GLEC) Framework.

Category 5 Waste generated in operations
Calculated based on reported data for waste produced in the industrial operation. New emission factors used from 2024 and historic data have been recalculated.

Category 6 Business travel
The Travel Impact Model (TIM) methodology is used to estimate the flight level fuel burn based on the Tier 3 methodology for emission estimates from the Annex 1.A.3.a Aviation 2019 published by the European Environment Agency (EEA). A radiative Forcing Index of 3 is applied to account for the additional warming effects of the emissions being created at altitude.

Category 7 Employee commuting
Emission calculation based on estimation on average car and average travel distance for Scania Global employees, according to the region where the employee are located.

Category 8 Upstream leased assets
Included in scope 1 and 2 emissions.

Category 9 Downstream transportation and distribution
Included in category 3.4.

Category 10 Processing of sold products
Scania uses the following assumption: emission for production per vehicle is the same as processing of sold products per vehicle. For this assumption, emissions from green electricity during production are calculated as mixed grid. The calculation takes the volumes of sold vehicles in consideration.

Category 11 Use of sold products
Category 11 constitutes the majority of our scope 3: Corporate value chain GHG emissions figures. CO_2e emissions from products are calculated for all trucks, buses, power solution units and powertrain components produced by Scania globally in a calendar year. To calculate use-phase emissions the number of products, energy consumption, well-to-wheel GHG emission factors and estimated lifetime usage are considered.

Category 12 End-of-life treatment of sold products
Updated with results from life cycle assessments performed in 2024 in accordance with ISO 14040/44. Used for estimating end-of-life emissions of sold products. Previous years have been recalculated with new the methodology.

Category 13 Downstream leased assets
Emissions from vehicles that are leased by a customer are included in category 3.11.

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Category 14 Franchises
Franchises are seen as Scania non-captive workshops. Data from Quentic is used from our global commercial captive network to get emissions from an average workshop which is then multiplied by the number of global non-captive workshops.

Category 15 Investments
The calculation of category 15, consists of a selection of the investments with highest impact on GHG emissions and then the assessment of scope 1 and 2 for the selected investments based on Scanias share and emission information from the company.

Scope 3 Science-based target
Within scope 3 category 11, Scania has an approved science-based target that is in line with a below 2 degree Celsius scenario stated in the Paris Agreement according to the Science Based Targets initiative (see page 33). This is an intensity target. It is calculated in a well-to-wheel perspective as CO_2e/vehicle-km. The emissions are calculated based on operational data from our connected vehicles and service readouts. The baseline is all vehicles produced in 2015. Input data is CO_2e/km from operative months within 12 months and starting after the month of production, causing the reporting to lag one year.

Pollution to air and water
Scania reports emissions of pollutants to air from production facilities for which the applicable threshold value specified in Annex II of Regulation (EC) No 166/2006 is exceeded. For 2024, only entities within industrial operations exceed this threshold value. Scania analysed which pollutants listed in the European Pollutant Release and Transfer Register (E-PRTR) exceeded the threshold value during 2024. Scania identified three substances with emissions to air above the threshold value: hydrochlorofluorocarbons (HCFCs), non-methane volatile organic compounds (NMVOC) and benzene. Actual data is used to report our pollution to air. No pollutants were identified to be above the threshold value for emissions to water.

Water
Scania reports water metrics related to water usage. 2024 is the first year Scania collects and centrally performs quality checks of data related to water from commercial operations, therefore there is no historical data to support variation analysis from previous years. Scania recognises that data quality for the first-year report is challenging, and we are implementing central controls to improve the data quality over time.

Estimations for water data for industrial operations are made for December. For commercial operations, estimations for Q3 and Q4 assume the same water levels as Q1 and Q2. Most of the Q1 and Q2 water data for commercial operations is based on actual figures, however around 13 percent has been estimated. These estimations were calculated using the production hours of the entities and the average water usage per production hour of similar entities in the same region.

Total water recycled and reused is only applicable for industrial operations.

Waste
2024 is the first year Scania collects and centrally performs quality checks of data related to waste from commercial operations, therefore there is no historical data to support variation analysis from previous years. Scania recognises that data quality for the first-year report is challenging, and we are implementing central internal controls to improve the data quality over time.

Waste data estimations for industrial operations are made for December. For commercial operations, estimations for Q3 and Q4 assume the same waste levels as Q1 and Q2. Data was estimated for 36 percent of commercial entities that do not have actual waste records in Q1 and Q2. These estimations are based on the working hours reported by each entity and the average waste produced per hour by similar entities in the same region.

Employee data
Employee data covers full Scania operations in line with the Group consolidated view. It includes industrial and commercial operations entities for companies which are fully consolidated by Scania. Within Scania's financial reporting the total number of employees includes both own-employees and non-employees in the own workforce. These groups are shown separately in the sustainability report. Most employee data is collected through the financial reporting system (HFM) and some information for Swedish entities is complemented from the SD Worx payroll system. The headcount as of December 31 is used, rather than FTEs to calculate the number of employees.

Scania's permanent employee definition includes employees on long-term sick leave, trainees and apprentices. Employment contracts must specify the agreed-upon minimum working hours, and zero-hour contracts are not permitted.

Non-employees include individuals occupied in Scania without being in an employment relationship, e.g. temporary staff, consultants and self-employed (individual contractors supplying labour to Scania).

SUSTAINABILITY REPORTING PRINCIPLES

Employee turnover constitutes the number and rate of employees who left voluntarily or due to dismissal, retirement, or death. The calculation is based on the average number of employees within the respective reporting period (31 December 2023 until 31 December 2024).

Diversity Indicators
Data from the system SD Worx is used to support the report for Swedish entities, regarding the age and renumeration breakdown. Due to some data quality limitations, assumptions were used to distribute the employees into different age clusters, which can pose uncertainty on the classification made for about 2 percent of the total employees.

Adequate wages
Inspired by the ESRS, Scania reports the countries where some employees earn below the applicable adequate wage benchmark and the percentage of employees earning below this benchmark for each of those countries.

The benchmark analysis uses the following assumption: within the EEA the ESRS-defined metric for an “adequate wage” is used, which is the minimum wage for the member state. If there is no minimum wage, the approximation prescribed by ESRS is applied. For non-EEA countries, the living wage database by the WageIndicator Foundation is utilised, which provides a validated adequate living wage for all countries outside the EEA.

Collective bargaining coverage
The coverage of collective bargaining agreements (CBA) combines information from our factories as well as manually reported data from the markets yearly, which could affect the data quality (in general different interpretation of CBA). As this is still an important datapoint and focus area for Scania, we choose to continuously report and improve the quality and process.

Health and Safety
Health and Safety figures are collected through TIA, our system for incident and risk management together with our financial reporting system (HFM). Data from HFM is used for reporting but validated and complemented with TIA information. The data for fatalities, healthy attendance as well as the number of worked hours is collected through HFM from Scania’s global operations (industrial and commercial).

SUSTAINABILITY TABLES

SUSTAINABILITY TABLES – SOCIAL TOPICS

Employee headcount by gender

	Number of employees (head count)		Number of employees (head count) – (exc. long term absent employees)	
Gender	2024	2023	2024	2023 [1]
Male	43,748	43,256	43,031	–
Female	11,991	11,162	11,450	–
Other	0	0	0	–
Not disclosed	0	0	0	–
Total employees	**55,739**	**54,418**	**54,481**	**53,274**
Total employees (including employees on hire)[2]	**58,845**	**58,163**	**–**	**–**

1 Breakdown by gender for employees excluding long-term absent employees is not available for 2023.
2 From previous years total employees (including people on hire) = Scania total employees + Total of non-employees.

Employee headcount by contract type and gender

	2024				2023 [1]
Employees by contract type and gender	Female	Male	Other	Total	Total
Number of employees (head count)	11,991	43,748	0	**55,739**	**54,418**
Number of permanent employees (head count)	10,987	41,507	0	**52,494**	**50,834**
Number of temporary employees (head count)	1,004	2,241	0	**3,245**	**3,584**

1 Breakdown by gender for permanent and temporary employees is not available for 2023.

Employee headcount by contract type and region

	2024						2023					
Employees by contract type and region	Europe	America	Asia	Africa and Oceania	Eurasia	**Total**	Europe	America	Asia	Africa and Oceania	Eurasia	**Total**
Number of employees (head count)	39,800	10,173	3,491	2,051	224	**55,739**	39,580	9,863	2,744	2,020	211	**54,418**
Number of permanent employees (head count)	38,079	8,708	3,466	2,017	224	**52,494**	37,231	8,656	2,734	2,002	211	**50,834**
Number of temporary employees (head count)	1,721	1,465	25	34	0	**3,245**	2,349	1,207	10	18	0	**3,584**

Employee turnover

	2024	2023
Total number of employees who left the company	6,128	5,346
Total employees	55,739	54,418
Rate of employees turnover (%) [1]	**11.1%**	**10.0%**

1 Employee turnover calculation is based on the average number of employees within the respective reporting period (31 December 2023 until 31 December 2024).

Non-employee headcount

	Number of non-employees in the own workforce (head count)	
	2024	2023
Total non-employees [1]	**3,106**	**3,745**

1 Non-employees include individuals occupied in Scania without being in an employment relationship, e.g. temporary staff, consultants and self-employed (individual contractors supplying labour to Scania).

SUSTAINABILITY TABLES – SOCIAL TOPICS

Headcount by age group

	2024 Total	2023 Total
Under 30 years old	12,760	12,096
30–50 years old	30,029	29,204
Over 50 years old	12,951	13,118
Total	**55,739**	**54,418**

Collective bargaining coverage

	2024			
	Collective bargaining coverage			Social Dialogue
Coverage rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.) [1]	Employees – Non-EEA (estimate for regions with >50 empl. Representing >10% total empl)	Employees – Scania Group	Total Employees (both EEA and Non-EEA countries)
Covered in %	88%	52%	76%	100%
Not covered in %	12%	48%	24%	0%

1 The percentage in the EEA region is calculated based on the total number of employees in that region, which was 37,519 as of 31 December 2024.

Percentage of employees below adequate wage

	2024	
	Percentage of employees that earn below the applicable adequate wage benchmark [1]	
Country	Employees – EEA (%)	Employees – Non-EEA (%) [2]
Morocco	–	0.01%

1 In general, all employees are paid in line with local legal and, where applicable, existing collective bargaining agreements. Not all employees received adequate wages in line with the applicable reference values during the reporting year. The table above indicates that in some countries there are employees who are below the reference value. The analysis showed that 1 employee in Brazil and 6 employees in Morocco earn less than the benchmark.
2 Within the EEA the ESRS-defined metric for an "adequate wage" is used, which is the minimum wage for the member state. If there is no minimum wage, the approximation described by the ESRS is applied. For Non-EEA countries, the living wage database by the WageIndicator Foundation is utilised, which provides a validated adequate wage for all countries outside the EEA.

Health and safety metrics for employees and non-employees

	2024 [3]			2023 [2]
	Employees	Non-employees [1]	Other workers[1]	Employees
Percentage of employees covered by health and safety management system	100%	100%	–	100%
Number of fatalities as a result of work-related injuries and work-related ill health	0	0	0	1
Number of recordable work-related accidents	688	64	–	758
Rate of recordable work-related accidents (%)	7.42	0	–	8.85
Total number of days lost from work-related accidents and work-related ill health	11,097	–	–	0

1 In 2024 Scania presents health and safety metrics inspired on ESRS recommendations.
2 The same breakdown as 2024 is not available for 2023 figures.

SUSTAINABILITY TABLES – ENVIRONMENTAL TOPICS

Energy consumption and mix

Energy consumption and mix		2024	2023	2022	2021	2015
Fuel consumption from coal and coal products	(MWh)	0	–	–	–	0
Fuel consumption from crude oil and petroleum products	(MWh)	279,940	298,698	290,707	297,531	375,857
Fuel consumption from natural gas	(MWh)	116,974	104,772	113,614	138,918	125,604
Fuel consumption from other fossil sources	(MWh)	0	–	–	–	–
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	(MWh)	134,804	149,712	144,565	174,098	608,488
Total fossil energy consumption	**(MWh)**	**531,717**	**553,182**	**548,885**	**610,546**	**1,109,949**
Share of fossil sources in total energy consumption	**%**	**45%**	**46%**	**46%**	**51%**	**96%**
Consumption from nuclear sources	(MWh)	1,127	–	–	–	–
Share of consumption from nuclear sources in total energy consumption	**%**	**0.1%**	**–**	**–**	**–**	**–**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc)	(MWh)	47,438	50,205	50,824	41,379	6,275
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	(MWh)	593,674	594,808	579,028	552,919	36,371
Consumption of self-generated non-fuel renewable energy	(MWh)	5,721	4,782	4,045	3,868	0
Total renewable energy consumption	**(MWh)**	**646,832**	**649,795**	**633,898**	**598,165**	**42,646**
Share of renewable sources in the total energy consumption	**%**	**55%**	**54%**	**54%**	**49%**	**4%**
Non-renewable energy production	(MWh)	0	–	–	–	–
Renewable energy production	(MWh)	7,645	6,616	6,272	4,824	0
Total energy consumption from activities in high climate impact sectors	**(MWh)**	**1,179,676**	**1,202,977**	**1,182,783**	**1,208,712**	**1,152,595**
Number of vehicles produced	units	101,648	102,283	88,142	92,718	79,346
Total energy per vehicle produced	**MWh/produced units**	**11.6**	**11.8**	**13.4**	**13.0**	**14.5**
Total energy consumption (according to Scania targets – page 40) [1]	(MWh)	600,550	639,874	614,928	585,385	556,323
Total energy per vehicle (according to Scania targets – page 40) [1]	(MWh)	5.9	6.3	7.0	6.3	7.0

1 Table presents energy consumption for full operations (Total energy consumption) and Total energy consumption according to Scania target, which covers industrial operations and logistic centre globally.

Energy intensity per net revenue

Energy intensity per net revenue		2024	2023	2022	2021	2015
Total energy consumption from activities in high climate impact sector per net revenue from activities in high climate impacts sectors	(MWh/SEK m.)	5.46	5.89	7.43	8.27	11.79

Revenue reconciliation for energy intensity

The reconciliation of net revenue from activities in high climate impact sectors to the relevant financial statements		2024	2023	2022	2021	2015
Net revenue from activities in high climate impact sectors used to calculate energy intensity	(SEK m.)	216,129	204,126	159,181	146,146	97,792
Net revenue (other)	(SEK m.)	0	0	0	0	0
Total net revenue (in financial statements) – Note 4	**(SEK m.)**	**216,129**	**204,126**	**159,181**	**146,146**	**97,792**

SUSTAINABILITY TABLES – ENVIRONMENTAL TOPICS

GHG emissions disagregated by scope 1, 2 and 3

GHG emissions disagregated by scope 1, 2 and 3		2024	2023	2022 (Retrospective)	2021 (Retrospective)	2015 (Retrospective)
Scope 1 GHG emissions						
Gross scope 1 GHG emissions [5]	(1000 tCO_2e)	99.2	103.3	100.1	105.0	125.0
Percentage of scope 1 GHG emissions from regulated emission trading schemes	%	0	0	0	0	0
Scope 2 GHG emissions						
Gross location-based scope 2 GHG emissions	(1000 tCO_2e)	56.1	58.2	–	–	84.9
Gross market-based scope 2 GHG emissions [5]	(1000 tCO_2e)	10.9	13.2	15.1	20.4	82.1
Significant scope 3 GHG emissions						
Total gross indirect (scope 3) GHG emissions	**(1000 tCO_2e)**	**140,320**	**144,794**	**135,075**	**143,802**	**117,456**
Purchased goods and services (category 3.1) [2]	(1000 tCO_2e)	2,303	2,283	2,184	2,211	1,926
Capital goods (category 3.2)	(1000 tCO_2e)	354	280	251	261	–
Fuel and energy-related activities (not included in scope 1 and scope 2) – (category 3.3)	(1000 tCO_2e)	45	42	45	48	–
Upstream transportation and distribution (category 3.4) [6]	(1000 tCO_2e)	326	275	287	266	191
Waste generated in operations (category 3.5)	(1000 tCO_2e)	221	266	251	253	–
Business travel (category 3.6) [1]	(1000 tCO_2e)	65	33	18	4	–
Employee commuting (category 3.7) [1]	(1000 tCO_2e)	28	49	54	69	–
Processing of sold products (category 3.10)	(1000 tCO_2e)	38	–	–	–	–
Use of sold products (category 3.11) [2,7]	(1000 tCO_2e)	136,517	141,182	131,613	140,305	114,974
End-of-life treatment of sold products (category 3.12)	(1000 tCO_2e)	324	320	284	300	252
Franchises (category 3.14)	(1000 tCO_2e)	98	63	88	84	113
Investments (category 3.15)	(1000 tCO_2e)	0	–	–	–	–

GHG emissions disagregated by scope 1, 2 and 3		2024	2023	2022 (Retrospective)	2021 (Retrospective)	2015 (Retrospective)
Total GHG emissions (scope 1, 2 and 3)						
Total GHG emissions (location-based)	(1000 tCO_2e)	140,475	144,955	–	–	117,665
Total GHG emissions (market-based)	(1000 tCO_2e)	140,430	144,910	135,190	143,927	117,663
Number of vehicles produced	units	101,648	102,283	88,142	92,718	79,346
Total emissions (scope 1 and 2 | market-based by vehicle)	(1000 tCO_2eq/ units produced)	1.1	1.1	1.3	1.4	2.6
Total CO_2e from Operations – Scope 1 and 2 (according to Scania science-based target) [3]	(1000 tCO_2e)	110.0	116.5	115.2	125.3	207.1
Total CO_2e from land transport (according to Scania target) [4]	(1000 tCO_2e)	155.7	175.7	154.7	170.5	–
Biogenic emissions						
Biogenic emissions of CO_2 separately from the scope 1 GHG emissions	(1000 tCO_2e)	13,151	–	–	–	–
Biogenic emissions of CO_2 separately from the scope 2 GHG emissions	(1000 tCO_2e)	10,771	–	–	–	–
Biogenic emissions of CO_2 separately from scope 3 GHG emissions	(1000 tCO_2e)	9,100	–	–	–	–

1 Categories 3.6 and 3.7 had a change of calculation methods in 2024, to reflect better practices in the market. However data is not available to restate previous years.
2 Categories 3.1 and 3.11 were restated between 2023 to 2015 to reflect the adoption of more refined methods.
3 Table presents, information on CO_2e from operations, according to information measured in Scania target, which scope covers Scania's global operations.
4 Table presents information on CO_2e from land transport, according to information measured in Scania target, includes road, short sea and train transport of production material to our factories, our packaging network, transport of vehicles to the first address according to INCOTERM (International Commercial Terms) and transport of spare parts to our workshops.
5 Category 3.8 is included in scope 1 and 2 calculations (in accordance with GHG protocols).
6 Category 3.9 is included in the calculation of category 3.4 (in accordance with GHG protocols).
7 Category 3.13 is included in category 3.11.

GHG intensity per net revenue

GHG intensity per net revenue		2024	2023	2022	2021	2015
Total GHG emissions (location-based) per net revenue	(tCO_2e/SEK m.)	650.0	710.1	–	–	1,203.2
Total GHG emissions (market-based) per net revenue	(tCO_2e/SEK m.)	649.8	709.9	849.3	984.8	1,203.2

SUSTAINABILITY TABLES – ENVIRONMENTAL TOPICS

Revenue reconciliation for GHG intensity

The reconciliation of net revenue used to calculate GHG intensity to the relevant financial statements		2024	2023	2022	2021	2015
Net revenue used to calculate GHG intensity	(SEK m.)	216,129	204,126	159,181	146,146	97,792
Net revenue (other)	(SEK m.)	0	0	0	0	0
Total net revenue (in financial statements) – Note 4	**(SEK m.)**	**216,129**	**204,126**	**159,181**	**146,146**	**97,792**

Water usage

Water consumption		2024 [1]
Water usage	(1000 m³)	1,076
Water recycled and reused	(1000 m³)	51
Number of vehicles produced	units	101,648
Water usage per vehicle	(1000 m³/ units produced)	10.58
Water usage (according to Scania target) [1]	units	512
Water usage per vehicle (according to Scania target) [1]	(1000 m³/ units produced)	5.04

1 For 2024 Scania presents data covering Scania full operations, including Industrial sites, R&D and commercial network. The same breakdown is not available for historical data. To see data from previous years, please see our 2023 Annual Report. Additionally, the table provide information on water usage, according to information measured in Scania target, which scope covers industrial operations and logistic centres globally.

Pollution

Pollution to air [1]		2024
Hydrochlorofluorocarbons (HCFCs)	tonnes	0.02
Non-methane volatile organic compounds (NMVOC)	tonnes	208.5
Benzene	tonnes	5.5

1 Pollution disclosure refers to emissions of pollutants from production facilities for which the applicable threshold value specified in Annex II of Regulation (EC) No 166/2006 is exceeded. (ESRS E2.4.29). At Scania operations few productions sites reach the limit of a reduced list of substances.

Waste generated

Waste generated		2024 [1]
Total Waste generated [2]	**1000 tonnes**	**186,251**
Hazardous waste diverted from disposal	**1000 tonnes**	**25,716**
Hazardous waste diverted from disposal due to preparation for reuse	1000 tonnes	3,126
Hazardous waste diverted from disposal due to recycling	1000 tonnes	11,886
Hazardous waste diverted from disposal due to other recovery operations	1000 tonnes	10,704
Non-hazardous waste diverted from disposal	**1000 tonnes**	**120,105**
Non-hazardous waste diverted from disposal due to preparation for reuse	1000 tonnes	2,145
Non-hazardous waste diverted from disposal due to recycling	1000 tonnes	103,636
Non-hazardous waste diverted from disposal due to other recovery operations	1000 tonnes	14,324
Hazardous waste directed to disposal	**1000 tonnes**	**15,540**
Hazardous waste directed to disposal by incineration	1000 tonnes	529
Hazardous waste directed to disposal by landfilling	1000 tonnes	15,011
Hazardous waste directed to disposal by other disposal operations	1000 tonnes	0
Non-hazardous waste directed to disposal	**1000 tonnes**	**24,890**
Non-hazardous waste directed to disposal by incineration	1000 tonnes	955
Non-hazardous waste directed to disposal by landfilling	1000 tonnes	23,935
Non-hazardous waste directed to disposal by other disposal operations	1000 tonnes	0
Non-recycled waste	1000 tonnes	65,457
Percentage of non-recycled waste	%	35%
Total amount of hazardous waste	**1000 tonnes**	**41,256**
Total amount of radioactive waste	1000 tonnes	0
Number of vehicles produced	units	101,648
Waste per vehicle	(1000 tonnes/units produced)	1.83
Total waste material not recycled (according to Scania target) [3]	Kg/Vehicle	426

1 For 2024 Scania presents data divided in accordance with waste category suggested by ESRS. The same breakdown is not available for historical data. To see data from previous years, please see our 2023 Annual Report.
2 The waste data covers Scania full operations, including Industrial sites, R&D and commercial network.
3 Additionally the table presents, information on waste not recycled, according to information measured in Scania target, which covers Industrial Operations.

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

Background

The Regulation (EU) 2020/852[1] of the European Parliament and of the Council of 18 June 2020 (hereafter referred to as the "Taxonomy Regulation") was established in order to provide a common framework by which companies can classify environmentally sustainable economic activities and to report externally on the share of turnover and expenditures that are considered sustainable according to the Taxonomy Regulation. The purpose is to give investors and the market information to enable them to identify businesses that contribute to the transformation to an economy that supports the environmental objectives of the European Union and to steer investments for realisation of the Paris Agreement. One sector that needs to be transformed is the transportation sector. Scania is fully committed to the transformation that needs to happen within the transportation industry and ecosystem. The objectives are well aligned with Scania's purpose and strategy to drive the shift towards a sustainable transport system.

Sustainable economic activities are activities that give a substantial contribution to the achievement of at least one of the six environmental objectives defined in the Taxonomy Regulation. The six environmental objectives are related to climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems. To determine if an economic activity can be classified as environmentally sustainable, technical screening criteria have been developed by the European Commission. The assessment made by Scania has been based on the criteria adopted in the annexes to the Taxonomy Regulation Delegated Act for all environmental objectives, as well as the definitions stated in the Taxonomy Regulation delegated act to article 8 on reporting. For Scania, one of the main screening criteria is related to the amount of tailpipe emissions.

Taxonomy definitions

Taxonomy-eligible are those economic activities that are described in the delegated acts and for which technical evaluation criteria for one of the six environmental objectives are available; all other economic activities are so-called non-taxonomy economic activities.

Taxonomy-aligned activities are activities that have passed the technical assessment criteria, meet the minimum safeguards criteria e.g., related to protection of human rights, social and labor standards and have passed the analysis of do no significant harm (hereafter referred to "DNSH") of one or more environmental objectives as defined in the Taxonomy Regulation.

Taxonomy in Scania context

For the financial year 2024, the Scania Group reports on all environmental objectives in accordance with the Taxonomy Regulation: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

Scania is making important progress in the electrification journey and has been investing in projects and partnerships to make electrification of the ecosystem for heavy transport viable. The KPIs indicate Scania's current alignment with the sustainable activities as defined by the Taxonomy Regulation. The electrification process is dependent on significant investments in the build out of infrastructure for charging electric vehicles and support from policymakers to enable companies and industries to do a rapid transition to low carbon technologies.

For the heavy transport industry, the Taxonomy Regulation is steering investment mainly towards pure electrified vehicles which means that no investments or revenues from hybrids or renewable fuels technologies can be calculated for within the alignment KPI. From a strategic perspective Scania takes a broad approach within sustainable transport which values biofuels together with electrification to shift the market away from fossil fuel emissions.

Read more on pages 32–37 →

The Taxonomy Regulation contains wording and terms that are subject to interpretation uncertainties and which could lead to future changes in the reporting if they are subsequently clarified by the EU. There is a risk that the reported key performance indicators have to be assessed differently in future reports. The Scania's Group interpretation is presented in the following sections.

1 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

Basis of reporting

Taxonomy economic activities

The economic activities of the Scania Group (development, production and sales of trucks, buses and services) have been analysed on the basis of the business model as a vehicle manufacturer and fall under the NACE[2] code C.29.1. For each environmental objective, the Taxonomy Regulation recognises economic activities that give substantial contribution to environmental objectives: 1) economic activities that make a substantial contribution based on their own performance: for example, an economic activity being performed in a way that is environmentally sustainable and 2) economic activities that, by provision of their products or services, enable a substantial contribution to be made in other activities. For example, an economic activity that manufactures a component that improves the environmental performance of another activity. Therefore, the Taxonomy Regulation presented an annex indicating economic activities based on NACE codes correlated to each of the environmental objectives defined in the Taxonomy Regulation.

Scania's business model comprises the manufacturing and sale of new vehicles, used vehicles and services in the form of maintenance and repair, including the manufacturing of original parts. In terms of the "climate change mitigation" environmental objective pursuant to Annex I of the Taxonomy Regulation, Scania activities are to be found under economic activity 3.3 Manufacture of low carbon technologies for transport. Economic activities in which Scania does not act as a manufacturer and acts instead as a supplier of components and parts are non-taxonomy economic activities. Therefore Scania does not have economic activities that are classified under activity 3.18 – manufacture of automotive and mobility components. The used vehicles included are vehicles manufactured by Scania that are mainly sold to third parties.

In the analysis of economic activity within the framework of the Taxonomy Regulation, no activities were identified for Scania that specifically account for any of the five other environmental objectives. However, the dynamic evolution of Taxonomy Regulation rules may lead to modifications of economic activities in the future.

Assessment of taxonomy-aligned economic activities

Substantial contribution

The criteria set out in Annex I to Regulation 2020/852 for verifying the substantial contribution of the economic activity 3.3 are based on the respective vehicle categories and the associated carbon (CO_2) emissions and drive technologies. For the Scania Group, all self-produced, fully electric vehicles meet the criteria for the substantial contribution, according to the technical screening criteria defined in the Taxonomy Regulation. This means that economic activities associated with battery electric vehicles make a substantial contribution to climate change mitigation for the financial year.

Do no significant harm – criteria (DNSH)

The Scania Group is part of the TRATON GROUP and the DNSH evaluation was coordinated and carried out together for all entities in the group with a focus on the sites relevant for DNSH criteria. Based on that, production sites, component plants and research and development units related to vehicles that meet the evaluation criteria for the substantial contribution today, as well as units that will meet them in the next five years, were considered. The majority of the sites included in the analysis are in countries within the EU as well as in South America. The Taxonomy Regulation is subject to uncertainties regarding the interpretation of the DNSH criteria and to some extent goes beyond the requirements applicable to ongoing business operations. In addition, the application of the Taxonomy Regulation for locations outside the EU leads to special challenges due to the possibly different legal situations in those locations.

The DNSH criteria were assessed on the basis of the regulations to be applied in the EU in 2024 for ongoing business operations, as well as internal policies and processes. For locations outside the EU, country-specific regulations and internal processes were used. All production sites at Scania, including research and development, are part of the environmental management system and certified in accordance with ISO 14001. All sites also have permits that comply with national legislation. In addition to legal requirements and the conditions included in these permits, operations may also be subject to local requirements and rules.

With the exception of the DNSH criterion for the prevention and reduction of environmental pollution, the analysis was positive, for the nine Scania sites included in the analysis: Södertälje, Oskarshamn, Luleå, Angers, Zwolle, Meppel, Slupsk, São Bernardo and Tucuman.

2 NACE is the Statistical Classification of Economic Activities in the European Community. It allows classification of all the companies of the European Union according to their activities.

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

The Scania Group's approach to assessing the DNSH criteria is presented in detail below and has been done as a part of the complete TRATON GROUP approach.

Climate change adaptation
A climate risk and vulnerability assessment was carried out to identify sites that could be affected by physical climate risks. The identified physical climate risks were assessed based on the useful lifetime of the relevant assets in relation to economic activity 3.3. The climate-based DNSH assessment is based on the Shared Socioeconomic Pathway (SSP)-8.5 of the 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)[3] up to the year 2050 and thus assumes the highest CO_2 concentration according to the IPCC. In addition, risk-specific analyses were carried out with further data sources based on the exact locations. Identified threats were checked for relevance in the local environment and, if necessary, necessary measures were developed to reduce the risk.

In several places mitigation measures are identified, such as site fire department and flood barriers to protect infrastructure.

Sustainable use and protection of water and marine resources
Environmental impact assessments (EIAs), ISO 14001 certificates, local legislation, internal policies and processes, and other external data sources were used to analyse compliance with the DNSH criterion. To achieve good water status and good ecological status, risks of environmental damage related to maintaining water quality and avoiding water scarcity are identified and analysed. Countermeasures, such as the construction of local waste water treatment plants, are initiated at sites located in water stress areas.

Transition to a circular economy
The transition to a circular economy is embedded in the strategic focus areas defined by Scania and adopted both in sourcing, product development, production and in business development. Internal processes and routines supporting the transition to a circular economy covers the specific requirements set in the Taxonomy Regulation for circular economy. During 2024 Scania has continued to work with our suppliers and others to gain a deeper understanding of the opportunities of a circular approach in the different parts of our value chain. This includes exploring new business models, extending the life of our products, optimising the use of resources and energy, maintaining product value as far as possible.

Pollution prevention and control
In order to be considered environmentally sustainable, an economic activity cannot result in a substantial increase in air, water, or ground pollution compared to the levels before it began. The automotive industry is already extremely regulated on the whole — among other things, this is reflected in the publicly accessible Global Automotive Declarable Substance List (GADSL). Scania had implemented approval and control processes that are designed to ensure compliance with the legal requirements and internal regulations applicable to ongoing business operations. In this context, Scania is addressing the use of alternative substances in our analyses and assessments.

The European Commission amended the DNSH criteria in the Taxonomy Regulation in July 2023. There is interpretation uncertainty as to the impact that changes in the requirements for internal substitution testing processes for substances of very high concern (SVHCs) may have on the 2024 reporting period.

With the introduction of Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023, the DNSH criterion for the prevention and control of environmental pollution was amended, among other things, and the technical assessment criteria of the Taxonomy Regulation were thus expanded. Accordingly, the Taxonomy Regulation goes beyond the existing substance bans and restrictions and stipulates that the use of other substances that are not currently restricted by EU substance regulations (substances on the EU REACH Candidate List and other substances of concern) is only acceptable if it is determined and documented that no suitable alternative substances are available on the market and the use of these substances takes place under controlled conditions. Furthermore, there is room for interpretation regarding detailed requirements for substitution testing. The additional requirements have thus added another layer of complexity to the Taxonomy Regulation.

Scania already has established specifications and processes that generally stipulate that substances of very high concern must be avoided and replaced. Based on this, we include production process material as well as vehicle-related components of all-electric vehicles in our analyses with regard to the substances they contain and the suppliers in order to assess the substitutability of the substances of particular concern. Our current processes are founded on our suppliers complying with Scania's Supplier Code of Conduct and its updates. However, due to the comprehensive change in the Taxonomy Regulation and the associated serious impact on our processes and

3 Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

systems, we cannot currently fully assume that our processes cover all other substances of concern. As a result, it is not possible to report taxonomy-aligned sales, capital expenditure and operating expenses for the reporting year 2024.

Protection and restoration of biodiversity and ecosystems
The relevant areas have been identified using various information sources (including Natura 2000[4] areas and environmental impact assessments) to verify compliance with the requirements governing biodiversity and ecosystems. Where biodiversity-sensitive areas are close to a site, an assessment of the associated risks and impacts on the area has been performed. Where necessary, compensatory or remedial measures, such as tree planting programs, are taken to ensure that the activity has no significant impact on the conservation objectives of the protected area.

Minimum safeguards
The minimum safeguards criteria requires compliance with the OECD[5] Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the fundamental principles and rights from the eight core conventions set out in the International Labor Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and the guiding principles from the International Bill of Human Rights. A group analysis has been conducted together within the TRATON GROUP based on the recommendations on minimum safeguards of the EU Platform on Sustainable Finance (PSF)[6] of October 2022.

The analysis was based on Scania processes, controls, and compliance measures with regard to the following four core topics:

- Human rights, including labor rights
- Bribery/corruption
- Taxation
- Fair competition

Scania's governance set up, compliance program and human rights framework builds the foundation for the work related to the minimum safeguards criteria. Scania Group is committed to respect human rights in our operations and in our value chain in line with the UN's Guiding Principles on Business and Human Rights, the ILO core conventions and the international bill of human rights. Scania's Human Rights Policy is complemented by related policies such as the Employment Policy, the Scania Code of Conduct and the Supplier Code of Conduct.

Scania's compliance programme has a risk-based approach and is implemented globally. The purpose of business ethics and compliance related initiatives and activities at Scania is to identify, prevent, detect and respond to compliance risks that Scania's business may face worldwide. The key areas of Group Compliance are anti-corruption, anti-money laundering (AML), antitrust/competition law and business and human rights. Communication and employee training play a key role in Scania's preventive compliance and human rights work across all hierarchy levels.

Scania has together with the Volkswagen brands created a raw material due diligence management system. The approach is based on OECD guidance for due diligence processes and consists of management systems, risk identification, monitoring, risk management as well as communication.

Read more on page 56 →

Scania drives efforts related to human rights through the Human Rights Framework, that is organised around the following three pillars: Commit – with clear actions planned to improve policies and guidelines, Know – making sure that human rights is integrated into decision-making processes and Show – improving Scania's ability for grievance and remediation as well as in communication, with the aim to increase transparency regarding human rights related information and data. Scania's Human Rights Steering Committee monitors the framework, and report progress and challenges to the Scania Sustainability Board (SSB) and to the Traton Human Rights Committee. Progress in 2024 includes integration of human rights into the Scania risk process and the launch of an updated Human Rights Policy that provides more extensive guidelines for integration of human rights into decision-making.

Human rights and compliance risks are integrated within Scania's regular risk process.

Read more on human rights on page 25 →

Another cornerstone of Scania's efforts is the group-wide whistleblowing system. The whistleblowing channels are available both internally and externally to report suspected ethical violations conducted by Scania employees, and procedures are in place to conduct internal investigations. Assurance and control is performed through several activities such as internal controls. Read more on page 90. The combined efforts and elements within Scania's central governance, the compliance program as well as the human rights framework ensures that the minimum social safeguard requirements are met.

Read more on Scania's way of working within human rights and business ethics on page 58–61 →

4 Natura 2000 is a network of protected areas covering Europe's most valuable and threatened species and habitats.
5 OECD is the Organisation for Economic Cooperation and Development.
6 The Platform on Sustainable Finance is an advisory board, composed by experts. Its main purpose is to advise the European Commission on several tasks and topics related to further developing in the EU Taxonomy Regulation. On October, 2022 the PSF published its final report to clarify how companies should interpret and implement "minimum safeguards", OECD Guidelines and Human Rights Due diligence in the context of EU Taxonomy Regulation.

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

Method to determine the key performance indicators for the Taxonomy Regulation

The key performance indicators (KPIs) for fiscal year 2024 include the taxonomy-aligned and taxonomy-eligible turnover (sales revenue), capital expenditure (capex), and operating expenditure (opex) of the Scania Group. The KPIs have been specified in accordance with Annex I to the Commission Delegated Regulation based on Article 8 of Regulation 2020/852. Only transactions with third parties have been considered. Turnover, capital expenditure, and operating expenditure relate in full to the "climate change mitigation" environmental objective.

To determine the percentages, the taxonomy-eligible and taxonomy-aligned turnover, capital expenditure, and operating expenditure are each set in relation to total turnover, total capital expenditure, and total operating expenditure within the meaning of the Taxonomy Regulation. However, Scania does not report any taxonomy-aligned KPIs for the 2024 reporting year.

The tables required by the Taxonomy Regulation are shown at the end of the chapter.

Turnover

	Turnover		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned turnover	
2024	SEK million	%[1]	SEK million	%[1]	Y/N	Y/N	SEK million	%[1]
A. Taxonomy-eligible activities								
3.3 Manufacture of low-carbon technologies for transport	200,195	92.6	1,031	0.5	N	Y	0	0.0
B. Taxonomy-non-eligible activities	**15,933**	**7.4**						
Total (A + B)	**216,129**	**100**						

1 Percentage refers to the total turnover in accordance with EU taxonomy

Turnover is calculated on the basis of the sales revenue reported in the income statement (which include revenues from IFRS 15 and IFRS 16) for the period from 1 January to 31 December, 2024, in the Consolidated Financial Statements as of 31 December, 2024 (denominator), which amounted to SEK 216,129m. (205,066) (Note 4).

Taxonomy eligible turnover for economic activity 3.3 accounted for SEK 200,195m. (189,896) of this total, or 92.6 % (92,6%) of the Scania Group's sales revenue, which was classified as taxonomy-eligible turnover. This includes in particular revenue from the sale and lease of new and used vehicles manufactured internally, as well as revenue from genuine parts and workshop services. By contrast, revenue from the sale of vehicles that are not manufactured internally or revenue under the "Powertrain solutions and parts deliveries" item is not included.

Taking into account the technical screening criteria, DNSH analysis and the safeguards, taxonomy-aligned turnover in 2024 amounts to SEK zero m.

The change in taxonomy-aligned turnover is mainly due to the fact that it was no longer possible to provide proof of the DNSH criterion for the prevention and control of environmental pollution.

Details can be found in the section 'Pollution prevention' on page 74 →

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

Capital expenditures (Capex)

2024	Capex SEK million	Capex %[1]	Substantial contribution to climate change mitigation SEK million	Substantial contribution to climate change mitigation %[1]	Compliance with DNSH criteria Y/N	Compliance with minimum safeguards Y/N	Taxonomy-aligned Capex SEK million	Taxonomy-aligned Capex %[1]
A. Taxonomy-eligible activities								
3.3 Manufacture of low-carbon technologies for transport	25,105	98,6	3,689	14.5	N	Y	0	0.0
B. Taxonomy-non-eligible activities	**358**	**1.4**						
Total (A + B)	**25,464**	**100**						

1 Percentage refers to the total Capex in accordance with EU taxonomy

Capital expenditure (Capex) is determined on the basis of additions to intangible assets, tangible assets and assets leased out (Note 10) and from business combinations included in the consolidated financial statements as of 31 December 2024, which amounted to SEK 25,464m. (21,826). Additions to goodwill are not included in the denominator.

Taxonomy eligible capex for economic activity 3.3 accounted for SEK 25,105m. (21,342) of this total, or 98.6% (97.8%) of the Scania Group's capital expenditure classified as taxonomy-eligible. This includes in particular, capital expenditure related directly to taxonomy-eligible turnover activities. Capital expenditure incurred in connection with vehicles not manufactured by Scania or the business with "powertrain solutions", and parts deliveries are taxonomy-non-eligible.

Taking into account the technical screening criteria, DNSH analysis and the safeguards, taxonomy-aligned capital expenditure amounts to SEK zero m. in 2024.

Analogous to revenues, the change in taxonomy-aligned capital expenditure is due to the fact that it was no longer possible to provide evidence of the DNSH criterion for the prevention and reduction of pollution.

Details can be found in the section 'Pollution prevention' on page 74 →

Operating expenses (Opex)

2024	Opex SEK million	Opex %[1]	Substantial contribution to climate change mitigation SEK million	Substantial contribution to climate change mitigation %[1]	Compliance with DNSH criteria Y/N	Compliance with minimum safeguards Y/N	Taxonomy-aligned Opex SEK million	Taxonomy-aligned Opex %[1]
A. Taxonomy-eligible activities								
3.3 Manufacture of low-carbon technologies for transport	13,294	97.5	1,534	11.2	N	Y	0	0.0
B. Taxonomy-non-eligible activities	**344**	**2.5**						
Total (A + B)	**13,638**	**100**						

1 Percentage refers to the total Opex in accordance with EU taxonomy

Operating expenses are calculated on the basis of non-capitalised research and development costs as reported in the consolidated financial statements as of 31 December, 2024 (see page 116) and is calculated as primary R&D costs less capitalised development costs. In addition, the calculation of the KPI includes the following:

- maintenance expenses for owned or leased real estate and other assets; and
- expenses attributable to short-term leases (up to 12 months) and not recognised as right-of-use assets in the balance sheet.

The Scania Group's total operating expenditure related to the Taxonomy Regulation amounted to SEK 13,638m. (13,928).

Taxonomy eligible opex for economic activity 3.3 accounted for SEK 13,294m. (13,381) of this total, or 97.5% (96.1%) of the operating expenditure of the Scania Group, which was classified as taxonomy-eligible. In the same way as capital expenditure, only operating expenditure incurred in direct connection with taxonomy-aligned economic activities is included here. Operating expenditure related to taxonomy-non-eligible economic activities, such as the business with "powertrain solutions" and parts deliveries, has therefore not been included in the numerator.

Taking into account the technical screening criteria, DNSH analysis and the safeguards, taxonomy-aligned operating expenditure amounts to SEK zero m. in 2024.

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

The change in taxonomy-compliant operating expenditure is due to the fact that it was no longer possible to provide evidence of the DNSH criterion for pollution prevention and control (details can be found on page 74).

Capex plan

Due to the necessary far-reaching procedural and systemic changes that would be necessary to be able to provide proof of the DNSH criterion for the prevention and reduction of environmental pollution in the future, we do not report a capex plan in addition to the taxonomy-compliant KPIs as a precautionary measure (details can be found on page 74).

Green bond

During 2022, Scania issued a green bond totalling SEK 3,000 m. The proceeds of the bond were to be used for additional investments in the development of battery electric vehicles. The full amount was used during fiscal years 2022 and 2023. This means that for 2024, Scania is no longer required to present adjusted KPIs for Taxonomy Regulation due to the existence of a Green Bond. To see more details on the allocation of Green bond and adjusted KPIs for previous years, please refer to the 2023 Annual Report.

Nuclear energy and fossil gas related activities

Scania Group does not carry out any economic activities in the areas of nuclear energy and fossil gas. Bellow we present a table according to ESMA and EU Commission requirements.

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

Tabular presentation according to the EU Taxonomy

Turnover

Fiscal year 2024[1]	Year			Substantial contribution criteria[1]						DNSH criteria ("Do No Significant Harm")									
Economic activities[1]	Code[2]	Turnover[3]	Proportion of Turnover, year 2024[4]	Climate change mitigation[5]	Climate change adaptation[6]	Water and marine resources[7]	Pollution[8]	Circular economy[9]	Biodiversity and ecosystems[10]	Climate change mitigation[11]	Climate change adaptation[12]	Water and marine resources[13]	Pollution[14]	Circular economy[15]	Biodiversity and ecosystems[16]	Minimum safeguards[17]	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) Turnover, year 2023[18]	Category enabling activity[19]	Category transitional activity[20]
		SEK million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	N	Y	Y	Y	0.4	E	–
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0**	**0.0**							**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**0.4**		
of which enabling activity		**0**	**0.0**							Y	Y	Y	N	Y	Y	Y	**0.4**	E	
of which transitional activity		**–**	**–**							N	N	N	N	N	N	N	**–**		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	200,195	92.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								92.2		
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**200,195**	**92.6**	92.6													**92.2**		
A. Turnover of taxonomy-eligible activities (A1 + A2)		**200,195**	**92.6**	92.6													**92.6**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities		**15,933**	**7.4**																
Total (A + B)		**216,129**	**100**																

1 Abbreviations used in the table: CCM: Climate Change Mitigation, Y: Yes, N: No, N/EL: Not eligible, E: Enabling activity, T: Transitional activity, EL: Eligible.

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

Capex

Fiscal year 2024[1]	Year			Substantial contribution criteria[1]						DNSH criteria ("Do No Significant Harm")									
Economic activities[1]	Code[2]	Capex[3]	Proportion of Capex, year 2024[4]	Climate change mitigation[5]	Climate change adaptation[6]	Water and marine resources[7]	Pollution[8]	Circular economy[9]	Biodiversity and ecosystems[10]	Climate change mitigation[11]	Climate change adaptation[12]	Water and marine resources[13]	Pollution[14]	Circular economy[15]	Biodiversity and ecosystems[16]	Minimum safeguards[17]	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) Capex, year 2023[18]	Category enabling activity[19]	Category transitional activity[20]
		SEK million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	N	Y	Y	Y	16.6	E	–
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0**	**0.0**							**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**16.6**		
of which enabling activity		**0**	**0.0**							Y	Y	Y	N	Y	Y	Y	**16.6**	E	
of which transitional activity		**–**	**–**							N	N	N	N	N	N	N	**–**		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	25,105	98.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								81.2		
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**25,105**	**98.6**	98.6													**81.2**		
A. Capex of taxonomy-eligible activities (A1 + A2)		**25,105**	**98.6**	98.6													**97.8**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of taxonomy-non-eligible activities		**358**	**1.4**																
Total (A + B)		**25,464**	**100**																

1 Abbreviations used in the table: CCM: Climate Change Mitigation, Y: Yes, N: No, N/EL: Not eligible, E: Enabling activity, T: Transitional activity, EL: Eligible.

SCANIA'S INFORMATION ON THE EU TAXONOMY REGULATION

Opex

Fiscal year 2024 [1]	Year			Substantial contribution criteria[1]						DNSH criteria ("Do No Significant Harm")									
Economic activities [1]	Code [2]	Opex [3]	Proportion of Opex, year 2024 [4]	Climate change mitigation [5]	Climate change adaptation [6]	Water and marine resources [7]	Pollution [8]	Circular economy [9]	Biodiversity and ecosystems [10]	Climate change mitigation [11]	Climate change adaptation [12]	Water and marine resources [13]	Pollution [14]	Circular economy [15]	Biodiversity and ecosystems [16]	Minimum safeguards [17]	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) Opex, year 2023 [18]	Category enabling activity [19]	Category transitional activity [20]
		SEK million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	N	Y	Y	Y	13.8	E	–
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0**	**0.0**							**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**13.8**		
of which enabling activity		**0**	**0.0**							Y	Y	Y	N	Y	Y	Y	**13.8**	E	
of which transitional activity		**–**	**–**							N	N	N	N	N	N	N	**–**		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	13,294	97.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								82.3		
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**13,294**	**97.5**	97.5													**82.3**		
A. Opex of taxonomy-eligible activities (A1 + A2)		**13,294**	**97.5**	97.5													**96.1**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of taxonomy-non-eligible activities		**344**	**2.5**																
Total (A + B)		**13,638**	**100**																

1 Abbreviations used in the table: CCM: Climate Change Mitigation, Y: Yes, N: No, N/EL: Not eligible, E: Enabling activity, T: Transitional activity, EL: Eligible.

GOVERNANCE REPORT

Putting trust and accountability at the heart of how we run our business.

CORPORATE GOVERNANCE

Corporate Governance is the framework used to direct and manage the company. It supports Scania's business model and strategy, and enables the organisation to achieve its objectives, while addressing risk and ensuring sustainable business practices.

Scania AB and its direct wholly-owned subsidiary Scania CV AB (together "Scania") maintain a high international standard of corporate governance through the clarity and simplicity of its management system and governing documents. Corporate governance at Scania is based on the Articles of Association, Swedish legislation, in particular the Swedish Companies Act, the Annual Accounts Act and internal governing documents. This Corporate Governance Report has been prepared in compliance with the Annual Accounts Act.

Additionally, Scania is preparing its Annual Report in accordance with the Non-Financial Reporting Directive (NFRD). Scania is also reporting EU taxonomy information (page 72) and is for 2024 including elements of the new Corporate Sustainability Reporting Directive (CSRD) requirements, while preparing for a fully CSRD aligned report in 2025 (read more on page 3).

Scania's management of the company includes management systems like Quality Management System (ISO 9001), Environmental Management System (ISO 14001) and others.

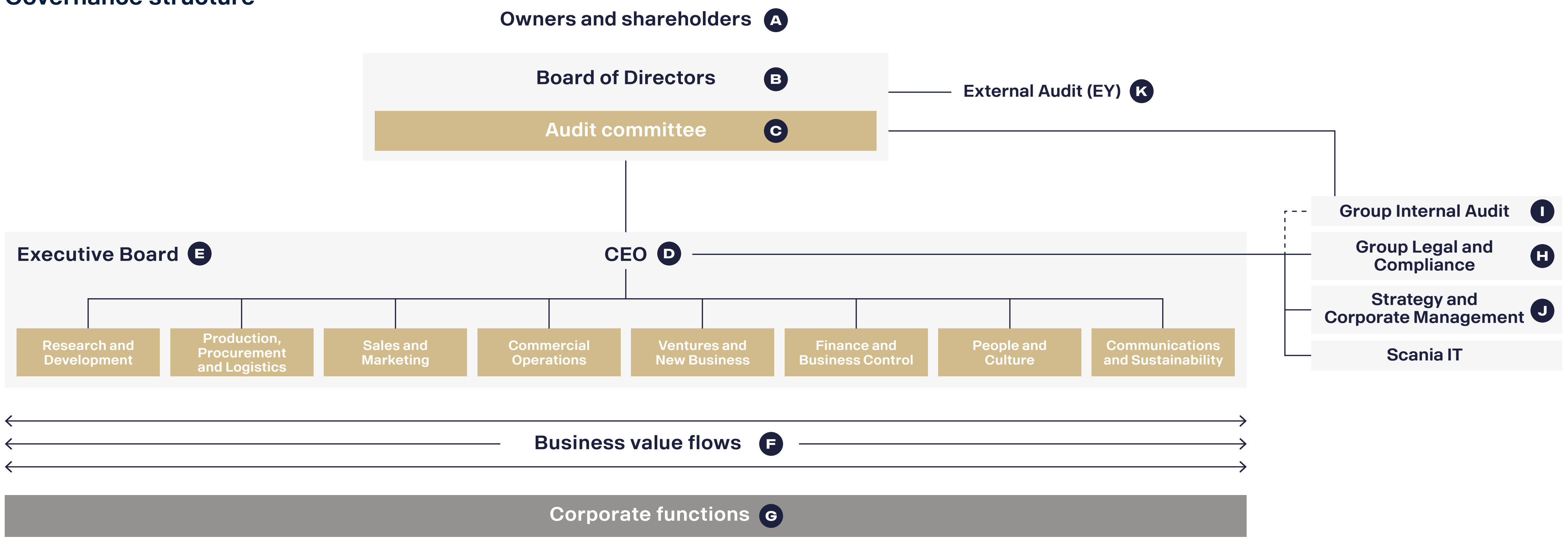
Governance structure

The Board of Directors is responsible for determining Scania's overall strategy and goals. To fulfil the Board's responsibilities, it has appointed the President and CEO, who appoints the Executive Board. The Executive Board updates the Board of Directors regularly on topics that are of long-term and strategic nature.

The Executive Board decides the strategic direction of the Scania Group. The members are jointly responsible for strategy and for maintaining a holistic view of the Scania Group when handling strategic issues for each specific area. The heads of corporate functions G are responsible for ensuring that the appropriate actions are taken in their respective fields of responsibility based on the strategies that have been decided.

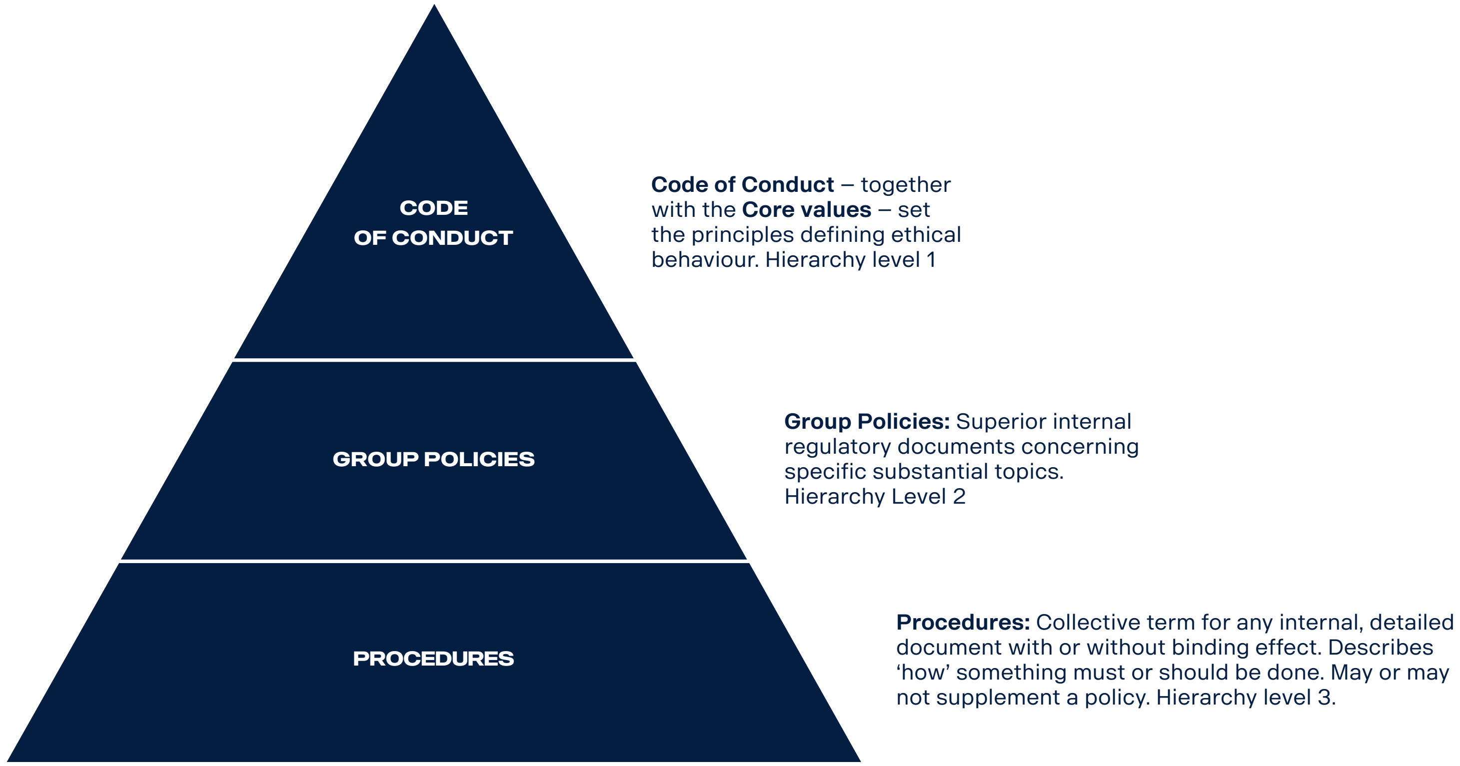
Each corporate function reports to one of the members of the Executive Board. Cross-functional groups, so called Business value tables, are empowered to take the necessary operational decisions within each Business value flow F. The Business value flows are shaped around: Goods transport internal combustion engine, Goods transport e-mobility, People transport and Power solutions.

Governance structure



CORPORATE GOVERNANCE

Hierarchy of governing documents within Scania



In the following sections, the roles and responsibilities as well as interactions between these parties are described in more detail.

Governance at Scania translates into the form of organisational structure, policies, guidelines, methods and practices that ensure transparency, responsiveness, empowerment, accountability and cross-functional participation. It is based on Scania's purpose, core values, and legal requirements from our key stakeholders. Scania's governance structure helps the organisation to reliably achieve the set objectives while addressing uncertainty and action with integrity.

Scania's governing regulation structure starts with the Scania Code of Conduct as shown in the picture opposite. The Code of Conduct is derived from our core values and The Scania Way and, together with Scania Group Policies, apply to all Scania employees and Scania entities globally. Scania has established a Supplier Code of Conduct for suppliers, as well as an Independent Distributor Code of Conduct for independent distributors, available externally to stakeholders through the corporate website.

All affected managers must ensure that the content of the respective Group Policy is implemented in their area of responsibility within the requested implementation period. Each operational unit confirms this in writing after a new policy is issued.

Owner and shareholders

The sole shareholder A of Scania AB is TRATON Sweden AB, an indirectly fully owned subsidiary of TRATON SE.

TRATON SE is a subsidiary of Volkswagen AG and is listed on the Frankfurt Stock Exchange and the Nasdaq Stockholm Stock Exchange. Both Scania and TRATON are part of the Volkswagen Group.

Annual General Meeting

The right of shareholders to make decisions on Scania's affairs is ultimately exercised at the Annual General Meeting (AGM). The AGM shall be held within six months of the expiry of each financial year.

The Notice convening the AGM shall be issued no earlier than six and no later than four weeks before the meeting. A Notice convening an Extraordinary General Meeting (EGM) shall be issued no earlier than six and no later than three weeks before the meeting. In accordance with the Swedish Companies Act and Scania's Articles of Association, the composition of the Board of Directors is decided by election.

CORPORATE GOVERNANCE

At the AGM, the shareholders exercise their voting rights, for example to approve the Annual Report presented by the Board of Directors. Decisions at the AGM are usually made by simple majority. In some cases, such as an amendment to the Articles of Association, however, the Swedish Companies Act or the Articles of Association stipulates either a certain level of attendance in order to reach a quorum or a qualified majority of votes.

The Board of Directors

The Board of Directors B is Scania's highest administrative body and is responsible for the management of the company's operations as well as the organisation. It is also overall responsible for Scania's long-term development and strategy (see Our strategy from page 19). This includes overseeing climate and other sustainability issues relevant to reaching Scania's targets and objectives.

Scania's Board of Directors, which is identical for Scania AB and Scania CV AB, is elected by the sole shareholder at the AGM. The Board of Directors is the link between the shareholders and the company's management.

The Board of Directors shall comprise a minimum of three and a maximum of eleven members plus a maximum of two deputy members. Current composition includes ten elected Board members and no deputy members. In addition, pursuant to Swedish law, some members are appointed by a party other than the AGM. The trade unions at Scania have appointed four Board members and two deputy members. 44 percent of the members in whole are women. Independent Board members represent 19 percent of the Board of Directors, consisting of one man and two women. The members are elected each year for the period up to the end of the next AGM.

Board members are based in Germany, Austria, and Sweden, with experience spanning over various sectors, including the automotive industry, home appliances, real estate, information and communication technology, health, service industry, and retail and consumer sectors.

During 2024, there were no changes in the elected Board members or the Board members appointed by the trade unions.

The Board of Directors is called to a statutory meeting plus at least four regular meetings per year. The statutory meeting, which is held directly in conjunction with the AGM, approves Rules of Procedure and working mechanisms for the Board of Directors and rules of procedure for the Audit Committee.

The Rules of Procedure include regulations on the number of meetings during the year, the role of the Chairman of the Board of Directors, instructions regarding the division of labour between the Board of Directors and the President and CEO as well as instructions for financial reporting to the Board of Directors.

The Chairman of the Board of Directors pursues a regular dialogue with Board members to evaluate the work of the Board of Directors.

Scania's Board of Directors has established one working committee, the Audit Committee, to which the Board of Directors appoints the members from among its own members.

Remuneration of the Board of Directors is resolved at the AGM. Information on annual remuneration is in Note 25 to the consolidated financial statements.

Read more about the Board of Directors on pages 93–95 →

The Audit Committee

The Audit Committee C monitors effectiveness of governance, risk management and internal controls processes at Scania as well as matters related to administrative processes, refinancing and treasury operations. Its responsibilities also include: discussing and evaluating the company's application of important accounting issues and principles, the company's financial- and non-financial reporting, evaluating the auditors and approving the use of external auditors for non-auditing-related services. All risks related to internal and external statutory reporting as well as other risks reported to the owner are presented to the Audit Committee. The Audit Committee also receives reporting on and discusses possible issues concerning accounting, internal controls or auditing in the company. The Audit Committee is identical and common to Scania AB and Scania CV AB.

The President and CEO

Under the Board of Directors, the President and CEO D is responsible for the day-to-day operations of the Scania Group. The President and CEO is responsible for the Group's fulfilment of its overall strategy and its financial and business controls, as well as the Group's financing, capital structure, risk management, internal control and acquisitions. The President and CEO is authorised to make decisions on matters that do not require Board of Directors approval. On matters requiring Board of Directors approval, the President and CEO produces the information and documentation needed to enable the Board of Directors to make well-informed decisions. The President and CEO of Scania AB is Christian Levin. Since 1 October, 2021 he is also the President and CEO of TRATON SE.

CORPORATE GOVERNANCE

The Executive Board

The President and CEO is the Chairman of the Executive Board E, which makes joint decisions in accordance with guidelines approved by the Board of Directors and the instruction on the division of labour between the Board of Directors and the President and CEO. Current composition includes nine members, out of which 33 percent are women and 67 percent men. Two members, both women, are non-executive members.

The Executive Board decides on matters of strategic and high-impact operational nature. This includes, but is not limited to, the fulfilment of Scania's overall strategy, sustainability goals, supply chain development, overall resource allocation, and financing of the company.

Information on the remuneration of the Executive Board is available in Note 25 to the consolidated financial statements.

Read more about the Executive Board on page 96 →

Strategy

Scania's strategic direction is updated on an annual basis and communicated by the Executive Board at the Top Management Meeting in quarter two and serves as the foundation for Scania Group's business and operating plans. On behalf of the Executive Board, the central support function Strategy and Corporate Management J is responsible for ensuring that the conditions are in place for the Corporate functions and Business value tables to be able to deploy the strategy. Scania's purpose, driving the shift towards a sustainable transport system, serves as the base for our strategic direction and is clarified through our corporate objectives.

There is no separate strategy for sustainability. Instead, sustainability is at the core of Scania's corporate strategy to align our business activities to sustainable development.

The annual strategy process can be described as a strategy process wheel where the current year strategy is executed. The next year's strategy is formulated and deployed in parallel.

During the strategy formulation phase, Scania's strategy is tested against future possible scenarios for the global transport ecosystem by 2040 – to strengthen the robustness of the strategy towards the different potential futures. The scenario-based approach to strategy, technology and competence planning and the assessment that has been carried out, including the effects of climate-related risks (such as rising temperatures), builds a deep and shared understanding of the changing business environment and conditions. It also strengthens the resilience of the strategy and the ability for fast and adaptive strategy deployment. Scania's corporate strategy is based on a stakeholder thinking, where Scania can add value and during the strategy process, input is sought for and gathered from the different stakeholder groups. Input to the strategy is coming from shareholders, customers, partners, society, and employees, among others.

During the deployment phase, the strategic ambition from the Executive Board and CEO is iterated with the organisation and broken down by the Business value tables, core processes and corporate functions with detailed plans on all levels.

The chairmen of the Business value tables F and heads of corporate functions G are responsible for ensuring that the appropriate actions are taken in their respective fields of responsibility based on the strategies decided. For Scania's subsidiaries this responsibility rests with the Board of each respective subsidiary and is carried out by the Managing Director and management team.

The successful execution of Scania's strategic direction in all parts of the Group is secured through our operational strategy – The Scania Way.

For Scania, diversity and inclusion continues to be a strategic necessity. By having employees with the widest possible range of skills, knowledge, backgrounds and experiences, we ensure that we have the right people and with an inclusive corporate culture this drives our business forward. We call this systemic approach Skill Capture, and it is a key element of our People Sustainability strategy for Scania's nearly 59 000 employees worldwide.

Operating model

To support our strategy, Scania has an operating model to ensure we harness new opportunities and continue to deliver value to our customers. The disruptive technological advances transforming our sector are bringing new business possibilities, and new competition.

Succeeding in this new business landscape requires us to be able to think and act fast, working with agility and flexibility, and adapting quickly to change. Our operating model is designed to support this business transformation. Through the operating model, our business is better positioned to develop and scale new technologies rapidly, accelerate business innovation and remove complexity for our customers. To support Scania's operating model, we are also adapting the way our organisation is structured and governed. Recent change has been to develop a value flow system of governance, with cross-functional teams with delegated mandate.

CORPORATE GOVERNANCE

As we transform and embrace new ways of working towards cross functional flows, explore new markets and develop new business models and solutions, The Scania Way continues to be the solid foundation we lean on.

Executive decision forums

Scania's executive decision structure is based on a number of executive decision forums that interconnect and form the basis for interaction between business areas as well as corporate functions. Decisions at executive decision meetings are assessed for integrity and compliance standards and in line with corporate environmental objectives. This ensures an integrated approach to strategic topics within Scania and that sustainability and climate, as well as compliance and integrity-related matters, are considered in all relevant decision-making.

The executive decision forums, such as the Scania Sustainability Board, the Sourcing Board, People Management Meetings and Product Quality Meetings are each chaired by a member from the Executive Board. In addition, there are Group functions within Scania, including Legal, Governance and Data Protection, Risk Management, Internal Controls, Compliance, Corporate Investigations, Export Controls, Intellectual Property and Security, which support the business in making responsible, balanced and profitable business decisions.

Corporate Governance Board
The Corporate Governance Board (CGB) is an executive decision forum which prepares decisions and activities related to Scania Group Policies for final decision at the Executive Board. The purpose of the CGB meeting is to ensure that the rules and regulations formalised in Scania Group Policies are established following a standard format. In Autumn 2023, it was decided that CGB would expand its assignment to regularly monitor and decide on changes related to the internal control environment. CGB also decides on major changes in Scania Group Control Catalogue and on implementation plans for changes in the control environment. This includes but not limited to the approval of control release plan twice a year or when needed, and other ad hoc matters.

The CGB monitors the implementation of Scania Group Policies throughout the Scania Group, and reports on the status on implementation to the Executive Board and the Audit Committee. CGB also follows up on implementation and requests related to TRATON GROUP Policies and Volkswagen Group Policies and it has ten regular meetings per year.

The CGB is chaired by the Scania CFO, and is composed by central functions and business representatives.

Scania Sustainability Board
The Scania Sustainability Board (SSB) is Scania's forum for cross-functional coordination of sustainability, bringing together all parts of the company. The SSB is responsible for setting the sustainability direction, targets and initiatives, as well as ensuring cross-functional action on sustainability priorities. Read more about the SSB on page 26.

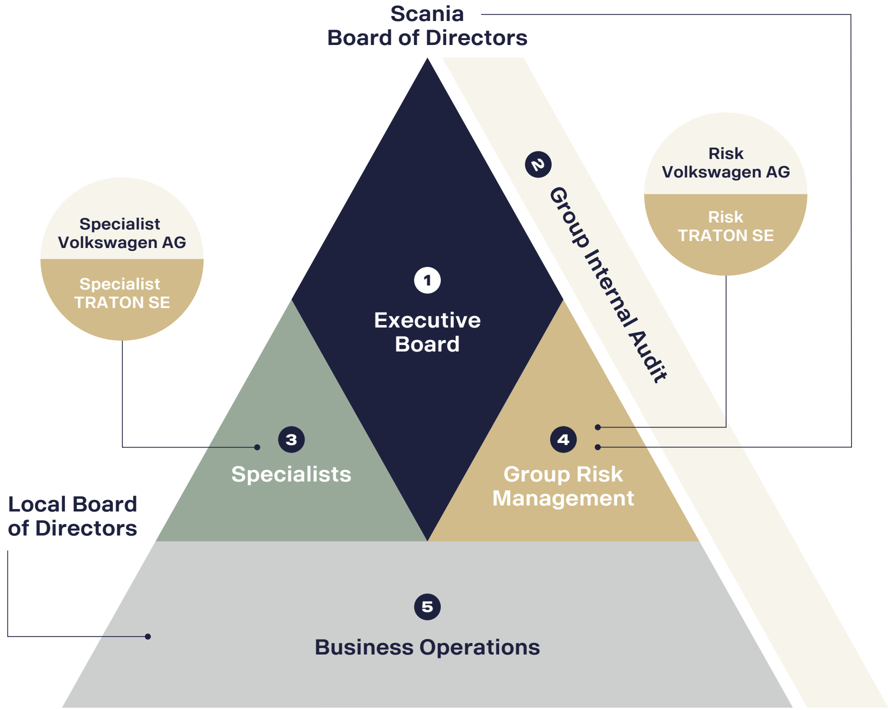
Risk management

From a governance perspective, the Scania Audit Committee/Board of Directors reviews the top Scania risks and countermeasures on a quarterly basis and acknowledges the risks for internal and external legal reporting. On behalf of Scania's Board of Directors, the Executive Board has the overall responsibility for risk management, including sustainability, for example climate and business human rights-related risks. The risk process ensures that Scania has a transparent, systematic and hands-on approach to risk management and the risk process at Scania is guided by Scania's strategy as described in the Strategy section (from page 19).

For risk-related matters, Scania relies on an integrated approach to ensure that business opportunities and risks are considered in all relevant decision-making, to ensure a sound balance between risk and reward. Scania is continuously exposed to risks that, if not properly managed, may impact the opportunity to drive the shift towards a sustainable transport system, to execute its strategies and to achieve its objectives. Integrated into the risk process is also the management of adverse impacts on environment and people, including adverse impacts on human rights as a result of business activities and/or business relationships.

As part of our daily operation, Scania is exposed to risks, the negative impact of which, if properly managed, can be reduced or even eliminated. Risks may also turn into opportunities if managed strategically. The Code of Conduct, our policies, our strategy, our core values and our leadership principles all give us guidance in how to manage and act when facing situations with respect to risk. Risk awareness is an integrated part of the Scania Culture, The Scania Way. The Group Risk Management function supports management to govern business in a trustful and sustainable manner by helping stakeholders to identify, assess and manage risks with integrity and in the most competent and transparent way.

CORPORATE GOVERNANCE



Roles and responsibilities within Scania's risk management

1
- Foster a sustainable risk culture
- Ratify key components of the group-wide risk management programme
- Discuss risks and assume ownership of group-wide risks
- Assume responsibility for core process and cross-functional risks
- Evaluate that strategies for managing group-wide and cross-functional risks have been developed to reach acceptable risk levels

2
- Provide assurance on the effectiveness of the risk management programme, the controls and risk response plans for significant risks

3
- Support the business operations and coordinate activities with respect to risk management.

4
- Centre of excellence for risk management.
- Responsible for providing guidance and training as well as direction and support to the organisation when applying the risk process.

5
- Central part of the risk management within the Scania Group.
- CFOs or appointed risk personnel are responsible for identifying and assessing risks and adverse impacts, for managing material risks and adverse impacts, and for periodic and ad-hoc risk reports to the Executive Board through Group Risk Management.
- Managers in business operations are risk and adverse impact- owners, accountable for effectively managing the risks and adverse impacts according to the risk process.

The risk management process supports the organisation in gaining a greater understanding of what the important risks are, and how such risks are to be managed. The purpose is also to establish a shared view of important short-, medium- and long-term risks throughout the Scania Group allowing the Executive Board to focus on the strategic risks.

The role of the Group Risk Management function H is to support that risk management is efficiently integrated into processes, and ensure that legal requirements, international governance, risk and compliance standards and owner requirements on risk management are fulfilled considering Scania-specific risk environment and culture. The function shall also support the organisation by providing knowledge in terms of policies, guidelines, training and advice.

The matters that pose risks to Scania may involve a broad range of topics, spanning from cyber-security to supplier capacity, climate, product launch and matters related to responsible business, e.g. environment, governance and social issues. Negative consequences can be avoided, or at least minimised, if they are proactively identified and properly managed. A sound risk management practice will support making the right decisions in order to maximise reward and business opportunities.

As the business operations are exposed to risks that need to be managed, they are responsible for identifying and assessing key risks, assuming risk ownership and managing risks, as well as periodically reporting risks to the Executive Board via the central support function Group Risk Management.

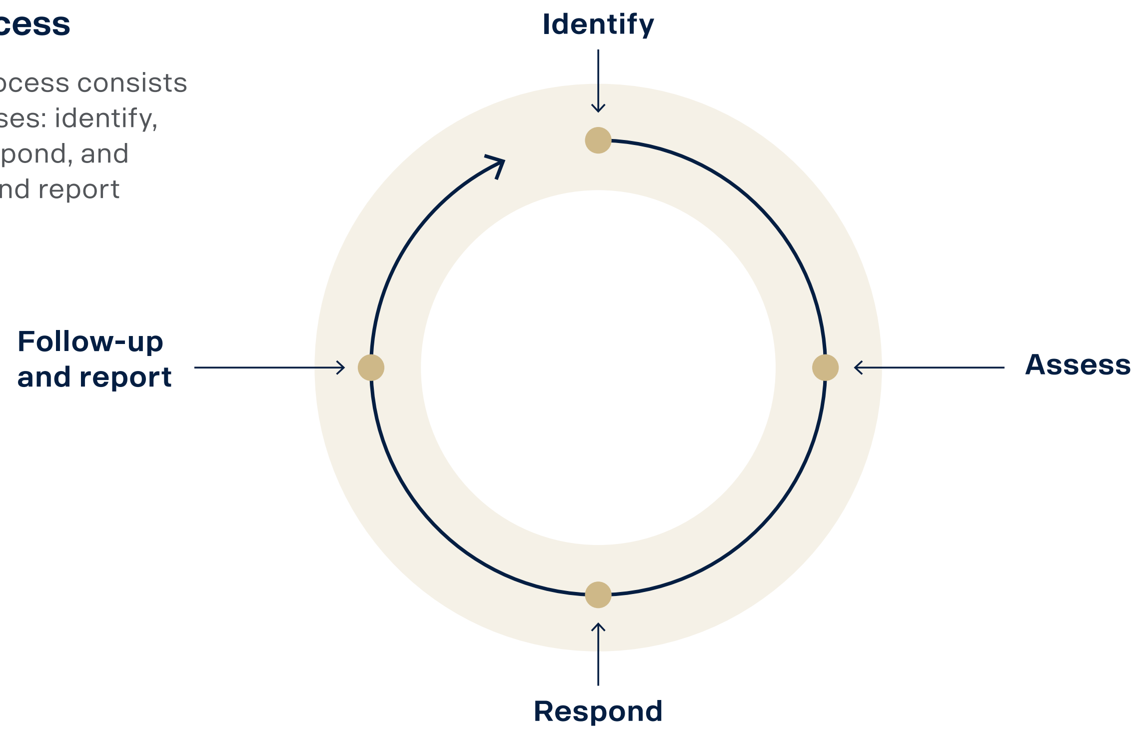
Scania promotes a risk awareness culture which is characterised by openness and encourages people throughout the organisation to speak up and discuss the risks the Group is facing. Transparency is fundamental for dealing effectively with risks and avoiding blind spots, i.e. risks which remain undetected and therefore are not addressed properly. As a principle, all management across the organisation is responsible for managing risks within its area of responsibility. One part of the Scania leadership model is "Dare to try – manage the risk", which works as a guiding star within Scania.

To ensure consistency in the assessment of the risks identified, risk categories (Strategic, Financial, Legal & Compliance and Business risks), sub-categories and risk assessment criteria are established.

The recurrent risk process consists of four phases: identify, assess, respond, and follow-up and report. The first step, identify, involves identifying risks of targets not being achieved and emerging risks.

Risk process

The risk process consists of four phases: identify, assess, respond, and follow-up and report



Secondly, the identified risks shall be assessed in terms of probability of occurrence and potential financial, reputational and legal consequences in order for the appointed risk owner to be able to prioritise risks for further analysis. Adverse impact on environment and people is also assessed in this phase. The following analysis is the basis for evaluating response options as part of the third step, respond, as well as to design and implement risk response plans. The final step, follow-up and report, is to monitor the implementation and status of the risks to ensure that the risk responses are effective (see page 90, Internal control).

The process runs through an annual workshop and additionally updates and reports on a quarterly basis.

Business ethics and compliance management

The purpose of business ethics and compliance-related initiatives and activities at Scania is to identify, prevent, detect and respond to compliance risks that Scania's business may face worldwide. The key areas of business ethics and compliance are anti-corruption, anti-money laundering (AML), antitrust/competition law and business and human rights. Scania recognises the importance of addressing risks related to digital compliance and ethics, including but not limited to AI, data protection, and sustainability, ensuring a holistic approach to business ethics.

Scania has zero tolerance for corruption and unethical business practices. Wherever in the world Scania operates, we adhere to high ethical standards. The Scania Code of Conduct is applicable to all employees, laying down the overarching framework and providing guidance on expected behaviours. All new employees shall read the Code of Conduct and top managers declare their adherence to it on a yearly basis. The Code of Conduct is supplemented by several detailed Scania Group Policies applicable worldwide, covering compliance topics such as donations and sponsorships, benefits to and from business partners, the prohibition of facilitation payments, anti-money laundering and terrorism financing, antitrust/competition law, avoidance of conflicts of interest, due diligence of sales intermediaries and business and human rights.

Scania Group Compliance H, a dedicated central function with regional reach, manages the compliance and business ethics programme, for example by advising on business ethics topics and providing training and support. Scania's compliance programme employs a risk-based approach and is implemented globally.

Scania also emphasises integrity and ethical business practices concerning business partners and society at large. Business partners are required to adhere to equally high ethical standards. For suppliers, these standards are outlined in the Scania Supplier Code of Conduct, and for independent members of Scania's authorised sales network, in the Scania Independent Distributor Code of Conduct.

Assessing and managing risks are integral to Scania's compliance work. Anti-corruption and other business ethics risks are covered by Scania's risk process (see page 87), which is conducted twice a year across all operations. Additionally, a more comprehensive and detailed risk assessment focusing on anti-corruption, anti-money laundering, antitrust/competition law and business and human rights, is performed regularly.

CORPORATE GOVERNANCE

Another cornerstone of Scania's business ethics efforts is the whistleblowing system, which provides several dedicated channels for reporting suspected violations of laws, regulations, internal company policies, and the Scania Code of Conduct. This system is available for both Scania's employees and external parties, empowering them to report in good faith without fear of retaliation. Scania has a well-established procedure for conducting internal investigations regarding reports made through the whistleblowing system, and the system is regularly reviewed to ensure its effectiveness.

Assurance and monitoring

The main objectives of Scania's assurance and monitoring activities are to provide Executive Management and the Board of Directors with information on the effectiveness of governance and internal control system, and to build trust and credibility with internal and external stakeholders.

Assurance is provided primarily via different types of testing and evaluations performed by external auditors, Group Internal Audit, Group Internal Control, and Third Party Certification bodies. Self-assessments are used in different areas by management to increase awareness about risks, controls and regulatory requirements, e.g., in relation to policy implementation. Remediation actions are monitored by the Executive Management and the Board of Directors via regular reporting. Industrial Operations, including Logistics, Production, Purchasing, Research and Development, are certified to ISO 9001 and ISO 14001. Commercial Operations, including Business Units and Dealers, are certified to ISO 9001 and ISO 14001 within markets that have a demand for certification from customers or other stakeholders.

Internal control

The cornerstones of Scania's internal control system H consist of the control environment, developed based on international COSO standards: risk assessment, control activities, information and communication as well as monitoring. The internal control function coordinates and monitors the development and documentation of controls over disclosure requirements in scope in designated functions. The controls are documented in Scania's standardised control catalogue and system for the purpose of reporting and ongoing monitoring.

Internal Control Management System (ICMS) is based on Scania Group Control Catalogue and key activities illustrated on the next page.

Control environment

Control environment at Scania builds upon annual procedures as well as strong leadership principles and culture based on the Code of Conduct and The Scania Way model. Attitudes and values of leaders and employees are important parts of driving the organisation towards the fulfilment of goals in an effective, sustainable and responsible way. The Internal control framework at Scania is based on decisions on organisational structure, mandates and procedures made by the Board of Directors. The Board of Directors' decisions are implemented into functional management and control systems by the Executive Board.

Organisational structure, decision-making procedures, mandates and responsibilities are documented and communicated in governing documents, such as Scania Group Policies, standards and other regulations. Scania Group Policies are issued for all main risk areas and are under revision according to decided frequency. Also included in the basis for internal control are group-wide accounting and reporting instructions, instructions regarding powers and authorisation rights as well as relevant manuals and process descriptions.

The Group reporting system for integrated reporting for financial and business information is another central element of the control environment and internal control.

Integrated reporting of financial and business information ensures that external financial reporting is based on business operations. In addition to information on final outcome figures, the reporting system also includes frequently updated forecast information. The Corporate Control function is responsible for continuous updating of accounting and reporting instructions, with due regard for external and internal legal requirements and standards.

Risk assessment and control activities

Scania's controller organisation follows the company's organisational and responsibility structure. Risk areas identified in financial reporting are handled and scrutinised via Scania's controller organisation. Controllers who closely examine business operations are found at all levels of the organisation.

Additionally, there is a comprehensive set of control activities established for key risk areas and processes: financial reporting, compliance and environmental risks summarised in Scania Group Control Catalogue, implemented in local control catalogues in major entities across Scania Group.

The Group Internal Control function runs annual risk assessments and activities related to the development, implementation and independent evaluation of internal controls within the Scania Group. Both self-assessment and sample testing of effectiveness of internal controls, designed to mitigate key risks in selected entities and processes, are conducted throughout the year according to the Annual Control Evaluation

CORPORATE GOVERNANCE

Plan approved by the Executive Management. All identified deviations are reported and regularly followed up for remediation by the Audit Committee, Executive Board and Senior Management.

Information and communication
Scania strives to ensure that activities to inform and communicate on risks, financial performance and new regulations for example, is effective throughout the whole organisation.

Reporting to management on all levels takes place regularly. In its task of compiling, verifying and analysing financial information, the corporate-level controller organisation has access to the figures and business-related comments of all operational units. In order to inform, instruct and coordinate financial as well as non-financial reporting, Scania has formal information and communication channels, e.g. specific fora, committees, management teams to the affected employees regarding policies, guidelines and reporting manuals. These formal information and communication channels are supplemented by frequent dialogue between Finance and Business Control, Risk, Internal Control and Compliance Functions and the individuals in charge of financial and non-financial reporting at operational units.

Scania holds internal seminars and conferences regularly, with a focus on quality assurance in financial reporting and governance models.

Monitoring
Group Internal Audit, Governance, Internal Control, Risk and Compliance Functions as well as Corporate Control are the main control functions involved in monitoring activities, providing management with relevant reporting related to the control environment, including suggestions of continuous improvements.

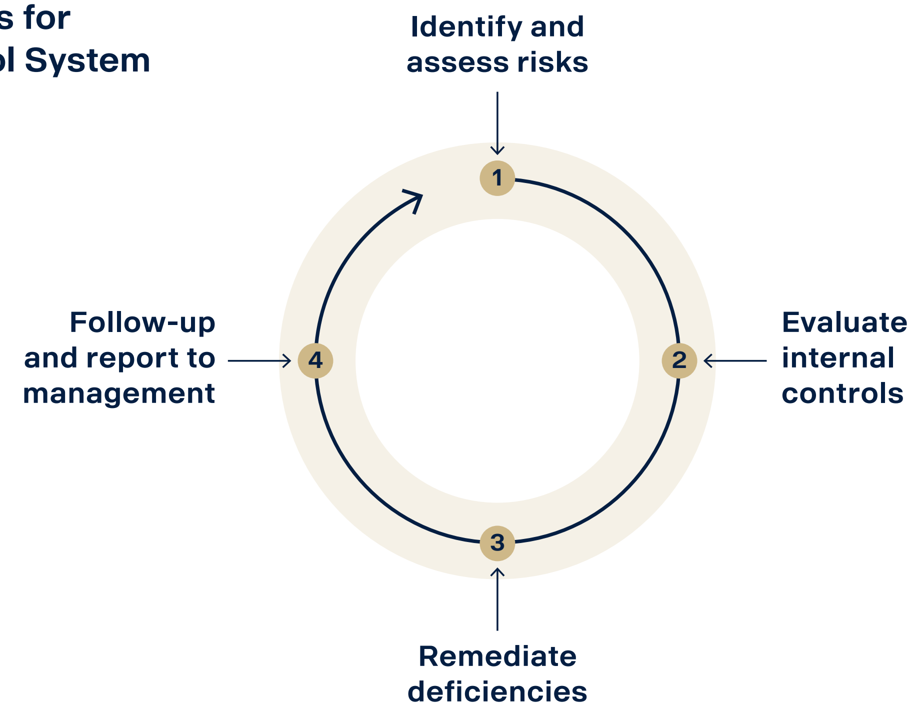
Scania monitors compliance with the governing documents and the effectiveness of the control structure through designated routines and system support.

Monitoring and evaluation of the Scania Group performance is carried out by the company's corporate controller departments in industrial operations, all sales and services companies.

The Board of Directors receives quarterly financial reports. This financial information increases in terms of the run-up to each interim report. The full year-end and half-year reports are approved by the Board of Directors.

The Audit Committee is also provided with information on the status of internal controls four times a year, through independent report from the Internal Control Function.

Annual process for Internal Control System



The company has a group-wide whistleblowing system, where all employees can report potential violations of laws and regulations, internal company policies and the Scania Code of Conduct. The system is also open for hints from external parties.

Scania is not aware of any circumstances that would indicate material weakness in risk management or the internal controls, however there is no absolute assurance that all relevant risks are identified in a timely manner and mitigated by suitable measures and controls.

Internal audit

Scania Group Internal Audit I is an independent, objective assurance and consulting activity designed to add value and improve Scania's operations. The main task of internal audit is to independently perform risk-based and regulation required audits according to an annual audit plan. The responsibilities of Internal Audit also include monitoring and review of the internal control, risk management and governance. The results are reported to Scania's Audit Committee. All audit reports are also shared with the CEO and the Executive Board in order to get their commitment to implement the necessary mitigation actions.

The risk-based approach for 2024 was applied in a continuous risk assessment process, ensuring that the internal audit activities were directed to the most relevant and significant risks. Audit activities covered internal policies and external regulations related to each audit topic. Group Internal Audit reports functionally to the Audit Committee and administratively to the CEO.

External auditors

At Scania, the independent external auditors K are elected annually by the shareholders at the Annual General Meeting (AGM), for a period until the end of the next financial year's AGM. The audit firm EY currently serves as the external auditors of Scania. The external auditors report to the shareholders at the company's AGM. To ensure that the requirements concerning information and controls that are incumbent on the Board of Directors are being met, the external auditors report on a continuous basis to the Audit Committee on all substantial accounting related matters, as well as any errors and suspected irregularities. The external auditors also participate in at least one Board of Directors meeting per year and are invited, when needed, to participate in the meeting and report to the Board of Directors.

The external auditors have no assignments for the company that affect their independence as auditors for Scania. Information on auditor remuneration is provided in Note 26.

BOARD OF DIRECTORS

1
Michael Jackstein
Chairman of the Board of Directors

2
Christian Levin
President and CEO, Scania and TRATON GROUP

3
Lilian Fossum Biner

4
Gunnar Kilian

5
Julia Kuhn-Piëch

6
Nina Macpherson

7
Christian Porsche

8
Mark Philipp Porsche

9
Stephanie Porsche-Schröder

10
Peter Wallenberg Jr

11
Mari Carlquist

12
Lisa Lorentzon

13
Mikael Johansson

14
Michael Lyngsie

15
Bo Luthin

16
Maja Lundberg

BOARD OF DIRECTORS

1 Michael Jackstein

Chairman of the Board of Directors and the Audit Committee since 2023.

Born: 1977.

Education: Business Administration (Dipl.-Kfm.) and Economic Sciences (Dr. rer. pol.).

Other directorships: CFO & CHRO of TRATON SE. Member of the Supervisory Board of MAN Truck & Bus SE. Chairman of the Board of Directors of Scania CV AB. Chairman of the Board of Directors of Scania AB. Board member of Navistar International Corporation. Member of the Advisory Board of Volkswagen Truck & Bus Indústria e Comercio de Veículos Ltda. Chairman of the Board of Directors of TRATON Sweden AB. Member of the Board of Directors of TRATON AB. Member of the Board of Directors of TRATON Financial Services AB. Board Member of TRATON US, LLC. Member of the Supervisory Board of Volkswagen Middle East QFZ LLC.

Relevant work experience: Positions in brand and group finance at Volkswagen AG and recently was heading the office of the Chairman of the Supervisory Board of Volkswagen AG and TRATON SE.

2 Christian Levin

President and CEO. Member of the Board of Directors since 2021.

Born: 1967.

Education: Bachelor of Science in Business and Administration and a Master of Science in Mechanical Engineering.

Other directorships: Chairman of TRATON AB. Chairman of the Supervisory Board MAN Truck & Bus SE. Board member of Navistar International Corporation, Volkswagen Truck & Bus, Scania Growth Capital AB, Scania Growth Capital II AB, TRATON Financial Services AB, and Vattenfall AB (from April 29, 2024).

Relevant work experience: Various managerial positions at Scania and TRATON SE. President and CEO of Scania and CEO of TRATON SE since 2021. Member of the Stockholm Chamber of Commerce and the Finnish-Swedish Chamber of Commerce.

3 Lilian Fossum Biner

Member of the Board of Directors since 2019.
Member of the Audit Committee.

Born: 1962.

Education: Master of Science in Business Administration, MSc.

Other directorships: Board member of Carlsberg A/S, Alfa Laval AB, Pandora A/S and Röko AB.

Relevant work experience: Broad experience from retail and consumer companies and managerial positions at Axel Johnson AB and Electrolux Group.

4 Gunnar Kilian

Member of the Board of Directors since 2020.

Born: 1975.

Education: Editor.

Other directorships: Chairman of the Supervisory Boards of MAN Energy Solutions, Autostadt GmbH, Volkswagen Immobilien GmbH, Volkswagen Group Services GmbH, and member of the Supervisory Boards of, among others, Audi, MAN, TRATON, Wolfsburg AG and PowerCo. Chairman of the Latin America Committee of German Business (LADW).

Relevant work experience: Various positions, Volkswagen AG. Member of the Board of Management of Volkswagen AG responsible for “Human Resources” and “Trucks”.

5 Julia Kuhn-Piëch

Member of the Board of Directors since 2020.

Born: 1981.

Education: Doctor of Law (Dr iur).

Other directorships: Member of the Supervisory Board of TRATON SE, AUDI AG and MAN Truck & Bus SE.

Relevant work experience: Self-employed real estate manager.

6 Nina Macpherson

Member of the Board of Directors since 2018.
Member of the Audit Committee.

Born: 1958.

Education: Master of Laws, LL.M.

Other directorships: Member of the Supervisory Board of TRATON SE and member of its Audit Committee since 2019. Member of the Board of Scandinavian Enviro Systems AB, member of the Board of Netel Holding AB and Chair of its Remuneration Committee, Chairman of Ecocide Law Alliance Foundation.

Relevant work experience: Chief Legal Officer, secretary to the Board and member of the Ericsson Executive Team until 2018. Previous positions include in-house legal positions and private practice in corporate and commercial law. Member of the Swedish Corporate Governance Board.

7 Christian Porsche

Member of the Board of Directors since 2020.

Born: 1974.

Education: Medical Doctor (Dr. med.), Doctor of natural sciences (Dr. rer. nat.).

Other directorships: Member of the Supervisory Board of TRATON SE and MAN Truck & Bus SE.

Relevant work experience: Neurologist. Partnership interests for several companies at Porsche Holding GmbH between 2005–2009. Member of the Supervisory Board of MAN Truck & Bus SE, Scania AB and MAN SE between 2013–2017.

BOARD OF DIRECTORS

8 Mark Philipp Porsche

Member of the Board of Directors since 2020.

Born: 1977.

Education: Master of social and business administration.

Other directorships: Member of the Supervisory Board of MAN Truck & Bus SE and serves on comparable governing bodies of the following companies: Familie Porsche AG Beteiligungsgesellschaft (Austria), FAP Beteiligungen AG (Austria), and SEAT S. A. (Spain).

Relevant work experience: From 2007 onward, director at various companies, including F.A. Porsche Beteiligungen GmbH in Stuttgart, Prof. Ferdinand Alexander Porsche GmbH in Salzburg, Ferdinand Alexander Porsche GmbH in Grünwald, and Ferdinand Porsche Familien-Holding GmbH. In addition to the above, member of the Executive Board of the Ferdinand Porsche Familien-Privatstiftung foundation in Salzburg since 2014.

9 Stephanie Porsche-Schröder

Member of the Board of Directors since 2017. Member of the Audit Committee.

Born: 1978.

Education: Diplom Designer.

Other directorships: Member of the Board of MAN Truck & Bus SE.

Relevant work experience: Designer at Bosch Siemens Haushaltsgeräte GmbH, Munich, 2004–2012.

10 Peter Wallenberg Jr

Member of the Board of Directors since 2005.

Born: 1959.

Education: Master of Business Administration, MBA.

Other directorships: Chair of the Board Knut and Alice Wallenberg Foundation and Marianne and Marcus Wallenberg Foundation, The Grand Group AB. Board member of Atlas Copco AB.

Relevant work experience: Leading positions within the service industry for over 30 years, including CEO for the Grand Hôtel Group. Several board positions in The Wallenberg Foundations.

11 Mari Carlquist

Representative of PTK at Scania. Member of the Board of Directors since 2020. Previously deputy member since 2015.

Born: 1969.

Other directorships: Employee representative, Supervisory Board of TRATON SE.

Relevant work experience: Various positions at Scania since 1987.

12 Lisa Lorentzon

Representative of PTK at Scania. Member of the Board of Directors since 2015. Previously deputy member since 2012.

Born: 1982.

Education: Master of Science, MSc.

Other directorships: Employee representative, Supervisory Board of TRATON SE.

Relevant work experience: Various positions at Scania since 2007.

13 Mikael Johansson

Representative of the Swedish Metal Workers' Union at Scania. Member of the Board of Directors since 2008. Previously deputy member since 2008.

Born: 1963.

Relevant work experience: Various positions at Scania.

14 Michael Lyngsie

Representative of the Swedish Metal Workers' Union at Scania. Member of the Board of Directors since 2018.

Born: 1977.

Other directorships: Employee representative, Supervisory Board of TRATON SE.

Relevant work experience: Various positions at Scania since 1993.

15 Bo Luthin

Representative of the Swedish Metal Workers´ Unions at Scania. Deputy member of the Board of Directors since 2020.

Born: 1967.

Other directorships: Employee Representative, supervisory Board of TRATON SE.

Relevant work experience: Various positions at Scania since 1985.

16 Maja Lundberg

Representative of PTK at Scania. Deputy member of the Board of Directors Since 2022.

Born: 1968.

Relevant work experience: Various position at Scania since 1986.

EXECUTIVE BOARD

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1 Christian Levin

Member of the Board of Directors.
President and CEO.

Born: 1967.

Education: Bachelor of Science in Business and Administration and a Master of Science in Mechanical Engineering. Joined Scania in 1994, employed until 2019. Rejoined Scania in 2021.

2 Do Young Kim

Executive Vice President,
Chief Financial Officer (CFO).

Born: 1975.

Education: Bachelor of Science in Business Administration and Management. Joined Scania in 2025.*

3 Camilla Dewoon

Executive Vice President, Head of Communications and Sustainability.

Born: 1973.

Education: Master of Science in Business Administration. Joined Scania 1998, employed until 2019. Rejoined Scania in 2020.

4 Stefano Fedel

Executive Vice President,
Head of Sales and Marketing.

Born: 1970.

Education: Degree in Engineering of Materials, with mechanical specialisation. Joined Scania in 1996.

5 Mats Gunnarsson

Executive Vice President,
Head of Commercial Operations.

Born: 1967.

Education: Bachelor of Science in Business and Administration and a Master of Science in Mechanical Engineering. Joined Scania in 1992, employed until 2004. Rejoined Scania in 2009.

6 Gustaf Sundell

Executive Vice President,
Head of Ventures and New Business.

Born: 1982.

Education: Master of Science in Industrial Engineering and Business Management. Joined Scania in 2008.

7 Jeanna Tällberg

Executive Vice President,
Head of People & Culture.

Born: 1975.

Education: Bachelor's degree in Social Work as well as in Human Resources. Joined Scania 2003, employed until 2015. Rejoined Scania in 2022.

8 Marcus Holm

Executive Vice President,
Head of Production, Procurement and Logistics.

Born: 1971.

Education: Master of Science in Mechanical Engineering. Joined Scania in 1994.

9 Sara Forsberg

Executive Vice President, Chief Technical Officer/Head of Research and Development and Head of Brand Identity Development.

Born: 1976.

Education: Master of Science in Ergonomic Design and Production. Joined Scania in 2001.

* Former CFO Jonas Rickberg left Scania in December 2024. Do Young Kim took up his position in February 2025.

REPORT OF DIRECTORS

In a world with a high degree of uncertainty due to the unstable global macroeconomic and geopolitical situation, the demand for Scania's products and services stayed strong.

MARKET TRENDS AND PERFORMANCE 2024

Scania saw robust demand for its products and services throughout the year and delivered a strong financial performance in 2024.

Vehicles and services

Scania achieved record delivery levels in 2024, surpassing 100,000 vehicles. Many of the supply chain issues that have hindered production in recent years were resolved, resulting in a more stabilised production flow.

Scania's vehicle deliveries increased by 6 percent in 2024 compared to 2023. Truck deliveries increased by 5 percent to a total of 96,443 units. Bus deliveries increased by 11 percent to 5,626 units. Power solutions deliveries decreased by 19 percent to 11,170 units. Service sales increased by 3 percent to SEK 43,886 m.

The truck market

In 2024, the European truck market experienced a slowdown overall compared to 2023. In contrast, demand in Latin America remained strong, particularly in Brazil, due to positive economic developments. In Asia demand was affected by the economic slowdown in China, and in the Middle East by war and unrest.

Scania's total truck order intake decreased by 5 percent, but deliveries increased, particularly in Brazil. Europe also experienced strong deliveries, driven by an order book accumulated in 2023.

Scania continued developing the battery electric vehicle offering in 2024, introducing more electric machines, axle configurations and cab alternatives, plus a number of power take-off solutions.

Among other truck business highlights, Scania won the Green Truck Award 2024 – the seventh time the business has won the award out of the last eight years.

An important milestone in 2024, was when Scania made autonomous vehicles commercially available for the first time. Scania and Australian services provider Regroup will launch the world's first fleet of autonomous in-pit mining trucks at the Butcherbird mine in Pilbara, Western Australia, in 2025.

Europe

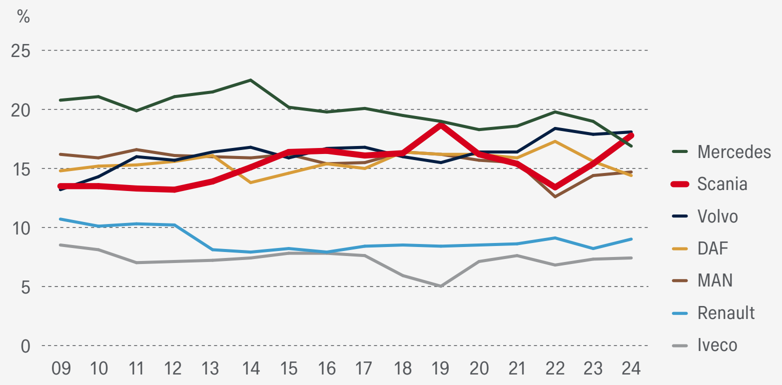
In 2024, European demand was more cautious compared to 2023. While there was still replacement demand, it was lower than in 2023, and investment decisions were impacted by high inflation rates. Order intake for the full year 2024 in Europe increased by 3 percent to 41,705 (40,658) trucks, with increases primarily related to the Netherlands and Belgium. Deliveries decreased by 4 percent to 54,787 (57,092) trucks, mainly related to United Kingdom and France.

European production flows experienced deviations as Scania introduced updates to its new software platform to meet new cybersecurity legislation and increase customer value and functionality. Complexity and quality issues in the software implementation meant that many customers experienced delivery delays.

Electric trucks were not delivered as planned due partly to issues with components from suppliers, resulting in delayed volume ramp-up. Overall, underlying customer demand for electric trucks is growing in Europe and globally, but the pace of growth is lower than anticipated in last year's forecasts. Transport buyers' CO_2 ambitions in sectors such as Fast-Moving Consumer Goods, Construction, Automotive and Municipalities have begun to influence the mega fleets, encouraging the largest transport companies to transition more quickly than in previous years.

The total market for heavy trucks in 27 of the EU member countries (all EU countries except Malta) plus Norway, Great Britain, Switzerland and Iceland decreased by around 8 percent to about 315,100 (342,000) units during 2024. Despite this, the increased deliveries and Super driveline excellence improved Scania's position in Europe and generated a market share of 17.8 (15.4) percent.

Heavy trucks market share, above 16 tonnes EU27*



*Except Malta, including Norway, Switzerland, Great Britain and Iceland.

MARKET TRENDS AND PERFORMANCE 2024

Latin America

In Latin America, truck demand was driven primarily by positive economic momentum in Brazil. In Argentina, despite political changes and an unstable exchange rate, truck demand developed positively due to improvements in the country's economy and market needs.

Scania's order intake in Latin America decreased by 7 percent to 21,500 (23,003) trucks, with decreases in primarily Brazil. Deliveries increased by 45 percent to 25,513 (17,590) trucks, mainly related to Brazil.

The business also achieved a milestone by reaching half a million trucks produced in Brazil since Scania started the production there in 1957.

Eurasia, Asia, Africa and Oceania

In Asia, the slowing growth of China's economy and a longer replacement cycle for Heavy Duty Transports (HDT) stabilised domestic retail sales at a lower level. The Middle East saw a significant reduction in demand due to war and unrest in the region. In the Middle East, Turkey remains the largest market in terms of market size and Scania sales. In Africa, business activity in South Africa stabilised after the general elections, and deliveries continued to be strong in 2024. However, order intake reduced significantly. In Oceania, total markets declined.

Order intake in Eurasia decreased by 18 percent to 770 (936) trucks, with decreases primarily related to Kazakhstan. Deliveries were flat at 1,154 (1,159) trucks, mainly related to Georgia. As Scania is no longer selling trucks in Russia, the Eurasia region is significantly smaller and dominated by sales to Ukraine and Kazakhstan.

Order intake in Asia increased by 1 percent to 8,233 (8,139) trucks, with increases primarily related to United Arab Emirates. Deliveries decreased by 7 percent to 8,913 (9,549) trucks, mainly related to Israel.

Order intake in Africa and Oceania decreased by 55 percent to 2, 717 (6,063) trucks, with decreases primarily related to South Africa and Australia. Deliveries decreased by 3 percent to 6,076 (6,262) trucks, mainly related to Australia and South Africa.

The bus and coach market

Scania's bus business continued to recover strongly in 2024, with the European market back to pre-Covid levels, and a strong development in Latin America.

In 2024, order intake for buses and coaches increased by 15 percent to 6,087 (5,281) units with strong improvement in all regions. In Europe, order intake increased to 1,590 (1,469). In Latin America, order intake increased to 3,141 (2,887), primarily related to Brazil, Peru and Argentina. Order intake in Asia increased to 672 (395), mainly related to Malaysia. Order intake in Africa and Oceania increased to 682 (530), mainly related to Kenya.

Deliveries increased by 11 percent in 2024 to 5,626 (5,075) units. In Europe, where Scania's main markets are Spain, Italy, Great Britain, Sweden, France and Germany, deliveries totalled 1,669 (1,750) units. Given the introduction of the new cybersecurity legislation and the discontinuation of the Scania range, this is a minor decrease demonstrating the strength and resilience of this region.

In Latin America, deliveries increased by 28 percent to 2,807 (2,186) units, mainly driven by Brazil, Mexico, and Colombia. This reaffirms Scania's position in the region, supported by the strong performance of Scania's New Bus Generation products.

In Asia, deliveries decreased by 21 percent to 498 (631) units, primarily due to lower demand in Israel during the first half of the year. Deliveries to Africa and Oceania increased by 28 percent to 652 (508) units, primarily related to Australia and South Africa.

Bus product launch highlights during the year included the introduction of the LBG/LNG variant of our Scania Touring coach, offering the power and range of a diesel-powered equivalent with significantly reduced operating costs and carbon emissions.

During 2024, Scania successfully completed restructuring its bus business and implemented a new strategy where Scania continues to offer complete bus solutions, but focuses its own production on the chassis. Scania's bus bodies are now manufactured and distributed collaboratively, through strategic global partnerships. Scania continues to provide solutions integrated in the Scania modular system and supported by Scania's exceptional global service network, which ensures high uptime and reliability.

This new strategy has already delivered outstanding results and reinforces Scania's promise to be a globally trusted partner for complete solutions.

Scania is investing in adapting its production line for the local production of electric buses in Latin America, set to start in the second half of 2025. This move reaffirms Scania's commitment to the global production of electric buses while continuing to offer a wide range of sustainable powertrains such as LBG, CBG, Biogas and Hybrids, to meet the needs of customers across regions.

MARKET TRENDS AND PERFORMANCE 2024

Scania was awarded the Sustainable Bus Award in the coach category for the gas-driven Scania Touring LBG/LNG, demonstrating Scania's continued dedication to sustainability across all bus and coach segments.

The Power Solutions market

Demand in the Power Solutions segment improved in 2024, resulting in a 9 percent increase in total order intake, at 8,492 (7,818) engines. However, deliveries in 2024 decreased by 19 percent and reached 11,170 (13,871) engines.

Demand was strong in Latin America, driven by Brazil and significant demand for gensets to power plants due to low water levels in reservoirs. In Europe, demand picked up by the end of the year. Lead times have now returned to more normal levels. In particular, the Power Generation segment faced challenges due to high stock levels and continued low market demand. The Marine business remained strong, with Norway, the biggest marine market, delivering an all-time high. In Asia, order intake significantly decreased, particularly in the construction equipment segment. This decrease is linked to China, due to the declining domestic market there.

Services

Scania's service business continued to grow in 2024. Service revenue amounted to SEK 43,886 m. (42,424) during the year, an increase of 3 percent. Higher volumes impacted revenue positively. In local currency, revenue increased by 4 percent.

In Europe, service revenue increased by 5 percent to SEK 30,517 m. (29,098). In America, revenue increased by 1 percent to SEK 6,587 m. (6,508) and service revenue in Eurasia decreased by 11 percent to SEK 148 m. (166). Revenue in Asia decreased by 2 percent to SEK 3,506 m. (3,579). In Africa and Oceania revenue increased by 2 percent to SEK 3,128 m. (3,073).

We continued to develop our outstanding service offering. This included the introduction of Service 360, a uniform modular service portfolio across Europe, as well as the launch of ProDriver, a driver training app using gamification to encourage sustainable, fuel-efficient driving habits.

Our employees

Scania's employees totalled 58,845 (58,163) people at the end of 2024. Scania is dedicated to fostering a diverse, inclusive, and safe working environment, with a focus on promoting well-being and continuous skill development. The business measures employee satisfaction regularly to ensure it is delivering on its people strategy. For more information see pages 46–52 and Note 23.

Production

In 2024, sustainability remained at the forefront with significant progress across environmental and social dimensions:

- **Sustainability Training:** Continued integrating sustainability into The Scania Way, focusing on both planetary and people-centred goals.
- **Enhanced Metrics Tracking:** Improved internal monitoring of CO_2, energy, waste, water, and land transport emissions, shifting from quarterly to monthly reporting to align with EU regulatory requirements.
- **Circular Economy Initiatives:** Successfully trial-assembled gearboxes and engines using reused components, showcasing our innovation and commitment to sustainable practices.

Scania continued to establish its third industrial hub, its largest investment in industrial operations since moving into Latin America. Located northwest of Shanghai in Rugao in China, and spanning 800,000 square metres, the plant will deliver Scania products to customers in China and the wider Asia market. The plant is expected to be ready during 2025. Having production near customers in the region makes Scania more competitive, as it will be able to deliver with shorter lead times, reduced costs, and improved tailor-made specifications to meet customer needs. The plant will be powered by renewable energy.

Research and development

The aim of Scania's research and development organisation is to develop sustainable solutions that enhance productivity and profitability in customer operations by focusing on low fuel and energy consumption, high vehicle uptime and low service costs, combined with excellent performance. In total, Scania invested SEK 15.5 billion (12.8) in research and development in 2024, with R&D expenses corresponding to 7 percent of net sales.

As part of the TRATON GROUP, Scania benefits from access to a pool of technical expertise, fostering innovation and driving cost efficiency. Scania focuses on optimising the global TRATON Group R&D organisation by establishing a common setup, steering, mindset, and collaborative ways of working. Scania is taking a key role in developing and implementing the TRATON Modular System, a cross-brand platform based on Scania's own modular system. The new system will bring the design, production and cost benefits of modularisation to brands across the Group.

MARKET TRENDS AND PERFORMANCE 2024

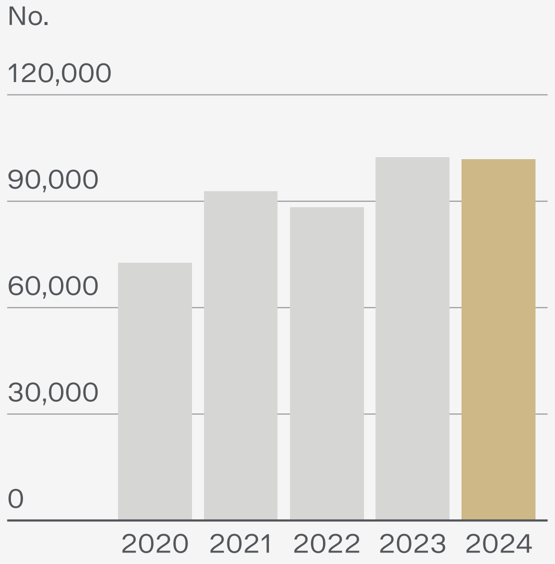
Scania R&D 2024 highlights:

- Advancing autonomy:
  - Transitioned from research to the sales phase of autonomous mining trucks, paving the way for safer, more efficient, and sustainable mining operations.
- Next-generation electrical architecture:
  - Introduced an innovative system designed for enhanced safety, scalability, and functionality, meeting stringent new cybersecurity regulations.
  - Addressed compliance with the new EU road safety directive, the General Safety Regulation (GSR).
- Collaborative innovation:
  - Conducted several public research tests and deepened our partnership with the Integrated Transport Research Lab (ITRL) at KTH, Sweden, to shape the future of sustainable transport.
- Expanding battery electric truck offerings
  - Continued to expand Scania's electric truck offerings by introducing more electric machines, axle configurations, cab alternatives, and power take-off solutions.

MARKET TRENDS AND PERFORMANCE 2024

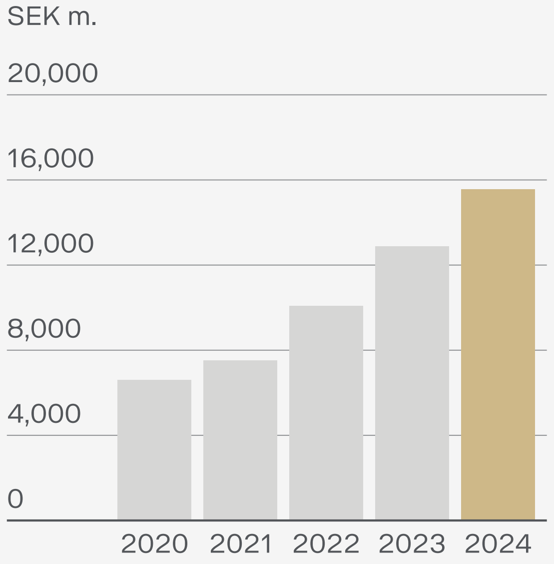
Vehicles produced

During 2024, Scania produced 101,648 vehicles (102,283).



R&D Investments

Scania maintains a high level of investment to strengthen the product portfolio in the coming years.



SUSTAINABILITY REPORT STATEMENT

In accordance with the Swedish Annual Accounts Act 6 Chapter 11§, Scania AB has chosen to draw up the sustainability report as a report separated from the Annual Report. The extent of the sustainability report can be found on page 62 of this document.

GROUP FINANCIAL REVIEW

All time high vehicle deliveries 2024 and a good utilisation in the production system contributed to a strong financial result in a macroeconomic and geopolitical challenging situation. The truck order-to-delivery flow improved during the year which previously hampered us. Despite this, our customers experienced delays in receiving their vehicles due to challenges in updating our next-generation software platform to comply with new cybersecurity legislation. Demand for trucks remained on a good level despite a cautious European market, and by the end of the year, order intake saw an increase.

As part of the ongoing transformation of the TRATON GROUP the lending portfolio towards TRATON Financial Services (formerly Scania Financial Services) was sold to TRATON Treasury AB in 2024.

Deliveries

During 2024 Scania Group delivered 96,443 (91,652) trucks, an increase of 5.2 percent. Bus deliveries increased by 10,9 percent to 5,626 (5,075) units. Power solutions deliveries decreased by 19.5 percent to 11,170 (13,871) units.

Vehicles delivered, units	2024	2023
Vehicles and services		
Trucks	96,443	91,652
Buses	5,626	5,075
Total new vehicles	**102,069**	**96,727**
Used vehicles	16,837	15,908
Power solutions	11,170	13,871
Total units delivered	**130,076**	**126,506**

Revenue

The sales revenue of the Scania Group, in the Vehicles and Services segment, increased by 5.4 percent to SEK 216,129 m. (205,066). New vehicle sales revenue increased by 9.7 percent. Sales were positively impacted by volume, price and product mix, and negatively by currency effects. Service revenue increased by 3.4 percent and amounted to SEK 43,886 m. (42,424). Increased volumes in parts and services had a positive effect. Power solutions sales revenue decreased by 14.4 percent due to decreased volumes.

Revenue by product, SEK m.	2024	2023
Trucks	136,584	125,149
Buses	10,466	8,852
Power Solutions	3,689	4,308
Services	43,886	42,424
Used vehicles	9,161	10,010
Miscellaneous	5,034	6,141
Lease income	7,308	8,182
Total revenue Vehicles and Services	**216,129**	**205,066**
Elimination	–	–940
Scania Group total	**216,129**	**204,126**

Income

Scania Group’s operating income in Vehicles and Services amounted to SEK 29,206 m. (24,813) during 2024. The operating margin amounted to 13.5 (12.1) percent. The operating income for 2024 was negatively affected by items affecting comparability amounting to SEK –1,243 m., mainly related to expenses for civil claims from customers. Adjusted for items affecting comparability operating income for 2024 amounted to SEK 30,449 m.

Increased truck and bus volumes had a favourable effect on operating income. The truck margin was positively impacted by price and product mix.

Scania Group’s research and development expenditure amounted to SEK 15,446 m. (12,780). After adjusting for SEK 5,607 m. (2,808) in capitalised expenditure and SEK 1,814 m. (1,264) in depreciation of previously capitalised expenditures, recognised expenses increased to SEK 11,654 m. (11,236). The total currency effect on operating income amounted to SEK –1,006 m.

Income per segment, SEK m.	2024	2023
Vehicles and services		
Operating income	29,206	24,813
Operating margin, %	13.5	12.1
Scania Group		
Operating income	29,206	24,807
Operating margin, %	13.5	12.2
Income before taxes	**27,138**	**23,243**
Taxes	–4,604	–7,385
Net income from continuing operations	**22,534**	**15,858**
Net income from discontinued operations	**–**	**1,448**
Net income for the Group	**22,534**	**17,306**

Scania Group’s net financial items amounted to SEK –2,068 m. (–1,564) including net income from associated companies and joint ventures amounting to SEK –64 m. (4). Net interest items amounted to SEK 1,099 m. (2,061). The interest net was negatively impacted by decreased loan volume to TRATON Financial Services due to sale of Treasury lending portfolio during 2024.

GROUP FINANCIAL REVIEW

Other financial income and expenses amounted to SEK –3,103 m. (–3,630). These included SEK 188 m. (–793) in valuation effects related to financial instruments where hedge accounting was not applied.

Income before taxes amounted to SEK 27,138 m. (23,243). The Scania Group's income tax expense for 2024 was equivalent to 17.0 percent (31.8) of income before taxes. The lower effective tax rate in 2024 can mainly be explained by FX-effects and by an activated deferred tax asset on carry forward negative interest net in Sweden.

Net income from continuing operations amounted to SEK 22,534 m. (15,858). Net income from discontinued operations amounted to SEK 0 m. (1,448).

Cash flow

The cash flow after investing activities attributable to operating activities in Vehicles and Services amounted to SEK 15,826 m. (25,845). Last year was positively impacted by the sale of the Financial Services segment. Net investments amounted to SEK –16,538 m. (–1,888), including SEK –5,607 m. (–2,808) in capitalisation of development expenditure. At the end of 2024, the net cash position in Vehicles and Services amounted to SEK 28,765 m. (28,448).

Financial position

Financial ratios related to the balance sheet	2024	2023
Equity/assets (E/A) ratio, %	36.7	27.2
E/A ratio, Vehicles and Services, %	41.9	40,0
Return on capital employed, Vehicles and Services, % [1]	31.4	31.5
Net debt/equity ratio, Vehicles and Services [2]	0.31	0.35

1 The calculation is based on average capital employed for the 13 most recent months.
2 Net cash (-) / Net debt (+).

During 2024, the equity of the Scania Group increased by SEK 13,659 m. and totalled SEK 94,184 m. (80,525) at year-end. Net income added SEK 22,534 m. (17,306). Dividend decreased equity with SEK –7,903 m (–15,800). Equity decreased by SEK –372 m. (539) because of exchange rate differences that arose when translating net assets outside Sweden. In addition, equity increased by SEK 184 m. (–1,317) because of actuarial gains/losses on pension liabilities and decreased by SEK –863 m. (13) due to fair value adjustment on equity instruments. A capital injection from TRATON also increased equity with SEK 990 m. (1,332). Group contribution to TRATON companies decreased equity by SEK –990 m. (–1,445). Taxes attributable to items reported under "Other comprehensive income" totalled SEK 83 m. (279). The non-controlling interest decreased during the year with SEK –15 m. (–7).

The Parent Company

The Parent Company, Scania AB, is a public company whose assets consist of the shares in Scania CV AB. The Parent Company conducts no operations. Income before taxes of Scania AB during 2024 totalled SEK 20,736 m. (6,191). See page 165 for the Board's proposal regarding the appropriation of this year's results.

Scania CV AB is a public company and Parent Company of the Scania CV Group, which includes all production and sales and services companies in the Scania Group.

Owner and shareholders

The sole shareholder of Scania AB is TRATON Sweden AB who owns and controls 100 percent of the shares in Scania. TRATON Sweden AB is a subsidiary to TRATON SE which is a subsidiary of Volkswagen AG. TRATON SE is listed on the Frankfurt Stock Exchange and the Nasdaq Stockholm Stock Exchange. Both Scania and TRATON are members of the Volkswagen Group.

RISK OVERVIEW

Scania's risk overview is characterised by an increasingly complex and challenging business environment that is changing fast and where managing high uncertainty is the new normal. Scania is adapting to this new business environment, managing risks relating to, for example, new business models, expanding production capacity, finding sustainable solutions for sourcing, reliable supply chains, and the technology shift relating to climate change.

The business environment during 2024 has been characterised by the increased tensions between regions in the world, which are seen in increased number of armed conflicts, sanctions and trade barriers. This will prompt companies to increasingly review their supply chains, re-assess market presence and technology strategy in order to manage risk exposure and build resilience. Political alliances and changed trade patterns has slowly led to a more regionalised world. Global free trade cannot be taken for granted any longer as event-driven geopolitical risks might arise quickly. This raises concerns regarding general market access and development, inflation and interest rate trends, the development of the global economy and the effect this will have on Scania as well as on our customers, suppliers and partners.

Scania continues to monitor the impact political uncertainty could have on the macroeconomic outlook and, more specifically, on operations and the markets in which Scania operates or sourcing from. During the year Scania has seen risks materialise with respect to lack of materials and components, disturbances in production and logistics flows and sales networks. With the ongoing establishment of Scania's industrial presence in China, the diverse risk landscape is monitored and managed closely to achieve the strategic objectives for a long-term market and industrial presence in China.

There are several risks that will continue to have a potential impact on Scania. The most relevant of these risks as well as management actions are presented in a table on the following pages. The table also shows a mapping of the corporate objectives that could be impacted if the related risk materialises. Scania's rigorous and proactive risk management supports the accomplishment of our corporate objectives.

RISK OVERVIEW

CORPORATE OBJECTIVES

Improvement of flows | People and planet | Innovate and scale | Profitable and satisfied customers | Best performing company | Proud and satisfied employees

The corporate objectives are mapped to risk categories to illustrate potential impact.

Risk category	Corporate objectives	Context/Potential impact	Management actions/Mitigation
Strategic risks			
Climate transition risks	Improvement of flows, People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company, Proud and satisfied employees	With a central role in the ecosystem of transport and as a global player, Scania is exposed to risks stemming from the transition towards a net zero economy. Scania's strategic direction is directly linked to the opportunities as well as the risks stemming from climate change and its related implications. Transition risks identified by Scania include risks relevant to the technology shift, electric vehicles, the cost of the transition to zero-emission technologies, customer demands and expectations, and availability of components and raw materials. Transition risks also include risks related to policy enforcements such as CO_2-emission legislation, carbon pricing, development of enabling factors (including charging infrastructure, renewable energy supply and availability of biofuels) and other climate regulations do not fully support technology developments, as well as social risks. All these risks have potential effect on Scania's revenue streams in both the short and medium term.	Scania's strategic direction is Driving the Shift towards a sustainable transport system. This builds on the opportunities and risks related to climate change and is a direct response so we can be a resilient and profitable company both now and in the future. Consequences of climate change and related mitigating actions on legislation, business and technology have a profound impact on Scania's overall strategy, business processes, and sustainability focus. The annual strategic planning process established by Scania includes scenario analysis as a key element in testing the strategy's robustness for different future developments and identifying new risks and opportunities. This is further facilitated by Scania's corporate risk process. One of Scania's key strategic actions has been to set carbon emission reduction targets in line with what science says is needed to reach the Paris Agreement and accomplish the strategy and targets related to supply chain, decarbonisation, and digitalisation. Proactive monitoring, understanding and engagement with the technology, industry, market and legislative development has been a priority in the strategy review process to achieve the corporate targets. Moreover, Scania forges partnerships with relevant stakeholders in the market to ensure that we can meet the demands of Scania customers and our target market.
Business development risks	Improvement of flows, People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company	The transport industry is in a highly disruptive environment with rapid changes in technology, business models, competitors, and global trends. These are driving the transformation of Scania from being a manufacturer of heavy commercial vehicles into a provider of transport and logistical solutions. Hence, there is a risk in the ability to respond to specific customer needs with tailored products and services, as well as to capture an important position in the growing industry trend towards autonomous and connected electric transport vehicles.	Risks associated with business development and long-term planning are mainly managed through a structured collaboration among Scania's and TRATON's cross-functional departments to jointly make strategic and tactical decisions. Another way of managing development risks is through the annual process established by Scania for strategic planning where external and internal considerations are discussed and challenged throughout the company, across different units and organisational levels. A vital part of The Scania Way is promoting integrity and psychological safety to create an environment where questions and ambiguities can be discussed openly. Getting the buy-in across the different levels of the company allows for the strategy and business development to be executed in a productive and efficient way. In addition, Scania's annual strategy process continuously explores new areas that could push future developments in the ecosystem of transport and logistics. Research and Development projects are subjected to constant iterations based on their technological and commercial relevance.

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Strategic risks, continued			
Business model and strategy related risks		Scania's business model and strategy must continually be updated and adjusted to respond to the ever-changing business context. Scania's value proposition must be attractive and competitive for our stakeholders. The company's responses to the changing conditions must be met in a timely manner in order for Scania to stay competitive and relevant.	Scania is regularly monitoring, evaluating and challenging our business model and strategy in order to ensure that Scania is achieving the ambition to drive the shift towards a sustainable transport system and our commitment to the Paris Agreement. A proper handling of uncertainty, complexity, and volatility is important to stay relevant to the society, customer, capital market and other stakeholders today and in the future. Scania has methods and processes to elevate important critical issues that need a cross-functional focus and effort to be addressed. For further information on Scania's strategy process and use of scenarios see pages 19–23.
Corporate governance and policy-related risks		Scania operates worldwide in volatile contexts and we see a trend towards deglobalization arising from the growing complexity in the policy landscape. It is important to effectively manage and develop the business in the right direction, otherwise there is a risk of not achieving our ambition and targets.	The Executive Board has overall responsibility for managing corporate governance and policy-related risks. All units of the company work according to a management system that meets Scania's requirements, guidelines and policies, and maintain documentation. The management system is continuously improved, through daily work and through regular review, internally and by third parties. The central support function Group Legal and Compliance is in place to support both the Executive Board and the line managers in managing risks by providing knowledge in terms of governance, trainings and advice. For further information, see the Section on Corporate Governance report, starting at page 82.
Geopolitical risks		Geopolitical risk has been growing in importance with the rising political tensions in and between regions. As a global company, Scania operates in markets with political volatility, conflict and social unrest, which may impact Scania's ability to conduct business in these territories. Geopolitical tensions continue to increase risk exposure in a number of aspects, such as trade barriers including sanctions, supply chain interruptions, human rights violations, and security concerns. The heightened tensions between the global power blocs, which are evidenced by the increasing number of sanctions and export regulations, will prompt companies to de-risk the supply chains and minimise dependencies. New political alliances and changed trade patterns will potentially lead to a more regionalised world. From a procurement perspective, global free trade cannot be taken for granted any longer as event-driven geopolitical risks could arise quickly. The risk is further compounded by the complexity of having numerous layers in the supply chains and several counterparties that are extremely difficult to trace and monitor.	The annual corporate strategy review conducts scenario analyses to outline potential shifts and developments in the increasingly volatile geopolitical situation in Scania's business environments. Responsive actions to high-impact changes are integrated into strategy and execution. This includes the localisation of production facilities and supply sources of components. The information flow on political risks has also been reported through the corporate risk process to support the Executive Board and the business units in making well-informed decisions. Scania mobilises cross-functional business units to a unified approach in managing significant business events materialising from geopolitical risks. A good example of this is how Scania activated its crisis management process and cross-functional units to address what was initially assessed as a critical supply shortage of semiconductors and successfully bring it to a manageable and stable level. As part of Scania's practice of continuous improvement, the Procurement function continue to develop mitigation initiatives to secure supply. Due attention will be given to critical components and single source from certain regions that will be increasingly important to evaluate and manage. We have also formulated mitigation strategies and operating principles for a more diversified portfolio of Tier-1 supply chains. Trade policy is another area where Scania proactively engages via monitoring, assessing and advocating for free and rules-based international. This includes amplifying the importance of global product standards and effective free trade agreements.

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Legal & Compliance risks			
Trade barriers, export control and sanction risks	Improvement of flows, People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company, Proud and satisfied employees	Changes in foreign trade policy and trade barriers, as well as governments or international bodies imposing sanctions on countries, goods and services, or persons, may limit our business opportunities. Failure to comply with sanctions could result in significant fines, penalties and trading restrictions. As a global company, Scania also needs to manage conflicting sanctions regulations and be more vigilant that we do not get involved with business transactions that may indirectly and ambiguously circumvent sanctions in the upstream and downstream operations. In addition to sanctions, our internal and external cross border trading may be financially impacted by increasing customs duties as a result of trade wars and changing foreign trade policy.	All entities within the Scania Group conduct their business in accordance with national and international laws and regulations, including, but not limited to, export control legislations and sanctions regulations of all relevant jurisdictions and regimes in which we operate, as well as in accordance with Scania's Code of Conduct. The current geopolitical situation with regularly evolving sanctions and trade barriers is vigilantly monitored. There is also a significant effort to continuously improve Scania Export Control programme where resources (central and local) and expertise evaluate changes in the regulations and sanctions landscape to ensure compliance. In relation to customs duties we are constantly monitoring changes in foreign trade policy and customs regulations to mitigate or plan for the consequences and financial impact any changes may have.
Contracts and intellectual property rights	Improvement of flows, Profitable and satisfied customers, Best performing company	Legal risks occur in the normal course of operations, administrating contracts and essential rights. Scania's operations include a wide variety of intangible licensing agreements, patents and other intellectual property rights. Scania also concludes numerous commercial and financial contracts, which is normal for a company of Scania's scale and type. Scania's operations are not dependent on any single commercial or financial contract, patent, licensing agreement or similar right.	Scania has specialised personnel, Group Legal and Compliance support with advisory and guidance in legal, commercial, patent, licensing and other matters. For further information, see Note 17.
Legal actions and administrative proceedings	Improvement of flows, Profitable and satisfied customers, Best performing company	Scania is affected by legal proceedings as a consequence of the company's operating activities. This includes alleged breaches of contract, non-delivery of goods or services, producer liability, patent infringement or infringements related to other intellectual property, or alleged violations of laws and regulations in force. Some of the associated risks may be of great importance. For further information, see Note 17.	Legal risk reporting has been integrated in the biannual corporate risk reporting for a more efficient and consolidated corporate reporting process. Then, at least once a year, a report on legal risks is submitted to the Audit Committee. Scania has a team of specialised personnel, Group Legal Affairs, to support with advisory and guidance on legal matters.
Business ethics and compliance risks	Improvement of flows, People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company, Proud and satisfied employees	With a wide presence and operations in global markets, Scania is exposed to risks related to money laundering, fraud, embezzlement, corruption and non-compliance to applicable competition laws. Scania needs to address them all in a systematic and transparent way. Business ethics also includes privacy and data protection commitments and business and human rights that also need to be addressed. The growing reliance on digital technologies further highlights the importance of ethical data usage and the responsible application of artificial intelligence. See also the subsections on Data protection and privacy risks and Human rights risks. Scania's operations also include the provision of financing and insurance services, which must comply with the rules set out by financial supervisory authorities and other competent authorities.	The governing regulation structure starts with the Scania Code of Conduct. This contains a set of binding rules and guidance regarding responsible behaviours for all Scania Group employees. The Core Values and The Scania Way framework lay the foundation of responsible business behaviour and corporate culture that is strongly supported by the "tone from the top", Scania's Executive Board. This framework is complemented by Scania's internal regulations for a cohesive implementation across multiple business processes. Scania also deployed, both centrally and locally, specialised personnel to support the business in monitoring and managing the business ethics and compliance risks in this period of constantly changing environment. Group Compliance, Group Risk Management, Group Governance and Data Protection are the central functions that primarily support the businesses to achieve these corporate targets. A risk-based third-party due diligence is also an important part of the Compliance Management System and Group Internal Audit also supports in monitoring the effectiveness of the processes.

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Legal & Compliance risks, continued			
Risks related to new and changed laws and regulation	Improvement of flows, People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company, Proud and satisfied employees	We see new legislative requirements related to corporate governance in different jurisdictions. This increases the risk of not operating in full compliance with all relevant regulatory requirements. Different countries' legal systems and major changes in laws and regulations (e.g. technical regulations, environmental laws, safety standards, data privacy, artificial intelligence, trade laws, financial regulations sustainability due diligence, business and human rights, anti-corruption laws, anti-money laundering and terrorism financing laws, antitrust/competition laws, and export control regulations with extraterritorial effect) may have aspects that conflict with regional regulations and could threaten Scania's comprehensive position. Incoming legislations focusing on value chain obligations (and extraterritorial implementation) create a risk of conflicting standards similar to that of sanctions and counter sanctions. There is a risk that Scania lacks capacity to efficiently conduct business, execute important transactions, enforce contractual agreements or complement specific strategies and activities. See also the subsection on Climate transition risks.	Scania monitors all markets continuously for legislative changes, which means that the company can make the necessary changes to its strategy or internal governance and compliance arrangements in a proactive manner. In addition, Scania's local and central specialist functions provide guidance and support regarding new and changed legislations to mitigate the risks. To proactively reduce risks related to new and changed laws and regulations, Scania engages in regulatory and governmental affairs activities on global, EU and national level. This work is being conducted independently as well as with partners and industry associations, like the European Automobile Manufacturers' Association (ACEA) and the International Organization of Motor Vehicle Manufacturers (OICA).
Data protection and privacy risks	People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company, Proud and satisfied employees	Scania's products and services depends on a large amount of data during development and operation, of which personal data constitutes one part. There is a risk that Scania will fail to demonstrate compliance with privacy and data protection regulations, that could lead to significant regulatory fines and penalties, claims for damage and other liabilities, loss of customers as well as negative brand reputation.	One of Scania's core values is "Respect". This is the baseline in our direct interaction with colleagues, customers, partners, drivers, and other data subjects on how we manage general privacy and personal data protection. Scania's compliance with privacy and data protection regulations is the result of a proactive privacy mindset with personal data protection practices designed to be embedded in business operations. This is particularly important when entering into new markets or establishing new business models. Scania has a specialist function, Group Governance and Data Protection with central and regional data protection networks across the globe. They support the business in ensuring that personal data handling is compliant throughout its lifecycle. Nevertheless, the business units are ultimately responsible for fully implementing privacy and data protection as well as demonstrating compliance with applicable regulations.

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Legal & Compliance risks, continued			
Human rights risks	Improvement of flows, People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company, Proud and satisfied employees	Scania encounters human rights risks throughout the value chain and needs to work diligently to prevent adverse impact on people, internally and externally. Human rights risks increase in situations of social and economic volatilities and in conflict. Respect for human rights and international law is challenged when authoritarian governance is gaining ground and rule of law is weakened. Developments during the year in this direction are increasing human rights risk exposure. Legal expectations of human rights due diligence and other requirements create increased pressure on companies to manage human rights risks across the value chain and extraterritorially.	Responsible management of human rights risks requires integration of human rights due diligence into relevant decision making. During 2024, Scania has continued developing its framework for human rights management that connects existing due diligence programmes (such as the raw materials management system) with a risk-based approach at a corporate level through the Scania risk process. The framework also includes Scania's defined salient issues. Since 2023, Scania's cross-functional Human Rights Steering Committee monitor, address and advise on the implementation of obligations under the human rights laws and Scania's commitments in relation to human rights throughout the organisation. Moreover, impacts on human rights have been integrated in the risk management activities and implemented across the organisational units of Scania. Multiple trainings and workshops have been conducted to support the different organisational units within Scania to include human rights impacts into their business plans and budgets. More support to the organisational units is planned for an aggregate incremental maturity. Accordingly, the Risk Management Policy and guidelines were revised and formulated, respectively, to reflect this integration. Scania has implemented several policies to preserve and promote health, safety and well-being at work, as well as promote performance. Nevertheless, human and labour rights issues can be reported in the whistleblowing channels. In addition, Scania has a Supplier Code of Conduct covering, among others, human and labour rights, environment and ethics. There is also a Supply Chain Grievance Mechanism process in place to follow up reports regarding breach of the Supplier Code of Conduct and in relation to the supply chain. Moreover, Scania has an Independent Distributor Code of Conduct in place applicable to independent distributors and dealers, as well as a due diligence process in relation to independent distributors and dealers.

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Business risks			
People and competence	Improvement of flows, People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company, Proud and satisfied employees	The technology shift will require a shift in competence and Scania must act proactively and identify future needs before they occur. Difficulties in attracting and retaining key personnel, both for ongoing activities and in the changing environment, could lead to challenges in delivering towards customer needs. It's also very important that there is sufficient follow-up of personnel, especially with the geopolitical conflicts and new ways of working that could affect safety and mental health.	To secure business-driven skills supply, Scania is continuously developing the area of people management. Currently, we are creating an even more efficient global human resources support. In 2024, we launched our global HR IT tool and it is now fully functional for all our employees. Scenario planning is also used to plan for future competence needs in parts of the organisation. The people perspective is key in driving the shift – both for the company and its employees. Therefore, Scania focuses on various reskilling programmes as well as entrepreneurial and innovation learning, e.g. Innovation Factory and Skill Capture, ensuring an inclusive corporate culture and diverse workforce. In order to manage the transformation/competence shift in a responsible way at the global level, we must ensure that there is meaningful social dialogue. Scania has a global standard for social dialogue and proactively addresses the challenge through the Global Deal initiative. Co-determination is crucial, not only for safeguarding workers' rights but also for maintaining business continuity and stability during times of transformation. Scania also continuously develops and monitors group-wide policies in the People area. Furthermore, Scania has structured well-established working methods for close cooperation with several universities and institutes of technology to create and recruit cutting-edge expertise. Scania runs various educational initiatives in our global structure. Scania continuously follow-up on the well-being and safety of all personnel, this is especially important during times of change with new ways of working and when increasing global tensions leading to conflicts in market where Scania has presence.
Supply chain risks	Improvement of flows, People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company, Proud and satisfied employees	The uncertain global environment that Scania operates in today puts a lot of pressure on us as a company and our suppliers. Suppliers may be unable to fulfil delivery obligations due to, among other things, supply shortages, labour strikes, capacity allocation to other customers, or financial distress of the supplier. This could lead to Scania facing the risk of production downtime, increased production costs, delays and loss of customer confidence. Sourcing from a global supply chain and complying to regional legislations brings sustainability risks such as adverse effects on the environment, health and safety, human rights and business ethics in Scania's business operations. The risk is further compounded by the rising geopolitical tensions, technology trade restrictions and new sanctions impacting the flow in supply chains. See also the subsection on Geopolitical risks. Scania continues to work with improvements and has launched several product updates with more planned in the coming years. Although this will benefit our customers, it will also increase the risks, with changes in Scania's supply chains.	Scania has further started a variety of preventive initiatives to mitigate supply chain risks. One example is a more systematic way to follow-up supplier preventive risk cases internally. Scania has processes and dedicated teams in place to ensure the availability of components in the short- mid and long term. There is focus on operational supply chain risks as well as geopolitical situations, natural disasters and other unexpected negative effects on our supply chains in order to prevent, mitigate and react to risk events. Suppliers undergo a pre-qualification process in meeting Scania's requirements on technology, quality, delivery, cost and sustainability before selection. This is regularly monitored and followed up within Scania Procurement and Logistics for all suppliers. Suppliers are required to comply with Scania's Supplier Code of Conduct. Scania assesses every sourcing nomination through a thorough due diligence process which includes Scania Sustainability Rating. On a monthly basis, Scania monitors the Sustainability and Financial risk ratings of suppliers. Moreover, Scania has proactively analysed trends of further deterioration in suppliers who have a weak financial rating. Close cooperation within Volkswagen and the TRATON GROUP and with our suppliers have been key to ensuring that we can adapt to changes and manage identified risks.

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Business risks, continued			
Information risks	Improvement of flows, People and planet, Innovate and scale, Profitable and satisfied customers, Best performing company, Proud and satisfied employees	Scania relies on information technology for everyday business. Besides opportunities for improving efficiency and effectiveness of Scania's internal operations and customer offer, this might also give rise to various risks. Digital information, systems and infrastructure may be negatively impacted because of accidents, disasters, technical damage, outdated technology, cyber-attacks, etc. See also the subsection on Product cybersecurity risks. If not properly managed, Scania might be exposed to the risk of information being revealed to unauthorised person(s) or risk of information intentionally/unintentionally changed, corrupted or lost.	To ensure effective, reliable and relevant operations, Scania needs to constantly evaluate how to utilise the potential of data in our day-to-day business. To ensure the availability, integrity, and confidentiality of information, Scania uses a risk-based approach and an established Information Security Management System, as well as a combination of the latest technologies and effective IT organisational mechanisms. Scania also has a central specialist organisation for Information Security, which, among other things, is responsible for the introduction and follow-up on Scania's information security policy.
Product launch and Product liability risks	Improvement of flows, People and planet, Profitable and satisfied customers	Introducing a new product to the market is a risk exposure of product quality deviation resulting from e.g. failure in design, product selection or manufacturing. Failure to ensure product quality could result in recalled products resulting to significant costs, compensation for indirect cost of customers, noncompliance and reputational damage.	This risk is managed by the development, verification and validation process at Scania. It is Scania's objective to develop products that are reliable and safe to the user, the general public and the environment. However, if a product should show signs of technical shortcomings that might be harmful to people, planet or property, that is dealt with by the Scania Product Liability Council. This body decides what technical solutions should be used in order to solve the problem and which marketing measures are needed. The Product Liability Council also conducts a review of the processes in question to ensure that the problem does not recur. Where applicable, Scania has a fair risk-sharing with our suppliers regarding product liability, which minimises the financial risk for Scania.
Market risks	Improvement of flows, Innovate and scale, Best performing company	The commercial vehicles industry is influenced by external impacts such as competition, price, political conditions and also potential financial downturns, which may result in both opportunities and risks regarding the demand for Scania's products. In addition, Scania delivers some of its vehicles with repurchase obligations, where Scania thus has residual value exposure. This also includes residual value risk for short-term rental vehicles. Further, a large proportion of Scania's sales of parts and workshop hours occurs through repair and service contracts. Selling a service contract involves a commitment by Scania to provide services to customers during the contractual period in exchange for a pre-determined fee.	Scania can partly address the fluctuation in the demand for our products by well-diversified sales in more than 100 countries, which limits the risk in relation to each individual customer and market. Furthermore, Scania continuously manages and oversees existing contractual obligations towards customers which otherwise could result in challenges to properly forecast future asset values of used vehicles. The cost of a contract is allocated over the contractual period according to estimated consumption of service, and actual divergences from this are recognised in the accounts during the period. From a portfolio perspective, Scania continuously estimates possible future divergences from the expected cost curve. Negative divergences result in a provision that affects earnings for the period.

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Business risks, continued			
Climate risks including natural hazards		Scania operations and our suppliers are located worldwide, meaning that we cannot avoid physical risks resulting from extreme weather conditions, floods, extreme heat, water problems and other natural hazards that could damage physical assets such as buildings. These risks could disturb the logistics flow and supply chain leading to the unavailability of components. It is challenging to predict the frequency and impact of natural disasters for the relevant geographical locations. With the changing climate brought by global warming, extreme weather situations are occurring more frequently, and the weather patterns are changing in different areas. Dire situations can occur more frequently in the future and potentially result in certain resources becoming scarce. These risks could also affect Scania's access to comprehensive insurance coverage, without which our balance sheet could be impacted by the uninsured probable losses.	The physical climate risks and risks arising from other natural hazards are assessed and documented in the business continuity process. Some of the physical risks related to insurability are covered by the insurance process. The usage of predictions and scenario planning will include a more proactive climate modelling for 2025 and onwards. Scania has an environmental management system in line with ISO14001, to ensure that Scania operates according to the highest global standards in all relevant environmental areas.
Production risks		An unforeseen disruption at a production facility represents a risk and may be caused by a number of different incidents, for example, supply shortage, natural hazards, labour difficulties, and geopolitical issues. If overestimating the demand for our products, there might be a risk that the available capacity will be underutilised, while pessimistic forecasts could result in insufficient capacity to meet demand. Production risks also encompass challenges that Scania may face in logistics, delivering trucks after the production process is completed.	Scania has a business continuity programme which focuses on business continuity being owned, operated and embedded with local needs, resources and competences. The production capacity is closely monitored in cross-functional meetings and continuously adapted accordingly. This year, the work on the end to end (E2E) redesign programme has developed into a planning and execution phase. The focus of the programme is to improve the capability to manage an increased amount of external and internal variation, with the aim to stabilize and improve the flow performance within our E2E flow.
Product cybersecurity risks		Scania vehicles contain advanced computing and communication technologies and are connected, with a few exceptions. Our vehicles are a key part in our customers' business. Being heavy vehicles, they are also safety critical. Successful cyber-attacks therefore risk having an impact on road safety, our customer's business, and ultimately Scania's business.	Scania has implemented a systematic risk-based approach defining organisational processes, responsibilities, and governance to ensure that risks associated with cyber threats are managed throughout the entire life cycles of our products and services.

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The corporate objectives are mapped to risk categories to illustrate potential impact.

Risk category	Corporate objectives	Context/Potential impact	Management actions/Mitigation
Financial risks			
Refinancing and Liquidity risks	Innovate and scale; Profitable and satisfied customers; Best performing company	Access to competitive funding is critical, and to a large extent relies on the issuer credit ratings of the owners TRATON SE and Volkswagen AG. The need for a solid and reliable ESG communication will continue to be important.	Liquidity at Scania is significant and is placed within TRATON GROUP. Refinancing and liquidity risks are managed in accordance with Scania's Treasury Policy, reviewed every year by the Audit Committee. As part of Scania's management of refinancing risk, there is a credit facility accessible to Scania which is maintained by TRATON SE. For further information, see Note 27.
Credit risks	Profitable and satisfied customers; Best performing company	If Scania's contract parties fail to meet their contractual obligations as a result of their own financial situation or due to the political environment, Scania could be exposed to financial loss.	Credit risks are managed in accordance with the Scania's policies on Credit Risk Governance and Treasury, reviewed every year by the Audit Committee. Transactions occur only within established limits and with selected, creditworthy counterparties. Scania's sales are distributed among a large number of end customers with a geographical dispersion, which limits the concentration of credit risk. For further information, see Note 27.
Currency and interest rate risks	Best performing company	Currency exposures result from the gap between the wide geographical spread of our product sales compared to the more geographically concentrated production operations. Currency and interest rate movements could negatively affect earnings and balance sheet items. For further information, see Note 27.	Currency and interest rate risks are managed in accordance with Scania's Treasury Policy, reviewed every year by the Audit Committee. To improve visibility and manageability, Scania generally concentrates currency exposures to its major industrial operations in Sweden and Brazil. Regarding the commercial currency flows, Scania works primarily with adjusting prices to compensate for exchange rate fluctuations. According to the Treasury Policy, Scania management may hedge future currency flows, but this option has historically been used to a limited extent. The net foreign assets of subsidiaries are normally not hedged. However, significant net monetary assets of a foreign subsidiary may be hedged. For further information, see Note 27.

RISK OVERVIEW

CORPORATE OBJECTIVES

Improvement of flows | People and planet | Innovate and scale | Profitable and satisfied customers | Best performing company | Proud and satisfied employees

The corporate objectives are mapped to risk categories to illustrate potential impact.

Risk category	Corporate objectives	Context/Potential impact	Management actions/Mitigation
Financial risks, continued			
Tax risks	Improvement of flows, Best performing company	Scania is subject to various taxes in multiple jurisdictions. A certain degree of judgement and estimation is required in determining Scania Group's provisions for income tax, sales and use tax, value-added tax, and other taxes. Additionally, Scania and its subsidiaries are involved in a number of tax audits and disputes. Nevertheless, none of these cases are deemed capable of resulting in a claim that would substantially affect Scania's financial position. For further information, see Note 17.	Scania has central and local resources that ensure compliance with current legislation and take an active part in tax-related issues, as well as assisting with tax expertise. Furthermore, in addition to statutory audits, Scania is regularly audited by tax authorities, who may disagree with Scania's tax treatments. Although Scania believes its tax estimates are correct, the final determination of tax audits or reviews could differ from our tax provisions and accruals. As a result, Scania may be subject to additional tax liabilities, interest, penalties, or any regulatory, administrative, or other sanctions relating thereto. Tax risks above a certain level are monitored and reported regularly to management. Once a year, a report is submitted to the Audit Committee.
Insurance risks	Improvement of flows, People and planet, Innovate and scale, Best performing company, Proud and satisfied employees	Scania is within its global operations exposed to various risks which could potentially have a financial impact, if not transferred to external insurers. Not all risks can be transferred but for selected insurable risks, we strive to minimise Scania's risk exposure.	Scania works continuously with the identification, analysis and administration of insurable risks, both at Group and local level. A central function is responsible for the Group's global insurance portfolio. Customary Group insurance policies to protect the Group's goods shipments, assets and obligations/liabilities are arranged in accordance with Scania's governing document. Local insurance policies are obtained in accordance with the laws and standards of the country in question. When necessary, Scania receives assistance from external insurance consultants on identifying and managing risks. Insurance is obtained only from reputable insurance companies, whose financial strength is continuously monitored. Risk inspections are performed yearly, mainly focusing on physical risks. Risk inspections are conducted according to the standardised Scania Blue Rating Fire Safety system , often, to all production units and a number of Scania-owned sales and services units/workshops,. This keeps a high level of loss prevention and a low incidence of claims.

FINANCIAL REPORTS

In this section

CONSOLIDATED INCOME STATEMENTS

January–December, SEK m.	Note	2024	2023
Continuing operations			
Revenue	4, 5	216,129	204,126
Cost of goods sold, and services rendered		–155,951	–150,396
Gross income		**60,178**	**53,730**
Research and development expenses	6, 9	–11,654	–11,236
Selling expenses	6	–14,620	–13,554
Administrative expenses	6	–3,455	–2,955
Items affecting comparability	30	–1,243	–1,178
Operating income	4, 6	**29,206**	**24,807**
Interest income		9,145	8,703
Interest expenses		–8,046	–6,642
Share of income from associated companies and joint ventures	11	–64	4
Other financial income		1,744	2,623
Other financial expenses		–4,847	–6,252
Total financial items	7	**–2,068**	**–1,564**
Income before income tax expense		**27,138**	**23,243**
Income tax expenses	8	–4,604	–7,385
Net income from continuing operations		**22,534**	**15,858**
Net income from discontinued operations [1]	22	**–**	**1,448**
Net income from the Group		**22,534**	**17,306**

1 On 1 April 2023, the former Financial Services segment was divested, and classified as a discontinued operation.

January–December, SEK m.	Note	2024	2023
Other comprehensive income	15		
Items that may be reclassified subsequently to profit or loss			
Translation differences		–372	1,551
Reversed cumulative translation differences from divested companies		0	–1,012
Taxes		–	–
		–372	539
Items that will not be reclassified to profit or loss			
Remeasurement defined benefit plans	16	184	–1,317
Fair value adjustment equity instruments		–863	13
Taxes		83	279
		–596	–1,025
Total other comprehensive income		**–968**	**–486**
Total comprehensive income		**21,566**	**16,820**
Net income attributable to:			
– Scania shareholders		22,548	17,306
– non–controlling interest		–14	0
Total comprehensive income attributable to:			
– Scania shareholders		21,577	16,820
– non–controlling interest		–11	0

CONSOLIDATED BALANCE SHEETS

31 December, SEK m.	Note	2024	2023
Assets			
Non-current assets			
Intangible assets and goodwill	9	20,379	16,274
Tangible assets	10	53,850	48,480
Lease assets	10	21,271	22,154
Holdings in associated companies and joint ventures	11	2,450	1,674
Other shares and participations	12	816	1,350
Non-current interest-bearing receivables	28	10,298	855
Other non-current receivables	14, 28	3,571	3,283
Deferred tax assets	8	9,387	6,239
Tax receivables		1,300	1,006
Total non-current assets		**123,322**	**101,315**
Current assets			
Inventories	13	39,562	38,214
Current receivables			
Tax receivables		2,467	1,507
Interest-bearing receivables	28	2,430	9,744
Non-interest-bearing trade receivables	28	10,066	11,288
Other current receivables	14, 28	9,627	8,072
Total current receivables		24,590	30,611
Current investments	28	23,694	1,048
Cash and cash equivalents			
Current investments comprising cash equivalents		37,190	20,253
Cash and bank balances		8,455	4,462
Total cash and cash equivalents	28	45,645	24,715
		133,491	**94,588**
Assets held for sale	22	–	99,692
Total current assets		**133,491**	**194,280**
Total assets		**256,813**	**295,595**

31 December, SEK m.	Note	2024	2023
Equity and liabilities			
Equity			
Share capital		2,000	2,000
Other contributed capital		14,408	13,418
Reserves		–1,294	–919
Retained earnings		79,033	65,974
Equity attributable to Scania shareholders		94,147	80,473
Non-controlling interest		37	52
Total equity	15	**94,184**	**80,525**
Non-current liabilities			
Non-current interest-bearing liabilities	10, 28	30,214	67,264
Provisions for pensions	16	8,933	8,897
Other non-current provisions	17	5,666	4,036
Accrued expenses and deferred income	18	20,107	17,993
Deferred tax liabilities	8	3,293	3,004
Other non-current liabilities	28	5,717	5,723
Total non-current liabilities		**73,930**	**106,917**
Current liabilities			
Current interest-bearing liabilities	10, 28	20,305	39,828
Current provisions	17	5,824	5,568
Accrued expenses and deferred income	18	25,853	23,504
Advance payments from customers		2,426	1,933
Trade payables	28	20,787	22,204
Tax liabilities		2,264	2,059
Other current liabilities	28	11,240	13,057
		88,699	**108,153**
Liabilities directly attributable to assets held for sale	22	–	–
Total current liabilities		**88,699**	**108,153**
Total equity and liabilities		**256,813**	**295,595**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In Note 15 there is a description of the consolidated equity items and information about the company's shares. The equity of the Scania Group has changed as follows (SEK m.):

	2024							2023						
	Share capital	Other contributed capital	Currency translation reserve	Retained earnings including net income for the year	Total, Scania shareholders	Non-controlling interest	Total equity	Share capital	Other contributed capital	Currency translation reserve	Retained earnings including net income for the year	Total, Scania shareholders	Non-controlling interest	Total equity
Equity, 1 January	**2,000**	**13,418**	**–919**	**65,974**	**80,473**	**52**	**80,525**	**2,000**	**12,086**	**–1,458**	**66,938**	**79,566**	**59**	**79,625**
Net income for the year				22,548	22,548	–14	22,534				17,306	17,306	0	17,306
Other comprehensive income														
Exchange differences on translation			–375	–	–375	3	–372			539	–	539	0	539
Remeasurements of defined-benefit plans			–	184	184	–	184			–	–1,317	–1,317	–	–1,317
Fair value adjustment equity instruments			–	–863	–863	–	–863			–	13	13	–	13
Tax attributable to items recognised in other comprehensive income			–	83	83	–	83			–	279	279	–	279
Total other comprehensive income			**–375**	**–596**	**–971**	**3**	**–968**			**539**	**–1,025**	**–486**	**0**	**–486**
Total comprehensive income			**–375**	**21,952**	**21,577**	**–11**	**21,566**			**539**	**16,281**	**16,820**	**0**	**16,820**
Change in non-controlling interest			–	–		–4	–4			–	–		–7	–7
Dividend to Scania AB shareholders			–	–7,903	–7,903		–7,903			–	–15,800	–15,800		–15,800
Group contribution to TRATON			–	–990	–990		–990			–	–1,445	–1,445		–1,445
Capital contribution from Scania AB shareholders		990	–	–	990		990		1,332	–	–	1,332		1,332
Equity, 31 December	**2,000**	**14,408**	**–1,294**	**79,033**	**94,147**	**37**	**94,184**	**2,000**	**13,418**	**–919**	**65,974**	**80,473**	**52**	**80,525**

CONSOLIDATED CASH FLOW STATEMENTS

January–December, SEK m.	Note	2024	2023
Operating activities			
Income before tax [1]	21 a	27,138	24,970
Items not affecting cash flow	21 b	15,325	13,513
Taxes paid		–8,670	–8,467
Cash flow from operating activities before change in working capital		**33,793**	**30,016**
Change in working capital			
Inventories		–1,346	–7,595
Receivables		–502	16
Financial receivables, TRATON Financial Services	21 c	0	–3,604
Vehicles with repurchase obligations and rental		–3,641	–1,843
Trade payables		–1,171	2,461
Other liabilities and provisions	3, 16	4,441	6,373
Total change in working capital		**–2,219**	**–4,192**
Cash flow from operating activities		**31,574**	**25,824**
Investing activities			
Net investments through acquisitions/divestments of businesses	21 d	40	5,605
Net investments in non-current assets	21 e	–16,578	–12,134
Cash flow from investing activities attributable to operating activities		**–16,538**	**–6,529**
Cash flow after investing activities attributable to operating activities		**15,036**	**19,295**
Investments in securities and loans	21 h	**75,047**	**–17,650**
Cash flow from investing activities		**58,509**	**–24,179**
Cash flow before financing activities		**90,083**	**1,645**

January–December, SEK m.	Note	2024	2023
Financing activities			
Change in debt from financing activities	21 f	–61,800	8,183
Dividend		–7,903	–6,200
Cash flow from financing activities		**–69,703**	**1,983**
Cash flow for the year		**20,380**	**3,628**
Cash and cash equivalents, 1 January		24,715	22,489
Exchange rate differences in cash and cash equivalents		550	–1,402
Cash and cash equivalents, 31 December		**45,645**	**24,715**
Cash and cash equivalents, 31 December, reported in the balance sheet	21 g	**45,645**	**24,715**

1 Includes income before tax from discontinued operations. See Note 22 “Non-current assets and disposal groups held for sale and discontinued operations”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PREPARATION

Information about the Company and basis of reporting

The Scania Group encompasses the Parent Company, Scania Aktiebolag (publ), Swedish corporate identity number 556184–8564 and its subsidiaries. The Parent Company has its registered office in Södertälje, Sweden. The address of Scania's head office is SE-151 87 Södertälje, Sweden.

The consolidated accounts of the Scania Group have been prepared in compliance with IFRS Accounting standards issued by the International Accounting Standards Board (IASB) as adopted by the European Union. In addition, recommendation RFR 1, "Supplementary Accounting Rules for Groups" from the Swedish Corporate Reporting Board has been applied. The Parent Company applies the same accounting policies as the Group except in the instances described below in the section "Parent Company accounting policies." The functional currency of the Parent Company is Swedish kronor (SEK), and the financial statements are presented in Swedish kronor. Scania Group manufacture and sell trucks, buses and power solutions including the services associated with these products.

The fiscal year corresponds to the calendar year. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Comparable prior-period figures are presented in brackets alongside the figures for the fiscal year under review.

Accounting policies

Assets and liabilities are recognised at cost, aside from certain financial assets and liabilities which are carried at fair value and other post-employment benefits. Starting in fiscal year 2024, the material accounting policy information for the individual items of the consolidated financial statements are explained at the beginning of the corresponding sections in the notes in order to make the individual items easier to understand. Accounting policy information is considered material if the relevant disclosures relate to material transactions, other events, or conditions and if the accounting required for them is complex, significant judgment or assumptions have been made, Scania has exercised an IFRS option, the accounting policy has been applied in the absence of an IFRS that applies specifically to the case in question in accordance with IAS 8, or if it has changed compared with the previous year and this change resulted in a material change to the information in the financial statements.

Changes in accounting policies

The following revised IFRS Accounting standards have been adopted as of 1 January 2024, IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements, IAS 1 Presentation of Financial Statements: classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants, IFRS 16 Leases: Lease Liability in a Sale and Leaseback. Other than some additional disclosures regarding supplier finance arrangements and loan with covenants no revised IFRS Accounting standards and interpretations adopted as of 1 January 2024 have had a material impact on the financial statements of Scania.

Changes in accounting policies during the next years

New standards, amended standards and interpretations that enter into force on 1 January 2025 and subsequently have not been applied in advance.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

IFRS 18 also requires disclosure of defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Other new and amended standards and interpretations that enter into force on 1 January 2025 or subsequently are not expected to have any material impact on Scania's financial statements.

Foreign currencies – translation

Transactions in foreign currencies are translated to the functional currency at the exchange rate on the transaction date. Monetary receivables and liabilities in foreign currencies are translated at the exchange rate on the balance sheet date, and exchange rate differences that arise are recognised in the income statement. Non-monetary items are recognised at historic cost using the exchange rate on the transaction date.

When preparing the consolidated financial statements, the income statements and balance sheets of subsidiaries with other functional currency than Swedish kronor are translated into the Group's reporting currency, Swedish kronor. All items in the income statements of foreign subsidiaries are translated using the average exchange rates during the year. All balance sheet items (with the exception of equity) are translated using the exchange rates on the balance sheet date. With the exception of income and expenses recognized in equity, equity is translated at historical exchange rates. The translation differences that arise when translating the financial statements of subsidiaries who do not use the functional currency, Swedish kronor are recognised under "Other comprehensive income" and accumulated in the currency translation reserve in equity until the disposal of the subsidiary.

In general, subsidiaries use the local currency as their functional currency. A few subsidiaries use the Euro or US dollars as their functional currency, when the local currency is not considered as the functional currency.

NOTE 2 – BASIS OF CONSOLIDATION

Accounting policies: Basis of consolidation

The consolidated financial statements encompass Scania AB and all subsidiaries. "Subsidiaries" refers to companies in which Scania directly or indirectly owns more than 50 percent of the voting rights of the shares, or otherwise has control.

The term "associated companies" refers to companies in which Scania, directly or indirectly, has a significant influence. "Joint ventures" refers to companies in which Scania, through contractual cooperation with one or more parties has a joint controlling influence on operational and financial management. Associated companies and joint ventures are measured using the equity method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – BASIS OF CONSOLIDATION, CONTINUED

“Other shares and participations” include equity investments measured at fair value through “Other comprehensive income”.

The composition of the Group is shown in Note 31 “Shares and participations in subsidiaries”.

NOTE 3 – KEY JUDGEMENTS AND ESTIMATES

Preparing the financial reports in compliance with IFRS Accounting standards requires that management make judgements and estimates as well as assumptions that affect the application of accounting principles and amounts recognised in the financial reports. The actual outcome may diverge from these estimates and judgements.

Estimates and assumptions are reviewed regularly. Amendments of estimates are reported in the period in which the amendment was made if the amendment only affects this period, or in the period in which the amendment was made and future periods if the amendment affects both the current period and future periods.

The key judgements and estimates for accounting purposes that are discussed in this report are those that Group management and the Board of Directors deem the most important for an understanding of Scania’s financial reports, taking into account the degree of significant influence and uncertainty. These judgements are based on historical experience and the various assumptions that management and the Board deem reasonable under the prevailing circumstances. The conclusions drawn in this way provide the basis for decisions regarding recognised values of assets and liabilities, in those cases where these cannot easily be established through information from other sources. Actual outcomes may diverge from these judgements if other assumptions are made, or other conditions emerge.

Important estimates and judgements for accounting purposes are attributable to the following areas:

Accounting matter	Note	Sources of estimation uncertainty
Revenue recognition	Note 5	Sales with repurchase obligations
Income taxes	Note 8	Measurement of tax provisions: uncertainty resulting from possible changes in tax legislation, jurisdiction, and how these are interpreted by the financial authorities
Intangible assets	Note 9	Amortisation of intangible assets: estimates of useful lives; recoverability of cash-generating units: estimates of expected cash flows and discount rate
Tangible assets	Note 10	Depreciation of tangible assets: estimates of useful lives
Leases	Note 10	Scania as lessee — measurement of right-of-use assets: estimates of contractual term in the event of extension and termination Scania as lessor — measurement of lease assets: estimates of residual value at the end of contractual term
Trade receivables	Note 27	Measurement: estimates of expected credit losses
Provision for pensions and other post-employment benefits	Note 16	Measurement: estimates of actuarial assumptions
Other provisions	Note 17	Recognition and measurement of provisions: estimates of the amount and probability of occurrence of the obligation as well as of the discount rate

Impact of climate change

Against the backdrop of climate change and the associated tightening of emission regulations, the transformation of the commercial vehicle industry towards electromobility continues to progress. Scania’s corporate strategy has a clear purpose of driving the shift towards a sustainable transport system. One of Scania’s key strategic actions has been to set carbon emission reduction targets in line with what science says is needed to reach the Paris Agreement. Scania is preparing for the ramp-up of production by focusing its development activities on battery-electric vehicles. Our strategic focus areas of decarbonisation as well as circular business will play a key role in this transformation.

The electrification of our product portfolio is the biggest contributor to decarbonisation. Scania ensures the supply of purchased parts for battery-electric vehicles through long-term orders. Circular business means using business models that capture value from restorative practices for products, components, parts and/or materials in order to generate customer value, financial resilience and lower environmental impact. Increasing resource efficiency – in particular by extending life cycles and recycling raw materials – will play an important role in a circular economy.

The financial impact of the transition to a circular economy is currently reflected primarily in the sale of new and remanufactured original parts, which represent extended life cycles of our vehicles. With regard to decarbonization, the possible effects of future regulatory requirements in connection with electromobility, especially in the five-year planning and thus in the derivation of future cash flows for impairment tests, play a significant role, see Note 9 “Intangible assets and impairment losses on non-current assets” and Note 10 “Tangible assets, right-of-use assets under IFRS 16, lease liabilities and lease assets”.

The European Union set new ambitious targets for manufacturers of heavy-duty commercial vehicles such as the Regulation (EU) 2024/1610 (CO_2 Regulation) to reduce CO_2 emissions in Europe. The regulation has a target of reducing CO_2 emissions from heavy-duty vehicles weighing more than 16 tonnes by 15 percent by 2025, 45 percent 2030, 65 percent by 2035 and 90 percent by 2040, based on a benchmark from July 2019 to June 2020. In addition, these objectives will be extended to other sub-groups of commercial vehicles. If these CO_2 Regulation emission targets are not met, penalties of €4,250 for each gram of CO_2 emissions per tonne-kilometre that exceed the limits are foreseen from 2025, see Note 17 “Other provisions”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – OPERATING SEGMENTS

Accounting policies: Operating segments

The Scania Group consists of one operating segment, Vehicles and Services. The results and financial position of the Vehicles and Services operations are monitored by Scania's Board of Directors and Management in their role as chief operating decision maker. The Vehicles and Services operating segment encompasses the products, trucks, buses and power solutions including the services associated with these products. All products are based on shared basic components and monitoring of results thus occurs on an aggregated basis. Earnings, assets and liabilities and cash flow attributable to the Vehicles and Services operations are allocated to this segment.

The "Group activities" column includes treasury activities and mainly consists of interest income and expenses, loan receivables, cash pool receivables and liabilities attributable to the financing of the Financial Services segment which was divested to TRATON on 1 April 2023. In the first half of 2024, the lending portfolio towards TRATON Financial Services was divested to TRATON Treasury AB, see Note 22 "Non-current assets and disposal groups held for sale and discontinued operations". In addition, the related funding and derivatives were novated or mirrored to TRATON Treasury AB. The prior period loan receivables were classified as assets held for sale. Scania will continue to provide limited treasury services to TRATON FS which will be presented within Group Activities.

The "Eliminations" column includes the consolidation between Vehicles and Services and Group activities.

In the Group, operating income is calculated on the basis of operating income adjusted for items affecting comparability. Items affecting comparability include material individual income or expense items which are non-recurring to its characteristics, see Note 30 "Items affecting comparability".

Reconciliation of the Scania Group

	Vehicles and Services		Group activities		Eliminations		Scania Group	
January–December	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	216,129	205,066	–	–	–	–940	216,129	204,126
Gross income	**60,178**	**53,736**	**–**	**–**	**–**	**–6**	**60,178**	**53,730**
Operating income	**29,206**	**24,813**	**–**	**–**	**–**	**–6**	**29,206**	**24,807**
Interest income	5,458	3,582	3,687	5,135	–	–14	9,145	8,703
Interest expenses	–4,490	–2,525	–3,556	–4,131	–	14	–8,046	–6,642
Other	–3,678	9,536	510	–2,137	–	–11,024	–3,167	–3,625
Total financial items	**–2,710**	**10,593**	**642**	**–1,133**	**–**	**–11,024**	**–2,068**	**–1,564**
Income before taxes	**26,497**	**35,406**	**642**	**–1,133**	**–**	**–11,030**	**27,138**	**23,243**
Income taxes	–4,503	–7,591	–101	213	–	–7	–4,604	–7,385
Net income from continuing operations	**21,993**	**27,815**	**540**	**–920**	**–**	**–11,037**	**22,534**	**15,858**
Net income from discontinued operations	**–**	**–**	**–**	**1,448**	**–**	**–**	**–**	**1,448**
Net income	**21,993**	**27,815**	**540**	**528**	**–**	**–11,037**	**22,534**	**17,306**

Balance Sheet	Vehicles and Services		Group activities		Eliminations		Scania Group	
31 December	2024	2023	2024	2023	2024	2023	2024	2023
Assets								
Intangible assets	20,379	16,274	–	–	–	–	20,379	16,274
Tangible assets	53,850	48,480	–	–	–	–	53,850	48,480
Lease assets	21,271	22,154	–	–	–	–	21,271	22,154
Holdings in associated companies and joint ventures and other shares and participations	3,266	3,024	–	–	–	–	3,266	3,024
Interest–bearing receivables, non–current	1,001	855	9,298	–	–	–	10,298	855
Other receivables, non–current	14,258	10,528	–	–	–	–	14,258	10,528
Inventories	39,562	38,214	–	–	–	–	39,562	38,214
Interest–bearing receivables, current	1,107	1,442	1,323	8,302	–	–	2,430	9,744
Other receivables, current	21,520	37,102	640	–	–	–16,235	22,160	20,867
Current investments, cash and cash equivalents	48,383	25,763	20,956	–	–	–	69,339	25,763
Assets held for sale	–	–	–	99,692	–	–	–	99,692
Total assets	**224,596**	**203,836**	**32,217**	**107,994**	**–**	**–16,235**	**256,813**	**295,595**
Equity and Liabilities								
Equity	94,023	81,446	162	–921	–	–	94,184	80,525
Interest–bearing liabilities, non–current	13,030	10,272	17,184	73,227	–	–16,235	30,214	67,264
Provisions for pensions	8,933	8,897	–	–	–	–	8,933	8,897
Other non–current provisions	5,666	4,036	–	–	–	–	5,666	4,036
Other liabilities, non–current	29,117	26,720	–	–	–	–	29,117	26,720
Interest–bearing liabilities, current	5,322	4,140	14,983	35,688	–	–	20,305	39,828
Current provisions	5,824	5,568	–	–	–	–	5,824	5,568
Other liabilities, current	62,682	62,757	–112	–	–	–	62,570	62,757
Liabilities attributable to assets held for sale	–	–	–	–	–	–	–	–
Total equity and liabilities	**224,596**	**203,836**	**32,217**	**107,994**	**–**	**–16,235**	**256,813**	**295,595**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 – OPERATING SEGMENTS, CONTINUED

Cash flow statement reconciliation	Vehicles and Services		Group activities		Eliminations		Scania Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Cash flow from operating activities before change in working capital	33,793	29,673	–	1,250	–	–907	33,793	30,016
Change in working capital etc.	–1,429	–1,940	–790	–3,217	–	965	–2,219	–4,192
Cash flow from operating activities	**32,364**	**27,733**	**–790**	**–1,967**	**–**	**58**	**31,574**	**25,824**
Cash flow from investing activities attributable to operating activities	–16,538	–1,888	–	–4,985	–	344	–16,538	–6,529
Cash flow after investing activities attributable to operating activities	**15,826**	**25,845**	**–790**	**–6,952**	**–**	**402**	**15,036**	**19,295**
Gross investment for the period in								
– intangible assets	5,644	2,873	–	4	–	–	5,644	2,877
– tangible assets	12,572	10,598	–	25	–	–	12,572	10,623
– lease assets	7,248	12,127	–	3	–	–3,804	7,248	8,326

Geographical areas

The geographic areas of Scania are based on where the customers are located. In the section Definitions, the countries in each geographical area are listed. Sales of Scania's products occur in all five geographical areas.

Most of Scania's research and development work occurs in Sweden. Manufacturing of trucks, buses and industrial and marine engines occurs in Sweden, Argentina, Brazil, France, the Netherlands and Poland.

	Europe		Eurasia		Asia		America [3]		Africa & Oceania		Total	
SEK m.	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Vehicles and Services												
Revenue, January–December [1]	134,612	134,272	1,656	1,658	16,361	17,581	47,995	37,348	15,505	14,207	216,129	205,066
Assets, 31 December [2]	160,202	164,215	410	372	9,191	4,563	49,291	29,519	5,502	5,167	224,596	203,836
Gross investments [2]	12,441	9,932	19	8	4,280	1,673	1,228	1,594	248	264	18,216	13,471
Non-current assets	75,455	79,917	152	152	7,419	2,875	27,556	15,194	3,442	3,177	114,024	101,315

1 Revenue from external customers is allocated by location of customers.
2 Assets and gross investments, respectively (excluding lease assets).
3 Refers mainly to Latin America.

The main countries are specified below:

	Sweden		Brazil	
SEK m.	2024	2023	2024	2023
Vehicles and Services				
Revenue, January–December [1]	10,402	11,250	31,469	21,585
Non-current assets	38,214	43,178	20,825	9,374

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 – REVENUE

Accounting policies: Revenue

The Group's performance obligations primarily comprise sales of new trucks, buses, engines and used vehicles as well as service rendered. In line with standard business practice, payment terms are 30 days, although extended payment terms is granted in certain markets. Customers can decide to purchase a vehicle by means of financing solutions from TRATON Financial Services and/or other third parties. In this case, Scania normally receives the payment from that party shortly after the customer has received the vehicle.

Revenue is recognised as soon as a performance obligation under a customer contract has been satisfied, i.e., on delivery to and acceptance by the customer, or when the customer has obtained control over the goods or services. Revenue from contracts for services is recognised when the services have been rendered. The transaction price allocated to service and repair contracts is recognised as a contract liability at the time of the initial sales transaction and is allocated over the life of the contracts as performance obligations are fulfilled which is measured based on the cost of the fulfilment.

If a contract contains multiple performance obligations, the transaction price is allocated to the relevant performance obligations. In a transaction including both the sale of a vehicle and a service the transaction price is allocated between the vehicle and the service component based on the stand-alone selling price. If there are any discounts in such a transaction the discounts are allocated in full to the price of the vehicle.

Warranties that the product sold matches the agreed specifications are accounted for as provisions. Extended warranties, which customers can purchase separately, are accounted for as a separate performance obligation. Revenue from extended warranties is recognised over the contract period.

Discounts, customer rebates, and other sales allowances reduce the transaction price. Variable consideration, such as rebates based on volumes, are only included in the transaction price to the extent that it is highly probable that a subsequent reversal of the sales revenue can be ruled out.

Scania delivers about 9 percent of its vehicles with repurchase obligations. In a transaction where the Group delivers a vehicle with a repurchase obligation, control is not transferred to the customer and no revenue is recognised on delivery, instead such transaction is recognised as an operating lease. The sale price obtained on sale of the vehicle is recognised on a straight-line basis in profit or loss over the term of the lease, net the present value of the repurchase price. Sales transactions for which a repurchase obligation is not agreed from the outset, with the customer alone deciding whether to sell the vehicle back at a pre-arranged price, are also accounted for as operating leases. Based on the contract and the relationship with the customer, history has shown that the customer has an economic incentive to exercise such an option and hence it is almost always exercised. Further information on accounting for operating leases is contained in Note 10 "Tangible assets, right-of-use assets under IFRS 16, lease liabilities, and lease assets."

Key judgements and estimates: Sales revenue

Sales transactions for which a repurchase obligation is not agreed from the outset, with the customer alone deciding whether to sell the vehicle back at a pre-arranged price, are also accounted for as operating leases. That is based on that the customer has an economic incentive to exercise such an option. The assessment concerns whether or not there is a significant financial incentive for the customer to exercise its right to sell back vehicle at the end of the commitment period. Factors that are taken into account and that require assessment are the estimation of expected market value, i.e. net sales value at the end of the residual value commitment period and historical repurchases.

Products and services		
Vehicles and Services	2024	2023
Trucks	136,584	125,149
Buses	10,466	8,852
Power solutions	3,689	4,308
Service	43,886	42,424
Used vehicles	9,161	10,010
Other products	5,034	6,141
Lease income	7,308	8,182
Revenue Vehicles and Services	**216,129**	**205,066**
Eliminations	–	–940
Revenue from external customers	**216,129**	**204,126**

Sales revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period (see Note 18 "Accrued expenses and deferred income") totalled SEK 3,906 m. (3,089).

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period and the expected timing of revenue recognition is as follows:

SEK m.	2024	2023
Expected timing of revenue recognition		
Within a year	73,621	92,763
1–5 years	25,390	22,234
After 5 years	2,618	2,314

The transaction price allocated to remaining performance obligations for which revenue recognition is expected within a year primarily relates to the delivery of vehicles. Expected revenue recognition in more than one year mainly stems from long-term service contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 – OPERATING EXPENSES

Accounting policies: Operating expenses
Operating expenses include cost goods sold and services rendered, research and development expenses, selling expenses and administrative expenses. Operating expenses are recognised when the underlying products or services are delivered. Selling and administrative expenses are recognised as incurred.

Scania Group	2024	2023
Cost of goods sold and services rendered		
Cost of goods	–98,370	–96,571
Staff	–28,941	–27,992
Depreciation/amortisation	–9,361	–9,731
Other	–19,279	–16,102
Total	**–155,951**	**–150,396**

Cost of goods sold, and services rendered includes new trucks, buses, engines, parts, used vehicles, bodywork and cars. The cost of goods may vary, depending on the degree of integration in different markets.

Research and development expenses		
Staff	–4,895	–5,089
Depreciation/amortisation	–2,133	–1,545
Other	–4,626	–4,602
Total	**–11,654**	**–11,236**

Research and development expenses consist of expenses that do not fulfil the requirements for capitalisation, plus amortisation and any impairment loss during the period of previously capitalised development expenditures. See Note 9, “Intangible assets and impairment losses on non-current assets”.

Selling expenses	2024	2023
Staff	–8,936	–8,386
Depreciation/amortisation	–754	–694
Other	–4,930	–4,474
Total	**–14,620**	**–13,554**

Selling expenses include expenses in sales and service companies plus costs of corporate-level commercial resources.

Administrative expenses		
Staff	–1,962	–1,669
Depreciation/amortisation	–77	–27
Other	–1,416	–1,259
Total	**–3,455**	**–2,955**

Administrative expenses are defined as costs of corporate management as well as staff units and corporate service departments. Capitalised development expenditures have reduced the expense categories “Staff” and “Other”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 – FINANCIAL INCOME AND EXPENSES

	2024	2023
Interest income		
Bank balances and financial investments	1,621	1,263
Derivatives [1]	3,845	2,322
Loans to TRATON	3,679	5,118
Total interest income [2]	**9,145**	**8,703**
Interest expenses		
Borrowings	–2,953	–3,511
Derivatives [1]	–4,088	–2,379
Total borrowings and derivatives	**–7,041**	**–5,890**
Lease liabilities	–249	–244
Pension liability	–322	–329
Discount of buy backs	–116	–43
Factoring	–319	–136
Total interest expenses	**–8,046**	**–6,642**
Total net interest	**1,099**	**2,061**
Net income from associated companies and joint ventures	–64	4
Other financial income [3]	1,744	2,623
Other financial expenses [3]	–4,847	–6,252
Total other financial income and expenses	**–3,103**	**–3,630**
Net financial items	**–2,068**	**–1,564**

1 Refers to interest on derivatives that is used to match interest on borrowings and lending as well as the interest component in derivatives that is used to convert borrowing currencies to lending currencies. From 2024, Scania's remaining derivatives attributable to the funding of the former segment Financial Services are mirrored to TRATON Treasury AB which caused increased gross income by SEK 1,711 m. and expenses by SEK 1,703 m.
2 Of which interest calculated using effective interest rate (EIR) method SEK 4,296 m. (5,377).
3 Refers to SEK 188 m. (–793) in market valuation of financial instruments for which hedge accounting is not applied as well as exchange rate differences and unrealised/realised gains of SEK 38,632 m. (33,527) and unrealised/realised losses of SEK 42,626 m. (27,804) attributable to derivatives, bank balances, liabilities and bank charges. Total exchange gains excluding FVTPL instruments amount to SEK 25,863 m. (24,822) and respective losses amount to SEK 29,478 m. (25,835).

Interest income refers to income from derivatives and financial investments including placements in subsidiaries of the TRATON GROUP.

Interest expenses refers to expenses attributable to external financing arrangements, derivatives, leasing liabilities, pension liability, discounting of buy back commitment and interest expenses related to factoring.

Other financial income includes gains that arise from the valuation of non-hedge-accounted derivatives (see the section on financial instruments) and exchange rate gains attributable to financial items.

Other financial expenses include current bank fees, gains and losses arising from valuation of non-hedge-accounted derivatives and exchange rate losses attributable to financial items.

NOTE 8 – INCOME TAXES

Accounting policies: Income taxes
The Group's total tax consists of current tax and deferred tax as well as Pillar Two taxes. Income taxes are recognised in the income statement except when the underlying transaction is recognised in "Other comprehensive income", such as remeasurements of defined benefit plans, or in equity, causing the related tax effect to be recognised in "Other comprehensive income" or in equity, respectively. Deferred tax is recognised in case of a difference between the carrying amount of assets and liabilities and their tax base ("temporary difference"). Valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted on the balance sheet date. Deferred tax assets minus deferred tax liabilities are recognised only to the extent that it is likely that they can be utilised. Deferred taxes in connection with income taxes resulting from applicable or announced tax provisions implementing the Pillar Two model rules are neither recognised nor disclosed in the Group.

Key judgements and estimates: Income taxes
The Group is party to tax proceedings. Scania's management has made the assessment, based on individual examination and the most probable estimate that this risk materialises, that the final outcome of these proceedings will not have any material impact on the financial position of the Group, beyond the recognised liabilities.

Significant judgements are made in order to determine both current and deferred tax liabilities/assets. As for deferred tax assets, Scania must assess the likelihood that deferred tax assets can be utilised to offset future taxable profits. The actual outcome may diverge from these judgements, among other things due to future changes in business climate, altered tax rules or the outcome of still uncompleted examinations of filed tax returns by authorities or tax courts. The judgements that have been made may affect income both negatively and positively.

The Group is subject to the enacted or substantively enacted legislation concerning Pillar Two and has therefore assessed the potential exposure to income taxes under the rules of the legislation in the second pillar. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent available country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – INCOME TAXES, CONTINUED

Tax expense/Income for the year	2024	2023
Current tax [1]	–7,623	–7,192
Pillar Two tax	–	–
Deferred tax	3,019	–193
Total	**–4,604**	**–7,385**
1 Of which, taxes paid	–8,670	–8,467

	2024		2023	
Reconciliation of effective tax	Amount	%	Amount	%
Income before tax	27,138		23,243	
Tax calculated using Swedish tax rate	–5,590	20.6	–4,788	20.6
Tax effect and percentage influence:				
Difference between Swedish and foreign tax rates	–625	2.3	–1,929	8.3
Non-taxable income	2,311	–8.5	259	–1.1
Non-deductible expenses	–1,129	4.2	–863	3.7
Valuation of tax value in loss carry-forwards not previously capitalised	–	–	39	–0.2
Not recognised tax loss carry-forward	–141	0.5	–64	0.3
Recognised deferred tax asset on negative net interest	449	–1.7	–	–
Adjustment for taxes pertaining to previous years	62	–0.2	–63	0.3
Changed tax rates	3	0.0	–4	0.0
Other	56	–0.2	28	–0.1
Tax recognised	**–4,604**	**17.0**	**–7,385**	**31.8**

Deferred tax is attributable to the following:	2024	2023
Tax related to temporary differences	3,259	797
Tax due to changes in tax rates and tax rules	–	–2
Tax income due to tax value of loss carry-forwards recognised during the year	24	0
Tax expense due to utilisation/revaluation of previously recognised tax value of tax loss carry-forwards	–2	–1,100
Tax related to change in provision to tax allocation reserve	–	–
Other deferred tax liabilities/assets	–262	112
Total	**3,019**	**–193**

Deferred tax assets and liabilities are attributable to the following:	2024	2023
Deferred tax assets		
Provisions and other liabilities	12,167	6,992
Provisions for pensions	1,462	1,485
Non-current assets	981	1,030
Inventories	1,751	1,757
Tax loss carry-forwards [2]	64	43
Recognized deferred tax asset on negative net interest	449	–
Offset within tax jurisdictions	–7,487	–5,068
Total deferred tax assets	**9,387**	**6,239**
Deferred tax liabilities		
Provisions and other liabilities	2,929	463
Non-current assets	7,833	7,494
Other	18	115
Offset within tax jurisdictions	–7,487	–5,068
Total deferred tax liabilities	**3,293**	**3,004**
Deferred tax assets (–)/tax liabilities (+), net amount	**–6,094**	**–3,235**

2 Deferred tax assets related to tax loss carry-forwards are recognised to the extent that it is likely that the loss carry-forwards can be utilised to offset profits in future tax returns. The tax effect that refers to recognised tax loss carry-forwards amounts to SEK 64 m. (43), and can be utilised without time limit. The tax value that refers to tax loss carry-forwards that have not been recognised amounts to SEK 542 m. (564).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – INCOME TAXES, CONTINUED

Reconciliation of deferred tax assets (–)/liabilities (+), net amount:	2024	2023
Carrying value on 1 January	–3,235	–3,637
Deferred taxes recognised in the year's income	–3,019	193
Exchange rate differences	454	–56
Acquired/divested operations	–213	541
Recognised in "Other comprehensive income," changes attributable to:		
– remeasurements of defined-benefit plans	–85	–279
– fair value adjustment, equity instruments	3	3
Deferred tax assets (–)/tax liabilities (+), net amount	**–6,094**	**–3,235**

NOTE 9 – INTANGIBLE ASSETS AND IMPAIRMENT LOSSES ON NON-CURRENT ASSETS

Accounting policies: Intangible assets and impairment losses on non-current assets

Scania's intangible assets consist of goodwill, capitalised expenditures for development of new products and software. Intangible non-current assets, excluding goodwill, are recognised at cost less any accumulated amortisation and impairment losses. Borrowing costs are included in the cost of assets that take a substantial period of time to get ready. Goodwill arises from acquisitions of distribution and dealer networks, which have resulted in increased profitability upon their integration into the Scania Group and is carried at cost less any accumulated impairment losses. Capitalised product and software development expenditures consist of all direct and overhead costs that are directly attributable to the development process. They are amortised on a straight-line basis from the start of use (e.g., start of production) over the expected life of the product or software developed. The amortisation periods for intangible assets are broken down as follows:

Expected useful lives	
Software	3–5 years
Capitalised development expenditures	3–15 years
Goodwill	Indefinite

The carrying amounts of Scania's intangible and tangible assets as well as its shareholdings are tested annually to assess whether there is an indication of impairment. This includes intangible assets with an indefinite useful life, which refers entirely to goodwill and is also tested more often than annually if there is an indication of impairment. The recoverable amount of goodwill and intangible assets that have not yet gone into service is calculated annually regardless of whether there is an indication of an impairment loss or not. As a rule, value in use is the present value of the expected future cash flows from the asset concerned.
If no recoverable amount can be measured for an individual asset, the recoverable amount is determined for the smallest identifiable group of assets that generate cash flows (cash-generating unit) to which the asset belongs. If the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss for the period. Amortisation charges and impairment losses in a reporting period are allocated to the corresponding operating expenses in the income statement.

Key judgements and estimates: Recoverability of cash-generating units

The impairment testing of nonfinancial assets — especially goodwill, capitalised development expenditures, other intangible assets, and tangible assets — and holdings in associated companies and joint ventures require assumptions to be made about future market trends, the future cash flows to be derived on that basis, and the discount rate to be applied. The cash flows are derived from the detailed sales and revenue planning for commercial vehicles, profitability (gross margin) projections for products, and trends in the service business. They also reflect the transition to electric mobility and the associated regulatory timetables (see also Note 3 "Key judgements and estimates"). Estimated cash flows after the end of the five-year planning period are based on a growth rate of 1 percent (previous year: 1 percent) per annum, which also reflects the transition toward electric mobility.

In the long term, the increase in sales of Scania's products is deemed to be closely correlated with economic growth (GDP) in each respective market, which has been estimated at 1 percent (1) and also reflects the transition toward electric mobility. The revenue/cost ratio, or margin, for Vehicles and Services is kept constant over time compared to the latest known level. When discounting to present value, Scania uses its average cost of capital, currently 12 percent (9.1) before taxes. These assumptions do not diverge from information from external information sources or from earlier experience. To the extent the above parameters change negatively, an impairment loss may arise. An expansion in electric mobility is also projected in the planning (see also Note 3 "Key judgements and estimates"). The costs from the transition to electric mobility were included in the cash flows.

The impairment tests that were carried out showed that there are reassuring margins before impairment losses will arise.

Scania's development costs are capitalised in the phase of product development where decisions are made regarding future production and market introduction. At that time there is future predicted revenue and a corresponding production cost. In case future volume or the price and cost trend diverges negatively from the preliminary calculation, an impairment loss may arise.

The transformation to electromobility includes the development of the necessary components, vehicle integration and batteries. In return, development expenditure will be scaled back into the further development of combustion engine technology. However, the increased development activities in the field of electromobility have resulted in a corresponding increase in capitalised (intangible assets) and non-capitalised (cost of sales) development costs.

Key judgements and estimates: Useful life of intangible assets

Estimates of the useful life of indefinite intangible assets are based on experience and reviewed regularly. Where estimates are modified, the residual useful life is adjusted and an impairment loss is recognised, if necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – INTANGIBLE ASSETS AND IMPAIRMENT LOSSES ON NON-CURRENT ASSETS, CONTINUED

	Goodwill		Development		Other intangibles[1]		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Accumulated cost								
1 January	1,720	1,689	24,358	21,548	1,656	1,645	27,734	24,882
Additions	–	–	5,607	2,808	37	69	5,644	2,877
Acquisitions of subsidiaries	2	32	–	–	–	–	2	32
Divestments of subsidiaries	–	–	–	–	–	–223	–	–223
Divestments and disposals	–	–	–1	–	–23	–70	–24	–70
Reclassifications	–	–3	–	–	503	237	503	234
Exchange rate differences	14	2	–9	2	13	–2	18	2
Total	**1,736**	**1,720**	**29,955**	**24,358**	**2,186**	**1,656**	**33,877**	**27,734**
Accumulated amortisation and impairment losses								
1 January	55	49	10,269	8,645	1,136	1,193	11,460	9,887
Amortisation for the year	–	–	1,814	1,265	204	140	2,018	1,405
Impairment loss of the year	–	6	–	358	31	10	31	374
Divestments of subsidiaries	–	–	–	–	–	–194	–	–194
Divestments and disposals	–	–	–1	–	–18	–14	–19	–14
Reclassifications	–	–	–	–	1	5	1	5
Exchange rate differences	2	–	–4	1	9	–4	7	–3
Total	**57**	**55**	**12,078**	**10,269**	**1,363**	**1,136**	**13,498**	**11,460**
Carrying amount, 31 December	**1,679**	**1,665**	**17,877**	**14,089**	**823**	**520**	**20,379**	**16,274**
– of which capitalised expenditures for projects that have been placed in service	–	–	11,239	9,245	–	–	11,239	9,245
– of which capitalised expenditures for projects under development	–	–	6,638	4,844	–	–	6,638	4,844

1 Refers mainly to software, which is purchased externally in its entirety, customer relationships capitalised upon acquisitions of subsidiaries and common supplier tools.

NOTE 10 – TANGIBLE ASSETS, RIGHT-OF-USE ASSETS UNDER IFRS 16, LEASE LIABILITIES, AND LEASE ASSETS

Accounting policies: Tangible assets, right-of-use assets under IFRS 16, and lease liabilities, and lease assets

Tangible non-current assets are carried at cost less accumulated depreciation and any impairment losses, see Note 9 "Intangible assets and impairment losses on non-current assets". Depreciation is recognised on a straight-line basis over the estimated useful life of an asset, and in those cases where a residual value exists, the asset is depreciated down to this value. Useful life, residual value and depreciation methods are examined regularly, and assumptions are adjusted in case of changed circumstances. The depreciation periods for tangible assets are broken down as follows:

Expected useful lives	
Machinery and equipment and lease assets	3–15 years
Buildings	20–50 years
Land	Not depreciated

Borrowing costs are included in the cost of assets that take a substantial period of time to get ready if applicable.

The Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is the lessee. The assessment whether a contract is or contains a lease is made at the inception of the contract. The right-of-use assets are presented as tangible assets in the balance sheet items in which the assets underlying the lease would be presented if they were owned by the Scania Group. These assets are generally depreciated over the shorter period of the lease term and the useful life of the underlying asset using the straight-line method. The right-of-use assets comprise of the initial measurement of the corresponding lease liability, lease payment made at or before the commencement date and any initial direct costs. In subsequent periods the right-of-use assets are measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the outstanding lease payments at the commencement date, discounted using the Scania Groups incremental borrowing rate. In subsequent periods the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability. The carrying amount of the lease liability is reduced reflecting the lease payments made. Interest expenses from unwinding the discount on lease liabilities are presented in interest expense in the income statement and in the cash flow from operating activities in the cash flow statement.

Scania Group does not recognise any right-of-use assets or liabilities for short term and low-value leases. The related lease payments are recognised as expenses in the income statement on a straight-line basis.

Accounting policies: Lease assets

The "Lease assets" line-item reports assets for which the Group is the lessor. These include in particular vehicles used in the context of short-term rentals or operating leases, as well as vehicles that continue to be attributable to the Group as a result of repurchase agreements. The underlying asset is measured at cost, recognised in the Group's lease assets, and depreciated to the calculated residual value over the estimated useful life using the straight-line method. The useful lives underlying depreciation generally correspond to those of items of tangible assets used by the entity. Changes to the calculated residual value are taken into account by adjusting the future depreciation rates. Impairment losses identified as a result of an impairment test in accordance with IAS 36 "Impairment of Assets" are recognised, see Note 9 "Intangible assets and impairment losses on non-current assets". Lease payments received are recognised as revenue in the income statement on a straight-line or other systematic basis. Depreciation and impairment losses are included in operating expenses. Further information on accounting for operating leases is contained in Note 5 "Revenue".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 – TANGIBLE ASSETS, RIGHT-OF-USE ASSETS UNDER IFRS 16, LEASE LIABILITIES, AND LEASE ASSETS, CONTINUED

Key judgements and estimates: Useful lives of noncurrent assets and measurement of right-of-use assets and lease liabilities

Estimates of the useful life of tangible assets are based on experience and are reviewed regularly. Where estimates are modified, the remaining useful life is adjusted and an impairment loss is recognised, if necessary. During the transformation period to electromobility Scania will have parallel production of battery-electric vehicles and vehicles with combustion engines, hence no impact on the useful lives of property plant and equipment has been identified.

Measurement of right-of-use assets from leases and the associated lease liabilities is based on a best estimate of the exercise of extension and termination options. This estimate is updated in the event of material changes in the operating environment or the contract.

Key judgements and estimates: Recoverability of lease assets

The recoverability of the Group's lease assets depends in particular on the residual value of vehicles leased out after the end of the lease term, since this constitutes a significant portion of the expected cash flows. Forecasting residual values requires management to make assumptions about the future supply of and demand for vehicles, as well as vehicle price trends. Additionally, the transformation to electrified vehicles resulting in a future mix of vehicles and services lead to uncertainties in the assessment of fair market value. These assumptions are based either on qualified estimates or on information published by expert third parties. Where available, qualified estimates are based on external data and also reflect additional information available internally, such as values derived from past experience and current sales data. If there are major downturns in the market value of used vehicles, this increases the risk of future losses when divesting the returned vehicles. When a residual value guarantee is deemed likely to result in a future loss, the depreciation of the vehicle is adjusted accordingly. Changes in market value may also cause an impairment loss in used vehicle inventories, since these are recognised at the lower of cost and estimated net realisable value. At the end of 2024, repurchase obligations amounted to SEK 13,730 m. (15,134).

	Buildings and land		Machinery and equipment		Construction in progress and advance payments		Lease assets		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Accumulated cost										
1 January	36,641	34,980	59,355	55,177	9,129	7,310	32,898	37,604	138,023	135,071
Additions	1,554	1,000	1,638	1,897	9,380	7,726	7,248	8,326	19,820	18,949
Acquisitions of subsidiaries	–	580	3	14	–	2	–	–	3	596
Divestment of subsidiaries	–	–154	–	–190	–	–3	–	–102	–	–449
Divestments and disposals	–640	–872	–2,020	–2,115	–9	–82	–8,876	–10,272	–11,545	–13,341
Reclassifications	1,405	1,141	3,906	4,369	–5,880	–5,832	–1,144	–2,600	–1,713	–2,922
Exchange rate differences	289	–34	–648	203	143	8	1,068	–58	852	119
Total	**39,249**	**36,641**	**62,234**	**59,355**	**12,763**	**9,129**	**31,194**	**32,898**	**145,440**	**138,023**
Accumulated depreciation and impairment losses										
1 January	16,171	14,981	40,474	38,030	–	–	10,744	12,678	67,389	65,689
Depreciation for the year	1,707	1,599	4,284	4,101	–	–	4,179	4,897	10,170	10,597
Impairment loss for the year	24	93	96	170	–	–	–	–	120	263
Divestments of subsidiaries	–	–53	–	–121	–	–	–	–27	–	–201
Divestments and disposals	–562	–401	–1,698	–1,799	–	–	–4,962	–5,583	–7,222	–7,783
Reclassifications	–2	–11	6	5	–	–	–467	–1,183	–463	–1,189
Exchange rate differences	180	–37	–284	88	–	–	429	–38	325	13
Total	**17,518**	**16,171**	**42,878**	**40,474**	**–**	**–**	**9,923**	**10,744**	**70,319**	**67,389**
Carrying amount, 31 December	**21,731**	**20,470**	**19,356**	**18,881**	**12,763**	**9,129**	**21,271**	**22,154**	**75,121**	**70,634**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 – TANGIBLE ASSETS, RIGHT-OF-USE ASSETS UNDER IFRS 16, LEASE LIABILITIES, AND LEASE ASSETS, CONTINUED

The Scania Group acts as a lessee in many areas of the company. These transactions relate primarily to leases of office equipment, real estate, and other production facilities. Right-of-use assets arising from leases are reported in the following balance sheet items within tangible assets:

Right-of-use assets

	Buildings and land		Machinery and equipment		Total	
	2024	2023	2024	2023	2024	2023
Accumulated cost						
1 January	6,650	6,792	1,763	1,953	8,413	8,745
Additions	1,130	640	657	720	1,787	1,360
Acquisition of subsidiaries	–	204	–	1	–	205
Divestments of subsidiaries	–	–87	–	–52	–	–139
Divestments and disposals	–540	–825	–492	–831	–1,032	–1,656
Transfers	128	–3	4	–33	132	–36
Exchange rate differences	85	–71	–4	5	81	–66
Total	**7,453**	**6,650**	**1,928**	**1,763**	**9,381**	**8,413**
Accumulated depreciation and impairment losses						
1 January	2,525	2,156	886	1,114	3,411	3,270
Depreciation for the year	873	822	525	566	1,398	1,388
Divestments of subsidiaries	–	–36	–	–28	–	–64
Impairment loss for the year	–	–	–	–	–	–
Divestments and disposals	–432	–377	–461	–791	–893	–1,168
Transfers	–	–1	5	22	5	21
Exchange rate differences	34	–39	–2	3	32	–36
Total	**3,000**	**2,525**	**953**	**886**	**3,953**	**3,411**
Carrying amount, 31 December	**4,453**	**4,125**	**975**	**877**	**5,428**	**5,002**

Amounts recognised in profit and loss	2024	2023
Depreciation expense on right-of-use assets	–1,398	–1,389
Interest expense on lease liabilities	–248	–243
Expense relating to short-term leases	–86	–85
Expense relating to leases of low value assets	–241	–222
Total	**–1,973**	**–1,939**

On 31 December 2024, the Group is committed to SEK 97 m (66) for short-term leases. The total cash outflow for leases amount to SEK 1,745 m (1,613).

The following table shows an overview of potential future cash outflows from leases that were not included in the measurement of lease liabilities:

Potential exposure to future cash outflows from	2024	2023
Variable lease payments	–59	–
Extension options	–505	–543
Termination options	–2	–5
Leases not yet commenced (contractual commitment)	–37	–13

Lease liabilities

	2024	2023
Interest-bearing liabilities – non-current	4,376	4,113
Interest-bearing liabilities – current	1,190	1,065
Total	**5,566**	**5,178**

Taking into account future interest payable, the maturity structure of the lease liabilities reported in financial liabilities is as follows:

Maturity analysis

	2024	2023
Not later than 1 year	1,391	1,273
Later than 1 year and not later than 5 years	4,815	4,224
Later than 5 years	547	872

The Group does not face a significant liquidity risk regarding its lease liabilities.

NOTE 11 – HOLDINGS IN ASSOCIATED COMPANIES AND JOINT VENTURES

Accounting policies: Holdings in associated companies and joint ventures

Holdings in associated companies and joint ventures are initially measured at cost and in subsequent periods according to the equity method. In subsequent periods, unrealised gains that arise from transactions with associated companies and joint ventures are eliminated to the extent that corresponds to the Group's percentage of ownership in the company. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment loss. Equity attributable to non-controlling interests is reported separately from equity attributable to the Parent Company's shareholders.

If there are indications that the carrying amount may be impaired, holdings in associated companies and joint ventures are tested for impairment; any impairment loss is recognised in the income statement (see Note 9 "Intangible assets and impairment losses on non-current assets"). If the reason for impairment ceases to exist at a later date, the impairment loss is reversed to the carrying amount that would have been determined had no impairment loss been recognised.

Goodwill arising from the acquisition of an associated company, or a joint venture is included in the carrying amounts of investments in associates or joint ventures.

	2024	2023
Carrying amount, 1 January	1,674	1,527
Acquisitions, capital contributions, divestments and impairment losses during the year [1]	754	167
Exchange rate differences	92	–19
Share of income for the year [2]	–64	4
Dividend	–6	–5
Carrying amount, 31 December	**2,450**	**1,674**
Contingent liabilities	–	–

1 2024 refers to an increase in sennder GmbH SEK 641 m., Scantinel Photonics GmbH SEK 59 m. and Telematics SEK 6 m. as well as investments in other associated companies amounting to SEK 48 m. (2023 refers mainly to Scantinel Photonics GmbH that was classified as an associated company after an additional investment of SEK 66 m., and other associates SEK 22 m.)
2 In 2023 SEK 127 m. was attributable to a dilution of ownership in sennder GmbH. sennder made directed new share issues, which resulted in a decrease of Scania's shareholding from 13.69 to 12.36 percent.

Associated companies			Value of Scania's share in consolidated financial statements	
Corporate ID number/ Country of registration	Ownership, %	Carrying amount in the Parent Company	2024	2023
BITS DATA i Södertälje AB, 556121-2613, Sweden	33.00	2	2	5
ScaValencia S.A., A46332995, Spain	26.00	18	42	39
Telematics GmbH, HRB 203799, Germany	46.20	5	0	0
sennder GmbH, HRB 170455, Germany [1]	16.65	948	890	258
Scantinel Photonics GmbH, HRB 739053, Germany	49.19	201	128	115
Other associates	20.00–50.00	477	477	428
Holdings in associated companies		**1,651**	**1,539**	**845**
Share of:				
– Net income			–66	–23
– Total comprehensive income			–66	–23

1 The term "associated companies" refers to companies in which Scania, directly or indirectly, has a significant influence. In sennder GmbH Scania Group has an significant influence through shareholding together with Board representation.

Joint ventures			Value of Scania's share in consolidated financial statements	
Corporate ID number/ Country of registration	Ownership, %	Carrying amount in the Parent Company	2024	2023
Cummins-Scania XPI Manufacturing LLC, 20-3394999, USA	50.00	609	904	821
Oppland Tungbilservice A/S, 982 787 602, Norway	50.00	1	3	4
Tynset Diesel A/S, 982 787 580, Norway	50.00	1	4	4
Holdings in joint ventures		**611**	**911**	**829**
Share of:				
– Net income			2	27
– Total comprehensive income			2	27
Holdings in associated companies and joint ventures			**2,450**	**1,674**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 – HOLDINGS IN ASSOCIATED COMPANIES AND JOINT VENTURES, CONTINUED

Cummins-Scania XPI Manufacturing LLC is a joint venture with Scania and Cummins as partners. The joint venture manufactures fuel injection systems with extra-high-pressure injection (XPI). Summarised financial information regarding Scania's holdings in the joint venture Cummins-Scania XPI Manufacturing LLC:

Income statement, condensed	2024	2023
Net sales	3,489	3,472
Operating income [1]	–33	102
Interest income/expenses and other financial expenses	35	–49
Taxes	0	0
Net income for the year	**2**	**53**
Other comprehensive income for the year	**–**	**–**
Total comprehensive income for the year	**2**	**53**
Scania Group's share (50%)	1	27

1 Depreciation amounting to SEK 116 m. (107) is included in Operating income.

Balance sheet, condensed	2024	2023
Non-current assets	1,084	880
Current investments and cash and cash equivalents	218	76
Other current assets	974	990
Total assets	**2,276**	**1,946**
Equity	1,807	1,642
Other current liabilities	469	304
Total equity and liabilities	**2,276**	**1,946**
Scania Group's share of equity (50%)	904	821
Carrying amount	**904**	**821**

NOTE 12 – OTHER SHARES AND PARTICIPATIONS

Accounting policies: Other shares and participations

Other shares and participations are equity investments in shares in entities for which is not subsidiaries, associates and joint ventures, hence equity investments. The Group has exercised the option under IFRS 9 "Financial Instruments" to recognize investments in equity instruments that are not held for trading and measured under IFRS 9 at fair value through other comprehensive income (no recycling) because recognition of gains and losses on these instruments at fair value through profit or loss would not provide any information about the entity's performance for the Scania Group.

Due to Northvolt AB's financial difficulties in 2024, the fair value of the investment in Northvolt AB has been measured to zero and the effect reported in "Other Comprehensive Income".

The following table contains financial information about equity instruments measured at fair value through "Other Comprehensive Income":

	Fair value	
Entity	**2024**	**2023**
Northvolt AB	0	863
Stegra AB	171	171
Other investments [1]	645	316
Total	**816**	**1,350**

1 In other investments for 2024, amounting to SEK 166 m., are a couple of minor entities included in which Scania has significant influence and one entity controlled by Scania.

NOTE 13 – INVENTORIES

Accounting policies: Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated by applying the first in, first out (FIFO) principle. An allocable portion of indirect expenses is included in the value of the inventories, estimated on the basis of normal capacity utilisation. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and of making a sale.

	2024	2023
Raw materials, components and supplies	6,962	7,417
Work in progress	2,356	2,859
Finished goods [1]	30,244	27,938
Total [2]	**39,562**	**38,214**

1 Whereof used vehicles SEK 2,174 m. (1,855).
2 Whereof value adjustment reserve SEK –1,730 m. (–1,260).

NOTE 14 – OTHER RECEIVABLES

	2024	2023
Prepaid expenses and accrued income	2,244	2,002
Derivatives with positive market value	3,935	2,076
Advance payments	535	874
Value-added tax	3,231	2,621
Pension asset	348	239
Other receivables	2,905	3,543
Total other receivables	**13,198**	**11,355**

Further information on derivatives as a whole can be found in Note 27 “Financial Risk Management” and Note 28 “Financial Instruments”.

NOTE 15 – EQUITY

The Consolidated statement of changes in equity shows a complete reconciliation of all changes in equity.

The share capital of Scania AB consists of 400,000,000 Series A shares outstanding with voting rights of one vote per share and 400,000,000 Series B shares outstanding with voting rights of 1/10 vote per share. A and B shares carry the same right to a portion of the company’s assets and profit. The nominal value of both A and B shares is SEK 2.50 per share. All shares are fully paid, and no shares are reserved for transfer of ownership. No shares are held by the company itself or its subsidiaries.

Other contributed capital consists of a statutory reserve contributed by the owners of Scania AB when it became a limited company in 1995 and capital contributions from the owners.

The currency translation reserve arises when translating net assets outside Sweden according to the current method of accounting. The currency translation reserve also includes currency rate differences related to monetary items for businesses outside Sweden deemed to be a part of the company’s net investment. The exchange rate difference of SEK –372 m. (539) arose as a result of the Swedish krona’s strengthen against currencies important to Scania. The exchange rate differences were mainly due to that the krona has strengthened against the BRL.

Retained earnings consist not only of accrued profits but also of the change in pension liability attributable to remeasurements of defined-benefit plans etc., recognised in “Total other comprehensive income”. Regarding changes in actuarial assumptions, see also Note 16, “Provisions for pensions and similar commitments”.

The Board of Directors proposes to the 2025 Annual General Meeting that no dividend is distributed to the shareholders.

Non-controlling interests refer to the share of equity held by external owners outside of Scania in certain subsidiaries in the Group. Scania Group has only a few non-wholly owned subsidiaries of which none is considered to have a substantial non-controlling interest. In 2024, the net income attributable to non-controlling interests amounted to SEK –14 m. (0) and accumulated non-controlling interests in the company amounted to SEK 37 m. (52) as of 31 December 2024.

Group contributions to other companies within the TRATON GROUP are recognised in Equity.

Reconciliation of change in number of shares outstanding	2024	2023
Number of A shares outstanding, 1 January	400,000,000	400,000,000
Number of A shares outstanding, 31 December	**400,000,000**	**400,000,000**
Number of B shares outstanding, 1 January	400,000,000	400,000,000
Number of B shares outstanding, 31 December	**400,000,000**	**400,000,000**
Total number of shares, 31 December	**800,000,000**	**800,000,000**

The equity of the Scania Group consists of the sum of equity attributable to Scania’s shareholders and equity attributable to non-controlling interests. At year-end 2024, the Group’s equity totalled SEK 94,184 m. (80,525). According to the Group’s Financial Policy, the Group’s financial position shall meet the requirements of the business objectives it has established. At present, this is deemed to presuppose a financial position equivalent to the requirements for obtaining a Standard & Poor’s Investment Grade Stand Alone Rating of BBB.

In order to maintain the necessary capital structure, the Group may adjust the amount of its dividend to shareholders, distribute capital to the shareholders or sell assets and thereby reduce debt.

The Group’s Financial Policy contains targets for key ratios related to the Group’s financial position. These coincide with the ratios used by Standard & Poor’s. At the end of 2024 Scania’s Issuer Credit Rating according to Standard and Poor’s was:

- long-term borrowing: BBB
- outlook: Stable
- short-term borrowing: A-2
- short-term borrowing, Sweden: K-2

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS

Accounting policies: Provisions for pensions and similar commitments

Within the Scania Group, there are a number of defined contribution as well as defined benefit pension and similar plans, some of which have plan assets that are managed by special foundations, funds, or the equivalent. The plans include retirement pensions, survivor pensions, health care and severance pay. These are financed mainly by provisions to accounts and partially via premium payments.

Plans in which Scania only pays fixed contributions and has no obligation to pay additional contributions if the assets of the plan are insufficient to pay all compensation to the employee are classified as defined contribution plans.

The Group's expenditures for defined contribution plans are recognised as an expense during the period when the employees render the services in question.

Defined benefit plans are all plans that are not classified as defined contribution. These are calculated according to the "Projected Unit Credit Method," for the purpose of fixing the present value of the obligations for each plan. Calculations are performed by independent external actuaries and are based on actuarial assumptions set on the closing day. The obligations are carried at the present value of expected disbursements, taking into account inflation, expected future pay increases, and using a discount rate equivalent to the interest rate on top-rated corporate or government bonds with a remaining maturity corresponding to the obligations in question.

The interest rate on top-quality corporate bonds is used in those countries where there is a functioning market for such bonds. In other countries, the interest rate on government bonds is used instead. For plans that are funded, the fair value of the plan assets is subtracted from the estimated present value of the obligation. Remeasurements of net pension liabilities, which include actuarial gains and losses, return on plan assets excluding amounts that are part of net interest income on net defined benefit liability and each change in the effect of the asset ceiling excluding amounts that are part of net interest income on net defined benefit liability, are recognised in "Other comprehensive income" and do not affect net income. Remeasurements are not reclassified to net income in subsequent periods.

In the case of some of the Group's defined benefit multi-employer plans, sufficient information cannot be obtained to calculate Scania's share in these plans. They have thus been accounted for as defined contribution. For Scania, this applies to the Dutch pension funds Pensioenfonds Metaal en Techniek and Bedrijfstakpensioenfonds Metal Elektro, which are administered via MN Services, as well as the portion of the Swedish ITP occupational pension plan that is administered via the retirement insurance company Alecta.

Most of the Swedish plan for salaried employees (the collectively agreed ITP plan), however, is accounted for by provisions in the balance sheet, safeguarded by credit insurance from the mutual insurance company Försäkringsbolaget PRI Pensionsgaranti, which also administers the plan. Scania follows the rules in IAS 19 concerning limits in the valuation of net assets, the so-called asset ceiling, since these are never valued at more than the present value of available economic benefits in the form of repayments from the plan or in the form of reductions in future fees to the plan. This value is determined as present value taking into account the discount rate in effect.

Key judgements and estimates: Provisions for pensions and similar commitments

In the actuarial methods that are used to establish Scania's pension liabilities, a number of assumptions are highly important. The most critical one is related to the discount rate on the obligations. A higher discount rate decreases the recognised pension liability. In calculating the Swedish pension liability, the discount rate used was 3.5 percent (3.25). Other vital assumptions are average life expectancy and average duration of the obligations. Changes in the above-mentioned actuarial parameters are recognised in "Other comprehensive income", net after taxes.

The Group's employees, former employees and their survivors may be included in both defined-contribution and defined-benefit plans related to post-employment compensation. The plans include retirement pensions, early retirement pensions, survivor pensions, health care and severance pay. For defined-contribution plans, Scania makes continuous payments to public authorities and independent organisations, which thus take over obligations towards employees.

The Group's expenses for defined-contribution plans amounted to SEK 2,555 m. (2,289) during 2024. The commitment that is recognised in the balance sheet stems from the defined benefit plans. The plans are secured through reinsured provisions in the balance sheet, foundations and funds. Calculations are performed according to the Projected Unit Credit Method, using the assumptions presented under each country below.

Scania's forecast pension payments related to defined benefit plans, both funded and unfunded plans, is SEK 413 m. for 2025.

The benefits listed in the plans are available to all employees if not stated otherwise. The largest plans are described in more detail below.

Sweden

Blue-collar workers are covered by the Avtalspension SAF-LO plan, which is a defined-contribution multiemployer plan based on collective agreements, covering a number of different sectors.

Salaried employees are covered by the ITP plan, which is also a multiemployer plan based on collective agreements, covering a number of different sectors. The ITP plan has two parts, firstly, ITP1, which is a defined-contribution pension plan applying to employees born in 1979 or later, and secondly, ITP2, which is a defined-benefit pension plan applying to employees born before 1979.

Most of the ITP2 plan is managed internally by Scania in the PRI system. Financing occurs partly through provisions to an account in the balance sheet and partly through provisions to a pension foundation, both safeguarded by credit insurance from the mutual insurance company Försäkringsbolaget PRI Pensionsgaranti. However, a portion of the ITP2 plan is safeguarded via premiums to the retirement insurance company Alecta. These obligations are recognised under the heading "Multiemployer defined-benefit plans".

Aside from these obligations, there are early retirement defined benefit obligations in Scania CV relating to blue- collar workers who at the age of 62 have worked for 30 years or who at the age of 63 have worked for 25 years in the company, as well as to a limited number of persons in managerial positions. Special payroll tax is included in the provision for pension provisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, CONTINUED

Switzerland

The Pensionskasse and the Wohlfahrtsstiftung are the legal carriers of the pension plans, and they review early retirement pension. There are two pension plans:

1. A basic pension plan for employees and management, covering retirement pension, disability pension, spouse pension, children's pension and life insurance.
2. A supplementary plan for members of the management, covering retirement pension, disability pension, spouse pension, children's pension and life insurance. This plan also includes early retirement pension, which covers employees with at least five years of service or who have retired prematurely at the request of the company.

Contributions are split between employer and employees for the basic pension plan and in the supplementary plan for members of the management.

Brazil

Employees at Scania Latin America Ltda are covered by four post-employment defined-benefit plans. Three health care plans cover medical, dental and pharmaceutical expenses as well as the cost of a life insurance plan, since 2018 the health care plans are unfunded. The plans are open to personnel retiring at a minimum age of 55 with at least 10 years of service.

Great Britain

Employees at Scania Great Britain (SGB) are covered by a premium based occupational pension. Both the company and employees contribute to the plan. There are defined-benefit plans, which are closed for future accruals since 31 May 2003. The defined-benefit plans operated by SGB include the following:

1. The Scania Staff Pension Plan
2. The Scania Executive Pension Plan
3. The Scania Reliable Vehicles Staff Pension Plan

All plans are administered by trustees who are responsible for ensuring that SGB has sufficient financing to fully meet all vested/earned benefits for all members.

The normal retirement age in the schemes is 65.

Multiemployer defined benefit plans

Sweden

A portion of the ITP2 plan is safeguarded by premiums to Alecta. These obligations are also defined benefit plans, but since Alecta cannot present information necessary to account for the plan as a defined-benefit plan, it is accounted for as a defined-contribution plan.

At year-end 2024, Alecta's surplus, in the form of a collective consolidation level (assets in relation to the insurance obligation), amounted to 163 percent (158). If the consolidation level falls below or exceeds the normal range (125–175), Alecta shall take measures, for example raise agreed subscription prices and extension of existing benefits or introduce premium reductions.

Alecta's insurance obligation is calculated according to Alecta's actuarial methods and assumptions, which deviate from the methods and assumptions applied in measurement of defined-benefit pensions according to IAS 19. Premiums to Alecta during 2024 amounted to SEK 89 m. (85).

The Netherlands

Employees at Scania's Dutch companies are covered by the Dutch collectively agreed pension plans, which are multiemployer defined-benefit plans. The plans Pensioenfonds Metaal en Techniek (PMT) and Bedrijfstakpensioenfonds Metalektro (PME) are administered by MN Services. PMT and PME do not have information about allocation and therefore these obligations are recognised as a defined-contribution plan. In the Dutch plans, both companies and employees contribute to the plan. Companies' premiums to MN Services totalled SEK 253 m. (247). The consolidation level of PMT was 108 percent (111) and for PME 111 percent (112).

Information regarding the largest plans during 2024	Sweden	Switzerland	Brazil	Great Britain
Present value of defined benefit obligations	11,466	1,464	539	704
Fair value of plan assets	–3,790	–1,812	–68	–799
Net assets not fully valued due to curtailment rule	–	0	22	95
Recognised as pension liability (+)/(asset (–)) in the balance sheet, SEK m.	**7,676**	**–348**	**493**	**0**
Breakdown into categories				
Present value of defined benefit obligations for persons in active employment, SEK m.	6,496	870	–65	–
Persons in active employment, number	11,291	370	3,228	–
Present value of defined benefit obligations for paid-up policy holders, SEK m.	2,011	–	–	347
Paid–up policy holders, number	3,259	–	–	275
Present value of defined benefit obligations for retired employees, SEK m.	2,959	594	604	357
Retired employees, number	3,021	119	3,641	306
Assumptions/Conditions				
Discount rate, %	3.5	0.9	12.2	5.5
Average life expectancy, women/men, years	88	88	86	88
Average duration of obligations, years	17	15	8	12
Sensitivity analysis concerning change in present value of obligations, SEK m.				
0.5% increase in discount rate	–1,261	–100	–13	–38
0.5% decrease in discount rate	1,426	113	12	42
1 year increase in life expectancy	444	43	29	28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, CONTINUED

Information regarding the largest plans during 2023	Sweden	Switzerland	Brazil	Great Britain
Present value of defined benefit obligations	10,953	1,315	629	697
Fair value of plan assets	–3,329	–1,566	–75	–810
Net assets not fully valued due to curtailment rule	–	12	11	157
Recognised as pension liability (+)/(asset (–)) in the balance sheet, SEK m.	**7,624**	**–239**	**565**	**44**
Breakdown into categories				
Present value of defined benefit obligations for persons in active employment, SEK m.	6,368	784	–117	–
Persons in active employment, number	11,766	285	2,209	–
Present value of defined benefit obligations for paid-up policy holders, SEK m.	1,879	–	–	339
Paid–up policy holders, number	3,224	–	–	332
Present value of defined benefit obligations for retired employees, SEK m.	2,706	531	747	358
Retired employees, number	2,900	113	1,326	271
Assumptions/Conditions				
Discount rate, %	3.3	1.4	10.1	4.5
Average life expectancy, women/men, years	88	88	86	88
Average duration of obligations, years	17.0	14.0	10.0	16.0
Sensitivity analysis concerning change in present value of obligations, SEK m.				
0.5% increase in discount rate	–1,168	–83	–13	–47
0.5% decrease in discount rate	1,316	93	12	53
1 year increase in life expectancy	380	35	37	32

	Expenses for pensions and similar commitments	
Expenses for pensions and other defined benefit payments recognised in the income statement	2024	2023
Current service expenses	–315	–221
Net Interest income/expenses	–322	–328
Past service expenses	–1	7
Net gains (+) and losses (–) due to curtailments and settlements	20	16
Total expense for defined benefit payments recognised in the income statement	**–618**	**–526**

Pension expenses and other defined benefit payments are found in the income statement under the headings “Research and development expenses”, SEK 70 m. (46), “Cost of goods sold”, SEK 121 m. (77), “Selling expenses”, SEK 76 m. (60) and “Administrative expenses”, SEK 29 m. (15). The interest portion of the net liability is recognised as an interest expense and the interest portion in net assets is recognised as interest income.

	Expenses related to pensions and similar commitments	
Expenses/revenues for pensions and other defined benefit payments recognised in “Other comprehensive income”	2024	2023
Experience-based adjustments in net liabilities	–404	–882
Effects of changes in demographic assumptions	10	–103
Effects of changes in financial assumptions	39	–707
Actual return on plan assets excluding amount included in interest income	459	188
Changes in present value of asset ceiling not included in interest expense	80	187
Total expense/revenue for defined benefit payments recognised in “Other comprehensive income”	**184**	**–1,317**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, CONTINUED

	Pension commitments	
Recognised as provision for pensions in the balance sheet	2024	2023
Present value of defined benefit obligations, wholly or partly funded	12,997	12,346
Present value of defined benefit obligations, unfunded	2,374	2,315
Present value of defined benefit obligations	15,371	14,661
Fair value of plan assets	–6,903	–6,183
Net assets not fully valued due to curtailment rule	117	179
Recognised in the balance sheet	**8,585**	**8,657**
– of which, pension liabilities recognised under the heading “Provisions for pensions”	8,933	8,897
– of which, pension assets recognised under the heading “Other long-term receivables”	–348	–239

	Liabilities related to pensions and similar commitments	
Present value of defined benefit obligations changed during the year as follows:	2024	2023
Present value of defined benefit obligations, 1 January	14,661	12,746
Present value of reclassified obligations, 1 January	2	–
Divestment of subsidiaries	–	–112
Current service expenses	315	221
Interest expenses	499	514
Payments made by pension plan participants	27	25
Experience-based actuarial gains and losses	404	882
Adjustment effects from changes in demographic assumptions	–10	103
Adjustment effects from changes in financial assumptions	–39	707
Exchange rate differences	25	110
Payments from the company’s assets	–384	–352
Payments from plan assets	–110	–159
Past service expenses	1	–7
Gains and losses depending on net adjustments for the year	–21	–17
Present value of defined benefit obligations, 31 December	**15,371**	**14,661**

	Plan assets related to pensions and similar commitments	
Fair value of plan assets changed as follows during the year:	2024	2023
Fair value of plan assets, 1 January	6,183	5,400
Divestment of subsidiaries	–	–22
Interest income on plan assets	187	195
Actual return on plan assets excluding amount included in interest income	459	188
Exchange rate differences	93	116
Payments made by employers	65	440
Payments made by pension plan participants	27	25
Payments from plan assets	–110	–159
Fair value of plan assets, 31 December	**6,903**	**6,183**

	Asset ceiling	
Present value of asset ceiling	2024	2023
Present value of asset ceiling, 1 January	179	347
Reclassification of asset ceiling, 1 January	–	–2
Interest expenses	9	9
Changes in present value of asset ceiling not included in interest expense	–80	–187
Exchange rate differences	8	12
Present value of asset ceiling, 31 December	**117**	**179**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 – PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS, CONTINUED

	2024		2023	
Allocation of fair value in plan assets	Quoted price in an active market	Unquoted price	Quoted price in an active market	Unquoted price
Cash and cash equivalents	71	–	153	–
Equity instruments issued by others	1,804	–	1,486	–
Debt instruments issued by Scania	–	47	–	50
Debt instruments issued by others	1,535	–	1,600	–
Properties leased to Scania companies	–	63	–	61
Equity mutual funds	880	–	709	–
Fixed income mutual funds	768	–	518	–
Real estate funds	290	–	269	–
Other investment funds	48	–	138	–
Other plan assets	957	440	794	405
Total	**6,353**	**550**	**5,667**	**516**

NOTE 17 – OTHER PROVISIONS

Accounting policies: Other provisions

Provisions are recognised if an obligation, legal or constructive, exists as a consequence of events that have occurred. It must also be deemed likely that an outflow of resources will be required to settle the obligation and that the amount can be reliably estimated. The amount of the provision is determined based on estimates of the amount of the loss and the probability of utilisation. Provisions for warranties for vehicles sold during the year are based on warranty conditions and the estimated quality situation. Provisions on service contracts are related to expected future unavoidable expenses that exceed contractual future revenue. Any potential obligations arising from the exceedance of emission limits in the future is not accounted for, as the requirements for recognising a provision are not met.

Key judgements and estimates: Other provisions

Recognition and measurement of provisions are based on estimates of the amount and probability of future events and estimates of the discount rate. If possible, experience or external appraisals are used in these cases. The measurement of restructuring provisions is based on estimates and assumptions regarding the amount of severance payments, the effects of onerous contracts, the timeline for the implementation of measures, and, consequently, the timing of the expected payments. Demands and claims aimed at the Group, including demands and claims that lead to legal proceedings, may be related to infringements of intellectual property rights, faults and deficiencies in products that have been delivered, including product liability, or other legal liability for the companies in the Group. Litigation and other court proceedings lead to complex legal issues and entail numerous uncertainties. The current status of negotiations and estimates by local management and Scania's Executive Board as well as by external lawyers are taken into account for the measurement.

In respect of the CO_2 regulation target for 2025 any potential obligation arising from exceeding the emission target are currently assessed not to be material. Regarding the subsequent targets up until 2040, unclarity on enabling factors and demand side of BEV makes it not possible to do a reliable estimate of potential obligations.

2024	Product obligations	Legal and tax risks	Other provisions	Total
1 January	2,378	1,113	6,113	9,604
New provisions during the year	2,587	1,250	2,211	6,048
Provisions used during the year	–1,679	–95	–1,854	–3,628
Provisions reversed during the year	–46	–31	–413	–490
Exchange rate differences	–22	–5	–17	–44
31 December	**3,218**	**2,232**	**6,040**	**11,490**
– of which, current provisions	2,271	137	3,416	5,824
– of which, non–current provisions	947	2,095	2,624	5,666

Scania's product obligations are mainly related to vehicle warranties in the form of one-year "factory warranty" plus, extended warranties and, in some cases, special quality campaigns. For each vehicle sold, Scania makes a warranty provision. For extended warranties not classified as performance obligations and campaigns, a provision is made at the time of the decision. Provisions are dependent on the estimated quality situation and the degree of utilisation in the case of campaigns. Product warranties ensuring that products sold comply with agreed-upon specifications cannot be purchased separately. These product warranties cover all vehicles sold and are therefore accounted for in accordance with IAS 37.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17 – OTHER PROVISIONS, CONTINUED

Legal and tax risks include legal demands and claims aimed at the Group related to infringements of intellectual property rights, faults and deficiencies in products that have been delivered and tax proceedings.

In February 2024, Scania received the final judgment from the European Court of Justice regarding Scania's appeal against the EC's decision about cartel collusion. The EU court dismissed the appeal in its entirety and upheld the EC's decision. Scania has paid the fine and interest in full in accordance with the decision from the EC already in 2022 why this decision had no further financial impact on Scania's earnings. Scania has received civil claims connected to EC´s decision by direct or indirect customers of Scania in multiple jurisdictions. Scania defends itself against all claims by denying any effect of the alleged cartel and in this stage, it is not possible to make a reliable estimate of the total potential risk from such proceedings, except for a limited number of jurisdictions or cases. As these cases relates to completed contracts any provisions will be recognised as cost in the income statement, and not as revenue reduction. In accordance with IAS 37.92, no further information is disclosed with respect to whether, or to what extent, contingent liabilities exist, so as not to prejudice the Group's position.

NOTE 18 – ACCRUED EXPENSES AND DEFERRED INCOME

	2024	2023
Accrued employee-related expenses	9,874	9,565
Deferred income related to service and repair contracts	11,746	9,329
Deferred income related to repurchase obligations [1]	18,187	17,328
Other accrued expenses and deferred income	6,153	5,275
Total	**45,960**	**41,497**
– of which, current	25,853	23,504
– of which, non-current	20,107	17,993

1 Of the above deferred income related to vehicles sold with repurchase obligations, SEK 1,697 m. (1,836) is expected to be recognised as lease income within 12 months. SEK 155 m. (188) is expected to be recognised as revenue after more than five years.

The following table provides an explanation of the changes of contract liabilities during the year.

SEK m.	2024	2023
Contract liabilities as of 1 January	9,329	7,355
New and completed contracts	1,878	1,643
Exchange rate adjustments	539	331
Contract liabilities as of 31 December	**11,746**	**9,329**

Sales revenue recognised in the reporting period 2024 that was included in the contract liability balance at the beginning of the period totalled SEK 3,906 m (3,089).

NOTE 19 – CONTINGENT LIABILITIES

Accounting policies: Contingent liabilities
If the criteria for recognising a provision are not met, but the outflow of financial resources is not improbable, or if the provision amount cannot be measured reliably, such obligations are disclosed in the form of the note shown below. Contingent liabilities are only recognised as a provision once the obligations are more certain, i.e. the outflow of financial resources has become probable, and their amount can be reliably estimated.

Assets pledged
The Group has pledged tangible fixed assets amounting to SEK 5.3 bn. (0) as collateral for long-term borrowings.

Contingent liabilities	2024	2023
Contingent liability related to FPG credit insurance	166	150
Contingent liabilities under guarantees	5,801	11,216
Other contingent liability	2,757	1,090
Total	**8,724**	**12,456**

Contingent liabilities under guarantees includes financial guarantees amounting to SEK 5,572 m. issued by Scania CV AB towards TRATON Financial Services entities in favour of banks. As from the divestment of the Financial Services segment in 2023 these financial guarantees are external from the Scania Group perspective, comparative figures have been restated with an amount of SEK 10,964 m.

In addition, Scania and Northvolt AB companies have entered into long-term purchase obligations from battery procurement contracts.

NOTE 20 – GOVERNMENT GRANTS

Accounting policies: Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants received that are attributable to operating expenses reduce these expenses. Government grants related to investments reduce the gross cost of non-current assets.

During 2024, the Scania Group received government grants amounting to SEK 79 m. (43) attributable to operating expenses of SEK 322 m. (283). Scania also received government grants of SEK 2 m. (39) attributable to investments with a gross cost of SEK 7 m. (110).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 – CASH FLOW STATEMENT

Accounting policies: Cash flow statement and cash and cash equivalents
The cash and cash equivalents presented in the cash flow statements correspond to the "cash and cash equivalents" balance sheet item. Cash and cash equivalents consist of cash and bank balances as well as current liquid investments with a maturity which normally have a maximum of 90 days, which are subject to an insignificant risk of fluctuation in value. The Group's financial management manages cash pool structures at entity level, wherever legally and economically appropriate and feasible. The entities manage operational cash themselves. Excess cash in the entities is managed at the Group level. Cash pool receivables from associated companies are reported in cash and cash equivalents.

	2024	2023
a. Interest and dividends received/paid		
Dividends received from associated companies	6	5
Interest received	6,289	5,232
Interest paid	–7,270	–2,982

	2024	2023
b. Items not affecting cash flow		
Depreciation/amortisation [1]	12,228	12,603
Associated companies	66	1
Provision for pensions	170	–268
Impairment/capital loss sale of operations in Russia [2]	–	1,012
Other	2,861	165
Total	**15,325**	**13,513**

1 Including SEK 0 m. (–14) from discontinued operations.
2 Recognised as items affecting comparability and net income from discontinued operations in the income statement. For further information about the transaction, see Note 21 in the Group's Consolidated Financial Statements as of 31 December 2023.

	2024	2023
c. Discontinued Operations: Net investments in credit portfolio etc.		
New financing [3]	–1,331	–17,590
Payments of principal and completed contracts	1,331	13,986
Total	**0**	**–3,604**

3 The comparison period refers mainly to financing of customer's purchases until March 2023. For further information about the transaction, see Note 21 in the Group's Consolidated Financial Statements as of 31 December 2023.

	2024	2023
d. Net investment through acquisitions/divestments of businesses [4]		
Divestments of businesses	40	5,551
Acquisitions of businesses	–	54
Total	**40**	**5,605**

4 For more information about the comparison period, see Note 21 in the Group's Consolidated Financial Statement as of 31 December 2023.

	2024	2023
e. Acquisitions of non-current assets		
Investments in non-current assets [5]	–16,234	–12,088
Divestments of non-current assets	248	396
Investments in shares in other companies	–592	–442
Total	**–16,578**	**–12,134**

5 Of which, SEK 5,607 m. (2,808) in capitalised research and development expenditures.

	2024	2023
f. Change in debt through financing activities		
Decrease in current liabilities	–56,523	–29,796
Increase in current liabilities	19,459	23,191
Decrease in non-current liabilities	–45,029	–29
Increase in non-current liabilities	21,715	16,134
Lease liabilities	–1,422	–1,317
Total	**–61,800**	**8,183**

Reconciliation of liabilities arising from financing activities

	2023	Acquired/ Divested loans during the year	Cash flow	Non-cash changes			2024
	Opening balance			Foreign exchange movements	Reclassifications	New leases	Ending balance
Non-current interest-bearing liabilities [6]	63,152	–	–23,314	719	–14,718	–	25,839
Current interest-bearing liabilities	37,414	–	–37,064	3,185	14,718	–	18,253
Lease liabilities	5,178	–	–1,422	23	–	1,787	5,566
	105,744	–	**–61,800**	**3,927**	**0**	**1,787**	**49,658**
Cash and cash equivalents	24,715	–	20,380	550	–	–	45,645
Total	**130,459**	–	**–41,420**	**4,478**	**0**	**1,787**	**95,304**

6 The decrease of non-current liabilities in 2024 is related to loans which Scania had for the funding of TRATON Financial Services. In 2024, Scania's lending portfolio against TRATON Financial Services was sold to TRATON Treasury AB.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 21 – CASH FLOW STATEMENT, CONTINUED

	2022	Acquired/ Divested loans during the year	Cash flow	Non-cash changes			2023
	Opening balance			Foreign exchange movements	Reclassifications	New leases	Ending balance
Non-current interest-bearing liabilities [7]	72,450	–16,754	16,105	–80	–8,569	–	63,152
Current interest-bearing liabilities [7, 8]	45,053	–9,367	–6,605	–236	8,569	–	37,414
Lease liabilities	5,539	–	–1,317	–404	–	1,360	5,178
	123,042	**–26,121**	**8,183**	**–720**	**0**	**1,360**	**105,744**
Cash and cash equivalents [9]	22,489	–	3,628	–1,402	–	–	24,715
Total	**145,531**	**–26,121**	**11,811**	**–2,122**	**0**	**1,360**	**130,459**

7 See Note 22, "Non-current assets and disposal groups held for sale and discontinued operations".
8 Excluding accrued interest of SEK 896 m., internal loans of SEK 401 m. and cashpool liabilities of SEK 52 m.
9 The opening balance for 2023 of SEK 22,489 m. includes SEK 3,364 m. which had been reclassified as assets held for sale in 2022.

	2024	2023
g. Cash and cash equivalents		
Cash and bank balances	8,455	4,462
Short-term investments comprising cash and cash equivalents	37,190	20,253
Total	**45,645**	**24,715**

	2024	2023
h. Investments in securities and loans		
Sale of interest-bearing receivables to TRATON	99,481	–
Receivables on TRATON	–29,674	–
Other	5,240	–17,650
Total	**75,047**	**–17,650**

NOTE 22 – NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS

Accounting policies: Non-current assets and disposal groups held for sale and discontinued operations
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and are included in the consolidated financial statements until the date when controlling or significant influence ceases. Non-current assets and disposal groups classified as held for sale are presented separately as current items in the consolidated balance sheet. They are measured at the lower of their carrying amount and fair value less costs to sell and are no longer depreciated or amortised. Costs to sell are the incremental costs directly attributable to the disposal of an asset/ disposal group, excluding finance costs and income tax. If the total carrying amount of the disposal group exceeds fair value less costs to sell, an impairment loss is recognised on the assets in the disposal group; this excludes cash and cash equivalents.

Any remaining impairment loss required to be recognised that is not covered by assets eligible to be impaired is recognised in other provisions. Amounts of accumulated "Other comprehensive income" allocated to the disposal group attributable to items that will be reclassified subsequently to profit or loss and primarily relate to currency translation differences, cash flow hedges, or cost of hedging, are only recognised in profit or loss upon disposal. Amounts from items that will not be reclassified subsequently to profit or loss are reclassified to the Group's retained earnings upon disposal.

A discontinued operation is a component of the Group which either has been disposed of, or is classified as held for sale, and represents a separate line of business or geographical area of operation. A discontinued operation is reported separately from continuing operations in the income statement, and comparable information for prior periods is restated.

Discontinued operations 2024
Scania had no discontinued operations in 2024.

Discontinued operations 2023
On 1 April 2023, the Financial Services segment was divested to TRATON and was reported as a discontinued operation in the income statement of the Scania Group. The net income of the former Financial Services segment was included in the Scania Group's net income up until 31 March 2023. For further information about the transaction, refer to the Group's Consolidated Financial Statements as of 31 December 2023.

Non-current assets and disposal groups held for sale and divestments 2024
Scania has no non-current assets or disposal groups classified as held for sale as of 31 December 2024.

Divestments 2024
During 2024, Scanias lending portfolio towards TRATON Financial Services was sold to TRATON Treasury AB. In addition, the related funding and derivatives were novated or mirrored to TRATON Treasury AB. The portfolio was classified in December 2023 as assets held for sale and was reported separately in the Group's balance sheet. The transaction resulted in receivables amounting to SEK 84,065 m. and liabilities amounting to SEK 80,641 m. were transferred to TRATON Treasury AB. Of the assets that were classified as assets held for sale at year-end, SEK 16,075 m. has been reclassified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 – NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE AND DISCONTINUED OPERATIONS, CONTINUED

The Cash flow is presented as cash flow in investing activities and financing activities. As a result of the transaction a net gain of SEK 591 m. was recognised in 2024, within finance net and presented in Group activities. During a transition period Scania will continue to support TRATON FS with funding. Receivables and liabilities related to Scania's financing of TRATON FS entities after the transaction is presented within Group activities, see Note 4 "Operating segments".

Divestments 2023

On 17 January 2023, Scania divested the Financial Services operations in Russia to companies within Volkswagen Group. In December 2023, Scania Admin. de Consorcios was transferred to TRATON through a dividend in kind and not through a sale. For further information about both transactions, refer to the Group's Consolidated Financial Statements as of 31 December 2023.

Assets and liabilities held for sale 2023

On 18 December 2023 a decision to sell the lending portfolio towards TRATON Financial Services to TRATON Treasury AB was taken. As a consequence, these loan receivables were reclassified as assets held for sale in the balance sheet as of 31 December 2023.

Net assets held for sale SEK million	2024	2023
Interest-bearing receivables, non-current	–	55,413
Interest-bearing receivables, current	–	44,068
Other receivables, current	–	–
Deferred tax asset	–	213
Current investments	–	–
Assets held for sale	**–**	**99,692**
Interest-bearing liabilities, non-current	–	–
Interest-bearing liabilities, current	–	–
Liabilities directly attributable to assets held for sale	**–**	**–**
Net assets held for sale	**–**	**99,692**

NOTE 23 – WAGES, SALARIES AND OTHER REMUNERATION AND NUMBER OF EMPLOYEES

Wages, salaries and other remuneration, pension expenses and other mandatory payroll fees (excluding personnel on hire)	2024	2023
Boards of Directors, Presidents and Executive Vice Presidents [1]	556	447
– of which bonuses	205	157
Other employees	30,495	27,319
Subtotal	**31,051**	**27,766**
Pension expenses and other mandatory payroll fees	9,517	8,320
– of which pension expenses [2]	2,852	2,487
Total	**40,568**	**36,087**

1 The number of Board members and executive officers was 681 (644).
2 Of the pension expense in the Group, SEK 26 m. (26) was for Boards of Directors and executive officers in the Scania Group. At year-end, the total pension obligation was SEK 215 m. (193) for this category.

	2024		2023	
Average number of employees (excluding personnel on hire)	Total	Women	Total	Women
Sweden	22,815	26%	22,093	26%
Europe (excluding Sweden)	17,015	15%	17,185	15%
Eurasia	221	15%	214	15%
America	9,745	18%	9,851	15%
Asia	3,279	26%	2,456	23%
Africa and Oceania	2,053	18%	1,825	20%
Total	**55,128**	**21%**	**53,624**	**20%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23 – WAGES, SALARIES AND OTHER REMUNERATION AND NUMBER OF EMPLOYEES, CONTINUED

Gender distribution	2024	2023
Board members in subsidiaries and the Parent Company	521	494
– of whom, men	445	438
– of whom, women	76	56
Presidents/Managing Directors of subsidiaries and the Parent Company, plus the Group's Executive Board	160	150
– of whom, men	146	144
– of whom, women	14	6

Number of employees, 31 December	2024	2023
Vehicles and Services		
Production and corporate units	30,785	31,743
Research and development	6,737	5,927
Sales and service companies	21,323	20,493
Total	**58,845**	**58,163**
– of whom, on temporary contracts and on hire	6,351	7,329

NOTE 24 – RELATED PARTY TRANSACTIONS

The Scania Group's related parties as of 31 December 2024, within the meaning of IAS 24 "Related Party Disclosures" are:

- all companies included in the Volkswagen Group
- associated companies and joint ventures
- other individuals and entities that can be influenced by Scania or that can influence Scania, such as:
  - the members of Scania's Board of Directors and Executive Board
  - the members of the TRATON SE Executive Board

Related party transactions occur on market terms.

	Revenue		Expenses		Receivables		Liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
Volkswagen Group [1]	52	52	2,265	1,503	1,855	1,007	709	772
TRATON GROUP [2]	2,788	2,148	2,840	2,036	38,220	20,786	2,836	73,311
TRATON Financial Services	9,621	5,593	4,500	1,137	37,236	109,400	34,983	16,136
Associated companies and joint ventures	482	450	512	618	23	439	0	0

1 Excluding TRATON GROUP.
2 Excluding TRATON Financial Services.

In the table, transactions with entities within the TRATON GROUP are separated from the transactions with other Volkswagen Group companies. Following completion of the divestment of Scania Financial Services on April 1, 2023, Scania no longer exercises any influence over Scania Financial Services. These transactions are presented within the line item TRATON Financial Services. In the first half of 2024, the lending portfolio towards TRATON Financial Services was sold to TRATON Treasury AB, a subsidiary of TRATON Financial Services.

On 17 January 2023, Scania divested the financial operations in Russia to companies within the Volkswagen Group. On 1 April 2023, Scania divested the Financial Services segment to TRATON, as a part of the ongoing transformation of TRATON. These transactions were made at market terms, see Note 22 "Non-current assets and disposal group held for sale and discontinued operations" for more details regarding these transactions. On 13 December 2023, Scania Admin. de Consórcios was transferred to TRATON through a dividend in kind, and not through a sale. The dividend in kind was assessed as a common control transaction and recognised in equity at an amount corresponding to the book value of the net asset in the Scania Group.

To ensure the supply of purchased parts for battery-driven vehicles Scania has entered into a purchase agreement with Northvolt, which is an associate of the Volkswagen Group. Purchases in 2024 only amount to smaller volumes. Scania has signed a short-term loan with Northvolt amounting to USD 100 m. in total. The loan shall be paid in three tranches of which the 1st tranche amounting to USD 51 m., corresponding to SEK 563 m., has been paid as of 31 December 2024. The loan will mature on 31 March 2025. Scania is granted security for the loan covering the total credit exposure.

Purchases and leases of company cars are included in the transactions with the TRATON GROUP. TRATON GROUP receivables mainly refer to short-term investments which are included in the Scania Group's cash and cash equivalents. In 2024, Scania's lending portfolio against TRATON Financial Services was sold to TRATON Treasury AB. In addition, the related financing and derivatives have been novated or mirrored to TRATON Treasury AB. The transaction resulted in receivables amounting to SEK m. 84,065 and liabilities amounting to SEK m. 80,641 being transferred to TRATON Treasury AB. These transactions are presented under the line for TRATON Financial Services (which includes TRATON Treasury AB) in the table above.

During a transition period, Scania will continue to support TRATON FS with financing, and the income and expenses related to the mirroring of loans and derivatives is presented in the line for TRATON Financial Services. During the year, short-term investments towards TRATON have also increased, which is included in the revenue line against TRATON GROUP. Scania has issued financial guarantees in favour of banks related to loans for certain TRATON Financial Services entities, see Note 19, "Contingent liabilities."

Disclosures of relationships with related parties that include a controlling influence are provided in Note 31 "Shares and participations in subsidiaries." See also the presentation of Scania's Board of Directors and Executive Board as well as Note 25, "Compensation to executive officers." Disclosures of dividends from, and capital contributions to associated companies and joint ventures etc. are provided in Note 11, "Holdings in associated companies and joint ventures." Disclosures of pension plans are provided in Note 16, "Provisions for pensions and similar commitments" and Note 23, "Wages, salaries and other remuneration and number of employees."

The sale of receivables to subsidiaries of TRATON Financial Services that are not part of the Scania Group amounted to SEK 5,066 m. (4,032) as per 31 December 2024.

NOTE 25 – COMPENSATION TO EXECUTIVE OFFICERS

Accounting policies: Share-based payment
The share-based payment to Scania executive officers consists of performance shares. The obligations arising from the share-based payment are accounted for as cash-settled plans in accordance with IFRS 2 "Share-based Payment". For these plans, obligations are measured at fair value during the term of the plan using a recognised option pricing model. The total remuneration expense to be recognised corresponds to the actual payout and is recognised over the vesting period.

Policies for compensation to executive officers

The policies for compensation to Scania executive officers are adopted by Scania's Board of Directors. The purpose is to offer a market-related compensation package that will enable the company to recruit and retain executive officers. Compensation to executive officers consists of the following parts:

1. Fixed salary
2. Variable remuneration (Profit bonus and LTI)
3. Pension

The fixed salary of the executive officers shall be competitive in relation to position, individual qualifications and performance. The fixed salary is reviewed annually. The size of the variable salary profit bonus is dependent on Scania Group´s Return on Sales, Net Cash Flow (TRATON Operations), Sustainability target (ESG). The long-term incentive (LTI) in the form of the performance share plan with a forward-looking four-year term. For the CEO, part of the annual fixed salary is paid from TRATON SE. The CEO has variable remuneration profit bonus based on the TRATON operations return on sales, return on invested capital and a share-related programme TRATON SE. Executive officers are covered under the ITP Plan and under a defined contribution pension plan that applies in addition to the public pension and the ITP Plan.

Long-term incentive plan – CEO
The share-related programme relates to a long-term incentive (LTI) bonus which is determined by the Supervisory Board of TRATON SE at its reasonable discretion. The LTI was introduced in January 2019. The terms and conditions for the LTI provide for a period of four years for calculating the target achievement and may be amended from time to time. In this plan, a new performance period ("performance period") starts at the beginning of each fiscal year.

At the beginning of each new performance period the CEO conditionally awarded a certain number of performance shares. The number of performance shares depends (i) on the individual target amounts and (ii) on the calculated price of TRATON SE shares.

If the employment contract begins or ends in the course of a year, the target amount for the LTI is calculated pro rata temporis for the period of service.

The number of performance shares at the end of a performance period ("final number of performance shares") depends on the number of performance shares conditionally awarded at the beginning of the performance period and the achievement of the "earnings per share" target amounts. These are determined at the beginning of the performance period. The payout amount depends on the final number of performance shares and the calculated price of TRATON SE shares. The amount paid out is capped at 250 percent of the target amount.

In the case of extraordinary events or developments, e.g. a business combination, significant changes in the shareholder structure, or certain corporate actions or structural measures implemented by the company, the company is entitled, under certain conditions, to modify the terms and conditions of the plan. In "bad leaver" cases, which are defined in the relevant performance share plan (in particular in the case of the extraordinary termination), all the performance shares of a current performance period are forfeited and not replaced or otherwise compensated.

The terms and conditions of the LTI for each performance period are determined by the Supervisory Board of TRATON SE at its reasonable discretion. In the event of misconduct (including breaches of oversight or organisational duties as a "Culture Integrative Corrective") salary clawbacks are stipulated, which can lead to a reduction or the complete forfeiture of the LTI, or to the clawback of an LTI that has already been paid out.

In the 2024 financial year, the following performance shares were awarded to the CEO:

A total of 44,074 (54,241) performance shares (Scania) were awarded to Mr. Christian Levin for the time period between 1 January 2024 and 31 December 2024, when he was both CEO of Scania and TRATON SE. The fair value of all the performance shares obligation as of 31 December 2024, was SEK 33,416 thousand (16,312). The expenses under the plan amounted to SEK 20,215 thousand (12,406). The intrinsic value of the obligation would have been SEK 16,632 thousand (4,053), if the CEO had left the company on 31 December 2024.

Long-term incentive plan – The rest of the Executive Board
The long-term incentive plan for the rest of the Executive Board, in the form of the performance share plan has a forward-looking four-year term. The LTI was introduced in January 2022. A new performance period starts at the beginning of each fiscal year.

At the beginning of each new performance period the rest of the Executive Board is conditionally awarded a certain number of performance shares. The number of performance shares depends on the individual target amounts and on the calculated price of TRATON SE shares.

If the service relationship or the entitlement to participate in the Performance Share Plan begin or end during a year, the Target Amount – and thus the number of Performance Shares awarded – shall be reduced pro rata temporis. The number of performance shares at the end of a performance period ("final number of performance shares") depends on the number of performance shares conditionally awarded at the beginning of the performance period and the achievement of the "earnings per share" target amounts. These are determined at the beginning of the performance period. The payout amount depends on the final number of performance shares and the calculated price of TRATON SE shares.

In the case of extraordinary events or developments, e.g. a business combination, significant changes in the shareholder structure, or certain corporate actions or structural measures implemented by the company, the company is entitled, under certain conditions, to modify the terms and conditions of the plan or the number of performance shares. In "bad leaver" cases, which are defined in the relevant performance share plan, all the performance shares of a current performance period are forfeited and not replaced or otherwise compensated. In the event of misconduct salary clawbacks are stipulated, which can lead to a reduction or the complete forfeiture of the LTI, or to the claw back of an LTI that has already been paid out.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 25 – COMPENSATION TO EXECUTIVE OFFICERS, CONTINUED

Under the Performance Share Plan the Executive Board Members were awarded a total of 44,984 (57,875) performance shares for the fiscal year 2024. The fair value of all the performance shares obligation as of 31 December 2024, was SEK 21,015 thousand (11,604). The expenses under the plan amounted to SEK 13,582 thousand (7,433). The intrinsic value of the obligation would have been SEK 10,805 thousand (5,403), if the members of the Executive Board had left the company on 31 December 2024.

Termination conditions for the Executive Board

If the President and CEO resigns of his own volition, he is entitled to his salary during a 12-month notice period. Any variable salary during the year in question is disbursed according to conditions adopted by Scania's Board of Directors. In case of termination by the company, a 12-month notice period applies with retained benefits and severance pay equivalent to 24 months of salary is payable.

If the company terminates their employment, the other members of the Executive Board are entitled to severance pay equivalent to a maximum of 18 months of salary, in addition to their salary during the six-month notice period. If they obtain new employment within 18 months, counting from their termination date, the severance pay ceases.

Retirement age

The President and CEO is covered by the ITP plan and a defined contribution pension plan with premiums up to 65 years. Members of the Executive Board are covered by the ITP Plan with premiums up to 65 years. Members of the Executive Board covered under the defined benefit ITP Plan are also covered under defined contribution pension plan with premiums payments up to 65 years and, to a lesser extent, with premium payments up to 60 years. Members of the Executive Board covered by the defined contribution ITP plan are also covered under defined contribution pension plan with payment up to 65 years.

Compensation to executive officers	2024		2023	
SEK thousand	President and CEO	Rest of Executive Board	President and CEO	Rest of Executive Board
Fixed salary	7,314	27,808	6,791	25,872
Variable salary	12,204	44,350	10,316	38,862
LTI	20,215	13,582	12,406	7,433
Other remuneration [1]	550	2,816	340	2,753
Total salary and remuneration	**40,283**	**88,556**	**29,853**	**74,920**
Pension expenses, defined contribution system [2]	8,728	8,700	8,105	8,895
Pension expenses, defined benefit pension system [3]	479	3,953	491	3,200
Total pension expenses	**9,208**	**12,653**	**8,596**	**12,095**
Pension obligations	**7,162**	**26,536**	**6,156**	**25,812**

1 Includes the taxable portion of car allowance, newspaper subscriptions and other perquisites.
2 Annual premiums according to a defined contribution pension system and ITPK (defined contribution portion of the ITP occupational pension).
3 Risk insurance premiums and the increase of retirement pension liability according to the ITP occupational pension plan.

Board remuneration, SEK thousand	2024	2023
Chairman of the Board		
Michael Jackstein	–	–
Board members		
Christian Levin	–	–
Lilian Fossum Biner	700	700
Gunnar Kilian	–	–
Julia Kuhn-Piëch	550	550
Nina Macpherson	700	700
Christian Porsche	550	550
Mark Philipp Porsche	550	550
Stephanie Porsche-Schröder	700	700
Peter Wallenberg Jr.	550	550

NOTE 26 – FEES AND OTHER REMUNERATION TO AUDITORS

Fees and other remuneration to auditors that were expensed during the year are reported below. Remuneration for consultations is reported in cases where the same public accountancy firm has the assignment to audit an individual company. “Auditing assignments” refers to statutory examination of the annual accounts as well as the administration of the Board of Directors and the President and CEO. “Auditing activities beyond auditing assignments” refer to examination of administration or financial information that shall be performed in accordance with laws, articles of association, statutes or agreements that is also intended for parties other than the client, and which is not included in the auditing assignment.

“Tax consultancy” is consultation on matters of tax law. “Other services” refers to consultancy that cannot be attributed to any of the other categories. Auditing expenses that have arisen because Scania is a subsidiary of Volkswagen have been reinvoiced.

	2024		2023	
Auditing firm	EY	Other auditors	EY	Other auditors
Auditing assignments	46	2	55	1
Auditing activities beyond auditing assignments	0	0	1	1
Tax consultancy	0	0	0	1
Other services	9	0	0	0
Total	**55**	**2**	**56**	**4**

NOTE 27 – FINANCIAL RISK MANAGEMENT

Financial risk management in the Scania Group

In addition to business risks, Scania is exposed to various financial risks in its operations. The financial risks that are of the greatest importance are liquidity, currency, interest rate, credit and refinancing risk, which are regulated by Scania Group Policies adopted by Scania’s Board of Directors.

In 2023, the Financial Services was sold to TRATON and in 2024, the lending portfolio towards TRATON Financial Services was sold to TRATON Treasury AB. The funding and derivatives related to the lending portfolio were also novated or mirrored to TRATON Treasury AB during 2024. As part of the restructuring for the financing of TRATON FS entities Scania also entered in different lending and borrowing agreements with TRATON Treasury AB. Below are the risks related to Scania Group as per 31 December 2024 described.

Financial risks are managed primarily at corporate level by Scania’s treasury unit. On a daily basis, the corporate treasury unit measures the risks of outstanding positions, which are managed within established limits in compliance with the Scania Group Policy – Treasury.

Financial assets and liabilities give rise to various kinds of risks, which are largely managed by means of various derivative instruments. Scania uses derivative instruments, mainly for the purpose of:

- Transforming corporate-level borrowings in a limited number of currencies to the currencies in which the financed assets are denominated.
- Matching the interest rate refixing period for assets and liabilities.
- Converting future commercial payments to functional currency.
- To a lesser extent, converting surplus liquidity in foreign currencies to SEK.

Liquidity risk and refinancing risk

Liquidity risk describes the risk that the Scania Group will have difficulty in meeting its obligations associated with financial liabilities or that it can only procure liquidity at a higher price. Refinancing risk is the risk of not being able to meet the need for future funding. Scania applies a conservative policy concerning refinancing risk. For Vehicles and Services, there shall be a liquidity reserve consisting of available cash and cash equivalents as well as unutilised credit facilities which exceeds the funding needs over a two-year period.

At the end of 2024, Scania’s liquidity reserve, consisting of guaranteed credit facilities, cash and cash equivalents and short-term investments, amounted to SEK 49,911 m. (59,261). Scania’s credit facilities include customary Change of Control clauses, which means that the counterparty could demand early payment in case of significant changes in ownership involving a change in control of the company.

One of the Scania Group’s subsidiaries has two borrowings for the development and construction of production and assembly facilities in China. These two loans amounted to SEK 3,525 m. as of December 31, 2024 (-) and have a 10-year term. These loans are subject to a financial covenant, the subsidiary’s total liabilities-to-total-assets ratio shall not go beyond 90%. The covenant is subjected to an annual test by the bank, based on the data in the annual audited financial statements. As per December 31, 2024, the Scania Group is not in breach of the financial covenant included in the loan agreement.

To counter liquidity risk, cash inflows and outflows and due dates are continuously monitored and managed. Cash requirements are primarily met by our operating business and by external financing arrangements. As a result, there are no material concentrations of liquidity risk.

The solvency and liquidity of Scania are ensured at all times by rolling liquidity planning, a liquidity reserve in the form of cash, confirmed credit lines and the issuance of securities on the international money and capital markets.

Local cash funds in certain countries (e.g. Argentina, Brazil, China, India and South Korea) are only available to the Group for cross-border transactions subject to exchange controls. There are no significant restrictions over and above these.

In addition, certain Scania Group companies use supplier finance arrangements. The arrangements have the following terms and conditions:

– *Traditional supply chain financing (single financing source):*
  – The supplier sends the invoice to the Scania Group company after delivery of goods. The invoice is approved for payment by Scania, and the supplier offers the approved invoice for purchase to the respective bank. The bank accepts the offer, purchases the invoice, and pays a discounted invoice amount immediately to the supplier. Scania pays the full invoice amount at maturity to the bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

– *Platform-based supply chain financing (multi-bank approach):*

- – The supplier sends the invoice to the Scania Group company after delivery of goods. Invoice is approved for payment by Scania. The supplier releases invoices on the platform for early payment. One of the banks/third-party providers on the platform accepts the offer, purchases the invoice, and pays a discounted invoice amount immediately to the supplier. Scania pays the full invoice amount at maturity to the bank/third-party provider.

These continue to be presented in the balance sheet under trade payables because they meet the definition of a trade payable, and the contractual terms (e.g. payment terms) do not change or do not change materially. Collateral is not pledged in this context. Correspondingly, the cash outflow is reported in net cash provided by/used in operating activities. As of December 31 2024, trade payables attributable to supplier finance arrangements included SEK 1,849 m. (2,213), of which suppliers have already received payment in the amount of SEK 1,849 m. This does not result in any material liquidity risk or any risks from risk concentrations, and there were no non-cash transfers from trade payables to financial liabilities in the reporting period.

Controlling Scania's refinancing risk includes safeguarding access to credit facilities and ensuring that the maturity structure of borrowings is diversified. At year-end, Scania had borrowings, in some cases with related ceilings, as follows:

	2024		2023	
Borrowings	Total borrowings	Ceiling	Total borrowings	Ceiling
European Medium Term Note Programme	18,017	–	25,785	55,437
– of which Green bonds	3,250	–	4,250	–
Other bonds	–	–	–	–
Credit facility (EUR, SEK)	–	–	5,544	24,947
Commercial paper, Sweden	–	–	–	10,000
Commercial paper, Belgium	–	–	–	16,631
Loans from TRATON	17,391	–	64,681	–
Bank loans and Other loans	9,013	–	5,009	–
Total [1,2]	**44,421**	–	**101,019**	**107,015**

1 Of the total ceiling, SEK 0 m. (24,947) consisted of guaranteed revolving credit facilities.
2 Total borrowings excluded SEK 532 m. (896) related to accrued interest.

Scania Group's total borrowing

	2024		2023	
Borrowings as of 31 December	Borrowings incl. currency swap agreements	Borrowings excl. currency swap agreements	Borrowings incl. currency swap agreements	Borrowings excl. currency swap agreements
EUR	41,308	25,713	78,839	75,736
CNY	5,285	3,528	1,556	–
COP	1,869	971	1,866	847
MXN	1,812	80	3,024	–
USD	1,401	64	5,127	145
NOK	526	1,069	2,369	2,416
AUD	615	–	2,540	–
NZD	250	–	1,625	–
KRW	50	50	3,747	–
DKK	–2	–	2,199	–
GBP	–3,810	–	2,096	–
SEK	–5,707	11,310	–7,448	20,438
Other currencies	824	1,636	3,478	1,437
Total [1]	**44,421**	**44,421**	**101,019**	**101,019**
Accrued interest	532	532	896	896
Total	**44,953**	**44,953**	**101,915**	**101,915**

1 Total borrowings excluded SEK 532 m. (896) related to accrued interest.

At year-end, Scania's total borrowings had the following maturity structure:

Maturity structure of Scania´s borrowings	2024		2023
2025	18,583	2024	37,867
2026	5,009	2025	42,944
2027	5,422	2026	17,001
2028	6,349	2027	1,155
2029	5,084	2028	8
2030 and later	3,974	2029 and later	2,044
Total [1]	**44,421**		**101,019**

1 Total borrowings excluded SEK 532 m. (896) related to accrued interest and lease liabilities. Maturity structure for lease liabilities, see Note 10 "Tangible assets, right-of-use assets under IFRS 16, lease liabilities, and lease assets".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

	2024		2023	
Maturity structure of derivatives attributable to borrowings	Derivatives with positive value	Derivatives with negative value	Derivatives with positive value	Derivatives with negative value
2024	–	–	–	–379
2025	387	–334	245	–398
2026	270	–211	297	–
2027	–	–	–	–
2028	–	–	–	–
2029 and later	27	–27	–	–
Total	**685**	**–573**	**542**	**–777**

	2024			2023		
Future undiscounted cashflows of Scania's borrowings and derivatives [1]	2025	2026–2029	>2030	2024	2025–2028	>2029
Financial liabilities	19,954	24,576	4,345	41,046	64,581	2,253
Derivatives	66,070	54,708	34	37,144	30,504	320
Total	**86,024**	**79,284**	**4,379**	**78,190**	**95,085**	**2,573**

1 Please note that the table includes the calculated future interest payments and does consequently not correspond to the net book value in the balance sheet.

Currency risk

Currency risk describes the risk of negative effects on earnings, cash flow, and balance sheet items due to exchange rate movements.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Currency risk is the risk of negative effects on earnings, cash flow, and balance sheet items denominated in foreign currency, due to currency movements. The Scania Group's currency risk is a result of its investments, financing measures, and operating activities. Foreign exchange forward contracts are used to mitigate risks to future cash flows.

The inclusion of subsidiaries or other affiliated Group companies in countries outside Sweden in the consolidated financial statements represents a risk as a result of currency translation. As a general rule, Scania does not use derivatives to hedge these translation risks.

During 2024, 95 (95) percent of Scania's sales occurred in countries outside Sweden. Since a large proportion of production occurs in Sweden, at costs denominated in Swedish kronor, this means that Scania has large net inflows of foreign currencies.

During 2024, total currency exposure in Scania's operating income decreased to about SEK 90,600 m. (81,800). The largest currencies in this flow were EUR, GBP and BRL. The table below shows currency exposure in Scania's operating income in the most commonly occurring currencies.

Currency exposure in operating income, Vehicles and Services	2024	2023
Euro (EUR)	32,300	32,200
British pound (GBP)	12,100	10,300
Brazilian real (BRL)	11,200	3,200
US dollar (USD)	9,000	8,500
Norwegian krone (NOK)	4,900	4,000
Mexican peso (MXN)	4,400	5,400
Australian dollar (AUD)	3,400	2,800
Danish krone (DKK)	3,000	3,200
Swiss franc (CHF)	2,700	2,700
Korean won (KRW)	2,600	2,700
South African rand (ZAR)	2,600	2,600
United Arab Emirates Dirham (AED)	1,800	1,300
Other currencies	600	2,900
Total currency exposure in operating income	**90,600**	**81,800**

Based on revenue and expenses in foreign currencies during 2024, a ten-percentage point change in the Swedish krona against other currencies, excluding currency hedges, has an impact on operating income of about SEK 9,060 m. (8,180) on an annual basis. In Vehicles and Services, the total currency effects amounted to SEK –1,006 m. (4,392).

Sensitivity analysis per currency, Scania Group	Operating income		Net assets	
	2024	2023	2024	2023
SEK m.	+/-10%	+/-10%	+/-10%	+/-10%
SEK/EUR	3,230	3,220	500	130
SEK/GBP	1,210	1,030	–150	–30
SEK/USD	900	850	400	200
SEK/BRL	1,120	320	1,120	670
SEK/CNY	–20	90	250	130
SEK/Other	2,620	2,670	1,210	700

According to Scania Group Policy – Treasury, the CFO has a mandate to approve hedging of up to 75 percent of anticipated exposure by currency up to six months. The CEO has a mandate to approve hedging of up to 50 percent of anticipated exposure by currency for a period from above six months up to 12 months. When currency risks are hedged, currencies are mainly sold by means of forward contracts, but currency options may also be used.

To ensure efficiency and risk control, borrowings in Scania's subsidiaries largely occur through the corporate treasury unit and are then transferred to subsidiaries in the form of internal loans in their local currencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

By means of derivative contracts, corporate-level borrowings are converted to lending currencies. Scania's borrowings in various currencies excluding and including currency derivatives can be seen in the table "Borrowings" in the section on Interest rate risk.

At the end of 2024, Scania's net assets in foreign currencies amounted to SEK 33,000 m. (18,000). The net foreign assets of subsidiaries are normally not hedged. To the extent subsidiaries have significant net monetary assets in functional currencies, however, they may be hedged. At year-end 2024 no foreign net assets were hedged (–).

Net assets, Vehicles and Services	2024	2023
Brazilian real (BRL)	11,200	6,700
Euro (EUR)	5,000	1,300
US dollar (USD)	4,000	2,000
Chinese yuan renminbi (CNY)	2,500	1,300
South African rand (ZAR)	1,600	500
Mexican peso (MXN)	1,300	–400
Australian dollar (AUD)	1,100	300
Colombian peso (COP)	1,100	400
Other currencies	5,200	5,900
Total net assets in foreign currencies, Vehicles and Services	**33,000**	**18,000**

Effect on exchange rate differences on net income

Net income for the year was affected by exchange rate differences as shown in the following table:

	2024	2023
Operating income	452	–175
Financial income and expenses	–3,390	–277
Taxes	508	144
Effect on net income for the year	**–2,430**	**–308**

Interest rate risk

Interest rate risk is the risk of negative effects on interest income and expenses due to movements in interest rates. For Scania's assets and liabilities that carry variable interest rates, a change in market interest rates has a direct effect on cash flow, while for fixed-interest assets and liabilities, the fair value of the portfolio is affected instead. To manage interest rate risks, Scania primarily uses interest rate derivatives in the form of interest rate swap agreements.

At year-end 2024, Scania's interest-bearing assets mainly consisted of short-term investments and cash and cash equivalents. Interest-bearing liabilities consisted mainly of loans, to a great extent intended to fund lending in TRATON Financial Services operations and to a lesser extent to fund working capital in Vehicles and Services.

Interest rate risk in Vehicles and Services

Borrowings in Vehicles and Services are mainly used for funding of working capital. To match the turnover rate of working capital, a short interest rate refixing period is used in the borrowing portfolio. Scania's Group policy – Treasury concerning interest rate risks in the Vehicles and Services segment is that the interest rate refixing period on its net debt should normally be within 0–6 month range, but that divergences are allowed up to 24 months. The Board of Directors approves maturities of more than 24 months.

Net cash in Vehicles and Services was SEK 28,765 m. (28,448) at year-end 2024. The borrowing portfolio amounted to SEK 17,720 m. (14,099). Short-term investments and cash and cash equivalents amounted to SEK 46,486 m. (42,547) and the average interest rate refixing period on these assets was less than 1 (2) months.

Given the same loan liabilities, short-term investments, cash and cash equivalents and interest rate refixing periods as at year-end 2024, a change in market interest rates of 100 basis points (1 percentage point) would change the interest expenses by approximately SEK 133 m. (117) and interest income in Vehicles and Services by approximately SEK 414 m. (227) on an annual basis.

Credit risk

Credit risk is the risk that the counterparty in a transaction will not fulfil its contractual obligations and that any collateral will not cover the company's claim. An overwhelming share of the credit risk for Scania is related to receivables from customers. Scania sales are distributed among a large number of end customers with a large geographic dispersion, which limits the concentration of credit risk.

The loss allowance and gross carrying amount of financial assets measured at amortised costs have decreased significantly during 2024 due to the divestment of Financial Services segment. For further information regarding the divestment see Note 22 "Non-current assets and disposal groups held for sale and discontinued operations".

Scania has signed a short-term loan with Northvolt amounting to USD 100 m. in total. The loan shall be paid in three tranches of which the 1st tranche amounting to USD 51 m., corresponding to SEK 563 m., has been paid as of 31 December 2024. Tranche 2 and 3 are paid during January – February 2025. The loan will mature on March 31, 2025. Scania is granted security for the loan covering the total credit exposure. The loan assessed to be credit impaired at time of its origination and is accounted for at amortised cost. No ECL is accounted for due to the security granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

Reconciliation of loss allowance for financial assets measured at amortised cost

	2024					2023				
	General approach			Simplified approach	Total	General approach			Simplified approach	Total
SEK m.	12 month expected credit loss (Stage 1)	Life time expected credit loss – not impaired (Stage 2)	Life time expected credit loss – impaired (Stage 3)			12 month expected credit loss (Stage 1)	Life time expected credit loss – not impaired (Stage 2)	Life time expected credit loss – impaired (Stage 3)		
Loss allowance as at 1 January	9	–	–	680	689	18	96	271	1,770	2,515
Allowances related to divested operations [1]	–	–	–	–	–	–5	–96	–271	–1,166	–1,898
Changes due to financial instruments recognised as at 1 January										
Transfer to stage 1	–	–	–	–	–	–	–	–	–	–
Transfer to stage 2	–	–	–	–	–	–	–	–	–	–
Transfer to stage 3	–	–	–	–	–	–	–	–	–	–
Write–offs (Utilisation)	–	–	–	–27	–27	–	–	–	–21	–21
Financial assets acquired/issued	161	–	–	145	306	0	–	–	164	164
Changes to models or risk parameters	0	–	–	–	0	0	–	–	–	0
Reversals	–75	–	–	–71	–146	–4	–	–	–63	–67
Foreign exchange movements	–6	–	–	8	2	–	–	–	–4	–4
Other changes within a stage	–	–	–	–	–	–	–	–	–	–
Loss allowance as at 31 December	**89**	**–**	**–**	**735**	**824**	**9**	**0**	**0**	**680**	**689**

1 Refers to the deconsolidation of TRATON Financial Services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

Reconciliation of gross carrying amount for financial assets measured at amortised cost

	2024					2023				
	General approach			Simplified approach	Total	General approach			Simplified approach	Total
SEK m.	12 month expected credit loss (Stage 1)	Life time expected credit loss – not impaired (Stage 2)	Life time expected credit loss – impaired (Stage 3)			12 month expected credit loss (Stage 1)	Life time expected credit loss – not impaired (Stage 2)	Life time expected credit loss – impaired (Stage 3)		
Gross carrying amount as at 1 January	31,161	–	–	11,945	43,106	85,600	2,264	998	66,792	155,654
Gross carrying amounts related to divested operations	–	–	–	–	–	–62,233	–2,264	–998	–54,391	–119,886
Changes due to financial instruments recognised as at 1 January										
Transfer to stage 1	–	–	–	–	–	–	–	–	–	–
Transfer to stage 2	–	–	–	–	–	–	–	–	–	–
Transfer to stage 3	–	–	–	–	–	–	–	–	–	–
Changes in gross carrying amount (due to additions and disposals, significant modifications)	56,863	–	–	–1,356	55,507	7,720	–	–	–415	7,305
Foreign exchange movements	–3,001	–	–	189	–2,812	74	–	–	–41	33
Gross carrying amount as at 31 December	**85,023**	**–**	**–**	**10,778**	**95,801**	**31,161**	–	–	**11,945**	**43,106**

Gross carrying amounts of financial assets by rating category

	2024					2023				
SEK m.	12 month expected credit loss (Stage 1)	Life time expected credit loss – not impaired (Stage 2)	Life time expected credit loss – impaired (Stage 3)	Financial assets – simplified approach	Total	12 month expected credit loss (Stage 1)	Life time expected credit loss – not impaired (Stage 2)	Life time expected credit loss – impaired (Stage 3)	Financial assets – simplified approach	Total
Rating Grade										
Credit Risk Rating Grade 1	85,023	–	–	8,609	93,632	31,161	–	–	9,736	40,897
Credit Risk Rating Grade 2	–	–	–	1,398	1,398	–	–	–	1,486	1,486
Credit Risk Rating Grade 3	–	–	–	771	771	–	–	–	723	723
Total	**85,023**	**–**	**–**	**10,778**	**95,801**	**31,161**	–	–	**11,945**	**43,106**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 27 – FINANCIAL RISK MANAGEMENT, CONTINUED

Credit risk in Vehicles and Services

In the Vehicles and Services segment, carried receivables before loss allowance for expected credit losses from customers totalled SEK 10,464 m. (12,821), most of which consisted of receivables from independent dealerships and end customers. The total estimated fair value of collateral was SEK 1,272 m. (1,105) Most of the collateral consisted of bank guarantees, mortgages and similar securities. During the year, collateral corresponding to SEK 472 m. (16) was obtained.

Timing analysis of portfolio assets past due but not recognised as impairment losses	2024	2023
< 30 days	1,131	1,142
30–90 days	409	399
91–365 days	240	223
> 1 year	34	272
Total	**1,814**	**2,036**

Loss allowance for expected credit losses amounted to SEK 755 m. (689), equivalent to 7.2 (5.8) percent of total receivables. The year's expected credit losses amounted to SEK 114 m. (93).

Other credit risks at Scania

The administration of the financial credit risks that arise primarily in corporate treasury operations, among other things when investing liquidity and in derivatives trading, is regulated in Scania Group Policy – Treasury. Transactions occur only within established limits and with selected, creditworthy counterparties. To reduce credit risk, the volume of exposure allowed per counterparty is limited, depending on the counterparty's credit rating. To further limit credit risk, Scania has entered into International Swaps Derivatives Association (ISDA) netting contracts and other master agreements with all of its counterparties.

The corporate treasury unit is responsible for ensuring compliance with the rules of Scania Group Policy – Treasury and corresponding group policies for Volkswagen and TRATON.

Net exposure to counterparty risk related to derivatives trading amounted to SEK 232 m. (–775) at the end of 2024. Estimated gross exposure to counterparty risks related to derivatives trading totalled SEK 3,920 m. (2,045). Estimated gross exposure to cash and cash equivalents and short-term investments amounted to SEK 69,339 m. (33,445). Short-term investments are mainly deposited with TRATON.

Scania had short-term investments worth SEK 60,881 m. (21,219), of which SEK 39,241 m. (20,841) consists of investments with a maturity of less than 90 days and SEK 21,640 m. (378) consisted of investments with a maturity of 91–365 days. In addition to short-term investments, Scania had bank balances worth SEK 8,455 m. (4,463).

NOTE 28 – FINANCIAL INSTRUMENTS

Accounting policies: Recognition, derecognition, and classification of financial instruments

Primary financial instruments are accounted for at the settlement date in the case of regular way purchases or sales — that is, the date on which the asset is delivered. Financial instruments are recognised when a Group entity becomes a party to the contract. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Classification of financial assets depends on the contractual cash flow characteristics and Scania's business model for managing financial assets. The cash flows for the majority of primary financial instruments of the Group, consist exclusively of payments of principal and interest on the principal amount outstanding, and the Group's intention is to collect these contractual cash flows. These financial assets are exclusively allocated to the "at amortised cost" measurement category.

In the case of derivatives, equity instruments and convertible loans which are included in the line-item non-current interest-bearing receivables the cash flows do not consist exclusively of payments of principal and interest on the principal amount outstanding. They are therefore allocated to the "at fair value" measurement category. The Group has, in some geographies, entered factoring agreements regarding trade receivables with TRATON FS, in which the right to the cash flow related to sold trade receivables have been transferred. Transferred trade receivables meet the criteria for derecognition. Trade receivables not sold continues to be managed with the purpose to collect contractual cash flows and therefore measured at amortised cost. With the exception of derivatives, all financial liabilities are allocated to the "at amortised cost" measurement category.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 – FINANCIAL INSTRUMENTS, CONTINUED

For financial instruments that are carried at amortised cost, fair value disclosures are provided in the table below. The carrying amounts of interest-bearing assets and liabilities in the balance sheet may diverge from their fair value, among other things as a consequence of changes in market interest rates.

	2024					2023[7]				
	Measured at fair value		Measured at amortised cost		Balance sheet item	Measured at fair value		Measured at amortised cost		Balance sheet item
Scania Group, SEK m.	Through the income statement	Through other comprehensive income	Carrying amount	Fair Value		Through the income statement	Through other comprehensive income	Carrying amount	Fair Value	
Assets										
Equity instruments	–	650	–	–	650	–	1,349	–	–	1,349
Non-current interest-bearing receivables	–	–	10,298	10,335	10,298	475	–	380	380	855
Current interest-bearing receivables	–	–	2,430	2,445	2,430	–	–	9,744	9,743	9,744
Non-interest-bearing trade receivables	–	–	10,066	10,066	10,066	–	–	11,288	11,288	11,288
Current investments and cash and cash equivalents	50	–	69,289	69,326	69,339	50	–	25,713	25,335	25,763
Other non-current receivables[1]	2,351	–	83	78	2,434	1,526	–	114	112	1,641
Other current receivables[2]	1,585	–	1,444	1,444	3,029	550	–	322	322	872
Total assets	**3,986**	**650**	**93,610**	**93,694**	**98,246**	**2,601**	**1,349**	**47,561**	**47,180**	**51,512**
Liabilities										
Non-current interest-bearing liabilities[3]	–	–	25,838	25,901	25,838	–	–	63,152	63,999	63,152
Current interest-bearing liabilities[4]	–	–	19,115	19,117	19,115	–	–	38,763	38,500	38,763
Trade payables	–	–	20,787	20,787	20,787	–	–	22,204	22,204	22,204
Other non-current liabilities[5]	2,320	–	55	52	2,374	1,739	–	–	–	1,739
Other current liabilities[6]	1,529	–	5,458	5,458	6,987	1,181	–	4,617	4,618	5,799
Total liabilities	**3,849**	**–**	**71,253**	**71,315**	**75,101**	**2,920**	**–**	**128,736**	**129,321**	**131,657**

1 Financial instruments included in the balance sheet under “Other non-current receivables,” SEK 3,571 m. (3,283).
2 Financial instruments included in the balance sheet under “Other current receivables,” SEK 9,627 m. (8,072).
3 Financial instruments included in the balance sheet under “Non-current interest-bearing liabilities,” SEK 30,214 m. (67,264).
4 Financial instruments included in the balance sheet under “Current interest-bearing liabilities,” SEK 20,305 m. (39,828).
5 Financial instruments included in the balance sheet under “Other non-current liabilities,” SEK 5,717 m. (5,723).
6 Financial instruments included in the balance sheet under “Other current liabilities,” SEK 11,240 m. (13,057).
7 In 2023, total assets does not include assets held for sale of SEK 99,480 m. related to the lending portfolio towards TRATON Financial Services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 – FINANCIAL INSTRUMENTS, CONTINUED

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are normally recognised as the proceeds received, net of direct issue costs.

Accounting policies: Financial assets and liabilities measured at fair value

In Scania's balance sheet, items carried at fair value mainly include derivatives, interest bearing receivables, equity instruments and a portion of trade receivables. As a rule, fair value corresponds to the market or stock exchange price. If no active market exists, fair value is determined using observable inputs as far as possible. If no observable inputs are available, fair value is determined using valuation techniques.

Fair value is established according to a fair value hierarchy, defined in IFRS 13, that reflects the extent to which market values have been utilised.

- Level 1 inputs: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 inputs: Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of Level 2 financial instruments is determined on the basis of the conditions prevailing at the end of the reporting period, such as interest rates or exchange rates, and using recognised models, such as discounted cash flow or option pricing models.
- Level 3 inputs: Level 3 inputs are inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of these assets and liabilities is determined on the basis of previous transactions, option pricing models, or discounted cash flow models.

Accounting principles: Derivatives and hedge accounting

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised immediately in operating income/expense (for example, foreign currency derivatives for customer orders) or in other financial income/expense (for example, foreign currency hedges for net liquidity items), depending on the underlying risk.

During 2024 and 2023 Scania has not applied hedge accounting. Scania considers that it is hedged economically, and risk management follows the financial policy approved by the Board.

Derivatives are carried according to Level 2. The fair value is calculated using a valuation technique that consists of estimating the present value of future cash flows based on observable yield curves. The yield curve applied is derived from relevant listed yields for the respective period during which cash flows are received or paid. The derivatives are recognised under other non-current assets, other current assets, other non-current liabilities and other current liabilities.

Equity instruments are carried according to level 3 of the fair value hierarchy. These equity investments largely comprise shares in unlisted companies for which there is no active market. The fair value of the investment in Northvolt AB has been measured to zero due to Northvolt AB's financial difficulties in 2024. Due to the small carrying amount of these investments, a change in unobservable inputs would not result in a significantly lower or higher fair value of the instruments. The non-current interest-bearing receivables are convertible loans measured at fair value through profit or loss and categorised within Level 3 of the fair value hierarchy, as assumptions are made regarding the various conversion scenarios and their probability of occurrence. Any change in the unobservable inputs would not result in any significant change in the fair value of any of the instruments.

Changes in balance sheet items measured at fair value based on level 3

	Financial assets categorised within level 3 2024	Financial assets categorised within level 3 2023
1 January	1,824	1,312
Fair value changes in “Fair value adjustment equity instruments” recognised in “Other comprehensive income”	–863	13
Fair value changes in "Total financial items" recognised in profit or loss	10	52
Acquisitions	194	699
Disposals	–499	–
Reclassifications	–28	–245
Currency translation differences	12	–7
Carrying amount, 31 December	**650**	**1,824**

There were no transfers between the levels of the fair value hierarchy in 2024 or the previous year.

Net gains/losses on financial assets and liabilities measured at fair value

	2024	2023
Net gains/losses:		
Financial assets and liabilities measured at fair value through profit or loss	–167	–549

Net gains and losses on financial assets and liabilities measured at fair value through profit or loss are mainly due to currency rate differences related to derivatives arising from Scania's treasury unit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 28 – FINANCIAL INSTRUMENTS, CONTINUED

Accounting policies: Financial assets and liabilities measured at amortised cost

Financial assets in the Scania Group consist of trade receivables from independent dealerships and end customers in the Vehicles and Services segment, short-term investments, and cash and cash equivalents. Scania's financial liabilities consist largely of loans to fund capital employed.

As a rule, primary financial assets and liabilities are initially recognised at cost, plus or minus transaction costs. Primary financial assets and liabilities are subsequently measured at amortised cost. Amortised cost is the amount at which financial assets or liabilities are measured at initial recognition, minus any principal repayments, plus or minus the cumulative amortization of any difference between the original amount and the amount repayable at maturity, amortised using the effective interest method. In the case of financial assets, the amount is adjusted for any loss allowances.

If fair value is disclosed for financial assets and liabilities measured at amortised cost, it is calculated by discounting, using a market rate of interest for a similar risk and matching maturity.

The Group always recognises lifetime expected credit losses (ECLs) for trade receivables, which is in line with the simplified approach. The lifetime ECL is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The provision rates depend on the number of days a receivable is past due:

- Not impaired and not past due: 1.0% of the receivable
- Up to 30 days past due: 1.5% of the receivable
- 31 to 90 days past due: 2.0% of the receivable
- More than 91 days past due: 3.0% of the receivable

For all other financial instruments, the Group recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition, which is in line with the general approach. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. The assessment of whether lifetime ECLs should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. In this assessment, the Group considers both quantitative and qualitative data that are reasonable and verifiable, including historical experience and long-term data that are available without unreasonably high costs or efforts. Irrespective of the outcome of the assessment whether there has been a significant increase in credit risk, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition at the latest when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Financial instruments are assigned to one of three credit risk stages:

- Stage 1: Financial instruments at initial recognition and no significant increase in credit risk
- Stage 2: Significant changes in credit risk on the basis of the lifetime expectation of the underlying contract
- Stage 3: Impaired financial instruments

The assignment to the different stages is evaluated on every reporting period. A financial asset is credit-impaired when one or more events have occurred that have a detrimental impact on the estimated future cash flow, such as a default. The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure of default.

For financial assets, expected credit losses are calculated as the present value of the difference between all contractual cash flows payable to the Scania Group under the terms of the contract and all cash flows that the Group expects to receive. If, based on the internal risk management and control systems, there are no grounds for assuming that there will be an increase in credit risk at an earlier point in time, there is a rebuttable presumption in the Scania Group that default has occurred if payments are more than 90 days past due. Appropriate groupings are made when determining the expected credit losses. The financial asset is always derecognised if there are no longer any reasonable expectations that it is collectible.

The loss allowance for the subsequent measurement of Stage 4 financial instruments is measured as the cumulative change in lifetime expected credit loss. These instruments are not reclassified from Stage 4.

Fair value of financial instruments such as trade receivables, trade payables and other non-interest-bearing financial assets and liabilities that are recognised at amortised cost is regarded as coinciding with the carrying amount. With the exception of cash and cash equivalents, financial assets and liabilities carried at amortised cost have mainly been valued according to level 2. Cash and cash equivalents are valued according to level 1. Financial liabilities carried at level 1 are public bonds traded in an active market.

Impairment losses on assets occur only when there is reason to believe that the counterparty will not fulfil its contractual obligations, not as a consequence of changes in market interest rates.

Net gains/losses on financial assets and liabilities measured at amortised cost

	2024	2023
Net gains/losses:		
Financial assets measured at amortised cost	–1,495	108
Financial liabilities measured at amortised cost	–913	–573
Total	**–2,408**	**–465**

Gains and losses due to currency rate differences related to loan receivables and borrowings mainly arise in Scania's treasury unit. Most of the loan receivables that give rise to currency rate differences comprise the treasury unit's receivables from Group companies.

Interest income and expenses on financial assets and financial liabilities measured at amortised cost

	2024	2023
Interest income on financial assets	5,314	6,400
Interest expenses on financial liabilities	–3,272	–3,767
Total	**2,042**	**2,633**

The reason why income diverges from recognised net interest income in financial net is largely that interest income and interest expenses attributable to pensions, leasing and buybacks are excluded.

Accounting policies: Offsetting financial assets and liabilities

Financial assets and financial liabilities are generally reported at their gross carrying amounts. They are only offset if the Group currently has a legally enforceable right to offset the recognised amounts and intends to do so.

Financial assets and liabilities that can be offset against each other consist of derivatives covered by legally binding master netting agreements. Carrying amounts of assets and liabilities amounted to SEK 3,920 m. (2,045) and SEK –3,688 m. (–2,819). The amount that can be offset from each amount was SEK 3,001 m. (1,661).

Reported balances related to TRATON Financial Services remaining assets and liabilities in Scania's cash pool amount per 31 December 2024 to SEK 1,323 m. (8,302) and SEK 216 m. (107).

NOTE 29 – EVENTS AFTER THE REPORTING PERIOD

No material events have occurred after the end of the financial year that are expected to have a material effect on the Group's financial statements.

NOTE 30 – ITEMS AFFECTING COMPARABILITY

In 2023 Scania decided to close down the part of the plant in Słupsk, Poland, which was producing bus bodies for Scania chassis. The decision resulted in impairments of assets and restructuring costs which are classified as items affecting comparability. Expenses for 2024 amounted to SEK 81 m. This decision will not affect chassis production in Słupsk nor other Scania entities in Poland.

During 2024 expenses for civil claims from customers amounted to SEK 1,162 m. The costs are related to specific jurisdictions or cases where it is currently possible to make a realistic estimation of the probability of an outflow of resources.

Scania Group, SEK m.	2024	2023
Civil claims	–1,162	–256
Impairment and capital loss in Russia, Vehicles and Services	0	6
Bus production Poland	–81	–928
Total items affecting comparability within Operating income	**–1,243**	**–1,178**
Tax effect	256	237
Total items affecting comparability within Net income	**–987**	**–941**
Items affecting comparability within Net income from discontinued operations	**0**	**–1,012**
Total items affecting comparability within Net income from the Group	**–987**	**–1,953**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31 – SHARES AND PARTICIPATIONS IN SUBSIDIARIES

The following listing shows shareholdings owned directly and indirectly by the Parent Company as of 31 December 2024:

Company	Corporate ID no.	Registered office	Country	% Ownership
Bilmetro Lastbilar i Hudiksvall AB	556564-2377	Gävle	Sweden	100
Fastighetsbolaget Bärgningsbilen 2 Örebro AB	556600-6416	Stockholm	Sweden	100
Vita Gjuteriets Fastighetsbolag AB	559348-5773	Stockholm	Sweden	100
Stop 134 AB	559129-4516	Stockholm	Sweden	100
Fastighetsbolaget Gilltuna Västerås AB	556810-1942	Stockholm	Sweden	100
Fastighetsbolaget Fluoret AB	559072-7698	Stockholm	Sweden	100
Fastighetsaktiebolaget Flygmotorn	556528-9112	Södertälje	Sweden	100
Fastighetsaktiebolaget Hjulnavet	556084-1198	Södertälje	Sweden	100
Fastighetaktiebolaget Vindbron	556040-0938	Södertälje	Sweden	100
HTD i Oskarshamn AB	556707-3472	Södertälje	Sweden	100
Kai Tak Holding AB	556548-4739	Södertälje	Sweden	100
LOTS Group AB	556593-3057	Södertälje	Sweden	100
Metrobus Aktiebolag	556328-8165	Gävle	Sweden	100
MW-hallen Restaurang AB	556616-7747	Södertälje	Sweden	100
Mälardalens Tekniska Gymnasium AB	556548-4754	Södertälje	Sweden	80
Scania Bus Financing AB	556728-9433	Södertälje	Sweden	100
Scania CV AB	556084-0976	Södertälje	Sweden	100
Scania China Holding AB	559405-5435	Södertälje	Sweden	100
Scania DCS AB	559455-0625	Södertälje	Sweden	100
Scania Delivery Center AB	556593-2976	Södertälje	Sweden	100
Scania Growth Capital AB	559090-6524	Södertälje	Sweden	90.10
Scania Growth Capital II AB	559337-6626	Södertälje	Sweden	90.10
Scania Industrial Maintenance AB	556070-4818	Södertälje	Sweden	100
Scania Invest AB	559456-1549	Södertälje	Sweden	100
Scania Overseas AB	556593-2984	Södertälje	Sweden	100
Scania Real Estate Lund AB	556791-9823	Södertälje	Sweden	100
Scania Real Estate Services AB	556593-3024	Södertälje	Sweden	100
Scania Sales and Services AB	556593-3073	Södertälje	Sweden	100
Scania Sverige AB	556051-4621	Södertälje	Sweden	100
Scania Transportlaboratorium AB	556528-9294	Södertälje	Sweden	100
Scania Treasury AB	556528-9351	Södertälje	Sweden	100
Scania Trucks & Buses AB	556267-1585	Södertälje	Sweden	100
Scania Vabis 118 AB	556387-4659	Värnamo	Sweden	100
Sågverket 6 AB	556528-9062	Södertälje	Sweden	100
Uppsala Danmark-Säby 8:1 AB	556763-6880	Gävle	Sweden	100
Vabis Försäkringsaktiebolag	516401-7856	Södertälje	Sweden	100
Vindbron Arendal AB	556822-2367	Södertälje	Sweden	100
Laxå Specialvehicles AB	556548-4705	Laxå	Sweden	100
Ferruform AB	556528-9120	Luleå	Sweden	100
Scania Argentina S.A.	30-51742430-3	Buenos Aires	Argentina	100
Scania Australia Pty Ltd.	537333	Melbourne	Australia	100
Scania Real Estate Österreich GmbH	FN95419y	Brunn am Gebirge	Austria	100
Scania Österreich GmbH	FN366024x	Brunn am Gebirge	Austria	100
Scania Belgium N.V.	BE0402.607.507	Neder-Over-Heembeek	Belgium	100
Scania Real Estate Belgium N.V.	BE0423.251.481	Neder-Over-Heembeek	Belgium	100

Company	Corporate ID no.	Registered office	Country	% Ownership
Scania BH d.o.o.	4200363460007	Sarajevo	Bosnia-Herzegovina	100
Scania Botswana (Pty) Ltd.	CO.2000/6045	Gaborone	Botswana	100
Codema Comercial e Importadora Ltda.	60.849.197/0001-60	Guarulhos	Brazil	99.98
LOTS Latin América Logística de Transportes Ltda.	29.094.173/0001-06	São Bernardo do Campo	Brazil	100
Scania Latin America Ltda.	59.104.901/0001-76	São Bernardo do Campo	Brazil	100
Scania Bulgaria EOOD	BG121796861	Sofia	Bulgaria	100
Scania Real Estate Bulgaria EOOD	BG201589120	Sofia	Bulgaria	100
LOTS Ventures Canada Inc.	BC1306486	Victoria British Columbia	Canada	80
Scania Chile S.A.	96.538.460-K	Santiago de Chile	Chile	100
LOTS Chile S.p.A	77.418.964-5	Santiago de Chile	Chile	100
Lots Logistics (Guangxi) Co.Ltd.	32956526-9	Beihai, Guangxi Province	China	100
Qingdao Sinoform Auto Parts Comp Ltd.	91370282MADM5NN31A	Qingdao City	China	74
Scania Research & Development (Jiangsu) Co., Ltd.	91320682MAD9YYX15Q	Rugao City	China	100
Scania Production (China) Co., Ltd.	91360924754233361N	Rugao City	China	100
Shanghai Tedatong Heavy Duty Truck Sales Co., Ltd.	91310000MADHC98W9F	Shanghai	China	100
Scania Sales (China) Co.Ltd.	110000450001661	Beijing	China	100
Scania Sales and Service (Guangzhou) Co,. Ltd.	440101400126397	Guangzhou	China	100
Scania (Hong Kong) Ltd.	1205987	Hong Kong	China	100
Scania Colombia S.A.S.	900.353.873-2	Bogotá	Colombia	100
Scania Cote D'Avoir SA	CI-2024-0011821 V	Abidjan	Cote D'avoir	100
Scania Hrvatska d.o.o.	80213913	Zagreb	Croatia	100
Scania Czech Republic s.r.o.	CZ61251186	Praha	Czech Republic	100
Scania Real Estate Czech Republic s.r.o.	24196746	Praha	Czech Republic	100
Scania Danmark A/S	DK17045210	Ishøj	Denmark	100
Scania Danmark Ejendom Aps	33156332	Ishøj	Denmark	100
Scania Eesti AS	10238872	Tallinn	Estonia	100
Scania Real Estate Finland Oy	2559582-1	Helsinki	Finland	100
Scania Real Estate Holding Oy	2566377-5	Helsinki	Finland	100
Scania Suomi Oy	0202014-4	Helsinki	Finland	100
Erinion S.A.S.	934874173	Lyon	France	100
Scania France S.A.S.	307166934	Angers	France	100
Scania Holding France S.A.S.	403092786	Angers	France	100
Scania IT France S.A.S.	412282626	Angers	France	100
Scania Production Angers S.A.S.	378442982	Angers	France	100
Scania Real Estate France S.A.S.	78961241300011	Angers	France	100
Tachy Experts S.A.S	824579163	Angers	France	100
Erinion GmbH	HRB 105884	Düsseldorf	Germany	100
LOTS Germany GmbH	HRB 29133	Koblenz	Germany	100
Scania CV Deutschland Holding GmbH	HRB 6077	Koblenz	Germany	100
SCANIA DEUTSCHLAND GmbH	HRB 532	Koblenz	Germany	100
SCANIA Real Estate Deutschland Holding GmbH	HRB 23798	Koblenz	Germany	100
SCANIA Vertrieb und Service GmbH	HRB 20490	Koblenz	Germany	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 31 – SHARES AND PARTICIPATIONS IN SUBSIDIARIES, CONTINUED

Company	Corporate ID no.	Registered office	Country	% Ownership
Scania West Africa Ltd.	CS450862014	Accra	Ghana	100
Erinion Ltd	15909929	Milton Keynes	Great Britain	100
Scania Great Britain Ltd.	831017	Milton Keynes	Great Britain	100
Scania Real Estate (UK) Ltd.	7648886	Milton Keynes	Great Britain	100
Griffin Automotive Ltd.	27922106	Road Town	Great Britain	100
Scania Hungaria Kft.	10415577	Biatorbágy	Hungary	100
Scania Real Estate Hungaria Kft.	13-09-159119	Biatorbágy	Hungary	100
Scania Commercial Vehicles India Pvt. Ltd.	U35999KA2011FTC05698	Bangalore	India	100
SST Sustainable Transport Solutions India Private Ltd	U74999MH2017PTC29098	Nagpur	India	99.99
PT Scania Parts Indonesia	AHU-09655.40.10.2014	Balikpapan	Indonesia	100
Italscania S.p.A.	11749110158	Trento	Italy	100
Scania Commerciale S.p.A.	IT 01184460226	Trento	Italy	100
Scania Milano S.p.A.	IT 02170120220	Trento	Italy	100
N.W.S. S.r.L.	IT 1541500227	Trento	Italy	52.5
Scania Japan Ltd.	0104-01-083452	Tokyo	Japan	100
Scania Central Asia LLP	84931-1910-TOO	Almaty	Kazakhstan	100
Scania East Africa Ltd.	PO51426902Z	Nairobi	Kenya	100
Scania Real Estate Kenya Ltd.	PVT-XYUME96	Nairobi	Kenya	100
Scania Latvia SIA	50003118401	Riga	Latvia	100
UAB Scania Lietuva	123873025	Vilnius	Lithuania	100
Scania Luxembourg S.A.	B53.044	Münsbach	Luxembourg	100
Scania Real Estate Holding Luxembourg S.àr.l	B160795	Münsbach	Luxembourg	100
Scania (Malaysia) Sdn. Bhd.	518606-D	Shah Alam	Malaysia	100
Scania Comercial, S.A. de C.V.	SCO031124MF5	Queretaro	Mexico	100
Scania Servicios, S.A. de C.V.	SSE031124MF5	Queretaro	Mexico	100
Scania Maroc S.A.	6100472	Casablanca	Morocco	100
Scania Moçambique, S.A.	100453150	Beira	Mozambique	100
Scania Crna Gora d.o.o	50950351	Danilovgrad	Montenegro	100
Scania Namibia (Pty) Ltd.	2004/438	Windhoek	Namibia	100
Scania New Zealand Limited	9429047066823	Wellington	New Zealand	100
Scania Real Estate New Zealand Limited	9429051425609	Auckland	New Zealand	100
Scania Makedonija d.o.o.e.l	7027532	Ilinden	North Macedonia	100
Erinion A/S	833792342	Oslo	Norway	100
Norsk Scania A/S	879263662	Oslo	Norway	100
Norsk Scania Eiendom A/S	996036545	Oslo	Norway	100
Scania del Perú S.A.	20101363008	Lima	Peru	100
Scania Real Estate Polska Sp.z o.o.	435941	Nadarzyn	Poland	100
Scania Production Slupsk S.A.	KRS0000083601	Slupsk	Poland	100
Scania Portugal Unipessoal Lda.	PT502929995	Santa Iria de Azóia	Portugal	100
Scania Investimentos Imobiliários S.A.	PT508948118	Vialonga	Portugal	100
Scania Real Estate Romania S.R.L.	J23/2019/29.07.2011	Ciorogârla	Romania	100
Scania Romania S.R.L.	J23/588/27.04.2004	Ciorogârla	Romania	100
Scania Senegal SUARL	SN.DKR.2018.B.25840	Dakar	Senegal	100
Scania Srbija d.o.o.	17333321	Krnjesevci	Serbia	100
Scania Singapore Pte. Ltd.	200309593R	Singapore	Singapore	100

Company	Corporate ID no.	Registered office	Country	% Ownership
Scania Real Estate Slovakia s.r.o.	44767668	Senec	Slovakia	100
Scania Slovakia s.r.o.	35826649	Senec	Slovakia	100
Scania Slovenija d.o.o.	1124773	Ljubljana	Slovenia	100
Scania South Africa Pty Ltd.	1995/001275/07	Aeroton	South Africa	100
Scania Korea Group Ltd.	110111-5304681	Seoul	South Korea	100
Scania Hispania S.A.	A59596734	San Fernando de Henares	Spain	100
Scania Real Estate Hispania, S.L.U.	B36682003	San Fernando de Henares	Spain	100
SLA Treasury Spain S.L.U	B67626788	Barcelona	Spain	100
Scania Schweiz AG	CH-020.3.926.624-8	Kloten	Switzerland	100
Scania Real Estate Schweiz AG	CH-020.3.035.714-4	Kloten	Switzerland	100
Scania Tanzania Ltd.	39320	Dar es Salaam	Tanzania	100
Power Vehicle Co. Ltd.	1055547132895	Bangkok	Thailand	100
Scan Siam Service Co. Ltd.	105545023525	Bangkok	Thailand	100
Scania Siam Co Ltd.	105543060121	Bangkok	Thailand	100
Scania Thailand Co Ltd.	105534098031	Bangkok	Thailand	100
Scania Group (Thailand) Co., Ltd.	115560001383	Smutprakarn	Thailand	100
Scania Manufacturing (Thailand) Co., Ltd.	115560001375	Smutprakarn	Thailand	100
Erinion B.V.	59609737	Amsterdam	The Netherlands	100
Scania Nederland B.V.	27136821	Breda	The Netherlands	100
Scania Real Estate The Netherlands B.V.	50687921	Breda	The Netherlands	100
Scania Production Meppel B.V.	5046846	Meppel	The Netherlands	100
Scania IT Nederland B.V.	5062402	Zwolle	The Netherlands	100
Scania Logistics Netherlands B.V.	56552793	Zwolle	The Netherlands	100
Scania Production Zwolle B.V.	5020370	Zwolle	The Netherlands	100
Scania Middle East FZE	150175	Dubai	The United Arab Emirates	100
TOV Kyiv-Scan	35706433	Kyiv	Ukraine	100
TOV Scania Ukraine	30107866	Kyiv	Ukraine	100
TOV Scania-Lviv	37497108	Lviv	Ukraine	100
TOV Donbas-Scan-Service	34516735	Makijivka	Ukraine	100
LOTS Ventures USA Inc.	87-3364676	Wilmington/DE	United States	70
LOTS SPV USA LLC	87-3375105	Wilmington/DE	United States	70
Bellwether Forest Products LLC	81-336588	Camden/ SC	United States	100
Scania USA Inc.	06-1288161	San Antonio/TX	United States	100
Scania Holding Inc.	4019619	Wilmington/DE	United States	100
Scania Americas S.A.	21.490591.0012	Montevideo	Uruguay	100
Scania de Venezuela S.A.	J-30532829-3	Valencia	Venezuela	100

Dormant companies are not included.

PARENT COMPANY FINANCIAL STATEMENTS, SCANIA AB

Income statement

January–December, SEK m.	Note	2024	2023
Administrative expenses		–	–
Operating income		–	–
Financial income and expenses	1	20,745	6,215
Income after financial items		20,745	6,215
Group contributions		–9	–24
Taxes		–	–
Net income		**20,736**	**6,191**

Statement of other comprehensive income

January–December, SEK m.	2024	2023
Net income	20,736	6,191
Other comprehensive income	–	–
Total comprehensive income	**20,736**	**6,191**

Balance sheet

31 December, SEK m.	Note	2024	2023
Assets			
Financial non-current assets			
Shares in subsidiaries	2	8,435	8,435
Current assets			
Due from subsidiaries	3	21,191	7,026
Due from parent company		990	1,332
Total assets		**30,616**	**16,793**
Shareholders' equity	4		
Restricted equity			
Share capital		2,000	2,000
Statutory reserve		1,120	1,120
Unrestricted shareholders' equity			
Retained earnings		6,760	7,482
Net income		20,736	6,191
Total shareholders' equity		**30,616**	**16,793**
Current liabilities			
Interest-bearing liabilities		–	–
Total equity and liabilities		**30,616**	**16,793**

PARENT COMPANY FINANCIAL STATEMENTS, SCANIA AB

Statement of changes in equity

	Restricted equity			
2024 (SEK m.)	Share capital	Statutory reserve	Unrestricted shareholders' equity	Total
Equity, 1 January	2,000	1,120	13,673	16,793
Total comprehensive income for the year	–	–	20,736	20,736
Capital contribution	–	–	990	990
Dividend	–	–	–7,903	–7,903
Equity, 31 December 2024	**2,000**	**1,120**	**27,496**	**30,616**

	Restricted equity			
2023 (SEK m.)	Share capital	Statutory reserve	Unrestricted shareholders' equity	Total
Equity, 1 January	2,000	1,120	21,950	25,070
Total comprehensive income for the year	–	–	6,191	6,191
Capital contribution	–	–	1,332	1,332
Dividend	–	–	–15,800	–15,800
Equity, 31 December 2023	**2,000**	**1,120**	**13,673**	**16,793**

Cash flow statement

January–December, SEK m.	Note	2024	2023
Operating activities			
Income after financial items		20,745	6,215
Items not affecting cash flow		–9	–24
Taxes paid		–	–
Cash flow from operating activities before change in working capital		**20,736**	**6,191**
Cash flow from change in working capital			
Receivable subsidiaries		–14,165	8,595
Receivable parent company		342	–318
Cash flow from operating activities		**6,913**	**14,468**
Investing activities			
Shareholders' contribution paid		–	–
Cash flow from investing activities		**–**	**–**
Total cash flow before financing activities		–	–
Financing activities			
Shareholders' contribution received		990	1,332
Dividend paid		–7,903	–15,800
Cash flow from financing activities		**–6,913**	**–14,468**
Cash flow for the year		**0**	**0**
Cash and cash equivalents, 1 January		**0**	**0**
Cash and cash equivalents, 31 December		**0**	**0**

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS, SCANIA AB

Amounts in the tables are reported in millions of Swedish kronor (SEK m.), unless otherwise stated. A presentation of the Parent Company's accounting policies is found in Note 1 "Basis of preparation" to the consolidated financial statements. Taking into account that the operations of the Parent Company consist exclusively of share ownership in Group companies, aside from the notes below, the Scania Group's Report of the Directors and notes otherwise apply where appropriate.

Parent Company

Parent Company accounting policies

The Parent Company has prepared its Annual Report in compliance with Sweden's Annual Accounts Act and Recommendation RFR 2, "Accounting for Legal Entities" of the Swedish Corporate Reporting Board. RFR 2 implies that the Parent Company in the Annual Report of a legal entity shall apply all IFRS Accounting standards and interpretations approved by the EU as far as this is possible within the framework of the Annual Accounts Act and taking into account the relationship between accounting and taxation. The recommendation states what exceptions to IFRS and additions shall or may be made.

Financial Instruments

The Parent Company does not apply IFRS 9 Financial instruments, but instead applies a cost-based method in accordance with the Annual Accounts Act. The scope of financial instruments in the accounts of the Parent Company is limited. The reader is thus referred to the Group's disclosures related to IFRS 7, "Financial instruments – Disclosures".

Leases

The Parent Company does not apply IFRS 16 Leases, instead expenses relating to lease contracts for which the parent company is the lessee are expensed as incurred.

Subsidiaries

Holdings in subsidiaries are recognised in the Parent Company financial statements according to the cost method of accounting. Testing of the carrying value of subsidiaries occurs when there is an indication of a decline in value. Dividends received from subsidiaries are recognised as income.

Anticipated dividends

Anticipated dividends from subsidiaries are recognised when the Parent Company has the exclusive right to decide on the size of the dividend and the Parent Company has made a decision on the size of the dividend before having published its financial reports.

Taxes

The Parent Company financial statements recognise untaxed reserves including deferred tax liability. The consolidated financial statements, however, reclassify untaxed reserves to deferred tax liability and equity. Correspondingly, no allocation of part of the appropriations is made to deferred tax expense in the Parent Company's income statement.

Group contributions

The Parent Company recognises Group contributions received and provided as appropriations in the income statement.

NOTE 1 – FINANCIAL INCOME AND EXPENSES

	2024	2023
Interest income from subsidiaries	36	88
Dividend	20,700	6,100
Other	9	27
Total	**20,745**	**6,215**

NOTE 2 – SHARES IN SUBSIDIARIES

			Carrying amount	
Subsidiary / Corporate ID number/registered office	Ownership %	Thousands of shares	2024	2023
Scania CV AB, 556084-0976, Södertälje	100.0	1,000	8,435	8,435
Total			**8,435**	**8,435**

Scania CV AB is a public company and parent company of the Scania CV Group, which includes all production and sales and service companies in the Scania AB Group.

NOTE 3 – DUE FROM SUBSIDIARIES

	2024	2023
Current interest-bearing receivable from Scania CV AB	21,191	7,026
Total	**21,191**	**7,026**

The receivables are in SEK, so there is no currency risk.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS, SCANIA AB

NOTE 4 – EQUITY

For changes in equity, see the equity statement.

Under Swedish law, equity shall be allocated between non-distributable (restricted) and distributable (unrestricted) funds.

Restricted equity consists of share capital plus statutory reserve. Scania AB has 400,000,000 Series A shares outstanding with voting rights of one vote per share and 400,000,000 Series B shares outstanding with voting rights of 1/10 vote per share. A and B shares carry the same right to a portion of the company's assets and profit. The nominal value of both A and B shares is SEK 2.50 per share.

All shares are fully paid and no shares are reserved for transfer of ownership. No shares are held by the company itself or its subsidiaries.

NOTE 5 – CONTINGENT LIABILITIES

	2024	2023
Loan guarantees on behalf of borrowings in Scania CV AB	20,881	28,557
Total	**20,881**	**28,557**

NOTE 6 – SALARIES AND REMUNERATION TO BOARD OF DIRECTORS, EXECUTIVE OFFICERS AND AUDITORS

The Board of Directors, the President and CEO of Scania AB and the other executive officers hold identical positions in Scania CV AB. Wages, salaries and other remuneration are paid by Scania CV AB. The reader is therefore referred to the notes to the consolidated financial statements: Note 23, "Wages, salaries and other remuneration and number of employees" and Note 25, "Compensation to executive officers". Compensation of SEK – (–) m. was paid to EY as auditors with respect to the Parent Company.

NOTE 7 – TRANSACTIONS WITH RELATED PARTIES

Scania AB is a wholly owned subsidiary of TRATON Sweden AB, Corp. Reg. No. 559321-4629, Reg. office Södertälje.

The Annual and Sustainability Report of the TRATON GROUP can be found at www.volkswagenag.com

Transactions with related parties consist of dividends paid and shareholders contribution received to and from TRATON Sweden AB. Dividends in 2024 amounted to SEK 7,903 m. (15,800). Received shareholders contribution in 2024 amounted to SEK 990 m. (1,332).

PROPOSED DISTRIBUTION OF EARNINGS

The Board of Directors proposes to the 2025 Annual General Meeting that no dividend is distributed to the shareholders.

Amounts in SEK m.	
Retained earnings	6,760
Net income for the year	20,736
Other comprehensive income for the year	–
Total	**27,496**
Shall be distributed as follows:	
To the shareholders, a dividend of SEK m.	–
To be carried forward	27,496
Total	**27,496**

After implementing the proposed distribution of earnings, the equity of the Parent Company, Scania AB, is as follows:

Amounts in SEK m.	
Share capital	2,000
Statutory reserve	1,120
Retained earnings	27,496
Total	**30,616**

The undersigned certify that the consolidated accounts and the annual accounts have been prepared in accordance with IFRS Accounting Standards, as adopted for use in the European Union, and generally accepted accounting policies respectively, and give a true and fair view of the financial positions and results of the Group and the Parent Company, and that the Report of the Directors for the Group and the Parent Company gives a true and fair review of the development of the operations, financial positions and results of the Group and the Parent Company and describes substantial risks and uncertainties faced by the companies in the Group. The Annual Report also contains the Group's and Parent Company's sustainability reporting in accordance with the Swedish Annual Accounts Act, Chapter 6, Section 11, see page 102.

The annual accounts and the consolidated financial statements and the Group's and Parent Company's sustainability reporting were approved for issuance by the Board of Directors on 5 March 2025. The consolidated income statement and balance sheet and the Parent Company income statement and balance sheet will be subject to adoption by the Annual General Meeting on 24 April, 2025.

As of the date of the electronic signature.

Christian Levin
Board member
President and CEO

Michael Jackstein
Chairman of the Board

Gunnar Kilian
Board member

Julia Kuhn-Piëch
Board member

Nina Macpherson
Board member

Christian Porsche
Board member

Mark Philipp Porsche
Board member

Stephanie Porsche-Schröder
Board member

Lilian Fossum Biner
Board member

Peter Wallenberg Jr
Board member

Mari Carlquist
Board member
Employee Representative

Lisa Lorentzon
Board member
Employee Representative

Mikael Johansson
Board member
Employee Representative

Michael Lyngsie
Board Member
Employee Representative

Our Audit Report was submitted as of the date of the electronic signature.
Ernst & Young AB

Heléne Siberg Wendin
Authorised Public Accountant

AUDITOR'S REPORT

This is a translation from the swedish original

To the general meeting of the shareholders of Scania AB (publ), corporate identity number 556184-8564

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Scania AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 116–165 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 24–81. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

AUDITOR'S REPORT

Revenue recognition for vehicles delivered with residual value commitment and allocation of revenue for service contracts

Description	How our audit addressed this key audit matter
Scania is a global group operating in several geographic markets and with multiple different customer offerings, which include sales with repurchase commitments as well as service contracts. For vehicles that Scania deliver with repurchase commitments revenues are recognized as operational leasing over the contracted duration of the commitment since the control is assessed to remain with Scania. Assessments and estimates are required for Scania to determine the value of the repurchase commitment and thus also the revenue to be recognized over time. For service and repair contracts, revenues are recognized as the work is performed, based on costs incurred in relation to total estimated costs. This requires management's assessment and estimate in terms of the time of completion and the total estimated cost. Scania has in its accounting manual developed instructions and models for how revenues should be recognized over time and is followed by the whole group. Disclosures of accounting principles and disclosures are set out in Note 5 Revenues, Note 17 Other provisions and in Note 18 Accrued expenses and deferred income. Due to the need for significant estimates and assessments by the company to evaluate and account for repurchase commitments and service and repair contracts, we have assessed this as a Key Audit Matter in our audit.	In our audit, we have assessed the company's processes for revenue recognition. Furthermore, we have evaluated the accounting principles applied based on current accounting standards and reviewed whether the accounting policies have been applied consistently throughout the Group. We have reviewed the company's material assumptions and assessments in the calculation models applied within the Group. Our work includes, but is not limited to, the following audit procedures: • Tested the models for clerical accuracy and assessed the assumptions/estimates used to recognize revenues over time. • Tested input data to the models against underlying contracts and tested the completeness of the models. • Reconciliation of models to carrying amounts in the income statement and balance sheet. We have also assessed the appropriateness of the disclosures made in the annual report.

Monitoring of private enforcement risks and related provisioning

Description	How our audit addressed this key audit matter
In 2011, the European Commission initiated investigations related to suspicion of breaches of European antitrust law in the European truck sector. Scania was fined by EUR 880.5m in a decision by the European Commission on 27 September 2017. The amount was paid in full in 2022. Following the decision by the European Commission, a large number of (direct and indirect) customers in various jurisdictions initiated or joined lawsuits against Scania. The claims differ significantly in scope. Furthermore, some truck customer damages claims have been combined in class actions or through claim aggregators to which the truck customers assigned their respective damages claims. Disclosures of accounting principles and other disclosures are set out in Note 17 Other provisions and Note 30 Items affecting comparability. As part of our audit, we determined monitoring of private enforcement risks and related provisioning to be a key audit matter because the risk assessment and the amount of the provision to cover the aforementioned risks from civil proceedings are subject to a high level of estimates and assumptions made by management.	In our audit, we obtained an understanding of the process installed by the company to deal with the facts of the civil lawsuits. We discussed with management and the company's legal department the estimates and assumptions made. We also discussed the development in the various countries arising from new judgments or additional claims with the management and external lawyers. In addition, we obtained declarations from external lawyers and addressed the significant topics and developments in discussions with the external lawyers. Where provisions were recognised for individual cases or in some countries, we reperformed the calculations and checked the underlying assumptions against information from external lawyers and relevant documents.

AUDITOR'S REPORT

Other Information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–96 and 170–176. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

AUDITOR'S REPORT

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Scania AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

As of the date of the electronic signature

Ernst & Young AB

Helene Siberg Wendin
Authorized Public Accountant

KEY FINANCIAL RATIOS AND FIGURES

Scania presents certain performance measures that are used to explain relevant trends and performance of the Group and its segments, of which not all are defined under IFRS. This is based on the understanding that they convey relevant information about Scania's business.

Scania calculates these figures by making certain adjustments to balance sheet or income statement items. As these performance measures are not uniformly defined by all companies, these are not always comparable with the measures used by other companies. These performance measures should therefore not be viewed as substitutes for IFRS-defined measures. The following most important financial and non-financial key performance indicators have been defined for the Scania Group and the Vehicle and Services segment for the fiscal year 2024:

- Operating margin, Scania Group and Vehicles and Services
- Equity to assets ratio, Scania Group
- Net debt/net liquidity, Scania Group and Vehicles and Services
- Net debt/equity ratio, Scania Group and Vehicles and Services
- Capital turnover rate, Vehicles and Services
- Return on capital employed, Vehicles and Services
- Return on operating capital, Vehicles and Services

Some ratios such as operating margin, capital turnover, return on capital employed, return on operating capital, operating capital and capital employed are also presented with an additional calculation "excluding items affecting comparability" as adjusted measures. These ratios and figures are presented with adjustments made in order to ensure transparency of our business performance. The adjustments concern certain items in the financial statements that, in the opinion of Scania, should be presented separately to enable a more appropriate assessment of the financial performance. The items include, one-time events with a material impact on the Scania Group's earnings. See definitions and reconciliations of key performance financial ratios and figures on pages 171–172 and Note 30 "Items affecting comparability".

On 1 April 2023 Scania sold the Financial Services segment to TRATON. Since the Financial Services segment was classified as a discontinued operation the income statement for the year 2022 has been restated. The key ratios and figures have been changed to reflect this.

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Scania Group											
Operating margin, % [2]	13.5	12.2	7.9	7.7	7.1	11.5	10.1	10.1	6.1	10.2	9.5
Adjusted operating margin, % [1,2]	14.1	12.7	8.8	11.3	7.1	11.5	10.1	10.1	9.7	10.2	9.5
Equity/assets ratio, %	36.7	27.2	27.4	26.5	26.1	25.5	27.1	28.3	26.0	26.8	31.4
Net debt (-)/Net cash (+), excl. provisions for pensions, SEK m. [3]	28,815	28,106	11,594	–70,125	–63,356	–75,799	–63,351	–51,581	–49,788	–42,183	–35,780
Net debt/equity ratio [3]	0.31	0.35	0.15	–1.03	–1.03	–1.24	–1.17	–1.03	–1.18	–1.11	–0.86
Vehicles and Services											
Operating margin, % [2]	13.5	12.1	7.7	6.4	6.4	10.8	9.3	9.3	5.2	9.1	8.4
Adjusted operating margin, % [1,2]	14.1	12.7	8.5	10.1	6.4	10.8	9.3	9.3	8.8	9.1	8.4
Capital turnover rate, times	1.92	2.08	2.05	1.90	1.71	2.24	2.44	2.45	2.31	1.99	2.18
Adjusted capital turnover rate, times [1]	1.91	2.08	1.97	1.80	1.62	2.11	2.28	2.28	2.21	1.99	2.18
Return on capital employed, % [2]	31.4	31.5	18.9	14.0	12.9	25.4	24.1	24.4	14.0	19.3	19.9
Adjusted return on capital employed, % [1,2]	32.4	32.6	19.8	19.9	12.2	24.0	22.6	22.7	21.4	19.3	19.9
Return on operating capital, % [2]	42.2	37.6	22.8	20.3	17.3	33.2	31.3	32.5	15.6	25.6	24.5
Adjusted return on operating capital, % [1,2]	43.7	39.2	23.8	29.2	16.0	30.8	28.6	29.3	25.2	25.6	24.5
Net debt (-)/Net cash (+), excl. provisions for pensions, SEK m. [3]	28,765	28,448	11,607	25,520	21,824	17,057	16,926	17,058	10,954	7,579	12,139
Net debt/equity ratio [3]	0.31	0.35	0.16	0.43	0.39	0.32	0.34	0.29	0.31	0.24	0.35

1 Adjusted for the provision related to items affecting comparability, see Note 30 "Items affecting comparability".
2 2017 years figures have been adjusted as a result of the changes in income statement made in 2018.
3 2018 years figures have been adjusted as a result of the changes due to alignment with Volkswagen regarding presentation of cash flow 2019.

KEY FINANCIAL RATIOS AND FIGURES, CONTINUED

Scania Group

Net debt (-)/Net cash (+), excluding provision for pensions	2024	2023
Assets		
Current investments	23,694	1,048
Cash and cash equivalents	9,438	14,984
Borrowing Volkswagen Group	45,370	118,066
Accrued interest current investments	–3	–4
	78,499	**134,094**
Liabilities		
Interest-bearing liabilities, non-current	29,911	67,056
Interest-bearing liabilities, current	20,305	39,828
Accrued interest, Interest-bearing liabilities	–532	–896
	49,684	**105,988**
Net debt (-)/Net cash (+)	**28,815**	**28,106**

Vehicles and Services

Net debt (-)/Net cash (+), excluding provision for pensions	2024	2023
Assets		
Current investments	2,301	17,283
Cash and cash equivalents	8,115	6,682
Borrowing Volkswagen Group	36,072	18,585
Accrued interest current investment	–3	–4
	46,485	**42,547**
Liabilities		
Interest-bearing liabilities, non-current	12,399	9,959
Interest-bearing liabilities, current	5,321	4,140
	17,720	**14,099**
Net debt (-)/Net cash (+)	**28,765**	**28,448**

Adjusted Capital Employed	2024	2023
Total assets	215,150	193,782
– adjusted other non-current provisions + current provisions	10,248	9,228
– other liabilities	91,592	86,037
– net derivatives	–53	–181
Adjusted Capital Employed	**113,363**	**98,698**

Adjusted Operating Capital	2024	2023
Total assets	215,150	193,782
Cash and Cash equivalents	43,608	32,462
Operating liabilities		
– adjusted other non-current provisions + current provisions	10,248	9,228
– other liabilities	91,592	86,037
– net derivatives	–53	–181
Adjusted Operating Capital	**69,755**	**66,237**

Adjusted Return on Capital Employed, %	2024	2023
Adjusted Operating income	30,449	25,991
Financial income	6,261	6,209
Adjusted Capital employed	113,362	98,698
Adjusted Return on Capital Employed, %	**32.4**	**32.6**

Adjusted Capital turnover, times	2024	2023
Net sales	216,129	205,066
Adjusted Capital employed	113,362	98,698
Adjusted Capital turnover, times	**1.91**	**2.08**

Adjusted Return on operating capital, %	2024	2023
Adjusted Operating income	30,449	25,991
Adjusted Operating capital	69,755	66,237
Adjusted Return on operating capital, %	**43.7**	**39.2**

Adjusted Operating margin, %	2024	2023
Adjusted Operating income	30,449	25,991
Net sales	216,129	205,066
Adjusted Operating margin, %	**14.1**	**12.7**

DEFINITIONS

Key figure	Definition	Reason for use
Operating margin	Operating income as a percentage of net sales.	The measure expresses the economic performance of our business activities after accounting for the use of resources. Operating margin measures Scania's profitability.
Adjusted operating margin	Operating income as a percentage of net sales, adjusted for items affecting comparability.	The measure expresses the economic performance of our business activities after accounting for the use of resources. Operating margin measures Scania's profitability.
Equity to assets ratio	Total equity as a percentage of total assets on each respective balance sheet date.	The measure reflects the financial risk showing how much of Scania's total assets that have been financed with equity and is an indicator of financial risk.
Net debt (-)/net cash (+) excluding provision for pensions	Current and non-current interest borrowings (excluding pension liabilities) less cash and cash equivalents, current investments and non-current intra-group loans to Volkswagen entities. A positive value is an indicator of a net cash position.	The measure reflects the financial position by showing the financial liabilities in relation to cash and cash equivalent and current investments.
Net debt/equity ratio	Net debt (-) or net cash (+) in relation to total equity.	This is a measure of Scania's indebtedness and is an indicator of financial risk.
Capital employed	Total assets less operating liabilities.	The measure shows how much of the total assets are used in operations.
Adjusted capital employed	Total assets less operating liabilities, adjusted for items affecting comparability.	The measure shows how much of the total assets are used in operations.
Operating capital	Total assets less cash, cash equivalents and operating liabilities.	The measure reflects cash used in the daily operations of Scania. It indicates the company's ability to meet its short-term obligations and fund its operations.
Adjusted operating capital	Total assets less cash, cash equivalents and operating liabilities, adjusted for items affecting comparability.	The measure reflects cash used in the daily operations of Scania. It indicates the company's ability to meet its short-term obligations and fund its operations.
Capital turnover	Net sales divided by capital employed.	The measure reflects how efficiently Scania manages the capital invested by its shareholders to generate revenues.
Adjusted capital turnover	Net sales divided by capital employed, adjusted for items affecting comparability.	The measure reflects how efficiently Scania manages the capital invested by its shareholders to generate revenues.
Return on capital employed	Operating income plus financial income as a percentage of capital employed.	The measure reflects the return which is generated by the assets that are used in the operations.
Adjusted return on capital employed	Operating income plus financial income as a percentage of capital employed, adjusted for items affecting comparability.	The measure reflects the return which is generated by the assets that are used in the operations.
Return on operating capital	Operating income as a percentage of operating capital.	The measure reflects how profitable Scania's operations are.
Adjusted return on operating capital	Operating income as a percentage of operating capital, adjusted for items affecting comparability.	The measure reflects how profitable Scania's operations are.

Geographical Areas

Europe: Albania, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Montenegro, The Netherlands, North Macedonia, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom.

Eurasia: Georgia, Kazakhstan, Ukraine.

Asia: Bahrain, Bangladesh, Brunei, China, Hong Kong, India, Indonesia, Iran, Iraq, Israel, Japan, Jordan, Kuwait, Laos, Lebanon, Malaysia, Oman, Pakistan, Philippines, Qatar, Saudi Arabia, Singapore, South Korea, Sri Lanka, Syria, Taiwan, Thailand, Türkiye, the United Arab Emirates, Viet Nam, Yemen.

America: Argentina, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Trinidad and Tobago, the United States, Uruguay, Venezuela.

Africa and Oceania: Algeria, Angola, Australia, Botswana, Burkina Faso, Egypt, Ethiopia, Ghana, Guinea, Côte d'Ivoire, Kenya, Mali, Morocco, Mozambique, Namibia, New Caledonia, New Zealand, Nigeria, Senegal, South Africa, Sudan, Tanzania, Tunisia, Uganda, Zambia, Zimbabwe.

MULTI-YEAR STATISTICAL REVIEW

SEK m. unless otherwise stated	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Delivery value by market area											
Europe	136,102	135,796	96,959	88,313	80,349	105,404	91,583	78,869	73,363	65,100	53,211
Eurasia	1,662	1,667	2,553	9,840	6,671	8,162	9,003	7,081	3,291	2,623	5,319
America [1]	48,330	38,450	34,272	23,712	17,216	22,267	17,357	14,348	10,746	11,799	17,648
Asia	16,368	17,577	15,873	13,863	13,556	12,813	14,922	16,708	13,187	13,044	12,155
Africa and Oceania	15,602	14,282	12,280	10,921	8,451	10,872	9,854	8,927	8,358	7,991	6,952
Adjustment for lease income [2]	–1,934	–2,706	1,324	–503	–1,118	–7,099	–5,593	–2,567	–5,018	–5,660	–3,234
Total	**216,129**	**205,066**	**163,260**	**146,145**	**125,125**	**152,419**	**137,126**	**123,366**	**103,927**	**94,897**	**92,051**
Operating income											
Vehicles and Services	29,206	24,813	12,649	9,100	7,764	15,977	12,392	11,160	5,309	8,601	7,705
Financial Services	–	–	–	2,194	1,123	1,511	1,440	1,274	1,015	1,040	1,016
Scania Group [4]	**29,206**	**24,807**	**12,649**	**11,294**	**8,887**	**17,488**	**13,832**	**12,434**	**6,324**	**9,641**	**8,721**
Operating margin, %											
Vehicles and Services	13.5	12.1	7.7	6.4	6.4	10.8	9.3	9.3	5.2	9.1	8.4
– adjusted for items affecting comparability [3]	14.1	12.7	8.5	10.1	6.4	10.8	9.3	9.3	8.8	9.1	8.4
Total [4]	**13.5**	**12.2**	**7.8**	**7.7**	**7.1**	**11.5**	**10.1**	**10.1**	**6.1**	**10.2**	**9.5**
Net financial items	–2,068	–1,564	–153	–478	–1,060	–1,012	–513	–352	–361	–532	–399
Net income for the Group	22,534	17,306	7,858	7,176	5,400	12,384	9,734	8,705	3,243	6,753	6,009
Whereof income from discontinued operations	–	1,448	–854	–	–	–	–	–	–	–	–

SEK m. unless otherwise stated	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Specification of research and development expenses											
Expenditures	–15,446	–12,780	–9,909	–7,458	–6,528	–7,245	–7,602	–6,682	–7,199	–7,043	–6,401
Capitalisation	5,607	2,808	2,314	1,986	1,624	1,788	1,996	1,367	1,682	1,863	1,454
Amortisation	–1,814	–1,264	–1,204	–939	–744	–706	–728	–454	–387	–393	–357
Research and development expenses	**–11,654**	**–11,236**	**–8,799**	**–6,411**	**–5,648**	**–6,162**	**–6,334**	**–5,769**	**–5,904**	**–5,573**	**–5,304**
Net investments through acquisitions(+)/divestments of businesses (–)	–40	–5,605	768	45	27	0	–2	32	0	125	154
Net investments in non-current assets	16,578	12,134	8,280	8,664	8,131	7,518	7,139	5,905	7,864	7,612	5,561
Cash flow, Vehicles and Services	15,826	25,845	–4,516	5,688	9,180	10,994	3,718	5,696	3,427	4,376	4,690
Inventory turnover rate, times [5]	5.5	5.9	5.8	5.9	5.0	5.2	5.2	5.4	5.4	5.3	5.4

1 Refers mainly to Latin America.
2 The adjustment amount consists of the difference between sales value based on delivery and revenue recognised as income. This difference arises when a lease or delivery is combined with a residual value guarantee or a repurchase obligation. Significant risks remain, therefore recognition is based on an operating lease contract. This means that recognition of revenue and earnings is allocated based on the term of the obligation. See also Note 3 "Key judgements and estimates".
3 See Note 30 "Items affecting comparability" for a specification of the adjusted items.
4 Up until 2021 operating income and operating margin include the Financial Services segment.
5 Calculated as net sales divided by average inventory.

MULTI-YEAR STATISTICAL REVIEW, CONTINUED

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of vehicles produced											
Trucks	95,673	97,065	82,827	89,528	67,106	89,276	92,679	87,454	75,452	72,382	75,287
Buses	5,975	5,218	5,315	3,190	5,430	7,719	8,696	8,327	8,488	6,964	6,921
Total	**101,648**	**102,283**	**88,142**	**92,718**	**72,536**	**96,995**	**101,375**	**95,781**	**83,940**	**79,346**	**82,208**
Number of trucks delivered by market area											
Europe	54,787	57,092	43,294	42,365	36,747	58,851	52,016	48,436	49,102	43,082	34,008
Eurasia	1,154	1,159	1,410	7,724	5,148	5,763	8,006	6,748	3,233	2,583	5,964
America [6]	25,513	17,590	21,092	21,201	12,173	14,905	12,725	9,701	7,022	8,118	16,150
Asia	8,913	9,549	9,333	9,649	9,072	7,703	10,464	13,175	9,287	11,514	12,889
Africa and Oceania	6,076	6,262	5,109	4,991	3,759	4,458	4,784	4,412	4,449	4,465	4,004
Total	**96,443**	**91,652**	**80,238**	**85,930**	**66,899**	**91,680**	**87,995**	**82,472**	**73,093**	**69,762**	**73,015**
Number of buses and coaches delivered by market area											
Europe	1,669	1,750	1,344	1,606	1,827	2,099	2,212	2,009	2,094	1,917	1,361
Eurasia	0	0	6	40	84	109	344	365	62	94	105
America [6]	2,807	2,186	2,328	1,526	2,182	3,422	2,805	2,302	2,350	2,123	2,542
Asia	498	631	526	350	582	1,062	2,058	2,821	2,568	1,806	1,620
Africa and Oceania	652	508	790	914	511	1,085	1,063	808	1,179	859	1,139
Total	**5,626**	**5,075**	**4,994**	**4,436**	**5,186**	**7,777**	**8,482**	**8,305**	**8,253**	**6,799**	**6,767**
Total number of vehicles delivered	**102,069**	**96,727**	**85,232**	**90,366**	**72,085**	**99,457**	**96,477**	**90,777**	**81,346**	**76,561**	**79,782**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of industrial and marine engines delivered by market area											
Europe	5,830	7,440	6,305	4,846	3,807	4,150	5,968	3,938	3,272	2,664	2,823
America	2,594	2,538	3,788	2,719	2,439	2,874	2,667	1,368	1,727	3,180	3,176
Other markets	2,746	3,893	3,307	4,221	4,745	3,128	4,174	3,215	2,801	2,641	2,288
Total	**11,170**	**13,871**	**13,400**	**11,786**	**10,991**	**10,152**	**12,809**	**8,521**	**7,800**	**8,485**	**8,287**
Total market for heavy trucks and buses, units											
Europe (EU27) [7]											
Trucks	315,100	342,043	296,671	246,829	231,742	323,357	322,276	303,909	302,527	265,769	223,187
Buses	32,941	31,522	26,382	27,283	26,311	34,393	30,632	29,728	29,141	27,928	24,815
Number of employees December 31 [8]											
Production and corporate units	30,785	31,743	30,179	28,340	25,825	25,224	25,941	24,298	21,736	20,453	19,304
Research and development	6,737	5,927	5,857	5,249	4,229	4,651	4,203	3,908	3,900	3,801	3,671
Sales and service companies	21,323	20,493	19,648	19,205	18,896	20,345	20,966	20,166	19,718	19,331	18,395
Total Vehicles and Services	**58,845**	**58,163**	**55,684**	**52,794**	**48,950**	**50,220**	**51,110**	**48,372**	**45,354**	**43,585**	**41,370**
Financial Services	**–**	**–**	**–**	**1,206**	**1,061**	**1,058**	**993**	**891**	**889**	**824**	**759**
Total	**58,845**	**58,163**	**55,684**	**54,000**	**50,011**	**51,278**	**52,103**	**49,263**	**46,243**	**44,409**	**42,129**

6 Refers to Latin America.
7 EU27 – 27 of the European Union member countries (all EU countries except Malta including Norway,Switzerland, Great Britain and Iceland).
8 Including employees with temporary contracts and employees on hire.

ABOUT THIS REPORT

This report summarises the financial year 2024 as well as providing an overview of Scania's business and operations. The Sustainability Report is prepared in compliance with the Annual Accounts Act while using the CSRD`s European Sustainability Reporting Standards (ESRS) as inspiration. All of Scania's business units, subsidiaries and production units worldwide are included in its scope.

This is the English version of Scania's integrated Annual and Sustainability Report. The Swedish Report is the binding version that shall prevail in case of discrepancies.

The Financial Reports encompasses pages 116–174 and were prepared in compliance with IFRS Accounting Standards. The Report of Directors encompasses pages 97–115 and 165. The statutory Sustainability Report encompasses pages 24–81 and is referred to from page 102 in the Report of Directors. A Sustainability report index that includes the auditors report can be found on page 62.

The Report of the Directors and accompanying Financial Reports also fulfil the requirements of the Swedish Annual Accounts Act and have been audited by Scania's auditors.

Scania's Swedish corporate identity number: Scania AB (publ) 556184-8564.

Unless otherwise stated, all comparisons in the Annual and Sustainability Report refer to the same period of the preceding year.

SCANIA'S WEBSITE

The Scania Group's website, www.scania.com, contains information for the capital market and other stakeholders. Here you will find both current and historical information about Scania's operations, strategy, sustainability work and corporate governance. News, press releases and financial reports are published here.

Year-end reports, interim reports and annual and sustainability reports are available in both English and Swedish.

Stakeholders can subscribe to financial reports and press releases:

www.scania.com/subscriptions

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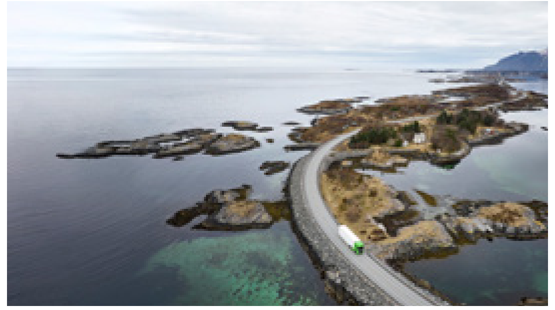

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