PRESS RELEASE

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Scania at IAA 2016:
Digitalisation opens the way for the sustainable and safe transport of both goods and people

- **Scania's goal is to play a leading role in sustainable transport. The company is working within three areas to achieve this goal: increased energy efficiency; alternative fuels/electrification; and smart and safe transport solutions.**
- **Scania is using digitalisation to accelerate progress towards sustainable transport movements featuring safe and efficient flows of goods and people.**
- **Concrete examples of digitalisation, such as connected and autonomous vehicles, are crucial for increasing efficiency in transport and value chains.**

Scania also has a leading position within the heavy vehicle industry when it comes to developing more efficient transport solutions that allow for the switch to fossil-free transport. In addition to a connected fleet of 210,000 vehicles, Scania has a broad alternative-fuel offering for Euro 6. Scania is also at the vanguard in terms of electrification, autonomous vehicles, and connected convoy driving (known as platooning). Scania's new truck generation isn't just about new products and services, but also means that Scania is widening and reformulating its goals, its offering and its future.

A cornerstone for Scania within the areas of sustainability and transport is the idea that there are no simple, stand-alone solutions that in a single swoop can solve all challenges. Scania believes in diversity and thinks that many alternatives and different types of solutions are required. 'Next Generation Scania' means that Scania includes everything that customers need to be able to reach their – and, ultimately, society's – goals regarding sustainability and concrete CO_2 reduction, along with a satisfactory level of profitability.

Building a more efficient value chain

The road forward doesn't involve increasing the usability of a particular fuel or a particular technology. The whole of the value chain needs to be made more efficient and measures need to be taken in all areas, including renewable energy, making vehicles more efficient, and making transport movements more efficient.

Scania
Corporate Relations
SE-151 87 Södertälje
Sweden

Telephone +46 8 553 810 00
www.scania.com

Facebook.com/ScaniaGroup
Instagram.com/ScaniaGroup
Youtube.com/ScaniaGroup
Twitter.com/ScaniaGroup

“Making more efficient use of energy involves improving vehicles and adding features that reduce fuel consumption as well as driver support through driver training and regular follow-up,” says Magnus Höglund, Director Sustainable Transport, Scania Trucks. “The phasing out of fossil fuels involves supplying types of energy that have a lower net impact on the climate, while smart transport movements mean that we optimise transport and mobility flows in order to minimise waste. We can thus create value for the customer and, by extension, society.”

One example of a smart transport solution that contributes to lessened environmental impacts is the Bus Rapid Transit systems that Scania has delivered over the past year.

“Both Jakarta in Indonesia and Cartagena in Colombia have chosen Euro 6 gas buses from Scania for their investment in sustainable public transport, and this is heartening news both for us and for those who live there,” says Jonas Kempe, Head of Sustainable Solutions Portfolio, Scania Buses and Coaches.

Scania’s strategy includes establishing close partnerships with other leading players as Scania is convinced that collaboration is a necessary precondition for success. Digitalisation is also a crucial factor that can accelerate the potential of existing solutions, as completely new avenues open up, for example in the coordination and control of transport movements.

Technologically-neutral rules of play

One crucial parameter in all development work conducted by the automotive industry is clear, consistent and long-term rules of play from decision makers and authorities in order to allow for long-term investment both by Scania and customers.

”Clear and long-term rules are crucial in order to develop sustainable transport solutions within the automotive industry,” says Åsa Pettersson, Head of Public and Sustainabilty Affairs, Scania. “Coordination at the EU level, with consistent, long-term rules of play over time, are the best possible operating conditions for the industry. We already have many solutions and the ability to plan forward will allow us to unleash the resources and skills that we have to develop sustainable solutions for the future.”

As examples of rules of play that need to be long-term, Pettersson points to tax, laws and emission targets that affect the transport industry, not the least of which being those regarding biofuel, as well as innovation and transport efficiency. But she also believes that too detailed directives or the promotion of some technologies over others runs the risk of steering development in a particular direction and compromising the principle of technological neutrality.

“At Scania, we take pride in not locking ourselves into a certain range of technologies,” she says. “Instead, we take the tough – and costly – route of conducting research and development in several areas. For example, the fact that Scania has the broadest offering within alternative fuels doesn’t stop us from being very active in areas like electric roads. The upside is that we see the potential for big synergies by combining electrification with alternative fuels.”

Driverless trucks show the way

Scania has been researching autonomous vehicles for more than 10 years. While the vehicles that Scania sells today already have a high capacity for ’self-driving’ in the form of systems that regulate everything from speed to gearshifting strategies, these are, of course, still dependent on active supervision by the driver. Scania doesn’t expect driverless vehicles to be a common sight on public roads within the next decade, but vehicles with a higher degree of advanced driver assistance and automated systems are anticipated. On the other hand, Scania sees major potential for self-driving vehicles in contexts and environments where external traffic doesn’t need to be managed.

“Typical examples are large open-cut or underground mines where vehicles run along certain routes and deal almost exclusively with other vehicles,” says Gunnar Tornmalm, Head of Predevelopment, Systems Development, Scania. “This opens the way for Scania to be able to offer solutions within a few years that are more flexible, safe and cost-effective than anything around today. Large ports are another example of transport environments, where autonomous vehicles for container transport have clear potential for increases in productivity.”

Many alternatives

Scania was the first manufacturer that was able to sell and deliver Euro 6 engines –the highest current emissions class – in Europe. This involved powertrains that make a major reduction of harmful emissions. And Scania’s solutions also make a significant contribution to lowering CO_2 emissions. A typical Scania tractor unit from the new range with a total weight of up to 40 tonnes today usually has an average consumption of diesel under normal conditions of about 27 litre/100 km.

“That’s a figure that a few decades ago would have been seen as unrealistic, not the least when you factor in the extremely low emissions level and the high average speed,” says Magnus Höglund. “Vehicles have quite simply become much, much better and carry out their transport work much more efficiently. And if they do their job with HVO in the tank, reducing CO_2 output by up to 90 percent.”

Regardless of which type of driving is involved or what local conditions are like, there's almost always an alternative solution from Scania to order, here and now, says Höglund.

He believes that through its product and service releases in recent years, Scania has shown that all types of transport customers and providers can through simple means reduce their CO_2 footprint without concessions and without it even leading to significant additional costs.

"Scania's offering within alternative and renewable fuels and powertrains is without parallel in the industry," says Pettersson. "At the same time, we are conducting research that, I dare say, is at the very forefront when it comes to making the most of digitalisation, connectivity, electrification and autonomy. Scania is working with all available means to reduce the environmental impacts of all types of road transport movements."

For more information, please contact:

Åsa Pettersson, Head of Public & Sustainability Affairs,
+46 70 388 50 84, asa.pettersson@scania.com

Magnus Höglund, Director Sustainable Transport, Scania Trucks,
+46 70 207 61 50, magnus.hoglund@scania.com

Jonas Kempe, Head of Sustainable Solutions Portfolio, Scania Buses and Coaches, +46 70 187 10 61, jonas.kempe@scania.com

Örjan Åslund, Head of Product Affairs,
+46 70 289 83 78, orjan.aslund@scania.com

Scania is a part of Volkswagen Truck & Bus GmbH and one of the world's leading manufacturers of trucks and buses for heavy transport applications. Scania is also leading provider of industrial and marine engines. Service-related products account for a growing proportion of the company's operations, assuring Scania customers of cost-effective transport solutions and maximum uptime. Scania also offers financial services. Employing some 44,000 people, the company operates in about 100 countries. Research and development activities are concentrated in Sweden, while production takes place in Europe and South America, with facilities for global interchange of both components and complete vehicles. In 2015, net sales totalled SEK 95 billion and net income amounted to SEK 6.8 billion. Scania press releases are available on www.scania.com

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