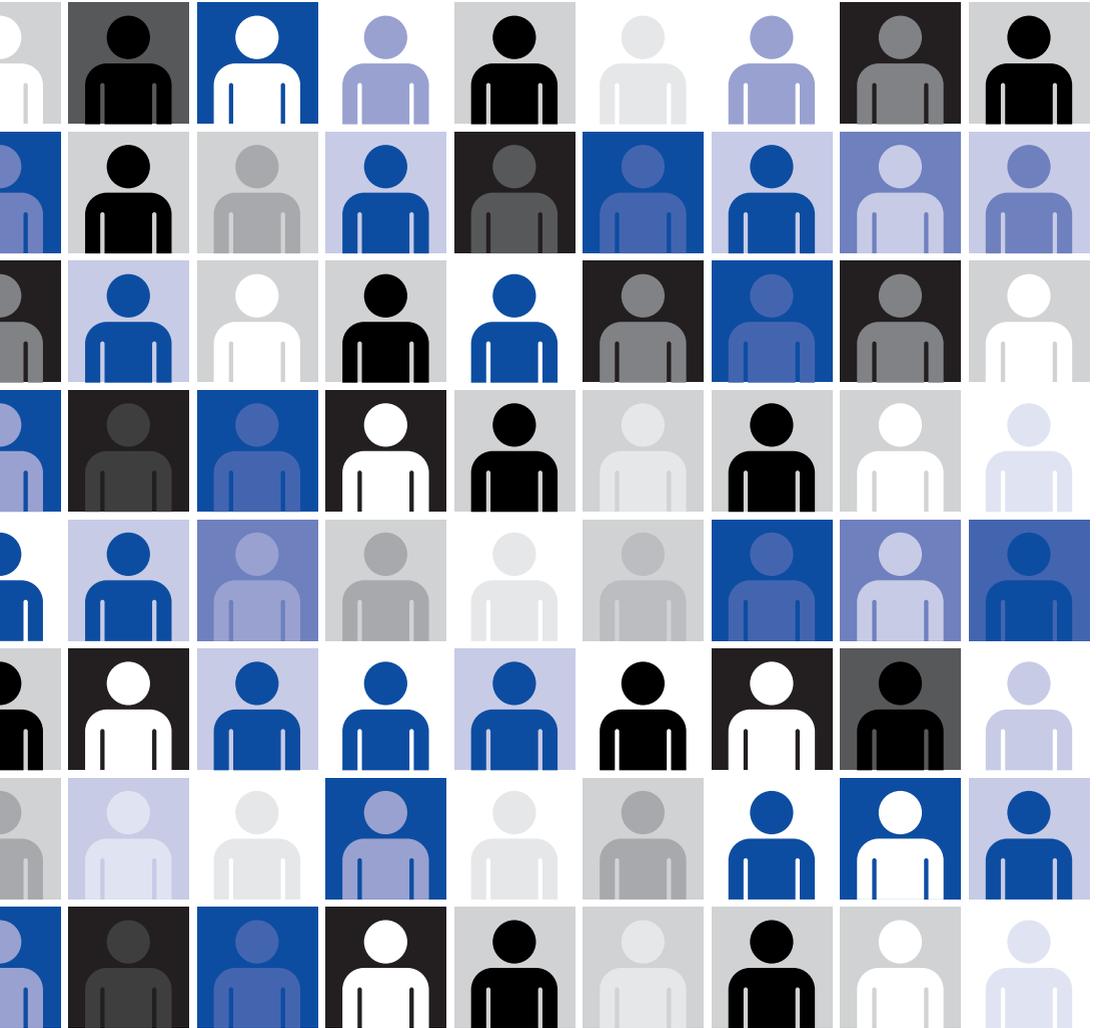


Doing things right

A guide to ethics at Scania

January 2013



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Martin Lundstedt

Message from the CEO

Our business is built on relationships—with our colleagues, our customers, our competitors, our investors, government officials and others. And good relationships are founded on integrity. We need to achieve our success on the merits of the business—there are no shortcuts.

Scania has a set of rules and policies, a strong corporate governance system and a commitment to follow the law. That is the starting point for how we approach business ethics. But protecting our brand depends on more than following the law. We need a strong commitment to ethics; without that, we risk losing the value of our brand and our business.

We make dozens of business decisions every day. When they involve ethical dilemmas, these decisions can be difficult. Some situations are more complicated and require additional support. This booklet is designed to give you that extra guidance.

We must listen to our own internal compass. Do you feel comfortable with the decision you're making? Does it reflect our corporate culture and your own values? If not, raise your concerns with your manager or another appropriate person at Scania. We need to talk openly about ethical issues. The Scania culture does not expect employees to resolve difficult situations on their own. Hiding or burying an issue can develop into a much bigger problem.

Scania is a successful and well-regarded company because trust is at the core of our business. The more global we become, the more important it is to keep trust, transparency and ethics top of mind. I know that this can be challenging in a complex business environment, working across diverse geographic areas and cultures. The bottom line is that we need to stay true to the values that Scania stands for.

By living our values every day, we can share in the pride of a company built on integrity, transparency, trust and respect.

Martin Lundstedt

A commitment to integrity

At Scania, ethics and integrity are the responsibility of each and every individual. This guide has been developed to spell out that commitment and underline the company's expectations for ethical business conduct.

Scania people want to do the right thing. But sometimes, in the course of doing business, we encounter diverse cultures, customs and expectations, or ambiguous situations which present us with ethical challenges. When these situations arise, the right course of action is not always clear-cut. In this booklet, we highlight some of these grey areas and walk you through a series of questions and answers that demonstrate common ethical dilemmas you may face. Of course, other ethically challenging situations can arise too, and you may have examples of dilemmas you'd like to share.

If so, please write csr@scania.com. Additional examples of ethical dilemmas and a Q&A on common questions can be found on the intranet at How Scania is Managed.

In these pages, we describe the Scania way of doing business and refer to relevant policies, guidelines and principles—including our values, which are always at the centre of everything we do. We explain where to turn for further information and how to raise a concern, as well as outlining the consequences of failing to meet Scania's ethical standards.

We hope this guide becomes a springboard for open, honest and constructive dialogue between you and your colleagues and we very much welcome your feedback.

Our values

Scania's core values permeate our entire corporate culture and influence our day-to-day work. These values—Customer first, Respect for the individual and Quality—are closely linked and apply in unity. They constitute the starting point for all business development. They represent a common way of thinking and working and provide a foundation for every individual at Scania to contribute to strengthening and improving how our company operates.

Applying these core values is how we demonstrate business ethics and social commitment and live up to the Scania brand. Operating our business with high social, environmental and ethical standards is a vital part of earning and retaining the trust of our customers, shareholders, business partners and society at large.

We are all ambassadors for Scania: everything we do becomes part of our corporate identity and everything our stakeholders associate with Scania affects the brand. This includes how we conduct ourselves during the encounters we have in the course of doing business—from dialogue with a supplier to negotiating with an agent, and from meeting with a government official to the way we interact with our colleagues.

For our company, our values create a shared compass. Difficult ethical decisions and challenging situations can be addressed as a unified team.



Customer first



Respect for the individual



Quality

How we work



At Scania, our first priority is to ensure we are in compliance with all relevant laws and regulations wherever we do business. As a member of the UN Global Compact (UNGC), Scania adheres to its ten principles in the areas of human rights, labour, the environment and anti-corruption. As a UNGC signatory, Scania commits, from the highest level of the company, to implement, disclose and promote these principles throughout the organisation.

We are also guided by the Organisation for Economic Co-operation and Development (OECD) guidelines for multinational enterprises—a set of recommendations for responsible business conduct.

We adhere to high standards of integrity and quality and take our compliance with third-party contractual obligations seriously. In turn, we expect our suppliers to apply and require the same standard of their suppliers.

All Scania units are run in accordance with the Corporate Governance Manual. The units are governed by boards of directors to monitor and support operational and financial performance.

The Internal Audit department oversees compliance with the Corporate Governance Manual. Four policies in particular directly affect all Scania employees: our Quality Policy, Human Resources Policy, Environmental Policy and Competition Policy. These are available online at How Scania is Managed. In addition, you can consult material that is relevant to your market.

While ultimate responsibility for business ethics lies with the CEO and Executive Board, each Scania manager is responsible for communicating and implementing the company's policies and ensuring compliance with business ethics. Above all, though, it comes down to you: conducting business with integrity, every day, is the personal responsibility of every employee.

Consequences of violations

Employees who violate Scania policies or laws will be subject to disciplinary action—up to and including dismissal—depending on the facts and circumstances. This is in addition to any civil or criminal penalties the employee may face for possible breach of the law.

Where to turn

Several options are open to you if you need additional guidance, wish to raise a concern or want to report a suspected case of non-compliance:

In case you are not sure how to act or need guidance on an issue, look for information in the relevant policy or another document. If you don't find the answer, raise your issue with your direct manager or appropriate local or corporate function.

If you have a concern to report, consider first whether you can raise your concern directly with your manager or another appropriate authority. If this isn't a comfortable option, or you feel your concern has not been satisfactorily addressed, you can consult either Human Resources, Corporate Legal Affairs or Corporate Risk Management.

You may report any breach or possible violations of Scania policies and guidelines to Group Internal Audit. Concerns regarding possible violations of accounting, internal controls or auditing matters can be submitted confidentially and anonymously, either verbally or in writing, to the Audit Committee.

Scania has a whistleblower process in which any employee may raise concerns in good faith, anonymously and without fear of retaliation. For information on the whistleblower process, visit How Scania is Managed on your intranet.

More detailed guidance can also be found in the policies, manuals and guidelines available at How Scania is Managed on the intranet and other relevant sites on the Internet. These documents and links are listed on page 35.

The ethics test

Questions

When you are faced with an ethical dilemma, ask yourself:



Answers

Yes

If your answers to all the questions are "Yes", proceed with action.

Does my action align with my own ethics and values?

→
Yes

Would I feel comfortable if my colleagues, friends or family learned of my action?

→
Yes

Would I stand by my action if it was on the front page of the newspaper?

→
Yes



No



Don't know



No



Don't know



No



Don't know

No

If your answer to any of the questions is “No”, don't enter the situation or take an action you may later regret. Instead do the following:

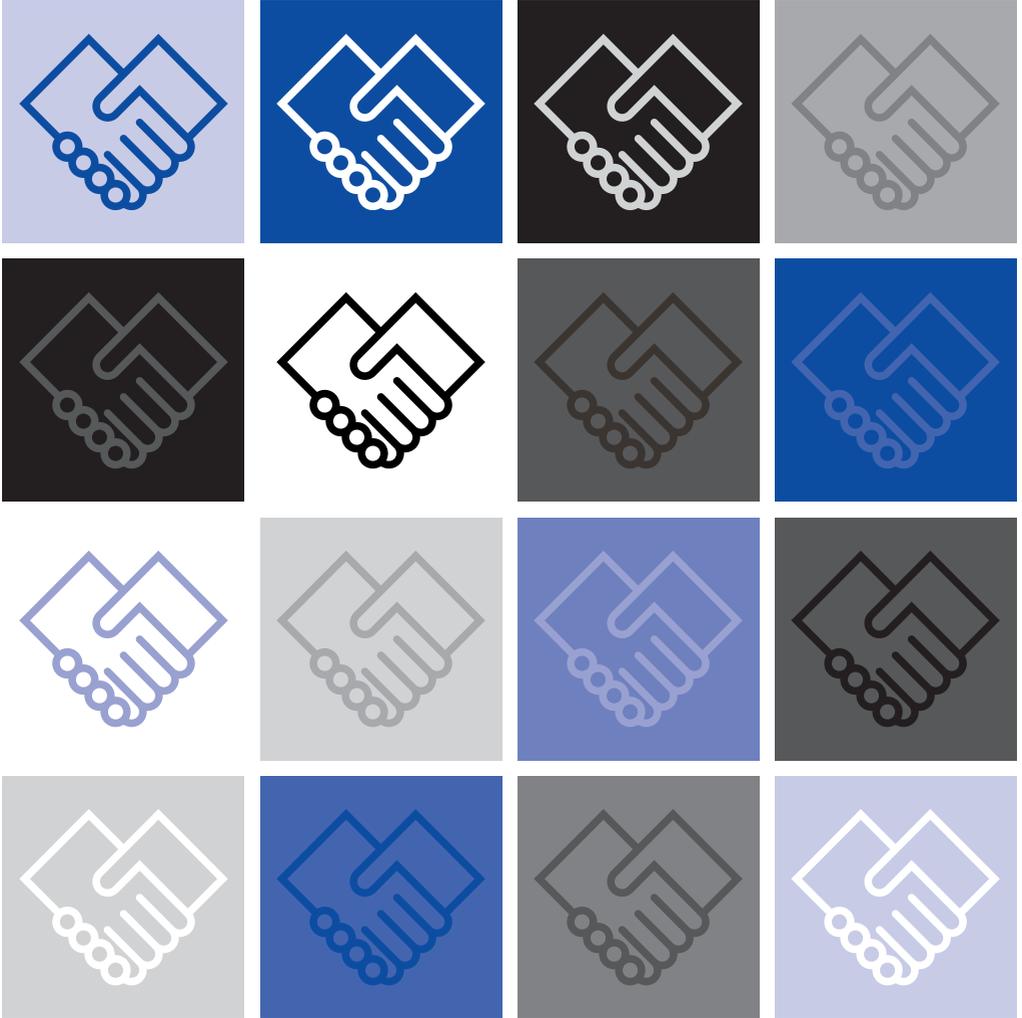
- Talk to your manager or manager's manager.
- Consult Corporate Legal Affairs, Group Risk Management or the Human Resources Department.
- Raise a concern anonymously via the whistleblower function.

Don't know

If you don't know the answer to any of the above questions, or if you're still unsure of how to act:

- Check this guide to ethics at Scania.
- Consult relevant company policies.
- Talk to your manager or manager's manager.
- Consult Corporate Legal Affairs, Group Risk Management or Human Resources.

Business partners



Gifts and entertainment

What would I do if . . . a supplier offers free tickets to a concert?

Often, suppliers provide small promotional items, such as pens, when meeting to discuss business. But yesterday one of Scania's major suppliers, who is bidding for a tender we recently issued, sent your team several tickets for a concert and sporting event, "to show his appreciation". You appreciate his generosity and don't want to offend someone you have a good working relationship with. What should you do?

Answer

This gift is disproportionate and could be intended to influence the tendering process. You must politely return the tickets, explaining it is against our company's business practices and policies to accept such a gift. If in doubt over whether a gift is in line with Scania's policies, consult your manager.

What would I do if . . . my customer requests a sightseeing tour prior to a meeting?

Next Monday, you're expecting an important customer, who is a purchasing manager for a major municipality, for final negotiations to buy several dozen trucks. On Friday afternoon he calls to say he's at the airport with his wife and children, and they'd like to be shown around the city. You didn't expect to entertain him over the weekend, or that he would bring his family, but he's a visitor to your town and these negotiations are important to the company. What should you do?

Answer

As this individual is not only an important customer but also a public official, you cannot offer any form of entertainment or benefit that could be considered an attempt to bribe him or otherwise influence his business decision. You can welcome him, offer to arrange transportation to and from the airport to a hotel and recommend some sightseeing, but spending time with him and his family over the weekend would be considered non-essential to business. Politely decline and tell him you look forward to your formal meeting with him on Monday.

The Scania way

Our relationships with customers and other business partners must be reasonable and transparent, meaning that providing luxury entertainment, expensive perks or exclusive customer benefits is never acceptable. Particular caution should be taken in dealings with government representatives performing official duties, as the conduct of private business with public officials is usually governed by strict local, national or extraterritorial legislation.

Scania employees should not accept, offer or give any gifts of more than a symbolic value, especially from the recipient's point of view. Gifts of symbolic value are defined as items of nominal value such as pens, calendars or small promotional items. If in doubt about whether a gift falls in this category, consult your manager.

Avoid activities with customers that can create an inappropriate balance between Scania and the customer, or activities that, in an improper way, could affect or appear to affect the customer's objectivity in business decisions.

Definitions

Gift

In the context of corruption, this is a financial or other benefit that is offered, given, solicited or received with an expectation of a benefit in return. Gifts and hospitality may corrupt, be used to facilitate corruption, or give the appearance of corruption.

Is it legal to accept or offer this gift or entertainment?



Is the gift of more than symbolic value?



Would the gift affect my objectivity or that of my customer?



Would I feel comfortable telling my manager and other colleagues about the gift?



Conflicts of interest

What would I do if . . . my brother-in-law works as a salesman for one of our suppliers?

You are negotiating a new deal with a supplier of air-brake systems where your brother-in-law is the purchasing manager. Your team is relying on you to get a good deal and you know your brother-in-law will provide favorable terms. Is there any problem with taking advantage of this situation?

Answer

Yes, there is, and you should alert your manager immediately to the fact that your presence on the Scania negotiating team constitutes a conflict of interest. You should excuse yourself from the negotiations.

The Scania way

We must be aware of situations where potential or apparent conflicts could arise between personal interests and Scania's interests. Any existing or potential conflict should be reported to your nearest manager.

Definitions

Conflict of interest

This exists when someone has competing professional obligations or personal or financial interests that might influence the objective exercise of his or her duties.

Could my relationship in this situation affect my objectivity?



Would it give an unfair advantage in Scania's relationship with the supplier?



Have I disclosed any potential conflict of interest to my manager?



Competition and antitrust

What would I do if . . . competitors asked to collaborate on a joint strategy to win business?

You work in the Marketing Department and are part of a collaborative network involving several universities and industry colleagues. Recently, some members, who happen to be Scania competitors, asked you to help devise a joint strategy for securing business from public transportation departments across the country. You could all benefit by cooperating. Is there any reason why you shouldn't?

Answer

Yes, there is. Several companies and institutions joining together to define a single approach to a specific government market could be considered a violation of anti-competition law and can lead to substantial fines and other consequences. You should consult Corporate Legal Affairs before going any further with this proposal.

The Scania way

All business at Scania must be conducted according to the rules of fair competition, under which compliance with antitrust legislation is fundamental. We believe in partnership, but we never cooperate with competitors in order to reduce competition. Everyone should follow applicable competition law. Further guidance can be found in the Competition Policy and the manuals on competition regulations for specific markets.

Definitions

Anti-competitive practices

These are business or government practices that prevent or reduce competition in a market.

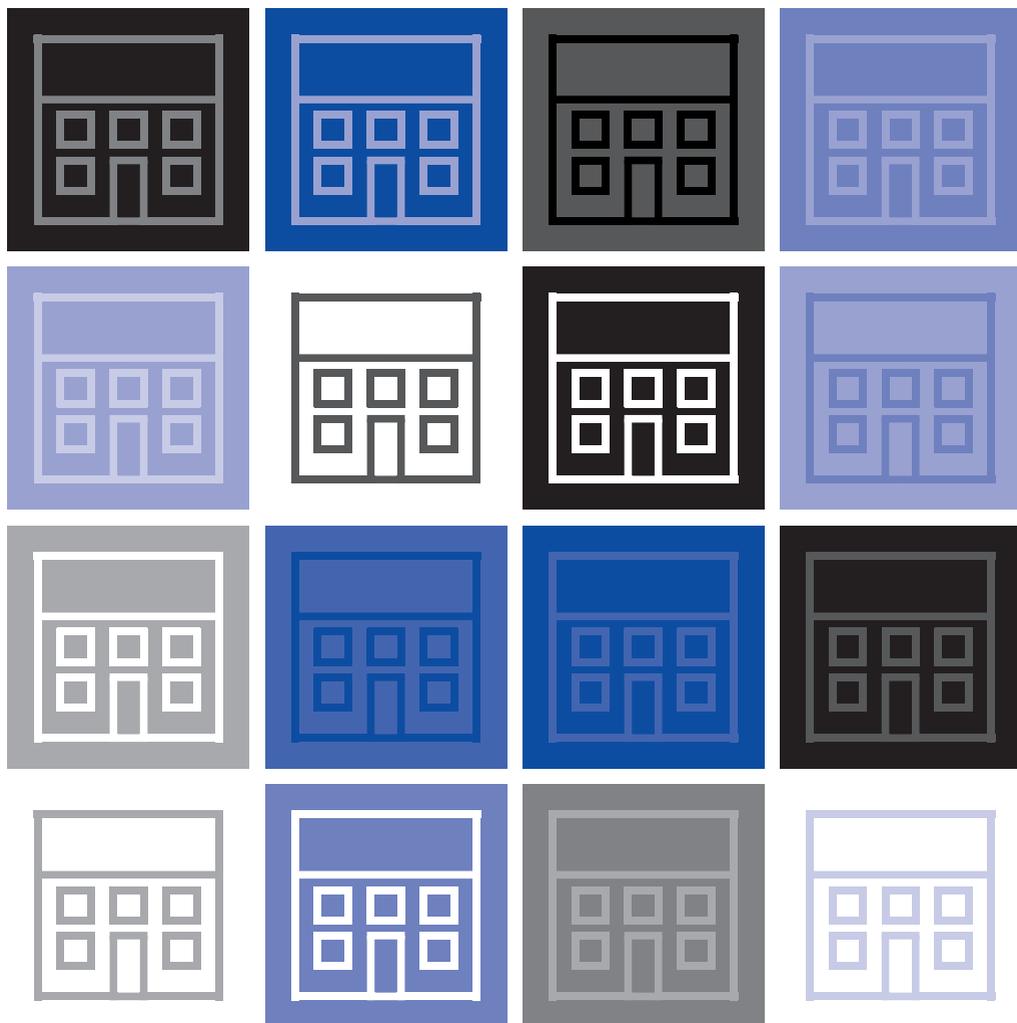
Is Scania acting independently from our competitors?



Would our relationship be perceived by others as too close?



Governments and communities



Bribery and corruption

What would I do if . . . an agent's practices make me suspicious?

You are a new general manager for a rapidly growing market, and you need to establish contacts and get permits for expanding the business. An agent who “knows everyone and can get things done” has been recommended to you. This agent is asking for a high commission but is reluctant to tell you exactly what he needs the money for. Should you be suspicious?

Answer

Yes. You're right to feel uneasy. Use of agents is potentially high risk and this agent's lack of transparency indicates he may be covering up bribes. Scania can be held responsible for an agent or trader's actions, such as using company money to pay bribes. Due diligence is essential. The agent's failure to provide detailed information about the tasks he's performing to earn his commission violates Scania's rules on the use of agents, as described in the Corporate Governance Manual. Agents' services must always be specified in a detailed, written agreement.

What would I do if . . . the local official won't turn the factory lights on?

You are responsible for setting up a new factory for Scania but the official at the local utility is demanding a small fee before they will switch on the electricity. Everyone here knows nothing happens unless you pay a little money to speed up the process—everybody does it—it's just local custom. Is there anything wrong with paying the expected fee?

Answer

Yes, there is. Small amounts of money demanded in order to expedite a process to which one is legally entitled are called “facilitation payments”. These can be considered to be in the same category as bribery, extortion and duress, and in many countries they are illegal. You should make it clear that Scania does not pay or accept bribes of any kind.

The Scania way

We never offer, give or accept bribes nor do we pay any form of commission or kickback other than compensation properly agreed. We promote openness and dialogue about these situations and build strong awareness of company policy regarding bribes and kickbacks.

There should always be a written contract between Scania and any agent specifying the services rendered and the agreed payment. You need to take reasonable measures to make sure that no part of the agent's payment is passed on as a bribe or otherwise violates Scania's guidelines.

In addition, managing directors for each entity are responsible for reporting annually to its Board of Directors the amount of commission paid to agents during the last 12 months, as well as presenting any contracts between Scania and its agents. Agent commission payments and larger sales are approved by the local Board.

In addition, if we deal with governments, other public authorities or state-owned companies as customers, we should also document the bid-and-sell process in such a way that it can be displayed to authorities or auditors if necessary. Further guidance can be found in the Corporate Governance Manual.

Is there a clear explanation about why this agent's services are needed?



Have I signed an agreement with the agent?



Have I properly and accurately documented and recorded all payments to the agent?



Is there evidence that the agent has performed the services?



Definitions

Bribery

The offering, giving, receiving or soliciting of something of value for the purpose of influencing the action of an official in the discharge of his or her public or legal duties.

Corruption

The abuse of entrusted power for personal gain. The main forms of corruption are bribery, embezzlement, fraud and extortion. Corruption is traditionally defined as a practice involving a public official abusing his or her position; however, corrupt practices can also occur within the private sector when a private sector employee abuses his or her position for personal gain.

Facilitation payments

A form of bribery made with the purpose of expediting or facilitating the performance by a public official of a routine governmental action and not to obtain or retain business or any other undue advantage. Facilitation payments are typically demanded by low-level and low-income officials in exchange for providing services to which Scania is legally entitled without such payments. A distinction is made between facilitation payments and outright bribery and corruption. In some countries, it may be considered normal to provide small, unofficial payments under certain circumstances, although this practice is illegal in most countries.

Do the fees seem too high for the service performed?



Is the agreement with the agent completely transparent?



Are you using the agent to avoid a legal requirement?



Sponsorships and donations

What would I do if . . . there are strings attached to sponsoring the local day care centre?

The head of the educational authority in the town where you are establishing a new factory has suggested she would appreciate Scania's sponsorship of a local day-care centre. Following her request, the permits for your factory have suddenly stalled when previously everything had gone smoothly. Many of your employees—several of them low-income or single parents—have children in the day-care centre, which is close to the factory, and you're keen to support them. But your gut feeling tells you this sponsorship is unwise. Are you right to be concerned?

Answer

Yes, you are. This doesn't appear to be a straightforward case of sponsorship but an attempt by the government authority to leverage permits they are legally required to provide in exchange for benefits from Scania. It is ethically compromising to be in a position of indebtedness to a public official. You should decline the proposal and find other ways to support the local community while continuing to obtain your permits through the official channels.

The Scania way

It's important to take an active involvement in local communities where we're present. Scania always enters a market and community with the aim of having a long-term presence and operating in line with our social and environmental principles.

But charitable donations and sponsorships should not be used as a substitute for bribery or as a lever to obtain undue advantage from decision-makers. You can find more information in the Corporate Sponsorship Policy.

Political donations

Scania does not support individual politicians or political parties. However, Scania maintains direct and sustained contact with key political decision-makers to ensure that the company is consulted and directly engaged in discussion on issues and legislation that will directly impact our business and/or the road transport industry. In addition, Scania reports to political stakeholders on necessary operating conditions that affect the company.

Definitions

Donation

This is understood as a monetary or non-monetary gift to a fund or cause, typically for charitable reasons.

Corporate sponsorship

This is a form of advertising in which companies pay to be associated with certain events.

Does the initiative meet the conditions of our Corporate Sponsorship Policy?



Has the proposed sponsorship been approved at the appropriate level?



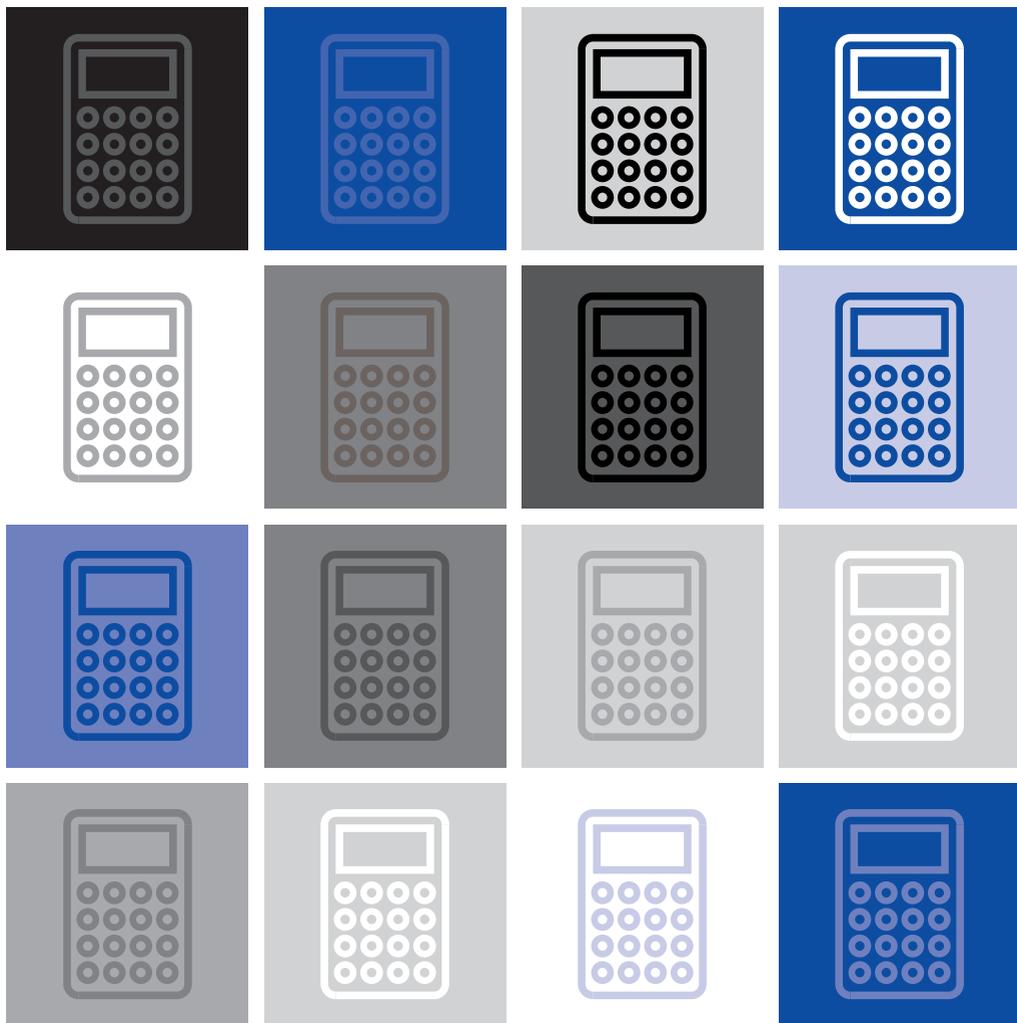
Will the donation help us be a good corporate citizen without compromising our values and ethics?



Can this donation or sponsorship be regarded as payment for a service rendered?



Company assets and financial integrity



Fraud

What would I do if . . . an employee was misusing her expense account?

Over a period of months, you've been asking one of your sales managers to supply receipts for her expense account. The bookkeeping department has reported excessive amounts being paid out to her, running into thousands of dollars. When you finally request an explanation, she admits she falsified her expense reports because she used her corporate credit card to pay for her son's private school tuition. She begs you for a second chance, and promises to repay the money: "Please don't report me. I know it was wrong but I always meant to pay it back." She has otherwise been an exemplary employee and has been with Scania for many years. What should you do?

Answer

There are no legitimate excuses for this kind of conduct at Scania.

Committing fraud is a crime and must be reported immediately for further action to Corporate Legal Affairs in accordance with the Crime Prevention manual and in cooperation with Corporate Risk Management.

The Scania way

Scania has zero tolerance of fraud and it will be treated as a criminal offence. All crimes will be reported to the appropriate authorities.

Definitions

Fraud

This is an intentional act to obtain an unjust or illegal advantage. It involves the use of deception, trickery and breach of confidence to gain unfair or dishonest advantage. Fraud is a criminal offence in most jurisdictions.

If this were my personal money, how would I feel?



What would have happened if this employee hadn't been caught?



Could I continue to work effectively with someone who had acted in this way?



Use of company assets

What would I do if . . . an employee used company property for his personal use?

You discover that one of your employees used a Scania pickup truck belonging to the maintenance crew over the weekend. When you ask him about it, he says he needed it to move his belongings to a new apartment. The truck wasn't being used, and he "thought it would be okay to borrow it and return it later, no harm done". Are his actions acceptable?

Answer

They may not be if he hasn't followed the right procedure. Private use of company resources and/or materials may only be made to a limited extent after approval from the immediate supervisor. You can consult the Human Resources Department for more guidance.

The Scania way

Company property may only be used for private purposes on rare occasions and only with explicit permission.

Definitions

Company assets

These are all the resources, rights, and property owned by a company and may be physical or intangible.

Physical assets

These are typically those used by employees in their daily work such as buildings, equipment, vehicles and materials.

Intangible assets

These include trade secrets, know-how, business ideas and processes.

Is it legal or ethical of me to use this company property for private purposes?



Have I requested explicit permission to use this property for personal use?



Have I handled company records and private information in the appropriate manner?



Have I considered that improper use of company materials could be negative for Scania?



Accounting and reporting

What would I do if . . . my bonus depended on a slight adjustment on the balance sheet?

Our financial guidelines require that the recent sale of two dozen buses must be accounted and reported according to revenue recognition rules, meaning that delivery of the buses and transfer of the risk to the customer needs to be done before we can account and report it as a sale. Unfortunately, you know they won't be delivered to the customer before the deadline to report the next quarterly results. You know this is a done deal and it will look much better on the books if you can account for this delivery as a sale. It could also mean you get a bonus for this quarter, and you could really do with the extra money. Is it a problem if you prepare the books to record the sale for this year?

Answer

Yes, it is a problem. Until the trucks are delivered on site, taking such an action would be a violation of both external and Scania financial and ethical guidelines.

The Scania way

Employees should follow internal procedures which ensure that all documentation and reporting is honest, accurate, and complete. Full and truthful financial reporting is a legal requirement and vital to maintaining Scania's integrity with our stakeholders. The Financial Manual should be followed when making financial reports to the Board of Directors, Executive Management and Group Financial Reporting.

Group Internal Audit monitors implementation of the Group's internal control structure. The local Board is responsible for addressing any deviations, while local management is required to take correcting actions by set deadlines.

Definitions

Financial reporting and accounting

The job of reporting financial transactions is an important function of a company and requires a high code of ethical behaviour. Shareholders, potential shareholders and others who use a company's financial statements rely on them in order to make an informed decision about the company and investments.

Have I ensured that the transaction was properly authorised?



Have I demonstrated integrity in submitting or approving expense claims?



Have I stored the documents in a way that meets internal and legal requirements?



Insider trading and confidential information

What would I do if . . . my spouse shared confidential information about Scania with friends?

You mention in passing one evening to your husband an upcoming quarterly result that will be good for Scania's share price but which has not yet been disclosed to the public. The next day, he tells you he shared the good business results with your neighbour. You know your neighbours have investments in a number of stocks, including Scania. What should you do?

Answer

You should report this situation immediately to Corporate Legal Affairs. You have a duty to comply with all Scania security rules, including the right to have access to or otherwise handle information. Management permission is required if any information is taken outside Scania. If you were in possession of insider information you were obligated not to mention it to anyone, including your spouse—especially if you are one of the individuals at Scania who must sign the Insider Log-Book. If your neighbours knowingly use such information in a securities transaction, they are guilty of insider trading and you can be held liable for releasing it.

The Scania way

Confidential information

We do not disclose anything of a confidential or secret nature concerning Scania's business or other relationships. Scania employees may not enter Scania information systems or databases without permission; confidential information is to be stored securely. How we communicate with different stakeholder groups is described in the Scania Communications Policy.

Insider information

Insider information is well regulated at Scania. The Insider Log-Book is a list of all persons holding insider information. Scania enforces a four-week silent period before announcement of a financial report, during which no meetings are held with investors or analysts.

Is the information I possess significant enough to be considered insider information?



Should I contact Head of Corporate Legal Affairs and Risk Management to report this?



Equal treatment of shareholders

It is important that all shareholders are treated equally as regards transfer of value, regardless whether it concerns tangible or intangible assets. Additionally, all shareholders should receive the same information at the same time.

- Financial information that will affect Scania's share price, to be disclosed in annual and interim reports.
- Material information about the business of Scania group, material deviations from estimates and budgets or material deviations from what has been previously published.
- Major reorganisations of Scania.

Definitions

Insider information

Information regarding a circumstance that is not public knowledge and which is likely to have a significant effect on the price of the financial instruments (including shares) of Scania. Examples of insider information include:

- Information regarding take-over bids for stock market companies, substantial acquisitions or significant divestments of subsidiaries or businesses.

Confidential information

Information is regarded as confidential when a possible breach could have an impact on Scania. Examples of confidential information include information that may affect the share price; aggregated accounting data; new products/design/research; tenders/agreements/price lists and prices; quality reports; sensitive personal data (customers and employees); and passwords. Your immediate supervisor or your Information Security coordinator can provide a more complete list of types of confidential information.

What are the consequences of sharing this information with third parties?



Am I sure that it is not confidential information?



Do I understand my obligations about protecting confidential information?



Have I ensured that the supplier has signed a non-disclosure agreement?



Intellectual property

What would I do if . . . a competitor left behind a confidential customer list?

As a large trade association meeting is ending and you are clearing up your papers, you notice that one of the participants, who works for one of Scania's chief competitors, has left behind a folder with their full customer list. This information would be very useful to Scania and you think to yourself "Wow! This must be my lucky day!" Is it right to make use of this information?

Answer

No, it isn't. A customer list is the intellectual property of the company that individual represents. To use it would be committing an act of intellectual property theft, regardless of how you obtained the information. Before taking any action, you should immediately report your find to your manager to decide, in consultation with Corporate Legal Affairs, how it should be handled.

The Scania way

Employees are personally responsible for protecting the information they handle against loss, falsification and/or misuse of any kind and to follow the Information Security Code of Conduct, which sets out detailed guidelines to prevent information (printed, handwritten, digital or verbal) from ending up in the wrong hands. We are also responsible for respecting the intellectual property of others.

Intellectual property theft can start with a single e-mail: be conscious of documents sent by e-mail, which are proprietary to Scania and could fall into the wrong hands. Intangible and physical assets have to be protected differently.

Report information security incidents and weaknesses immediately. Scania monitors information access.

Definitions

Intellectual Property (IP) rights

These rights refer to intangible property. Examples include trademarks, trade secrets or brand names. Intellectual property is protected by various laws preventing its use by others.

Am I vigilant about protecting intellectual property including trade secrets?



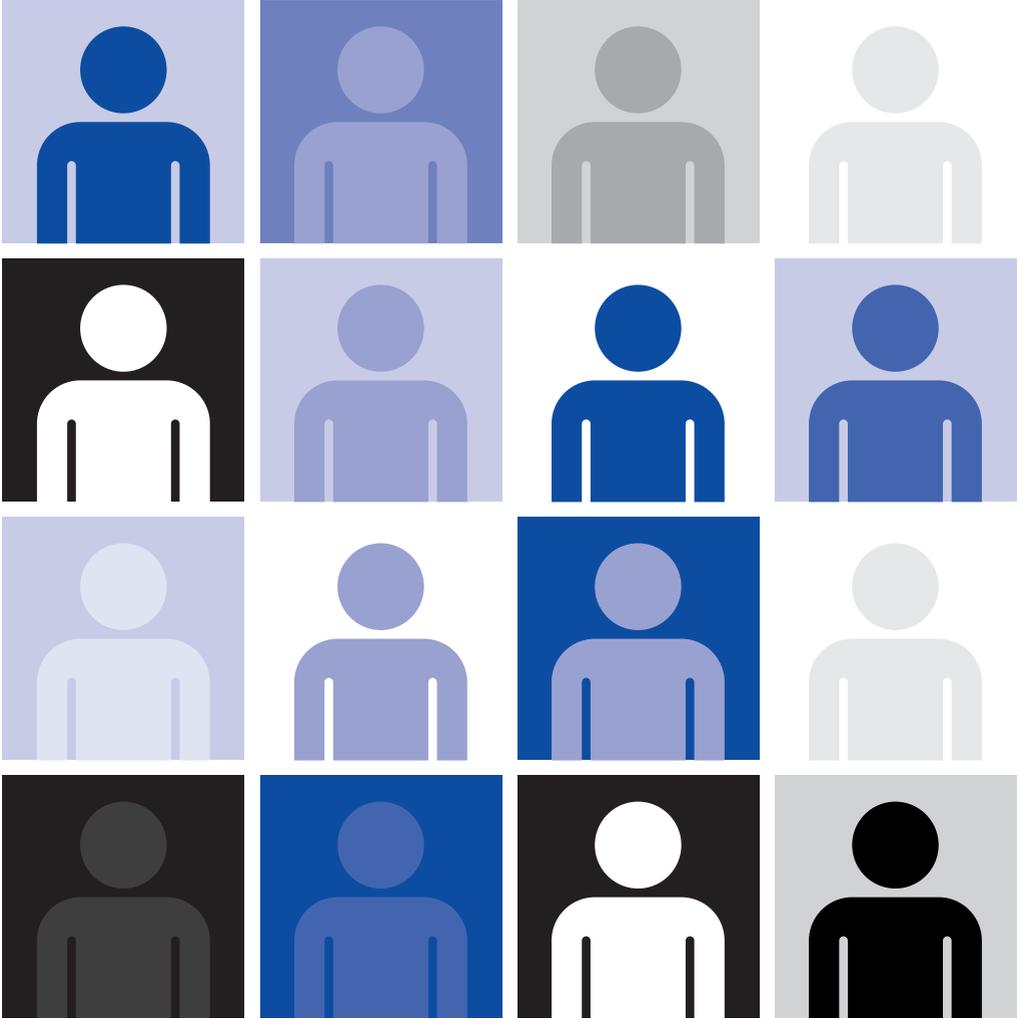
Do I think twice before sending documents to a home computer or external contact?



Am I aware that even after leaving Scania, I should not disclose secret trade information?



Employees



Human rights and labour rights

What would I do if . . . I noticed an underage worker at a supplier's factory?

You've started doing business with a new supplier. When you were visiting one of their factories recently you noticed what appeared to be an underage worker on one of the assembly lines. You know Scania forbids child labour. Should you take some kind of action?

Answer

Yes, you should. Raise the issue with your manager so that he or she can refer it to the appropriate person for further investigation. Suspicions of child labour should never be ignored.

The Scania way

If you are concerned about a supplier's performance, you should discuss it with the supplier or carry out an audit. We respect the employees' union rights, cooperate in various ways with the representatives of the employees and counteract child labour.

Definitions

Forced or compulsory labour

This is any form of work or service exacted from a person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

Child labour

This is often defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

Does it appear that
labour laws are
followed?



Does it appear
that employees
are treated with
respect?



Would I feel
comfortable
bringing an
outsider to these
premises?



Discrimination and harassment

What would I do if . . . my manager only promotes the men in my department?

You have good reason to suspect that your manager is discriminatory as he only promotes the men in your department and always gives them the best assignments. You are a woman with equal seniority and experience, but you keep getting overlooked for promotions or more challenging projects. You've raised this with your manager and he laughs it off as being "all in your head" and that you just need to "earn it". You are increasingly frustrated. Is this a form of sexual discrimination under the law?

Answer

It may well be. You should talk to your manager's superior or the Human Resources Department immediately to report your concerns. No employee at Scania should ever be discriminated against for reasons of gender or any other characteristic.

The Scania way

Respect for the individual means we respect one another in the group. Diversity is positive. We also want respect from our managers. We must listen to one another.

Discrimination can occur in everyday activities such as task assignments, informal mentoring and performance appraisals. It does not always have to take the form of exclusion or extreme hostility.

Workplace discrimination can occur in recruiting and selecting staff; terms and conditions and benefits offered as part of employment; who receives training and what kind of training is offered, who is considered and selected for transfer, promotion or dismissal.

Scania recruits personnel based on competency, always with the core value "respect for the individual" in mind. More guidance can be gained by contacting Human Resources and by reviewing How Scania is Managed.

Definitions

Discrimination

This occurs when someone is treated less favourably because of race, gender or religion; national or ethnic origin; sexual preference; age; disability; pregnancy or marital status; trade union activity; or any other legally protected characteristic.

Harassment

Unlawful harassment occurs when someone is made to feel intimidated, insulted or humiliated because of any of these characteristics. It can also happen if someone is working in a “hostile” or confrontational environment.

Am I giving all employees who report to me equal opportunity?



Am I treating my colleagues with respect?



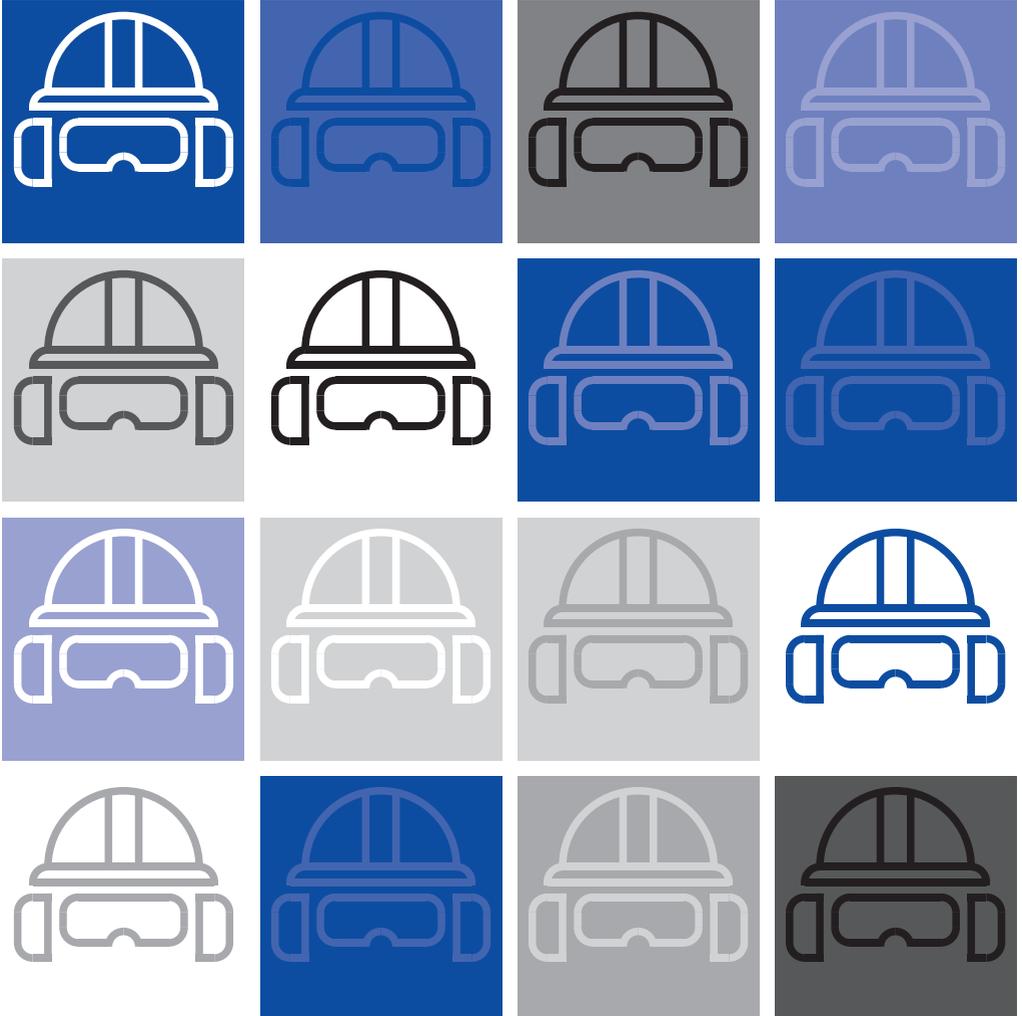
Am I ensuring that my team is respectful toward one another?



Have I considered that jokes or comments could be seen as a form of discrimination or harassment?



Environment, health and safety



**What would I do if . . .
I see a worker at a supplier's factory
dumping oil into a pond?**

You are visiting a major supplier's factory when you notice a worker wheeling a barrel of what looks like oil to a nearby pond where he dumps it and walks away. When you ask the factory foreman about it, he says the pond belongs to the factory, that there's no other place to dump the oil, and it isn't hurting anybody. He quickly changes the subject and leads you away from the area. What should you do?

Answer

You should report this violation of our environmental requirements for suppliers to your manager for further action. Disposal of oil in the pond could have severe environmental consequences for nearby groundwater, and the foreman's explanation indicates that he lacks the training and commitment to high standards that Scania sets for its suppliers.

The supplier should be given a short amount of time to correct the situation and be inspected, or the contract should be terminated if the supplier fails to comply. In addition to the environmental damage incurred, actions by suppliers that are damaging to the environment can reflect negatively on Scania.

The Scania way

In addition to adhering to all legal requirements on protection of the environment, Scania sets its own high standards for the environment and occupational health and safety in our Safety, Health and Environment (SHE) standard. This is expected to be followed by employees at Scania facilities as well as suppliers.

Definitions

Environmental protection

Policies and procedures aimed at conserving natural resources, preserving the current state of the natural environment and, where possible, reversing its degradation.

Health and safety

Occupational safety and health is about protecting the safety, health and welfare of people engaged in work or employment.

Have I complied with all legal requirements for environmental protection?



Is this action in accordance with Scania's environmental standards?



Are we meeting Scania's health and safety standards at our workplace?



Useful references

The references below are grouped based on the relevant stakeholder relationship or topic. However, many of these policies or standards give guidance in a wide range of situations, so consult any that you find helpful.

External guidance

- The UN Global Compact Ten Principles
www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html
- The OECD Guidelines for Multinational Enterprises
www.oecd.org/daf/internationalinvestment/guidelinesformultinationalenterprises
- The Business Anti-Corruption Portal
www.business-anti-corruption.com

Internal guidance

How we work

- How Scania is Managed
- Corporate Governance Manual
- Communications Policy
- Product Development Process
- Scania Production System

Business partners

- Competition Policy
- Global Purchasing Business Ethics Policy and Code of Conduct
- Scania Dealer Operating Standard
- Business Ethics Policy, Scania Global Purchasing
- Hard-soft stuff: 19 hints for external contacts
- Procurement 2000

Governments and communities

- Corporate Sponsorship Policy

Company assets and financial integrity

- Policy for trading by Scania employees in Scania's financial instruments
- Scania Insider Log-Book Guidelines
- Rules of Procedure Audit Committee
- Scania Information Security Policy & Code of Conduct
- Financial Manual

Employees

- Human Resources Competence Supply

Environment, health and safety

- Scania Environmental Policy
- Scania Safety, Health and Environment standard

Doing things right

A guide to ethics at Scania

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regarding this booklet, please contact:

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