

LARS-HENRIK JÖRNVING / VP GLOBAL INDUSTRIAL DEVELOPMENT

SUSTAINABLE PRODUCTION WITH POWER FROM LEAN AND DIGITALISATION



SCANIA IS A WORLD LEADING PROVIDER OF TRANSPORT SOLUTIONS

Together with our partners and customers we are driving the shift towards a sustainable transport system.



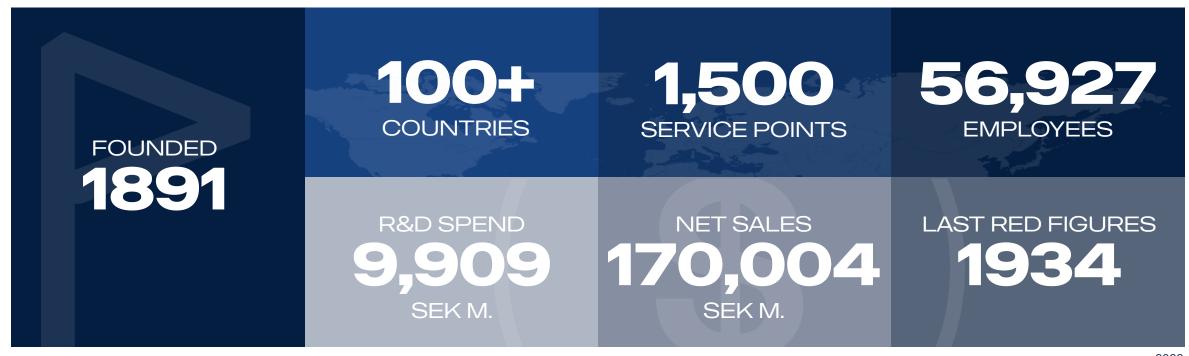


OUR PURPOSE

Scania's purpose is to drive the shift towards a sustainable transport system, creating a world of mobility that is better for business, society and the environment.



SCANIA IN BRIEF



2022























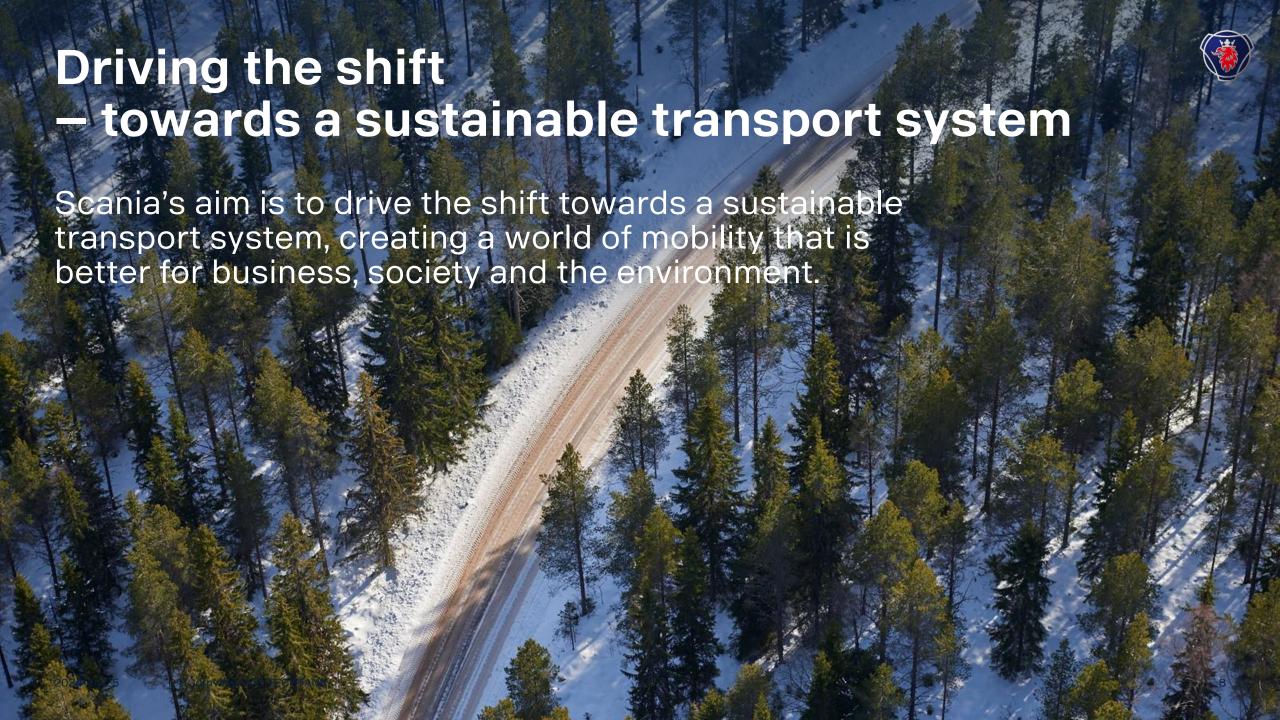
Agenda

- Sustainability at Scania
- Sustainable Production
- Safe Working Environment
- Long Term Competitiveness
 - Commitment and Participation
 - SPS Scania Production System
 - Continuous Improvements
- Environmentally friendly production
- Digitalization and Automation



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SUSTAINABILITY AT SCANIA

Sustainable transport Doing the right things



Renewable fuels and electrification

Smart and safe transport

Responsible business Doing things right



inclusion

Health and safety

Human and labour rights

Business ethics

Community engagement





SCANIA'S COMMITMENT - SCIENCE BASED TARGETS



Paris agreement 2015



Targets approved as "science-based"

– in line with what is necessary to
meet the goals of the Paris Agreement



Aligning corporate carbon reduction targets with climate science



Companies committed (August, 2020)

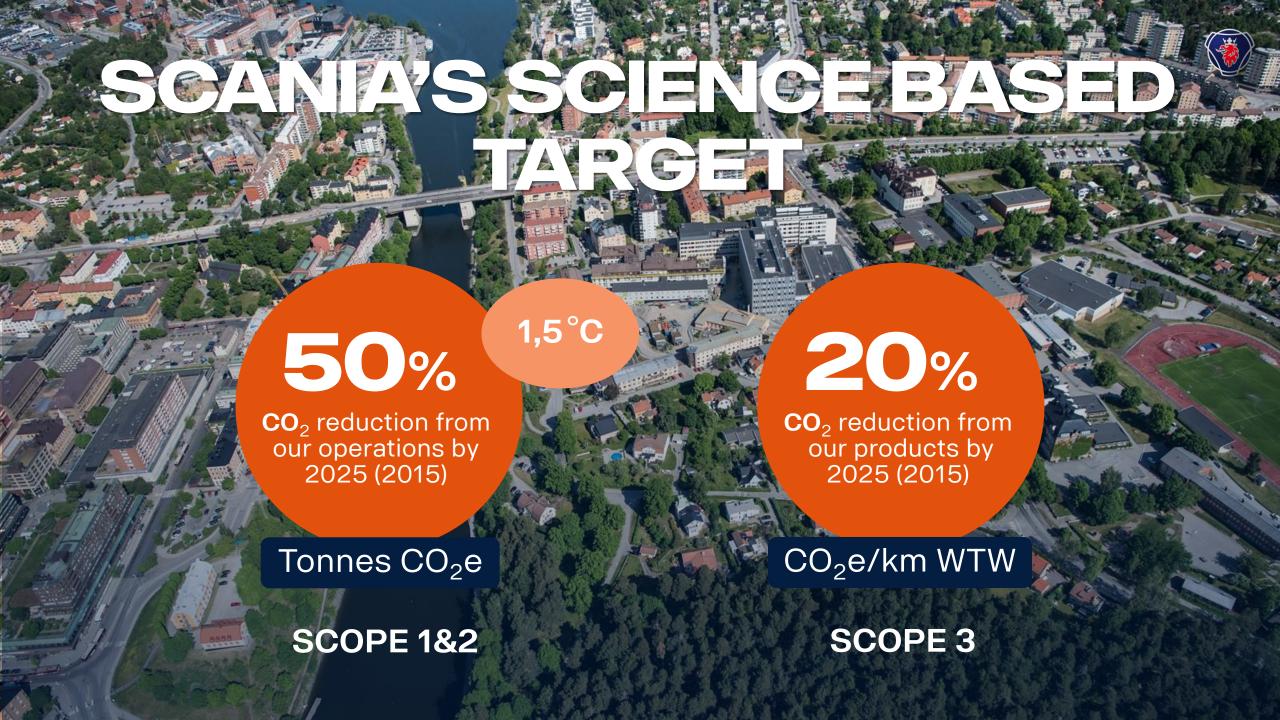
PARTNER ORGANISATIONS













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THREE AREAS AT THE SAME TIME



For a long time we have worked with people, planet and profit successfully but **separately** now it's time to think in all three dimensions at the same time



Sustainable production means

All aspects of sustainability must be considered

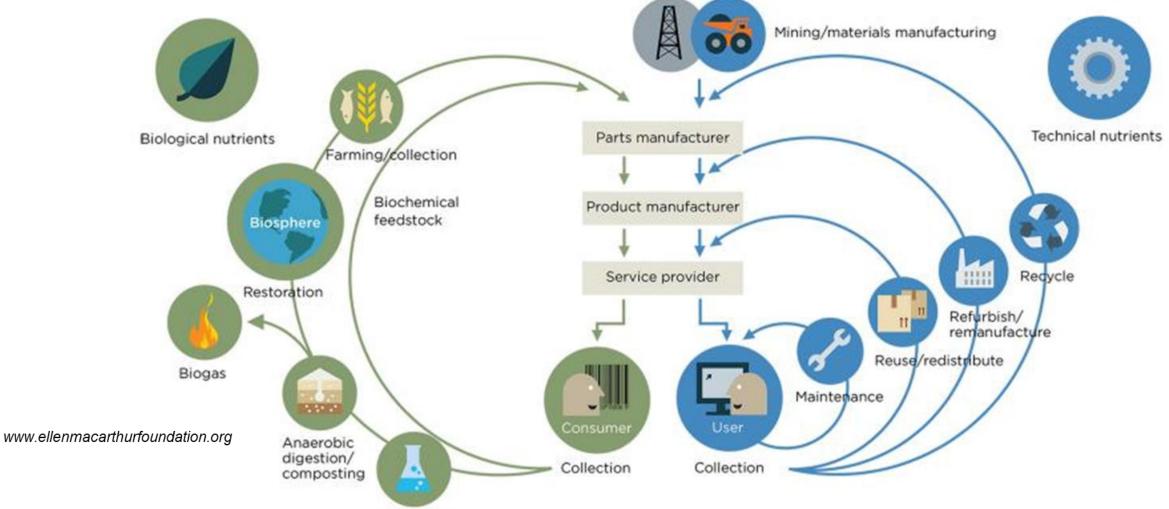
- People
 - the products we buy must be responsibly produced and we create safe and healthy workplaces, communities and consumers
- Planet
 - we minimize the use of different types of resources while minimizing waste and different types of emissions
- Profit
 - we keep costs down to remain competitive and create conditions to continue investing in the development of our products

From linear to circular



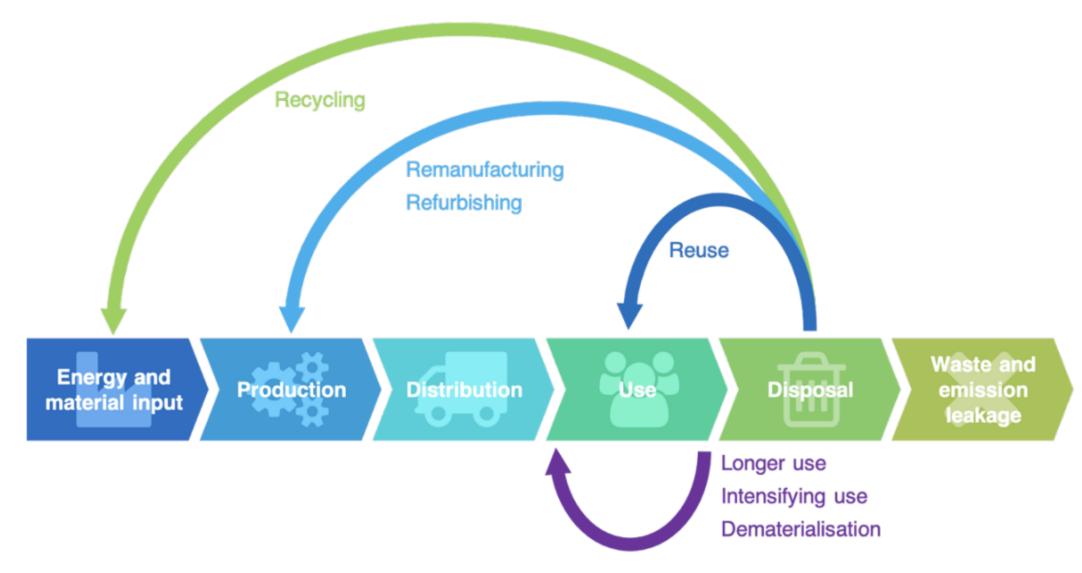
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- a great opportunity for the Swedish manufacturing industry



Circularity in industrial production





Swerim IUC Sverige, MITC KTH/KTH Leancentrum Södertälje Science Park Chalmers/ Linköpings universitet Lindholmen Science Park JU "SPARK" Examples of existing research and development partnerships within SuPr

SuPr

A national node for sustainable production

SuPr combine leading R&D actors within Sustainable Production.

We work together to initiate and implement new sustainable solutions within Swedish manufacturing industry.

Södertälje Science Park





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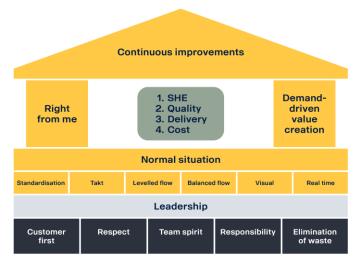


Leader in sustainable transport



Reference in work environment

- Safety is our top priority, and we continuously improve our operations
- Everyone understands their own responsibility and is committed to contribute
- All employees are engaged, react, act on deviations and risk observations
- By learning from experiences we also have a proactive approach
- We strive to reach our vision of zero accidents to create precondition for a safer and healthier workplace.
- We are the role model for handling safety, when introducing product change, new technologies and future challenges







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OUR PEOPLE DRIVE THE FUTURE

Everyone who works for Scania, no matter what their job is, contributes to our continuous improvement with their experience, knowledge, ideas and potential.





OUR CORE VALUES

Customer first



Our customers are the starting point of everything we do

We are only successful when our customers are successful, and we cooperate closely with them to understand their current and future business.

We provide tailored solutions that deliver value, are sustainable and profitable, today and in the future.

Respect



We respect each individual, their skills and opinions

We treat others with respect and expect to be treated with respect. We listen and understand. Everyone can contribute, and has the potential to grow and learn over time.

Respect is the foundation of all processes, all improvements, and all value creation.

Team spirit



We all win when we work as a team

We work as one team towards a common goal, united by a joint purpose.

A team includes everything from the smallest group of colleagues, through each brand, up to the TRATON Group itself and our partners. Together we succeed.

Responsibility



We take responsibility for society and environment

We always act with integrity and look beyond our immediate areas of responsibility, considering the longterm impact of our actions.

We take responsibility both as a group and as individuals.

Elimination of waste



We minimise unnecessary cost by eliminating waste

With a strong focus on continuous improvements, from strategic step changes to operational every-day changes, we ensure high-quality output and efficiency in all areas.

We find and remove all activities that have no value to our end customers and seek to minimise the negative impact of our operations and products.

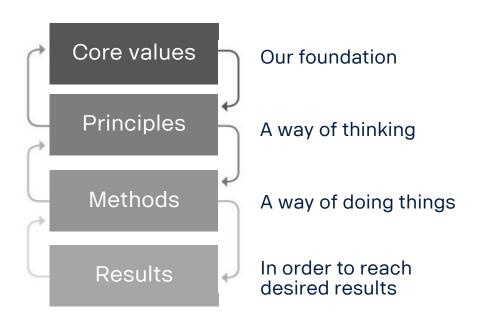


SCANIA PRODUCTION SYSTEM (SPS)

Leader in sustainable transport

Continuous improvements 1. SHE Demand-2. Quality driven Right 3. Delivery value from me 4. Cost creation **Normal situation** Standardisation Takt Levelled flow Balanced flow Visual Real time Leadership Team spirit Responsibility Elimination Customer Respect first of waste

Thinking model





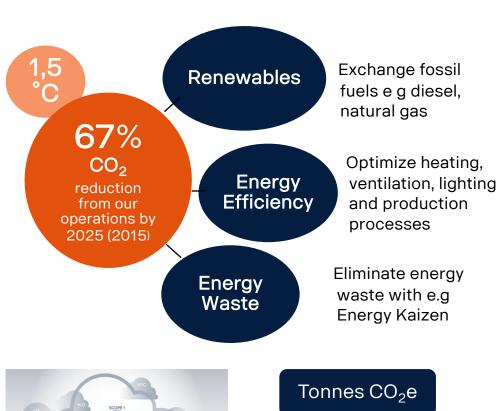
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RESPONSIBLE BUSINESS - RESOURCE & ENERGY EFFICIENT OPERATIONS

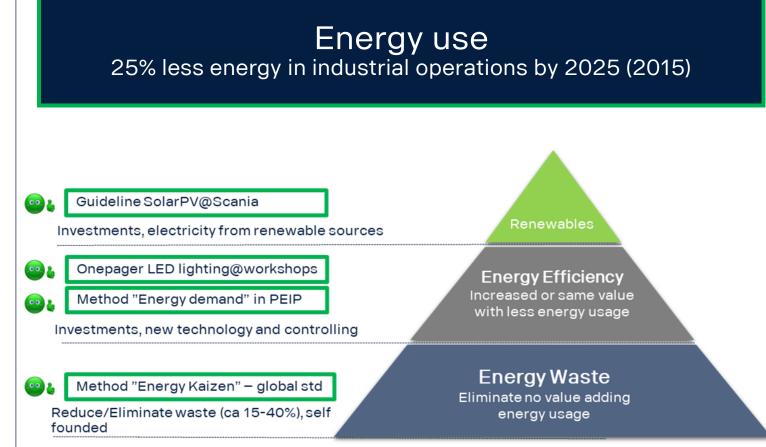
ENERGY ROADMAP P&L







Tonnes CO₂e
SCOPE 1 & 2





ENVIRONMENTAL FOOTPRINT P&L

<u>CO</u>₂

67% CO₂ reduction from operations by 2025



Energy

25% less energy use in industrial operations per vehicle by 2025

CO₂ emissions logistical flow

50% CO₂ reductions from land transports/ transported tonne by 2025

Waste

50% reduction of non-recycled waste per vehicle by 2025

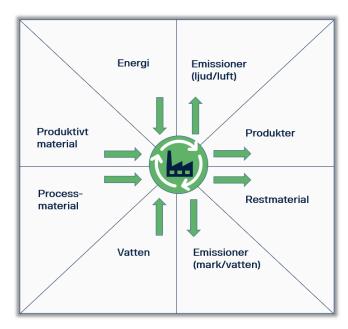
Water

40% reduction of fresh water use per vehicle by 2025



RESPONSIBLE BEHAVIOUR - EXAMPLES WoW

Green Accelerator



Green Performance Map

Energy Kaizen





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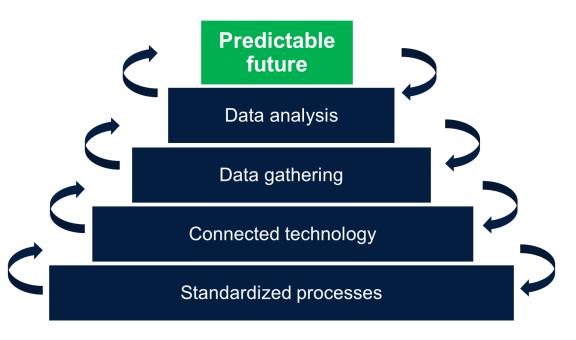
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Automation and digitalisation

 Automation is used to remove manual work in order to reduce ergonomic load on the human, increase quality and productivity.

 Digitalisation is the toolbox to support the automation efforts in production, logistics and administration.







Automation

1950 ->

Stand alone

Lamps showing status

Responsibility of the maintenance department

Connected Automation

1990 ->

Machines and robots connected via propriety networks or hard wired

Expensive peripherals (sensors, IT-equipment etc)

Low volumes of data collected and presented

Responsibility divided between maintenance and IT

Industrial Digitalization

Smart Factory

2010 ->

Machines and robots connected via standardized industrial networks and "clouds"

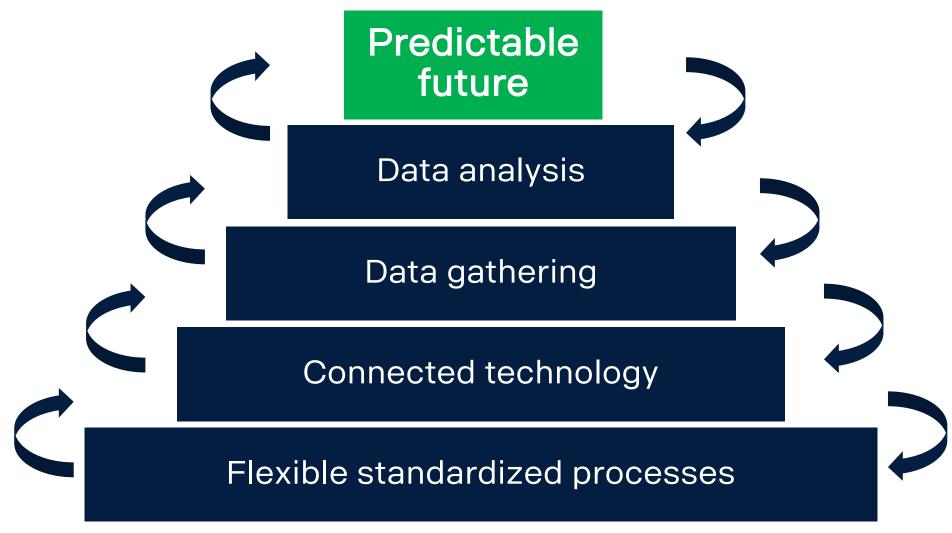
Costs for peripherals dropping dramatically

Big volumes data collected, analyzed used as basis for decisions

Responsibility mainly within IT

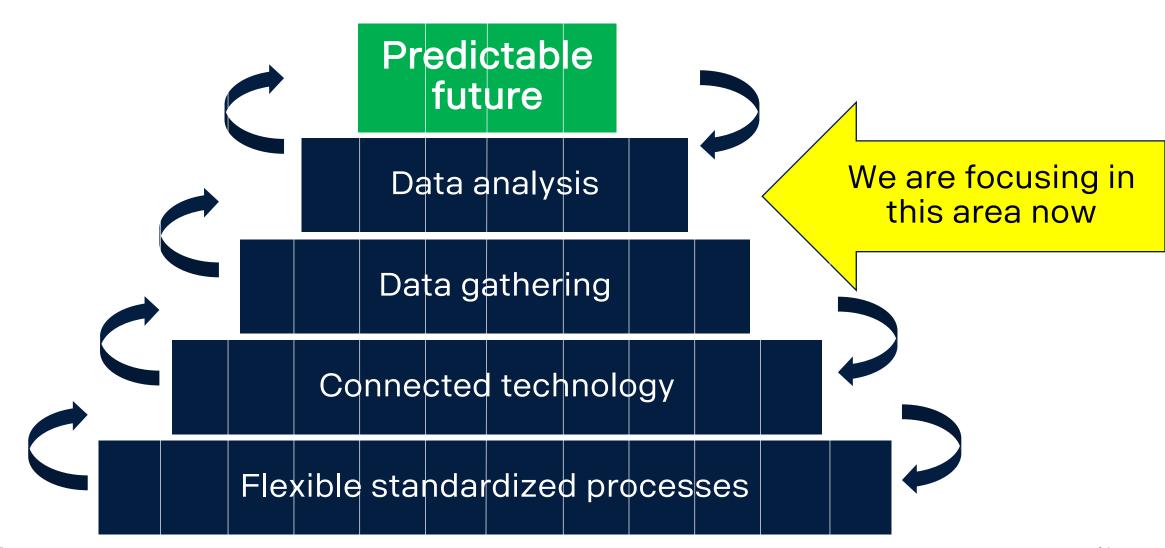


Industrial Digitalisation





Industrial Digitalisation



Main areas for digitalisation







35

- 1. External logistics
- 2. Internal logistics
- 3. Machining and maintenance
- 4. Process (BiW, foundry, painting etc.)
- 5. Assembly
- 6. Layout, planning & Virtual reality









Major digitalisation initiatives within production and logistics



- Specifying machines with sensors and standardised data structure and connecting them to SCADA platform. Enabling analysis of historical and real time process data and preventive process control.
- Introduction of a MES-platform to run production with traceability of parts, parameters and real time quality status though out the process.
- Preparing for "3D-only" in an unbroken chain from birth to death of the product
- Automation of administrative tasks through the modernising of the ERP-platform
- Testing of digital ideas in our Smart Factory Lab
- Introducing self-service BI (business intelligence) with Microsoft Power BI



Preparing for the predictable future

SFL - SMART FACTORY LAB



The Smart Factory Lab is an experimental test environment that explores, assesses and pilots new technologies before we adopt them in Scania's production processes

- First Choice arena for Digital Transformation
- Accelerate Digitalization & Automation
- Facilitate introduction of Industry 4.0
- Find and share best practice, promote good ideas!
- Forums, workshops and sessions with different layers of managment and decision makers



SMART FACTORY LAB



WHAT

We adapt, evaluate, share & deliver new technologies to improve safety, quality, productivity and sustainability through accelerating digitalization and automation.

WHY

To share how new technologies will increase safety, productivity, quality and human wellbeing.

HOW

The Smart Factory Lab is a hub driven by the collective expertise and passion of its dedicated team, moving P&L towards the Smart Factory vision.

WHAT IS A SMART FACTORY?

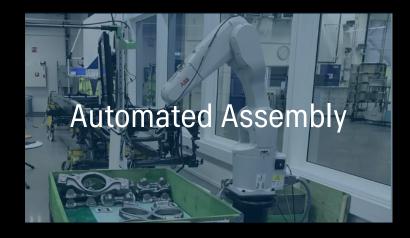


A Smart Factory is a factory that makes use of advancements in compute, sensor technology, AI and software development to increase safety, quality and productivity.





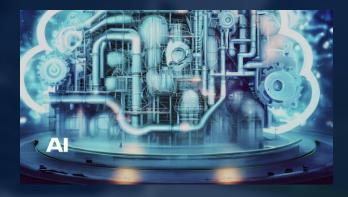








TRENDS











ΑI



AUTOMATION



DATA DRIVEN



CONNECTIVITY



EMPLOYEE EXPERIENCE



P&L DIGITALISATION VISION 2030

We drive the shift supported by a digitalized operating model and are the reference in the industry in terms of cost, people and the environment.









Sustainable & attractive employer

Decreased lead time in changes

Improved operational efficiency

Improved product quality and delivery precision

SMART FACTORY LAB

YOU'RE WELCOME HERE

LINK

