

MINIMUM REQUIREMENTS FOR SUPPLIERS



Sustainability rating requirements

Scania together with the Volkswagen Group is continuously working on further developing its sustainability requirements towards suppliers which are outlined in the [Scania Code of Conduct](#) and the VW [Code of Conduct for Business Partners](#). The extent to which our suppliers meet these requirements is measured by the Sustainability Rating (S-Rating), which is a prerequisite for awarding. As part of the S-Rating, Scania together with the Volkswagen Group has determined minimum requirements based on our Scania supplier Code of Conduct and VW Code of Conduct for Business Partners that must be met by all suppliers

The minimum requirements are the following:

- 1) Suppliers need to have a code of conduct implemented at their site.
- 2) Suppliers need to have a policy in place regarding human rights and working conditions, including at least the topics child labour and young workers, wages and benefits, working hours, modern slavery, freedom of association and collective bargaining as well as harassment and non-discrimination.
- 3) Suppliers need to have a policy in place regarding health and safety, including at least the topics emergency preparedness, incident and accident management, workplace ergonomics and fire protection.
- 4) Suppliers need to have a policy in place regarding business ethics, including at least the topics corruption, extortion and bribery, privacy and conflicts of interest.
- 5) Suppliers need to have a policy in place regarding environmental sustainability, including at least the topics greenhouse gas emissions, energy efficiency and renewable energy as well as sustainable resources management and waste reduction.

Tracking of compliance with minimum requirements

Whether these requirements are met is checked with the help of the Self Assessment Questionnaire (SAQ) on the [supplierassurance.com](#) platform. The SAQ is already in use today to assess suppliers' sustainability performances. If the minimum requirements are not fulfilled, suppliers need to improve and update their SAQ and in some cases we will conduct a sustainability audit on our site in order to obtain a S-Rating score. Non-compliance with the minimum requirements may lead to a negative sustainability rating (S-Rating) in 2021.

Further information

- Please note that also a low performance in the SAQ (independent of complying with the minimum requirements) can lead to nomination not possible. In these cases the supplier needs to improve the SAQ score, the necessity of a Sustainability audit at a supplier's site could also be then requested from Scania in this situation.
- Please keep in mind to have your SAQ updated with the most recent company data. Since this will have an impact in the nomination process.
- All suppliers, regardless of their size*, need to go through the whole SAQ.
- The policies outlined above should be submitted in one of the following languages or in an available translation: English, German, Chinese, Spanish, French or Portuguese.
- Further information can be found on [Scania supplier portal](#), i.e. guidance on how to set up a policy.
- Keep in mind that these are the minimum requirements. Additional sustainability requirements can still be applicable and outlined in our contract and relevant appendix

*The S-Rating is applicable to companies with more than 9 employees. Companies with **9 employees or less** need to contact Volkswagen Group via email (s-rating@vwgroupsupply.com) in order to be released from the task or contact supplier.sustainability@scania.com