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Axfood partners with Scania in transitioning to sustainable transport

Dagab, which handles assortment, purchasing and logistics for Sweden's second largest food retail group Axfood, has formed a far-reaching collaboration with Scania in electrification.

Scania will provide advisory services in areas such as fleet planning, assessing suitable routes for electrification and selecting an efficient charging infrastructure.

"Dagab and Axfood is committed to achieving fossil-free transports and we are now pooling resources with Scania to reach that target," says **Klas Balkow**, President and CEO, Axfood. "With our extensive network of stores throughout the country, as well as online customer sales, transforming the distribution system while upholding efficiency is a huge undertaking that will require careful planning and implementation. In this endeavour, we are pleased to partner with Scania over the coming years."

The initial step in this partnership will be the delivery of Scania's new-generation electric truck and plug-in hybrid vehicle to Dagab. These vehicles will be deployed on suitable routes in the greater Stockholm area. They will also be instrumental in assessing the prerequisites for further expansion of an electrified fleet.

Dagab and Scania recognise that there are many challenges that must be overcome, including ensuring sufficient power supplies at logistics centres, establishing efficient charging facilities along distribution routes and adapting the fleet for seasonal variations.

In certain cases, it might be preferable to instead operate on renewable fuels such as biogas or biodiesel to achieve immediate carbon emission reductions. Together, the parties will thoroughly analyse routes and distribution patterns to ensure the best solution for each transport task as well as addressing flexibility challenges.

Dagab will in 2023 open its new 100,000-square metre logistics centre in Bålsta, northwest of Stockholm. This centre will handle 60 percent Dagab's goods volume. Scania will contribute in planning the centre to handle not only Dagab's own fleet of vehicles but also incoming electrified trucks delivering goods.

"This agreement is a clear manifestation of our aim to be leading in the shift to sustainable transport in close collaboration with forward-looking companies, mutually exploring and developing logistics systems and technology along the way to a fossil-free future. No one single player has all the answers today, and it is only together with customers, infrastructure partners, energy suppliers and policy makers that we will find the answers that are optimal for the entire ecosystem," says **Henrik Henriksson**, President and CEO, Scania.

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Axfood aspires to be the leader in good and sustainable food. Our family of companies includes the store chains Willys and Hemköp as well as Tempo and Handlar'n. B2B sales are handled through Axfood Snabbgross, and our support company Dagab is responsible for the Group's product development, purchasing and logistics. The Axfood family also includes Mat.se, Middagsfrid and Urban Deli as well as the partly owned companies Apohem and Eurocash. Together the Group has more than 10,000 employees and sales of more than SEK 50 bn. Axfood has been listed on Nasdaq Stockholm since 1997, and the principal owner is Axel Johnson AB. Read more at www.axfood.se.