SUSTAINABILITY REPORT 2023

MAN Truck & Bus SE

CONTENTS

Dear Readers,

MAN Truck & Bus SE looks back on an economically extremely successful year. The company achieved an impressive turnaround in the 2023 fiscal year, which we can be very proud of. After successfully completing its restructuring programme, MAN achieved the best adjusted operating result in the company's history last year. This increased by 671 percent to 1.08 billion euros – despite significant adverse effects such as higher material and energy prices. The revenue was 14.8 billion euros, representing a year-on-year increase of 31 percent. The number of new vehicles sold also grew significantly by 37 percent compared with the previous year – to more than 116,000.

The clear sales growth of the all-electric MAN Lion's City E city bus series also contributed to this positive development. The trend towards battery-electric vehicles continues unabated in this segment, with sales in this area almost tripling. With a market share of around 13.3 percent, MAN ended the year as the market leader for electric city buses in Europe for the first time. Just three years after the launch of our battery-electric product range, we are already number one.

Together with our partners and customers, we are driving forward the strategy for the electrification of our vehicle fleet . As a global provider of transport solutions, we are aware of our contribution to global greenhouse gas emissions (GHG) and see it as our responsibility to significantly reduce these GHG emissions. We have anchored the decarbonization of our value chain as a key topic in our sustainability strategy. Our aim is to achieve greenhouse gas neutrality by 2050 at the latest. We have committed ourselves to this as part of the Science Based Targets initiative.

Furthermore, we have set ourselves the goal of having up to 90 percent of all new buses and 50 percent of all new MAN trucks equipped with battery-electric drives by 2030. We reached another milestone on this path in October 2023 with the start of sales of the MAN eTGX and MAN eTGS heavy-duty electric truck series. At MAN, we therefore have the right vehicles for the drive system transition in road freight transport in our portfolio. The first vehicles of these series will be rolled out to the first customers as early as 2024. From 2025, large-scale production of the eTruck will start at the MAN plant in Munich.

We have therefore positioned MAN Truck & Bus so that it is ready for the major transformation in the future. However, in order to bring about the mobility transition as a joint effort, we also need the right political framework conditions. As part of the TRATON GROUP, MAN – together with the Volvo Group and Daimler Truck – is participating in the Milence joint venture with the aim of setting up at least 1,700 high-performance, megawatt charging points for commercial vehicles throughout Europe. However, we need at least 50,000 charging points in Europe by 2030 for a systematic transition. This is why all stakeholders from politics and the energy sector now have to work together to achieve this important contribution to the climate targets.

Our employees will also play an important role in MAN's transformation into a provider of sustainable transport solutions. We aim to be an attractive employer for them and for potential applicants. This also includes striving for equal opportunities and diversity. We regard promoting these topics as a prerequisite for securing the future of our company.

As part of our strategy and our corporate values, we have driven the topic of diversity further forward and strengthened the position of the Diversity & Inclusion department. For example, two employees share the management responsibilities of the department, working part-time in a job-sharing model. In this way, we aim to further promote diversity in our company and create the basis for even more innovations. We also want to further intensify the job-sharing option.

This report includes all the relevant key figures and facts of our six action fields and presents our sustainability performance in a transparent way. It has been prepared with reference to the Global Reporting Initiative (GRI) standards and selected information has been audited by an auditing firm.

I hope you enjoy reading the report.

Sincerely,

Alexander Vlaskamp
Chief Executive Officer of MAN Truck & Bus SE

OUR COMPANY

MAN Truck & Bus is a TRATON GROUP company and a leading European commercial vehicle manufacturer. The company has production facilities in Germany, Poland, Slovakia, South Africa and Turkey. In addition to vans, MAN produces light to heavy-duty trucks for distribution and long-haul transport, construction site vehicles, as well as city buses, intercity buses and coaches. The product portfolio is complemented by extensive sales and service activities.

2023

35,511 Employees worldwide

86,783 Incoming orders

14,811 Sales revenue in € million

1,075 Operating result in € million

2023

116,033 Units sold

83,703 of which trucks

5,703 of which buses

26,627 of which MAN TGE

Corporate strategy

The commercial vehicle industry is facing major challenges: In the future, vehicles will be increasingly autonomous, more connected and will have lower emissions. We see this as an opportunity to systematically realign our company. The foundation for this is our strategy. It consists of the elements “Robust Company”, “Smart Innovator” and “Strong Team” and sets the strategic direction for the coming years. We want to further develop our customer business through leading sustainable solutions and, as part of the transformation, present a fully autonomous vehicle with zero local emissions by the end of this decade.

Corporate values

Our corporate values are at the heart of our corporate culture – and the basis for cross-brand cooperation within the TRATON GROUP. The corporate values were updated and harmonised across the Group in 2023. They are:

- Customer first
- Respect
- Team spirit
- Responsibility
- Avoid waste

Economic development

Despite a difficult economic environment, MAN achieved a historically good result in 2023 This forms a solid basis for our transformation towards climate-neutral mobility. MAN was already the market leader in Europe for all-electric city buses in 2023. With this performance, MAN is able to continue the transformation of the company towards sustainable and intelligent transport solutions.

Total sales increased by 37 percent to 116,000 vehicles (2022: 84,500 vehicles). Truck sales rose by 44 percent to 83,700 vehicles (2022: 58,100 vehicles), while bus sales were 19 percent above the corresponding figure for the previous year with 5,700 vehicles (2022: 4,800 vehicles). Sales of MAN TGE vans increased to 26,600 vehicles (2022: 21,600 vehicles), representing growth of 23 percent compared to the previous year’s level. The order intake of MAN Truck & Bus amounted to 86,800 vehicles (2022: 109,700 vehicles) and was 21 percent lower than the previous year.

We completed the Future Lion multi-year restructuring programme and realigned the bus business as part of the transformation. In addition, we have worked on further reducing fixed costs across the company and improved our cash management along the entire value chain.

STRATEGY AND MANAGEMENT

Sustainability and corporate strategy

MAN's vision is to simplify our customers' business – through leading sustainable solutions that contribute to greater sustainability. We see sustainability as a core element in order to fulfil our responsibility and survive in global competition. This is why sustainability is an integral part of our corporate strategy. We are therefore increasingly focusing on smart and innovative offerings for digitalisation, zero emissions and autonomous driving.

In recent years, sustainability topics have become more relevant, and awareness of pressing global challenges such as climate change and resource consumption has increased sharply. At the same time, the EU is prescribing mandatory requirements for companies with increasingly stringent regulatory provisions, including on the topic of sustainability reporting. Industry will play an important role in the transformation. MAN has been dealing with sustainability for many years and has been a member of the UN Global Compact since 2010. We are guided by its guidelines and the United Nations Sustainable Development Goals (SDGs).

Challenges and opportunities

A key challenge for MAN is the rapidly advancing electrification of the vehicle industry, which is accompanied by further trends such as automation and digitalisation. At the same time, we see these developments as an important opportunity to make our contribution in order to climate change. MAN is therefore in the process of transforming its business model. We are aligning our actions with future requirements by creating transport and mobility solutions for the entire transport process that contribute to greater sustainability.

We see the so-called ESG criteria (Environmental, Social, Governance) as a single unit. In each of these three aspects, we focus on the action fields that are important for us and our stakeholders and thus structure our entire sustainability strategy along ESG (→page 10).

Decarbonization plays a key role in our sustainability strategy. The global transport industry is responsible for around 8 gigatonnes of CO_2 emissions – based on data from the International Energy Agency (IEA) for 2022. MAN makes a significant contribution with its previous conventionally powered product portfolio, but also has the power to change this. We intend to achieve greenhouse gas neutrality by 2050 at the latest – and we have committed to this as part of the Science Based Targets initiative (SBTi) and set corresponding targets (→page 14).

An overview of all climate risks and opportunities for MAN can be found in the → 2022 Sustainability Report, page 18.

The mobility of the future should not only be clean, but also safe. In addition to the transition to greenhouse gas-free driven commercial vehicles, MAN is therefore focusing on the safety of its products for drivers and road users.

The topic of circular economy is also of great importance for MAN as a commercial vehicle manufacturer, as it has a significant impact on its business model. For example, MAN purchased 578,000 tonnes of steel in 2023 and is therefore responsible for high resource consumption. This is why we are focusing on new approaches in this area, such as reusing materials and components or life cycle assessments, to address challenges such as resource scarcity and supply chain dependencies.

Fundamentally transforming our business model would not be possible without our employees. However, MAN is also facing challenges in the HR sector, such as demographic change and the associated recruitment of talented specialists. Our goal is to be an attractive employer for our employees and potential applicants. At the same time, equal opportunities and diversity are prerequisites for the future success of the company, and we actively promote them.

MAN's aim is to continuously further develop standards – not only in terms of the quality of its products, but also in matters such as compliance, ethics and integrity, which are the prerequisites for good corporate governance. This is why combatting corruption, fraud and discrimination is very important to us.

MAN also fulfils its corporate due diligence obligation in its supply chains. We regularly review and audit our supply chains with regard to social and environmental standards, which also strengthens our own economic resilience. The interplay between raw material extraction, transport and trade makes supply chains very complex and carries potential dangers such as child labour, systematic human rights violations or discrimination. This requires a sensitive approach to the topic which we, as a member of the Volkswagen Group, follow with our raw material due diligence management system, among other things. Information on the general risk management system can be found in the → 2023 Annual Report of the TRATON GROUP, pages 77 ff.

Governance

Achievement of the objectives and implementation of the MAN sustainability strategy are managed by the corporate strategy. We have created a multi-level governance structure to entrench the strategy in our operations and establish sustainability as a transformation process in all areas. In our sales organisation, for example, ESG-related topics are now regularly addressed in strategic unit meetings with representatives from all sales regions and both customer requirements and solutions are discussed in this context.

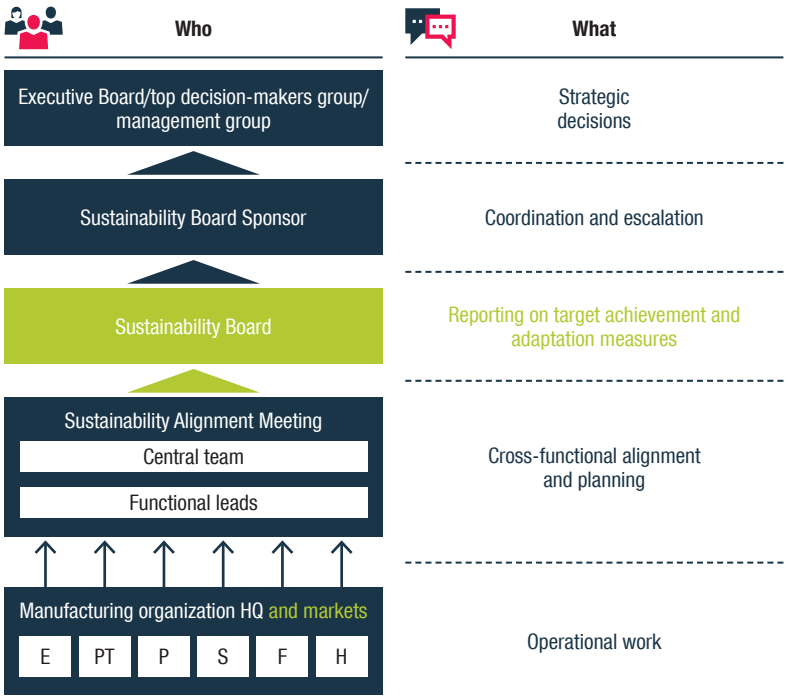
At the core of our sustainability governance is an interdisciplinary team consisting of representatives from all Executive Board areas, which meets once a month. This team further develops the strategy in terms of content, and all the sustainability topics of all the divisions are brought together, discussed and harmonised across the respective areas.

The results of the strategy process, updates on progress and KPIs are reported to the MAN Sustainability Board, which meets three times a year. It is chaired by the CEO of MAN Truck & Bus as the Sustainability Board Sponsor, who also reports on the relevant topics to the Executive

Board of TRATON SE. The committee's necessary expertise with regard to professional sustainability topics is ensured by the participation of representatives from all relevant areas of the company:

- Strategy via the Head of Strategy & Sustainability
- Finance via the Head of Group Controlling & Treasury
- Communication via Head of Corporate Communications & Marketing

Governance structure for defining sustainability issues



E = Engineering, PT = Procurement, P = Production, S = Sales, F = Finance, H = HR

- Sales via the Head of Customer Service Strategy & Business Development
- Development via the Head of Product Compliance & Homologation
- Compliance via the Head of Governance, Risk & Compliance
- Personnel via the Head of HR Strategy & Innovation
- Production via the Head of Environment & HSE Management
- Sustainability strategy via the Head of Sustainability

Update of the sustainability strategy

The MAN sustainability strategy points the way forward for our short-, medium- and long-term ambitions. The interdisciplinary sustainability team from all MAN Executive Board areas redesigned and set up this strategy in six steps in 2021. Our process includes an annual review and update of the strategy, our action fields and their strategic initiatives. In the year under review, we therefore examined our strategy again. We looked at key topics in the area of sustainability and ensured that our strategy not only reflects topics that are relevant at the moment, but also those that are strategically important in the long term. Continuously changing environmental conditions and increasing social expectations were also taken into account.

1. Environment analysis and stakeholder expectations

Our first step was a comparison with VW and TRATON, with whom we are in regular contact via joint sustainability committees, among other things. Discussions with our holding company, analyses of relevant competitors in the commercial vehicle sector and renowned companies from other industries as well as current trends and scientific research helped us to again reflect on our sustainability strategy and review it in the light of the current framework conditions. In this process, we questioned and reas-

sessed the challenges relevant to MAN along our value chain, taking into account the Sustainable Development Goals (SDGs) and social developments. In order to appropriately take account of the ecological and human rights impacts of MAN, we also integrated findings from our own systems, processes and committees into this step of the analysis. For this purpose, we used internal sources such as our "Speak up!" whistleblower system, our Compliance Helpdesk, customer and employee surveys, the continuous exchange with our experts and our various management systems (including for Business Human Rights, Compliance, Environment or Product Compliance).

To validate our sustainability strategy, we once again held an external stakeholder workshop in which our strategy, including the action fields, was put under scrutiny. The workshop opened with a discussion of current developments and new requirements in the area of sustainability with the participants in order to identify any changes from their perspective after one year. Our current sustainability strategy was then presented. The conclusion was that our strategy and the associated action fields fully reflect the sustainability topics relevant to MAN from the point of view of our most important external stakeholders. The strategy and content were thus substantially confirmed, including our focus on the topics of decarbonization and circular economy, which, according to the participants, are the biggest factors in MAN becoming a more sustainable company. The workshop was attended by customers, suppliers and representatives of major companies, the scientific community, municipalities and well-known non-governmental organisations (NGOs).

Stakeholder management is a topic of fundamental importance to us and a critical factor for success in our overall strategy development process. We therefore do not consider it a separate action field. Due to its overarching role, stakeholder management is closely integrated into our sustainability management (→page 11).

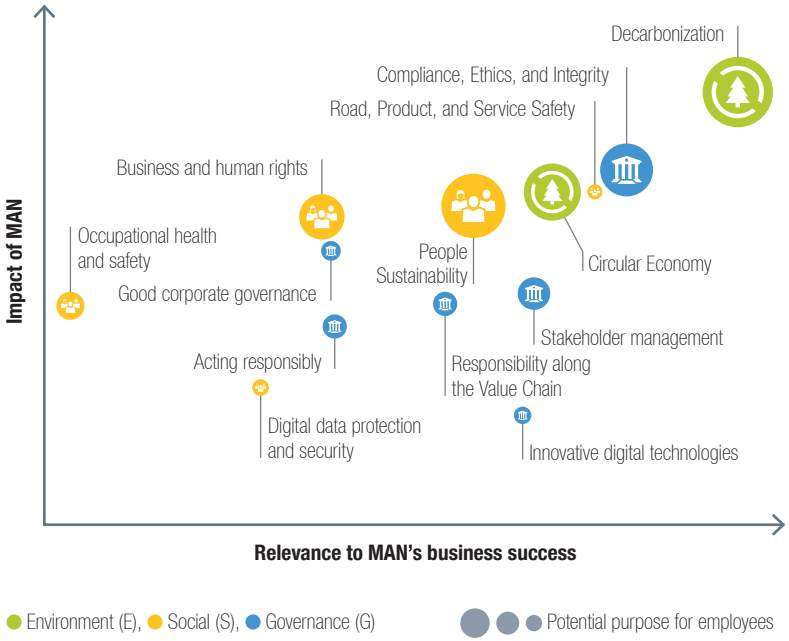
2. Validation of the action fields

In internal, cross-divisional workshops, the findings from the environment analyses and the suggestions from the external stakeholder workshop were discussed intensively. From this dialogue, we derived meaningful adjustments and additions for our sustainability strategy, with the aim of essentially meeting the requirements for 2023 and nevertheless continuing to focus on the most relevant issues. The action field "People and Culture" has been renamed "People Sustainability" to accommodate the revision of our HR strategy based on the current challenges in this area.

Our six action fields thus continue to cover the essential ESG requirements for MAN as a provider of future-oriented transport and mobility solutions:

- **Environment:**
  - Decarbonization
  - Circular Economy
- **Social:**
  - People Sustainability
  - Road, Product, and Service Safety
- **Governance:**
  - Compliance, Ethics and Integrity
  - Responsibility along the Value Chain

Results of the materiality analysis



We reviewed the materiality analysis we carried out in 2021 in the previous year.

3. Confirmation of focus fields

In close coordination between the strategy department and the interdisciplinary team, the three focus action fields "Decarbonization", "Circular Economy" and "People Sustainability" were once again confirmed as particularly important within the MAN sustainability strategy. This became evident from the analyses and surveys described above.

4. Update of specific initiatives per action field

We also reviewed the strategic initiatives and measures within our action fields with regard to current trends and changes and made meaningful adjustments and updates in all action fields.

Among other things, the strategic initiatives within the "People Sustainability" action field were refined in terms of "Health and Security Management" and "Employer Branding and Retention" alongside our revised HR strategy.

The topic of "Human Rights" is receiving increasing attention and has been integrated within "Compliance, Ethics and Integrity". In addition, we have included another strategic initiative on the Corporate Sustainability Reporting Directive (CSRD) against the background of the growing importance of transparent sustainability reporting in addition to the procedural "Integration of legal requirements".

We not only aim to improve the standards and processes of our suppliers and business partners, but also continuously review and adapt our own standards and processes, which underpins the "Integration of sustainability in corporate processes" as a strategic initiative in the action field "Responsibility along the Value Chain".

Other existing strategic initiatives in the remaining action fields were also further developed in the remaining action fields and targeted adjustments and additions were made.

MAN sustainability compass with our six strategic action fields

Preparation for CSRD reporting

According to the new EU Corporate Sustainability Reporting Directive (CSRD), many companies will now be obliged to report on the basis of binding standards (European Sustainability Reporting Standards).

The TRATON GROUP must report on the 2024 fiscal year for the first time in 2025 and is currently preparing for the CSRD. In the year under review, the TRATON GROUP started a materiality analysis. Sustainability reporting based on the CSRD requirements will take place via the TRATON GROUP in the future. In addition, MAN will report on selected topics from the area of sustainability independently of this.

Sustainable Development Goals (SDGs) to guide our sustainability strategy

The SDGs adopted by the UN General Assembly in 2015 form the framework for an effective contribution to sustainable development. The 17 goals aimed at governments, but also at civil society, the private sector and the scientific community go hand in hand with the principles of the UN Global Compact[1] – to which MAN expressly commits itself. MAN wants to make a substantial contribution to achieving the SDGs and has therefore aligned itself with these when developing its sustainability strategy. A description of the process MAN has adopted and which SDGs are particularly important for the company can be found in the → 2022 Sustainability Report, page 11.

[1] The TRATON GROUP is a participant in the UN Global Compact and reports on progress annually in the "Communication on Progress".

Stakeholder dialogue

Regular dialogue with our stakeholders is essential for us to continuously challenge our strategy and initiate changes. After all, the expectations of business, politics and society are fundamental to our commercial success. The focus is on topics that affect our core business, such as the reduction of global CO_2 emissions in freight and passenger transport. The most important stakeholder groups for MAN were also involved in determining the most important action fields and updating the sustainability strategy (→page 07 f.).

Dialogue with policymakers and businesses

We are actively working on finding solutions to global challenges. That is why we also bring our expertise to the political discussion, focusing on the aforementioned key topics. To this end, we maintain an ongoing dialogue with the relevant ministries as well as with government and opposition officials and multipliers at local, state, federal and EU level as well as internationally. In 2023, topics such as the transformation of the commercial vehicle industry towards zero-emission technologies and thus compliance with political climate targets were at the forefront of the dialogue with policymakers. A key aspect of this is the necessary development of an EU-wide charging infrastructure for heavy-duty commercial vehicles. The MAN principles for political lobbying are set out in a Group-wide Code of Conduct. In it, we expressly commit to political neutrality and to open presentation of our positions. In accordance with the German Lobby Register Act (Lobbyregistergesetz), MAN has entered all expenses for political lobbying in the transparency registers (country, federal state, EU) for public inspection. MAN's brand policy on the handling of donations and sponsoring measures excludes politically motivated donations, such as donations to parties, party-affiliated institutions or politicians.

Social commitment

MAN has had long-term and trusting partnership with the SOS Children's Villages charity since 2007. The company also provides financial support to the non-profit organisation for national and international programmes.

In 2023, MAN and the Malteser relief organisation agreed on a collaboration. If a disaster has to be declared in Bavaria due to a corresponding event, MAN will provide the Malteser organisation with commercial vehicles for transporting relief goods quickly and unbureaucratically. Specifically, MAN supports the aid organisation in situations such as the recent and current provision of aid to Ukraine. In addition, the commercial vehicle manufacturer enables employees who have a corresponding truck driver's licence to assist with relief transport trips. A joint training concept has been set up for this purpose.

DECARBONIZATION

As a global company providing transport solutions, MAN takes its responsibility for climate and environmental protection seriously and sees it as its duty to make an active contribution here.
We want to shape the transition to greenhouse gas-free driven commercial vehicles with our own ideas and innovations in order to remain successful and competitive in the future. In particular, we are working on the potentials for saving greenhouse gas (GHG) emissions along our entire value chain and the life cycle of our products. Our targets and measures for decarbonization focus on reducing GHGs, which are essentially generated by the use of our product portfolio and at our company sites.

In focus:

By 2030

- Reduction of greenhouse gas emissions per vehicle kilometre of trucks, buses and vans sold by MAN by 28 percent (base year 2019)
- Reduction of greenhouse gas emissions at company locations worldwide by 70 percent (base year 2019)
- Achievement of CO_2-neutral production in terms of our carbon footprint by reducing emissions by at least 95 percent and offsetting a maximum 5 percent share of unavoidable CO_2 emissions (base year 2015)

By 2050 at the latest

- Achievement of greenhouse gas neutrality in terms of our carbon footprint, i.e. Net-Zero emissions along MAN's entire value chain, including the life cycle of all new products sold

Key figures 2023:

-12.8%[1]	GHG fleet emissions per vehicle kilometre (2023)
806	orders received for electric buses
771	electric buses sold

[1] GHG Protocol Scope 3 (Downstream) - Category 11: "Use of Sold Products"; calculation compared to base year 2019

DECARBONIZATION STRATEGY

For MAN, climate change brings with it a wide range of risks and opportunities that are crucial for the company's further development. For example, climate-related weather extremes increasingly require prevention and adaptation measures along our value chain and at our company locations. An increasing risk of conflicts due to scarcer resources is also to be expected in the coming years. At the regulatory level, we anticipate increasingly complex requirements, especially in the area of CO_2 limit values and taxes, which entail considerable reputational risks in the event of non-compliance.

At the same time, this also creates growth opportunities for MAN. An energy-efficient and low-GHG product portfolio will strengthen customer loyalty and secure the future competitiveness of our company in all relevant sales markets. The fact that the ➔ transport sector within the European Union is responsible for around 29 percent of CO_2 emissions demonstrates the magnitude of our responsibility for climate change. This is why we are striving to live up to our responsibility in the various MAN business units by implementing the following measures:

Products
In our core business, we focus on the transition to greenhouse gas-free driven commercial vehicles and develop battery-electric trucks, buses and vans.

Production
Through the systematic conversion and modernisation of the energy supply, the use of renewable energy sources and energy efficiency measures, we aim to reduce our Scope 1 and 2 CO_2 emissions from production by at least by 95 percent compared to 2015. The remaining emissions that cannot be saved due to the process are offset.

Supply chain
Through specifications for our suppliers, the S rating (Definition ➔page 62) and within the framework of lighthouse projects, we create incentives for our suppliers to actively develop themselves further in the area of sustainability.

Transportation and logistics
In order to systematically reduce CO_2 emissions, we record these from inbound and outbound logistics and work on optimising transport structures and processes.

Employee mobility
MAN's requirements for air travel, rental cars and rail travel aim to keep GHG emissions from business travel as low as possible.

We want to be greenhouse gas-neutral in terms of our carbon footprint by 2050 at the latest – we committed to this in 2021 as part of the Science Based Targets initiative (SBTi)[1] for climate protection.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

[1] SBTi is a partnership between the CDP (Carbon Disclosure Project), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The initiative assists companies with setting targets that are in line with the Paris Agreement, which was adopted by the United Nations in 2015. Accordingly, global warming should be limited to 1.5°C if possible, but at least well below 2°C compared to the pre-industrial level.

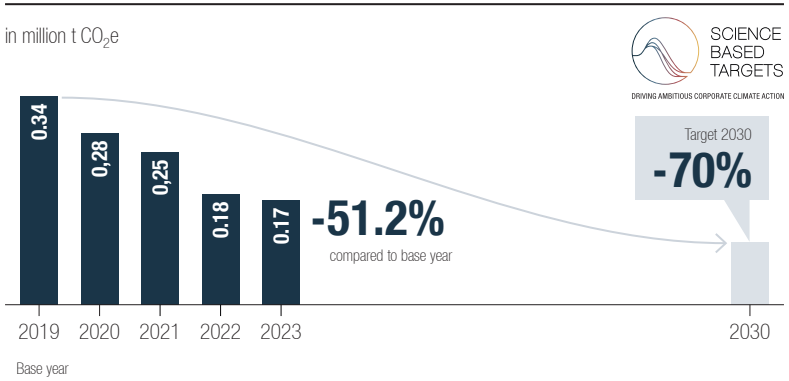
SCIENCE-BASED TARGETS

Sustainability is a key pillar of our corporate strategy and the topic of decarbonization plays an essential role in this, both along the entire value chain and the life cycle of our products. The use phase of our new products sold accounted for more than 96 percent of our GHG emissions in 2023, which is why this area has the biggest leverage for us. For this reason, we are driving forward the electrification of our fleet in particular. MAN has been selling electric vans from as far back as 2018 and serving the eBus segment since 2019. In addition, sales of the new electric truck started in 2023, with the first models being delivered to customers in 2024.

We also have clearly defined climate targets. In 2021, MAN joined the Science Based Targets initiative (SBTi) to assume responsibility and contribute to compliance with the Paris Agreement. By joining, we have set ourselves binding and science-based targets for reducing greenhouse gas emissions that are harmful to the climate – both in the short term by 2030 and in the long term in line with our goal of greenhouse gas neutrality in terms of our carbon footprint (Net-Zero). For us, our SBTi targets are also the basis for our annual strategic financial planning, which extends over a period of ten years. The plan is only approved if achievement of the SBTi targets is expected or even exceeded.

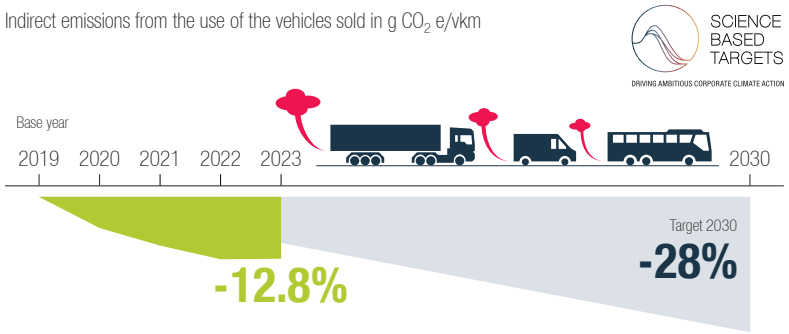
Our short-term targets were officially validated by the SBTi in April 2022. The first step is to reduce 70 percent of greenhouse gas emissions at our company's sites worldwide by 2030 compared to 2019 (GHG Protocol Scopes 1 and 2). In contrast, the GHG fleet emissions per vehicle kilometre of the trucks, buses and vans sold by MAN are to be reduced by 28 percent by 2030 compared to the base year 2019 (GHG Protocol Scope 3 – Category 11). In the long term, we want to become greenhouse gas-neutral in terms of our carbon footprint by 2050 at the latest – we have committed to this as part of the SBTi with the "Business Ambition for 1.5°C". In this context, we will fulfil our commitment by submitting our Net-Zero target to the SBTi – the plans for this are already available. We will continuously publish progress towards our climate targets in our sustainability reporting.

Scope 1 and 2 emissions[1]



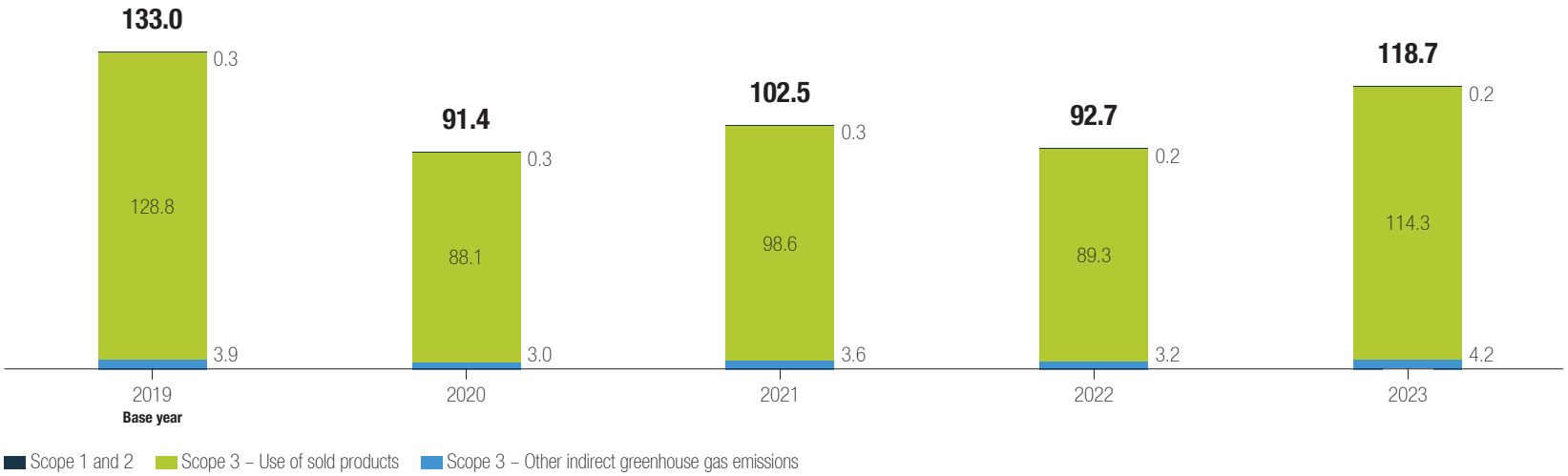
[1] The consideration limits of the emissions correspond to the definition of the SBTi and deviate from those on ➔page 21 ff..

Scope 3 emissions – Category 11



Emissions along the value chain and the life cycle of our products

in GHG emissions Mt CO_2e



Scope 1 comprises the direct greenhouse gas emissions that arise directly in MAN production processes, for example. MAN's own vehicles also cause GHG emissions, which are counted as Scope 1.

Scope 2 covers indirect greenhouse gas emissions. They arise when MAN purchases electricity or heat.

All other indirect greenhouse gas emissions that occur along our value chain and along the life cycle of our products (including from the use of our products by customers, through the purchase of products and services as well as through business trips) are attributed to **Scope 3**.

TRANSFORMATION OF THE PRODUCT RANGE

MAN always keeps an eye on the entire product life cycle. From raw material extraction to end-of-life, we are working to emit fewer greenhouse gases and thus make an active contribution to climate protection. In the transformation of our product portfolio towards greenhouse gas-free drives, our focus is on battery-electric vehicles. MAN launched its first mass production e-commercial vehicle, the eTGE, in 2018. Our all-electric city bus, the MAN Lion's City E, has been in use in urban transport since 2019.

MAN sees hydrogen-based (H_2) drive systems as a complement to the purely battery-electric drive. The development of fuel cell drives is based on the development of battery-electric vehicles (BEV) and supplements this with H_2 on-board charging, which means that the actual battery can be significantly smaller.

MAN sees the use of hydrogen combustion engines in the MAN Engines business area, i.e. in non-road applications such as ships, powerful agricultural and construction machinery, power generators and combined heat and power plants. However, special applications, such as the transport of heavy goods, could also be possible due to their high requirements for power and tank capacity. In order to complement our zero-emission truck portfolio and due to the classification of the hydrogen combustion engine technology as a zero-emission vehicle (ZEV), a small series of a "MAN hTGX" is planned to be delivered to the first pilot customers as early as 2025.

Vehicle batteries are a key component of battery-electric drives. In spring 2021, MAN began to build up its own expertise for the assembly of battery packs. The nucleus for this is the electric mobility technology centre at the Nuremberg site, where the first battery packs for electric vehicle testing and internal tests are created in small lot production. From 2025, MAN will manufacture high-voltage batteries for electric trucks and buses there with an annual production capacity of up to 100,000 battery packs. To this end, the company will invest around 100 million euros in the production site by 2027. The total investment volume in research and development of electric mobility at the TRATON GROUP is around 2.6 billion euros. The paths MAN is taking in battery cell production are also explained in the Circular Economy section (→page 28) using the example of a vehicle project.

In addition, the development of a high-performance charging infrastructure is an important prerequisite for the transformation of the transport industry. The TRATON GROUP is also making a contribution to this and is participating in the development of a high-performance charging network in Europe as part of the Milence joint venture together with Daimler Truck and the Volvo Group. Milence has set itself the goal of building 1,700 public high-performance charging stations in Europe by 2027, providing electricity from renewable energies.

EFFICIENT AND ENVIRONMENTALLY FRIENDLY SOLUTIONS

We are continuously working to increase the efficiency of our products and ensure this through intelligent service solutions. The reason for this is that our customers usually make their purchase decision on the basis of the total cost of ownership (TCO). Around a third of this is attributable to energy costs in freight transport. Increased efficiency and lower emissions are therefore the basis for sustainable innovation. In order to become a technology leader, MAN is focusing its research and development on reducing consumption and emissions, new drive concepts and alternative solutions, such as in the charging area, in addition to maintaining and redeveloping its product ranges. We are also committed to developing an efficient and more climate-friendly product portfolio as part of our MAN decarbonization strategy (→Decarbonization strategy, page 13).

Climate-friendly electric propulsion

In the future, CO_2 emissions will bear ever-increasing financial costs and be subject to greater regulation. In the medium term, these developments will also lead to higher demand for low-emission drive systems from our customers. The increasing use of electric mobility in the transport sector can help to achieve the EU's CO_2 reduction targets for heavy-duty commercial vehicles. Battery-electric commercial vehicles play an important role here. The turning point at which electric mobility is at the same cost level as conventional combustion engines is expected to be reached in the middle of the decade, which is also expected to significantly increase demand for heavy-duty electric trucks. We are already seeing trends for this development based on an increasing order intake for electric buses and eTrucks. Thanks to the combination of low operating costs and their excellent energy balance, battery-electric vehicles offer the optimal technology for future commercial vehicle fleets with lower CO_2 emissions.

Electric vehicles

in units	2021	2022	2023
Incoming orders for electric vehicles			
Truck	4	11	5
Bus	204	637	806
Van	1,047	417	242
Sales of electric vehicles			
Truck	18	14	0
Bus	133	263	771
Van	826	686	315

eTGE

MAN unveiled its first mass-production electric vehicle, the eTGE, in 2018. The all-electric van with a range of 115 kilometres (according to the Worldwide Harmonised Light-Duty Vehicles Test Procedure, WLTP for short) and a payload of around one tonne is designed for "last mile" logistics. MAN has developed further derivatives based on the eTGE panel van: a Combi with nine seats for the integrated transport of people and goods, a box body for bulky goods as well as a three-way tipper and flatbed for applications on the construction site as well as in horticulture and landscaping. In 2023, MAN sold 315 eTGEs in Europe.

eTruck

In the truck segment, MAN has been serving customers throughout Europe with the MAN TGM 26.360 E LL since the end of 2018. With the eTGM small series launched in 2019, MAN Truck & Bus is also a pioneer in the field of electrically powered trucks over 12 tonnes in Europe. By combining innovative technology, constantly expanding application expertise and specially developed services for e-mobility customers, MAN is continuously developing the purely electric, large-scale production range of heavy-duty electric trucks, including for long-haul transport. By 2030, it is planned that around 50 percent of all newly registered MAN trucks in Europe will be battery-electric.

Prior to the market launch of MAN's eTruck in 2023, we conducted extensive road, load and safety tests before it went into series production. From December 2022 to April 2023, driving functions, range, climate control and charging behaviour were successfully tested in northern Sweden under Arctic conditions. A summer test also took place in southern Spain. The eTruck also performed very well in measurements in terms of noise emissions: compared to diesel trucks, electric trucks are only perceived to be about half as loud. Thanks to its preparation for the megawatt charging standard, the eTruck also achieves daily ranges suitable for long-haul transport of between 600 and 800 kilometres, and in the future even up to 1,000 kilometres will be possible. Since sales of the new eTruck only started in October 2023 the number of eTrucks delivered in 2023 is 0.

eBus

The success of electric mobility in urban transport is due to vehicles such as the MAN Lion's City E, the ➔ "Sustainable Bus of the Year 2024" in the "Urban" category, among other things. A practical test in the South Tyrolean Dolomites in 2023 confirmed this once again: at an altitude of over 10,000 metres, the eBus consumed an average of 0.77 kWh per kilometre, demonstrating its efficiency even in challenging terrain. Annual sales in 2023 totalled 771 electric buses, which corresponds to a share of around 30 percent of the city buses sold by MAN in Europe. This means that MAN has assumed the leading position in the European market for electric buses. By 2025, the goal is for every second MAN city bus sold to have an emission-free drive system, and by 2030, it is expected that up to 90 percent of MAN buses in Europe will be delivered with battery drives. This demonstrates that MAN is systematically converting its portfolio to electric vehicles in the city bus and intercity segments. The company is also working on the electrification of its coaches. The eCoach from MAN is due to celebrate its premiere in 2025.

Consultancy for fleet electrification

Transport companies and fleet operators face various challenges when electrifying their vehicle fleets that go beyond the actual vehicle. Examples include ensuring the sufficient availability of energy at deployment

locations as well as the necessary infrastructure. In order to provide its customers with the best possible support, MAN Truck & Bus offers comprehensive advice on individual, economical and future-proof transport solutions with MAN Transport Solutions. In addition to technical questions about the vehicle, a specialised team advises customers on topics relating to energy requirements, optimal charging strategies and appropriate infrastructure as well as an optimal fleet configuration.

MAN Transport Solutions maintains close contact with interested customers to prepare depots and workshops for the electrification of the transport sector. With a network of local experts in e-mobility, MAN Transport Solutions ensures that the necessary expertise is also available for direct customer support on site. Development cooperation with well-known software companies and providers of charging infrastructure also plays an important role here. In addition to the previously established consulting services, MAN Transport Solutions now also offers charging solutions for customers.

Efficient diesel engines

Besides the development of zero-emission vehicles (ZEVs) with a focus on battery-electric vehicles, MAN continues to drive forward the reduction in fuel consumption of MAN trucks with conventional drivelines. Fuel consumption and thus also CO_2 emissions were reduced by a further 16.9 percent between 2015 and 2023 – this corresponds to a decrease of approx. 1.88 percent (g CO_2 per vehicle kilometre) per year. The long-haul truck serves as the reference vehicle.

We have achieved this through various optimisations on the vehicle. A reduction of 7.6 percent was achieved through the further development of the diesel engine to meet the Euro VI emissions standard and component optimisation. We realised additional savings through improvements to the aerodynamics and driveline as well as on a functional level through a topography-dependent cruise control system.

MAN is also planning further consumption optimisations in the future through various projects that have already been started.

Natural gas and biogas as an additional energy source

Natural gas (CNG) plays a complementary role in our product portfolio. In addition to low-emission propulsion for buses or ships, natural gas is also suitable for energy generation. MAN Truck & Bus is the market leader for stationary gas engines that are used for cogeneration systems in combined heat and power (CHP) plants, for example. These generate electricity and heat, achieving efficiency levels of over 90 percent. For example, with stationary electricity generation in continuous operation, the use of natural gas makes it possible to produce up to 8 percent less greenhouse gas emissions (well-to-wheel) than is the case with diesel fuel. By using corresponding biogas pathways, GHG emissions can be reduced even further here. The profitability of CHP operations is ensured by linking electricity prices to gas prices.

Smart mobility

The digital transformation opens up new opportunities and business areas for MAN, as commercial vehicles are already the most connected vehicles today. Networking and data exchange are important prerequisites for improving efficiency and safety in the transport sector through the control of entire systems, thus optimising utilisation and significantly reducing the number of workshop visits as well as CO_2 emissions.

The following table shows the described development (number of networked vehicles) in figures:

Connected vehicles

in units	2021	2022	2023
Total connected vehicles	**223,947**	**300,136**	**397,967**

The MAN Truck Generation, which was presented in 2020, demonstrates how we are consistently adapting to the changing needs of the transport industry and further developing the digital networking of our vehicles with modern assistance systems and driver orientation. This truck generation thus represents the development of MAN Truck & Bus from vehicle manufacturer to a provider of intelligent and sustainable transport solutions.

With the MAN Perform digital service, for example, customers receive a detailed overview of the operational data of their fleet. This allows the individual driving style to be analysed and the driving performance to be increased in a targeted way, leading to a reduction in fuel costs, CO_2 emissions and total operating costs (→Driver assistance systems, page 48).

PRODUCTION

Through the systematic conversion and modernisation of the energy supply, the use of renewable energy sources and energy efficiency measures, we aim to continue to reduce our Scope 1 and 2 GHG emissions. We aim to cut our CO_2 emissions in half by 2025 and intend for the production of our products to be CO_2-neutral in terms of our carbon footprint by 2030. This means that we will reduce CO_2 emissions by at least 95 percent and offset a maximum of 5 percent of the remaining emissions that cannot be avoided due to the process. Figures from 2015 are used as a reference point.

While we are concentrating our reduction measures on the efficiency of our plants and investing in our own efficient energy generation, we are also focusing on continuously increasing the efficiency of our sites. To this end, we aim to implement ISO 50001-certified energy management systems at all our production sites by 2025. So far, all plants except Olifantsfontein (South Africa) and Bánovce (Slovakia) have received this certification. The certification of the outstanding plants is planned for 2025. We have focused our actions on three areas to increase the procurement of renewable energy:

1. Own generation of renewable energies at the sites through investments or contracting
2. Expansion of power purchase agreements (PPAs) - i.e. the direct procurement of renewable energies from plant operators
3. Procurement of renewable energy from energy suppliers

Plans with concrete measures to reduce CO_2 emissions are available for all sites step by step.

Energy consumption and CO_2 emissions

Energy consumption per vehicle produced fell from 10.01 MWh[1] in 2022 to 7.52 MWh per unit in 2023, as production was consistent and stable compared to previous years. As a result and through energy efficiency measures, proportionally less energy was consumed per unit produced. Proportional CO_2 emissions were also lower in 2023, as production has increasingly switched to renewable energies, energy efficiency has been increased and decarbonization projects are being implemented.

Energy consumption

In MWh	2021	2022	2023
Direct energy consumption (fuels and fuel gases)	333,018	279,833	295,182
Indirect energy consumption	366,238	387,244	384,804
Electrical energy	226,723	258,394	254,751
Of which external procurement from renewable energy sources	128,643	232,459	239,531
Thermal energy	139,515	128,850	130,054
Of which generated in-house from renewable energy sources	0	0	16,311
Of which external procurement from renewable energy sources	0	6,688	29,252
Total	**699,256**	**667,077**	**679,986**

[1] The energy data has been corrected, resulting in the value for energy consumption per vehicle produced in 2022 being adjusted.

The site in St. Petersburg, which has now been sold, is no longer included in the primary energy consumption data. Overall, heating oil consumption is still higher in relation to the demand for gas compared to 2022. As of March 2023, the heating boiler at the Munich site was operated again with natural gas instead of fuel oil to safeguard production, as natural gas prices have fallen and have settled at an almost normal level. In 2022, the switch to fuel oil was implemented for energy resources due to government requirements.

Direct primary energy consumption

In MWh	2021	2022	2023
Fuel oil	4,771	16,890	25,126
Natural gas	237,234	164,940	152,572
Diesel	90,057	97,259	116,532
Other[1]	956	744	952

[1] Petrol used for fuel on site and fuel gases for manufacturing processes.

Energy consumption per vehicle produced

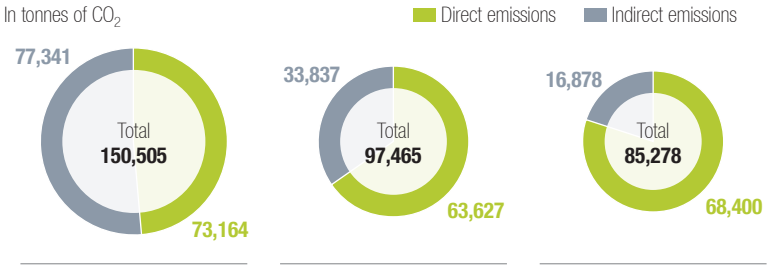
In MWh per unit	2021	2022[1]	2023
	10.78	10.01	7.52

[1] The energy data has been corrected, resulting in the value for energy consumption per vehicle produced in 2022 being adjusted.

CO_2 emissions per vehicle produced

In tonnes per unit	2021	2022	2023
	2.2	1.5	0.9

Absolute direct and indirect CO_2 emissions[1]



[1] Direct emissions result from the combustion of primary energy sources, e.g. natural gas, fuel oil, diesel; indirect emissions result from externally purchased electricity and district heating. The emissions are generally calculated on the basis of the VDA emission factors. This relates to all production sites.

Atmospheric pollutant emissions

In 2023, MAN caused more dust emissions as more fuel oil than gas was consumed. The dust emission level for fuel oil is about ten times higher than for gas.

Atmospheric pollutants

In tonnes	2021	2022	2023
Sulphur dioxide (SO_2)	0.42	0.38	0.41
Nitrogen oxides (NO_x)	143	145	168
Dust	0.58	0.58	0.65
Volatile organic compounds (VOC)	534	564[1]	538

[1] The projection for the Munich site was subsequently corrected due to a new painting concept.

In the year under review, the sites reported investments of around €1.78 million in environmental protection measures (2022: 20.0 million euros). Examples are the optimisation of our paint shop in our plant in Krakow and the development of a new painting concept at our Munich site.

DECARBONIZATION IN THE SUPPLY CHAIN

MAN has committed itself to systematically identifying the largest sources of emissions along the supply chain using life cycle assessments and to involving suppliers along the entire value chain in their responsibility for the environmental impact of the vehicles. The "Purchased Goods & Services" category in Scope 3 Upstream of the Greenhouse Gas Protocol accounted for more than 2.6 percent of all greenhouse gas emissions at MAN in 2023. However, the relative share of these emissions in the company's total emissions will increase as the transition to battery-electric drives progresses. This is mainly due to the high emission load in battery cell production, which means that electric vehicles have an even higher emission load than vehicles with combustion engines before they are used. In the long term, however, the higher share of battery-electric vehicles leads to a significant reduction in greenhouse gas emissions, as the savings potential in the use phase significantly overcompensates for the larger emissions in the supply chain compared to vehicles with combustion engines. This is just one of the reasons why MAN Truck & Bus is analysing options together with its suppliers to reduce greenhouse gas emissions in the supply chain.

An initial preliminary analysis in 2022 identified the most important problem areas relating to emissions that account for the largest share of emissions in the supply chain for a truck with combustion engine and for a battery-electric drive. In the 2023 year under review, various working groups then analysed focus materials such as steel and aluminium in more detail.

A requirement specification with emission-reducing measures was created for the **battery hotspot** in 2022. We handed over the requirement specifications to potential suppliers in a tender process in 2022 and discussed the increasing demand for recycled raw materials with them. This is significantly influenced by minimum quotas from the European Battery Regulation, which came into force in August 2023[1]. Prior to the nomination in the 2023 year under review, several options for battery cell sourcing were evaluated with regard to their financing and savings potential together with the nominated supplier. With the final award, we were able to achieve a significant reduction in the greenhouse gas emissions that are expected to occur in the battery cell manufacturing process.

For the **steel hotspot**, MAN is working together with steel manufacturers to develop a roadmap of emission-reducing activities and their significance for the supply chain. The aim is to significantly reduce the greenhouse gas emissions of steel products. MAN is in discussions with steel manufacturers on specific measures. The inclusion of specific targets with regard to the reduction of greenhouse gas emissions in contract awards by MAN Truck & Bus is planned for the future. As a member of the procurement network for sustainability within the Volkswagen Group, MAN takes part in regular consultations on strategy, goals, approaches and measures.

As part of a project within the TRATON GROUP for planning the next vehicle generation, MAN is now also working with a stronger focus on reducing GHG emissions along the supply chain. The transformation to battery-electric vehicles will result in higher greenhouse gas emissions there for these vehicles than for vehicles with combustion engines unless appropriate measures are taken. Together with its sister brands, MAN is therefore primarily working within the project on the use of new technologies and renewable energies to reduce the GHG footprint in the supply chain (for more information, see →the Circular Economy section, page 28).

[1] The obligation to declare the recycling share will apply from 2028 at the earliest and the prescribed minimum quota will follow from 2031 at the earliest.

TRANSPORTATION AND LOGISTICS

Emissions from transport and logistics

Reducing the environmental impact of transport and logistics is part of the integrated environmental management system at MAN Truck & Bus. To this end, objectives such as the optimisation of transport structures and processes have been defined. A suitable calculation tool has been implemented to determine the CO_2 emissions from transport operations.

In order to reduce CO_2 emissions in our own transport chain, our regional freight forwarders supply us via hubs, at which the shipments are consolidated to ensure that truck capacities are optimally utilised and avoid empty runs. As a commercial vehicle manufacturer, we also place great importance to ensuring that our service providers use state-of-the-art trucks that comply with the latest emissions regulations and are operated in an environmentally friendly manner with low energy consumption and particularly low emissions.

In the year under review, MAN Truck & Bus logistics emitted 104,190 tonnes of CO_2 (2022: 74,527 tonnes of CO_2) in deliveries received and 95,876 tonnes of CO_2 (2022: 80,705 tonnes of CO_2) in product deliveries made. This is equivalent to an increase of 29 percent compared to 2022.

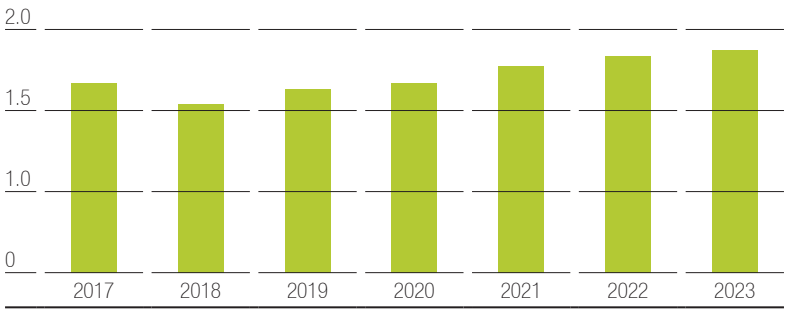
The increase in CO_2 emissions in the inbound segment can be attributed to various reasons. First, significantly more vehicles were produced in 2023, which leads to a significant increase in the number of inbound and outbound transports and thus to an increase in absolute CO_2 emissions.

In addition, part of the increase is due to the ongoing relocation of production from Munich and Steyr to Krakow in the truck sector in 2023. The capacity shift resulted in more CO_2 emissions, which were caused by a high proportion of suppliers in southern and western Germany and correspondingly longer transport routes. The parallel reduction in production volumes in Munich and Steyr reduced CO_2 emissions from inbound transports, but they were not able to compensate for the increased emissions due to deliveries to the Krakow plant.

Supply chain disruptions caused by the critical development in the Middle East conflict and severe weather, for example, resulted in additional special transports and also air freight. This also contributed to an increase in CO_2 emissions in the inbound segment.

This has resulted in an increase in emissions per produced vehicle by 3.17 percent to 1.83 tonnes of CO_2 per vehicle. The CO_2 emissions per vehicle this year refers exclusively to inbound and outbound transports for truck and bus production (excluding the TGE series). The values in the following chart have also been recalculated and adjusted for the last few years to ensure comparability.

Logistics CO_2 emissions per vehicle produced (truck & bus, excluding TGE) in tonnes



EMPLOYEE MOBILITY

MAN has Group-wide specifications for air travel, rental cars and rail travel: travel should only be undertaken if it is unavoidable. The feasibility of alternatives such as video or telephone conferences must be investigated in advance. If economically viable, the most environmentally friendly means of transport should always be used. The mobility of employees is a key concern for MAN, which is why we provide support with various climate-friendly offers such as discounted job tickets or shuttle buses to make it easier to get to work. In the 2023 year under review, business trips caused approx. 4,136 tonnes of CO_2 emissions. This includes business trips booked via the central travel agency in Germany. Of these, around 87 percent were attributable to air travel.

CIRCULAR ECONOMY
incl. environmental and energy management

Raw material scarcity and unstable supply chains clearly show that our linear economic model is exhausting our planet's natural resources. The consequences can already be seen in many ways and affect us at the environmental, economic and social level. MAN sees the circular economy as the basis for the company's success and future viability. This includes handling raw materials efficiently and responsibly, reusing parts and components, and avoiding environmental pollution. Optimising the lifetime of our products, improving product usage and capacity utilisation as well as an integrated environmental and energy management are also important components of resource-saving management for MAN.

In focus:

- Closing the material loop, also by reducing the consumption of primary raw materials
- Optimising the lifetime of products and components
- Improving product usage and capacity utilisation
- Promoting innovative business models

Key figures 2023:

53,255 remanufactured components[1]

11 production sites have an environmental management system certified in accordance with ISO 14001

95% recycling rate of production waste

[1] MAN Genuine Parts ecoline

CIRCULAR ECONOMY AS A PRINCIPLE OF ACTION

Our linear economic model contributes significantly to the planet's natural capacities becoming overstrained. Especially in times of raw material shortages and vulnerable supply chains, it is clear that economic success and resource-conserving principles of action must be considered as being inseparable. This is why MAN relies on the principle of the circular economy and has defined the topic as a strategic focus area through its materiality analysis. It must be taken into account that circular economy approaches do not necessarily lead to more environmentally, socially or economically sustainable solutions, but should always be balanced with further sustainability requirements.

The increasing demand for more sustainable products and services as well as new business potentials for MAN encourage us to continue on our chosen path. In addition to the goal of making a positive contribution to resource-saving management, MAN meets all current regulatory requirements and also takes into account future developments in this area, which result from the EU Green Deal, among other things.

MAN is pursuing four key components in its transition to a circular economy:

- **Closing the material loop:** increasing the proportion of recycled and recyclable materials, enabling resource recovery and thus reducing the impact on our environment (➔page 28)
- **Optimising the lifetime:** extending the lifetime of products and components (➔ page 30)
- **Improving product usage and capacity utilisation:** making the best possible use of the available capacities and thus ensuring the most efficient product use possible (➔ page 32)
- **Innovative business models as accelerators:** promoting new business models that accelerate change (➔ page 32)

The key to success lies in the development phase of a product: In order for products to be successfully kept in circulation, it is important that they are developed with their later circularity in mind.

Under this aspect, we want to align all our activities along the entire value chain towards a circular economy (rather than a linear one). To do this, a new way of thinking must be established in the company and accompanying guiding principles and strategies introduced. With its strategic orientation, MAN has set out to tackle this transformation in its own company.

In the 2023 year under review, together with the other TRATON GROUP brands, we defined a number of initiatives in the area of the circular economy and developed some of them for targeted follow-up. Our aim is to continue to pursue these projects in the future by using common synergies. Specifically, we want to define KPIs along our entire value chain and develop relevant objectives. In doing so, we ensure that legal requirements are taken into account and that there is comparability between the TRATON GROUP brands. We also want to strengthen our remanufacturing business together with our sister brands by making more use of the

respective core competencies. In order to better anchor aspects of the circular economy in vehicle projects, specific design principles will be defined as an aid and communicated accordingly in the projects.

Closing the material loop

MAN intends to increase the proportion of recycled and recyclable materials and to keep materials in circulation once they have been extracted from the earth. In doing so, we want to promote the most efficient use of raw materials and reduce pollution of our environment by waste or wastewater. In this regard, our focus is on the following guiding principles:

In the following, we will discuss some aspects of implementing this component of our circular economy approach.

Thinking ahead in terms of the circular economy

For the next truck generation, MAN plans to launch a vehicle that is developed taking into account aspects of the circular economy. The project components will be developed across all brands within the TRATON GROUP. For MAN, it is the first vehicle project that will meet specific requirements of the circular economy. Circular economy principles will be implemented in the design process of components (e.g. by making disassembly easier).

For materials, the focus is primarily on steel, aluminium and plastic. We have defined a specific target value for the proportion of recycled plastics in the vehicle project. MAN also wants to break new ground with the associated battery cell and has therefore defined requirements from the point of view of the circular economy in a tender process. A contract award decision for the future battery cells was made at the beginning of the year under review. MAN's long-term goal is to achieve a virtually closed cycle of battery raw materials – from cradle to cradle. The raw materials recovered by the recycling partners, such as nickel, manganese, cobalt or lithium, will flow into the production of new batteries.

Recycling and waste

In our waste management, we try to find ways to recycle materials if waste cannot be avoided. At MAN, the environmental protection department at each site is responsible for the issue of waste as part of the environmental management system. All sites must reduce their production environmental footprint (PEF) and thus also their waste. We aim to reduce our footprint by 30 percent by 2025 at all our sites. In the 2023 year under review, we already achieved savings of 15 percent. The aim is to avoid waste and to sort unavoidable waste better so that it can be recycled in a higher quality afterwards. We follow local waste laws when disposing of and recycling hazardous waste.

Waste volumes continue to correlate strongly with production volume. Due to an increase in production volume of 36 percent, waste volumes also increased by around 9 percent compared to 2022.

The products manufactured by MAN are primarily made of recyclable materials. The average recycling rate in accordance with ISO 22628 is up to 95 percent; this figure was determined on the basis of four vehicles from the TGS, TGM, TGX and TGL series. In order to save on raw materials, we also implement various measures at our production sites to return materials to recycling processes. This includes sorting waste as far as possible and returning these materials to the recycling process, such as non-hazardous waste (paper, cardboard, cardboard, foils, wood and metals) and hazardous waste (waste oils and batteries), as well as solvent processing at the Munich production site.

Production-related waste

In tonnes	2021[1]	2022[1]	2023
Total waste for disposal	3,602	3,479	3,947
Hazardous	3,126	3,126	3,461
Non-hazardous	476	419	486
Total waste for recycling	18,210	31,545	36,253
Hazardous	9,105	11,182	13,884
Non-hazardous	9,105	20,363	22,369
Metal waste	43,650	41,365	43,359
Total waste	**65,461**	**76,389**	**83,559**
Recycling ratio in %	**95**	**95**	**95**

[1] The information on production-related waste included in part quantities of construction site waste from 2020 to 2022. This incorrect allocation has been retrospectively corrected so that the information in this report is comparable and correct.

Water and wastewater

For the responsible handling of wastewater and its discharge at the sites, MAN has permits with corresponding conditions, such as wastewater volume, temperature and pollutant loads. Like waste and VOC (volatile organic compounds) emissions, water management is part of the production environmental footprint. The environmental protection departments of the sites and the approval authorities regularly monitor compliance with these limits. The environmental management system also obliges all sites to appoint a water protection officer, and thus goes beyond

the legal obligations. All locations have a water management system. Measures to save water relate to our production processes, such as an improved lifetime of washing machine contents, bath maintenance for dip coating or the reduction of sanitary water consumption – for example through new fittings and the use of perlators. In addition, areas with increased water risk are also considered as part of our risk assessment and sustainability strategy, such as our Ankara site in Turkey and our Pinetown site in South Africa. Due to a higher production rate, fresh water consumption from external sources was almost 8 percent higher at all locations compared to the previous year.

The wastewater volume is fed as an indirect discharge for MAN Truck & Bus to municipal wastewater treatment plants. At some locations such as Munich, Nuremberg, Krakow, Ankara and Starachowice, there is upstream wastewater treatment in which the wastewater is treated to remove pollutant loads until the officially specified limit values are reached. Other commercial wastewater is pre-treated with light liquid separator systems as required, before being discharged into the sewer system. The wastewater volume is in some cases higher than the drinking water consumption due to rainwater ingress.

Water usage and wastewater volume[1]

In m³	2021	2022	2023
Total fresh water	3,197,779	3,510,850	3,782,772
Externally sourced (incl. drinking water)	459,406	458,230	629,337
From own production (incl. well water)	2,738,373	3,052,621	3,153,435
Surface water from lakes, rivers, seas	0	0	0
Amount of water reused	192	169	83
Rainwater used	546	498	315
Wastewater	553,696	521,053[2]	599,919

[1] Only production sites are included in the reporting framework.
[2] Wastewater volume in 2022 was subsequently corrected due to water leaks and flooding at the Olifantsfontein production site and the newly commissioned paint shop at the Bánovce site.

Optimising the lifetime

In order to achieve the goals of a circular economy, MAN also relies on optimising the lifetime of products and components. In this regard, our focus is on the following guiding principles:

- Reuse of parts and components
- Remanufacturing of parts, components and vehicles
- Maintenance and repair of products and worn components/parts

Below are some specific examples that illustrate our activities in this area.

Predictive maintenance management

Predictive maintenance management helps to check vehicles as required and replace wear parts in a timely manner. MAN ServiceCare, our proactive, digital maintenance and repair management system, evaluates all relevant vehicle data and forwards it to a MAN service outlet, which in turn actively provides notification about upcoming maintenance requirements at an early stage and intelligently coordinates workshop appointments.

Remanufacturing of used components

A long lifetime of the individual components not only makes economic sense, but also avoids greenhouse gas emissions and resources that would be generated or consumed during new production. For this reason, MAN Truck & Bus professionally remanufactures old engines or parts and

returns them to the use phase under the MAN Genuine Parts ecoline or Genuine Engines ecoline+ brand. In 2023, 53,255 ecoline parts were remanufactured and sold, a decrease of around 17 percent. This is due to various aspects such as quality improvements, availability of old parts or general parts availability or changed local market conditions. However, sales in the ecoline parts business increased by 8 percent, which can be explained by the remanufacturing of higher-quality vehicle components than in 2022.

Circular strategy for used vehicle batteries

Due to the increasing electrification of its fleet, MAN is devoting increased attention to the efficient further use of the battery and the raw materials it contains. After its initial use in a regular vehicle, the battery is ideally remanufactured for further use in a vehicle (2nd use) if it has sufficient remaining capacity and a corresponding condition. However, if the remaining capacity is no longer suitable for another vehicle application, the battery may be used outside the vehicle and thus starts its second life in another function (2nd life). For example, it can be used as a buffer storage system for solar or wind power plants. Together with various partners, MAN is evaluating in projects whether used truck batteries are suitable for stationary energy storage. For this purpose, around 120 truck battery packs with an energy content of 18.6 kWh per pack were handed over to a storage manufacturer. If it is no longer possible to reuse the battery due to the remaining capacity or condition, it is sent to recycling. The procedure at MAN complies with the requirements of the new EU Battery Regulation, which came into force in August 2023.

Our focus in 2nd life solutions is on energy storage systems for industrial companies (e.g. peak shaving, compensation of charging peaks). The technical and business requirements for 2nd life storage systems will be evaluated here. In particular, we want to gain insights into the topics of safety, battery performance and battery remaining charge cycles.

We are also investigating how used vehicle batteries can be reused with the help of collaborations such as the Circular Republic initiative by UnternehmerTUM, Europe's largest start-up and business creation centre. For example, our aim is to establish innovative circular approaches in a "sandbox" project with industry partners and start-ups. To this end, we are handing over 15 truck batteries to the project to study the material cycle of an end-of-life battery, from automatic disassembly to recycling and reuse of the recycled materials for the production of new battery cells.

Improving product usage and capacity utilisation

We want to make the best possible use of existing capacities in order to achieve better capacity utilisation of our products in the use phase. In this regard, our focus is on the following guiding principles:

- Reusing products
- Conversion or retrofitting and activation of new features
- Changing the intended purpose

Below are some specific examples that illustrate our activities in this area.

Vehicle rental

As an alternative to buying a new truck, customers can rent commercial vehicles directly from MAN "on demand" via MAN Rental. In this way, inactive downtimes of vehicles are avoided and any available capacities are provided in a useful manner.

Digital retrofitting of features

Digital services from MAN help to keep vehicles up to date with the latest technology. This means that upgrades can be flexibly installed in the vehicle using MAN Now technology. This means that we can also equip the software of vehicles that are already in use with new functions – without a workshop visit or fitting new hardware.

Innovative business models as accelerators

MAN sees new business models that accelerate the transition from a linear to a circular economic model as pivotal to the success of the circular economy. In order to be able to implement these business models, we are working on the following aspects, among others:

- Development of specific goals and enshrining as well as anchoring and operationalizing them in the organisation
- Creating data transparency along the value chain and using this data
- Building dedicated internal structures and external partnerships (thinking in terms of ecosystems)
- Identification of existing and new potentials

INTEGRATED ENVIRONMENTAL AND ENERGY MANAGEMENT

MAN implements its environmental and energy management in accordance with the requirements of ISO 14001 and EMAS as well as its energy management system in accordance with ISO 50001 (→Energy consumption and CO_2 emissions, page 21 f.). The integrated management system is designed for MAN production sites.

Both systems are closely linked to an integrated system with the occupational health and safety management system in accordance with ISO 45001. Our sites in Olifantsfontein, South Africa, and Bánovce, Slovakia, were certified to ISO 14001 at the beginning of 2023 for the first time. This means that all production sites have environmental management system certification in accordance with ISO 14001 and occupational health and safety management system certification in accordance with ISO 45001. The energy management system has been certified in accordance with ISO 50001 at nine out of eleven sites. MAN plans to certify the last remaining sites in Olifantsfontein and Bánovce by 2025.

The Responsible Production Conference (RPC) took place in Niepolomice, Poland, for three days in July 2023. The group of participants consisted of management system officers, auditors and specialists from the areas of climate, energy and environmental and occupational health and safety at all MAN Truck & Bus SE and MAN Truck & Bus Deutschland GmbH sites. The main focus was on water and biodiversity as well as other specialist topics.

Site certifications

Sites	Certified **ISO 14001**	Validated by **EMAS**	Certified **ISO 45001**	Certified **ISO 50001**
Truck				
Munich	●	●	●	●
Krakow	●	●	●	●
Dachau	●	nv	●	●
Salzgitter	●	nv	●	●
Pinetown	●	nv	●	●
Bus				
Ankara	●	nv	●	●
Olifantsfontein	●	nv	●	2024/2025
Starachowice	●	nv	●	●
Components				
Banovce	●	nv	●	2024/2025
Nuremberg	●	●	●	●
Salzgitter	●	●	●	●

nv = not validated

Organisation and objectives

In order to further separate the management systems for the topics of environmental management and occupational health and safety, which were previously linked in a central function, we have established the Corporate Safety Solutions department, which deals with all issues relating to occupational health and safety at the sites.

Our environmental management systems are organised in a network system across all locations. All sites are working to continuously improve environmental and safety performance and energy efficiency.

MAN Truck & Bus is pursuing overarching environmental, climate protection and energy targets:

- Reduction of CO_2 emissions (→page 22)
- Reduction of energy consumption (→page 22)
- Use of renewable energies (→page 21)
- Efficient use of water and reduction of waste (→page 29 f.)
- To assess and calculate the environmental impact, MAN uses the production environmental footprint (PEF), which integrates environmental influences based on the ecological scarcity method. In addition to the already defined CO_2 and energy targets, the production environmental footprint takes into account key environmental aspects such as fresh water, waste or VOC (volatile organic compounds) emissions.

On this basis, targets and measures are also developed and implemented at the sites, which are supplemented by further local targets and measures if necessary. For example, we are planning to erect a PV system at the data centre in Dachau in 2024 (600 kWp) and connect the Munich plant to regenerative geothermal energy in 2026. The exchange of information between the Corporate Center and the sites takes place through regular meetings on environmental, occupational and climate protection as well as energy management in the business units.

Audits and guidelines

Progress and improvements as well as compliance with management standards are regularly reviewed and certified by external service providers and auditors. Internal audits are conducted with a cross-site audit team. In the year under review, a two-day training course was held for our internal auditors. In addition to auditing in compliance with standards, this also enables us to exchange information between the sites in order to learn from each other.

Other important systems and instruments of systematic environmental and energy management include:

- Internal company policies and guidelines
- Regulations on environmental protection, health & safety and energy
- Internal reporting on joint progress
- Integrated training and further education measures on environmental protection, energy and occupational health and safety topics

PEOPLE SUSTAINABILITY

For MAN, employees are essential in order to successfully shape the current transformation. In order to attract young talent, retain employees and promote diversity in the company, we pursue the vision of a “strong team” that contributes decisively to the sustainable success of the company. Among other things, we offer comprehensive onboarding programmes for new employees, enable professional qualification and are committed to cross-departmental cooperation. We ensure the prevention of occupational accidents and the promotion of the health of our employees through occupational health and safety management.

In focus:

- Creating attractive, competitive and flexible structures in the company
- Targeted promotion of young talent and further training for all employees and managers
- Continuous improvement of occupational health and safety
- Promoting diversity and equal opportunities in all aspects of the company, including the goal of at least 30 percent women in management by 2029
- Establishment of an open feedback culture
- Increasing employee retention through skill matching[1]
- Early identification of development opportunities

Key figures 2023:

12 years[2] Average length of service

17.5 hours Average number of qualification hours

15.4% Proportion of women in management

[2] Active workforce of MAN Truck & Bus as of reporting date 12/31/2023

[1] Skill matching means that employee skill profiles are superimposed on job requirement profiles to determine successful matches and identify suitable jobs and candidates.

HUMAN RESOURCES STRATEGY

As part of the MAN strategy, the approach of a "strong team" is an important part of the corporate culture and for us means continuing to attract talented and competent employees, offering them development opportunities and innovative working environments, and actively promoting diversity in the company. In doing so, we keep an eye on current social developments and enshrine the responsibility for these topics in our strategy. The main strategic priorities for implementing our HR strategy are:

Attract employees

We align our personnel marketing activities with the requirements of digitalisation and the expectations of new generations of employees. From work experience for secondary-school students and various vocational training programmes through to a global champion trainee programme and classic direct entry, we offer a wide range of entry opportunities.

Retain employees

We offer flexible working models such as New Work (a concept to facilitate work-life balance), trust-based working hours, mobile working or working from home. Employees continue to have the opportunity to reconcile work and family through different working time models. Open space concepts for different working environments aim to increase efficiency and innovation as well as the satisfaction of our employees. We support our employees with targeted training measures and recognise the performance achieved by involving all employees in the company's success. We have regulated this in the Group works agreement on profit sharing. At the same time, occupational health and safety as well as the general health of our employees are important concerns for MAN, which we ensure through management systems and specific measures.

Embody diversity

We see diversity as an opportunity and as a central component of our HR strategy. For this, MAN is committed to various standards. This is demonstrated, among other things, by the Group works agreement "Plurality, Inclusion, Respect and Tolerance" concluded in 2019.

Organisation

HR work is the responsibility of the Chief Human Resources Officer and the Executive Board member responsible for employee relations at MAN Truck & Bus, and is managed by the central HR department. In the areas of competence, we develop uniform methods and instruments and bundle competencies in order to set high uniform quality standards and exploit synergies.

Principles and guidelines

MAN operates in more than 180 countries. We stand for respect and tolerance and are clearly committed to diversity and equal opportunities, regardless of age, gender, religion, ethnic origin and sexual orientation. The development of the regions in which MAN is represented with production sites is ensured by recruitment measures in the local region. The following regulations form a binding framework for human resources work worldwide:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- Supply Chain Due Diligence Act (LkSG)
- Code of Conduct as amended
- Labour Relations Charter
- Charter on Temporary Work
- International framework agreement of MAN based on the conventions of the International Labour Organisation (ILO)

ATTRACTIVE EMPLOYER

Strong Team

We want to create competitive and flexible structures to integrate resilience as an integral part of our corporate culture. We achieve this by each individual employee contributing their part to the joint success – as a "Strong Team". In order to achieve this goal, the company pursues the following objectives, among others:

- Integrating new employees into the MAN world as quickly as possible through comprehensive onboarding programmes,
- Promoting professional and interdisciplinary qualification and development,
- Ensuring the development of professional and international networks,
- Promoting cross-functional cooperation,
- Enabling internal requalification and supporting employees in the context of the transformation.

The structural change in our working world is influenced in particular by megatrends such as globalisation and the use of new technologies such as digitalisation, autonomous driving and electric mobility. This also changes the needs of employees and applicants. MAN needs employees with skills that will be in demand now and in the future. We see it as our task to continuously educate employees and develop their skills in order to drive sustainable cultural change.

Fostering young talent programmes

We offer young academics various opportunities to start their professional career at MAN. These include, for example, internships, scholarships, and talent programmes (Global Champion Trainee Programme, PhD Programme). In addition, MAN cooperates with strategically important partner universities in the field of training, for example as part of various dual study programs. Further cooperations with universities exist in masters degree programmes with a technical focus. As part of doctoral programmes, MAN works with a large number of academic chairs in a Germany-wide cooperation network. The focus of our promotion of young talent is on our MAN future fields of digitalisation, electrification and automation.

Employment security

As a world-leading manufacturer of commercial vehicles, MAN Truck & Bus aims to further expand its market position by leveraging its performance and innovative power. In doing so, MAN wants to shape its future and that of its employees in a positive way. As part of a realignment of the production network, MAN is currently undergoing a comprehensive transformation process. Despite global challenges such as the coronavirus pandemic, the war in Ukraine and the tense situation in supply chains, our goal is to secure jobs in the long term and remain competitive. Measures such as the future collective agreement concluded with IG Metall in 2021 help us to achieve these goals and confirm that we have set the right course for the future.

Employee rights

The principles of conduct enshrined in the ➔ Code of Conduct serve as a binding guideline in everyday professional life. The Code of Conduct focuses on integrity and the responsibility of each individual. Using practical examples, it explains how everyone can fulfil this responsibility and behave appropriately – especially in conflict situations. Integrity and con-

duct that complies with laws and regulations are the foundations of our business activities and are of great importance to MAN. Violations of the rules can be reported via the company-wide whistleblower portal "Speak up!" or to the Compliance Officer or the Compliance contact persons of the divisions (see ➔the section "Compliance, Ethics and Integrity", page 53).

Moreover, integrity and conduct compliant with rules and laws form the basis for the Group's reputation, for the trust of its customers and business partners, for the well-being of its employees and for lasting economic success. This should not be jeopardised by the risk of high financial losses from fines, confiscated profits, obligations to pay damages or criminal prosecution. Reports on discrimination and individual offences such as theft were investigated in the 2023 year under review and these were sanctioned if confirmed.

MAN recognises the right of employees to form and join trade unions and to engage in collective bargaining. In Germany, almost the entire permanent workforce is covered by collective agreements. Globally, the proportion of employees who fall under the scope of collective agreements is just under 90 percent. We are not aware of any sites and suppliers where employees' right to freedom of association or to conduct collective bargaining has been potentially violated or could be significantly at risk.

Workforce structure

The definition of the workforce includes all active employees (regular workforce), employees in the passive phase of partial retirement and apprentices. Temporary external employees are not included here. These perform most of the same work as regular employees and are mainly active in production.

The changes in the number of employees in Germany are largely the result of a voluntary staff reduction programme set up and rolled out in 2021 and continued in 2023. For example, employees were offered various HR instruments on the basis of double voluntary action: partial retirement, termination agreements, relocation to a transfer company and a change to another company of the Volkswagen Group. Abroad, the production site in Krakow (Poland) was expanded and new employees were hired.

Employees by business area

	2021	2022	2023
Commercial Vehicles	34,702	35,230	35,511
Other (Group secondment)	4	2	2
MAN Truck & Bus	**34,706**	**35,232**	**35,513**

Workforce structure[1]

	2021	2022	2023
Permanent workforce	32,111	32,648	32,715
of which women	4,269	4,485	4,583
of which men	27,842	28,163	28,132
of which part-time employees	981	987	992
of which women	718	704	705
of which men	263	283	287
of which fixed-term employees	1,832	2,879	2,762
of which women	323	576	433
of which men	1,509	2,303	2,329
Vocational apprentices	2,083	2,010	2,069
of which women	310	307	315
of which men	1,773	1,703	1,754
of which in Germany	1,387	1,255	1,293
Employees, passive partial retirement	508	572	727
Total workforce	**34,702**	**35,230**	**35,511**
Temporary external employees	1,985	2,376	2,106
of which women	183	339	245
of which men	1,802	2,037	1,861

[1] At the end of each year.

Employee turnover

The employee turnover rate indicates the percentage of employees leaving the company within a year. This key figure is recorded without fixed-term employment contracts, retirement and partial retirement. The 2,693 departures this concerned in 2023 (2022: 2,390) resulted in an employee turnover rate of 8.3 percent. This means that staff turnover was 0.9 percentage points higher than in the previous year (7.4 percent).

Number of employees in Germany and abroad

	2021	2022	2023
Germany:	20,197	19,467	19,206
of which MTB[1]	14,598	14,013	13,612
of which MTBD[2] + MSSG[3]	5,599	5,454	5,594
Abroad	14,505	15,763	16,305
of which production sites	7,651	9,199	9,593
of which sales companies (NSC)	6,854	6,564	6,712
Total	**34,702**	**35,230**	**35,511**
Foreign share in %	42	45	46

[1] MAN Truck & Bus SE
[2] MAN Truck & Bus Deutschland GmbH
[3] MAN Service & Support GmbH

Age structure[1]

	2021	2022	2023
<30	5,266	5,656	5,959
30–50	18,159	18,216	18,000
>50	8,686	8,776	8,756
Total	**32,111**	**32,648**	**32,715**

[1] Permanent staff only.

In total, we hired 3,831 people in the reporting year and 3,470 left our company.[1]

[1] Employees who have left the company include 777 employees on fixed-term contracts and employees starting retirement or partial retirement. These are not included in the aforementioned departures (2,693).

VOCATIONAL TRAINING AND QUALIFICATION

Vocational training and dual study programme

We promote technical and commercial young talent through qualified training and the offer of a dual study programme or a study programme combined with practical experience. The training at the German sites is centrally anchored in the MAN Academy, while that of the foreign sites is decentralised in the respective HR units. In autumn 2023, 508 apprentices and 16 dual students in Germany (MTB SE and MTBD), Turkey and Poland, with a female share of 14.4 percent of apprentices and 18.8 percent of dual students, started their professional career at MAN Truck & Bus. The vocational training rate at the various sites was between one and four percent in the year under review. This describes the share of apprentices and dual study students in the permanent workforce of the sites that offer vocational training.

In the year under review, 415 apprentices were in one of more than 16 different apprenticeship professions – of which 10.6 percent were women. In cooperation with various universities, 55 students are currently completing their dual studies in nine different courses at our sites in Germany – 29.1 percent of them are women.

In order to prepare MAN for the digital future of the working world and to familiarise apprentices and dual study students with the requirements of working life in the future, they are taught the relevant content as part of their training or studies. To this end, digital learning content was taught in addition to the practical work, and mobile devices were made available to every trainee or dual study student in Germany. MAN is also consistently investing in new technologies and offering qualification programmes for alternative drives such as hybrid or electric drives as well as collaborative robot technology and augmented reality. MAN also places great importance on digitalisation and training in the field of electric mobility for assembly professions. In addition to the technical aspects, social commitment, diversity and sustainability are also integral parts of the curriculum, as shown by cooperations with various associations and the annual training of energy scouts.

Training and continuous professional development costs[1]

In €	2021	2022	2023
Costs for training and continuous professional development	**17,134,000**	**41,385,675**	**47,269,330**

[1] In 2021, the costs for continuous professional development were reported; since 2022, the costs for training and continuous professional development have been taken into account. In the 2023 year under review, €27,063,909 was attributable to training and €20,205,420 to continuous professional development. This corresponds to a total cost of €47,269,330.

Scholarship

By supporting the Deutschlandstipendium, MAN provides high-performing students with educational opportunities irrespective of their social background. Around 420 scholarships have been funded since 2011. In the year under review, 19 German scholarship recipients were supported. The focus is in particular on studies in the field of electrical and automotive engineering as well as computer science. In the context of digitalisation, future skills for new technologies such as electric mobility, autonomous driving, digital networking and energy IT are further focal points.

Continuous professional development and qualification

As part of MAN's transformation, new generations of employees are becoming part of the company. In doing so, they change the requirements for working methods, the working environment and the forms of cooperation, communication and leadership behaviour. Against this background, we have developed targeted measures for continuous professional development and qualification. In 2023, the employees of the regular workforce participated in approximately 6,800 continuous professional development and qualification measures around 132,000 times. The average qualification hours per employee in 2023 were 17.5 hours (2022: 18 hours). For employees subject to collective agreements in Germany, the rate of qualification reviews conducted in 2023 was 76 percent.

Internal experts convey specific specialist skills within the framework of the vocational family academy (BFA) concept and thus ensure the systematic transfer of knowledge and the qualification of employees. The MAN Academy broadens this scope with the aim of establishing uniform quality and competence standards worldwide. Strategic and technological innovations as well as the shift in the working world, driven by CO_2-free mobility, digitalisation and automation, require targeted qualifications and new forms of learning. The digitalisation of learning formats is particularly important to us for all continuous professional development programmes. For this purpose, we implemented a learning experience platform in Germany in the 2023 year under review, to which external digital learning platforms are connected. This is intended to cover a wide range of training topics. The international roll-out will continue in 2024.

Further development in leadership and management

With the Leadership Shop on our "Degreed" learning platform, we set up a system in 2023 that provides impetus for management and leadership topics. The training programme includes relevant focus topics, programmes and tools specific to MAN in the area of leadership. In parallel, we will provide suitable offers from our training catalogue for analogue and virtual training courses. In addition, the VW Group training catalogue can also be used for global networking with managers within the Group.

DIVERSITY AND EQUAL OPPORTUNITIES

Equal opportunities

At MAN, we consider the topics of diversity, equal opportunities and inclusion to be a fundamental prerequisite for securing the future of the company. We are continuing to develop our corporate culture, inviting our employees to contribute their diverse skills, knowledge, experience and perspectives to our company. In order to consistently pursue sustainable implementation, we founded the "Diversity & Inclusion" department in 2022.

Our aim is to promote a diverse and inclusive culture in order to strengthen cooperation at MAN during the transformation and in the course of demographic and social change.

We want to provide equal opportunities for all people, regardless of ethnic or national origin, gender, gender identity, religion, belief, age, disability, sexual orientation, skin colour, political attitude, social origin or other legally protected characteristics. One focus here is on equal opportunities for all genders. For example, MAN supports prospective specialists and managers who belong to a gender that is under-represented in the company by means of special personnel development measures, such as the mentoring programme or an orientation offer, in order to motivate potential candidates for a management career. As part of our leadership recruitment policy, we pay attention to diversity in recruitment. Through various training courses, we raise awareness among our managers on the topic of equal opportunities.

We are working on improving the work-life balance. MAN therefore offers various flexible working time models and the option of converting a full-time position into two part-time positions. We also offer managers the option of job sharing and various part-time models. In addition, the requirements for entry into a management career also include the criterion of "broad social experience such as caregiver leave, maternity leave and parental leave".

Women in management

	2021	2022	2023
Top management		1	1
Senior management team	30	31	39
Upper management	80	74	87
Total	**110**	**106**	**127**
Share[1] in %	12.6	12.5	15.4

[1] Women in management to management total.

Inclusion

Diversity and Inclusion are part of a holistic strategic approach that we pursue at MAN in order to be successful in the long term. The company management, General Works Council and the Group Council for Employees with Disabilities see Inclusion as an opportunity to implement diversity and equal opportunities. Inclusion describes the consideration of different opinions, perspectives, experiences and other factors. As early as March 2017, MAN therefore signed the Diversity Charter. A measure that is contributing to shaping change at MAN is the "Skill Capture for inclusive Leadership Labs". In these labs, all managers were trained on pluralism and Inclusion from September 2020 to September 2022. The training took a sustainable approach and aimed to encourage management to establish new thinking patterns through suggestions and ideas. The training courses are now also available online in our training catalogue.

In addition, Diversity & Inclusion workshops were held in 2022 with all 240 apprentices at the Munich site to emphasise the importance of diversity and inclusion. Since 2023, the topic has been an integral part of the onboarding week for new apprentices in Munich, and further workshops on this topic have taken place at the Nuremberg and Salzgitter sites. The workshop provides an understanding of the topic of diversity and Inclusion and its importance, while also highlighting how we can all contribute to it and promote equal treatment.

One of the main areas of Inclusion is the inclusion of people with disabilities. In the year under review, there were 1,320 (2022: 1,472) employees with severe disabilities at MAN. Inclusion in practice at the Munich site is evident, for example, through workplace restructuring, the creation of new jobs for severely disabled people, barrier-free communication with deaf employees and support in the design of the working environment and routes around the workplace to accommodate people with specific mobility impairments.

OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety management

Demographic change, digitalisation, the transition to new drive technologies and the contemporary design of occupational health and safety are key challenges for MAN. The rapidly changing product portfolio plays a key role here. For example, working on electrically powered vehicles requires adapted occupational safety. Within the context of comprehensive occupational health and safety, occupational health check-ups, prevention, company health promotion, company reintegration management and ergonomics are of high importance at MAN. Health management at MAN pursues a cross-company strategy. The development and safeguarding of cross-site principles aim to achieve a common strategic alignment of healthcare services worldwide. The individual sites also define their own measures based on requirements. In addition, health managers are in constant dialogue with the brands of the Volkswagen Group and participate in various working groups. Health and safety are not the subject of formal agreements worldwide, but are regulated locally.

Prevention and occupational safety

Occupational health and safety includes measures to prevent occupational accidents, work-related illnesses and occupational diseases. All plants systematically evaluate the ergonomics of workplaces as well as physical and psychological hazards at the workplace. The evaluations are regularly adjusted as soon as changes occur in the production process or in the products. We have further developed existing Group-wide measures to reduce accidents and prevent work-related illnesses. In addition, we regularly conduct internal and external occupational health and safety audits and site inspections. The continuous improvement has been demonstrated by the re-certification of the occupational health and safety management system at all MAN Truck & Bus production sites. All MAN production sites as well as the Dachau site and the Salzgitter spare parts warehouse are certified in accordance with ISO 45001.

Occupational health and safety forms an integral part of the production strategy in the strategic pillar of sustainability. With the “Safety first” initiative, occupational safety is prioritised and the safety and health of employees are considered central elements. We are also strengthening our employees’ understanding of safety through suitable measures such as the current “One Second Counts” campaign, which we have adapted to different areas of occupational safety on a site-specific basis. In order to also support our strategic development organisationally, we founded the Corporate Safety Solutions (CSS) unit in 2021 and commissioned the Occupational Health and Safety department at the Munich site with the overarching coordination and management of all occupational health and safety activities. We further expanded the department in 2022 and anchored it in the operational structures and committees. This bundles all occupational health and safety activities as part of the production strategy and improves functional cooperation with the sites. In several workshops, five top goals were developed for each location by 2025. These include, for example, the use of uniform occupational health and safety software or the development of behaviour-related measures to reduce the number of accidents.

In order to further optimise occupational safety and make it measurable, we drove forward the introduction of the Safety Performance Index (SPI) during the reporting period. The SPI is a data-based metric used to evaluate the safety performance of all plants and processes. The

associated occupational health and safety model provides transparency in all operationally relevant occupational health and safety processes and makes the respective occupational health and safety performance at the production sites measurable and comparable. This will make it even easier to derive and implement company prevention programmes in the future. Here too, we are focusing our activities on promoting safe work routines, which we further develop through a standardised method within the framework of behavioural occupational safety. In 2023, there were no (2022: one) fatal industrial accidents.

Accidents at work[1]

	2021	2022	2023
Number of accidents at work[2]	296	343	387
Accident frequency index[3]	9.43	10.20	10.36

[1] Only reported accidents at work of the regular workforce at production and production-related locations. All figures exclude temporary external employees. The calculation of days lost ends on 31 December of a fiscal year.
[2] In accordance with the German Social Code, we define accidents at work as accidents of insured persons as a result of their insured activity. We gather the statistics on accidents at work from one day of absence.
[3] The accident frequency index provides information on the frequency of accidents at work in relation to the sum of all hours worked. The underlying formula is the number of industrial accidents x 1 million hours worked.

Committees for cross-site cooperation

We promote the health of all employees through measures that reduce accidents, prevent occupational illnesses and maintain health. Employees are also welcome to submit ideas for further occupational health and safety measures via company channels. In order to strengthen professional cooperation, we held the first MAN-wide "Safety and Health Conference" under the leadership of Corporate Safety Solutions (CSS). In this forum, all specialists and works council representatives discuss the planned strategic activities. Through downstream workshops with management, we thus ensure a positive development of our safety culture in the company. In the Occupational Safety Committee (ASA), employers and employees exchange ideas on occupational safety and health protection at all German sites. Similar committees are in place at the foreign production sites. The works council responsible for German sites (GBR) has appointed a representative who will participate in the international meetings of the occupational health and safety experts and raise employee concerns.

Occupational health management

At MAN, protecting and promoting the health of employees is a high priority. This is why we integrate current occupational health findings into operational processes in order to anchor sustainable occupational health management. Within the framework of promoting occupational health, the offer of check-ups with a focus on behavioural changes as part of holistic preventive care, medical support and rapid intervention in the event of individual physical and mental strains and illnesses are measures that contribute to maintaining employability. This also includes workplace programmes and mental health offers. Reliable emergency care in case of need and efficient company reintegration management complement our catalogue of measures.

MAN Health Services advises the employer on a company-wide health management strategy and its implementation. Its goal is to maintain, promote and restore the health and employability of employees. Direct measures to promote physical and mental health are based on the operating conditions. Targeted initiatives also promote the individual health behaviour of employees and strengthen their sense of personal responsibility.

Health Management analysed sickness-related and other causes of absence in the company in the reporting year and identified opportunities to reduce absences and increase the employability of employees. Various cross-divisional measures were implemented for the areas of corporate culture, leadership, health management and ergonomics in order to ensure optimal working conditions for our employees on site.

With its expertise in occupational medicine, MAN Health Services continued to support the transformation in the area of new working environments. Possible psychological and physical stresses that can arise from working from home were actively discussed and suitable compensation aids were offered. Our existing portfolio, such as extensive medical consultations and medical check-ups, was able to make an important contribution to this.

By establishing a cross-site health strategy, MAN ensures the coordinated implementation of measures to maintain the health of its employees. The close and constant global communication with the brands of the Volkswagen Group and the TRATON GROUP as well as the cooperation in working groups also ensure coordinated action by all stakeholders actors of the VW brands. Depending on requirements, the healthcare departments of the individual MAN plants also plan measures independently.

ROAD, PRODUCT, AND SERVICE SAFETY

For MAN, it is both an opportunity and a challenge to increase road safety and to simplify our customers' daily work with our solutions. As a "smart innovator", we are focusing on intelligent driver assistance systems and aim to be one of the pioneers in this field through pilot projects for autonomous driving. Our goal is to make MAN products even safer, more efficient and more innovative.

In focus:

- Continuous safety review and monitoring of our products
- Increasing the reliability and safety of our products through continuous innovation
- First autonomous driving operation of a truck by the end of 2024
- Maximising customer satisfaction

Key figures 2023:

Award	"Truck Innovation Award 2024"
40,000	interviews conducted as part of the CustomerFirst study
89%	of customers surveyed rate their customer experience in service with at least 4 out of 5 stars

Product safety

In addition to the topic of decarbonization, MAN focuses in particular on the safety of its products for drivers and road users. We meet our customers' increased demands for road safety with digital assistance systems, increasingly automated services and our professional ProfiDrive® driver training courses.

All MAN products are checked and monitored for safety aspects on an ongoing basis. MAN Truck & Bus fulfils its responsibility for the products placed on the market through intensive and systematic product monitoring, efficient reporting channels and a committee structure established for this purpose. This is set out in brand policy 19 101, which is based on Volkswagen Group Policy 4 "Product Safety and Conformity". The system described there is used to monitor and ensure the product safety and regulatory conformity of MAN Truck & Bus products.

Driver assistance systems

MAN relies on continuous innovation in order to increase safety in vehicles and on the road, To further reduce risks in traffic, the truck models for long-distance haulage, as well as MAN buses and vans, rely on the latest driver assistance systems, which have been developed as part of many years of accident research. Some examples are given below – for more information, please visit our ➔ website.

- Turn Assist
- Lane Change Support LCS
- MAN CruiseAssist
- Adaptive Cruise Control (ACC)
- MAN Traffic Jam Assist
- Emergency Brake Assist (EBA)
- Lane Departure Warning (LDW)
- MAN OptiView

Autonomous driving

Autonomous goods transport has the potential to significantly improve transport costs and efficiency, reliability, sustainability and, most importantly, safety. Autonomous vehicles are leading to a radical transformation of the business model, and MAN is supporting this transformation as a provider of intelligent and sustainable transport solutions. MAN's goal is to pave the way for logistics 4.0 with automated commercial vehicles, especially in hub-to-hub applications.

The advantages are:

- fewer accidents due to human error
- more flexibility and efficiency by separating transport processes from statutory driving and rest times
- reduction of unattractive driving tasks on long-distance routes in favour of more demanding and varied driving activities in urban and regional traffic for the few drivers still available

Various current practical projects show the continuous development steps from autonomous driving on closed terrain to fully autonomous driving on the motorway between logistics centres. For example, the ➔ ANITA project is developing the autonomous delivery and collection of containers in a road-rail transshipment terminal of the cooperation part-

ner Deutsche Bahn, which significantly optimises the transshipment process and thus climate-friendly combined transport. The ATLAS-L4 project, on the other hand, is already working on the concrete implementation of autonomous hub-to-hub transport, which has been possible since 2022 due to the law on autonomous driving. ATLAS-L4 is expected to be the first truck to drive autonomously on a German motorway at the end of 2024. In 2023, we were awarded the "Truck Innovation Award 2024" by the International Truck of the Year jury for the two development projects.

ProfiDrive® driver training

MAN ProfiDrive® is the qualified continuous professional development programme from MAN Truck & Bus that is used worldwide. With industry-specific training courses in accordance with the German Professional Driver Training Act, drivers learn how to avoid risks in road traffic with a careful driving style. These training courses are offered for truck drivers as well as bus and van drivers. This means that safety can be increased, consumption values can be reduced and wear and tear costs can be reduced.

Customer satisfaction and information

MAN regularly conducts surveys in its business units on satisfaction with products and services. MAN Truck & Bus continuously records customer satisfaction along key touchpoints with the CustomerFirst study (CFS). In 2023, we conducted almost 40,000 interviews as part of the CFS 2023. Customer satisfaction was at a high level: 89 percent of those surveyed rated their customer experience in service with at least four out of five possible stars (63 percent five stars, 26 percent four stars).

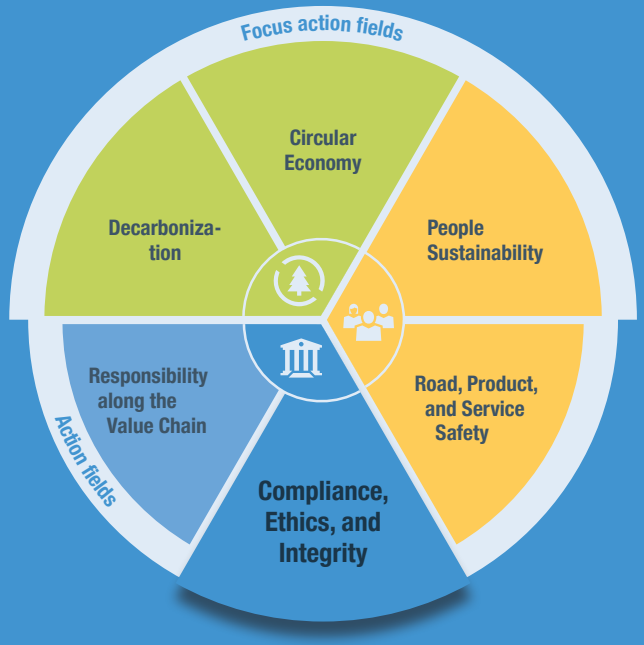
We provide our customers with information and instructions for all products. We inform them specifically about factors such as rolling resistance and air resistance that affect a vehicle's fuel consumption and emissions. We provide information on the CO_2 emissions of our vehicles based on total mileage. In addition to information formats on products and services, we regularly train employees in sales at MAN Truck & Bus on climate and environmental issues. This enables us to guarantee expert advice to our customers.

Female drivers' perspective in product development

With the "WoMAN" series of workshops, MAN aims to contribute ideas to truck product development on how the specific needs of female drivers can be better taken into account in the future. Due to the industry's focus on men as users, only one-sided perspectives have been included in truck production so far. The initiative aims to change this and take women more into account.

COMPLIANCE, ETHICS, AND INTEGRITY

MAN considers compliance, ethics and conduct with integrity to be the basis of its corporate responsibility. We have therefore established a compliance management system that covers the topics of white-collar crime, antitrust law, and business and human rights. Our corporate values and guidelines on the topic of ethical conduct are also set out in a Code of Conduct. With regular training for our employees and managers, we ensure that these values are also put into practice in our day-to-day work.



In focus:

- Creating a culture that only accepts ethical conduct with integrity
- Ensuring a robust corporate structure through supportive and effective management systems
- Continuously improving implemented standards and guidelines
- Implementation of the requirements of the German Supply Chain Due Diligence Act (LkSG) in order to further define and improve MAN's activities for the protection of human rights

Key figures 2023:

1,593	participants in face-to-face compliance training
21,643	participants in online compliance training courses
52 central + 992 local	requests answered by the Compliance Helpdesk

GOVERNANCE, RISK MANAGEMENT AND COMPLIANCE

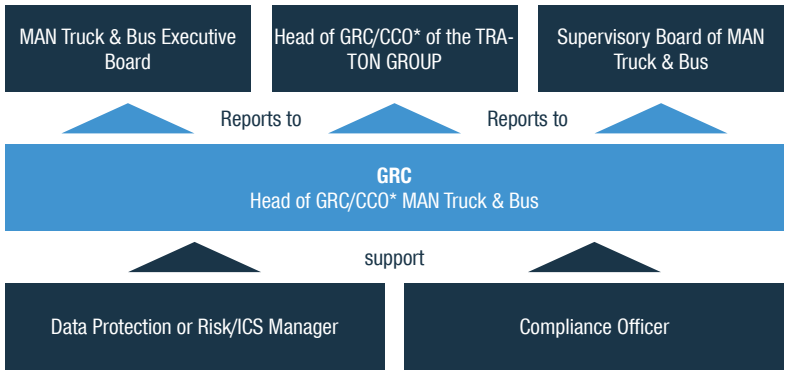
Compliance and integrity are key elements to sustainable business performance and are thus important cornerstones for the MAN corporate strategy. They are essential for successful cooperation within MAN and with our business partners. Accordingly, integrity is a fixed element of our corporate value of 'Responsibility'. Through an effective compliance management system, MAN ensures that corporate, product-specific and environmental regulations are complied with at national and international level. In addition, managers and employees are empowered to act with integrity and follow ethical standards and the company values in their daily work.

In addition, the management of risks and opportunities is an inseparable component of corporate management and business processes. MAN has established a comprehensive risk management system to create transparency about risks and opportunities in the company at an early stage and to implement risk-reducing measures at management and process level.

Organisation

As part of its responsibilities, the Executive Board of MAN Truck & Bus has established the Governance, Risk and Compliance (GRC) unit. This unit is led by the Head of GRC/Chief Compliance Officer of MAN Truck & Bus, who reports directly to the Chairman of the Executive Board of MAN Truck & Bus and the Head of GRC/Chief Compliance Officer of the TRATON GROUP. The Executive Board is informed twice a year in its own Compliance Board and twice in a regular Executive Board meeting about compliance-relevant matters. If necessary, the Executive Board will also be informed of current developments outside of these meetings. The Supervisory Board of MAN Truck & Bus also receives annual reports. The GRC organisation is responsible for compliance, integrity, data protection and risk management throughout the company. The Corporate GRC Office of the TRATON GROUP supports the MAN GRC department in this regard, for example, in the creation of company-wide policies and specifications. The planning and implementation of training courses for employees is also part of its work area. The GRC organisation of MAN is responsible for implementing the minimum standards of the compliance management system and the risk management system specified throughout TRATON in the MAN companies. This also includes the implementation of risk management processes and the further development of risk management instruments in cooperation with the risk/ICS (internal control system) managers.

Governance, Risk and Compliance (GRC) unit at MAN Truck & Bus



* Chief Compliance Officer

The Head of GRC/Chief Compliance Officer of MAN Truck & Bus is supported by Compliance Officers, Data Protection Managers and Officers or Risk/ICS Managers in the various business units and sales regions. Finally, compliance, integrity and risk management tasks are also performed by Compliance Champions and risk/ICS coordinators. These are not full-time GRC employees, but managers or MAN employees who assume particular responsibility for compliance, integrity and risk management.

Elements of the MAN Compliance Management System

The MAN Compliance Management System deals with the topics of white-collar crime (in particular, combatting corruption and preventing money laundering and terrorism funding), antitrust law, and business and human rights.

Code of Conduct

Ethical principles of conduct as well as fundamental compliance requirements are laid down for MAN in the Code of Conduct. This also describes the company values and provides guidelines on compliance and integrity.

Reporting

Regular reporting on the current status of compliance measures is carried out at the various organisational levels in the responsible committees.

Risk analysis

MAN regularly carries out a risk analysis in order to identify potential compliance risks for the Group and to align and further develop the company-wide compliance management system according to these risks.

Policies

The GRC organisation has also developed guidelines on issues such as combatting corruption, antitrust law, money laundering prevention and data protection. These policies represent uniform and binding requirements for all employees company-wide.

Business Partner Approval Tool

MAN reviews the integrity of business partners as part of the tool-based business partner approval process. This process is used mainly, but not exclusively, for business partners providing sales support.

Compliance training

The GRC unit regularly conducts face-to-face and online training courses on topics such as combatting corruption, antitrust law and money laundering prevention. A new e-learning course on the Code of Conduct was launched in the first quarter of the year under review and another course on human rights in the fourth quarter.

Compliance Helpdesk

All MAN employees can contact the relevant compliance officers in person, by telephone and by email with questions relating to compliance. In addition, the Compliance Helpdesk is also available to them (by telephone and email). This gives the GRC organisation an overview of frequently occurring issues so that it can develop further preventive compliance measures if necessary.

Reporting compliance violations

The purpose of the MAN whistleblower system is to identify and avoid possible risks for MAN. In order to meet the requirements of the EU Whistleblower Directive 2019/1937, we have already initiated the necessary adjustments to the processes of the whistleblower system. In the 2023 year under review, we published the procedural rules for the complaints procedure in accordance with the German Supply Chain Due Diligence Act (LkSG) on the MAN corporate websites. In order to enable the early detection of irregularities and risks, MAN provides various reporting channels.

The → "Speak up!" whistleblower portal can be accessed via the MAN corporate website and is therefore not only available to our own employees, but also to external parties such as customers, business partners, suppliers and other third parties. Reports are also received and processed via “Speak up!” – anonymously if desired. Information regarding possible legal violations, particularly in the area of white-collar crime (e.g. corruption offences, suspected money laundering and terrorism funding), antitrust law, violations of human rights and data protection can be submitted via this portal. Cases that affect the German Supply Chain Due Diligence Act can also be reported via this portal. The reports are investigated in detail and violations are dealt with and sanctioned within the scope of the penalties permitted by labour law. In addition to the “Speak up!” portal, there are also direct contact options within the company by telephone, email or post, as well as a 24/7 hotline and ombudsmen in the Volkswagen Group. All contact channels are listed on the intranet and on our → website.

In 2023, MAN received over 143 reports. There were no compliance violations that resulted in a fine for the company.

Memberships

MAN is a participant in the UN Global Compact initiative. In addition, MAN is active in the Alliance for Integrity, an initiative of the German Federal Ministry for Economic Cooperation and Development, together with the German development agency GIZ, the Federal Association of German Industries and numerous other German companies to promote integrity in business. MAN is also a member of the German Institute for Compliance (DICO e. V.) and Transparency International.

Compliance measures

2023	
Business Partner Approval Tool	577 business partner audits were approved in 2023. As at 31 December 2023, a total of 3,675 business partner audits had been approved.
Compliance training	In 2023, the GRC unit conducted 178 face-to-face training courses with 1,593 participants. This includes training specifically aimed at management with the focus on combatting corruption and antitrust law and the continuation of the training newly rolled out in 2022 dealing with corruption and conflicts of interest, which was designed specifically for HR employees in cooperation with the HR department and Internal Investigation. In addition, 21,643 employees took part in online training courses, mainly on the topics of Code of Conduct, money laundering prevention and data protection.
Compliance Helpdesk	52 questions were answered centrally and 992 questions were also answered locally by the compliance organisation.
Compliance and integrity measures	In the 2023 year under review, MAN continued to roll out the Together4Integrity (T4I) programme. It aims to promote the company's integrity, compliance, culture and risk management initiatives in line with the company's top priorities. The objective is to create and shape a culture of integrity together with the employees. The programme aims to implement numerous measures in various areas of the company, such as Human Resources, which follow the five principles of the internationally recognised Ethics & Compliance Initiative (ECI). For MAN, integrity is a guiding principle for appropriate behaviour and is part of the corporate value "Responsibility". The MAN compliance and integrity programmes will continue in 2024. In 35 workshops held by MAN in 31 companies worldwide in the 2023 year under review, the topics of compliance and integrity were discussed with 927 employees. Future training and communication measures will be derived from these discussions.
Additional measures	In the year under review, a new Code of Conduct was rolled out for suppliers and business partners worldwide. The document takes into account the requirements of the German Supply Chain Due Diligence Act (LkSG) and thus represents a further development of our requirements for suppliers and business partners. In addition, MAN has implemented various communication measures with regard to compliance and integrity. This includes, in particular, advising on issues of integrity and compliance in special business situations and included sending out GRC newsletters to raise employee awareness of GRC risks. Human rights also played an important role in 2023. Among other things, the UK Modern Slavery Act Statement was republished.

TAX PAYMENTS

MAN is aware of its social responsibility in fulfilling its tax obligations and has made an explicit commitment to complying with national and international laws in the Code of Conduct. Compliance with laws and regulations is important to us in order to strengthen trust with customers, tax authorities and the public. It is the responsibility of all departments and employees to design the internal operational processes and structures in such a way that the taxes and duties to be paid are determined, recorded and paid in full, correctly and on time.

Approach to tax

MAN has set itself the following strategic tax objectives, which are set out in the Group Tax Policy adopted by the Executive Board:

- Due and proper fulfilment of tax obligations and the minimisation of tax risks are a top priority. Tax risks are communicated to management, proactively managed and monitored.
- All relevant tax laws, rules and regulations are observed and reporting and disclosure obligations are complied with. All taxes and duties are declared and paid on time.
- Responsible tax planning/structuring in accordance with the law must be carried out. An active attempt is made to gain certainty by obtaining binding information. Tax positions are supported by appropriate legal opinions.
- Transactions must be structured transparently so that their actual scope is not concealed.
- Inappropriate structures that lead to an advantage not provided for by law must be avoided. Arrangements and assessments under tax law are only pursued if and to the extent that their recognition is demonstrably highly probable through supreme court jurisdiction and/or according to the respective local view of the financial administration.
- Transactions between Group companies are concluded in accordance with the arm's length principle where this is required for tax purposes.

On this basis, the Tax function (FS) has an obligation to comply with the legal requirements. The aim of the Tax function is to fulfil the tax obligations of MAN Truck & Bus adequately, on time and in full at all times and at the same time make an optimal contribution to the achievement of the existing corporate objectives. The task of FS as a central tax function is therefore to optimise MAN's tax position both financially and qualitatively. The following main principles are followed:

- Compliance with all tax obligations: timely and complete fulfilment of all tax obligations
- Creating awareness of and sensitivity to tax issues in the organisation through clear information about tax obligations and their potential impact on the business

- Supporting the operational business by proactively tackling, addressing and resolving potential tax issues in close cooperation with all involved units/functions
- Proactive, consistent and reliable action in reconciling and coordinating business needs with tax requirements
- Efficient use of resources and costs

Tax governance

The Tax Compliance Officer (TCO) monitors the Tax Compliance Management System (CMS) with regard to compliance with domestic tax obligations in cooperation with the adjoining specialist departments. In this context, the TCO reports to the Head of Tax on a regular and an ad hoc basis on tax compliance matters (including results of the tax compliance risk assessment, changes in the tax compliance risk profile, analysis of the changed legal bases with regard to tax compliance, a summary of the identified tax compliance findings or shortcomings). The monitoring and determination of possible sanctions in the event of identified compliance violations is not the responsibility of the Tax department, but rather is carried out individually by HR and Compliance, if necessary in coordination with the respective management team.

Managing tax risks

Tax compliance risks are identified taking into account the tax compliance objectives. Compliance risks are potential violations of legal or company requirements that could lead to failure to meet compliance objectives. To this end, systematic risk identification and assessment appropriate to the company organisation is carried out. Based on the generally applicable principles for risk management within MAN, the central tax function has been given a key role in the company's internal control system. The central tax function has implemented a risk management process (including monitoring) with regard to the implementation and compliance of the Tax CMS. The aim is to comply with and document the management of these tax risks. As a result, MAN systematically deals with its risks in general and tax risks in particular in ongoing processes. In order to ensure continuous improvement of tax risk management and effective error correction, a regulated monitoring and improvement process exists. If errors are discovered (e.g. as part of an external audit or other internal audits), appropriate adjustments (e.g. in IT systems, processes, ICS) are made. For continuous improvement, there is a regular dialogue with the Governance, Risk and Compliance unit on new principles and methods from the Compliance area and their potential impact on the Tax CMS at MAN. All employees of the company are also encouraged to submit ideas and suggestions for improvement.

DATA PROTECTION

Measures for implementing the EU General Data Protection Regulation (GDPR) in Europe form the focus of MAN's data protection activities. In addition, developments in data protection law are regularly monitored and analysed worldwide. The aim is to establish and maintain the level of data protection required by national law or the MAN policy in all MAN companies.

In order to meet all the legal and self-imposed challenges, MAN maintains a worldwide network of more than 70 data protection managers who, together with the specialist departments, ensure that the data protection-related personal rights of all employees, customers, suppliers and business partners are safeguarded within the framework of MAN's activities. The coordination of this network is the responsibility of Group Data Protection, a central organisational unit of MAN Truck & Bus.

The principles governing the handling of personal data and the organisation of data protection for all MAN companies are described in more detail in the corresponding MAN brand policy.

In order to facilitate and ensure compliance with all mandatory organisational, information and documentation obligations, MAN uses a globally renowned IT tool for data protection management.

A standardised data protection maturity assessment was also carried out in the 2023 fiscal year at all relevant companies. A positive trend that was evident here was that the action areas from previous years identified by the assessment are being addressed and processed in a targeted manner. In addition to the maturity assessment, some data protection controls have been defined as part of the internal control system (ICS) and have already been successfully implemented in accordance with the roll-out plan. These controls increase process reliability and support the central monitoring task for data protection.

The internal structures and processes are being continuously improved in line with privacy-by-design principles. To ensure that all employees have sufficient information on these and other data protection topics, completion of a corresponding e-learning course is mandatory. In addition, specific data protection training courses are offered, in particular for focus areas such as HR, IT and Sales, as well as data protection specialist training courses for all appointed data protection managers. All employees can also access up-to-date information on data protection as well as an integrated knowledge database on the Intranet. Processes for data subject requests and data protection incident management are established in the relevant companies with system support.

RESPONSIBILITY ALONG THE VALUE CHAIN

As an international commercial vehicle manufacturer, MAN sees itself as having a particular responsibility to do its utmost to promote climate and environmental protection and assume social responsibility. This includes, in particular, the design of circular, CO_2-neutral and fair supply chains. We are therefore committed to the careful use of resources along the supply chains and to the observance of employee and human rights at our suppliers and business partners. As part of the Volkswagen Group, MAN is represented in the Sustainability Procurement Network, where we exchange information on current developments and long-term challenges in our supplier relationships across countries. Cooperation within the Volkswagen Group enables us to achieve a high level of leverage and greater transparency with regard to existing challenges.

In focus:

- Strengthening sustainability management in procurement
- Responsible use of resources along the supply chain
- Compliance with employee and human rights at our suppliers and business partners

Key figures 2023:

10,912[1]	S ratings for suppliers
79%[1]	share of total procurement volume

[1] As part of the Volkswagen Group and the procurement network for sustainability, there are synergies in the supplier base for MAN Truck & Bus SE. This is why we report Volkswagen Group key figures here.

RESPONSIBILITY IN OUR SUPPLY CHAIN

The supply chain of MAN Truck & Bus, as part of the Volkswagen Group, is highly complex, globally distributed and subject to constant change due to the diversity of its products. In addition to the increasing electrification of vehicles, the biggest challenges also include the increasing regulatory requirements in the area of sustainability, such as the German Supply Chain Due Diligence Act. Our business activities can have a potential negative impact on the environment and on people in our supply chain. The position of MAN as part of the Volkswagen Group on the market offers the opportunity to achieve ecological and social improvements in the countries of our suppliers through the operational management of sustainability issues.

Our goal is to design responsible supply chains and make a sustainable contribution to circular, CO_2-neutral and fair supply chains.

The operational management of sustainability topics in our supply chains is carried out by the Sustainability in Supplier Relations team in the MAN Procurement department. In order to identify current developments and long-term challenges in the individual countries, we also rely on communication between the brands and regions of the Volkswagen Group through the Sustainability Procurement Network, in which more than 110 experts from five continents work together.

Management approach redefined

In order to comply with the German Supply Chain Due Diligence Act (LkSG), which came into force on 1 January 2023, the "Responsible Supply Chain System (ReSC)" management approach was already introduced in 2022.

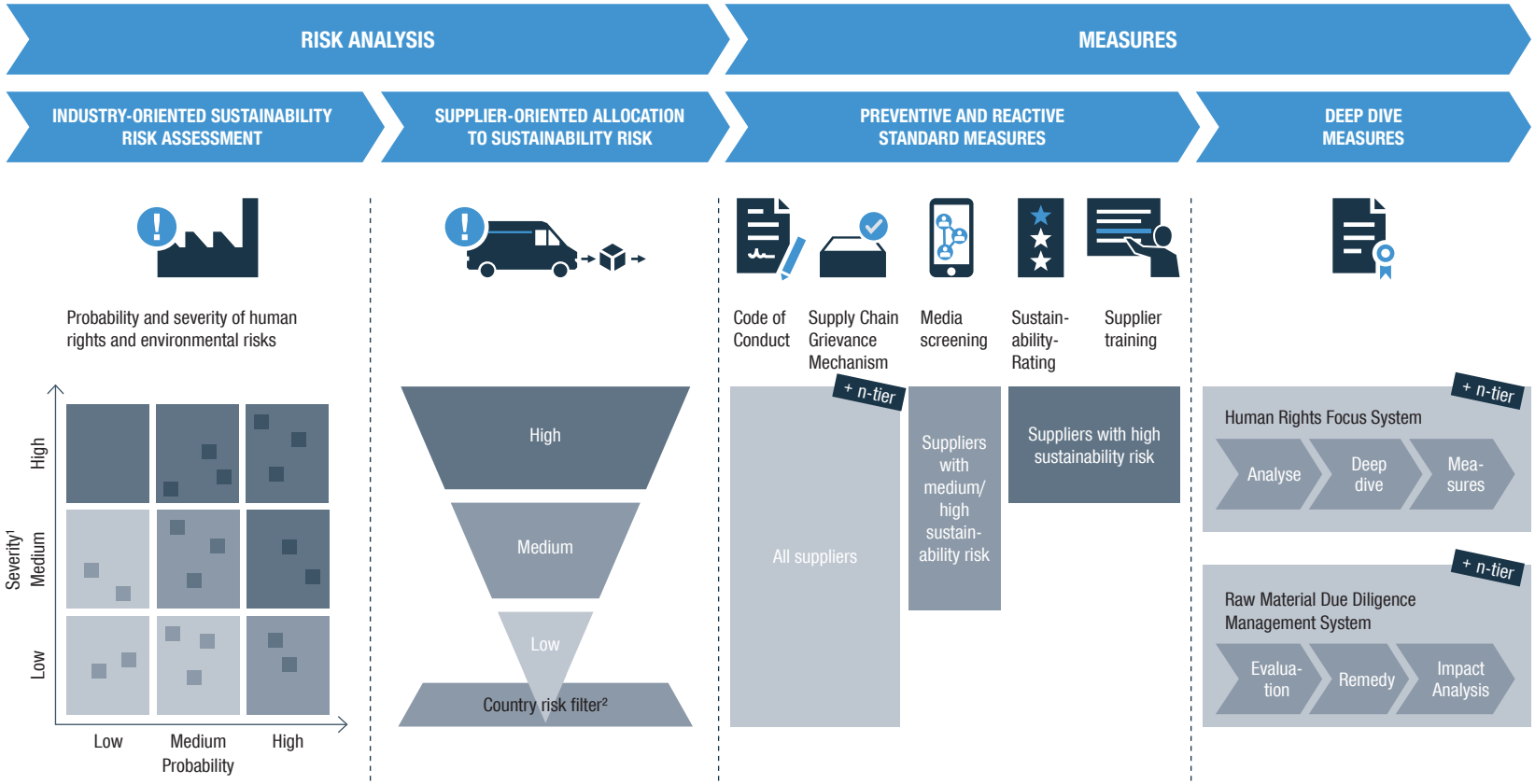
Based on a systematic risk analysis, the new approach aims to avoid or minimise human rights, social or environmental risks as well as corruption along the MAN supply chain. It is also intended to help eliminate violations and continuously improve the sustainability performance of suppliers. The ReSC system consists of the following elements, which build on each other:

- **Risk analysis:** A regular risk analysis serves to identify risks in the supply chain in advance. The analysis is carried out on the basis of the supplier's business models and takes into account external and internal data on human rights and environmental risks. Based on the risk assessment, each supplier is assigned a high, medium or low sustainability risk. A country risk score is also used for suppliers with a low sustainability risk. If there is an increased country risk for the supplier, it is upgraded to the medium risk range. The risk analysis is updated once a year and/or on an ad hoc basis by the Group Procurement Sustainability in coordination with the relevant brands of the Volkswagen Group.

- **Standard measures:** These proactive and reactive measures include the Code of Conduct for Suppliers and Business Partners, the Supply Chain Grievance Mechanism, media screening, the sustainability rating, and supplier and employee qualification.

- **Deep dive measures:** These include the Human Rights Focus System in the supply chain, the Raw Material Due Diligence Management System and the collaboration with external partners to further develop the concept of sustainability in the supply chain.

Responsible Supply Chain System (ReSC-System)



[1] Severity for affected people and the environment.
[2] Refers to the production site.

Our management approach in practice

The implementation of our management approach is binding worldwide and enshrined in the relevant MAN guidelines. MAN determines the sustainability risks that may arise from its business relationships. The risk analysis processes are the first step of our ReSC system. Based on the identified risks, the suppliers in the respective business models and countries are assigned a package of measures to prevent and mitigate risks.

Code of Conduct for Suppliers and Business Partners

We have defined the core elements of our supplier management in our → Code of Conduct for Suppliers and Business Partners. Our expectations of business partners' conduct with regard to key human rights, environmental, social and compliance standards are set out in contracts. The guidelines are based, among other things, on the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the relevant conventions of the International Labour Organization (ILO). The Code of Conduct is based not only on international standards, however, but also on the objectives, rules and guidelines of the Volkswagen Group.

Before submitting a bid, our suppliers must confirm that they accept the sustainability requirements in the Code of Conduct for Suppliers and Business Partners. They must update this information after the expiry of a period of twelve months if they want to submit another tender. We also encourage our direct suppliers to pass on our requirements formulated in the Code of Conduct for Suppliers and Business Partners along the supply chain.

In 2023, the revised Code of Conduct for Suppliers and Business Partners was published.

In addition to the Code of Conduct for Suppliers and Business Partners, there are further product-specific requirements for suppliers. These are documented in specifications and specify the way in which certain products must be manufactured. One of the requirements for battery cells, for example, is to achieve complete disclosure of the supply chains with regard to the battery raw materials cobalt, nickel, lithium and natural graphite. These requirements are also binding for the suppliers concerned.

Supply Chain Grievance Mechanism

Reports about human rights and environmental risks or violations of due diligence obligations against the Code of Conduct for Suppliers and Business Partners by indirect and direct suppliers of the Volkswagen Group are processed using the Supply Chain Grievance Mechanism.

The mechanism is accessible through the → Speak Up! channels and open to all potentially affected parties and stakeholders, such as employees of suppliers, civil society actors or representatives of communities in the immediate vicinity of our production sites. The processing of cases is uniformly defined in a binding manual, managed by the Volkswagen Group and carried out together with the brands and regions of the Group. Identified violations are categorised according to their severity to ensure adequate processing. Depending on the category of the violation, appropriate measures are then initiated. Corresponding measures, such as on-site audits, are also initiated for indirect suppliers for whom risks or violations are identified. These are implemented via the direct supplier

with whom a contractual relationship exists. In the event of serious violations, suppliers can be temporarily blocked for new contract awards or the business relationship can even be terminated.

In the reporting period, the Volkswagen Group processed 219[1] reports of violations of the Code of Conduct for Suppliers and Business Partners from the Supply Chain Grievance Mechanism. A total of three[1] suppliers were temporarily blocked for new contract awards due to serious violations.

Media screening

Continuous and risk-based media screening of relevant suppliers[2] is carried out by VW Group Procurement Sustainability via an IT tool. If indications of possible violations of our Code of Conduct for Suppliers and Business Partners are identified, these are checked and processed in the Supply Chain Grievance Mechanism, if necessary.

Sustainability rating

As a key measure, the Volkswagen Group's sustainability rating (S rating) was introduced in 2020 for all relevant companies and suppliers with a high sustainability risk. In the S rating, the sustainability performance of relevant suppliers[3] is reviewed and opportunities for continuous improvement are identified. It assesses the environmental performance of suppliers as well as their social sustainability and integrity. The S rating is directly relevant to the award of contracts. The result is divided into three categories: if a supplier meets our requirements of the sustainability standards to a sufficient degree, they receive a positive rating (A or B rating) and are therefore eligible for the award of contracts. If a supplier does not meet our requirements for compliance with sustainability standards, they receive a C rating and are generally not eligible for the award of contracts. This provides a direct incentive for suppliers to improve their sustainability performance.

The review as part of the S rating process takes place via a multi-stage process. In an initial step, a risk exposure is determined from a combination of a country risk and the supplier's corporate processes and policies. In addition, the sustainability performance of companies is reviewed in the course of on-site checks.

Data from a specialised service provider is used to determine the country risk. The company's sustainability performance is analysed using a standardised self-assessment questionnaire. The Self-Assessment Questionnaire (SAQ) was developed together with other automotive companies in the Drive Sustainability working group. In 2023, all S rating-relevant suppliers were obligated to switch to the questionnaire expanded in the previous year. As a rule, a supplier is no longer eligible for a contract award if no update has been made to the latest valid version of the questionnaire. The information and documents in the SAQ are reviewed and validated by a service provider via a central platform: If a supplier states that they have appropriate processes and policies in place, they must document this. Each supplier for whom the S rating applies must meet the requirements anchored in the questionnaire in the areas of corporate governance, environment, occupational health and safety, social, human rights, compliance and supplier management. Since 2022, selected questions in the SAQ have been mandatory as minimum requirements for all

[1] As part of the Volkswagen Group and the procurement network for sustainability, there are synergies in the supplier base for MAN Truck & Bus SE. This is why we report Volkswagen Group key figures here.
[2] The relevance of a supplier for media screening results, among other things, from the procurement volume or risk exposure derived from the type of product or service.
[3] The relevance of a supplier for the S rating results, among other things, from the size of the company or the risk exposure derived from the type of product or service.

suppliers with a site size of 10 or more employees. The minimum requirements were expanded in the reporting year, for example, to include the issue of incident and accident management.

In total, 14,953[1] active suppliers in the Volkswagen Group completed an SAQ for the S rating by the end of the reporting period. In the year under review, the sustainability performance of 9,357[1] suppliers within the Volkswagen Group was improved through relevant measures. In addition, since 2022, proof of a certified and/or validated environmental management system has been mandatory for all suppliers with production sites and site size comprising 100 or more employees. Without fulfilling the minimum requirements, a supplier cannot be awarded a contract. Based on revenue, over 80 percent[1] of suppliers in the Volkswagen Group with production sites and locations comprising 100 or more employees have documented that they have a certified environmental management system in accordance with ISO 14001 or validation in accordance with EMAS.

An additional audit of the sustainability performance of suppliers can be carried out on a selective basis using on-site audits. If the audit outcome is less than 100 percent, the supplier receives improvement measures. If it is less than 80 percent, the necessary measures of the supplier are recorded in a plan. The implementation of the measures is defined and monitored with the supplier. Depending on the measures, the plan must be implemented by the supplier within six months. If the supplier achieves a result of less than 60 percent in an on-site audit, a new on-site audit is carried out after the action plan has been implemented.

As part of the S rating, 89[1] audits were carried out worldwide within the Volkswagen Group.

We are also constantly working on standardising audits. To this end, MAN, together with other Volkswagen Group companies and eleven other partners, launched the Responsible Supply Chain Initiative e. V. in 2021. A standardised approach and industry-wide recognition of audit findings makes it possible to ensure broader supply chain coverage. In addition, the operational effort for suppliers is reduced.

At the end of the reporting year, 10,912[1] S ratings were given to suppliers of the Volkswagen Group, whose order volume represents a share of around 79 percent[1] of the total procurement volume. Of these suppliers, 4,639[1] have an A rating. 38[1] are rated with a C and are therefore currently not eligible for contract awards. Suppliers who do not meet our requirements for compliance with our sustainability standards are also not eligible for contract awards.

In addition, suppliers for whom we have identified an increased corruption risk due to their business activity and region are subjected to an in-depth corruption risk assessment. This process is called Business Partner Due Diligence (BPDD) and takes place before an award decision is made. Subsequently, all relevant business partners are continuously reviewed for changes in general conditions through screening of risks and news.

Sustainability training for employees and partners

The systematic continuous professional development of our employees and suppliers is a key component of our strategy and essential for improving sustainability in the supply chain.

[1] As part of the Volkswagen Group and the procurement network for sustainability, there are synergies in the supplier base for MAN Truck & Bus SE. This is why we report Volkswagen Group key figures here.

For all procurement employees in the Volkswagen Group, the topic of sustainability is an integral part of the skills profile. In total, over 47 MAN employees completed the sustainability training course for procurement in the year under review.

In order to enable continuous supplier development, the Volkswagen Group conducts topic-specific sustainability training courses and workshops for its suppliers at selected locations or online, and offers online training courses. In the reporting period, 7,791[1, 2] suppliers in the Volkswagen Group were trained in this manner. Since 2020, in-depth human rights training has been available for suppliers, which was also carried out again in the 2023 year under review. For example, legally required aspects such as training on child labour, forced labour and discrimination are essential subjects covered by the training courses. Systematic implementation of the training for suppliers with a high sustainability risk began in 2023. In addition to the training courses, an e-learning module on the topic of sustainability will be made available to current suppliers in eight languages.

Human Rights Focus System

As part of our sustainable supplier management, we are particularly committed to protecting those groups that may be at high risk of potential human rights violations along our supply chain. To this end, the Volkswagen Group implemented the Human Rights Focus System (HRFS) in 2022. The aim of the system is to identify and appropriately address particularly high risks in our supply chain with regard to human rights violations and environmental aspects. For this purpose, we evaluate aggregated data from our Supply Chain Grievance Mechanism, on-site audits, as well as information from studies, NGO reports and stakeholder discussions to determine a longlist of relevant topics.

Based on the detailed analysis, three focus topics were identified for the 2023 reporting year: forced labour, living wages and supplier management. The focus topics are processed in cooperation between MAN, Volkswagen and other Group brands such as Audi, Porsche and Scania.

In the next step, a structured analysis of the causes of the respective topics is carried out for the development and implementation of suitable measures. The focus topics are systematically processed on the basis of a measures toolbox. Depending on the cause, the measures toolbox provides support in selecting the appropriate measure. How the individual topic areas are handled is described below:

- **Forced labour:** To identify the greatest risks of forced labour for our supply chains, a topic-specific analysis was carried out based on a general cause and effect analysis. Using analyses of reports and discussions with experts, countries, industries and topic-specific focus areas were identified to be examined and addressed in more detail in the future. The necessary measures are derived based on the causes. This includes, for example, communication through multi-stakeholder initiatives and the continuous monitoring of internal and external indications of possible risks.

[1] As part of the Volkswagen Group and the procurement network for sustainability, there are synergies in the supplier base for MAN Truck & Bus SE. This is why we report Volkswagen Group key figures here.
[2] Change in methodology: Reduction of the scope – all suppliers who were present for at least 51 percent of the training time are counted.

- **Living wages:** A requirement for our suppliers in the Code of Conduct for Suppliers and Business Partners is the appropriate remuneration of their employees. If possible, this should at least meet the basic needs of the employees and enable them and their families to have an appropriate standard of living (living wage).

- **Supplier management:** The Code of Conduct for Suppliers and Business Partners governs the passing on of our sustainability requirements by our direct suppliers to the upstream supply chain. This topic is addressed here. It examines the challenges in passing on the requirements and how suppliers can be further empowered to do so. The aim is to carry our sustainability requirements more effectively and comprehensively deeper into the supply chain in this way. A measure that has already been planned is the implementation of specific training courses for selected suppliers.

Raw Material Due Diligence Management System

With regard to the responsible sourcing of raw materials, the Volkswagen Group implements the five steps of the OECD's "Due Diligence Guidance for Responsible Business Conduct" and the requirements of the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas". In 2020, a Raw Material Due Diligence Management System was implemented to address these requirements. It serves to identify, assess and avoid actual and potential human rights risks in our upstream raw material supply chains. In 2023, a new analysis and evaluation of the 16 raw materials previously identified as high-risk took place. These include the battery raw materials cobalt, lithium, nickel and graphite, the conflict minerals tin, tungsten, tantalum and gold (3TG) as well as aluminium, copper, leather, mica, steel, natural rubber, platinum group metals and the rare earths[1]. The review resulted in the inclusion of two additional raw materials: cotton and magnesium.

This risk-based approach prioritises activities based on the severity and likelihood of the infringement and the company's ability to influence it. In addition, Group structures are systematically used for developing and implementing specific preventive and remedial measures, and their effectiveness is reviewed. As part of the management system, new reporting structures and toolkits have been developed, and existing instruments such as the Supply Chain Grievance Mechanism have been integrated. Depending on the results of the due diligence process, the measures are continuously adjusted and improved.

Since 2021, the Volkswagen Group has provided information on the fulfilment of its human rights due diligence obligations in the raw material supply chain, including reporting on the status, progress and objectives of the Raw Material Due Diligence Management System, in an annual → "Responsible Raw Materials Report". This also lists the specific activities and measures for the 18 high-risk raw materials.

An important prerequisite for identifying, preventing and mitigating human rights risks in the upstream supply chain is to increase transparency. To this end, the Volkswagen Group works closely with its direct suppliers and business partners as part of the Raw Materials Due Diligence Management System.

[1] In terms of the risk scope, the management system goes beyond Annex 2 of the OECD guideline "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas".

In doing so, the Volkswagen Group cooperates with service providers, among others, who enable comprehensive supplier testing using artificial intelligence and media screening. Permanent monitoring of freely available Internet sources and social media provides information on possible violations by suppliers.

An IT tool was also introduced in the Volkswagen Group in 2023 to identify human rights and environmental risks in the upstream supply chain (n-tier). The tool uses public information to help increase transparency in the broader supply chain.

Since human rights risks are often most severe at the beginning of the supply chain and can be most effectively addressed there, direct cooperation with mine operators regarding the certification of mines is another part of our strategy. This is intended to review, evaluate and improve the sustainability performance of the mines in our supply chain in the medium term.

Collaboration with external partners and participation in international initiatives

In addition to close cooperation with our direct suppliers and sub-suppliers, the Volkswagen Group is involved in initiatives and on-site projects to address human rights risks in the upstream supply chain and beyond contractual relationships. These cross-industry and partly raw material-specific initiatives are listed in the Responsible Raw Materials Report. The objectives in cooperation with partners in the automotive industry and along the value chain include knowledge transfer, the development of standardised tools for risk assessment and the introduction of standards for responsible raw material supply chains with regard to human rights, the environment and compliance.

For the raw materials for batteries that have been identified as high-risk, we aim to create transparency in the supply chain from mining to the manufacture of the finished product. Since 2022, we have passed on the requirement for complete transparency to our direct battery suppliers in our contracts.

The data received is verified by partner companies through so-called “second-party supply chain mapping audits”.

As part of the Cobalt for Development project in the Democratic Republic of Congo, the Volkswagen Group is working together with partners to improve the working and living conditions of people in the small-scale mining of cobalt and in the surrounding mining communities. The pilot project aims to strengthen compliance with legislation, improve health and safety conditions and social well-being for local people. Additional information is available on the → project website.

Together with other partners, the Volkswagen Group has launched the Responsible Lithium Partnership initiative for the battery raw material lithium, which is committed to the responsible use of natural resources and sustainable lithium extraction in the Salar de Atacama in Chile. This will be achieved through a multi-stakeholder platform encompassing all relevant actors in the Salar river basin – from civil society groups, including indigenous communities, to government institutions and local mining companies.

OVERVIEW OF KEY INDICATORS

Financial figures

Financial figures

	2021	2022	2023
Sales revenue (in € million)	10,934	11,331	14,811
Incoming orders (in units)	143,531	109,700	86,783
Operating result* (in € million)	249[1]	139	1,075

[1] Adjusted for restructuring charges in accordance with IFRS

Employee indicators

Workforce structure[1]

	2021	2022	2023
Permanent workforce	32,111	32,648	32,715
of which women	4,269	4,485	4,583
of which men	27,842	28,163	28,132
of which part-time employees	981	987	992
of which women	718	704	705
of which men	263	283	287
of which fixed-term employees	1,832	2,879	2,762
of which women	323	576	433
of which men	1,509	2,303	2,329
Vocational apprentices	2,083	2,010	2,069
of which women	310	307	315
of which men	1,773	1,703	1,754
of which in Germany	1,387	1,255	1,293
Employees, passive partial retirement	508	572	727
Total workforce	**34,702**	**35,230**	**35,511**
Temporary external employees	1,985	2,376	2,106
of which women	183	339	245
of which men	1,802	2,037	1,861

[1] At the end of each year.

Employees by business area

	2021	2022	2023
Commercial Vehicles	34,702	35,230	35,511
Other (Group secondment)	4	2	2
MAN Truck & Bus	**34,706**	**35,232**	**35,513**

Women in management positions

	2021	2022	2023
Top management		1	1
Senior management	30	31	39
Upper management	80	74	87
Total	**110**	**106**	**127**
Share[1] in %	12.6	12.5	15.4

[1] Women in management to management total.

Accidents at work[1]

	2021	2022	2023
Number of accidents at work[2]	296	343	387
Accident frequency index[3]	9.43	10.20	10.36

[1] Only reported accidents at work of the regular workforce at production and production-related locations. All figures exclude temporary external employees. The calculation of days lost ends on 31 December of a fiscal year.
[2] In accordance with the German Social Code, we define accidents at work as accidents of insured persons as a result of their insured activity. We gather the statistics on accidents at work from one day of absence.
[3] The accident frequency index provides information on the frequency of accidents at work in relation to the sum of all hours worked. The underlying formula is the number of industrial accidents x 1 million hours worked.

Climate and environmental indicators

Energy consumption

In MWh	2021	2022	2023
Direct energy consumption (fuels and fuel gases)	333,018	279,833	295,182
Indirect energy consumption	366,238	387,244	384,804
Electrical energy	226,723	258,394	254,751
Of which external procurement from renewable energy sources	128,643	232,459	239,531
Thermal energy	139,515	128,850	130,054
Of which generated in-house from renewable energy sources	0	0	16,311
Of which external procurement from renewable energy sources	0	6,688	29,252
Total	**699,256**	**667,077**	**679,986**

Absolute direct and indirect CO_2 emissions[1]

In tonnes of CO_2	2021	2022	2023
Direct emissions	73,164	63,627	68,400
Indirect emissions	77,341	33,837	16,878
Total	**150,505**	**97,465**	**85,278**

[1] Direct emissions result from the combustion of primary energy sources, e.g. natural gas, fuel oil, diesel; indirect emissions result from externally purchased electricity and district heating. The emissions are generally calculated on the basis of the VDA emission factors. This relates to all production sites.

Production-related waste

In tonnes	2021[1]	2022[1]	2023
Total waste for disposal	3,602	3,479	3,947
Hazardous	3,126	3,126	3,461
Non-hazardous	476	419	486
Total waste for recycling	18,210	31,545	36,253
Hazardous	9,105	11,182	13,884
Non-hazardous	9,105	20,363	22,369
Metal waste	43,650	41,365	43,359
Total waste	**65,461**	**76,389**	**83,559**
Recycling ratio in %	**95**	**95**	**95**

[1] The information on production-related waste included in part quantities of construction site waste from 2020 to 2022. This incorrect allocation has been retrospectively corrected so that the information in this report is comparable and correct.

Atmospheric pollutants

In tonnes	2021	2022	2023
Sulphur dioxide (SO_2)	0.42	0.38	0.41
Nitrogen oxides (NO_x)	143	145	168
Dust	0.58	0.58	0.65
Volatile organic compounds (VOC)	534	564[1]	538

[1] The projection for the Munich site was subsequently corrected due to a new painting concept.

Electric vehicles

in units	2021	2022	2023
Incoming orders for electric vehicles			
Truck	4	11	5
Bus	204	637	806
Van	1,047	417	242
Sales of electric vehicles			
Truck	18	14	0
Bus	133	263	771
Van	826	686	315

Emissions along the value chain or the life cycle of our products

Scopes[1] GHG emissions CO_2e	**Approximate share of GHG baseline inventory 2023**	**Absolute emissions 2023**	**Absolute emissions 2022**	**Absolute emissions 2021**	**Absolute emissions 2020**	**Absolute emissions 2019**	**Development** (2023 to the base year 2019)
Scope 1	0.1%	121.0 kt	116.8 kt	139.1 kt	132.3 kt	161.3 kt	-25.0%
Scope 2		46.0 kt	59.5 kt	113.0 kt	149.8 kt	180.6 kt	-74.5%
Scope 3 – Category 11 ("Use of Sold Products")[2]	96.3%	114.3 Mt	89.3 Mt	98.6 Mt	88.1 Mt	128.8 Mt	-11.2%
Other Scope 3	3.6%	4.2 Mt	3.2 Mt	3.6 Mt	3.0 Mt	3.9 Mt	+4.9%
Total	**100%**	**118.7 Mt**	**92.7 Mt**	**102.5 Mt**	**91.4 Mt**	**133.0 Mt**	**-9.5%**

[1] CO_2 equivalents (CO_2e) based on GHG Protocol – mainly carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O); other greenhouse gases not significant.
The consideration limits of the emissions correspond to the definition of the SBTi and deviate from those on ➔page 21 ff.
[2] Note for the consumption values for years under review 2021–2023: When using real consumption data, we use values from previous years, as the data can only be read out later after the vehicle has been sold in the service outlets.

EU TAXONOMY

The EU taxonomy is a classification system for sustainable economic activities. Companies in the real economy are required to disclose the proportion of their revenue, capital expenditure and operating costs that meet the requirements of the Regulation for the respective EU environmental objectives. These are currently available for the two EU environmental goals "climate protection" and "adaptation to climate change".

The corresponding disclosures must be differentiated according to taxonomy eligibility and taxonomy alignment. Economic activities covered by the EU taxonomy and therefore taxonomy-eligible are those described in the delegated acts. Taxonomy-aligned activities (environmentally sustainable) are activities that additionally a) make a significant contribution to the environmental objective on the basis of specified technical assessment criteria, b) at the same time do not impair another environmental objective ("Do No Significant Harm" criteria) and c) have procedures in place that ensure a minimum level of protection with regard to human rights, social and labour standards (minimum safeguards).

As part of the TRATON GROUP, MAN voluntarily reports on the taxonomy-eligible and taxonomy-aligned shares of its revenues, capital expenditures and operating expenses, which can be found in the adjacent table for the fiscal years 2021, 2022 and 2023.

As a subgroup of TRATON SE, the share for MAN Truck & Bus SE is subject to overlaps in which internal allocations must be taken into account in order to specify the brand share (this applies in particular to joint developments and projects within TRATON or Volkswagen, e.g. the MAN TGE product).

For the TRATON GROUP, all self-manufactured all-electric vehicles (BEVs) as well as self-manufactured buses that meet the requirements of the Euro VI Stage E standard (Euro VIe buses) comply with the criteria for a significant contribution by 31 December 2022. In detail, this means that economic activities associated with BEVs or Euro VIe buses make a significant contribution to climate protection.

The low taxonomy-aligned share of revenue can be explained primarily by the electric product portfolio that is only just being built up, which is currently mainly characterised by a growing sales market for electric buses. With the market launch of the first electric truck in 2024, increasing investment expenditure in sustainable activities is expected, while taxonomy-aligned operating expenditure in the area of research and development is already at a constant high level.

Further information on determining taxonomy eligibility and -alignment can be found in the → TRATON GROUP Annual Report.

Taxonomy indicators of MAN Truck & Bus SE:[1]

KPI in € million	2021[2]		2022		2023	
Total revenue	**10,934**		**11,331**		**14,811**	
of which taxonomy-eligible	9,485	87%	9,786	86%	12,801	86%
of which taxonomy-aligned	58	1%	255	2%	372	3%
Total CAPEX	**1,998**		**1,738**		**1,731**	
of which taxonomy-eligible	1,931	97%	1,659	95%	1,666	96%
of which taxonomy-aligned	84	4%	175	10%	189	11%
Total OPEX[3]	**370**		**346**		**367**	
of which taxonomy-eligible	352	95%	310	90%	330	90%
of which taxonomy-aligned	67	18%	65	19%	70	19%

[1] The result from 2022 was influenced by additionally relevant Euro VIe standard buses, which could be assessed as a significant contribution to climate protection until 31 December 2022. The values from 2021 and 2022 listed in the table have been adjusted due to standardisations in the Volkswagen Group and TRATON SE as well as internal allocations and are fully comparable with the values from the 2023 financial year.
[2] Values from 2021 were not audited.
[3] Non-capitalised research & development costs.

GRI CONTENT INDEX

This report has been prepared with reference to the GRI standards.

GRI Standards		Page/Annotation	Comment/Declaration of omission
GRI 1: Basis 2021			
GRI 2: General disclosures 2021			
The organisation and its reporting standards			
2-1	Organisational details	3/4	
2-2	Entities included in the organisation's sustainability reporting	80/81	
2-3	Reporting period, frequency and contact point	80/81	
2-4	Restatements of information	3/4, 80/81	
2-5	External assurance	77 ff.	
Activities and workers			
2-6	Activities, value chain and other business relationships	3/4, 59	
2-7	Employees	38/39	
2-8	Workers who are not employees	38/39	
Governance			
2-9	Governance structure and composition	➔ Management, AR 28	
2-10	Nomination and selection of the highest governance body	AR 117/118, 120	
2-11	Chair of the highest governance body	➔ Management, AR 28	
2-12	Role of the highest governance body in overseeing the management of impacts	6/7, 51; AR 29	
2-13	Delegation of responsibility for managing impacts	6/7, 51	
2-14	Role of the highest governance body in sustainability reporting	6/7; AR 91/92, 117/118	
2-15	Conflicts of Interest	51 – 53; AR 118	
2-16	Communication of critical concerns	6/7, 53	No details on the total number and type of critical concerns for confidentiality reasons
2-17	Collective knowledge of the highest governance body	6/7; AR 118/119	
2-18	Evaluation of the performance of the highest governance body	AR 117 ff.	

GRI Standards		Page/Annotation	Comment/Declaration of omission
2-19	Remuneration policies		Not detailed for confidentiality reasons
2-20	Process to determine remuneration		Not detailed for confidentiality reasons
2-21	Annual total compensation ratio		Not detailed for confidentiality reasons
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	1/2, 5	
2-23	Policy commitments	51/52, 59/60	
2-24	Embedding political commitments	11, 36, 52	
2-25	Processes to remediate negative impacts	52/53, 61 ff.	
2-26	Mechanisms for seeking advice and raising concerns	53	
2-27	Compliance with laws and regulations	33/34, 51 – 53, 55/56; AR 210/211	There were no known violations of environmental protection laws and regulations during the reporting period.
2-28	Membership associations	53	
2-29	Approach to stakeholder engagement	7/8, 11	
2-30	Collective bargaining agreements	37/38	
GRI 3:	**Material topics 2021**		
3–1	Process to determine material topics	7–9	
3–2	List of material topics	8	
GRI 200:	**Economic**		
GRI 205:	**Anti-corruption 2016**		
GRI 3-3:	Management of material topics	50 – 54	
GRI 205–1:	Operations assessed for risks related to corruption	51	
GRI 205-2:	Communication and training about anti-corruption policies and procedures	52 – 54	
GRI 206:	**Anti-competitive behaviour 2016**		
GRI 3-3:	Management of material topics	50 – 54	
GRI 206-1:	Legal actions for anti-competitive behaviour, antitrust, and monopoly practices	AR 210/211	

GRI Standards		Page/Annotation	Comment/Declaration of omission
GRI 300:	**Environmental**		
GRI 302:	**Energy 2016**		
GRI 3-3:	Management of material topics	12/13, 21/22, 33/34	
GRI 302-1:	Energy consumption within the organisation	21/22	
GRI 302-3:	Energy intensity	22	
GRI 302-4:	Reduction of energy consumption	21/22	
GRI 302-5:	Reduction in energy requirements of products and services	21 – 25	
GRI 305:	**Emissions 2016**		
GRI 3-3:	Management of material topics	12/13, 14/15, 33/34	
GRI 305-1:	Direct (Scope 1) GHG emissions	15, 21/22	
GRI 305-2:	Energy indirect (Scope 2) GHG emissions	15, 21/22	
GRI 305-3:	Other indirect (Scope 3) GHG emissions	15	
GRI 305-4:	GHG emissions intensity	21/22	
GRI 305-5:	Reduction of GHG emissions	15, 21/22	
GRI 305-7:	Nitrogen oxides (NO_X), sulfur oxides (SO_X), and other significant air emissions	22	
GRI 306:	**Waste 2020**		
GRI 3-3:	Management of material topics	26 – 29	
GRI 306-1:	Waste generation and significant waste-related impacts	29	
GRI 306-2:	Management of significant waste-related impacts	29	
GRI 306-3:	Waste generated	29	
GRI 308:	**Supplier Environmental Assessment 2016**		
GRI 3-3:	Management of material topics	58 – 60	
GRI 308-1:	New suppliers that were screened using environmental criteria	59, 62/63	

GRI Standards		Page/Annotation	Comment/Declaration of omission
GRI 400:	**Social**		
GRI 401:	**Employment 2016**		
GRI 3-3:	Management of material topics	35/36	
GRI 401-1:	New employee hires and employee turnover	38/39	
GRI 403:	**Occupational Health and Safety 2018**		
GRI 3-3:	Management of material topics	44–46	
GRI 403-1:	Occupational health and safety management system	44–46	
GRI 403-2:	Hazard identification, risk assessment and incident investigation	44	
GRI 403-3:	Occupational health services	45/46	
GRI 403-4:	Worker participation, consultation, and communication on occupational health and safety	45	
GRI 403-5:	Worker training on occupational health and safety	45	
GRI 403-6:	Promotion of worker health	44–46	
GRI 403-7:	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45/46	
GRI 403-9:	Work-related injuries	45	
GRI 404:	**Training and Education 2016**		
GRI 3-3:	Management of material topics	35 – 37, 40/41	
GRI 404-1:	Average hours of training per year per employee	41	Information by employee category and gender cannot currently be collected.
GRI 404-2:	Programs for upgrading employee skills and transition assistance programs	40/41	
GRI 405:	**Diversity and Equal Opportunity 2016**		
GRI 3-3:	Management of material topics	35/36, 42/43	
GRI 405-1:	Diversity in governance bodies and employees	42/43	

GRI Standards		Page/Annotation	Comment/Declaration of omission
GRI 407:	**Freedom of Association and Collective Bargaining 2016**		
GRI 3-3:	Management of material topics	36 – 38, 58 – 60	
GRI 407-1:	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	37/38, 61 – 63	
GRI 408:	**Child Labor 2016**		
GRI 3-3:	Management of material topics	36, 58 – 60	
GRI 408-1:	Operations and suppliers at significant risk for incidents of child labor	61–63	
GRI 409:	**Forced or Compulsory Labor 2016**		
GRI 3-3:	Management of material topics	36, 58 – 60	
GRI 409-1:	Operations and suppliers at significant risk for incidents of forced or compulsory labor	61–63	
GRI 414:	**Supplier Social Assessment 2016**		
GRI 3-3:	Management of material topics	58 – 60	
GRI 414-1:	New suppliers that were screened using social criteria	61, 62/63	
GRI 415:	**Public Policy 2016**		
GRI 3-3:	Management of material topics	11, 51	
GRI 415-1:	Political contributions	11	
GRI 416:	**Customer Health and Safety 2016**		
GRI 3-3:	Management of material topics	47–49	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	48/49	

GRI Standards	Page/Annotation	Comment/Declaration of omission
Further disclosures		
GRI 201-1: Direct economic value generated and distributed	3, 67	
GRI 201-2: Financial implications and other risks and opportunities due to climate change	5, 13/14, 17	
GRI 201-3: Defined benefit plan obligations and other retirement plans	37/38	
GRI 207-1: Approach to tax	55/56	
GRI 207-2: Tax governance, control, and risk management	56	
GRI 207-3: Stakeholder engagement and management of concerns related to tax	56	
GRI 303-1: Interactions with water as a shared resource	29/30	
GRI 303-2: Management of water discharge-related impacts	29/30	
GRI 303-3: Water withdrawal	30	
GRI 406-1: Incidents of discrimination and corrective actions taken	38	
GRI 417-1: Requirements for product and service information and labeling	49	

INDEPENDENT AUDITOR'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT

To MAN Truck & Bus SE, Munich

We have performed a limited assurance engagement on selected disclosures of the sustainability report of MAN Truck & Bus SE, Munich (hereinafter the "Company") for the period from 1 January 2023 to 31 December 2023.

Our engagement exclusively refers to the disclosures ("the disclosures") marked with the ☑ symbol in the German PDF version of the sustainability report (hereinafter the "report"). Not subject to our assurance engagement are other references to disclosures made outside the report as well as prior year disclosures.

Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the report with reference to the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter "GRI criteria") as well as the selection of the criteria to be assessed.

These responsibilities of the Company's executive directors include the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual disclosures that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a report that is free from material misstatement, whether due to fraud (manipulation of the report) or error.

Independence and quality assurance of the auditor's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements – in particular the BS WP/vBP ["Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors] in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the auditor

Our responsibility is to express a conclusion with limited assurance on the disclosures marked with the symbol ☑ in the report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe

that the disclosures that are marked with the symbol ☑ in the report of the Company are not prepared, in all material respects, with reference to the GRI criteria.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group's sustainability organization,
- Inquiries of the executive directors and relevant employees involved in the preparation of the non-financial Reporting about the preparation process, about the internal controls related to this process as well as disclosures in the non-financial Reporting,
- Inquiries of employees responsible for the data capture and consolidation as well as the preparation of the report, in order to assess the sustainability reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement on the disclosures in the report,
- Identification of likely risks of material misstatement on the disclosures in the report,
- Analytical procedures regarding the quality of the reported data on the disclosures that are marked with the symbol ☑ in the report,
- Inspection and Inquiry of the relevant documentation of the systems and processes for compiling, aggregating and validating data on the disclosures,
- Evaluation of the presentation of the selected key disclosures marked with the symbol ☑ in the report

Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the disclosures that are marked with the symbol ☑ in the report of the Company for the period from 1 January to 31 December 2023 have not been prepared in all material aspects, with reference to the relevant GRI criteria. We do not express an assurance conclusion on the other references to disclosures made outside the report as well as prior-year disclosures.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties

for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The enclosed "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] on 01 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained therein no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Stuttgart, 22 April 2024

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Eisele
Auditor

Hinderer
Auditor

ABOUT THIS REPORT

Since 2011, MAN has been informing its stakeholders annually about the progress of the implementation of the sustainability strategy. This 2023 GRI report from MAN Truck & Bus is aimed at analysts, investors, customers and business partners. It includes relevant management approaches, measures, key figures and facts related to sustainable business practices at MAN. It also explains how MAN implements the ten principles of responsible action of the UN Global Compact.

Report structure

The structure of the GRI report is aligned with the six areas of action of our CR strategy: Decarbonization, Circular Economy, People Sustainability, Road, Product, and Service Safety, Compliance, Ethics and Integrity as well as Responsibility along the Value Chain. In each of the six sections, we discuss the management approaches of the action field as well as measures and progress in the 2023 reporting year.

Report standard

[3–1] MAN has reported on the information provided in this GRI Index for the period 1 January to 31 December 2023 with reference to the GRI Standards. The reporting was preceded by a process for determining key topics – involving stakeholders – which is presented on →pages 07 f. Compliance with the disclosures of the GRI Standards is reflected in the GRI content index (→page 71 ff.).

Report audit

The 2023 GRI Report was subject to a voluntary and independent audit by the auditing firm Ernst & Young (EY) in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) (→page 77 f.). The focus of the audit was on the topics, products, environment (SBTi targets, energy, CO_2 emissions, air, water, waste, decarbonization in the supply chain) and employees (employment structure, equal opportunities, occupational safety/health protection). The audited contents are marked with the ☑ symbol.

Scope

[2-2, 2-4] The 2023 reporting period is identical to the 2023 fiscal year, which runs from 1 January to 31 December. The copy deadline was 10 April 2024. There is an annual reporting cycle. The previous 2022 GRI report was published in March 2023. With the exception of environmental and energy data, the figures and facts published in this report generally refer to all MAN Truck & Bus sites. The environmental and energy data includes all production and logistics sites for the 2023 reporting year that were managed as a consolidated company throughout the 2023 reporting year and have an environmental and energy management system. This means that all production sites will be included in the 2023 report. The logistics sites include the two locations Dachau and Salzgitter. Modification centres and sales regions are not included. Deviations from the scope defined here are

highlighted in the report at the corresponding point. The key figures for waste, water, energy and emissions were taken from the key figure recording system as of the reporting date 5 February 2024. Since extrapolated figures for Q4 of the previous year are still being compared by the service providers by 30 June 2024 on the basis of the invoices received, corrections may occur retroactively from one reporting year to the next. The reporting period for SBTi target achievement differs from the reporting period mentioned here. An explanation of this can be found on →page 14.

Editorial information

To facilitate legibility, "they" and "their" are used here as singular pronouns to denote persons of all gender identities equally.

PUBLISHING INFORMATION AND ADDITIONAL DETAILS

Publishing information

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