



MAN Truck & Bus Deutschland GmbH: Policy Statement on Human Rights

Preamble

MAN Truck & Bus Deutschland GmbH (MTBD) is a 100% subsidiary of MAN Truck & Bus SE (MTB SE). MTB SE conducts business operations all over the world. Our product range comprises trucks, buses, and light-duty commercial vehicles. MAN aims to reinvent transportation – with its products, its services, and as a partner to its customers. Our business operations impact the lives of people every day, within and outside of our Company and throughout the entire supply and value chain. We are aware of our corporate responsibility to respect human rights and the environment, and have been anchoring it within our organization and business conduct, all within our sphere of influence. MTBD acts as the German sales subsidiary of MTB SE and has adopted the processes, strategies and regulations of MTB SE referred to in this document (in the following, "MAN" refers to MTB SE with MTBD).

At MAN, we are committed to comply with applicable national and international human rights legislation. We acknowledge the International Bill of Human Rights, and have joined the UN Global Compact where we recognize our commitment to its principles regarding human rights and environmental protection. We further strive to operate in line with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and international labor standards such as the International Labour Organization ("ILO") Declaration on Fundamental Principles and Rights at Work. Furthermore, we acknowledge the following conventions:

- Minamata Convention on Mercury
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal
- Stockholm Convention on Persistent Organic Pollutants ("POPs Convention")

We see these international conventions and declarations (collectively referred to as "International Standards") as the basis of our commitment and the way we want to conduct business.

I. Scope

This Policy Statement on Human Rights (hereinafter referred to as "Policy Statement"), outlines our commitment as we move forward as a Group and MTBD. Our definition of human rights includes *inter alia* labor rights, as well as environmental aspects that can ultimately affect human rights. We communicate this Policy Statement to our employees via our internal processes, supported by employee trainings and awareness measures, and the [Code of Conduct for Employees](#).

The management board of the MTBD is responsible for the implementation of the actions and requirements stipulated in this Policy Statement within their organization. MAN has the responsibility to adequately address negative human rights impacts that are linked to our own business area, products, or services through our business relationships. Therefore, we strive to work with business partners who share these values and the commitment outlined in this Policy Statement. Where there are conflicting local human rights laws or standards, or where state jurisdiction and/or enforcement is weak or deviates from International Standards, we shall seek ways to respect human rights in line with international human rights conventions and standards while complying with local laws.

II. MAN Human Rights Management System

We integrate human rights into our compliance management system, and respect all regulations in force to protect human rights as a fundamental and general requirement throughout the world. We stress this in our internal regulations and due diligence processes as described below, where we strive to involve relevant stakeholders along the way.



1. Anchoring human rights responsibilities

We have defined clear responsibilities in our human rights risk management system within our organization. Moreover, our Human Rights Committee (hereinafter referred to as "HRC"), is a multidisciplinary committee which monitors and tracks the implementation of our human rights due diligence obligations in the Group. Our HRC meets regularly, and reports directly to our management board. Such reports include results of our risk analysis, the effectiveness of our preventive and remedial measures, and relevant findings from our complaints procedure.

2. Addressing human rights risks and mitigation measures: own business area

We have integrated human rights in our internal regulations such as our Code of Conduct for Employees, with human rights as a main chapter in this document, emphasizing the importance of this aspect for us. Our employees are trained on the Code of Conduct for Employees in web-based and face-to-face trainings. Moreover, our employees receive a specific training on business and human rights to provide guidance and raise awareness on our corporate responsibility for this topic. Our employees can address questions on human rights, e.g., via our Compliance Helpdesk and receive information on human rights through various communication formats. Further, our standardized employment processes and working conditions, ensure the protection of labor rights within our organization. In addition to our general preventive measures, we continuously evaluate and implement measures addressing identified risks.

A central element of our human rights management is our risk analysis. We conduct human rights risk assessment in our own operations on a regular basis (as well as *ad-hoc* when needed). We conduct workshops with local experts from different departments in order to identify concrete human rights risks. Going forward, we are planning to validate and refine the risk assessment annually (for consistency, completeness, up-to-dateness) and identify specific areas for further analysis. The results of the risk assessment are analyzed in the context of our human rights management system and the implemented human rights measures, where potential gaps are being addressed by additional measures and controls, if needed.

Based on the results of our risk assessment, we identified the following risks that are most relevant to our own business area. To promote transparency, we describe these risks on a general gross-risk basis, followed by our commitment to mitigate such risks and reiterate our stand on such topics. This enables us to evaluate and monitor the already implemented measures, and if needed, develop additional measures to mitigate potential remaining net risks.

Unequal treatment in employment

The size, global presence, and the industry specific environment are factors which contribute to various types of unequal treatment such as bullying, sexual harassment, discrimination, and racism.

As a Group we reject all forms of discrimination, intimidation, harassment, and unwarranted disadvantages. Discrimination based on ethnic, national or social origin, skin color, and gender identity or expression, nationality or immigration status, language, religion, worldview, physical or mental limitations, sexual orientation, health status, age, marital status, social background, pregnancy/parenthood, veteran status, union membership, or political views, insofar as this is based on democratic principles, is not tolerated. We respect the freedom of conscience, expression, and religion. Equal opportunities, equal treatment, as well as respectful behavior are fundamental obligations for our work and collaboration with others. We promote and protect a culture of diversity, equity, and inclusion which has been embedded in our corporate culture and overall strategy. This has been reflected by our Group's diversity & inclusion team, which has been leading group-wide initiatives, e.g., setting target proportions of women in management positions.



Disregard of occupational health and safety

During operations in workshops, general occupational health and safety risks for workers cannot be excluded, e.g., due to the handling of heavy machinery, dealing with chemical hazards and shift work.

MAN is committed to its responsibility for the health and safety of its employees and the continuous improvement of their work environment. MAN provides preventive healthcare and health promotion measures to its employees and aims to increase job and performance satisfaction with the provision of development measures.

Environmental Risks

Our business model, particularly our workshops, contain an inherent risk of adverse impact to the environment such as harmful contamination of soil, water and air e.g., caused by hazardous waste or other substances.

Respecting human rights is our duty for our society and the environment. This means that we not only respect people but also their living environment by reducing pollution of water, air, and soil. We are convinced that our Group's success must be built on responsible and sustainable conduct. We bear responsibility for the environmental compatibility and sustainability of our products, locations, and services. We seek to manage natural resources carefully and steadily reduce the adverse environmental impact of our products to comply with environmental protection laws and regulations. MAN's sustainability board gives strategic direction, and defines sustainability focus areas; additionally, it is used as a platform for knowledge transfer within the Group.

MAN recognizes that climate change and other environmental issues can also adversely impact human rights. MAN strives to improve environmental performance and optimize the use of natural resources to mitigate and avoid any risks that might have an impact on human rights.

3. Addressing human rights risks and mitigation measures: suppliers

It is a matter of course for us that respecting human rights applies not only to operations within MAN, but also to the conduct of suppliers and other business partners. It is a requirement for our collaboration that they adhere to the same International Standards as we do.

In 2022, Volkswagen Group's procurement function carried out suppliers' risk analysis within the scope of the Volkswagen Group (including MAN). For vehicle-producing companies, an abstract risk analysis of suppliers was first carried out on the basis of industry risks and checked for plausibility by means of questionnaires and with reference to country risks. The resulting suppliers with increased risk exposure will be subject to a concrete risk analysis on the basis of on-site inspections as of 2023 and onwards. The most relevant human rights and environmental risks that were identified in the context of the initial risk analysis of suppliers are related to the following areas:

- Employment of persons in forced labor, as per § 2 (2) Nr.3 of the German Supply Chain Act.¹
- Disregarding the occupational health and safety obligations, as per § 2 (2) Nr.5 of the German Supply Chain Act.
- Unequal treatment in employment, as per § 2 (2) Nr.7 of the German Supply Chain Act.
- Causing any harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption, as per § 2 (2) Nr.9 of the German Supply Chain Act.

¹ Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten vom 16. Juli 2021.



The risk analysis of suppliers is expected to be further developed by Volkswagen Group's procurement function. For this purpose, results from questionnaires, on-site inspections and from the complaints procedure are considered. We regard human rights risks in supply chains as dynamic and permanent risks, and therefore we have risk-based standard measures to mitigate such risks as follows:

Code of Conduct for Suppliers and Business Partners

We have defined core elements of our supplier management in our [Code of Conduct for Suppliers and Business Partners](#). This document sets out our contractually binding expectations for the conduct of suppliers and business partners regarding key human rights-related, environmental, social, and compliance-related standards. Suppliers, as well as business partners of MAN are required to commit to the Code of Conduct for Suppliers and Business Partners before we engage in business with them.

Sustainability rating

As a key measure, the sustainability rating (S-rating) is introduced for suppliers with a high sustainability risk. The S-rating is used to check the sustainability performance of relevant suppliers and to identify opportunities for continuous improvement. It evaluates suppliers' environmental performance as well as their social sustainability and integrity. MTBD uses the S-rating for large procurements. These are processed via MTB SE, which carries out the S-rating.

Supply chain grievance mechanism

The supply chain grievance mechanism is used to process hints related to human rights and environmental risks, as well as violations of human rights or environmental obligations, by direct and indirect suppliers as stipulated in our CoC for Suppliers and Business Partners.

Media screening

Continuous and risk-based media screening of relevant suppliers takes place via an IT tool. If the IT tool identifies indications of possible violations of our Code of Conduct for Suppliers and Business Partners, such indications are examined and processed in the supply chain grievance mechanism if necessary.

Supplier and employee qualification

The systematic training of our procurement employees and suppliers is a central component of our strategy and essential for improving sustainability in the supply chain. We support and develop our suppliers during and after on-site inspections such as sustainability audits.

4. Effectiveness control

The HRC monitors the appropriateness and effectiveness of our human rights management system. Within this context, remedial and mitigation actions are reviewed at least once a year, and on an *ad-hoc* basis, if needed. Controls, internal and external audits, as well as risk-oriented checks implemented in different risk owner functions hereby support such effectiveness review.

5. MAN Complaints Procedure and Remedial Measures

For us, human rights are non-negotiable. We do not tolerate harassment against protectors of human rights, and acknowledge our responsibility to remediate when we have caused or contributed to a human rights violation. At MAN, hints regarding potential regulatory violations, including violations of human rights, can be reported by employees, business partners, direct and indirect suppliers, customers, and other third parties at any time, and anonymously if desired, to the [TRATON Group Complaints Procedure through its various channels](#), e.g., using our ["Speak up!" whistleblower portal](#). The TRATON investigation office is responsible for processing hints concerning MAN, as well as monitoring and coordinating investigations together with the responsible investigating units. The TRATON investigation office confirms the receipt of the hints and aligns with the



whistleblowers on additional relevant information, wherever possible and necessary. In the event that the TRATON investigation office is informed of a potential risk that does not involve MAN's employees, e.g., potential violations by suppliers, the information will be forwarded to a suitable body or department within MAN, such as the responsible procurement function to process the information in the supply chain grievance mechanism.

All reports will be investigated in accordance with the [Rules of Procedure for the TRATON Group Complaints Procedure](#), and the principles defined in MAN's policy on internal investigations, such as the protection of whistleblowers, procedural fairness, confidentiality, and principle of legality. Results of investigations will be reported to the HRC, management board and other responsible committees that decide on further measures to be implemented.

Our measures and guidelines for human rights are structured to protect all rights holders in the best way possible. When we receive information regarding human rights and environmental risks or violations involving our own business area, we investigate immediately and find solutions aiming to prevent or stop such risks or violations and to mitigate our negative impact. In the event of substantiated knowledge of a violation in our supply chain, we initiate appropriate measures according to the severity of the violation. In the event of serious violations, temporary blocking of suppliers from new awards or even termination of the business relationship is possible as a last resort.

6. Reporting and Documentation

To promote transparency, we document and report our human rights and environmental due diligence efforts as required by applicable legislation. For further information please refer to our public reports on our website: [Sustainability at MAN](#)

III. Way forward

In line with our commitment stipulated in this Policy Statement, we continue to develop and improve our human rights due diligence processes. To do so, we particularly consider results of our risk analysis and insights from our stakeholders' dialogues. Such dialogue formats enable us to identify human rights challenges and continuously enhance the effectiveness of our measures to prevent, mitigate and remedy our adverse impact.

Munich, 18th December 2023

The Management Board of MAN Truck & Bus Deutschland GmbH
