



We are responsible.

2011 Corporate Responsibility Report

Engineering the Future – since 1758.

MAN SE



Milestones in 2011



January 18

The European Union's antitrust authorities initiate antitrust proceedings against several European truck manufacturers – including MAN. MAN assures the authorities of its full cooperation in clarifying the matter.

January 25

MAN Diesel & Turbo celebrates the top-ping-out ceremony for its new emissions test center in Augsburg.

April 15

Four new gensets from MAN Diesel & Turbo are installed on board the hospital ship Africa Mercy. The new auxiliary engines reduce fuel consumption and CO₂ emissions by approximately 20%.

April 18

After the earthquake MAN donates ¥30 million (approximately €250,000) to the SOS Children's Village in Japan.



May 11

MAN publishes its first audited corporate responsibility report drawn up in line with the Global Reporting Initiative (application level B+) guidelines.

May 13

The MAN TGX 18.400 truck receives the Green Truck 2011 award for the lowest CO₂ emissions in the European market.

May 25

In the light of evidence indicating irregularities during the handover of four-stroke marine diesel engines produced by MAN Diesel & Turbo, the Executive Board of MAN SE launches an investigation, to be carried out by the Compliance function together with external consultants.

May 25

The European Union's antitrust authorities launch an investigation against major manufacturers of engines (including marine and vehicle engines), of which MAN is one. The Company assures the authorities of its full cooperation in clarifying the matter.



May 27

MAN completes its first global employee survey covering around 49,000 employees in 34 countries.

June 9

MAN Diesel & Turbo wins the order to supply compression technology for one of Europe's largest gas storage facilities.

June 17

The 2011 Consistently Efficient Tour is successfully concluded. It demonstrates that the TGX EfficientLine saves three liters of fuel per hundred kilometers.

July 31

MAN Truck & Bus opens a center of competence for hybrid drives in Munich.



August 3

MAN Latin America presents its eco-friendly city bus with natural gas/diesel system in Rio de Janeiro.

September 7

The MAN Management Board approves the Climate Strategy of the MAN Group including a concrete savings goal for CO₂ emissions at MAN's own production sites.

September 8

MAN is included in the Dow Jones Sustainability World Enlarged Index, joining the best 20% of the 2,500 largest companies listed in the Dow Jones Global Total Stock Market. However, the Company misses out on inclusion in the Dow Jones Sustainability World and the Dow Jones Sustainability Europe Index by a single point.

September 15

The CRF Institute again names MAN Truck & Bus "Top Employer".

September 19

An employee volunteering program is launched at MAN.



October 14

MAN Diesel & Turbo opens its new day-care center in Augsburg.

October 17

MAN is again listed in the Carbon Disclosure Leadership Index of German and Austrian companies. With 73 points out of 100, the Company scores eight points more than in the previous year.

October 17

Together with other Dax 30 companies, MAN commits to increasing the proportion of female managers.

October 21

MAN Latin America announces record investments in the areas of production and research & development.



November 9

Volkswagen AG is majority shareholder of MAN.

November 21

MAN Truck & Bus agrees to take over the former Indian joint venture MAN FORCE TRUCKS Pvt. Ltd.

November 28

MAN reaches an agreement with Abu Dhabi-based majority shareholder International Petroleum Investment Company (IPIC): Ferrostaal is to become part of the MPC Group.

December 21

Ten variants of the MAN Lion's City bus are awarded the Blue Angel environmental seal along with a "protects environment and health" tag.

Highlights

Events

Lowlights

Our Vision

The best people, customer orientation, as well as superior technology and services will make us number one in commercial vehicles and power engineering.

Our corporate strategy aims to create sustainable value



Focus on transportation and energy

MAN focuses on market segments with sustainable, global growth opportunities in the fields of commercial vehicles and power engineering.



Profitable international growth

MAN operates on all five continents and relies on a comprehensive internationalization strategy as the prerequisite for sustainable, profitable growth.



Customer orientation

The MAN Group places its customers' requirements and expectations at the center of its corporate strategy. Our products and the services that accompany them throughout their entire life cycle are nothing less than high quality.



Focus on after-sales business

Service and after-sales concepts tailored to customers' requirements are an essential element in the MAN strategy.



Technology leadership

Technology leadership is a strategic success factor for MAN. We recognize future requirements early on and transform these into new, pioneering solutions.

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The photos were taken at various MAN sites around the world. Each photo marks the beginning of a new chapter of the report. The title page shows vocational trainees at MAN Diesel & Turbo’s Augsburg site. We would like to thank all employees who contributed to the success of the photo shoots, whether in front of the camera or in a coordinating role.

Foreword



From left: Frank H. Lutz, Chief Financial Officer / Antonio Roberto Cortes, President of MAN Latin America / Dr. René Umlauf, Deputy Member of the Executive Board / Dr. Georg Pachta-Reyhofen, Chief Executive Officer / Jörg Schwitalla, Chief Human Resources Officer

**“It’s our employees
that make our brand strong.”**

The Management Board of MAN SE

Dear Stakeholders,

2011 was a very successful year for MAN. We signed off our Climate Strategy, conducted our first-ever worldwide employee survey, and published our first audited corporate responsibility report in line with the Global Reporting Initiative (GRI) guidelines. This has taken us a good deal closer to our declared objective of acting as a driver of future-proof structures and a new way of thinking. We missed being listed in the Dow Jones Sustainability Index by a single point, which only spurs us on to continue our efforts in this direction. In the long term we aim to become one of the most sustainable companies in our industry.

In 2011, Volkswagen AG became our majority shareholder. As of December 31, 2011, Volkswagen AG held 59.6% of MAN SE's shares that carry voting rights and 57.3% of its share capital. This marks the start of a new chapter in our 254-year history. MAN will be engaging in this new and close cooperation as a strong brand and an innovative partner. We are leveraging synergies above all in purchasing, although in the long term this will be extended to production operations and research & development. We are also swapping experiences with Volkswagen on successful growth in emerging markets. At the same time, we are also making a major contribution to the success of the group as a whole with our leading technologies.

Focus on employees

This report puts the spotlight on our employees. Our employees make our brand strong through their innovation, their creativity, and their willingness to take on personal responsibility, as well as the values they respect in their everyday contact with one another. We are now aiming to anchor our corporate culture marked by trust and responsibility even more firmly at an international level. Because only then will we be able to attract and retain the best and brightest minds and empower and encourage our employees to show initiative — in the workplace and in their social environment. The employee volunteering project that we launched in 2011 was one step in this direction. In another move to position ourselves as a future-oriented and responsible employer, we made the commitment last year to increase the proportion of female managers.

Heading for greater transparency

MAN is committed to sustainable value creation. How we respond to this commitment in the fields of the environment, our employees, and society is set out openly and in detail in this report. It shows our employees, customers and business partners as well as analysts and investors what progress we have made, what we have achieved, and what we have failed to achieve. Even if we are not yet able to report that all indicators have

reached the required level, we have nonetheless made substantial improvements over the previous year. The report meets the requirements of the GRI's A+ application level and has been fully checked by a firm of auditors. The report underpins our commitment to the ten principles of the UN Global Compact and represents our second Communication on Progress.

In 2011 we conducted our second international stakeholder survey. According to the respondents, resource conservation and climate change continue to be the biggest challenges facing MAN. We have responded by formulating our Climate Strategy in which we commit ourselves to achieving a clear reduction in CO₂ emissions. To achieve a sustainable reduction in our global carbon footprint we depend on the support of our customers, our business partners, our suppliers, and their employees, who use our products every day and thus have a major influence on resource consumption.

Help us play our part in achieving sustainable development! We invite you to get in touch with us — via the questionnaire, by calling us, or e-mailing CorporateResponsibility@man.eu. We look forward to receiving your constructive input.

The Management Board of MAN SE



Dr. Georg Pachta-Reyhofen



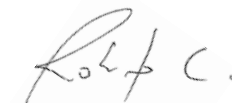
Frank H. Lutz



Jörg Schwitalla



Dr. René Umlauf



Antonio Roberto Cortes

Engineering the Future – since 1758.

MAN is one of Europe’s leading industrial players in the fields of transportation and energy. As a supplier of trucks, buses, diesel engines, turbomachinery, and turnkey power plants, MAN’s divisions hold leading positions in their markets.

MAN has 31 production sites in 13 countries. The main focus of our activities is on Central and Eastern Europe, Latin America, and Asia. The BRIC states in particular (Brazil, Russia, India, and China) are important markets for us on account of their high growth rates. With 52,542 employees around the world, MAN generated revenue of around €16.5 billion in 2011 in addition to raising its operating profit by 43% year-on-year to €1,483 million. MAN SE is based in Munich and listed in the Dax equity index.

Technical progress, innovative capabilities, and far-sighted thinking have assured MAN’s success for over 250 years. The Company has invariably emerged from crises stronger than ever. Even in times that were marked by raw material shortages, MAN retained its capacity for change. Our Corporate Responsibility Strategy with its focus on sustainability is our response to the new challenges that result from ecological and social developments.

Our business areas

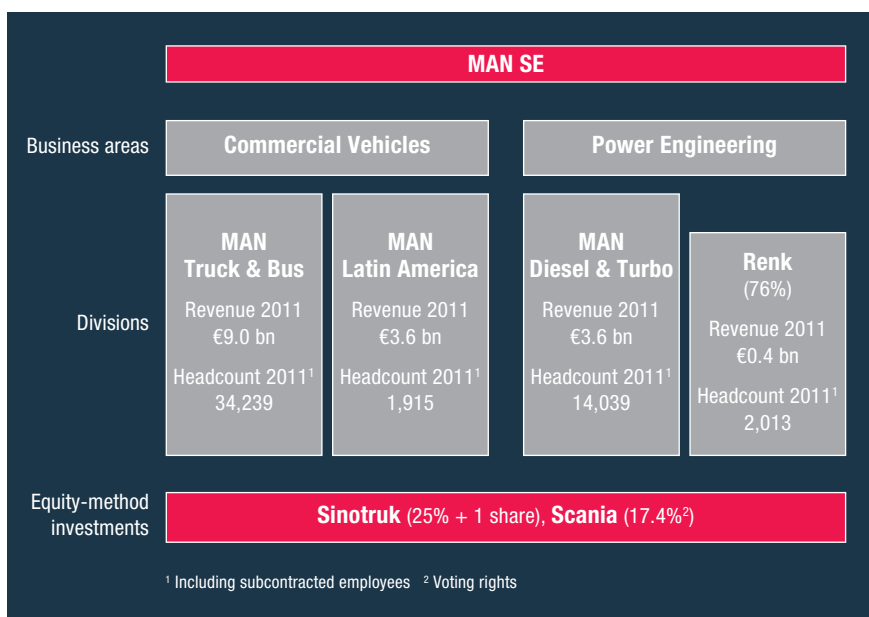
MAN’s core business is built around groundbreaking transportation and energy solutions that offer both ecological and economic benefits and are geared to the needs of our customers and society. We concentrate on two high-growth business areas: Commercial Vehicles with MAN Truck & Bus and MAN Latin America, and Power Engineering with MAN Diesel & Turbo and Renk. MAN holds investments in the

Chinese truck manufacturer Sinotruk and the Swedish truckmaker Scania. A full list of shareholdings appears in our 2011 Annual Report (→ page 170 et seq.).

Commercial Vehicles: Munich-based MAN Truck & Bus is one of Europe’s leading manufacturers of commercial vehicles. Its products range from trucks with gross vehicle weights of 7.5 to 44 t for all applications, special-purpose vehicles with a gross train weight of up to 250 tons, and buses and coaches through diesel and gas engines for vehicles, boats, and energy generation. For commercial vehicle customers MAN Finance International GmbH offers financing solutions such as leasing models. MAN Truck & Bus also has its own international sales and service network.

On November 21, 2011, MAN Truck & Bus agreed with its Indian joint venture partner FORCE Motors that it would acquire all of the MAN FORCE TRUCKS Pvt. Ltd. joint venture. Prior to this, MAN held 50% of the shares. Established in 2006, the joint venture manufactures heavy-duty MAN CLA trucks for the Indian market and for export to Asian and African countries.

MAN Latin America is Brazil’s largest truck manufacturer with a market share of around 30%. In 2011, it was the country’s market leader for trucks with a gross vehicle weight of over five tons for the ninth year in succession.



MAN production sites

Number of employees (excluding subcontracted employees)

MAN Truck & Bus	MAN Latin America	MAN Diesel & Turbo	Renk
Austria	Brazil	China	Germany
Steyr: 2,228	Resende: 1,809	Changzhou: 282	Augsburg: 940
Vienna: 727	Mexiko	Czech Republic	Hanover: 320
Germany	Querétaro: 106	Velká Bíteš: 191	Rheine: 430
Munich: 7,819		Denmark	Switzerland
Nuremberg: 4,125		Copenhagen: 1,285	Winterthur: 95
Plauen: 458		Frederikshavn: 471	
Salzgitter: 2,243		France	
India		Saint-Nazaire: 654	
Pithampur: 1,054		Germany	
Poland		Augsburg: 3,232	
Cracow: 428		Berlin: 457	
Poznań: 1,108		Deggendorf: 397	
Starachowice: 1,756		Hamburg: 561	
South Africa		Oberhausen: 1,753	
Olifantsfontein: 111		India	
Pinetown: 154		Aurangabad: 258	
Turkey		Switzerland	
Ankara: 1,601		Zurich: 869	

As of December 31, 2011

MAN Truck & Bus holds a minority interest of 49% in Munich-based Rheinmetall MAN Military Vehicles GmbH. At the end of 2011, MAN and Rheinmetall implemented the second step in their joint venture agreement. This involved the integration of the two production facilities in Kassel (Rheinmetall) and Vienna (MAN) into the Rheinmetall MAN Military Vehicles (RMMV) joint venture.

MAN is a strategic investor in Sinotruk Ltd., Hong Kong, China, holding a stake of 25% plus one share in the truckmaker. Under the new SITRAK brand, the two companies will manufacture trucks designed to meet the requirements of emerging markets in Asia and Africa.

Power Engineering: Augsburg-based MAN Diesel & Turbo is one of the world's leading provider of large-bore diesel engines for marine and stationary applications and one of the three

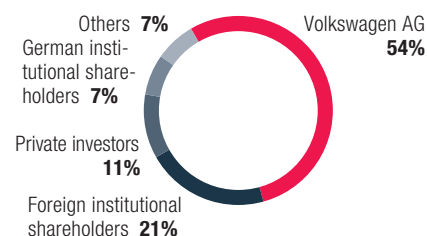
leading manufacturers of turbomachinery. The company develops two- and four-stroke diesel engines, which are manufactured in its own production facilities or built by licensees. Its range of products also includes gas and steam turbines, compressors, turbochargers, controllable pitch propellers, locomotive engines, and gas engines, as well as chemical reactors. MAN Diesel & Turbo also offers complete marine propulsion systems, turbomachinery for the oil, gas, and processing industries, and turnkey power plants. Under the MAN PrimeServ brand, after-sales services are delivered to customers around the world.

MAN holds a majority stake of 76% in Augsburg-based Renk AG, a globally renowned manufacturer of high quality special gear units, propulsion components, and testing systems.

Shareholder structure

Volkswagen AG's acquisition of a majority stake in MAN SE was completed on November 9, 2011. As a result, Volkswagen held a total of 55.90% of MAN SE's voting rights and 53.71% of its share capital. The free float for MAN's common shares was 44.10%. Apart from its largest single shareholder, Volkswagen AG, MAN SE still has an international investor base. In our most recent survey of our shareholder structure in winter 2011, we were able to identify over 94% of the holders of MAN's common and preferred shares. The findings revealed that foreign institutional investors hold about 21% of the share capital and that these investors are predominantly based in the United Kingdom and the United States. As of December 31, 2011, Volkswagen AG held 59.6% of MAN SE's shares that carry voting rights and 57.3% of its share capital. MAN enables its shareholders to participate in the Company's success by distributing an appropriate share of its profits, bearing in mind the economic environment. MAN generally aims to distribute between 30 and 60% of net income. At €2.30, the dividend for 2011 is therefore higher than that for 2010.

Shareholder structure* As of December 2011



*Basis: 140,974,350 common shares and 6,065,650 preferred shares
Source: IPREO

Further information on the Internet

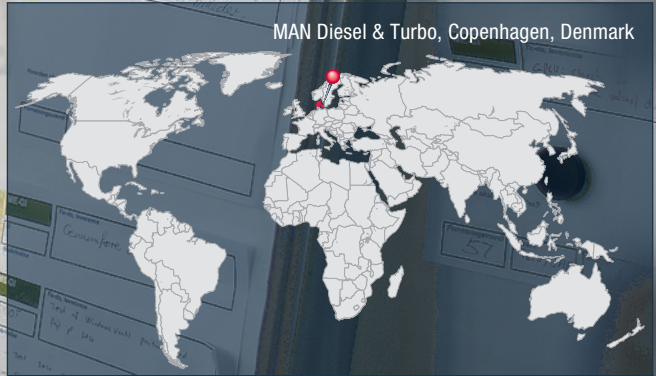
- MAN SE www.man.eu
- MAN Truck & Bus www.mantruckandbus.com
- MAN Latin America www.man-la.com
- MAN Diesel & Turbo www.mandieselturbo.com
- Renk www.renk.biz

Priority Issue: Investing in Our Employees





MAN Diesel & Turbo, Copenhagen, Denmark



“At MAN, when I have an idea I can act on it.” Dorthe Marie Sveistrup Jacobsen (44), a mechanical engineer, has been with MAN Diesel & Turbo in Copenhagen for 13 years. She works in R&D, where she is responsible for fuels and lubricants.

Dialog: Sharing Responsibility

What part does codetermination have to play; what does the internationalization of our business mean for employer and employees; and what challenges do we need to master together? These were the topics on the agenda when Jürgen Dorn, Chairman of the MAN SE Group Works Council met with Jörg Schwitalla, Chief Human Resources Officer of MAN SE.

J. Dorn: I'm convinced that codetermination — employee participation in corporate management through the works council and supervisory board — is a key asset and helps safeguard the future of our company. We've seen that to be the case, particularly in times of crisis. Because codetermination provides a solid foundation that we can build on together to implement robust solutions.

J. Schwitalla: Yes, it's important for both parties to know they are dealing with a strong partner with a clear and resilient position. This lets us come to a rapid

agreement and say: that's how we're going to tackle this! We always approach our discussions with the attitude that, at the end of the day, a meaningful concept must emerge for the Company. That's one of the traditional strengths of MAN and an important aspect of living our responsibilities.

J. Dorn: That's also reflected, for example, in the many different health and safety measures which we see as an integral part of our employee-driven culture. It's no coincidence that our employee turnover is so low. Our peo-

ple like working for MAN and are proud of their company. And that leads to a strong sense of belonging. At MAN Truck & Bus's Munich site, for example, we have employees from 69 different countries who all see themselves as part of a single team working towards a shared goal.

J. Schwitalla: That's why I think it's important to broaden the base of these successful relations as the internationalization of MAN goes forward. The appointment of two employee representatives from Austria and Poland to





the Supervisory Board in the course of the change of legal form to an SE — a company under European law — is just one example. Because the broader the spectrum of countries represented in the executive bodies of the company, the better we can understand what is going on “out there.”

J. Dorn: At the same time this helps give our employees at sites outside Germany a firmer sense of inclusion. In addition to representatives from eleven EU countries, our European SE Works Council meetings are also attended by colleagues from Switzerland and Turkey as guests. We need to ensure that employee rights benefit from globalization and we also have to set uniform standards. The International Framework Agreement that MAN concluded with the International Metalworkers' Federation (IMF) will help us do just that.

J. Schwitalla: We now all know that opening production plants in Poland, Brazil, or India does not mean reducing our output in Germany by a single truck. On the contrary, we benefit from our plants in these countries by providing them with technology from Germany. Never-

theless, we still have a lot of convincing to do when it comes to globalization.

J. Dorn: And that's a challenge, because we have to win the trust of more than 50,000 employees worldwide. Together we have to convince them that they are working for a company that is forward-looking and fair. So the recently concluded agreement on job security for the Munich site, which will serve as a benchmark for other locations, was very important to me for this reason. Of course there is still room for improvement in wages, in Germany and elsewhere.

J. Schwitalla: But wherever we operate, our wages reflect market standards and performance and are well above the average. There is no such thing as wage exploitation at MAN, even if, understandably, employees in Brazil or India earn less than in Germany. The wage components are the same everywhere. Also, we apply the same standards worldwide in our recruiting and other HR processes. When it comes to comparable provisions for retirement and healthcare, there is still some room for improvement in quite a few countries.

Resolving that issue is part of our corporate responsibility.

J. Dorn: On the labor side, that's something we actively support through joint works agreements on equal opportunities and on combining a career and family. And we also get involved personally, such as through employee volunteering in cooperation with SOS Children's Villages. I was glad to lead by example and join you in becoming a patron of this initiative. And we also agree on the issue of female managers: we want more women in management roles but without introducing a quota. One of the biggest challenges we're now facing, to my mind, is how to continue employing older people suitably and efficiently.

J. Schwitalla: This is definitely more difficult with employees who have been working shifts for 40 years than it is with employees who have spent 40 years working in an office. We are already doing a lot in the area of health in terms of comprehensive preventive care and ergonomic workplaces. One key task is to introduce new approaches to foster lifelong learning, but I'm sure that together we'll find the right answers here, too.

Shaping the Future Together: Involving Employees Worldwide

Our people make MAN what it is and represent our most important potential. Their skills, their creativity, and their motivation determine our future success. We involve our employees, we talk and listen to them, and we act on their feedback. Living the MAN values around the globe, we work together to shape change within our organization.

Complex challenges

MAN's worldwide activities present us with complex global challenges. Many can only be mastered using targeted HR development initiatives, while others must be directly addressed by HR management. As the bar is set increasingly high for companies, new demands are also placed on the workforce in terms of the necessary skill-sets. Innovation cycles are growing shorter, for example, requiring employees to process new information rapidly and make decisions quickly. Effectively, the working environment of each individual — whether in management, customer service, production, or administration — is subject to constant change.

In a globally active company such as ours, a diverse group of people work together under the same roof — their ethnicity, religious beliefs, sexual orientation, and age differ. Although this

diversity reflects the societies in which we work, it can also present us with challenges. At the same time, the effects of demographic change are also making themselves felt. The number of working-age individuals in Europe will decrease by 23% in the next 40 years, a development that is already contributing to a shortage of qualified job applicants in Germany, for example — while Latin America will see a 26% increase.

A Group-wide HR strategy is required to tackle these issues and develop solutions. In light of growing competitive pressure, it is important to attract and retain the best and brightest employees worldwide — and ensure they always have the necessary skills to respond to new challenges. An open, motivational, inclusive corporate culture is an important factor here. Shared values and active responsibility create a stable foundation for teamwork, underpinned

by open communication. This ensures that we recognize potential for improvement and act on it together.

First global employee survey

In May 2011, MAN conducted the first worldwide employee survey, which at the time covered around 49,000 people — a mammoth undertaking. The questionnaire, consisting of 62 questions, was translated into 23 languages and made available online and in hard copy. Around 80% of our employees in 34 countries chose to take part. We welcomed this high participation rate as evidence of our workforce's dedication and strong identification with MAN.

Thanks to the high participation rate, the results provide a substantive basis for identifying MAN's strengths and where there is room for improvement. The analysis was broken down in several different ways, yielding results for the Group as a whole, for the subgroups, and for individual divisions and departments. Anonymity and data protection were given the highest priority. In every team where at least five people responded to the survey, the manager received an evaluation report for their team. The overall findings were published on the Group intranet.

Participation in employee survey by subgroup

MAN Group	80%
MAN SE	85%
MAN Truck & Bus	81%
MAN Latin America	91%
MAN Diesel & Turbo	78%
Renk	77%

Overview of results

Across the Group, the greatest number of employees agreed with the following items, ranking them highest:

- Clarity in terms of what is expected of employees (79%)
- Respectful interaction between employees and direct superiors (77%)
- Working together as a team (75%)
- Identification with MAN as an employer (66%)

The following items received the lowest scores:

- Recognition and rewarding of performance (26%)
- Opportunities for personal development (34%)
- Open and honest communication (35%)
- Making use of customer feedback (41%)

Jörg Schwitalla, Chief Human Resources Officer of MAN, was pleased with the high participation and the positive culture of teamwork, but also recognized that the survey revealed a number of weaknesses. "In the future, we must bring more honesty and openness into our communication. And we need to become more customer-centric in our activities."

Top aims

- To communicate openly and honestly
- To become more customer-focused in our activities
- To practice MAN's leadership culture more visibly

Chain of improvements

Based on the Group-wide results, the MAN Management Board identified a series of top aims for the entire Company. They are central to MAN's continued progress and to boosting employee satisfaction. All MAN companies also defined additional topics that will facilitate specific improvements, while managers were also asked to analyze the evaluation reports of their teams. Together with their employees, they discussed their strengths and where there is room for improvement and acting on the findings.

Around the globe numerous team workshops have already been held to discuss the results of the employee survey, ensuring that improvements are communicated from the bottom up as well. "The survey offers us a genuine opportunity to continue improving in key areas at MAN. However, we need every single employee to get involved," says Jörg Schwitalla. The manager of each team will present the measures identified in the team workshop to their immediate superior, who will in turn inform their boss of all proposals within their sphere of responsibility. This ensures that all activities are recorded, bundled, and communicated all the way to the Management Board. Managers will regularly review the implementation of the measures and report to their supervisors, resulting in an overview of all improvements across the Group.

A summary of all the measures defined in the team workshops was presented to 484 managers from 44 nations at the MAN Summit in November 2011. The next Group-wide survey, planned for 2013, will show how the employees assess the effectiveness of these measures.



Hubert Altschäffl
Head of Compensation & Benefits,
MAN SE

"Knowing where we need to act in the future."

Having joined the MAN Truck & Bus Human Resources department straight after his degree, today Hubert Altschäffl is Head of Compensation & Benefits at MAN SE. Why did he choose MAN as an employer eleven years ago? "At MAN I was able to take on responsibility from an early stage, have always had interesting work to do, and am part of a great team." Altschäffl considers it important to bring people together and to network. He knows from experience that this is especially important when working at international level. "The name of the game is maintaining contacts and promoting teamwork. Face-to-face meetings, like the HR Summit, are an essential part of this." Altschäffl believes the employee survey was a highlight of the past year. "Our goal was to identify where we need to act in the future — and to find it out from the people who are directly involved." MAN wants its employees to enjoy coming to work and feel proud of the company. "When they tell that to their friends, it is the best possible advertisement for us as an employer," he says.

Diversity and Involvement: Keys to Tomorrow's Success

Responsibility for our employees is deeply rooted in MAN's corporate culture. We are mindful of the diversity of our workforce and attach great value to international networking. This strengthens the foundation of respect that enables us to work together successfully around the world.

A culture of cooperation

Codetermination has a long tradition in Germany. At MAN, one of the oldest German industrial firms, employee involvement, solidarity among coworkers, numerous supplementary benefits, and works agreements have all left a significant mark on the corporate culture. Through their elected representatives on the works councils, employees participate in dialog with the Executive Board and play a role in shaping their own working environment. This culture of cooperation was maintained by MAN after its change of legal form to a Societas Europaea (SE), a stock corporation under European law, and appointed two employee representatives from Austria and Poland to the Supervisory Board. MAN has a two-tier structure compris-

ing an Executive Board and a Supervisory Board, of which half the members are representatives of the workforce. The SE Works Council comprising 26 employee representatives from all MAN's European sites regularly meets with the Executive Board to discuss current issues. In addition to the eleven EU countries, the workforces of Turkey and Switzerland are represented on the European work councils as guests. We see room for increased employee participation at our major sites outside Germany in Brazil, Russia, India, and China. Comparable forms of codetermination are not yet in place in these countries, so we give priority to our corporate culture of involvement, even when this is not required by local law or tradition.

Living shared values

As MAN becomes increasingly international, national laws and regulations can no longer serve as the only guidelines for our activities. It is important to establish and reinforce a global culture of cooperation that also respects diversity within the Company. As we stipulate in MAN's Corporate Responsibility Strategy, our shared values and active responsibility for our employees are at the heart of our culture — and give it expression. While not every country can be measured by the same yardstick, we nevertheless aim to maintain a certain parity in our treatment of our employees and their rights, remuneration, and other benefits. Today our employee reward packages around the world are already made up of comparable components, with provisions for country-specific differences such as pension systems.

MAN again named outstanding employer



Once again, MAN Truck & Bus has been named Top Automotive Employer of 2011/12. The CRF Institute gave the company high marks in the categories of primary benefits, innovation management, secondary benefits and work-life balance, and corporate culture.



For the second time in a row, MAN Latin America was honored as a Great Place to Work by the Great Place to Work Institute of Brazil. This ranking also takes account of employee ratings for trustworthiness, respect, fairness, pride, and emphasis on teamwork.

Respect as a basis for internationalism

Treating other cultures, religions, and lifestyles with respect is an important aspect of working in international teams and is therefore essential to market success. The more closely the workforce reflects the diversity of the general population, the better a company can understand the challenges and opportunities of the markets and the specific needs of its customers and society at large. In 2010, MAN also became a signatory to

the UN Global Compact, demonstrating its commitment to diversity — respecting and granting opportunities to employees regardless of age, sex, religion, ethnicity, or sexual orientation.

Diversity and exchanges at MAN

The upper levels of management at MAN are not as diverse as we would wish. 69% of our managers come from Germany (as of March 31, 2011; not including Renk). Overall, our managers come from 36 different nations. When filling management positions at our sites outside Germany, we give preference to local talent whenever possible. Our HR development programs strengthen intercultural understanding and promote employee exchanges between our sites. 207 employees are currently working as expatriates on international assignments in other countries. Our vocational training programs also have an international focus: starting in their third year, vocational trainees at MAN Diesel & Turbo receive English language instruction. Foreign assignments at MAN plants in other countries are designed to strengthen their language and intercultural skills. In 2011, vocational trainees had the opportunity to gain work experience in China for the first time — at the MAN Diesel & Turbo Service Center in Shanghai.

More women in management positions

October 2011 saw MAN underscore its goal of significantly increasing its percentage of female managers by signing a declaration on women in management positions together with other Dax 30 corporations. In becoming a signatory, we committed ourselves to creating more transparency about opportunities for women at MAN, the degree to

which our targets are met, and the initiatives we have planned and/or carried out. The promotion of women is also one objective of MAN's management recruitment policy. Introduced in November 2010, this emphasizes the importance of diversity and prescribes that due consideration be given to female candidates. At 7.3%, the proportion of female managers is still low. Mentoring and coaching programs are in place to help increase the proportion of women in management roles to 12% by 2014, a figure that reflects the percentage of women in our workforce in 2010.

The opening of a company daycare facility at MAN Diesel & Turbo in Augsburg, Germany, marked one important step towards enabling a better balance between career and family. The new center was opened in October 2011 by Christine Haderthauer, Bavarian Minister for Social Affairs. It was modeled on MAN Truck & Bus's daycare center in Munich, which was opened in 2009 and has since been making a tangible contribution to the work-life balance of our employees. Now the Augsburg facility also offers daycare for 76 children, directly opposite the company grounds — with two-thirds of the places reserved for children of MAN employees. Flexible hours are among the advantages the center offers, with care provided from 6:45 a.m. to 7 p.m. every working day, including school vacations.



Nina Gutzeit
Head of
Communications
MAN Truck & Bus

“Cooperation
is all in
the mix”

Nina Gutzeit got her start at MAN Truck & Bus in 1998 as a freelancer in Marketing. She has a degree in business and cultural studies and held several different positions with the company before becoming its Spokeswoman and Head of Communications. Within a very short time, MAN assigned her a great deal of responsibility. “It has to do with trust,” says Gutzeit — because having a lot of responsibility goes hand in hand with needing creative space to develop or rework ideas. Gutzeit, 41, calls for such opportunities to be granted to women and men alike. However, she does not believe a quota for women is necessary. “Women and men often have different strengths that complement each other — regardless of the level; it's the mix that counts.” The right balance can also be achieved through voluntary targets that companies set themselves. Nina Gutzeit considers it important to build on the measures that MAN has already put in place. “New parents in particular would profit from a more flexible working environment — for instance more opportunities for job sharing, in which two women could each work part-time in the same management position, or allowing people to work from home,” says Gutzeit. After all, striking a better balance between a career and family life not only benefits women, but men as well.

HR Development: Understanding and Taking Responsibility

MAN's HR development activities are geared to encouraging and equipping our employees to exercise responsible behavior and show initiative. In this way, we empower the people who work for us to make a decisive contribution to the Company's success.

What sets MAN apart

MAN is known for giving employees responsibility at an early stage. We encourage them to take on new challenges and grow with the job. Our international working environment has also shaped our reputation as an employer. As one of the leading European industrial corporations we have a presence in 36 countries, with 22,355 (43%) of our 52,542 employees working outside of Germany. Our Group-wide job rotation program allows employees to gain experience in different divisions and locations. For example, an engineer could start his career with MAN Truck & Bus in Germany and later move to MAN Diesel & Turbo in Denmark or MAN Latin America in Brazil.

We need a first-class team to keep us at the head of the pack in the transportation and energy sectors. We offer seminars, soft-skills training courses, one-on-one coaching, and other development programs to help our employees grow their social and professional skill sets. We target the development of our junior managers and this helps us to fill most management openings in house.

Raising awareness of responsibility

MAN Chief Human Resources Officer Jörg Schwitalla is not only responsible for HR, but for corporate responsibility (CR) as well. As our ambassador for CR,

Schwitalla makes a point of discussing corporate responsibility and the contribution individuals can make — whether with employees and managers, in executive bodies and committees, or at events hosted by the MAN Executive Academy.

In October 2011, MAN Truck & Bus organized its first meeting on the topic of responsibility, inviting all managers who work in environmental protection, energy management, and occupational health and safety. This brought a variety of perspectives to the discussion of the goals outlined in the CR strategy; participants were also able to develop concrete applications for their spheres of responsibility. The positive feedback

from the almost 50 attendees — who included representatives of sites in Austria, Poland, and Turkey — inspired MAN Truck & Bus to develop a dedicated CR training program for managers and launch it in 2012.

Employee volunteering

MAN employees are invited to actively participate in the Company's community service initiatives. With this objective in mind, we have launched an employee volunteering program in cooperation with our partner of many years, SOS Children's Villages.

The program places a spotlight on topics that are important to us and builds bridges to the community. MAN has



Jörg Schwitalla and Jürgen Dorn at the kick-off event for the employee volunteering program at the daycare facility of the SOS Vocational Training Center in Nuremberg.



Jörg Schwitalla, Chief Human Resources Officer of MAN SE, looks through picture books with the children at the daycare facility.

engaged with SOS Children's Villages on numerous occasions. For example, we support an SOS Children's Villages vocational training program in Ethiopia and contribute to disaster relief efforts like those following the Japan earthquake in March 2011 (→ page 56). Now we are encouraging our employees to get involved as well, experiencing our commitment to social responsibility for themselves and bringing it to life.

Successful pilot project in Nuremberg

Since October 2011 MAN employees have had the opportunity to volunteer at the SOS Vocational Training Center in Nuremberg and — with the permission of their superior — to use a half-day of work to do so. At present the center is providing support to almost 800 disadvantaged young people as they start their working lives. In addition to remedial education they can take advantage of vocational training in almost 20 different professions, ranging from machine operator to cook. Since some

of the young people already have children of their own, the vocational training center also has a daycare facility.

At the start of the pilot project, MAN invited its employees to register on the betterplace.org Internet platform. Here they can sign up as helpers for one of four projects: renovating the student living quarters, working on the grounds of the daycare facility, assisting with job application training, or reading aloud. Honorary patrons Jörg Schwitalla and Jürgen Dorn (Chairman of the MAN SE Group Works Council) kicked off the volunteering project personally with a storytime hour at the daycare center. After an overwhelming positive response, we have expanded the Nuremberg pilot project. In 2012 we will be launching similar projects with SOS Children's Villages in additional locations in Germany.

Further information on the Internet

www.betterplace.org



Georg Grüneißen
Graduate Trainee
Engineering,
MAN Truck & Bus

“It only took two clicks to sign up!”

Georg Grüneißen started as a graduate trainee at MAN Truck & Bus immediately after completing his degree in mechanical engineering at Munich's Technical University. Participants in the trainee program learn about the MAN value chain by working in a series of different positions. “At university everything was very abstract, but at MAN I was able to see how trucks and buses were developed and how people were working on resource-efficient innovations,” says Grüneißen. During job assignments in Sweden and Brazil, Grüneißen, 27, learned what it means to work with foreign colleagues in a different country. “In Resende, I was entrusted with a big job from day one — I was responsible for setting up the software endurance test that was used to test prototypes.” Back in Germany, he learned about the MAN employee volunteering program. “Getting involved in community service wasn't difficult at all — it only took two clicks to sign up on betterplace.org.” Together with seven other trainees, Georg Grüneißen volunteered for a day at the “Rennmäuse” daycare center in Nuremberg. “We raked leaves and made some repairs,” he explains. “The kids even drew pictures for us.” Georg Grüneißen has been working as a test engineer at MAN Truck & Bus in Munich since March 2012.

Strategy and Management: Corporate Responsibility at MAN





MAN Latin America, Resende, Brazil



“I work for the market leader and a part in that success is down to me.” Over the past seven years, Anderson Ribeiro Crispim (32) has worked in different positions on the assembly line at MAN Latin America in Resende. In 2012 he’s starting a degree program in mechanical engineering.

Our CR Strategy: Living Up to Our Responsibilities

MAN's Corporate Responsibility Strategy is its response to global challenges and the associated megatrends — a response closely linked to our corporate strategy. Our initiatives here find concrete expression in four fields of action.

Rooted in values

We aim to make a first-class contribution to the fields of transportation and energy with our products and to offer our customers innovative solutions with which to meet current and future challenges. This is why we are actively confronting the consequences of climate change, globalization, and urbanization — and addressing their impacts on market needs.

Four MAN corporate values guide us in everything we do. They are the foundation for our responsibility, shaping not only our Corporate Responsibility Strategy, but also our CR Roadmap and dialog with our stakeholders.

Reliable — We fulfill expectations and keep our promises.

Innovative — We create new solutions through fresh, creative, and expert thinking.

Dynamic — We identify potential and we are flexible and problem-solving.

Open — We work together closely within the Group and swap new ideas and information. This openness is a key prerequisite for dynamic action.



MAN published its Corporate Responsibility Strategy in 2010

MAN principles of corporate responsibility

As we anchor corporate responsibility in all areas and at all levels of MAN, we are guided by the following principles.

Employee awareness

Our employees live corporate responsibility in their day-to-day work and act as CR ambassadors.

Product responsibility

Given the nature of our product and service portfolio we have a special responsibility towards people and the environment. Environmental care and safety form integral parts of our CR strategy and programs.

Stakeholder dialog

Intensive dialog with all of our stakeholder groups ensures that we understand their expectations and enables the continuous development of our CR strategy and programs.

CR as an element of corporate strategy

MAN's CR strategy, finalized in 2010, outlines our responsibility for the environment, our employees, and the community. Ongoing activities are bundled in the CR strategy and taken forward. After the strategy was published in our 2010 CR Report, we received a substantial positive response to these themes from our stakeholders, who include employees, investors, customers, and business partners, as well as the communities in which our sites are located.

Corporate responsibility is part of MAN's corporate strategy; together with our focus on profitable international growth in the Commercial Vehicles and Power Engineering business areas, it is aimed at achieving technology leadership, customer orientation, and sustainable value creation. Especially in this last area, the MAN CR strategy has an important role to play — shaping business processes to be responsible and assessing ecological and societal opportunities and risks in dialog with our stakeholders.

The CR fields of action

MAN is committed to facing global challenges and addressing key megatrends such as climate protection and urbanization. We are responding with energy-efficient innovations and new technologies for hybrid buses, wind turbines, clean marine engines, and solar energy plants, to name just a few. MAN is certain that such future-

oriented practices also make good economic sense, and has defined four fields of action.

Integration: We at MAN believe that an integrated approach is the key to success when it comes to fully living up to our responsibility within the Company and in our business environment on a daily basis.

Economy: MAN's success is founded on sustainable value creation. This is documented by our history and will continue to guide us in the future. Operating in all key regions and product segments in our industry worldwide ensures MAN's lasting success and creates added value for all our stakeholders.

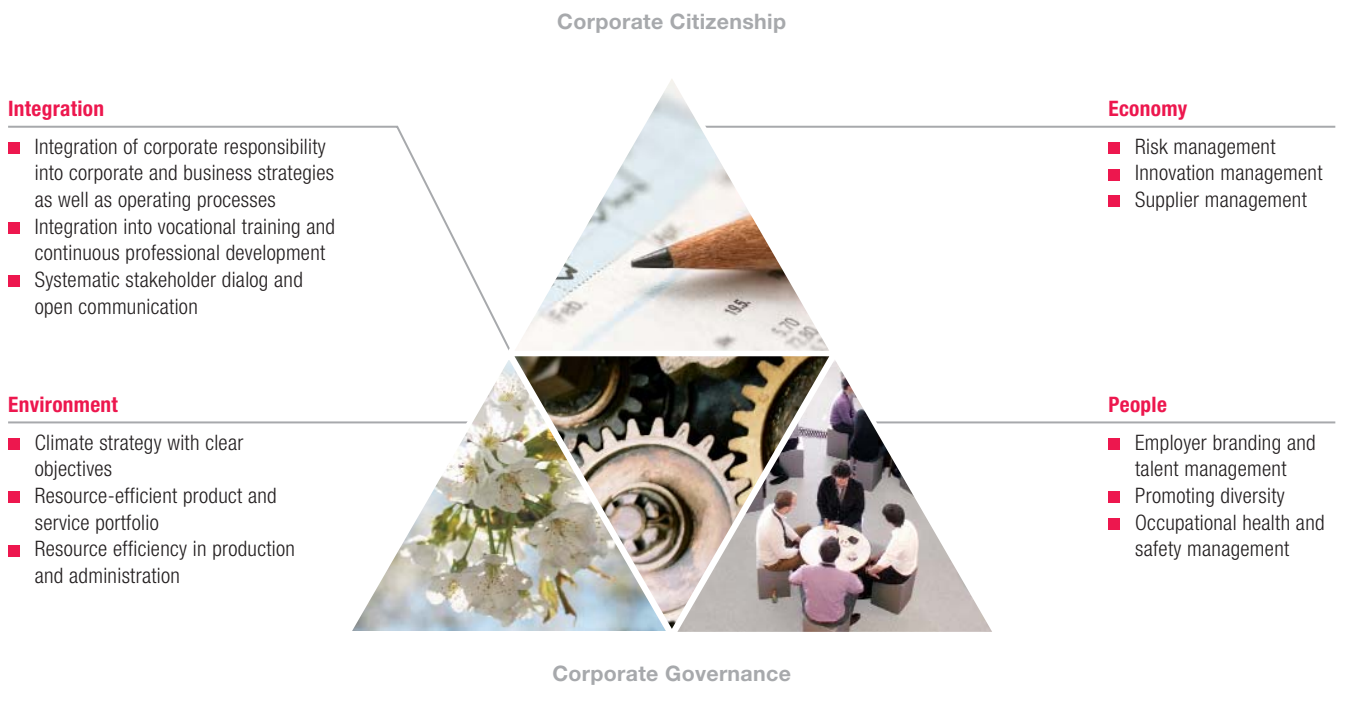
Environment: Climate change, globalization, and urbanization are core drivers of MAN's range of products and services. By developing solutions that offer

greater resource efficiency and safety, we enable the realization of sustainable transportation concepts and future-proof energy supplies.

People: At MAN we take our responsibility for all our employees worldwide seriously. Together, demographic change and our internationalization are driving the activities which position us as an attractive employer worldwide, capable of recruiting and retaining the best minds.

Systematic implementation of our CR strategy requires clear objectives, which we have set for all four fields of action in the CR program. They are accompanied by measures and specific deadlines (→ page 29 et seq.). At the annual MAN Summit in November 2011, the Management Board reported on how well the targets are being reached and introduced the newly drawn up Climate Strategy.

MAN's CR Strategy



MAN's Climate Strategy: Mandatory Targets

Climate change is one of the most important global challenges faced by governments, businesses, and society. And anthropogenic carbon dioxide emissions — those generated by human activities — are among the primary causes. Today the transportation sector is responsible for approximately 15% of global CO₂ emissions, a figure that is expected to reach 22% by 2020.

By now, many nations have set mandatory climate protection targets. At the same time, many European Union member states are applying increasingly stringent Euro emissions standards for trucks and buses, while the United Nations has issued Tier III standards for marine engines. Our CO₂-efficient product and service portfolio facilitates compliance with climate protection targets and regulatory require-

ments — and resource efficiency has long since become a competitive factor.

MAN is aiming to make a significant contribution to cutting CO₂ emissions while using the associated business opportunities to its advantage. With this in mind, we commissioned an internal team of experts to draw up a climate strategy. The resultant strategy was approved by the Management Board of MAN SE in

September 2011 and presented to MAN Group managers at the MAN Summit. It now forms part of the MAN CR strategy and supports the attainment of our corporate goals.

Cornerstones of our Climate Strategy

As a globally active corporation in the fields of transportation and energy, MAN bears responsibility for its production processes and for its products.

MAN's Climate Strategy



Acknowledge responsibility

The transportation and energy sectors are contributing to climate change to an ever-greater extent.



Dilemma and approach

The interaction between our own product development, our suppliers, legislation, and our customers and their customers is complex.

MAN's Climate Strategy

Climate change is among the greatest challenges to humanity. MAN is fully aware of and acknowledges its responsibility to contribute to reducing the global carbon footprint of the transportation and energy sector.

MAN has set itself the target of reducing its own CO₂ emissions by 25% by 2020.
(baseline: 2008).



Commitment

Our target: reduce our own CO₂ emissions by 25% by 2020 (baseline: 2008).



Vision

By 2020, our aim is to be recognized as one of the industry players to have dealt with the challenges of climate change the best.

Core initiatives for Climate Strategy implementation

1.	25% reduction in CO₂ emissions at MAN sites by 2020 (baseline: 2008)	We will reduce CO ₂ emissions at MAN sites by improving energy efficiency, using renewable energy sources (solar, wind, geothermal), generating energy using combined heat and power (CHP) plants, and through integrated energy-management technology and organization.
2.	Consistently Efficient product portfolio	We position ourselves in the commercial vehicles and power engineering sectors with sustainable products and services.
3.	Customer involvement and dialog	We involve our customers and talk to them about ways to reduce the global carbon footprint. After all, many of our customers have already set themselves ambitious targets for cutting CO ₂ emissions.
4.	Potential for reducing CO₂ emissions along the product life cycle	To identify potential for reductions, we measure CO ₂ emissions along the entire product life cycle.
5.	Climate strategy management	We manage the implementation of our Climate Strategy and have defined KPIs that are regularly measured and published.

Sites: MAN has 31 production sites in 13 countries. These facilities consume raw materials and electricity and use resources to generate energy, which causes CO₂ emissions.

Products: MAN develops products and services for the transportation of passengers and goods, as well as for energy generation. These are high-growth sectors, which implies rising CO₂ emissions.

We can make an important contribution to climate protection, not only at our sites, but through our products and services as well. MAN takes this responsibility seriously. As a first step, we have set ourselves the goal of cutting CO₂ emissions at MAN sites by 25% (baseline: 2008) by 2020 — a target we intend to meet by implementing the core initiatives developed by our Climate Expert Team and launched in 2011.

Our sites

Our climate goal for our production sites will be met by making them more energy efficient and improving the energy-management technology and organization in our buildings and pro-

duction halls. In 2012 we will analyze the feasibility of using our own MAN combined heat and power (CHP) plants to generate electricity at the sites with the highest energy consumption levels. In the coming years we will also investigate the potential for using CHP at all our sites. In addition, we will step up our efforts to use renewable energies such as geothermal, biomass, wind, and solar energy at all our sites. This will allow us to cut our CO₂ emissions and keep our energy costs from rising, sharpening our competitive edge.

Our products

In order to reduce the carbon footprint of our products, we analyze the product life cycle — from the procurement of raw materials to recycling — to determine at what stage they produce the most CO₂ emissions. As we found in the fourth core initiative of our Climate Strategy, up to 90% and more of emissions are generated during the service life of the products. This means that the most effective way for us to cut CO₂ emissions is by using energy-efficient technologies in our products. This objective is part of our second and third core initiatives. By

optimizing the way in which they use our products, our customers can cut fuel consumption even further, a process we support by offering training courses for professional drivers and operators of large-bore diesel engines. Reducing carbon dioxide emissions during the service life of our products goes hand in hand with cutting the total cost of ownership for our customers.

Lowering the CO₂ emissions of our products by 20% or more is one of MAN's largest undertakings, one in which we must take due account not only of the regulatory environment but also of the pressures of international competition. However, we believe this is a realistic goal and we will be doing our utmost to meet this challenge — not least by making our Climate Strategy an integral part of our managers' annual performance reviews and defining a specific reduction target for our products in 2013.

Our CR Management: Responsibility in Practice

A CR strategy can only succeed when everyone in the company puts its principles into practice. MAN has integrated CR elements into its current management systems, reworked Group-wide policies, and launched new initiatives.

Responsible management

At MAN, corporate governance means responsible, transparent management and supervision of the Company. Compliance with rules and regulations is only one relevant aspect of corporate governance. Sustainable value creation that takes account of the legitimate interests of the different stakeholders is of primary importance here.

In its approach to corporate governance and reporting, MAN complies with the recommendations of the German Corporate Governance Code (→ 2011 Annual Report, page 11 et seq., page 16 et seq., page 164). The Code requires the Executive Board and the Supervisory Board to ensure the continued existence of the company and the sustained creation of value in accordance with the principles of the social market economy. This means the Executive Board must manage the company in a far-sighted manner, accepting monitoring by and advice from the Supervisory Board. The Executive Board must consult the Supervisory Board on important decisions, has a duty to inform the Supervisory Board at regular intervals, and can call an ad hoc meeting of the Supervisory Board to discuss important decisions.

On December 6, 2010, MAN became a signatory to the United Nations Global Compact. We thereby committed ourselves to complying with and actively supporting the Compact's ten principles

in our business practices. The principles fall under the headings of human rights, labor rights, environmental protection, and anticorruption. This CR report also represents our second UN Global Compact Communication on Progress.

Integrity and compliance

MAN does not tolerate illegal or irregular conduct. We offer our employees and business partners relevant information and guidance on compliance. The MAN Code of Conduct outlines standards of behavior that are binding for all our employees in their daily work. Our policies on handling gifts, invitations, and donations and sponsoring also provide concrete instructions for handling ambiguous situations. Our Code of Conduct for suppliers and business partners regulates relationships with our associates and requires them to comply with basic principles of corporate responsibility, transparency, fairness, and data protection.

At the beginning of 2010, we introduced a compliance program that applies across the Group. It assists us in combating corruption as well as preventing violations in the areas of antitrust law and data protection (prevent), identifying non-compliance early (detect), and reacting quickly, effectively, and consistently (respond). Since mid-2010 we have been holding classroom training courses on compliance for our employees worldwide. Also launched in 2010,

our Compliance Helpdesk answers our employees' questions on our Code of Conduct, our compliance policies, and related issues. Our Internet whistleblower portal "Speak up!" went live in February 2011. It allows MAN employees and business partners to report compliance violations at any time — anonymously if desired.

To ensure conformity with all applicable laws, internal policies, and internationally recognized standards of conduct, the subgroups have also named "compliance champions" to supplement the work of the Compliance function. These are managers who, in addition to their regular responsibilities, assist the subgroup's compliance officer and compliance manager in implementing the compliance program.

Violations of our compliance policies are examined on a case-by-case basis either centrally by employees from the Case Management department or at local level by the responsible team at the relevant subgroup.

The Disciplinary Sanction Committee is the body responsible for imposing internal sanctions in the event of compliance violations. In individual cases, the governmental investigating authorities in charge are informed of violations. The findings of misconduct investigations — as well as the findings of the annual compliance risk assessment — are used

by the Chief Compliance Officer (CCO) and his team to improve our compliance program and introduce selective compliance measures. The CCO reports to the Executive Board as well as to the Audit Committee of the Supervisory Board. The Company is now organized in such a way that the incidents of the past can be avoided.

MAN has been a corporate member of Transparency International, an international organization aimed at combating corruption, since 2010.

CR organization and coordination

Jörg Schwitalla, Chief Human Resources Officer of MAN SE, is ultimately responsible for CR at MAN. The Management Board of MAN SE is the Steering Committee. The CR Manager is in charge of the ongoing development and coordination of the CR strategy. Supported by the CR Excellence Team, he is the central point of contact for all CR issues in the Company. The team is made up of experts from Corporate Human Resources, Investor Relations, Corporate Communications, Environmental Management, and the divisions.

The MAN CR organization



Each year, the CR Excellence Team prepares the data for CR reporting and monitors the implementation of the CR strategy. The team met six times in 2011. One milestone was the finalization of the Climate Strategy by the Climate Expert Team in addition to preparation of the 2010 CR Report.

Our values and MAN's CR principles (→ page 18) aim to interpret corporate responsibility as an ongoing management process, facilitate its implementation across the Company, and ensure regular progress reports. In their role as CR ambassadors within the Company, all members of the CR Excellence Team are committed to furthering these principles.

Supplier management

MAN spends approximately €9.3 billion annually on raw materials, goods, and services. We therefore hold our suppliers to similarly high standards when it comes to environmental protection, employee rights, and preventing corruption. Our Group-wide purchasing and procurement policy requires the prohibition of forced or child labor, compliance with internationally recognized human and employee rights, and adherence to environmental standards and anticorruption regulations. The policy is based on our Code of Conduct, the labor standards outlined in the conventions of the International Labour Organization (ILO), and the ten principles of the UN Global Compact. In 2011 we launched a pilot project at MAN Diesel & Turbo to evaluate key suppliers in line with CR criteria (→ page 40).

Environmental and occupational safety management

At MAN environmental management is part of our integrated management system, which covers environmental protection, occupational safety, fire safety, hazard abatement, quality management, and information security management. Regular external audits are held at all production sites to verify the effectiveness of this management system. Internal audits are used to identify any need for improvement, which we then take measures to address. Our goal is to have all sites certified under the ISO 9001 (quality), ISO 14001 (environmental protection) and OHSAS 18001 (health and occupational safety) standards by 2015. In addition, aspects of environmental protection and safety are embedded in MAN's vocational training and continuous professional development programs. All vocational trainees receive an introduction to the Group's environmental management system.

MAN Truck & Bus evaluates environmental performance using its own capability maturity model, which assesses the status quo and defines goals and actions to be taken in all its production sites (except India). The model is already used for energy management, and will be applied to occupational safety management in the future. MAN Diesel & Turbo has created a HSE-Q handbook which combines health, safety, environmental, and quality aspects in a single reference work to guide employees in their daily work.

To protect the health and safety of our employees, we conduct workplace hazard assessments and regularly hold internal workplace safety audits.

Occupational health measures are organized by the subgroups or by the individual sites. This allows health management to be adapted to specific working conditions and health concerns. To encourage employees at our German sites to get in shape, we have launched a campaign focusing on preventative health, exercise, and nutrition. In addition, many facilities have concluded their own works agreements on health and safety, and set up workplace safety committees.

Security management

Almost around the globe, MAN employees install, service, and repair products on site. This calls for a system of preventive, global security management. To meet this challenge, we have been coordinating security measures across the Group since 2011, offering a central point of contact for these issues. A uniform approach to security allows integrated strategies to be defined. By continuously monitoring the international security situation, we can also make quick decisions about matters such as travel advisories.

Industrial espionage is another focus of security management. To minimize the risk of knowledge leaks, we are working to raise employee awareness.

Human resources management

Dedicated, responsible, and competent employees are essential to the continuing success of our innovative products and technologies. And to achieve this, our HR management must look to the

future. As a globally active corporation, we are aware that the prevailing social parameters in the locations where we operate can vary greatly — educational systems and population structures, for instance, differ from country to country. That is why each subgroup works within the framework of the Group HR strategy to develop measures that best suit the cultural and demographic challenges encountered at its sites. The Corporate Center initiates Group-wide strategy processes, coordinates the various measures, and ensures that the subgroups learn from each other's experience.

Group-wide guidelines for management hiring were introduced in 2010 to promote diversity and take due account of women. We keep abreast of science and research through our close contacts and partnerships with universities, colleges, and other institutions. This is not only important to the development of our high-tech products, but also facilitates the recruitment of top talent. Around the world, we collaborate with 110 universities, colleges, and research institutes.

Product responsibility

The coming years will see a worldwide increase in the transportation of people and goods. At MAN, future scenarios and (technological) trends are important factors in our strategic product development. In the product life cycle of large-bore diesel engines and commercial vehicles, over 90% of the environmental impact is generated during the use phase — through energy consumption, emissions, use of lubricants, maintenance, and servicing. Because most of our products have a very long service life — and are used intensively

— we aim to reduce this environmental impact as much as possible through forward-looking product development. Important criteria here are the efficiency and marketability of the products as well as their quality and safety. Successful, future-oriented planning depends on analyzing trends in technologies, energy, and raw materials, as well as relevant legislation and customer needs. Accordingly, the product creation process at MAN Truck & Bus breaks down into five stages:

- 1 Analysis of future scenarios and technological trends
- 2 World market forecasts
- 3 Identification of future business segments
- 4 Harmonization with portfolio strategy
- 5 Identification of customer needs

At MAN Latin America, the product process follows the MAN Truck & Bus model

At MAN Diesel & Turbo, the product development process is closely aligned with customer requirements:

- 1 Analyses of economic, market, competitive, and product situations
- 2 Generation of ideas based on prognoses and customer dialog
- 3 Evaluation according to technical and economic criteria
- 4 Definition of product concepts
- 5 Prioritization of projects

Dialog with Our Stakeholders: A Compass for the Future

At MAN our goal is to understand and address the expectations of all stakeholder groups with which we have a close relationship: customers, employees, suppliers, and business partners; analysts and investors; science and government; municipalities and nongovernmental organizations.

Handling our stakeholders' expectations

MAN's stakeholders have a wide variety of expectations for the Company. This provides us with important input for our corporate strategy and helps us to identify opportunities and risks. We can only maintain trust and acceptance by taking stakeholder concerns seriously and addressing them in our business practices. That is why stakeholders and their interests play an important role in our Guiding Principles.

We use a variety of channels to communicate with our stakeholders and to discover and analyze their expectations. In 2011 we not only carried out a Group-wide employee survey, but our second international stakeholder survey as well. Our 2010 CR Report included a questionnaire that allowed readers to provide us with direct feedback — as does this report.

Identifying stakeholder expectations and new challenges is the responsibility of the CR Excellence Team. All MAN divisions are charged with integrating these diverse needs into our business processes and mediating when conflicts of interest arise.

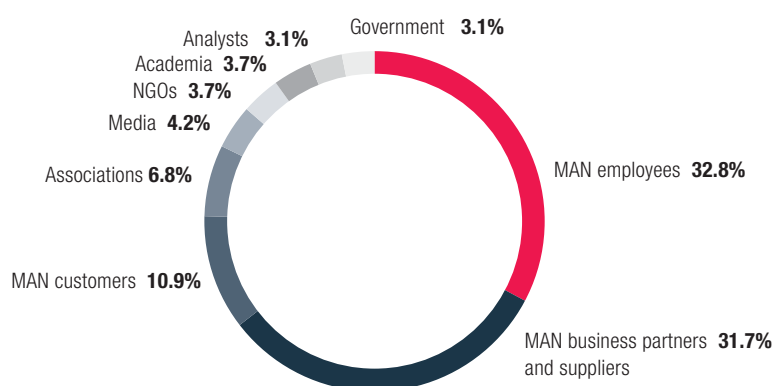
International stakeholder survey

In 2010 we conducted our first web-based international stakeholder survey. We repeated and expanded the process in the year under review. Of the almost 500 stakeholders selected (2010: approx. 400), around 40% responded to the questionnaire. So although the participation rate was similar to that of the previous year, the overall number of replies increased from almost 140 to 192. The largest number of responses came from Germany (30%); 14% were from China and 11% from Brazil.

Challenges for MAN

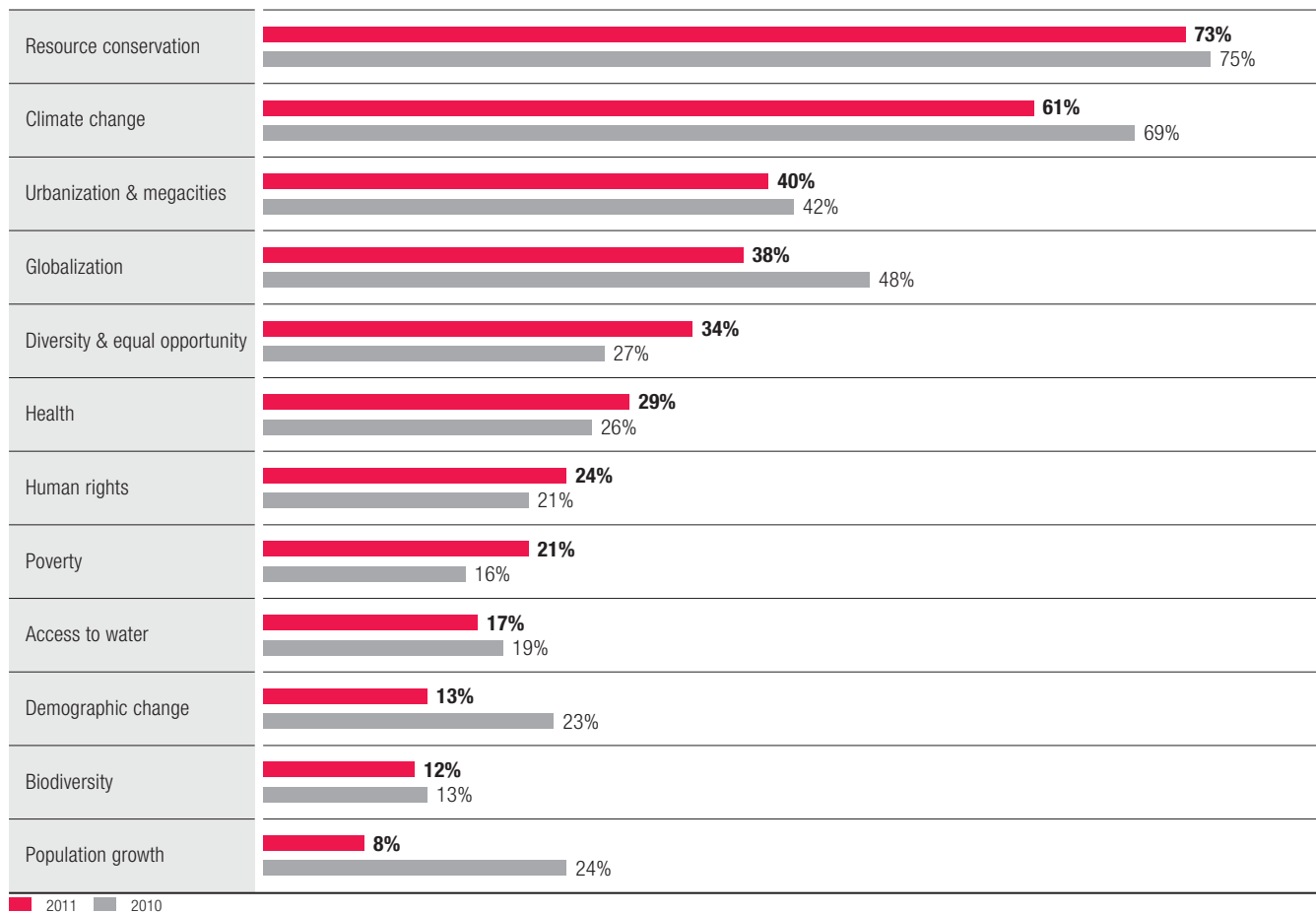
As in the previous year, resource conservation (73%) and climate change (61%) were identified by participating stakeholders as the greatest challenges facing MAN — although the relevance of climate change as a challenge was rated eight percentage points lower this time. 38% of respondents (2010: 49%) still consider globalization to be an issue that MAN must address. The percentage of participants who see diversity and equal opportunity as a challenge for MAN rose from 27 to 34%.

Stakeholder survey participants by Group



Challenges for MAN

From the viewpoint of our stakeholders



Assessment of our CR activities

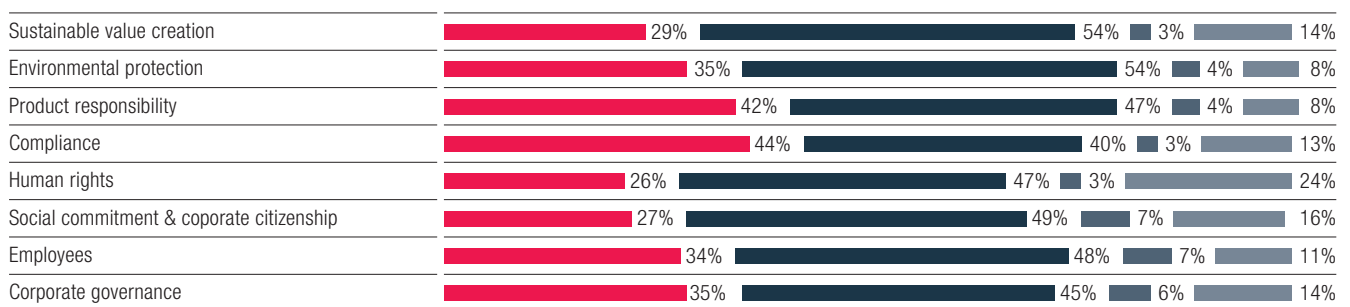
The majority of our stakeholders rated MAN’s CR activities as appropriate or above average. They attested to the Company’s great commitment to product responsibility and compliance. The aspects most frequently rated as weak

concerned our performance in the categories of community involvement & corporate citizenship and employees. However, more than three-quarters of all stakeholders believe that MAN has a credible approach to sustainable business practices.

Materiality analysis

The annual stakeholder survey is an important instrument for identifying CR fields in which stakeholders place particularly high expectations on MAN. Both the CR Excellence Team and the Climate Expert Team discussed and val-

Assessment of MAN’s CR commitment

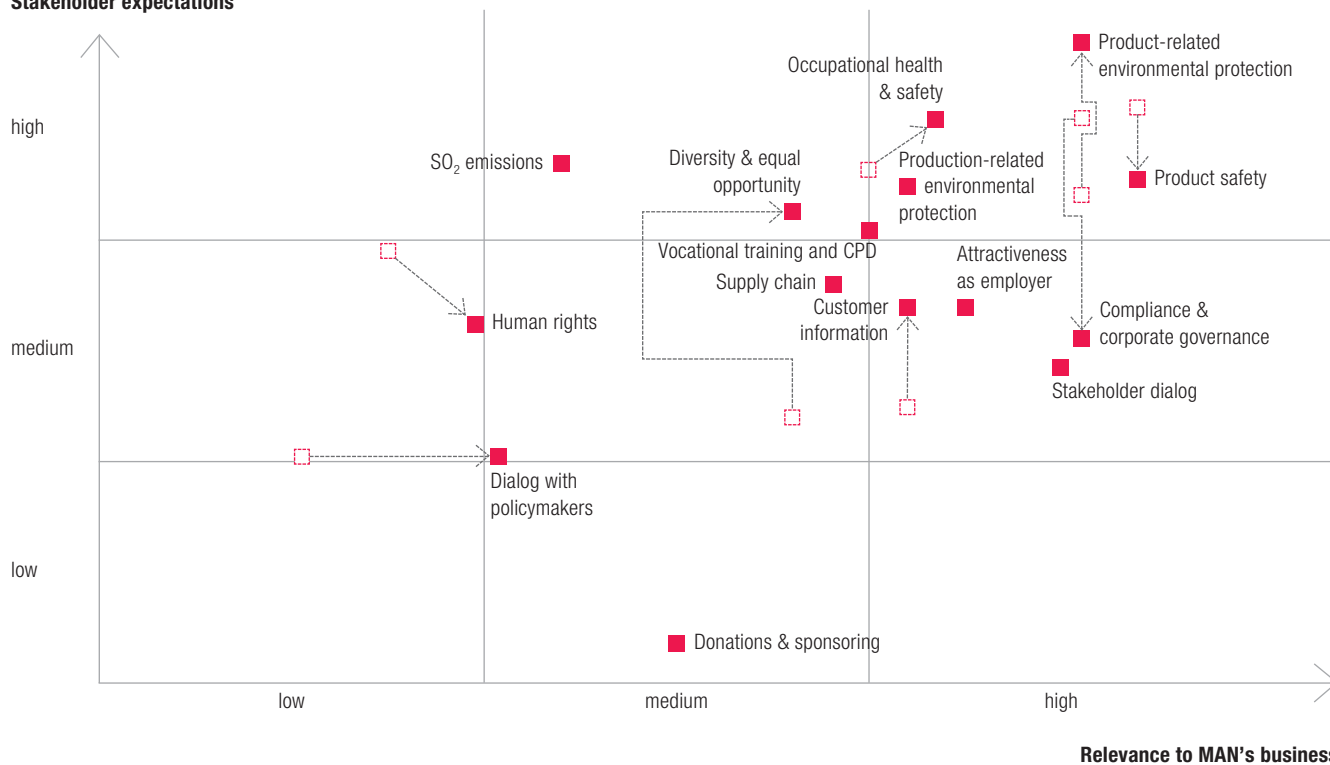


■ Above average ■ Appropriate ■ Not enough ■ Don't know
 Due to rounding, the figures presented here may not add up to exactly 100%.

Fields of action

Findings of our materiality analysis

Stakeholder expectations



□ 2010 ■ 2011 -----> Change in expectations/relevance

identified these CR fields. In our materiality analysis, we have supplemented these topics with a number of industry-specific sustainability criteria and issues that are assessed by the Global Reporting Initiative (GRI).

Compared to last year, the topics of product-related environmental protection, diversity & equal opportunity, and customer information have increased in importance to our stakeholders. In contrast, they consider compliance & corporate governance, product safety, and human rights to be of less relevance than in the previous year. The emphasis on different topics within this report is guided by our stakeholders' expectations.

The materiality analysis helps us to align our CR management with the

most significant challenges and opportunities. For topics that are particularly relevant for our stakeholders as well as to our business success, we have defined goals and activities in our CR Roadmap (→ page 29 et seq.).

Dialog with politics

MAN works actively with others to find solutions to sustainability problems. To this end we also contribute our knowledge and expertise to the ongoing political debate. Our focus here is on topics relating to our core business, such as reducing worldwide carbon dioxide emissions caused by the transportation of passengers and freight. To this end, we maintain an ongoing dialog with the responsible ministries at state, national, and EU levels, as well as with elected representatives and opinion leaders from

the government and the opposition. We also represent our interests through our memberships in various industry and professional associations (e.g. ACEA, VDA, VDMA; → p. 41).

The future holds many challenges that apply to the transportation of both passengers and freight. These include designing mobility solutions with environmental compatibility and resource conservation in mind — while at the same time maintaining affordability. MAN participates actively in the relevant committees of international organizations and advises government ministries with the aim of promoting the use of innovative and cost-effective vehicle concepts and technologies around the world.

We are contributing our experience in overarching CR topics to the German Federal Ministry of Labour and Social Affairs' working group on corporate social responsibility. At the first meeting in 2011, MAN exchanged ideas with representatives of government and other corporations.

Sustainability ratings and rankings

The sustainability performance of companies is regularly evaluated by different institutions — in the interests of the public as well as of investors and analysts.

Carbon Disclosure Project: The Carbon Disclosure Leadership Index (CDLI) evaluates the transparency of company data relevant to climate protection. In 2011 MAN improved its score by eight points over the previous year, scoring 73 points out of 100. As the industrial sector average rose from 44 to 48.5 points, however, despite the Company's overall improvement, MAN was only ranked 28th (2010: 26th). Of the 128 German

and Austrian companies that participated in the survey, 30 qualified for inclusion in the CDLI.

IÖW/future: With the support of the Council for Sustainable Development and the German Federal Ministry of Labour and Social Affairs, every two years the Institute for Ecological Economy Research (IÖW - Institut für ökologische Wirtschaftsforschung) and the future e.V. business association evaluate the sustainability reports of the largest 150 German companies. In the 2011 ranking, the MAN CR Report placed 43.

Sustainable Asset Management:

According to the assessment performed by Sustainable Asset Management for the Dow Jones Sustainability Indexes (DJSI), in 2011 MAN improved by 16 points compared to the previous year, earning a score of 64 points. This puts us in the top 20 percent of the 2,500 largest companies listed in the Dow Jones Global Total Stock Market

Index and we are listed in the Dow Jones Sustainability World Enlarged Index. Although we showed significant improvements in the areas of economy, environment, and society, we fell one point short of being relisted in the Dow Jones Sustainability World Index and the Dow Jones Sustainability Europe Index. We have analyzed this result and identified areas for improvement, particularly in innovation management and product responsibility, that we plan to act on in 2012, enabling us to return to the DJSI.

oekom research: In its Corporate Responsibility Rating oekom research again awarded MAN a score of C+, maintaining its "prime" investment status. MAN received especially high marks for its reduction of energy and fuel consumption, its development activities in the field of alternative fuels, as well as its safe handling of products. oekom research sees room for improvement at MAN in the avoidance of hazardous substances and in product life cycle assessment — two areas being addressed by our Climate Strategy.

Sustainalytics: Sustainalytics performs a sustainability analysis that rates the ESG (environmental, social, and governance) performance of companies. In 2011 MAN was ranked 15th out of 82 companies.

MAN sustainability ratings

Rating agency	Index	Rating
Transparency rankings		
Carbon Disclosure Project (CDP)	Carbon Disclosure Leadership Index (CDLI)	73 of 100 points; listed for the second time in a row
IÖW/future		Ranked 43 out of 150
Performance rankings		
Sustainable Asset Management (SAM)	Dow Jones Sustainability Indexes (DJSI)	64 of 100 points; not listed
oekom research		Prime C+
Sustainalytics		Ranked 15 th out of 82



CR Roadmap: A Blueprint for the Future

Our CR Roadmap includes specific objectives extending to 2015 to ensure continuous improvement in our CR performance. For each year, specific meas-

ures are derived from these objectives. The following overview outlines our achievements in the year under review and what we are working on in 2012. The

CR Roadmap, agreed with the Management Board of MAN, represents a core basis for the future development of our activities.

CR Roadmap

Objectives	Deadline	Status in 2011	Measures in 2012
Integration			
Integration of CR into business strategies, business operations and internal processes	2015	CR anchored in the strategies of the divisions as part of the respective strategy meetings CR strategy and Roadmap evaluated as part of a second stakeholder survey focusing on customers CR strategy, Roadmap and initiatives evaluated in the international employee survey Road show to communicate CR strategy in key departments of divisions continued CR enshrined in network and expert meetings at Group level CR integrated into due diligence procedures for M&A processes through questionnaires 2010 CR Report presented to the general public at a media event with the Chief Human Resources Officer CR website updated	Integrating CR into MAN's brand image Introducing an IT tool for systematic acquisition of CR data and to optimize the data collection process
Integration of CR into vocational training, continuous professional development (CPD), and management development	2015	CR integrated into the MAN Executive Academy's management development programs for the Group's top managers MAN Truck & Bus sales training courses on the topics of CO ₂ reduction and environmental protection further developed Plan developed for integrating CR into vocational training. CR integrated into MAN competencies	Developing a CR "Manage responsibly" training concept for all other managers and implementing it at MAN Truck & Bus Implementing the concept for integrating CR into vocational training
Further development of CR structure by CR managers in the divisions	2015	Regular CR Excellence Team meetings held Climate Expert Team appointed and established to design and implement MAN's Climate Strategy	Expanding the CR Excellence Team to include managers from other CR-related areas Appointing a CR manager at MAN Diesel & Turbo
Integration of CR Report and annual report with assurance by external auditor	2015	2010 CR Report published including attainment of GRI B+ application level and assurance by external auditor Quantitative KPIs incorporated into CR reporting in 2011 Annual Report	Publication of 2011 CR report including attainment of GRI A+ application level and fully audited by an auditor Improving CR reporting in the Annual Report
Start of systematic stakeholder dialog	2015	Findings of the stakeholder survey presented to the Management Board, internally communicated, and published in the 2010 CR Report CR issues regularly addressed in internal and external communications	Integrating CR into trade-fair questionnaire and booths at the IAA Commercial Vehicles and SMM 2012 Strengthening customer dialog on CR and Climate Strategy by swapping experiences with at least four key customers
Economy			
Identification and monitoring of non-quantifiable risks	2015	Assessment of opportunities and threats with an impact on climate brought into focus by adoption of Climate Strategy Trend Radar installed at MAN Truck & Bus for analysis of opportunities and threats arising from global trends Energy trends evaluated annually for the MAN Group by the MAN energy expert team	Integrating CR into risk management

Objectives	Deadline	Status in 2011	Measures in 2012
Economy			
Introduction of a supplier evaluation system	2015	Self-assessment questionnaire on corporate responsibility drawn up for suppliers Pilot project for CR self-assessment carried out at MAN Diesel & Turbo in Augsburg	Extending the pilot project to MAN Truck & Bus and Group-wide Purchasing Evaluating suppliers on the basis of CR criteria Integrating CR into award criteria
Systematic acquisition of CR data and monitoring of performance indicators	2015	Sustainability Asset Management evaluation significantly improved Inclusion in Dow Jones Sustainability World Enlarged Index achieved	Return to the Dow Jones Sustainability World/Europe Index
Environment			
Implementation of a climate strategy	2015	Climate Expert Team consisting of managers and experts from the MAN Group appointed and put in place Climate Strategy and core initiatives for implementation devised, presented to the Management Board and adopted Climate Strategy communicated to top managers at 2011 MAN Summit Policy on environmental and safety management revised Target to cut CO ₂ emissions from production by 25% enshrined in the target agreement process for managers in the MAN Group	Implementing Climate Strategy in the MAN Group Communicating the Climate Strategy internally and externally Adopting the policy on environmental and safety management
Expansion of the portfolio of resource-efficient products and services	2015	Fuel saving of three liters across 100 kilometers demonstrated by the Consistently Efficient Tour Requirements defined for a Group-wide portfolio of resource-efficient products and services	Starting pilot phase of the portfolio of resource-efficient products and services
ISO 14001 certification for all European sites and all sites in BRIC countries	2015	Deggendorf site certified to ISO 14001	Obtaining ISO 14001 certification for production sites at St. Nazaire, Augsburg and Rheine (Renk) Obtaining ISO 14001 certification for central spare parts warehouse at Dachau Preparing for ISO 14001 certification at production sites in Brazil and China Developing a supervisory and support system for preparing international MAN Truck & Bus sites for certification
People			
Measurement of employee satisfaction and worldwide implementation of findings of employee survey	2015	MAN Truck & Bus again recognized as a top German employer MAN Latin America again recognized as a Great Place to Work Worldwide employee survey carried out, workshops on the findings set up in the organization, and employee satisfaction measured	Implementing the top aims from the employee survey Preparing for the 2013 employee survey
Introduction of a diversity management program	2015	Key indicators on women in management analyzed and target derived Voluntary pledge by Dax-30 companies signed	Further increasing the proportion of women in management to 12% by 2014
OHSAS 18001 certification for all sites	2015	Managers briefed about OHSAS 18001 in a workshop at a summit on health, occupational safety, energy, and the environment	Obtaining OHSAS 18001 certification for the Resende site (MAN Latin America) Preparing for OHSAS 18001 certification of the Augsburg site (MAN Diesel & Turbo) Drawing up a roadmap for OHSAS 18001 certification of MAN Truck & Bus sites

Objectives	Deadline	Status in 2011	Measures in 2012
People			
Strengthening employee volunteering	2015	<p>Plan for volunteering devised and agreed with the Management Board of MAN</p> <p>Patronage of the scheme taken on by Chief Human Resources Officer and Chairman of the Group Works Council</p> <p>Pilot project with SOS vocational training center in Nuremberg carried out and evaluated</p> <p>MAN pages set up on betterplace.org as internal communications platform</p> <p>100 hours of voluntary work provided in a three-month pilot project</p>	<p>Extending the initiative to more SOS Children's Villages institutions in Germany</p> <p>Providing at least a further 100 hours of voluntary work</p>
Corporate Governance			
Making the compliance program a permanent part of MAN's corporate culture	2012	<p>2010 compliance program implemented</p> <p>Further compliance measures implemented Group-wide and globally in business units and sales regions</p> <p>Code of conduct for suppliers and business partners adopted</p> <p>Group-wide "Speak up!" whistleblower portal introduced</p> <p>Business Partner Approval Tools for auditing the integrity of business associates implemented worldwide</p> <p>Network of around 120 "compliance champions" established in Group companies to act as further multipliers</p> <p>Group-wide policies adopted for compliance with antitrust legislation, for case management, for compliance investigations, and for data protection</p> <p>Automated monitoring system (Continuous Controls Monitoring) introduced for purchasing and payment processes</p> <p>Audit process established for compliance and CR requirements in the due diligence audits for the acquisition and disposal of companies or equity holdings</p> <p>Survey of managers on compliance topics carried out</p> <p>Second compliance risk assessment conducted</p> <p>1,405 questions answered by the Compliance Helpdesk</p> <p>Compliance awareness training provided for 5,470 employees</p>	<p>Further development of the compliance program, in particular in the decentralized Group organization of business units and sales regions</p> <p>Implementing an e-learning program on the Code of Conduct, anticorruption, antitrust, and data protection</p> <p>Conducting "Data Protection Reviews"</p> <p>Conducting "Compliance Audits"</p> <p>Repeating the survey of managers on compliance topics</p> <p>Carrying out special training courses specific to subgroups on antitrust, anticorruption, and data protection</p>
Commitment of MAN Group to comply with international regulations	2012	First UN Global Compact Communication on Progress submitted	Signing the International Framework Agreement for basic human and employee rights
Corporate Citizenship			
Expansion of cooperation with SOS Children's Villages to the BRIC countries	2015	<p>Internal communications on cooperation with SOS Children's Villages enhanced (betterplace.org platform)</p> <p>Around €250,000 donated to the SOS Children's Village in Fukuoka and use of funds checked on site</p> <p>Initial discussions held on cooperation in Brazil</p>	Starting a collaboration in Brazil to educate children and young people

Our Projects: Worldwide Responsibility

Wherever we at MAN operate around the world, we aim to add value for society through concrete local projects and our employees volunteering in the community.

Adding value for society

MAN sees itself as part of society. Through its activities, the Company not only safeguards its own future and that of its employees, but also creates present and future benefits for those around it in its role as an employer, a trainer, and a business partner as well as a good corporate citizen at all sites worldwide. Adding value for society is an important part of our corporate responsibility as we see it and one of the objectives of our CR strategy. Wherever we work, we aim to be a reliable partner and contribute to sustainable value creation.

As an international corporate player we consider ourselves under a special obligation to contribute to sustainable development worldwide, through concrete local projects wherever we are needed or our expertise is in demand. Many of the projects that our divisions, our subsidiaries, or our production sites have initiated or are supporting are directly related to our core business. Others have arisen to meet an urgent need for fast and practical help. The outcome is a kaleidoscope of social projects across the globe, only a few of which are portrayed in our annual CR reports. You will find an interactive overview, updated annually, on the Internet at www.man.eu/MAN/en/CR.

Involving employees

The diversity of our projects reflects the international nature of our operations as well as the diversity of our employees and the causes they support. For our part, we explicitly encourage and foster employee volunteering in the community, even if it is not associated with business opportunities. We are convinced that in the long term we will invariably reap the benefits of these activities in terms of trust and acceptance, the motivation of our employees, and inspiration for innovations.

Some of the projects described here would never have happened without the dedication of individual employees. Enthusiasm and passion are defining characteristics of our employees, which is why they also show such impressive commitment outside their direct area of responsibility — be it in their community, in society at large, or in the interests of the environment. Since 2011 we have been fostering such engagement even more strongly through an employee volunteering program that we have created in cooperation with SOS Children's Villages (→ page 14 et seq.). Because employees who assume responsibility and live up to it are the best ambassadors that we can have as a Company.

Innovations arise out of interacting with society and learning about its needs. With the following overview of our projects, we hope to inspire and encourage our employees around the world to get involved in adding value for society and helping the environment.

Our projects →

Project 3: Brazil — “Atlantic Forest is Here!” traveling exhibition

The tropical rain forest is one of the earth's most diverse ecosystems, yet it is also more endangered than nearly any other part of the planet. MAN Latin America is working to increase people's awareness of the threat to the rain forest and preserve endangered habitats. Since May 2009 the “Atlantic Forest is Here!” traveling exhibition, which is set up in a trailer, has visited a total of 127 cities. It has covered a distance of over 25,000 kilometers and attracted more than 380,000 visitors. The truck that transports the exhibition was provided by MAN Latin America free of charge under a leasing agreement. The project partner is the Mata Atlantica foundation, which focuses on protecting the rain forest.

Project 4: Japan — SOS Children's Village in Fukuoka

After the major earthquake in Japan in March 2011, many children were left orphaned. MAN provided quick and unbureaucratic aid for these children in the form of a 30 million yen (around €250,000) donation. This facilitated the construction of the first SOS Children's Village in Fukuoka, providing the orphans with a new home. In addition, MAN's financial support helped create a professional fundraising campaign to publicize a foster-parent system (a practice which had previously been unfamiliar to the Japanese) and help build other SOS Children's Villages. The managing director of MAN Diesel & Turbo Japan has visited the SOS Children's Village in Fukuoka and is convinced that MAN has made a significant contribution in Japan, most notably to its children.

Project 5: China (Changzhou) — Energy Efficiency Network Changzhou

MAN Diesel & Turbo joined forces with 12 partners in the Chinese province of Changzhou to found the Energy Efficiency Network. In meetings coordinated by MAN Diesel & Turbo, local companies exchange ideas about ways to conserve energy. Initial energy-saving measures have already been rolled out at MAN: air conditioners cool to no less than 26°C, and printers automatically go into hibernation mode. Lights now go on as needed rather than illuminating the entire office space. In production areas, the air pressure in pipes has been set one bar lower. This makes the Changzhou factory one of the most energy-efficient in China. In addition, MAN Diesel & Turbo joined forces with the German and European chambers of commerce to set up a working group which published a book on the 100 most effective ways to conserve energy.

Project 6: China (Shanghai) — Scholarships for marine engineers

Shanghai Maritime University and Damian Maritime University are the two largest educational institutions in China that train marine engineers. To improve the exchange of ideas between academia and industry, MAN Diesel & Turbo has established a program to support students, professors, and universities in the field of marine engineering. Every year, the program makes it possible for each university to grant scholarships to four outstanding students from low-income families. Two professors and a university also receive funding for their research. MAN Diesel & Turbo has given each university 60,000 renminbi (approx. €7,500) per year. A committee of MAN employees and university representatives volunteer their time to select the scholarship recipients.

Project 7: Poland — “Social Day” in the Niepolomice forest

Covering almost 110 square kilometers, the Niepolomice forest is located approximately 20 kilometers east of Cracow, Poland. The area is home to six nature preserves, providing a habitat to many different species of birds and wild animals such as wolves, lynxes, and the European bison. The employees at MAN Truck & Bus spent their Social Day picking up litter in part of the forest, volunteering a full working day for this project. The activity strengthened the employees' team spirit and sense of environmental awareness. The project was supported by the county of Niepolomice and the local forest service.

Project 8: Denmark — Workplace health

In Denmark the retirement age has been raised to 70. As a result, employee health issues are becoming more and more relevant at MAN. In addition to the measures which were already in place, such as health checkups, massages, and information on weight loss, we invited employees at MAN Diesel & Turbo in Copenhagen (Denmark) to voluntarily take part in a specially designed six-week health seminar. The goal of the pilot project was to improve the physical and emotional wellbeing of the 15 participants by modifying their lifestyles. This involved regular training and monitoring during their working hours. As part of the project, we also made changes to the menu in the cafeteria. Two students of nutrition and health care collaborated in the initiative.



Project 08
Employee health is an increasingly important issue at MAN. A pilot project was launched at MAN Diesel & Turbo in Denmark to improve health among staff members.



Project 07
MAN employees spent their Social Day cleaning up the forest in Niepolomice. They volunteered a full working day for the project.



Project 02
A family-friendly workplace is important to more and more employees. MAN Diesel & Turbo opened a daycare center for 76 children at its Augsburg site.



Project 03
Since May 2009 over 380,000 visitors in 127 cities have seen the "Atlantic Forest is Here!" traveling exhibition, which is set up in a tractor-trailer.

Project 1: Turkey — Emergency aid for earthquake victims

On October 23, 2011, Turkey experienced the strongest earthquake it had felt in over a decade. Six hundred people lost their lives and some 2,000 buildings were fully destroyed. Immediately after the disaster, MAN Truck & Bus initiated a campaign on site in Ankara (Turkey) to help the thousands who were left homeless. Volunteer employees collected much-needed items such as diapers, baby

food, clothing, shoes, blankets, towels, and cleaning products. Almost 4,000 donated objects were then packaged by employees during their lunch breaks. The employee volunteers also took responsibility for delivering the emergency supplies. Only a few days after the earthquake, eight MAN employees drove a truck down to the crisis-afflicted region. There they distributed the goods to the mayors of three villages, Kasimoglu, Gülsünler, and Citönü.



Project 01

After the major earthquake in Turkey, MAN employees held a charity drive for victims and brought supplies to the affected area.



Project 04

After the earthquake in Japan, MAN donated around €250,000 to the SOS Children's Village so orphaned children could have a new home. This money also made it possible to pursue professional fundraising.



Project 05

In China, MAN Diesel & Turbo founded the Energy Efficiency Network. The cost-savings measures are already bearing fruit: the factory ranks among the most energy-efficient in China.



Project 06

MAN Diesel & Turbo created a scholarship program to support students and professors at China's two largest universities for marine engineering.

Project 2: Germany — New daycare center in Augsburg

Employees are placing increasing importance on a family-friendly workplace. This is one reason why MAN Diesel & Turbo opened a daycare center at its Augsburg site in October 2011. It accommodates a total of 76 children: 42 aged between nine weeks and three years; and 34 between the age of three and school enrolment age. Around two-thirds of the slots are allo-

cated to children whose parents work at MAN Diesel & Turbo, while the remaining third are for other Augsburg families. Four spaces have been reserved for children from socially underprivileged families. In addition to their backgrounds in early childhood education, the daycare providers have additional training in areas such as music education, speech therapy, and nutritional counseling. A total of €2 million was invested in the project.

Performance Report: Corporate Responsibility Figures





MAN Truck & Bus, Ankara, Turkey



“When I tell my friends that I work for MAN, it always makes a good impression.” Since the beginning of 2011 Kürşat Şenol Güzel (25) has worked in the warehouse at MAN Truck & Bus in Ankara, supplying materials to the assembly line.

About this Report

With its 2011 CR Report MAN meets the requirements of the highest reporting category (A+) of the Global Reporting Initiative for the first time. MAN has also had the entire report verified by a firm of auditors.

How this report was drawn up

To respond to the various needs and expectations of our stakeholders, we have divided our 2011 Corporate Responsibility Report into three sections: the Priority Issue section on “Investing in Our Employees,” descriptions of the MAN CR strategy and CR management, and the Performance Report. In this year’s report, the Priority Issue section is addressed primarily to our employees. As a company listed in the Dax 30, through our report we also reach out to investors and analysts, customers, policymakers, local authorities, and NGOs, as well as to people who live in the regions where we operate.

In its 2011 CR Report, MAN gives an account of its performance in the area of corporate responsibility/sustainability. The report provides all our stakeholders with a detailed and comparable overview of our performance in this area. In preparing this report we adhered to the guidelines of the Global Reporting Initiative (GRI-G3) published in 2006 and have met the requirements of the highest reporting level (A+). Wherever possible, we provide indicators for the past three years. Thus, this report complements our Annual Report for 2011 and at the same time represents our second Communication on Progress for the UN Global Compact. The report was drawn up in conjunction with the CR Excellence Team, which comprises the persons responsible for all areas with a bearing on CR. This report has been approved by the Management Board of MAN SE.

Reporting period and boundary

The 2011 reporting period is identical to the 2011 fiscal year, which ran from January 1 through December 31, 2011. Except for the environmental data, the information in this report relates to all divisions of the MAN Group. To compile it, we collected data from 28 production sites of our MAN Truck & Bus, MAN Latin America, MAN Diesel & Turbo, and Renk divisions. Together they represent approximately 87% of the revenue of MAN, an improvement of seven percentage points in cov-

erage compared to the previous year. Compared to 2010, the consolidated figures for 2011 in the Environment section also include the Aurangabad (India) site. We report indirect emissions in line with the emission factors of the International Energy Agency and direct emissions in line with the emission factors of the German Federal Environment Agency.

Financial data is presented in euros, with foreign currencies translated at annual averages for 2011.

Independent assurance report

We have voluntarily submitted our entire 2011 CR Report for comprehensive and independent verification by the auditing firm PricewaterhouseCoopers in line with the International Standard on Assurance Engagements (ISAE) 3000. Thus, for the first time their audit included all copy and indicators for the 2011 reporting period (limited assurance). The independent assurance report appears on pages 62 and 63.

Editor’s note

This report is published in German, English, Portuguese, and French. The closing date for contributions was January 31, 2012. Events with CR relevance were included through March 31, 2012. In the future we will continue to publish these reports annually. The next report will appear in early 2013. In the interests of readability, we have not used the full legal names of MAN SE and the subgroups.

Additional information

This printed report is supplemented by additional information on our website at www.man.eu/MAN/en/CR. Cross-references in the report facilitate direct access to the relevant information. On our CR website we report continuously on current developments concerning our corporate responsibility.

Corporate Governance

MAN has enhanced its uniform Group-wide integrity and compliance program focusing on combating corruption, antitrust law, and data protection and has rolled it out around the world.

Management and monitoring

In its management and reporting activities, MAN SE complies with the recommendations of the German Corporate Governance Code with only one temporary exception and has issued the appropriate Declaration of Conformity. MAN SE departed temporarily (until January 21, 2011) from the Code with regard to the number of Supervisory Board positions held by Prof. Dr.-Ing. Ekkehard D. Schulz. The Company's Supervisory Board has 16 members with equal numbers of shareholder representatives and employee representatives. In the reporting period the Supervisory Board held seven regular meetings and one constituent meeting. The attendance rate at the Supervisory Board meetings was 96%. The Chairman of the Supervisory Board does not hold any other positions within the MAN Group. Our subsidiary Renk AG has also issued a Declaration of Conformity with the German Corporate Governance Code. To document the absence of conflicts of interest among members of the Executive and Supervisory Boards, their memberships in other governing bodies are listed in the 2011 MAN Annual Report (→ page 174 et seq. of the 2011 MAN Annual Report).

Duties and responsibilities

The distribution of duties and responsibilities at the MAN Group is defined by our Industrial Governance System: The strategic management of the Group lies with the Management Board of MAN SE in which all divisions are represented. Operational management is the responsibility of the respective subgroups. In this, MAN strikes a balance between central strategic management and decentralized operating responsibility, complemented by an open leadership culture. This is founded on shared values for the brand and our corporate culture, and a commitment to corporate responsibility. Implementation is the responsibility of the Chief Human Resources Officer; decision-making authority rests with the Management Board. As a result, CR topics regularly appear on the agenda of MAN SE Executive Board meetings.

Remuneration of the Executive Board

The Supervisory Board's objective and duty is to set Executive Board remuneration at an appropriate amount. The criteria for doing so include in particular the tasks of the respective Executive Board member, their personal performance, the economic situation, the performance and outlook of the Company, and how customary the remuneration is when measured against its peer group as well as the remuneration structure that applies to other areas of MAN. The remuneration of Executive Board members comprises fixed salary payments and noncash benefits, pension and other benefit contributions, and performance-related components. The variable performance-related components comprise components linked to business performance and long-term incentive components that entail an element of risk. Against the backdrop of sustainability considerations, part of the remuneration is contingent upon the future success of the Company.

Values, goals, and policies

The reporting period saw the development of three additional compliance policies that apply across the Group. Our policy on compliance with antitrust regulations primarily comprises rules for dealing with competitors. With the policy on data protection, we have established uniform and globally binding protection for personal data in line with the high European standard. This was preceded by a data protection risk assessment covering 78 Group companies. At the same time, we set up a worldwide network of data protection coordinators. There is now a contact person for data protection issues at all larger MAN companies. Our policy on case management and compliance investigations ensures that reported cases of compliance violation are dealt with and systematically cleared up by the appropriate function in the Group. In addition, MAN has issued a code of conduct for suppliers and business partners that contains minimum ethical standards that MAN's suppliers and business partners undertake to observe. Finally, a project was also initiated to revise all MAN Group

policies with the aim of creating Group-wide standards for policies. To this end, in the reporting period MAN introduced the MAN 0.1 Policy, designed to facilitate simplification and harmonization across the MAN Group.

MAN's clear commitment to the UN Global Compact is underpinned by the Joint Declaration on Social and Corporate Responsibility in the MAN Group, which the Executive Board of MAN signed with the International Metalworkers' Federation in March 2012 as an international framework agreement.

Compliance organization

The new Compliance function established in 2010 was further expanded in the reporting period. The function is managed by the Chief Compliance Officer, who reports directly to the Chief Executive Officer of MAN SE and additionally to the Audit Committee of the Supervisory Board. The Compliance function currently comprises 43 staff, 17 of whom work in the subgroups.

The Compliance Board (previously: Compliance Steering Committee) met four times in the reporting period. The purpose of these meetings was to inform MAN SE's Executive Board and the heads of other functions on the progress of the development of the Compliance organization and the introduction of new compliance measures. In addition, further steps in the ongoing development of the MAN compliance program were also agreed.

A survey on compliance issues was conducted among managers in the reporting period. The findings confirmed the knowledge and acceptance among management of compliance measures across the organization.

Compliance program

In the reporting period, MAN updated its uniform Group-wide integrity and compliance program addressing the issues of combating corruption, antitrust law, and data protection, and rolled it out worldwide. Toward the end of 2011, the second Group-wide compliance risk assessment was conducted, the results of which will be available early in 2012. The assessment covered and evaluated a total of 72 Group units across the four divisions (MAN Truck & Bus: 41, MAN Diesel & Turbo: 28, MAN Latin America: 2, Renk: 1). The aim is to identify potential compliance risks affecting business models in the various business units and/or sales regions. The results of the assessment will be used to determine the structure of the compli-

ance organization, align the compliance program with the needs of MAN, and derive further measures to prevent compliance risks.

Selected compliance measures

Helpdesk	1,405 questions were asked and dealt with
Training	5,470 employees (10%) worldwide were trained in 238 on-site compliance awareness sessions
Business Partner Approval Tool	1,258 employees were trained to use this tool and 1,509 business partners checked

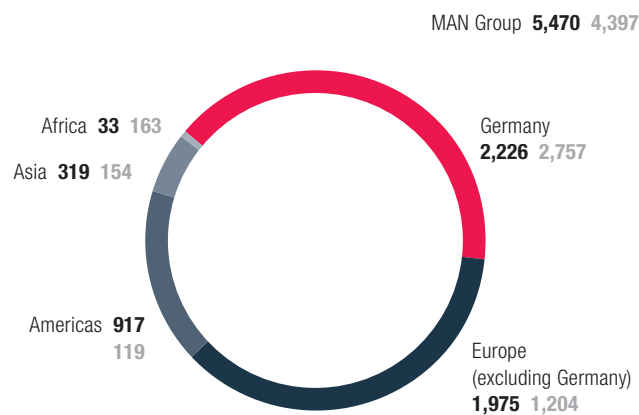
The Compliance Helpdesk answered 1,405 compliance-related questions by phone or e-mail during the reporting period. This brings the total number of questions dealt with since the Helpdesk was launched in February 2010 to 2,512.

On-site training courses on compliance issues are held for employees who are potentially exposed to compliance risks. These compliance awareness training sessions, which last several hours, introduce the employees to MAN's Compliance organization and teach them the fundamentals of combating corruption, antitrust law, and data protection. In addition, we stage a number of special antitrust law training sessions, each lasting several hours, in which employees who come into closer contact with competitors and antitrust issues learn about the contents of the new antitrust policy.

Additionally, half-day training sessions on the policy on handling personal data were conducted for the newly appointed data protection coordinators.

The Business Partner Approval Tool developed in 2010 was rolled out globally in 2011. The policy on engaging business partners requires it to be used to check the integrity of a business partner. A total of 1,258 employees have been trained to use this tool and 1,509 business partners checked.

We want to ensure that purchasing and payment processes at MAN comply with the policies, and that compliance risks in these areas are identified at an early stage. In 2011, MAN therefore started introducing an electronic monitoring system called Continuous Controls Monitoring (CCM) that supplements the internal control system. If specific process test items do not correspond to the prescribed procedures, the CCM system generates an alarm for the appropriate functions. The system thus ensures that any compliance risks and

Number of employees trained in compliance

2010 values in gray

policy violations in the MAN Group's purchasing and payment processes are detected at an early stage. In all of its export business, MAN complies rigorously with all national and international export regulations.

CR and compliance risks can ensue from the acquisition or disposal of equity investments. MAN has therefore laid down specific CR and compliance requirements for the due diligence review of the companies concerned. Thus, we also check on certification and require the provision of environmental and social indicators to enable any compliance risks to be identified at an early stage.

At the quarterly meetings of the Compliance Board the Group-wide compliance measures are agreed with the Executive Board and the heads of department. In addition, we also meet regularly with industry and academic experts to discuss current compliance-related topics, thereby contributing to the public debate.

The MAN compliance program is currently focused on the topics of combating corruption, antitrust law, and data protection. If, however, the Compliance organization receives a report of suspected workplace bullying, for example, or other violations of Compliance rules, these reports are treated in confidence and with sensitivity, and passed on to the HR or specialist function responsible. In 2011, the Compliance organ-

ization received three reports of suspected workplace bullying. The organization also received a further 14 reports on general HR issues, all of which were fully resolved.

Violations and investigations

No fines or sanctions on account of the violation of legal provisions were imposed on MAN in Germany in the reporting period. In the antitrust proceedings concerning several European truck and/or engine manufacturers, including MAN in each case, the Company is cooperating fully with the antitrust authorities of the European Union.

In view of suspected irregularities in the handover of four-stroke marine diesel engines at MAN Diesel & Turbo SE, the Executive Board of MAN SE launched an investigation by the MAN SE Compliance function and external consultants. In this case too, MAN is cooperating with the relevant authorities.

No fines were paid for environmental incidents in the reporting period. Our reporting of such fines covers production sites that together account for approximately 87% of revenue.

Integration

With the aim of integrating CR into its operations and internal processes, MAN has certified additional sites, started to request information from key suppliers, and expanded its communication with stakeholders.

Quality, environmental, and occupational safety management

The MAN Group has set up an integrated management system which includes environmental protection, occupational safety, fire safety, hazard abatement, quality management, and information security. The effectiveness of this management system is verified on-site by regular external and internal audits. The latter are also carried out at our non-certified sites. At the end of the year under review, 24 sites in the MAN Group had ISO 14001 certification, while six sites were certified under EMAS (the EU Eco-Management and Audit Scheme).

The MAN Diesel & Turbo division has ISO 9001 certification, and some sites have already been certified to ISO 14001 and OHSAS 18001. The Deggendorf site received ISO 14001 certification for the first time in 2011. All MAN Truck & Bus production sites have ISO 14001 certified environmental management systems. In addition, the production facilities in Munich, Nuremberg, Salzgitter (Germany), Steyr (Austria), and Cracow (Poland) all comply with EMAS standards and regularly publish site-specific environmental statements. The percentage of employees covered by management systems is lower due to the increase in the number of employees in the year under review.

Percentage of employees covered by management systems

Management system	Distribution	2009	2010	2011
ISO 9000/9001	Number of sites	27	27	28
	Employee coverage	84%	82%	80%
ISO 14001	Number of sites	21	22	24
	Employee coverage	79%	77%	76%
EMAS	Number of sites	5	5	6
	Employee coverage	36%	36%	35%
OHSAS 18001	Number of sites	3	5	5
	Employee coverage	8%	7%	6%

Supplier management

MAN takes responsibility along its supply chain as well. With the goal of integrating CR in its operational purchasing processes, in 2011 MAN introduced its code of conduct for suppliers and business partners to regulate relationships with them. As part of communicating the code of conduct for suppliers, a pilot project for supplier self-assessment has been launched by MAN Diesel & Turbo at its Augsburg site, affecting purchasing for engines and components as well as power plants and marine propulsion systems. Using a questionnaire jointly developed with MAN SE, suppliers are asked to provide information about their corporate responsibility. The questionnaire was sent to 305 suppliers in the purchasing segments of engines and components (55% of the volume of business) and power plants and maritime propulsion systems (95%). The participation rate was 30%. Our goal is to raise CR awareness among our suppliers and evaluate concrete CR risks along the supply chain in the medium term. When suppliers meet very few of the criteria or give themselves a negative score, depending on the degree of compliance we will enact a variety of measures which will be specified in 2012.

Suppliers participating in pilot project by country

Country	Number of suppliers	Country	Number of suppliers
Austria	3	Korea	1
Czech Republic	1	Netherlands	2
Denmark	8	Poland	1
France	2	Sweden	1
Germany	62	Switzerland	3
Italy	2	United Kingdom	3
Japan	1		

Stakeholder communication in 2011

Target group	Media	Topics	
Customers and business partners	<ul style="list-style-type: none"> ■ 2010 CR Report ■ Customer Relationship Management ■ FENATRAN 2011 transportation trade fair (Brazil), Challenge Bibendum 2011 (Germany) 	<ul style="list-style-type: none"> ■ 2011 Consistently Efficient Tour ■ MAN Corporate Website ■ MAN Forum—the MAN Group Magazine ■ MAN Truck & Bus smartphone app 	Alternative drive technologies, Euro VI technology, CO ₂ reduction, CR strategy, CR management, CR performance, CR projects
Employees	<ul style="list-style-type: none"> ■ 2010 CR Report ■ MAN Summit, HR Summit, meetings of the Group Works Council, workforce meetings, internal information fairs ■ International employee survey 	<ul style="list-style-type: none"> ■ Employee newsletters, MAN intranet, MAN TV, manager newsletter, MAN Forum—the MAN Group Magazine ■ Presentations in departments ■ MAN page on betterplace.org ■ MAN career page on Facebook 	CR strategy, CR management, CR performance, CR projects, employee volunteering, results of employee survey, employee satisfaction
Suppliers	<ul style="list-style-type: none"> ■ 2010 CR Report ■ Code of conduct for suppliers and business partners 	<ul style="list-style-type: none"> ■ Trucknology Supplier Award by MAN Truck & Bus ■ MAN Corporate Website 	Environmental protection and efficiency, CR strategy, CR management, CR performance, CR along the supply chain
Analysts and investors	<ul style="list-style-type: none"> ■ 2010 CR Report ■ Corporate responsibility fact sheet ■ MAN Factbook 	<ul style="list-style-type: none"> ■ Annual report, Annual General Meeting, Capital Market Day, road shows, conferences 	CR strategy, CR management, CR performance
Policymakers	<ul style="list-style-type: none"> ■ 2010 CR Report ■ MAN Politics Newsletter 	<ul style="list-style-type: none"> ■ Membership of associations ■ Face-to-face meetings ■ MAN Corporate Website 	CR strategy, CR management, CR performance, environmental protection, competitive behavior
Media	<ul style="list-style-type: none"> ■ 2010 CR Report and press event to mark publication ■ 2011 Consistently Efficient Tour ■ Challenge Bibendum 2011 (Germany) 	<ul style="list-style-type: none"> ■ MAN Forum—the MAN Group Magazine ■ Press releases, press newsletter, articles in trade journals, interviews ■ MAN Corporate Website 	Alternative drive technologies, CO ₂ reduction, CR strategy, CR management, CR performance, CR projects, employee volunteering
General public	<ul style="list-style-type: none"> ■ 2010 CR Report ■ Press releases ■ Sponsorship activities 	<ul style="list-style-type: none"> ■ MAN Corporate Website 	CR strategy, CR management, CR performance, CR projects, climate protection, employee volunteering, women in management positions
NGOs	<ul style="list-style-type: none"> ■ 2010 CR Report ■ MAN Forum—the MAN Group Magazine ■ MAN Corporate Website 	<ul style="list-style-type: none"> ■ Press releases, press newsletter, ■ Face-to-face meetings 	CR strategy, CR management, CR performance, CR projects, climate protection, employee volunteering

The results of the pilot project will be presented to the responsible purchasing officers from MAN Diesel & Turbo at a workshop in the first quarter of 2012; follow-up activities for the suppliers will be developed and concrete supplier management processes defined. We plan to implement self-assessment by suppliers in other subgroups as well, with MAN Truck & Bus following in 2012.

Stakeholder communication in 2011

In 2011 our stakeholders were provided with targeted information on various CR topics using a variety of media. The table above gives an overview of our stakeholder communications in the year under review.

Memberships

MAN is a member of numerous associations that support dialog and communication between industry, policymakers, and society. Our most important memberships are:

- Association of Employers' Associations for the Metal and Electrical Industry
- Bavarian Business Association
- DEKRA
- European Automobile Manufacturers' Association
- Federation of German Industry
- German Association of the Automotive Industry
- German Association of Business, Transportation and Logistics
- German Association Materials Management, Purchasing and Logistics
- German Transportation Forum
- German Engineering Federation
- International Chamber of Commerce Germany
- Transparency Deutschland

Economy

The MAN Group enjoyed a successful year: record revenue of €16.5 billion, operating profit up by 43%, and capital expenditure up by approximately 70%.

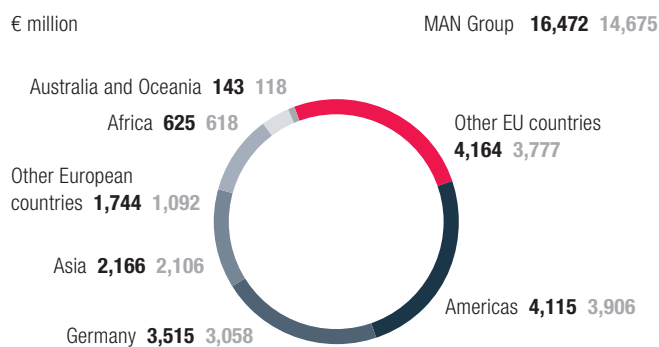
Business performance

The MAN Group posted record revenue of €16.5 billion in 2011. This represents an increase of more than 12% compared with the prior year and is approximately €1.6 billion higher than in boom year 2008. The increase was primarily driven by the Commercial Vehicles business area. Generating 54% of the Group's total revenue, MAN Truck & Bus is the main source of revenue. MAN Latin America accounted for 22% of total revenue and posted its best-ever year. Most of the revenue of the Power Engineering business area was generated by the MAN Diesel & Turbo division. Operating profit increased by 43% compared with the prior year to €1.5 billion. In 2011, We paid out total dividends to our shareholders of €294 million or €2.00 per share for the 2010 fiscal year. Net interest expense amounted to €134 million. Further information on financial performance is available in our 2011 Annual Report (→ 2011 Annual Report, page 30 et seq.).

Business performance in 2011

€ million	2010	2011
Order intake	15,072	17,145
of which: Germany	3,489	3,646
of which: other countries	11,583	13,499
Revenue	14,675	16,472
of which: Germany	3,058	3,515
of which: other countries	11,617	12,957
Operating profit	1,035	1,483

Revenue by region



Figures for 2010 in gray

Taxes and subsidies

MAN pays its taxes wherever value is added. In 2011, MAN paid income taxes amounting to €294 million. We do not take extensive measures to optimize our taxes. Expenditures for order-related R&D activities and for projects receiving public-sector subsidies totaled €175 million. Approximately 47% of internal funds were invested in basic research and the development of new products. Unlike in the prior year, we only made minimal use of short-time working and therefore received limited state allowances to support employment in 2011.

Capital expenditures

The MAN Group's capital expenditures in 2011 amounted to €671 million, which is approximately 70% more than the €396 million invested in the prior year. Investments in the Commercial Vehicles business area amounted to €567 million in 2011, a significant increase on the prior-year figure (€283 million). MAN Truck & Bus made the necessary replacement and maintenance investments and invested in enhancing productivity and quality, as well as in developing new products (e. g. engines that comply with the Euro VI emission standard). Investments were made in a new production facility in St. Petersburg and the enlargement of the logistics center in Salzgitter, as well as the expansion of the sales and service network, among others, to leverage growth potential.

MAN Latin America's capital expenditures were driven by the changeover to the Euro V emission standard and the technical integration of products and components with MAN Truck & Bus. Investments were also made in the Resende production site to expand capacity and leverage potential synergies with MAN Truck & Bus.

Investments in the Power Engineering business area amounted to €117 million in 2011 compared to €108 million in the previous year. MAN Diesel & Turbo made necessary replacement and maintenance investments and invested in increasing the efficiency and expanding the capacity of its production sites, as well as in its after-sales network. One of the most important projects in fiscal year 2011 was investing to meet future emission standards in the Engines & Marine

Capital expenditures

€ million	2010	2011
Property, plant, and equipment, and investment property	235	355
Intangible assets	156	246
Investments	5	70
Total	396	671
of which: acquisition of additional interest in EURO-Leasing GmbH	–	50
of which: acquisition of Sinotruk	1	–
of which: other capital expenditures	395	621
of which: Germany	264	438
of which: other countries	131	183
Depreciation, amortization, and impairment*	368	353
Capital expenditure ratio in %	107	176

* Excluding earnings effects from purchase price allocations (2011: €99 million, 2010: €99 million) and excluding write-downs of investments of €677 million.

Capital expenditures by business area

€ million	2010	2011
Commercial Vehicles	283	567
Power Engineering	108	117
Others/Consolidation	5	–13
MAN Group	396	671

Systems strategic business unit. In addition, the second expansion phase at the Changzhou production facilities in China started operation in May 2011. Manufacturing capacity for components for several MAN Diesel & Turbo and Renk activities were expanded or merged.

Renk's expenditure on replacement items and rationalization measures focused on cutting-edge technologies for manufacturing vehicle transmissions and special gear units.

Research and development

MAN invested €740 million in research and development in 2011, which is 18% more than in 2010. In relation to revenue, R&D expenditure was unchanged at over 4%. The main focus of research and development was on reducing fuel consumption and emissions in the Commercial Vehicles business area. Due to the growing importance of alternative drive concepts, MAN combined its R&D activities in this area in 2011 in a newly created competence center for hybrid drive systems in Munich with increased staffing. The TGL Hybrid delivery truck has been on field trials with customers since

August 2011 and is supplying valuable feedback for the optimization of hybrid drive in the delivery sector.

MAN's pioneering Concept S study vehicle includes ideas for optimizing the aerodynamics of the long-distance vehicles of the future. Its aerodynamic design alone allows the Concept S to consume up to 25% less fuel — when combined with an appropriately modified semitrailer — than a comparable, conventional 40-ton semitrailer tractor. For such a vehicle to be produced and sold, however, certain registration rules within the EU would have to be amended.

Reducing emissions is a major driver of R&D activities in the Power Engineering business area as well. In January 2011, MAN Diesel & Turbo held the topping-out ceremony for a new emissions test center in Augsburg. This new facility will be used to test various possibilities for reducing emissions such as catalytic technology, exhaust-gas recirculation, and particulate filters.

Research and development

€ million	2010	2011
R&D expenditures	626	740
of which: Commercial Vehicles	328	403
of which: Power Engineering	313	345
of which: consolidation	–15	–8
R&D expenditures of the manufacturing areas (% of revenue)	4.3	4.5
Internally funded R&D	469	565
R&D employees (annual average)	3,944	4,443

Climate-related risks and opportunities

MAN is indirectly affected by climate change, that is, by the resulting regulatory changes and the development of energy prices. According to estimates by the European Automobile Manufacturers' Association, European manufacturers of commercial vehicles will have to spend between €6 billion and €8 billion solely to meet Euro VI emission standards. With the Climate Strategy adopted by MAN in 2011, there will be a closer focus on climate-related risks and opportunities (→ page 20 et seq.). The direct impact of climate change is limited, however. We have no production facilities in areas threatened by flooding, for example. The consistent continuation of the European climate-protection policy and the gradual implementation of similar policies in the BRIC countries will yield new growth opportunities for MAN.

Product responsibility

MAN's key challenge in product development is to reduce the fuel consumed per ton of goods transported — accompanied by a corresponding reduction in CO₂ emissions. Our response to this challenge involves alternative drive concepts, aerodynamic optimization, and innovative key technologies such as exhaust-gas recirculation and selective catalytic reduction.

MAN Truck & Bus launched the TGX EfficientLine truck, which optimizes both aerodynamic drag and payload and results in savings of up to three liters of diesel fuel per 100 kilometers, equivalent to a reduction of up to 10% in energy consumption per ton of goods transported. The MAN Lion's City Hybrid is an example of how the hybrid strategy can be successfully implemented. It has been on the market as a series-produced vehicle since 2010 and is already in use as a public service bus in various European cities. The MAN Lion's City Hybrid uses up to 30% less fuel and produces correspondingly less CO₂ than city buses with conventional diesel engines. MAN is the market leader for CNG (compressed natural gas) buses. These buses are almost carbon neutral when operated with biogas, which can be burned cleanly and without any problems in their standard natural-gas engines, making for lower emissions of pollutants.

In 2011, MAN Diesel & Turbo presented an all-new 6-megawatt gas turbine featuring outstanding efficiency for its class of well over 30%. Central considerations in the development of this product were climate-friendly and cost-effective operation as well as reliability — key purchasing criteria for industrial and municipal energy providers. And a new gas engine in the 10-megawatt class will be launched soon. In the two-stroke engine segment, MAN Diesel & Turbo's second-generation exhaust-gas recirculation technology makes it the first provider in the world to meet the IMO Tier III emission standard, which will not become effective until 2016.

It is our goal to reduce the proportion of less efficient products in our portfolio (→ page 21 et seq.).

Customer focus

MAN provides its customers with comprehensive product information and user guides showing the safest and most environmentally compatible way to operate MAN products. For example, we inform our customers in the Trucks Product Catalog about the turn-off assistant and in the MAN EfficientLine Brochure about how to save fuel and reduce CO₂ emissions. We take customer complaints very seriously and use them as important indicators of ways in which we could improve our products and services. MAN Truck & Bus set up an integrated complaint management system in 2008 so that all complaints can be processed as smoothly and speedily as possible. On all accounts, we act as partners to our customers throughout each product's entire lifecycle: MAN Diesel & Turbo, for example, provides worldwide after-sales service under the MAN PrimeServ brand. MAN Support offers fleet operators a mobile tracking and vehicle management tool in the form of TeleMatics, as well as comprehensive fleet management support. And MAN Truck & Bus is involved in a research project exploring smart traffic-assistance systems with the aim of allowing more efficient use of infrastructure in order to make driving easier and enhance road safety.

Customer satisfaction

Customers are our most important stakeholders because they drive our business success. In order to maintain close contacts with our customers and to identify their needs, we conduct regular surveys in all our business areas to find out how satisfied customers are with our products and services. MAN Truck & Bus, for example, has been tracking customer loyalty and customer satisfaction relating to sales and service each year since 2006. We also address specific customer requirements in our product studies. For the eighth year in a row, MAN Latin America led the field for customer satisfaction in the light and heavy truck market segments in 2011.

Product marketing

As in all of our actions, we observe the provisions of the law also with regard to advertising and product marketing. In Germany, we follow the recommendations of the German Advertising Council, and ensure that any information we provide to customers complies with the relevant legal requirements. MAN did not receive any complaints in this respect in 2011.

Environment

Although revenue was up 12% in the year under review, MAN's energy consumption rose by only 3%. Indirect CO₂ emissions remained constant at the previous year's level and CO₂ emissions decreased from 30 to 28 tons per €1 million revenue.

Energy consumption

As revenue growth of 12% indicates, the MAN Group produced considerably more in 2011 than the year before. This is reflected in our resource consumption; as a result, the impact of the measures we took to improve our environmental management and boost energy efficiency is not readily visible in an absolute reduction in consumption. In 2011 MAN's total energy consumption showed a year-on-year rise of 3%, to 5.3 million gigajoules. An increase in test runs of our engines in Nuremberg, Augsburg, St. Nazaire (France), and Resende (Brazil) means that our diesel consumption was 25% higher than in 2010. As a result of increased production in our hardening plants, our hydrogen consumption almost doubled in 2011, from six to eleven gigajoules. In 2010 MAN Diesel & Turbo consumed heavy fuel oil for test runs with marine diesel engines. During the period under review we replaced this completely with diesel or light oils. In 2011 our consumption of diesel fuel was around 695,000 gigajoules. We succeeded in reducing our LPG consumption by 21% compared with 2010.

Energy consumption

Gigajoules

Year	Direct energy	Indirect energy	Total
2011			5,340,997
2010			5,176,342*
2009			4,589,319*

■ Direct energy ■ Indirect energy

* This figure reflects a subsequent correction due to a data collection error and do not agree with the figures published in the 2010 CR Report.

By 2020 we aim to achieve a 25% reduction in CO₂ emissions by MAN sites compared to 2008 (→ page 20 et seq.). Since 2011 we have been working on site-specific measures to meet this target. To reduce energy consumption in production, MAN is focusing on measures in the fields of heat recovery, compressed air systems, and production shop heating and lighting systems. Innovative heat projects were implemented at several MAN Truck & Bus sites, leading to marked reduc-

Direct energy consumption by primary energy source

Gigajoules	2009	2010	2011
Heating oil	420,002	337,825	346,379
Natural gas	1,276,352	1,449,428*	1,412,854
Diesel	348,977	555,821*	694,623
Gasoline	2,095	5,697	7,684
LPG	7,502	5,864	4,643
Acetylene	1,233	1,206	1,351
Hydrogen	38	6	11
Methanol	2,253	2,925	3,063
Heavy fuel oil	0	11,280	0
Lubricating oil	1,173*	0*	0

* These figures reflect a subsequent correction due to a data collection error and do not agree with the figures published in the 2010 CR Report.

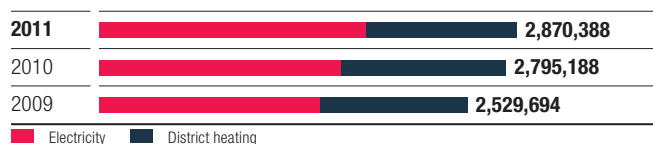
tions in consumption. This implementation was particularly successful at the Munich, Salzgitter, and Steyr (Austria) sites. The Steyr factory even received an award from the Austrian Environment Ministry for its engine test bench heat recovery concept. With the aim of progressively reducing CO₂ emissions at the production sites, MAN Truck & Bus introduced an integrated energy concept as part of the core initiatives for implementing the Climate Strategy (→ page 21). This comprises improvements in energy efficiency, use of renewables, internal energy generation, and energy management. Plauen is the pilot site for the application and implementation. In order to document and sustain these successes, we are rolling out an IT tool in 2012.

At MAN Truck & Bus and MAN Diesel & Turbo, energy experts regularly meet to discuss lessons learned from efforts to improve energy efficiency and optimize energy management. At the Augsburg, Hanover, Frederikshavn, and Holeby (Denmark) sites, we improved the energy efficiency of our buildings in the course of modernization measures. In Changzhou, China, we almost halved energy consumption per working hour from 48 to 27 kilowatt-hours during the year under review by means of a needs-based central building control system. We are cur-

rently examining the possibility of using renewable energy from photovoltaic systems and combined heat-and-power generation (→ page 21).

Indirect energy consumption by source

Gigajoules



Energy efficiency at the service-life stage

As part of our core initiatives for implementing the Climate Strategy, we are investigating CO₂ emissions throughout the entire product life cycle with the aim of identifying savings potential. It has been found that in the Commercial Vehicles business as much as 90% or more of energy consumption and CO₂ emissions occur during the service life of the vehicles. We are therefore undertaking intensive research into efficient, low-emission solutions. With the focus on the total cost of ownership approach, which identifies and documents costs and energy consumption for the entire product life cycle, MAN systematically integrates environmental considerations into the product development process.

Efficient and eco-friendly innovations

Model	Market launch	Environmental benefit
Commercial Vehicles		
CNG (compressed natural gas) bus	2003	Exceeds Euro V standard
EEV Enhanced Environmentally Friendly Vehicles	2008	Exceeds Euro V standard
TGX EfficientLine	2010	3 liters of diesel less per 100 km
Lion's City Hybrid bus	2010	30% reduction in fuel consumption
Dual Fuel Truck	2010	90% CO ₂ less when operated with biodiesel
Power Engineering		
VTA turbocharger technology	2008	500 ton reduction in annual fuel consumption
Exhaust gas scrubber	2009	90% reduction in SO _x emissions
Diesel Combined Cycle	2010	28,000 ton reduction in annual fuel consumption
Selective catalytic reduction	2011	80% reduction in SO _x , 100% reduction in NO _x

Our customers can make a contribution to resource conservation by operating our products correctly. We therefore inform them about the influence of factors like rolling resistance and drag on the fuel consumption and emissions of their vehicle. Our MAN Support ProfiDrive courses provide training to help professional drivers adopt a fuel-saving driving style. In 2012 some 6,000 drivers took part in such courses, enabling them to then reduce fuel consumption — and hence costs — by about 5% while cutting CO₂ emissions at the same time.

MAN Diesel & Turbo provides training for both customers and employees in optimum, fuel-efficient operation of large-bore diesel engines. Last year, eleven MAN PrimeServ Academies offered 14 different courses and training programs worldwide.

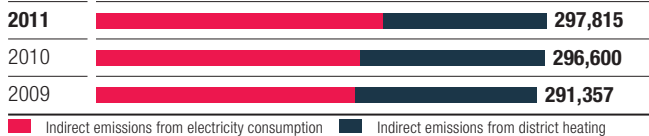
Greenhouse gas emissions

While our revenue was up 12% in 2011, our direct CO₂ emissions increased by only 6% and our indirect CO₂ emissions remained at the previous year's level. As a result, we reduced our emissions per €1 million revenue from 30 tons in 2010 to 28 tons in 2011. This was largely due to the replacement of heavy fuel oil by diesel or light fuels in MAN Diesel & Turbo.

The Nuremberg and Munich sites with their heating plants are subject to the European Emissions trading scheme. The Munich heating plant runs on natural gas and heating oil. A service provider operates the Nuremberg heating plant. Of the 24,004 annual permits allocated to the Munich site for the second trading period, 16,424 were used by the end of 2011.

Direct emissionsTons of CO₂ equivalent

* These figures reflect a subsequent correction due to a data collection error and do not agree with the figures published in the 2010 CR Report.

Indirect emissionsTons of CO₂ equivalent**Emissions per €1 million revenue**Tons of CO₂ equivalent

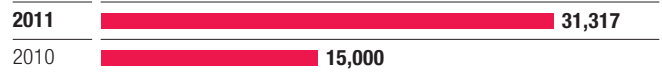
* These figures reflect a subsequent correction due to a data collection error and do not agree with the figures published in the 2010 CR Report.

Emissions due to transportation and logistics

Since 2008 MAN Truck & Bus has been collecting data on CO₂ emissions in the logistics sector. At 75%, truck transportation accounts for the largest proportion of emissions from logistics operations. In the year under review MAN Truck & Bus gave rise to 77,194 tons of CO₂ in the course of component supplies and 79,998 tons of CO₂ through deliveries of its products. To reduce CO₂ emissions within our own transportation chain, we supply our regional freight forwarders via freight hubs, which consolidate shipments, optimize vehicle capacity utilization, and avoid vehicles having to make empty runs. As a commercial vehicle manufacturer, we expect our service providers to use state-of-the-art trucks that conform to the latest emissions standards.

Our Group-wide travel policy, which took effect in 2011, lays down rules for our employees regarding travel by air, rental car, and train. Journeys should only be undertaken when unavoidable and only after first considering alternatives such

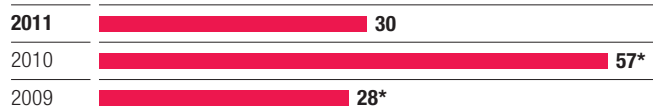
as video or telephone conferencing. Wherever economically feasible, the most environmentally friendly form of transportation should always be used. During the year under review, MAN employees' air travel that was booked by the central travel office gave rise to 31,317 tons of CO₂ emissions — twice the previous year's figure. This was due to the increase in employee flights to our overseas locations in Brazil, China, and India. On the occasion of our first CR-related expert conference on the topic of responsibility, attended by some 60 experts from MAN Truck & Bus and MAN Diesel & Turbo, we compensated for the CO₂ emissions generated by investing in climate protection projects. For our employees' commute to and from work, we offer concessionary tickets or bus transfers depending on the infrastructure situation.

Emissions due to air travelTons of CO₂ equivalent**Pollutant emissions**

By replacing heavy fuel oil at MAN Diesel & Turbo, we succeeded in reducing our sulfur dioxide emissions by 47%. Refrigerants containing chlorine that represent a hazard to the ozone layer and are still used in some old equipment at a small number of sites are finally being phased out. Small quantities of chlorodifluoromethane (R22) are used in closed-cycle systems to operate the air-conditioning equipment at those sites. During normal operation this does not cause any emissions. However, secondary products within the production process may contain traces of other ozone-depleting substances. We reduced consumption of solvents (volatile organic compounds, VOC) by 4% during the year under review. These are used for surface cleaning, coating, and adhesion purposes. In 2011 MAN Truck & Bus also introduced a standard Group-wide specification for registering the consumption of solvents. This permits better identification of the potential for reduction throughout the Group.

SO₂ emissions

Tons



* Owing to changes in the method of calculation, these figures do not agree with those published in the 2010 CR Report.

NO_x emissions

Tons



* Owing to changes in the method of calculation, these figures do not agree with those published in the 2010 CR Report.

CO emissions

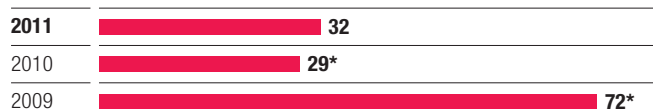
Tons



* Owing to changes in the method of calculation, these figures do not agree with those published in the 2010 CR Report.

Particulate emissions

Tons



* Owing to changes in the method of calculation, these figures do not agree with those published in the 2010 CR Report.

Solvents

Tons



* Owing to changes in the method of calculation, these figures do not agree with those published in the 2010 CR Report.

Emissions of other substances (e.g. CH₄, N₂O, SF₆, PFC_s, HFC_s), expressed in terms of CO₂ equivalent, account for less than 1% of total CO₂ equivalent emissions and are therefore not shown separately.

Noise

Noise pollution is a potential problem for neighboring communities mainly at sites where, for historical reasons, production buildings are situated in immediate proximity to residential areas, as is the case for example at the Munich, Nuremberg, and Steyr (Austria) sites. In the past these problems have been solved by organizational and structural measures, such as the erection of noise barriers. We immediately investigate any new complaints about noise, track down the source, and take steps to prevent any further spikes in noise levels.

Raw materials consumption

Economical use of raw materials and consumables is a Group-wide objective at MAN. The principal raw materials used in production are steel, copper, aluminum, and various plastics. Owing to the rise in commodity prices at the beginning of 2011, our expenditure on materials increased from €8.1 billion to €9.3 billion in the year under review. MAN is aware that rising prices and supply shortages in the commodities market pose a potential risk. To reduce copper consumption, we are increasingly replacing copper with fiber optic cables in data cables and electrical wiring in our trucks. We are also increasingly substituting stainless steel for copper intercooler piping in marine engines.

Cost of materials

€ million	2009	2010	2011
Commercial Vehicles	4,485	6,329	7,674
Power Engineering	1,949	1,853	1,722
Other/consolidation	-98	-87	-82
Total	6,336	8,095	9,314

Cost of materials in relation to revenue

Percentage of revenue	2009	2010	2011
Commercial Vehicles	57	60	61
Power Engineering	46	44	43
MAN Group	53	55	57

Waste and recycling

Products manufactured by MAN have a very long life expectancy which may often span several decades. It is therefore a long time before they need to be disposed of, or rather recycled, since essentially they are made of materials that are readily recycled. In the interests of resource conservation, the MAN Group attaches great importance to the use of recycled metals in its foundries. In 2011 we purchased and used some 20,000 tons of scrap from external recycling processes. In the same period, we also returned some 1,800 tons of swarf and scrap from our own production lines to the production cycle.

The total quantity of waste in the year under review came to 193,780 tons, of which 95% was recycled. This means that the quantity of waste was 86% higher than in the prior year. 81% of the total amount of waste was generated by MAN Truck & Bus, mainly in the form of non-hazardous waste for recycling. In view of the unusual amount of construction work within MAN Truck & Bus in Germany, and particularly in Nuremberg, the non-hazardous waste increased by 163% in the form of excavated soil. At all plants, hazardous waste for disposal and hazardous waste for recycling was dealt with in accordance with waste legislation. The relevant certificates were obtained from the waste management contractors. No waste was exported.

Waste by type of treatment

Tons	2009	2010	2011
Total non-hazardous	29,115	45,457	119,817
of which: recycled	24,254	40,403	114,030
of which: disposed of	4,861	5,054	5,787
Total hazardous	12,300	12,188	16,628
of which: recycled	8,047	9,103	12,843
of which: disposed of	4,253	3,085	3,785
Metal scrap	42,931	46,425	57,335
Total	84,346	104,070	193,780

Recycled waste

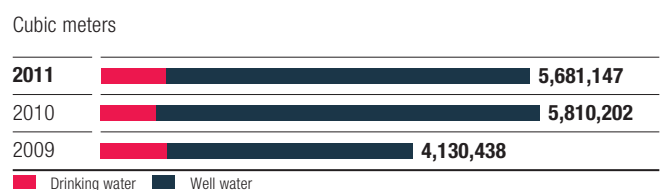
Tons	2009	2010	2011
Total waste in tons	84,346	104,070	193,780
of which: recycled	75,232	95,931	184,209
Recycling ratio (%)	89	92	95

Water and wastewater

The water used at our production sites mainly comprises process water for washing and cooling purposes, and drinking water for sanitary purposes. Despite the increase in production output during the year under review, total water consumption was down by more than 2% to approximately 5.7 million cubic meters. Our consumption of drinking water rose by 17% compared with the prior year. This was due to the increase in employee numbers and the integration of production processes such as surface treatment into the drinking water network because of the need to satisfy higher quality criteria.

We return any water that we take from surface water unchanged. In the year under review we extracted about 5% less water from surface waters than in 2010. The volume of wastewater remained around the prior-year level, with an increase of about 2%. A large number of sites use groundwater for cooling purposes, and this is drained away again after use. At other sites, water from nearby streams is used. Some sites also use cooling water in closed-loop systems. The Ankara (Turkey), Munich (Germany), Nuremberg (Germany), Starachowice (Poland), and Steyr (Austria) sites operate their own treatment plants for contaminated wastewater from painting operations. The Group also operates many other types of wastewater treatment facility, such as neutralization systems, osmosis systems, and separators, all of which are monitored. The in-house and external monitoring mechanisms ensure reliable compliance with wastewater standards.

Water consumption



Surface water extraction



Wastewater

Cubic meters

2011		1,165,253
2010		1,136,208
2009		1,019,161

Nature conservation and biodiversity

The production sites owned by MAN cover a total area of around 6.4 square kilometers. No operational areas at these sites are located in protected natural areas, water catchment areas, or areas of high biodiversity. In 2010, because of the great importance we attach to species conservation and biodiversity, MAN Truck & Bus submitted to a biodiversity check devised by the European Business and Biodiversity Campaign (EBBC). Here attention was drawn, for example, to the small distance of 100 meters separating our Munich site from Allacher Forst, which is covered by the European Union's Habitats Directive. It was considered unlikely that the production activities at our site would have any impact on the area. We were, however, recommended to take the precaution of calculating the potential influences. This suggestion was included in the Environment Program as a measure with a deadline of 2014. At our Berlin site, environmental safety considerations prompted us to apply a special coating to the entire workshop floor area of approx. 300 square meters. This prevents groundwater pollution arising from the use of substances dangerous to water. At another of our German sites, our own efforts to provide a suitable breeding environment have resulted in peregrine falcons nesting on the factory site for the past four years. The peregrine falcon appears on the Red List of endangered species.

Environmental protection investment and expenditures

In the year under review we invested €7.7 million in environmental protection. This was 27% more than in the prior year. In this way we ensure that our production facilities conform to the highest standards of environmental technology and resource efficiency. We also invest in systematically integrating environmental considerations into the development of our products.

Environmental incidents

In 2010 a minor incident occurred at MAN Truck & Bus while a tank was being filled with diesel fuel. In the year under review there was a minor accident during loading operations at the same company which resulted in very small quantities of emulsion escaping from a container. In both cases, clean-up measures were carried out in consultation with the authorities. At no time was there any risk of environmental consequences from the incidents in 2010 or 2011. Appropriate emergency response plans are in place at all sites, and the major sites have well equipped works fire services to coordinate and deal with incidents of these and other magnitudes.

Employees

In 2011 MAN conducted its first Group-wide employee survey, increased its workforce by 10% year-on-year, and employed a higher proportion of women — including at management level.

Employee structure

As of December 31, 2011, the MAN Group employed 52,542 people. This represents a 10% increase over the previous year, both nationally and internationally. Our workforce grew by 10.3% in Germany and 10.0% in the rest of the world. Women make up 13 % of our total workforce. The number of employees with fixed-term contracts increased by 26%; as a proportion of the total workforce, it rose by 0.6 percentage points in the year under review. Across the Group, we spent around

Employee structure

	2009	2010	2011
Total	47,743	47,669	52,542
Germany	26,768	27,354	30,187
Other countries	20,975	20,315	22,355
Women	5,662	5,943	6,846
Subcontracted employees	1,643	1,976	2,364
Part-time employees	764	709	787
Employees on fixed-time contracts	2,002	2,035	2,581

Employees by region

(excluding subcontracted employees)

	2009	2010	2011
Germany	25,962	26,046	28,589
Europe (excluding Germany)	16,433	15,407	16,604
Africa	791	827	925
Asia	805	1,193	1,453
Americas	2,067	2,174	2,559
Australia	42	46	48
Total	46,100	45,693	50,178

Age of employees

(excluding subcontracted employees)

< 30	31–40	41–50	51–60	> 60	Total
10,811	14,490	14,201	9,455	1,221	50,178

€2,542 million (2010: €2,187 million) on salaries and wages and €551 million (2010: €462 million) on social security contributions, pensions, and other benefits in 2011.

Employee turnover

(excluding subcontracted employees)

	2009	2010	2011
New hires	2,692	3,906	8,486
Persons leaving	6,361	4,510	4,326
Employee turnover in %	14.0	9.9	8.6

Employee satisfaction

In 2011 we conducted a Group-wide survey of our employees for the first time (→ page 10). The main area of focus was employee satisfaction in the workplace. We will utilize the results, which are outlined in the Priority Issue section of this report, to develop follow-up measures to further improve employee satisfaction.

The MAN Executive Academy feedback instruments contribute to an open culture of constructive feedback within the Company. We support our high standard of leadership, for example, by anchoring the four leadership qualities (competence, transparency, commitment, behavior) in the MAN annual performance reviews for managers and evaluating the degree to which they are practiced. This benefits not only the Company and the employees, but the managers as well.

Remuneration

Remuneration at MAN is based on market rates and performance. Participation in Company profits on the part of employees, managers, and the Executive Board is founded on the same criteria across the Group. Remuneration is equal for women and men; it is calculated on the basis of professional and personal qualifications, degree of responsibility, and performance. Internal comparisons of the salaries and

wages paid to our female and male employees have confirmed this equal treatment. A uniform system for ranking management positions has been in place since 2007. It factors in employee competencies, contribution to value creation, and management and budget responsibilities. Around the world, employee remuneration packages are made up of comparable elements, with provisions for country-specific differences (e.g. in pensions). At our German sites, salaries and wages are governed by collective bargaining agreements. We meet local minimum wage requirements at our international sites and ensure that this represents a living wage.

Diversity and equal opportunity

Our guidelines for management hiring specify that diversity and the placement of qualified women in particular are to be given special consideration. With the aim of further increasing the proportion of women in management positions, we offer mentoring and coaching programs, compile a pool of female candidates, and agree with executive search firms on a specific percentage of female candidates for management positions. In the year under review, MAN employed 25 more women managers than in the previous year. For the third year in a row, the proportion of women in management positions rose by an average of over one percentage point, to almost 7%. Our goal is to increase the percentage of women in management positions to 12% by 2014. There are no women on the Executive Board of the MAN Group; one woman sits on the MAN SE Supervisory Board.

In our Company we work to integrate people with disabilities. In 2011, 5.3% of the MAN workforce in Germany consisted of severely disabled employees. This places us above the legally required employment quota for disabled people, which is 5% in Germany. MAN Latin America has launched a program for their integration and has hired 22 disabled people.

Women in management positions (excluding subcontracted employees)

	2009*	2010*	2011
Level 1	–	–	3
Level 2	–	–	17
Level 3	–	–	68
Total	41	63	88
Percentage	5.0	6.1	7.3

* During these years we only recorded the total number of women in management positions and not the distribution across the different management levels (level 1 to 3).

Balancing work and family

Building on the example of the MAN daycare center at our Munich facility, MAN Diesel & Turbo opened a company daycare center in Augsburg in October 2011. It offers care to 76 children of MAN employees and Augsburg families. In Latin America, we offer employees six-months' maternity leave.

Flexible working hours

A Group-wide model of flextime accounts to increase the flexibility of our employees. Flextime allows employees to work more or fewer hours per day as their current workload demands, and to be compensated for overtime with time off. Compared with the previous year, the proportion of employees with flextime accounts was unchanged despite the increase in our workforce. In Germany, the average hours worked per week are governed by collective bargaining agreements. At MAN, permanent employees may also request to work from home. In the year under review, the number of telecommuters increased slightly, while the number of employees on sabbatical decreased by approximately 70%. Sabbaticals were primarily taken by MAN Truck & Bus employees as part of the short-time working program in 2010, which was discontinued at most sites in the year under review.

Telecommuting and sabbaticals in Germany

(excluding Renk; excluding subcontracted employees)

	2009	2010	2011
Telecommuters (number)	5	5	8
Employees on sabbatical (number)	5	37	11

Flextime accounts

(excluding Renk)

		2009	2010	2011
Number of employees	Germany	24,247	24,391	26,808
	Total	44,232	43,784	48,234
Employees with flextime accounts	Germany	23,746	23,749	26,116
	Total	29,880	31,720	35,036
Percentage	Germany	98.0	97.4	97.4
	Total	67.6	72.5	72.3

Vocational training and continuing professional development

MAN is known for its effective vocational training and continuing professional development programs, which it offers at all of its sites. In fall 2011, 1,973 young people in Germany and 2,769 across the Group started vocational training in more than 30 primarily technical trades. With a view to our future success, for many years we have been training more young people than we need. In the year under review, MAN (excluding Renk) took on more than 80% of its vocational trainees permanently in Germany. In the previous year this figure was almost 50%.

Vocational training (excluding Renk; excluding subcontracted employees)		2009	2010	2011
International	Number of employees	44,232	43,784	48,234
	Number of vocational trainees	2,730	2,740	2,769
	Percentage of total	6.2	6.3	5.7
Germany	Number of employees	24,247	24,391	26,808
	Number of vocational trainees	1,951	1,962	1,973
	Percentage of total	8.1	8.0	7.4

As part of our HR development system, our employees are regularly given the opportunity to attend continuing education and professional development courses in keeping with their individual levels of education and experience. In Resende, Brazil, MAN Latin America not only sponsors a one-year vocational training program for young people from impoverished families that qualifies them as assembly line technicians, but also offers continuing professional development for young talents with university degrees. A dedicated continuing education center was established in 2009 with the primary goal of training managers for MAN Latin America. In addition, MAN Latin America offers its employees post-graduate management courses at a professional training center. 40 employees participated in the program in 2010; in 2011 38 took part. In the year under review, MAN Diesel & Turbo held on-site intercultural training in India for the first time, in which 43 employees took part. In another first, our program for employees identified as having management potential was launched in Hong Kong for our staff in Asia. 145 candidates from our international program for employees identified as having management potential took part in 2011. MAN considers it important to provide its employees around the world with the same opportunities for professional devel-

opment and continuing education. To evaluate and continuously improve the performance of our workforce, all employees subject to collective bargaining agreements undergo an annual employee appraisal, while level 1 to 3 managers participate in an annual performance review. Performance management takes account of the degree to which Group and subgroup targets are met, achievement of individual objectives, and, since 2011, how well management behavior aligns with the MAN leadership culture.

Continuing professional development hours per employee

	2009	2010	2011
MAN Truck & Bus (Germany only)	58	38	10*
MAN Diesel & Turbo	15	13	16
MAN Latin America	40	54	48

* The system of calculation has been changed to show continuing education hours actually completed rather than the estimated length of the training measures.

At ten hours per employee, MAN Truck & Bus recorded a significantly lower number of continuing education hours in 2011 than in the previous year (38). This is in part due to the revised system of calculation and in part to the discontinuation of short-time working, which was used as an opportunity for continuing professional development, at most German sites in the reporting period.

Demographic change will make itself felt in Europe in the form of an aging workforce and a shortage of qualified professionals. In this context, a culture of lifelong learning is absolutely essential. We are working with our employees to promote such a culture, supporting them in their continuing professional development and education.

Participation in professional training courses, MAN Truck & Bus

Number of employees			
Subject matter	2009	2010	2011
Leadership/soft skills	889	974	2,498
IT	1,820	2,577	2,393
Management and organization	452	3,418	1,120
Health/labor law	740	1,179	843
Language training	758	904	1,020
Technical/quality	8,707	5,783	2,037
Total	13,366	14,835	9,911

Occupational health and safety

Across the MAN Group, the number of workplace injuries that resulted in the employee missing work for more than three days decreased by 2.6% compared to the previous year despite an increase in production output. This improvement can be traced to measures that were rolled out in our different sites. For example in Posen (Poland) the safety of all workstations was reassessed and monthly production manager meetings were initiated to address occupational safety issues, while in Steyr (Austria) the routes through the production hall were straightened. Through our works councils and workplace safety officers, today the interests of all employees of the MAN Group in Germany are represented in the legally required workplace safety committees. The MAN Truck & Bus factories in Austria, Poland, and Turkey have similar arrangements.

In 2011 there was a fatal accident at the MAN Truck & Bus facility in Starachowice (Poland), which we deeply regret. The Executive Board was informed of the incident and the entire site was reassessed for hazards. The results of the analysis were passed on to all relevant sites. In addition, we have organized international meetings and joint working groups to facilitate the exchange of information and lessons learned by our safety experts. MAN Diesel & Turbo has stepped up its efforts to achieve OHSAS 18001 occupational health and safety certification of its sites by the end of 2014. Five of its sites had been certified by the end of 2011. We have also planned a zero-accident initiative for 2012 with the goal of continuing to significantly reduce the number and severity of workplace accidents

Lost-time injuries*	(excluding MAN SE)		
	2009	2010	2011
Lost-time injuries resulting in more than three days of missed work (number)	781	871	848
Lost-time injuries resulting in more than three days of missed work per million hours worked (proportion)	18.0	16.8	14.3

* In accordance with the *Sozialgesetzbuch (SGB— German Social Code)*, workplace accidents are defined as injuries incurred by the insured while carrying out their insured employment. These injuries are events of a limited duration which are inflicted on the body by an external source and which result in impairment of health or death.

In the year under review we continued with a campaign at our German facilities to encourage employees to get in shape. It focuses on preventive health measures, exercise, and nutrition. At our international sites we have launched a variety of health measures, such as vaccination programs, quit-smoking campaigns, and providing first-aid kits.

Young talents

An outstanding team needs great leaders. On an international level, we aim to attract top male and female talents at an early stage. We offer internships, a graduate program, scholarships for MBAs and PhDs. Our Campus Initiative gives talented young people the chance to get to know MAN while still attending university. MAN offers students at Munich Technical University the opportunity to participate in projects, a lecture series, and a scholarship program. MAN Latin America has launched a scholarship program to support outstanding employees in their continuing professional development as well as MBA and PhD programs. In 2011 63 employees took advantage of these scholarships. An assessment system is in place at MAN to identify employees with leadership potential at an early stage. These programs targeting young talents have allowed us to fill most management openings internally.

Employee rights

The MAN Code of Conduct guides our daily actions and activities. We respect human rights, do not tolerate discrimination, and are committed to transparency. No cases of discrimination were reported in the year under review. MAN recognizes the rights of workers to form and participate in unions and to conduct collective bargaining. Due to the acquisition of new companies whose employees are not all covered by collective bargaining agreements, the coverage rate in Germany was lower in the year under review than in the previous year. These companies are currently being evaluated in cooperation with the Group Works Committee.

Employees with collective-bargaining agreements

(excluding MAN SE; excluding Renk; excluding subcontracted employees)

		2009	2010	2011
Number of employees	Germany	24,070	24,968	26,482
	Europe (excluding Germany)	16,182	15,070	16,466
	Africa	791	722	1,013
	Asia	805	650	1,365
	Americas	2,043	2,064	2,531
	Australia	42	0	48
	Total	43,933	43,474	47,905
	Number covered by collective-bargaining agreements	Germany	24,070	24,968
Europe (excluding Germany)		14,348	13,227	12,016
Africa		152	152	186
Asia		0	0	0
Americas		745	804	1,030
Australia		0	0	0
Total		39,315	39,151	39,475
Percentage		Germany	100.0	100.0
	Europe (excluding Germany)	88.7	87.8	72.3
	Africa	19.2	21.1	18.4
	Asia	0.0	0.0	0.0
	Americas	36.5	39.0	40.7
	Australia	0.0	0.0	0.0
	Total	89.5	90.1	82.4

Part of our sustainable HR policy concerns maintaining a transparent relationship of trust between the Company management, the workforce, and labor representatives. In the different countries where MAN is active, relations with its employees are structured in accordance with national law, as are communications with employees regarding fundamental changes within the organization. The employees of our subgroups are represented by their own works councils, which have negotiated numerous works agreements with the management of the respective subgroups. These agreements cover issues ranging from voluntary benefits to dialog with management and regulation of working hours. This establishes a dependable overall framework for MAN Group employees and encourages a relationship of trust between management and the workforce.

Social security

Retirement provision that goes beyond the statutory pension systems is usually essential for MAN Group employees to ensure the standard of living to which they are accustomed when they retire. The MAN Group therefore contributes to its employees' retirement provision by granting pension commitments and similar benefits that are structured to country-specific and market requirements.

Once their active working life finishes, employees in Germany receive benefits provided by a modern and attractive occupational pension system that constitute a key element of MAN's remuneration policy. These benefits offer a reliable additional income on retirement and also provide cover for the risk of permanent disability or death during their active employment. Employees receive employer contributions that are tied to their remuneration and can make additional provision through deferred compensation — which is employer-subsidized for staff subject to collective bargaining agreements. Comprehensive provisions for disability and old age do not exist in many other regions, spotlighting the need for MAN as an internationally active companies to set minimum standards that apply to its employees around the globe. For employees at sites outside Germany we currently contribute to third-party pension plans, retirement investment funds, or defined-benefit pension plans. MAN has not yet defined uniform minimum standards.

Corporate Citizenship

MAN creates benefits for the regions where the Company is active. We work with suppliers from the area, hire local employees, and show our commitment to the community through donations and sponsorships.

Responsibility for the community

As a globally active corporation, we believe it is our duty to contribute to sustainable development around the world. Wherever MAN creates value, we want the people of that region to profit as well. At MAN we see ourselves as part of society, and our goal is to be a good corporate citizen in all sites and regions where the Company operates.

MAN's numerous activities to support the well-being of the community are adapted to the specific needs of each location. Some are centrally managed, whereas others are initiated locally. Most of our activities are closely related to our core business areas and run over an extended period of time. This includes the relief fund that we maintain through MAN Trucker's World, our international drivers' club. It provides immediate financial assistance to professional truck drivers or their direct families if legally mandated benefits prove inadequate following accidents. Since the fund was set up in 2007, MAN has contributed €130,000 to the Trucker's World - Drivers helping Drivers program.

Run by MAN Latin America, the Trailer Odontológico project is another example of our corporate citizenship. Truck drivers are provided with free dental services in a converted truck that travels along the highway between São Paulo and Rio de Janeiro in Brazil. Approximately 5,880 truckers have taken advantage of this offer since 2008. In addition, MAN Latin America supports the annual Friendship Games between employees of eleven companies in Resende and surrounding towns. This athletic event was held for the eleventh time in the year under review, with 2,000 employees taking part.

Partnership with SOS Children's Villages

For many years MAN has been a partner to SOS Children's Villages, a non-governmental development assistance organization. In 2011 we extended this long-term international partnership for another three years, pledging annual financial support of €150,000. Since 2008 we have sponsored the SOS

Vocational Training College, an accredited technical college in Kaliti, Ethiopia. In this institute, young people have the opportunity to learn a technical trade. MAN experts are providing ongoing technical training for the college's instructors, adding to the long-term benefits of our involvement. Furthermore, in 2011 we supported the SOS vocational training center in Nuremberg, Germany. Half of the funding went towards financing vocational training for five disadvantaged young people who would not have been able to learn a trade without this assistance. As part of our emergency relief programs, we provide targeted assistance following natural disasters in specific regions, such as in Japan and East Africa in the year under review. Our donation of approximately €250,000 made it possible to establish an SOS Children's Village in Fukuoka, Japan, where eight children who were orphaned by the earthquake were placed with foster parents. Our financial support is also enabling the SOS Children's Villages organization to expand its own fundraising activities in support of its long-term goal of financial independence.

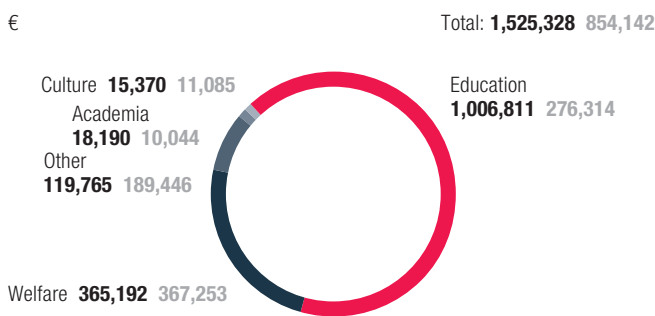
Regional responsibility

The companies of the MAN Group are closely integrated in their regions and involved in their communities. Wherever we create value, we aim to make a contribution to economic and social development as well. As an employer, MAN creates skilled, fairly paid jobs for local employees and managers at our sites. Similarly, suppliers and service providers profit from our presence in the region. In China we have numerous license agreements with local suppliers. In April 2011 MAN signed a memorandum of understanding with the governor of St. Petersburg, Russia, under which MAN Truck & Bus will invest around €25 million in a local production facility and MAN will found a production company in St. Petersburg. An annual production capacity of approximately 6,000 vehicles is planned for the St. Petersburg site in the medium term. Around one quarter of Russian truck sales are set to be produced locally. In addition, MAN will increase the percentage of local suppliers used in its operations there.

Donations and sponsoring

As a good corporate citizen, MAN donates to charitable organizations and sponsors community projects. All donations and sponsoring activities must comply with a policy that applies Group-wide and define permissible areas of support. For donations, these include education, the sciences, culture, and welfare programs — especially social welfare, charitable, and humanitarian projects, and disaster relief efforts. Sponsorships may also include industry and sports. Activities that could damage our reputation are not acceptable, nor is support for political parties and their affiliated institutions or for religiously motivated organizations. MAN discloses all expenditures for donations and sponsoring in a yearly report. In the year under review, our cash and non-cash donations totaled approximately €1.5 million.

Cash and non-cash donations by area



Figures for 2010 in gray

This year our sponsoring activities focused on sports. MAN extended its ongoing premium partnership with German Bundesliga team FC Bayern Munich for three years; other Bundesliga clubs are supported as part of our “Bundesliga travels MAN” campaign. MAN also provided around €1 million in funding for educational partnerships, usually long-term. This included scholarship programs at Munich Technical University and RWTH Aachen. In 2011 MAN Latin America supported BIOSforum, an initiative that brings together important private and public players to promote sustainable growth in Brazil.

Guidelines for lobbying

When the government and society discuss current issues that affect our core business areas, we contribute our expertise, ideas, and project proposals on environmental protection, energy, transportation, and foreign trade. The MAN guidelines for lobbying are defined in the MAN Code of Conduct and apply Group-wide. This Code explicitly outlines our commitment to nonpartisanship and to making our positions transparent. In 2011 MAN spent around €80,000 on direct lobbying activities. To promote transparency, we advocate a mandatory registry of all lobbyists. MAN has been listed in the EU lobby register since February 2009.

Our positions

MAN mobility concepts contribute to the sustainable and efficient transportation of passengers and goods. The mobility concept we have developed for passenger transport combines different modules. People only travel short distances using individual forms of transportation — driving, cycling, or walking — and then transfer to bus or train. When it comes to transporting freight, it is equally important to unite climate protection and efficiency.

The German federal government has set a target of having one million electric vehicles on the roads by 2020, of which 50,000 are to be electric commercial vehicles. MAN is involved in working groups and research projects on electromobility with the aim of developing new technological approaches to meeting climate targets. In addition, MAN is involved in two proposals submitted under the program launched by the German federal government to showcase electromobility. The projects represent a systematic approach to making the new technologies come alive for citizens and businesses. In the Bavaria-Saxony showcase region, for example, MAN is working with partners to develop a city logistics concept that integrates a number of MAN hybrid commercial vehicles. Tests have demonstrated fuel savings — and an associated reduction in CO₂ emissions — of up to 15%.

UN Global Compact Communication on Progress

MAN has been a signatory to the United Nations Global Compact since 2010. We thereby made an express commitment to the ten principles of the Compact in the areas of human rights, labor, the environment, and anticorruption. This report represents our second Communication on Progress. The table below provides an overview of the systems we have rolled out,

the measures we have implemented and the results we have achieved or are aiming to achieve. In this context, our activities are aligned with the Guiding Principles of the MAN Group, our CR strategy, and our International Framework Agreement for basic human and employee rights.

CR Program

Principle	Systems	Implementation	Achievements
Principle 1 Support for human rights	MAN Code of Conduct (p. 22) Code of Conduct for Suppliers and Business Partners (pp. 22, 37, 40, et seq.) Purchasing and procurement policy (p. 23)	Code of Conduct for Suppliers and Business Partners introduced (pp. 22, 37, 40 et seq.) Pilot project for supplier self-assessment launched (p. 40 et seq.) Compliance and CR requirements included in due diligence reviews (p. 39)	82% of employees worldwide are covered by collective bargaining agreements (p. 54 et seq.)
Principle 2 Exclusion of human rights abuses			
Principle 3 Ensuring freedom of association			
Principle 4 Elimination of all forms of forced labor			
Principle 5 Abolition of child labor			
Principle 6 Elimination of discrimination	MAN management hiring policy (p. 13)	With other Dax 30 corporations, we became a signatory to the declaration on women in management positions (p. 13)	No reported cases of discrimination (p. 54) Proportion of women in management positions increased by 1.2 percentage points (p. 52) Proportion of severely disabled people employed by MAN in Germany is 5.3% (p. 52)
Principle 7 Precautionary environmental protection	Integrated management system (pp. 23, 40)	Continued establishment and verification of environmental management systems at MAN sites (p. 40) Compliance and CR requirements included in due diligence reviews (p. 39)	76% of workforce is covered by ISO 14001 certification (p. 40) 80% of workforce is covered by ISO 9000/9001 (p. 40)
Principle 8 Initiatives to promote greater environmental responsibility	MAN's Climate Strategy (p. 20 et seq.)	MAN's Climate Strategy drawn up and adopted (pp. 20, 23) Core initiatives for implementing MAN's Climate Strategy defined (p. 21)	Increase in energy consumption lower than increase in revenues (p. 45) Decrease in fuel consumption (p. 44)
Principle 9 Diffusion of environmentally friendly technologies	MAN's Climate Strategy (p. 20 et seq.)	Core initiatives for implementing MAN's Climate Strategy defined (p. 21) Bundling of R&D activities for alternative drive concepts in center of competence for hybrid drives (p. 43)	TGX EfficientLine cuts energy consumption per ton transported by up to 10% (p. 44) Newly developed 6 MW gas turbines with efficiency of well over 30% (p. 44) Eco-efficient and eco-friendly innovations (pp. 44, 46)
Principle 10 Measures to combat corruption	Compliance program (pp. 22, 38 et seq.) Policies on handling gifts, invitations, donations, and sponsoring (p. 22)	Group-wide compliance risk assessment conducted (p. 38) Business Partner Approval Tool rolled out worldwide (p. 38) Whistleblower portal "Speak up!" launched on the Internet (p. 22) Compliance and CR requirements for due diligence reviews formulated (p. 39)	Helpdesk received 1,405 questions and 5,470 employees (10%) worldwide were trained in 238 compliance awareness training sessions (p. 38 et seq.)

GRI Content Index

This index shows where the relevant information can be found in the 2011 CR Report. All standard indicators are included. Non-consecutive numbering is due to the fact that no information is provided on supplementary indicators. According to our own estimate, this report complies with

GRI-G3 application level A+. This self-assessment has been checked and confirmed by the GRI (→ page 64). A complete GRI index with information on the supplementary indicators that are relevant for us can be found on the internet at www.man.eu/MAN/en/CR/.

GRI Content Index (G3 standard indicators)		Reported	Page
1. Strategy and analysis			
1.1	Statement from the CEO or the supervisory board chairperson	fully	3
1.2	Description of key impacts, risks and opportunities	fully	18-21, 29-31
2. Organizational profile			
2.1	Name of the company	fully	4
2.2	Primary brands, products and services	fully	4 et seq.
2.3	Operational structure and divisions	fully	4 et seq.
2.4	Location of headquarters	fully	4
2.5	Countries with major operations	fully	4 et seq.
2.6	Nature of ownership	fully	4 et seq.
2.7	Markets served	fully	4 et seq.
2.8	Scale of the reporting organization	fully	4 et seq., 42, 51; AR 104
2.9	Significant changes in the reporting period	fully	4 et seq., 42
2.10	Awards received in the reporting period	fully	Cover flap, inside, 12, 28
3. Report parameters			
3.1	Reporting period	fully	36
3.2	Date of previous report	fully	May 2011
3.3	Reporting cycle	fully	36
3.4	Contact for questions on the report	fully	65
3.5	Processes for defining report content	fully	25-27, 36
3.6	Boundary of report	fully	36
3.7	Specific limitations on scope	fully	36
3.8	Joint ventures, subsidiaries, outsourcing	fully	4 et seq., 36
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3.10	Explanation of any restatements of information	fully	45, 47, 48
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4. Governance, commitments, and engagement			
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4.2	Independence of the supervisory board chairperson	fully	37
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4.8	Vision, corporate values, and codes of conduct	fully	Cover flap, outside, 18, 22 et seq.
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4.10	Processes for evaluating board performance	fully	37; AR 23 et seq.
4.11	Implementation of the precautionary principle	fully	23 et seq., 40, 43
4.12	External initiatives that the organization endorses	fully	13, 23
4.13	Memberships in industry and business associations	fully	27 et seq., 41
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4.15	Basis for identification and selection of stakeholders to engage	fully	25
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5. Management approach and performance indicators			
Economics — Management approach		fully	4 et seq., 13-15, 18-21, 29, 42-44, 55
EC1	Direct economic value created and distributed	fully	42, 51, 57; AR 41
EC2	Financial implication of climate change ¹	partially	20 et seq., 43 et seq.
EC3	Coverage of benefit pension plan obligations	fully	55; AR 140-143
EC4	Financial assistance received from government	fully	42
EC6	Payments to locally-based suppliers	fully	56
EC7	Local hiring for senior management positions ²	partially	13
EC8	Infrastructure investments and services for public benefit	fully	14 et seq., 56
Environment — Management approach		fully	20 et seq., 30, 39, 45 et seq.
EN1	Weight/volume of materials used ³	partially	48
EN2	Percentage of secondary raw materials used ⁴	not	49
EN3	Direct energy consumption by primary sources	fully	45
EN4	Indirect energy consumption by primary sources	fully	45 et seq.
EN8	Total water withdrawal by source	fully	49
EN11	Land use in protected areas	fully	50
EN12	Impacts of activities on protected areas	fully	50
EN16	Direct and indirect greenhouse gas emissions	fully	46 et seq.
EN17	Other relevant greenhouse gas emissions	fully	47
EN19	Ozone-depleting substances by weight	fully	47
EN20	NO _x , SO _x , and other significant airborne emissions by weight	fully	47 et seq.
EN21	Water discharge ⁵	partially	49 et seq.
EN22	Waste by type and disposal method	fully	49
EN23	Number and volume of significant spills	fully	50
EN26	Initiatives to mitigate environmental impacts of products and services	fully	20 et seq., 46
EN27	Percentage of recycled products and their packaging materials ⁶	not	
EN28	Fines and sanctions for non-compliance with environmental regulations	fully	39

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Labor practices and decent work — Management approach		fully	10, 12-15, 19, 24, 29-31, 52-55
LA1	Total workforce by employment conditions and region	fully	51
LA2	Employee turnover by age group, gender, and region ⁷	partially	51
LA4	Percentage of employees covered by collective bargaining agreements	fully	54 et seq.
LA5	Minimum notice period(s) regarding operational changes	fully	55
LA7	Injuries, absentee rates and work-related fatalities ⁸	partially	54
LA8	Prevention and risk-control programs for serious diseases	fully	23 et seq., 54
LA10	Training hours by employee category ⁹	partially	53
LA13	Composition of senior management and breakdown of employees (age/gender/ethnicity) ¹⁰	partially	51 et seq., AR 14
LA14	Ratio of basic salary of men to women by employee category	fully	51 et seq.
Human rights — Management approach		fully	12, 22 et seq., 29-31, 38-41, 54
HR1	Investment agreements with HR clauses or screening	fully	39
HR2	Proportion of suppliers that underwent screening on human rights and action taken	fully	23, 40 et seq.
HR4	Incidents of discrimination and action taken	fully	54
HR5	Operations with significant risks to freedom of association	fully	12, 22 et seq., 38, 40 et seq., 54
HR6	Operations with higher risk of child labor and action taken	fully	22 et seq., 38, 40 et seq.
HR7	Operations with higher risk of forced labor and action taken	fully	22 et seq., 38, 40 et seq.
Society — Management approach		fully	22 et seq., 27 et seq., 31, 38 et seq., 56 et seq.
S01	Policy to manage impacts on communities	fully	56
S02	Proportion of business units analyzed for risks of corruption	fully	38
S03	Percentage of employees trained in anti-corruption	fully	38 et seq.
S04	Action taken in response to instances of corruption	fully	38 et seq.
S05	Positions and participation in public policy development and lobbying	fully	27 et seq., 57
S08	Fines/sanctions for non-compliance with laws and regulations	fully	39
Product responsibility — Management approach		fully	22, 24, 29 et seq., 37, 39, 44
PR1	Product life cycle stages in which health and safety impacts are assessed	fully	24
PR3	Principles/measures related to product labelling ¹¹	partially	44
PR6	Programs for compliance with laws and voluntary codes in advertising	fully	44
PR9	Significant fines for non-compliance with regulations governing the use of products and services	fully	39

1 We are currently unable to report on the financial impact of climate change as we do not have quantitative data available. Reporting on this point will remain difficult in the future as well, since it is determined by factors outside our sphere of influence.

2 We are currently unable to quantify the proportion of managers sourced from the local population as we do not have the relevant data. We are aiming to report on this point in 2015.

3 We are currently unable to indicate the amounts of materials used as we do not have the relevant data. We are aiming to report on this point in 2015.

4 As we have no data on the total amounts of material used, we cannot indicate the percentage of secondary raw materials. We are aiming to report on this point in 2015.

5 We are currently unable to indicate the wastewater pollutant load as the relevant data are not available to us. We are aiming to report on this point in 2015.

6 We do not indicate the percentage of packaging taken back as this is not relevant in our business.

7 We do not break down employee turnover by gender and age at Group level as this is not relevant.

8 We are currently unable to provide a breakdown by region and data on contractors as these data are not available. We are aiming to report on this point in 2013.

9 We are currently unable to provide a breakdown by employee category as these data are not available. We are aiming to report on this point in 2015.

10 We are currently unable to indicate the proportion of minorities as these data are not available. We are aiming to report on this point in 2015.

11 We are currently unable to indicate the percentage as these data are not available. We are aiming to report on this point in 2015.

Independent Assurance Report

The audit performed by PwC relates exclusively to the German print version of the CR Report. The following text is a translation of the original German Independent Assurance Report.

To MAN SE, Munich

We have been engaged to perform a limited assurance engagement on the data for the financial year 2011 in the Corporate Responsibility Report (the “CR Report”) of MAN SE, Munich.

Management’s responsibility

The Executive Board of MAN SE is responsible for the preparation of the CR Report in accordance with the criteria stated in the Sustainability Reporting Guidelines Vol. 3 (pp. 7–17) of the Global Reporting Initiative (GRI):

- Materiality,
- Stakeholder Inclusiveness,
- Sustainability Context,
- Completeness,
- Balance,
- Clarity,
- Accuracy,
- Timeliness,
- Comparability and
- Reliability.

This responsibility includes the selection and application of appropriate methods to prepare the CR Report and the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the CR Report.

Practitioner’s responsibility

Our responsibility is to express a conclusion based on our work performed as to whether any matters have come to our attention that cause us to believe that the CR Report for the financial year 2011 has not been prepared, in all material respects, in accordance with the above mentioned criteria of

the Sustainability Reporting Guidelines Vol. 3 of the GRI. We also have been engaged to make recommendations for the further development of CR management and CR reporting based on the results of our assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to express our conclusion with limited assurance.

In a limited assurance engagement the evidence-gathering procedures are more limited than in a reasonable assurance engagement (for example, an audit of financial statements in accordance with § [Article] 317 HGB [„Handelsgesetzbuch“: „German Commercial Code“]), and therefore less assurance is obtained than in a reasonable assurance engagement.

The procedures selected depend on the practitioner’s judgement. Within the scope of our work we performed amongst others the following procedures:

- Inquiries of personnel in the corporate function responsible for the preparation of the CR Report regarding the process to prepare the CR Report and the underlying internal control system;
- Inquiries of personnel in the central functions that are responsible for the topics included in the CR Report;
- Inspection and sample testing of the systems and process documentation for collection, analysis and aggregation of sustainability data;

- Site visits as part of the inspection of processes for collecting, analysing and aggregating the selected data:
 - in the corporate center,
 - at the national production sites
 - MAN Truck & Bus AG, Munich,
 - MAN Diesel & Turbo SE, Augsburg,
 - MAN Diesel & Turbo SE, Oberhausen,
 - at the international production sites
 - MAN Truck & Bus Österreich AG, Steyr (Austria),
 - MAN Türkiye A.S., Ankara (Turkey),
 - MAN Diesel & Turbo France SAS, Saint Nazaire (France),
 - MAN Diesel & Turbo Schweiz AG, Zurich (Switzerland),
 - MAN Diesel & Turbo SE, Copenhagen (Denmark).

- Inspection of internal documents, contracts and invoices/ reports of external service providers;

- Analytical Review of CR data;

- Comparison of selected data with corresponding data in the MAN SE 2011 Annual Report;

- Inspection of documents regarding the description and approval of the CR strategy and CR programme as well as understanding the CR management structure and the stakeholder dialogue of MAN SE.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the data for the financial year 2011 in the CR Report has not been prepared, in all material respects, in accordance with the criteria of the Sustainability Reporting Guidelines Vol. 3 (pp. 7–17) of the GRI.

Emphasis of matter – recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of CR management and CR reporting:

- Further integration of CR aspects in core processes such as procurement or sales;

- Further improvement of standardized CR reporting processes and controls to all reporting areas, especially on division and site level;

- Support of reporting processes by IT solutions.

Munich, March 26, 2012

PricewaterhouseCoopers

Aktiengesellschaft

Wirtschaftsprüfungsgesellschaft

Petra Justenhoven
Wirtschaftsprüferin
(German Public Auditor)

Hendrik Fink
Wirtschaftsprüfer
(German Public Auditor)

GRI Level Check Certificate



Statement GRI Application Level Check

GRI hereby states that **MAN SE** has presented its report "We are Responsible. 2011 Corporate Responsibility Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, March 16th 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI globe logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because MAN SE has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on March 9th 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

If the “Responsibility for Our Climate — MAN’s Climate Strategy” brochure is missing here, e-mail CorporateResponsibility@man.eu to request a copy.



Responsibility for Our Climate MAN’s Climate Strategy

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MAN SE



Credits

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Hello fat mat



This is a translation of the German original. In the event of any discrepancies between the German language version and any translation thereof, the German language version will prevail.



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