We Are Responsible.

2012 Corporate Responsibility Report

Engineering the Future – since 1758.

MAN SE

Milestones in 2012

January 24

MAN Diesel & Turbo becomes an Augsburg-area sponsor of the largest European science and technology competition for young people, “Jugend forscht“.

March 1

At its Augsburg site, MAN Diesel & Turbo takes on 88 of the 138 vocational trainees from manroland, a bankrupt printing machine manufacturer that formed part of the MAN Group until 2006.

March 6

The MAN SE Executive Board and works council and the International Metalworkers’ Federation sign a Joint Declaration on Human Rights and Working Conditions in the MAN Group, which sets reliable minimum standards. It applies to all employees at all sites around the world.

April 20

The MAN SE Annual General Meeting in Munich elects three shareholder representatives to the Supervisory Board: Prof. Dr. Martin Winterkorn, Hans Dieter Pötsch, and Prof. Dr. Jochem Heizmann.

May 27

The MAN Truck & Bus workforce in Niepolomice, near Krakow, Poland, celebrates the site’s fifth anniversary by staging an open day for 1,000 visitors from the region.

June 2

The Supervisory Board appoints Jochen Schumm as Chief Human Resources Officer of MAN SE and MAN Truck & Bus. In this function he is ultimately responsible for corporate responsibility at MAN.

June 6

The Volkswagen Group increases its share of voting rights in MAN SE to 75.03%.

June 21

As an official partner to the United Nations Rio+20 Conference in Brazil, MAN presents environmentally compatible technologies for the transportation and energy sectors and provides 17 climate-friendly shuttle buses.

July 4

MAN Latin America wins the Top Ethanol Award for its dual-fuel truck, which can be operated on diesel or ethanol. The Company donates the prize money, totaling some €2,000, to the Ayrton Senna Institute, which supports educational projects for children and young people in Brazil.

July 16

The ten-thousandth MAN TGX EfficientLine — a particularly eco-friendly model — rolls off the assembly line at MAN Truck & Bus in Munich. In the two years since it was launched there has been international demand for this long-distance model, which was designed to be consistently fuel-efficient.

Highlights **Events** **Lowlights**

August 1

MAN supports young engineers at Formula Student Germany, the international construction and racing competition held at the Hockenheim race track. Particularly dedicated college teams have their transportation sponsored.

August 16

MAN receives an improved corporate responsibility rating from oekom research, rising from C+ to B-, and is recommended as a “prime” sustainable investment option.

August 18

There is a fatal accident at the MAN Truck & Bus facility in Pithampur, India.

September 3

Almost 800 young people start their vocational training at MAN sites in Germany, Austria, and Switzerland. This is 6.5% more than in 2011. Having completed secondary school, they launch their professional careers in one of more than 30 vocational training programs or 19 dual education programs.

September 4

At the SMM maritime trade fair in Hamburg, MAN Diesel & Turbo presents a highly efficient dual-fuel large-bore diesel engine which, when operating in gas mode, already meets the Tier III emission standards of the International Maritime Organization (IMO), which will apply from 2016.

September 13

Three years after launching its CR strategy, MAN is listed in the Dow Jones Sustainability Indexes World and Europe. MAN is the only German company from the industrial engineering sector to be listed.

September 20

Under the banner of “Efficiency around the World,” MAN Truck & Bus presents innovative trucks, buses, engines, and services at the IAA Commercial Vehicles show in Hanover. Highlights include the Concept S prototype with semitrailer, the MAN Metropolis hybrid truck, and the Euro VI models. At the trade fair the MAN Lion’s City Hybrid bus receives the Green Bus Award.

September 24

MAN’s common shares are transferred from the DAX 30 to the MDAX, which comprises 50 stocks, due to the low market capitalization of its free float.

October 24

The innovative MAN Metropolis wins the 2012 eCarTec Award. This research vehicle is designed to perform heavy-duty jobs in urban environments extremely quietly and with zero emissions.

December 4

At a works meeting in Munich, MAN Truck & Bus announces short-time work for the first half of 2013. The production sites in Munich and Salzgitter are affected.

December 14

MAN Diesel & Turbo supplies engines for the first container ships to be primarily fueled by liquefied natural gas (LNG). They are the most environmentally friendly container ships in the world.

December 21

MAN Diesel & Turbo provides Norway’s largest steam turbine, which will help improve energy efficiency by some 40%. With an output of 40 megawatts, the turbine set will be used to take waste heat from the production process and, with the help of the generator, transform it into electricity.

The MAN Group's Strategy and Strengths

Focus on transportation and energy

Megatrends such as globalization, population growth, urbanization, and climate change show that transportation and energy are forward-looking, high-growth sectors. MAN offers its customers tailored solutions, specifically designed to reduce emissions and fuel consumption.

Profitable international growth

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

Customer orientation

MAN places customer requirements and expectations at the center of its corporate strategy. Top quality is the benchmark for all products and services throughout their entire life cycle.

Continuous expansion of after-sales area

A long-term, reliable partnership with customers ensures satisfaction in a business model designed for sustainability. A service and after-sales business that is tailored to customer needs is thus a major component of MAN's strategy.

Technology leadership

MAN's strategic goals of efficiency and technology leadership are designed to secure its position as a leading international manufacturer of commercial vehicles, diesel engines, turbomachinery, and special gear units — now and in the future.

Sustainable value creation

Sustainable value creation is the foundation of our business success. Profitability, growth, and sustainable corporate governance enable the Company to increase its long-term value.

Contents

The photos were taken on visits to various MAN customers and partners. Each photo marks the beginning of a new chapter of the report. We would like to thank our customers, partners, and employees who contributed to the success of the photo shoots — whether in front of the camera or in a coordinating role.

Foreword

Dr. Georg Pachta-Reyhofen (Chief Executive Officer, MAN SE)

Ulf Berkenhagen (Chief Procurement Officer)

Jochen Schumm (Chief Human Resources Officer)

Dr. René Umlauft (Chief Executive Officer, MAN Diesel & Turbo SE)

Antonio Roberto Cortes
(President, MAN Latin America)

“Offering our customers the most efficient solutions — that is what drives us.” The Management Board of MAN SE

Anders Nielsen (Chief Executive Officer,
MAN Truck & Bus AG)

Dear Stakeholders,

Three years ago we defined our strategy for corporate responsibility (CR), setting ourselves ambitious targets for living our responsibility in the Company worldwide. Now we can look back at a year in which we have achieved a great deal.

We are especially proud to have been listed in the Dow Jones Sustainability Indexes (DJSI); as of September 2012 MAN is the only German industrial engineering company to be listed in the DJSI World and DJSI Europe. This documents the success of our strategy for being a driver of CR within our industry.

Along with the ratings, it is the rising expectations of our stakeholders in particular that guide our activities aimed at living our responsibility to the environment, our employees, and society. We have demonstrated consistent and focused commitment in the implementation of our Climate Strategy. Our target for 2020 is a 25% reduction in CO_2 emissions at our production sites; in 2012 we already achieved a 5% decrease. The measures we have taken and the steps we are planning for the future are presented for the first time in the Progress Report on MAN's Climate Strategy, which begins on page 41.

With the aim of contributing to a society with a viable future and ensuring the Company's long-term economic success, we will keep working in each field of action. Since the middle of last year, Jochen Schumm, Chief Human Resources Officer of MAN SE and MAN Truck & Bus AG, has been responsible for the continuing development of corporate responsibility across the Group.

We focus on our customers

Customers represent our most important stakeholder group. That is why the priority issue section of this report is dedicated to them. Their expectations and requirements are the central driver of continuous improvement at MAN. With our products and services, we are committed to supporting the long-term success and viability of our customers. This especially applies in times of economic downturn, when cutting fuel consumption makes a meaningful contribution to maintaining profitability. This report and the enclosed brochure, "Megatrends Demand Innovations," present the ways in which we are applying efficient technologies to achieve this in both of our business fields, Commercial Vehicles and Power Engineering.

We aim to be industry leader

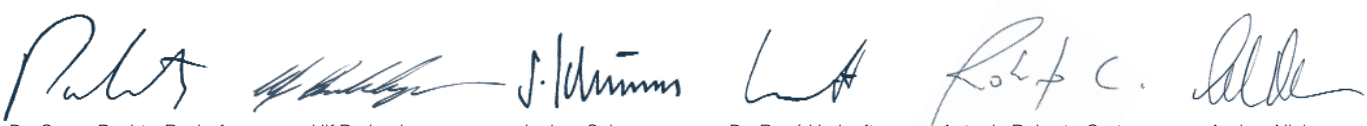
Customers, employees, and society all profit from MAN's goal of sustainable value creation. We continue to pursue this aim even in a difficult economic environment. As a subsidiary of Volkswagen AG, which holds more than 75% of the voting rights in MAN SE and is committed to the same principles and goals, we intend to continue our focus on leadership in efficiency and technology.

This report outlines the ways in which we are living up to our responsibility. It was prepared in accordance with the standards of the Global Reporting Initiative (GRI) and once again complies with the highest application level A+. The report also represents our third UN Global Compact Communication on Progress. As an international company, we remain committed to the ten principles of the Global Compact and actively work to promote them. One important aspect of this commitment has been anchoring CR in our HR and management development programs, which included the introduction of our "Manage responsibly" training course for managers.

The CR successes of the past year provide an important source of motivation for us as we continue along the course we have charted and pursue additional ambitious goals. One such goal is to become industry leader in the DJSI by 2015.

We hope you find this report makes inspiring reading.

The Management Board of MAN SE



Dr. Georg Pachta-Reyhofen | Ulf Berkenhagen | Jochen Schumm | Dr. René Umlauft | Antonio Roberto Cortes | Anders Nielsen

Engineering the Future – since 1758.

With a focus on transportation and engineering, MAN is one of Europe's leading players in the commercial vehicle and mechanical engineering sectors.

MAN has 30 production sites in 13 countries. Outside Europe our activities are primarily concentrated in the BRIC nations (Brazil, Russia, India, and China), which are characterized by high growth rates. MAN has 54,283 employees in over 150 countries and includes the companies MAN Truck & Bus, MAN Latin America, MAN Diesel & Turbo, and Renk. In 2012 we reported revenue of approximately €15.8 billion and an operating profit of €964 million.

For more than 250 years now, MAN's success has been guaranteed by its technological advances, innovative strength, and forward thinking. Time and again the Company has demonstrated its flexibility in the face of change and emerged from crises stronger than ever. As environmental and social developments present us with new challenges, we address them through our CR strategy for responsibility and sustainability.

Our business areas

MAN's core business activities shape pioneering transportation and energy solutions that are both ecological and economical and meet the needs of customers and society. We concentrate on two high-growth business areas: Commercial Vehicles and Power Engineering. In the international commercial vehicle field, MAN is one of the leading providers of customer-oriented products and services worldwide. MAN Truck & Bus is expanding from its core market in Western Europe into the global growth markets. MAN Latin America is the market leader in Brazil and has access to an extensive sales and service network in the up-and-coming markets of South America and Africa.

As MAN's second strategic business area, Power Engineering provides an effective counterbalance to the commercial vehicle business. MAN Diesel & Turbo is the world's leading provider of large-bore diesel engines for deploy-

MAN production sites

MAN Truck & Bus

	Employees	Products	Certifications
Germany			
Munich	8,242		ISO 9000, ISO 14001
Nuremberg	4,003		ISO 9000, ISO 14001
Plauen	411		ISO 9000, ISO 14001
Salzgitter	2,331		ISO 9000, ISO 14001
India			
Pithampur	1,044		ISO 9000
Austria			
Steyr	2,293		ISO 9000, ISO 14001
Poland			
Krakow	424		ISO 9000, ISO 14001
Poznań	1,015		ISO 9000, ISO 14001
Starachowice	1,533		ISO 9000, ISO 14001
South Africa			
Olifantsfontein	121		ISO 9000
Pinetown	303		ISO 9000
Turkey			
Ankara	1,507		ISO 9000, ISO 14001

MAN Latin America

	Employees	Products	Certifications
Brazil			
Resende*	480		ISO 9000, ISO 14001, OHSAS 18001
Mexico			
Querétaro	112		ISO 9000

* not including employees of the Consórcio Modular production system

light, medium, heavy trucks, and components | urban and regional buses and bus chassis and bodies | engines for trucks, buses, ships, and industry

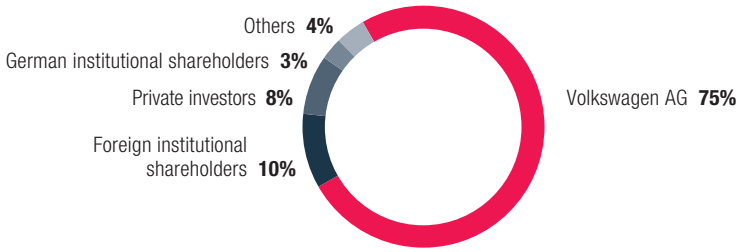
ment in ships and power plants and also specializes in the development and construction of compressors as well as gas and steam turbines. This business unit is supplemented by Renk, a globally recognized producer of high-quality special gear units.

MAN shares

On September 30, 2012, Volkswagen AG held 75.03% of MAN SE's voting rights and 73.72% of its share capital. The free float for MAN's common shares stood at approximately 25%. As part of its annual review, Deutsche Börse decided on the composition of its indices effective September 24, 2012. MAN's common shares were transferred from the DAX 30 to the MDAX, which comprises 50 stocks, due to the low market capitalization of its free float. According to the Deutsche Börse's indexing system, only the free float is considered when calculating market capitalization. In the case of MAN common shares, this amounted to a good €2.8 billion.

MAN enables its shareholders to participate appropriately in the Company's success, bearing in mind the economic environment. The targeted share of profits distributed is generally 30% to 60% of MAN's net income. The proposed dividend of €1.00 per share for fiscal 2012 is in keeping with the decline in earnings.

Shareholder structure* As of August 2012



* Basis: 140,974,350 common shares

Source: IPREO

Additional information on the Internet

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

Number of employees (not including subcontracted employees), products produced at sites, site certifications

MAN Diesel & Turbo

	Employees	Products	Certifications
China			
Changzhou	338		ISO 9000, ISO 14001
Denmark			
Frederikshavn	490		ISO 9000, ISO 14001, OHSAS 18001
Copenhagen	1,324		ISO 9000, ISO 14001, OHSAS 18001
Germany			
Augsburg	3,442		ISO 9000, ISO 14001
Berlin	483		ISO 9000, ISO 14001, OHSAS 18001
Deggendorf	418		ISO 9000, ISO 14001, OHSAS 18001
Hamburg	573		ISO 9000, ISO 14001, OHSAS 18001
Oberhausen	1,839		ISO 9000, ISO 14001, OHSAS 18001
France			
Saint-Nazaire	653		ISO 9000, ISO 14001
India			
Aurangabad	302		ISO 9000
Switzerland			
Zurich	942		ISO 9000, ISO 14001, OHSAS 18001
Czech Republic			
Velká Bíteš	195		ISO 9000, ISO 14001

Renk

	Employees	Products	Certifications
Germany			
Augsburg	1,002		ISO 9000, ISO 14001
Hanover	325	clutches, friction bearings	ISO 9000, ISO 14001
Rheine	476		ISO 9000
Switzerland			
Winterthur	134		ISO 9000, ISO 14001

two- and four-stroke engines, turbochargers; turbines, compressors, industrial and marine gear units; wind turbine gear units

As of December 31, 2012

The cargo ferry belonging to DFDS Seaways is loaded with semitrailers in Gothenburg harbor; it travels back and forth to England on a daily basis.

Thanks to its SCR system, the Petunia Seaways complies with the emission standards of the International Maritime Organization, which will apply from 2016.

During the test phase, Per Lunde monitors the performance of the SCR system, which was retrofitted to the ferry.

Priority Issue:
For the Future of Our Customers

Jan Espersen, First Engineer on the Petunia Seaways (left), and Per Lunde, engineer at MAN Diesel & Turbo, tested the selective catalytic reduction (SCR) system on the high seas. This exhaust gas treatment technology, which has been adapted to suit the ship's engine, cuts nitrogen oxide emissions by 80%.

Dialog: Urbanization — A Driver of Sustainable Mobility

What are the challenges on the road to sustainable transportation? What part is MAN playing? These were the topics on the agenda when Anders Nielsen, CEO of MAN Truck & Bus, met with Dr. Kim Petrick, Partner at Bain & Company.

A. Nielsen: Between now and 2050 the number of people living in cities will double from three to six billion. Whether we like it or not, urbanization is one of the biggest megatrends in the world. And this leads to an increased demand for transportation within and between cities. So sustainable transportation solutions will play a key role in the future, and companies like MAN Truck & Bus have a special responsibility here.

K. Petrick: In general, trucks and buses from MAN rank among the more efficient products and comply with the stringent EU emissions regulations. So there is already efficient technology available on the global market — and fossil fuels are becoming more expensive over time. That's why I would expect efficient solutions to spread swiftly. It might take only a couple of reinvestment cycles to get the most efficient vehicles onto the roads.

A. Nielsen: I agree when it comes to Euro VI. This standard has been a great help in reducing pollutants to almost zero. But now the spotlight is on CO_2 reduction. So your focus on which vehicles are on the roads is absolutely right. A maximum of 10% of our total CO_2 emissions come from production operations, while 90% are generated when our products are in use. That means if we expend 5% more energy to produce a vehicle that consumes 5% less energy, it's a win-win situation for us, for our customers, and for society. But that doesn't prevent us from investing in efficient production sites as well. On the contrary: Our clear objective is to achieve a 25% reduction in CO_2 emissions from our sites by 2020.

K. Petrick: That gives us a clear illustration of how things are interrelated. When MAN customers calculate the cost of reducing fuel consumption and thus CO_2 emissions, they have to take into account not only the purchase price of a truck, but the total cost of ownership over the full product life cycle. In my experience, this calculation is generally made by customers in the premium segment. Their budgets are more flexi-

"MAN should take responsibility for driving progress towards low-emission transportation."

Dr. Kim Petrick

ble; they invest in more environmentally friendly equipment to save costs in the long run by using less fuel; and they train their people accordingly.

A. Nielsen: That's right — and we are in the premium segment. Fortunately, our customers have the same requirements as society has: They want efficient transportation. Society is looking for minimum-emission transportation, and our customers focus on the best total cost of ownership. This pushes us very much in the right direction. So our strategy is clear: We need to work on sustainable technology, such as alternative drivetrains, to provide sustainable transportation. At MAN we were ahead of the curve when it came to developing alternatives; we introduced the TGL Hybrid quite early in the game and launched series production of the Lion's City Hybrid. Last year we went a step further, presenting our Metropolis model — a zero-emission truck in electric mode. But since there is a long way to go before zero-emission vehicles enter series production, we need to develop a roadmap for how to get there. In this process, we want to be a driver of sustainable transportation solutions by taking technology leadership.

"CO_2 will be the next big challenge."

Anders Nielsen

K. Petrick: It is very important for supply to match demand. Many of MAN's customers are aiming for a lower total cost of ownership. Over time, we will also see your customers' customers demanding products that are delivered in a more sustainable way. So in order to set itself apart from the competition, MAN should take responsibility for actively driving progress towards low-emission transportation.

A. Nielsen: I agree with you. But the problem, of course, is that while we as a manufacturer may have a brilliant idea and push for it, if we don't get the whole industry behind us or a critical mass of customers, we won't succeed. The reason is that we are limited by the available infrastructure. If you take a diesel truck, it's easy: Diesel filling stations are everywhere; the infrastructure is very well developed. But if the battery of your e-truck is low and you need a charging station, it's not that easy or convenient. We are only just beginning to slowly establish that infrastructure.

K. Petrick: The same applies to urban infrastructure. In theory, a city is a good thing for sustainable transportation because you have far fewer kilometers to cover, but it requires smart transportation systems for goods and for people. This won't happen automatically. The regulator may have a role to play in shifting the public costs into the private sector, for example by putting restrictions on noisy trucks in city centers, pricing or limiting road use, or establishing new public bus routes. We need public transportation to become more practical. Communities need to invest in the infrastructure to make it even more flexible, so that people appreciate its quality.

Dialog: Renewable Energies — A Driver of Climate Protection

Climate change and energy supply represent major challenges for politicians and companies. Dr. René Umlauft, Chief Executive Officer of MAN Diesel & Turbo, spoke to Prof. Dr. Gerhard Berz, meteorologist and former Director of the Geoscience Research Unit at Munich Re, about trends and solutions that could deliver greater energy efficiency and climate protection.

G. Berz: After looking closely at the changes in our climate for over 30 years, I'm convinced that we now find ourselves in the early stages of genuinely dramatic change. Our climate will alter much more significantly in the future than it has done to date. This scenario is a reality, and we must start coming to terms with it today.

"We are reacting to the trend towards decentralized energy supply with our Bluefire gas strategy."

Dr. René Umlauft

R. Umlauft: I share your view here, and there is irrefutable evidence to back it up. It's quite clear to me that we all, MAN Diesel & Turbo included, have an important role to play. Some 10% of the CO_2 emissions accounted for by our products over their life cycle can be traced back to the manufacturing process. The remaining 90% is generated during the use phase. It is here that we particularly want to use energy efficiently. Our customers see it the same way; energy efficiency has become an important investment criterion, so their decision to choose our products represents a vote of confidence in our development work.

G. Berz: It's not only customers around the globe who will be exerting increasing pressure on politicians and businesses going forward, but the public too. Nobody wants climate change to spiral out of control. And energy prices will increase significantly if we don't place a much greater emphasis on renewable energy sources. After all, we've reached a tipping point with our production of fossil energies — most experts agree on that.

R. Umlauft: As far as oil is concerned, you're right. The situation with natural gas over the next few years is slightly different, though, as new deposits are still being opened up. And at the same time, the CO_2 emissions of gas-powered engines are some 25% lower and their nitrogen oxide emissions are around 80% lower than those of diesel engines.

We want to push that advantage. Various other developments also help make the case for gas engines: the low price of gas, the trend towards decentralizing the energy supply, and climate protection. Our response to this situation can be seen in our integrated gas strategy Bluefire, which brings together our various gas technologies.

G. Berz: Does gas also have a future in the marine sector?

R. Umlauft: Here, gas will only establish itself gradually due to the lack of infrastructure for gas refueling. However, the International Maritime Organization has issued clear guidelines on emissions. Over the last five years, these have resulted in efficiency increases of between 20% and 30% in new ships, for example through improvements in hull construction, engines, and propellers.

G. Berz: The efficiency potential we are currently working with is huge. However, I'm still of the view that renewable energies are the only long-term alternative worldwide — at least in rural regions. This trend is now irreversible. I can see immense potential in decentralized technologies, in particular for villages and communities looking to be self-sufficient when it comes to electricity and heating. To make this happen, we need to create a new market for smaller but more numerous systems.

"Renewable energies will be the only alternative over the long term."
Prof. Dr. Gerhard Berz

R. Umlauft: Yes, in the next few years this market is set to grow significantly. But in places where solar or wind-powered facilities generate power, diesel engines are still required for those times when there is no sunlight or wind — at least until storage technologies catch up. Building new power stations no longer makes sense in Europe, with solar and wind energy now feeding power into the grid. Unfortunately, this is also true for pumped-storage systems which serve as a back-up. They no longer pay their way due to the phasing out of cheap off-peak electricity, which was used to pump the water. And today daytime spikes in energy demand are covered by photovoltaic systems.

G. Berz: Policymakers certainly haven't gotten everything right. But this turnaround in energy policy is now inevitable, in Germany at least. Other countries around the world are sure to follow suit.

R. Umlauft: How quickly it all happens depends on the extent of the incentives offered by governments. By 2050 I can see us having a good mix of renewable energies and natural gas, but I still wouldn't rule out nuclear energy at this point. How our energy system looks in the future depends to a very large degree on the development of storage capacity.

G. Berz: Until 2030 we'll certainly still need fossil energy sources. But by 2050 hopefully we won't anymore. And when I think of various types of renewable energy — geothermal energy, in particular — there's no doubt we'll continue to need MAN Diesel & Turbo technologies.

R. Umlauft: Absolutely. Our products are very well suited to this area. For example, steam turbines are used in geothermal power stations and solar thermal installations. And apart from that, we are also developing new products which are focused on the needs of our customers and society as a whole.

Efficiency and Reliability Commercial Vehicles

Global trade will continue to expand in the coming years, increasing the demand for transportation. This demand will be met by freight carriers, logistics service providers, and transportation operators. To do their job effectively, these companies require efficient and reliable vehicles — because reduced fuel consumption also means less CO_2 emissions and lower operating costs.

Efficient transport solutions

Since October 2012, a 25.25-meter-long MAN semitrailer combination has been shuttling between the MAN logistics centers in Dachau and Salzgitter, Germany, an almost 600-kilometer run. MAN is performing this trial in order to study the implications of longer vehicle combinations for traffic, costs, and the environment. This long truck offers approximately 40% more load space than conventional semitrailer rigs. This saves fuel, curbs CO_2 emissions, and reduces traffic volumes.

Alternative drive technologies

Biodiesel, electricity, ethanol, natural gas: new, low-CO_2 technologies are continuing to gain ground in the transportation sector. With the International Energy Agency predicting that crude oil prices will have doubled by 2035, such technologies are necessary on cost grounds alone. MAN Latin America is researching three alternative drive technologies for its trucks: ethanol, natural gas, and hybrid technology.

Future logistics

In its search for the transportation solutions of the future, MAN is also looking to improve efficiency through aerodynamic design. With the Concept S study and the AeroLiner trailer, MAN and KRONE have presented a tractor-semitrailer combination which is capable of reducing CO_2 emissions by up to 25% while offering equal power output. In part, this is achieved by reducing aerodynamic drag to passenger car levels.

MAN and its customers

"Our customers insist on low fuel consumption and CO_2 emissions. Which is why our fleet includes 20 MAN TGX EfficientLine models. These vehicles are up to 10% more fuel-efficient than conventional models. Low unladen weight allows us to maximize our payload per journey. That also means time savings and fewer journeys!"

Maik Gehrke – Fleet manager
Spedition Heinrich Gustke, Mecklenburg-Vorpommern, Germany, Fleet size: 100 vehicles

Further information on the Internet

MAN Truck & Bus
- www.**facebook**.com/mantruckandbus
- www.**youtube**.com/mantrucksandbuses
- **blog**.transport-efficiency.com

MAN Latin America
- www.**facebook**.com/manlatinamerica
- www.**youtube**.com/volkscaminhoes

An innovative product: MAN Metropolis

Durable
Equipped with a 105-kWh modular lithium-ion battery

Flexible
Can be driven in fully electric mode; equipped with a range extender

Vigilant
Four cameras provide a 360° view of the vehicle's surroundings

Whisper-quiet
Drive noise reduced to 65 decibels, around 60% quieter than a conventional garbage truck

Generous dimensions
Maximum space for the body

Clean
Zero CO_2 emissions when operating on renewable energy

"New fuel-saving technologies are enormously important for us. That's why we equipped our fleet with MAN TeleMatics and gave our drivers special training. Their driving style is now more proactive, which has reduced fuel consumption. And we are working with MAN to make the system even better."

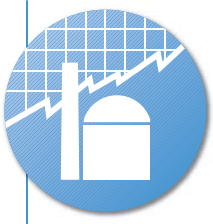
Dennis Wirtz – Fleet manager
Spedition Hillert, North Rhine-Westphalia, Germany
Fleet size: 70 vehicles

"We have a vested interest in innovations that improve efficiency. That's why we work closely with MAN, adding our own input wherever possible. One example is the long-truck field trial. Here we have already established that where a conventional truck would need to make three trips, when fully loaded this 25-meter-plus truck can move the same amount of cargo in just two. That saves time, money, and CO_2!"

Martin Wagner – Managing Director
Große-Vehne Mersberg, North Rhine-Westphalia, Germany, Fleet size: 80 vehicles

Power Engineering
Efficiency and Reliability

World population growth is resulting in increased demand for energy. Engines and turbines from MAN provide a reliable way of meeting growing electricity demand. These products are often used for several decades by power utilities, on ships, or in industry, so the energy solutions we are currently researching will still be in use for decades to come.

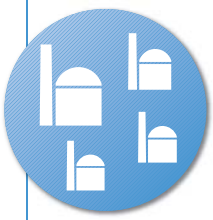


Efficient power plants

In July 2012, MAN was chosen to build a diesel power plant near the Kenyan capital of Nairobi. This will be the first power plant in Africa to use diesel combined-cycle technology, which improves efficiency by almost 10%. The electricity is principally generated by five four-stroke engines. Overall efficiency is further improved by means of a steam turbine powered by waste heat from these engines.

Alternative strategies

The Bluefire integrated gas strategy is MAN Diesel & Turbo's response not only to increasingly strict environmental standards and ever-rising costs for liquid fuels, but also to the shift toward clean power. Gas-powered engines emit up to 25% less CO_2 than diesel engines and around 80% less NO_x. Both gas engines and gas turbines are capable of supplying electricity flexibly, on demand – for example to provide backup power for intermittent wind and solar energy.



Distributed energy concepts

The new generation of MAN gas turbines is in demand with companies and regional public utilities in industrialized countries as a means of providing local, distributed power generation. In developing and emerging markets, such systems can quickly fill gaps in the energy supply by operating initially on readily available heavy fuel oil, then converting to climate-friendly gas operation when the necessary infrastructure is in place. Dry low-NO_x combustion systems reduce nitrogen oxide emissions and at the same time make optimal use of fuel, with an efficiency level of 34%.

Further information on the Internet

MAN Diesel & Turbo
- www.**facebook**.com/mandieselturbo
- www.**youtube**.com/MANDieselTurbo
- www.**man-bluefire**.com

MAN and its customers

"We have been consortium partners with MAN Diesel & Turbo for more than 25 years. Together we strive for the best solution for our common clients — they trust in the joint work of BWSC and MAN because they know that they get a little bit extra from us."

Anders Heine Jensen – **BWSC**, Denmark
CEO of the global turnkey developer, contractor, and operator of tailored power plants

An innovative product: GT6 gas turbine

Durable
Long life expectancy and easy maintenance

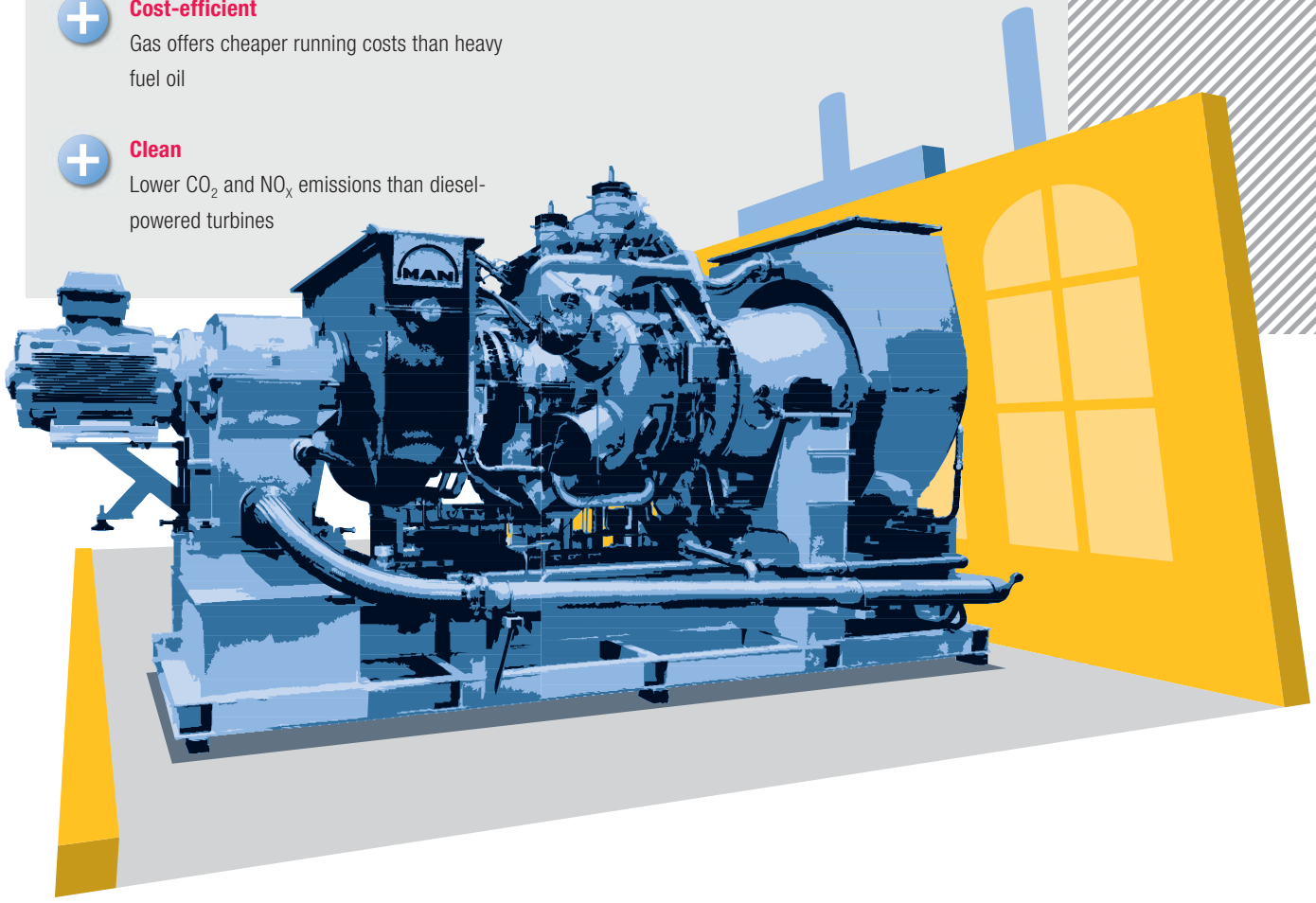
Hot
High exhaust temperature produces more steam for electricity generation

Cost-efficient
Gas offers cheaper running costs than heavy fuel oil

Clean
Lower CO_2 and NO_X emissions than diesel-powered turbines

Economical
Lower emissions due to more efficient combustion

Robust
High-performance design offers up to 34% efficiency



"Energy supply security and energy savings are the big challenges we have to face in the future. We therefore place great importance on being fully energy self-sufficient, with our own high-efficiency on-site generating system. The 6-MW MAN turbine which we are currently pilot testing will assist us in this. It will reduce annual CO_2 emissions by 18,000 tons."

Ute Reuther – **Solvay Chemicals**, Germany
Operations Manager for Energy Supply at Solvay Chemicals, the international chemicals group

"As a producer of fertilizers we need reliable machinery. In addition, MAN offers good service. Once we bought used equipment from a plant in Portugal. MAN engineers flew there, checked the compressors, and advised us to buy them. They have been working for over 30 years now — that's real sustainability!"

Amihai Zaider – **Haifa Chemicals**, Israel
Vice President for Operations of the leading supplier of specialty fertilizers

A Partner to Our Customers

Our success depends on long-term partnerships with our customers. Together we are developing solutions for the challenges of tomorrow.

According to a customer survey conducted in September 2012 at the IAA Commercial Vehicles show in Hanover, more than 70% of our customers are looking for environmentally friendly, resource-efficient solutions, for which they are also prepared to pay a higher price. Ninety-seven percent of the 276 truck customers and 79 bus customers who participated in the survey also said that MAN had responsible policies regarding climate change and was developing appropriate solutions.

In demand: efficient transport solutions

The IAA Commercial Vehicles show is the main industry forum for presenting trends and innovations. At last year's event, twelve new MAN products in the field of trucks, buses, engines, and services made their world debut. The star of the show and the most photographed vehicle was MAN's Concept S truck study, which was shown for the first time with an ultra-aerodynamic Krone trailer. The new Euro VI-compliant TG truck family, the new NEOPLAN Jetliner, and MAN Lion's Coach EfficientLine buses were further attractions, bringing tens of thousands of visitors flocking to the MAN stand.

Innovations anticipate new regulations

MAN Diesel & Turbo was among the exhibitors at SMM Hamburg 2012, the world's leading international maritime trade fair. Here too, customer interest was centered particularly on improved efficiency. From 2013, all new ships must comply with the International Maritime Organization (IMO)'s Energy Efficiency Design Index (EEDI), which limits the number of grams of CO_2 that a vessel may emit per ton and per nautical mile. MAN's innovative low-emission technologies help its customers achieve compliance with these standards today. Products include the G-type two-stroke engine range, which supports slow steaming — a solution which allows ships to be operated at slower speeds to save fuel.

The highlight at our SMM stand was a dual-fuel large-bore diesel engine, which MAN displayed as part of a 14-meter-long driveline comprising an engine, clutch, transmission, and propeller. This engine can be operated on oil or natural gas. Using natural gas, it already complies with the International Maritime Organization Tier III emissions regulations for marine applications, which will come into effect in 2016 and which require 80% cuts (baseline: 2000) in nitrogen-oxide emissions in certain coastal areas.

Customer-oriented solutions

MAN's retrofit solutions for converting two-stroke engines to slow steaming allow more eco-friendly solutions to be adopted even for engines which have

Visitors to the MAN Truck & Bus Stand at the IAA Commercial Vehicles show in Hanover.

The D2862 high-speed marine engine (right) for cargo, passenger, and escort vessels — one of the exhibits at the SMM maritime trade fair in Hamburg.

already been in service for many years. In this way their life cycle can be extended and there is no need for our customers to invest in new engines when stricter environmental legislation is introduced. MAN Diesel & Turbo offers customer-oriented after-sales solutions under the MAN PrimeServ service brand.

MAN Service, the customer service arm of MAN Truck & Bus, is now offering a new MAN Genuine Parts ecoline product range of professionally reconditioned parts as a cost-efficient repair solution for vehicles aged between four and ten years. Reconditioning used parts not only saves time and money — it also conserves resources and protects the environment. In 2012, MAN's service contracts, which allow truck customers to enjoy lower maintenance costs and increased operational reliability, were extended to offer support throughout Europe. MAN's professional service standards reduce fuel consumption by ensuring that the vehicle is optimally tuned and calibrated. Expert maintenance also increases a vehicle's resale value. Under its MAN TopUsed brand, MAN Truck & Bus sells used trucks and buses of all types and brands in more than 30 markets.

Worldwide expansion of customer service

MAN customer service also includes driver training designed to improve fuel efficiency and save costs. This training course forms part of the MAN TGX EfficientLine fuel-saving package and is offered to customers free of charge when they purchase a vehicle. MAN ProfiDrive training is provided by a team of around 60 instructors. Some 8,000 participants attend these courses every year. This allows drivers to reduce their fuel consumption by approximately 5%, and at the same time reduce their CO_2 emissions.

The new MAN ServiceCard provides comprehensive service and support and helps provide a more transparent picture of fleet efficiency. It is accepted at all of the approximately 35,500 filling stations in the pan-European DKV network. Convenient processing at MAN Service Centers throughout Europe also reduces downtimes in the event of a breakdown, while the billing service significantly simplifies administration.

We know what customers want

In both business areas, new order figures are only one of the ways in which we measure customer satisfaction. We also conduct regular surveys among key customers. This offers important insights into our customers' future requirements. We also set store in our face-to-face discussions with customers, which take place several times yearly at meetings of the MAN Truck & Bus customer advisory panel, which was set up in 2009. Comprising 50 truck and 30 bus customers and chaired by Sales, this panel focuses its discussions on strategically relevant topics from all divisions.

Confirmation of quality and reliability

Tests carried out on a regular basis by the TÜV technical inspection authority are an acknowledged benchmark of customer-oriented quality. The top ratings for reliability received by our TG trucks in the TÜV Report for Commercial Vehicles published in September 2012 sent a positive message to our customers. The Report found that two-year-old to five-year-old vehicles from MAN's TGL, TGM, TGS, and TGX series had the fewest faults compared to competitor models. MAN trucks also achieved above-average scores for reliability and robustness in the categories Chassis/Body, Brakes, and Powertrain.

Study: What Cities Want

The aim of this study, a collaboration between MAN, the Technical University of Munich, and 15 cities from around the globe, is to achieve a better understanding of how urban mobility will look in the future. The study will be published by MAN in 2013. Trends such as population growth and climate change require major cities all over the world to come up with sustainable transport solutions. In the study 15 selected cities — from São Paulo to London, Shanghai, and Melbourne — outline their position on mobility strategies and their priorities in the field of transport planning and development.

MAN's aim is to shed new light on the megatrend of urbanization, as reflected in the rapid growth of megacities and the resulting new demands on mobility within and between these urban areas. MAN is actively involved in developing appropriate infrastructure solutions to meet this trend.

Objectives of the study

- **To understand current debates and projects that will shape the future of mobility**
- **To gain insights into political decision-making processes and structures**
- **To define policies on issues such as CO_2, climate change, and noise emissions in a global context**
- **To use the results to develop a future roadmap for MAN in global growth markets**

Montserrat Miramontes of the Technical University of Munich test drives the MAN Lion's City Hybrid bus under the direction of MAN expert Eberhard Hipp.

In April 2012 experts attend a workshop in Munich for the "What Cities Want" study.

Dr. Georg Pachta-Reyhofen, CEO MAN SE, welcomes urban planners from 15 cities around the world to the workshop in Munich.

Strategy and Management: Corporate Responsibility at MAN

What will mobility look like in the cities of the future? And what does this mean for MAN's CR strategy? Dr. Kirsten Broecheler of MAN SE and Dr. Gebhard Wulfhorst of the Technical University of Munich are out to find the answers in our joint "What Cities Want" study.

An Interview with Jochen Schumm: Implementing Corporate Responsibility Successfully with Excellent Employees

Jochen Schumm was named Chief Human Resources Officer of MAN SE and MAN Truck & Bus AG in summer 2012. His sphere of competence includes heading up corporate responsibility (CR) in the MAN Group.

Mr. Schumm, why anchor the Corporate Responsibility function in the Human Resources organization?

There are three good reasons. First, employees represent the most effective way to ensure that CR is lived at MAN. If we want to make CR part of the Company's DNA, we have to increase employees' awareness and empower them to take on responsibility in their daily activities. Second, a key element of CR is our responsibility to provide our employees with safe and healthy workplaces, quality vocational training, and continuing professional development opportunities. And third, companies can only be innovative and successful in the long term if they have excellent, motivated, and dedicated employees. I call this the "cycle of success," and it is driven by CR to a large extent.

"We teach our managers to understand all aspects of sustainability, to set themselves goals, and to motivate their teams."

Jochen Schumm

You consider diversity an important aspect of HR management. How does this impact on CR at MAN?

At MAN we believe that diversity and equal opportunity are factors in our success. Because the Group is active around the globe, cultural diversity is an important aspect of better understanding markets and customer needs. We have defined specific targets for increasing the number of women in management positions, even if it is not easy in an industry that has traditionally been dominated by men. But I am certain that advancing the careers of women is not only socially responsible, but also improves the quality of leadership within a company and helps us take advantage of important and valuable resources. This is why we consider it

important to help our female and male employees balance work and family life — as can be seen in our company daycare centers in Munich and Augsburg. We also work to integrate people with disabilities and offer them employment. In Germany they make up 5.2% of our workforce.

As Chief Human Resources Officer, where do you see the biggest challenge for the coming years?

My 40 years of experience as a human resources manager with the Volkswagen Group have shown me that attracting, retaining, and promoting the right employees is essential to the success of the organization. Today, this applies more than ever, because there is a growing shortage of young talents. That is why we aim to be a top employer. In Germany, Poland, and Brazil we have received many confirmations of our attractive working conditions. And of course the Group-wide employee survey, which we will be conducting in 2013 for the second time, will deliver important feedback that we can use in our work. The first survey and the 2,850 follow-up workshops have already led to many improvements, for instance in internal communication.

Can good HR management also play a part in protecting the climate?

A dedicated, motivated workforce is essential if we are going to meet our target of reducing CO_2 emissions by 25% at MAN sites. A goal like that requires all employees around the world to consistently apply their best efforts. After all, we are aiming to become CR industry leader, cut CO_2 emissions in our production processes as well as contribute to sustainable transportation and energy solutions through our products and services.

Those are ambitious goals. What do we still have to do in order to meet them?

If I have learned one thing in the last year, it is that we have strengths we can build on — the excellence of our products and the professional expertise of our employees. Our competition moves quickly, however, so we have to keep developing and growing. We all need to ask ourselves what we can do to become a little better. At MAN Truck & Bus, we are supporting this process with our "Manage responsibly" management training courses. We teach our managers to understand all aspects of sustainability, to set themselves goals, and to motivate their teams to work continuously to achieve them. This allows us to anchor sustainability and responsibility firmly in our corporate culture. In 2013 the "Manage responsibly" courses will be expanded to MAN Diesel & Turbo and integrated into the MAN Truck & Bus trainee program.

> **"Advancing the careers of women is not only socially responsible, but also improves the quality of leadership."**
>
> Jochen Schumm

A Strategy Based on Stakeholder Dialog

In the ongoing development and implementation of our CR strategy, we are guided by CR rating agencies' assessments of our performance and by dialog with our stakeholders.

As a globally active company, our stakeholders' needs and expectations provide an important framework for our business practices. Our future success depends on their acceptance and trust.

Sustainability ratings

Our sustainability performance is regularly evaluated by different institutions in the interests of investors and analysts — an important stakeholder group. The results show that we are meeting their core requirements very well.

Dow Jones Sustainability Indexes: Interim goal attained

Our CR strategy included the goal of returning to the Dow Jones Sustainability Indexes (DJSI). Following an evaluation by Sustainable Asset Management, this objective was met in September 2012, with MAN being listed in DJSI World and DJSI Europe. After a considerable increase in the previous year, we again showed a significant improvement to 78 points out of 100. With 97 points, our climate strategy received the highest rating in the industrial engineering sector. Indeed, MAN is the only German company from this sector to be listed. We are proud of this result, which confirms the effectiveness of our work to date. However, we are aiming to become even better and have set ourselves the goal of being the industry leader by 2015.

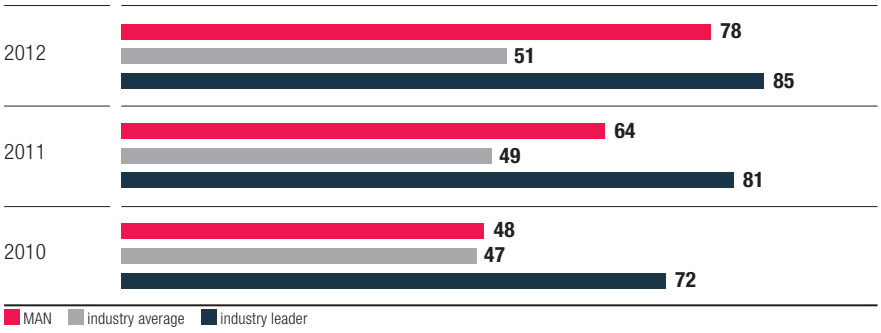
oekom research: Confirmed as sustainable investment

MAN also received an improved corporate responsibility rating from oekom research in 2012, rising from C+ to B-. This makes us one of the best companies in the mechanical engineering sector. MAN has once again been granted prime investment status. Our development activities in the alternative fuels segment, our energy-efficiency measures, and the health and safety aspects of our products were rated positively. oekom research sees potential for improving the transparency of measures taken by our key suppliers to comply with environmental and safety standards.

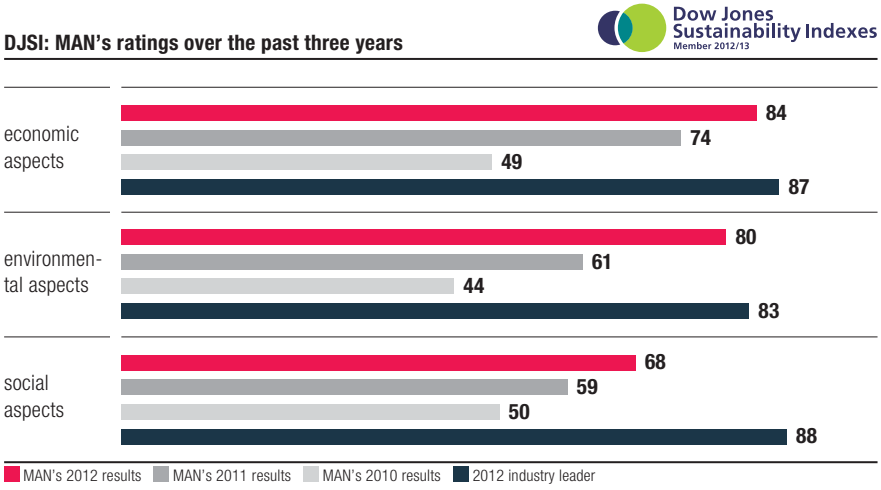
Carbon Disclosure Project: Listed for third time in a row

The Carbon Disclosure Leadership Index (CDLI) evaluates the transparency of companies' climate protection activities. In 2012 MAN was listed for the third time in a row and improved its score by

DJSI: Industry comparison of MAN's performance



DJSI: MAN's ratings over the past three years



Additional sustainability ratings

Rating agency	Rating		
	2010	2011	2012
oekom research (Corporate Responsibility Prime, rated by oekom research)	–	Prime C+	Prime B-
Carbon Disclosure Project (CARBON DISCLOSURE PROJECT)	Listed in the Carbon Disclosure Leadership Index (CDLI) for the third time in a row (max. 100 points possible)		
	65	73	84
Sustainalytics (SUSTAINALYTICS)	–	Ranked 15 out of 82 companies rated	Ranked 15 out of 87 companies rated

eleven points over the previous year, reaching 84 out of 100 points. Although the sector average among industrial enterprises rose from 48.5 to 51 points, MAN moved two places up the list compared to the previous year and is now ranked number 26. Of the 184 German, Austrian, and Swiss companies that participated in the survey, 36 qualified for inclusion in the CDLI.

Sustainalytics: MAN in the top 15

Sustainalytics performs a sustainability analysis that rates environmental, social, and corporate governance performance. As in the previous year, MAN was ranked number 15 (of 87 companies; 82 participated in 2011).

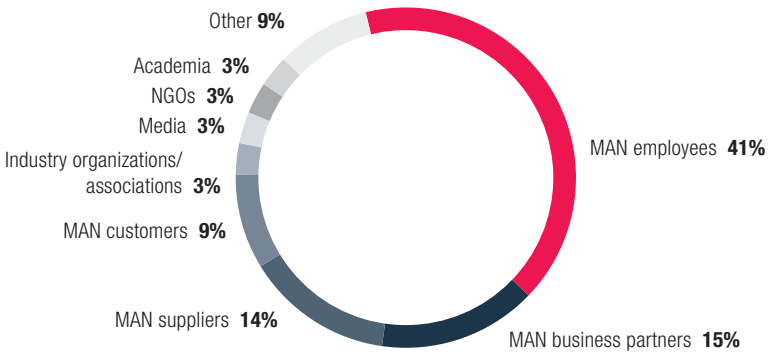
Stakeholder survey serves as compass

We use a variety of channels to communicate with our stakeholders: We exchange ideas, ask questions, and analyze their expectations. Responses to our most recent stakeholder survey showed that the more successful MAN's CR activities are, the higher stakeholder expectations become.

Positive stakeholder response

In 2012 MAN conducted and expanded its third stakeholder survey. Of the almost 600 selected stakeholders (2011: approx. 500), around 40% responded to the questionnaire. Although the participation rate was the same as in the previous year, the overall number of replies increased from 192 to 255. As in 2011, Germany had the highest participation rate (33%), followed by China (19%) and India (9%).

Stakeholder survey participants by group



Feedback from our stakeholders

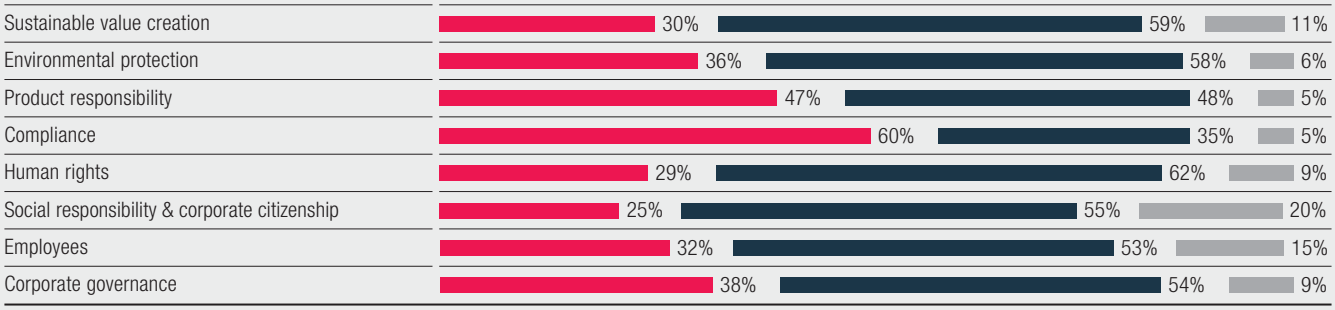
Every year we ask our stakeholders to assess our CR activities. Their responses confirm the effectiveness of our CR and Climate Strategy and highlight issues which will be relevant to us in the future.

Top five challenges for MAN

1. Resource conservation	**74%** →	3. Diversity & equal opportunity	**42%** ↑	5. Urbanization & megacities	**36%** ↓
2. Climate change	**67%** →	4. Globalization	**40%** →		

The arrows indicate the change in ranking compared to the previous year.

Assessment of MAN's CR activities



Due to rounding the figures presented here may not add up to exactly 100%.

FEEDBACK ON OUR CR ACTIVITIES

"MAN has identified all relevant issues. Now it comes down to addressing them in a sustainable manner."

"In its CR activities, MAN should do more to take customer requirements into consideration."

"Noise emissions are a problem that hasn't received sufficient attention yet."

"If MAN manages to find an attractive alternative to fossil fuels, it will represent an enormous opportunity."

"What is MAN's position in the discussion about the EU setting limits on CO_2 emissions?"

"What is MAN doing to create value on a local level?"

FEEDBACK ON OUR CLIMATE STRATEGY

"Zero emissions ought to be the long-term goal of all truck manufacturers — which will be much harder to achieve in the freight sector than in the passenger car segment, however."

"To date MAN has only presented a clear CO_2 reduction target for its sites. What are the specific reduction targets for its products?"

"It is very important to involve stakeholders — even critical ones — in the implementation of the climate strategy."

"Topics such as energy efficiency and environmental protection will help determine whether MAN can achieve its goal of becoming a world market leader by 2020."

"MAN's climate target is very ambitious."

"MAN should report in greater detail on its climate strategy and the progress being made in implementing it."

Most important issues: Resource conservation and climate change

Once again, the participating stakeholders saw resource conservation (74%) and climate change (67%) as the most significant challenges facing MAN. Climate change increased six percentage points in its importance to stakeholders, up from 61% in the previous year. At 40% globalization was rated about the same as in the previous year (2011: 38%), but slipped one place down the list of greatest challenges for MAN. Moving up from 34% in the previous year to 42% in 2012, diversity and equal opportunity now occupy third place.

Compliance, product responsibility, corporate governance: Very good

A large majority of our stakeholders rated MAN's CR activities as appropriate to above average. The Company received especially good marks for compliance, product responsibility, and corporate governance. Participants said they would like MAN to show more initiative in terms of social responsibility and corporate citizenship as well as human rights and responsibility towards employees. More than three-quarters of all stakeholders found that MAN's approach to sustainable business practices is credible. At the same time, however, the number of stakeholders who rated our commitment as "above average" fell in almost every category compared to the previous year. As the expectations our stakeholders place on our CR activities increase, we are rising to the challenge by setting ambitious targets, which we have outlined in our CR Roadmap (➔ page 32 et seq.).

Dialog with policymakers

MAN is actively working to develop solutions for global challenges. We also contribute our knowledge and expertise to the ongoing political debate. Our focus here is on topics relevant to our core business, such as reducing worldwide carbon dioxide emissions caused by the transportation of goods and people. To this end, we maintain an ongoing dialog with the responsible ministries at the 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 membership in various organizations (➔ page 49).

In our dialog with policymakers and our activities in industry associations, we try to mirror the decision-making hierarchy. Our engineers and experts, for example, contribute their knowledge to technical working groups, while Public Affairs handles political topics. MAN's goal is to persuade others by using objective arguments. Our dialog with policymakers — whether direct or through industry organizations — is centrally managed.

MAN contributes its experience in overarching CR topics to the German Federal Ministry of Labor and Social Affairs' working group on corporate social responsibility. At regular meetings in 2012, MAN again exchanged ideas with other corporations and with government policymakers. On the EU level we participate in the CR working group of the European Automobile Manufacturers' Association (ACEA), which met in Brussels three times during the year under review.

Support for UN conference

Rio+20, the United Nations (UN) Conference on Sustainable Development, was held in June 2012 in Rio de Janeiro, Brazil. It marked the 20th anniversary of the international UN summit aiming to spread the principles of sustainable development. This time the focus was also on issues related to a green economy. As an official partner of the international conference, which was attended by some 50,000 participants, MAN provided 17 eco-friendly shuttle buses. MAN Latin America presented the first Brazilian truck featuring a hydraulic hybrid drive at the MAN stand.

Yvonne Benkert, Head of Corporate Responsibility at MAN, attended the conference and noted, "Our support for the Rio+20 Conference was based on our convictions — we adhere to the principles of sustainable development, have a production site in Brazil, and can make an important contribution as a supplier of energy-efficient solutions. What we took away from the event is that corporations like ours have an important role to play in shaping the future."

The MAN Lion's City Hybrid bus and our diesel-ethanol truck at the MAN stand at the United Nations Rio+20 Conference in Rio de Janeiro, Brazil.

Our CR Strategy: Living up to Our Responsibilities

Our corporate responsibility strategy is our response to global challenges and megatrends — a response closely linked to our corporate strategy. Our initiatives here find concrete expression in four fields of action.

We continue to analyze the consequences of climate change, demographic trends, globalization, and urbanization, and are addressing their impacts on our markets. With our portfolio of products and services, we make a sustainable contribution to the fields of transportation and energy. We provide our customers with innovative solutions that meet their current needs and anticipate future challenges.

MAN principles of corporate responsibility

As we anchor corporate responsibility in all areas and at all levels of MAN, we are guided by our four corporate values as well as 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 protection and safety form integral parts of our CR strategy and CR Roadmap.

Stakeholder Dialog: Intensive dialog with our stakeholders helps us to understand their expectations and enables the continuous development of our CR strategy and CR Roadmap.

The CR strategy fields of action

Finalized in 2010, the CR strategy is part of MAN's corporate strategy, which is aimed at achieving profitable international growth, technology leadership, customer orientation, and sustainable value creation. To put our CR strategy into practice, we have defined four fields of action:

Integration: This is the key to success when it comes to fully living up to our responsibility within the Company and in our business environment every day.

Economy: Operating in all key regions and product segments of our industry worldwide ensures MAN's lasting success and creates added value for all our stakeholders.

Environment: By developing solutions that offer greater resource efficiency and safety, we enable the realization of sustainable transportation solutions and future-proof energy supplies.

People: Both demographic change and internationalization are driving the activities that position MAN as an attractive employer worldwide.

The MAN Executive Board signed off on the CR Roadmap (→ page 32 et seq.). One key element is the implementation of MAN's Climate Strategy, which sets concrete targets and is now being successively rolled out at all levels of our operations.

MAN's Climate Strategy

Climate change is one of the most important global challenges faced by governments, businesses, and society – and by the Company as well. MAN has 30 production sites in 13 countries. These facilities consume raw materials and electricity and use resources to generate energy, causing CO_2 emissions. We take our responsibility seriously: In 2011, we formulated a climate strategy that applies across the Group and set the goal of cutting CO_2 emissions at MAN production sites by 25% (baseline: 2008) by 2020.

However, MAN's greatest potential contribution to reducing global CO_2 emissions lies in its product portfolio. We are actively participating in the development of a CO_2 declaration system for heavy trucks, both within the European Automobile Manufacturers' Association (ACEA) and the German Association of the Automotive Industry (VDA) as well as in direct cooperation with the political stakeholders. MAN is advocating a quantification system for CO_2 emissions that is accessible to all and considers not only the engine or the tractor alone, but the vehicle as a whole. The aim is to improve transparency, thereby increasing market competition.

To facilitate the implementation of our climate goals, we have defined five core initiatives which apply to our sites as

CR film

In this film, MAN employees show how we are putting corporate responsibility into practice in our four fields of action. They not only demonstrate how they are driving sustainable value creation at MAN, but also explain the role that sustainability plays in their personal lives.

MAN's Climate Strategy

Accepting responsibility

The transportation and energy sectors are increasingly significant factors in climate change.

Dilemma and approach

The interplay between our own product development, our suppliers, our customers and theirs, and the regulatory environment is complex.

MAN's Climate Strategy

Climate change is one of the most important challenges faced by humankind. MAN is aware of and has accepted its responsibility to help reduce the global carbon footprint of the transportation and energy sector.

MAN has set itself the target of reducing its own CO_2 emissions by 25% by 2020 (baseline 2008).

Commitment

Our goal is a 25% reduction in our own CO_2 emissions by 2020 (baseline 2008).

Vision

By 2020, we are aiming to be recognized as one of the best industrial companies in meeting the challenges of climate change.

well as to our products: reducing CO_2 emissions at MAN sites; Consistently Efficient products and services; customer dialog; identifying potential for reducing CO_2 emissions along the product life cycle; and using key performance indicators to manage the implementation of the Climate Strategy. The interim goals which have already been met are presented in the Progress Report on MAN's Climate Strategy (→ page 41 et seq.).

MAN's Climate Strategy — the first three years

We launched our Climate Strategy in 2010. Today we can point to many positive results and genuine successes, which we have classified below using our CR fields of action.

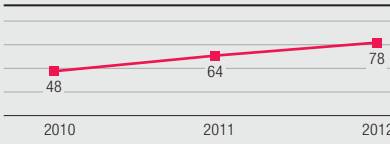
MAN's Climate Strategy: Three successful years

Corporate citizenship

Our employees volunteered a total of 425 hours at SOS Children's Villages facilities.

Economy

Listed in the DJSI World and DJSI Europe. (max. 100 points possible)



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Integration

upper-level managers from MAN Truck & Bus took part in our "Manage responsibly" training course in 2012.

Environment

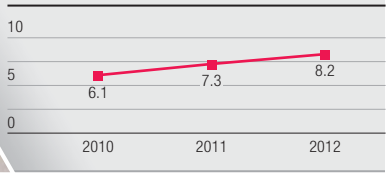
Since 2008 MAN has cut CO_2 emissions at its production sites by

5%

Target: 25% reduction by 2020.

People

Women in management positions (in %)



Corporate governance

13,732 employees, or approximately 25% of the total workforce, attended compliance training courses.

As of December 31, 2012

Our CR Management: Responsibility in Practice

We live up to our responsibilities. To put its principles into practice, MAN has not only integrated CR into its relevant business processes and current management systems, but has also launched new initiatives.

Responsible corporate governance

In managing and providing oversight of the Company, our focus is on ensuring appropriate profitability and the sustained creation of value in accordance with the principles of the social market economy. MAN's management complies with all applicable laws and regulations — in particular with corporate law, our Articles of Association, and internal policies — as well as with internationally and nationally recognized standards of good and responsible corporate governance.

MAN is guided by the laws governing publicly traded corporations set out in the German Corporate Governance Code (DCGK). The Code requires the Executive Board to manage the Company in a far-sighted manner and to accept monitoring by and advice from the Supervisory Board. The Executive Board must consult the Supervisory Board on important decisions and has a duty to inform the Supervisory Board at regular intervals.

In December 2010 we became a signatory to the United Nations Global Compact, confirming our commitment to its ten principles concerning human rights, labor, environmental protection, and anti-corruption. This CR report represents our third Communication on Progress in line with the Global Compact.

Integrity and compliance

MAN does not tolerate illegal or irregular conduct. The MAN Code of Conduct outlines standards of behavior that are binding for all our employees in their daily work. Our compliance policy also provides 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, detecting noncompliance at an early stage, and responding quickly, effectively, and consistently.

In our companies in Germany, four data protection officers work to ensure that personal data are secure. In the reporting period, additional data protection coordinators were appointed in more than 90 of our companies outside Germany.

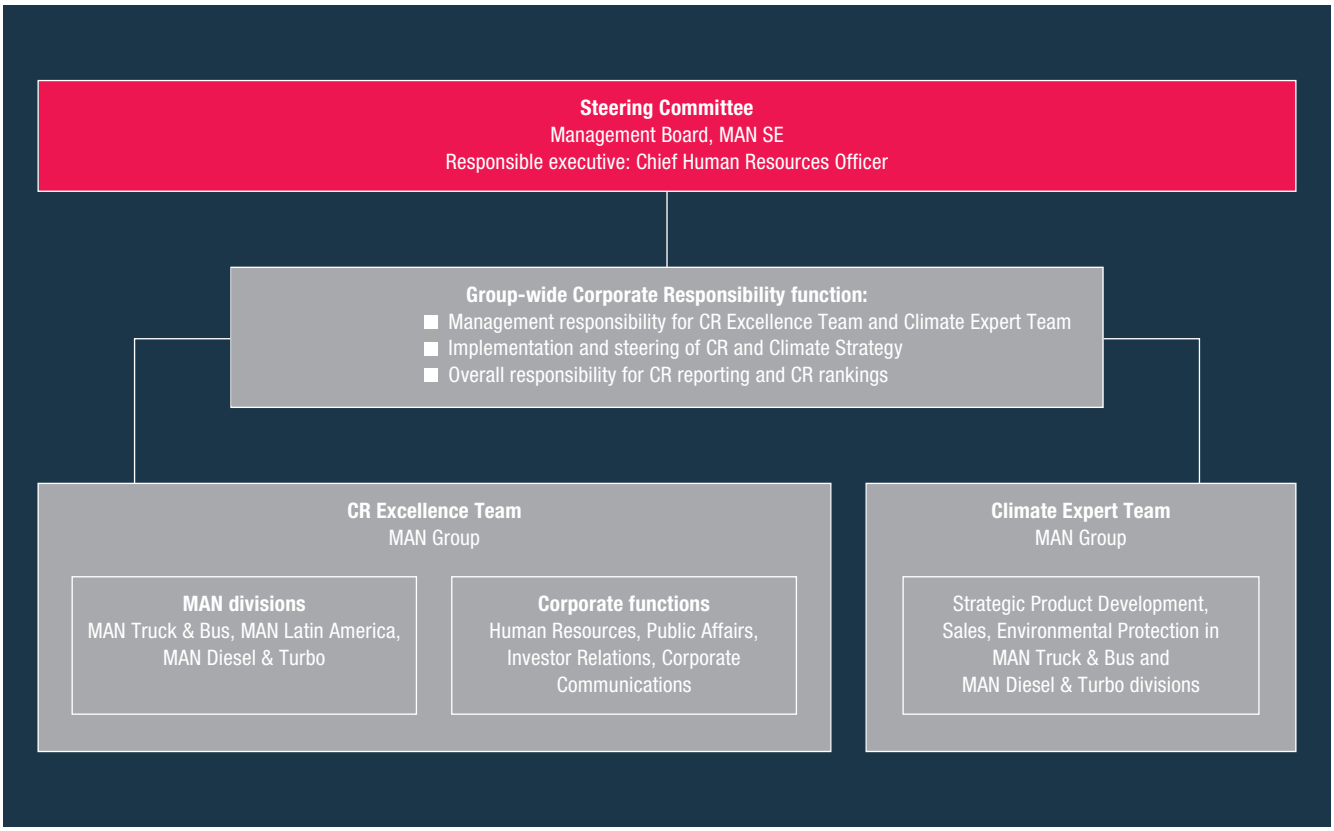
Violations of our compliance policy are examined on a case-by-case basis. The Disciplinary Sanction Committee is the body responsible for imposing internal sanctions in the event of compliance violations. It meets on an ad hoc basis and is made up of the Chief Compliance Officer and the Chief Human Resources Officer of MAN SE, as well as the Chief Executive Officer and the Compliance Officer of the subgroup in question. The findings of misconduct investigations — as well as the results of regularly conducted compliance risk assessments — are used to fundamentally improve our compliance program and introduce selective compliance measures. The Chief Compliance Officer reports to the Executive Board as well as to the Audit Committee of the Supervisory Board.

In addition to its ongoing membership in Transparency International, in the reporting period MAN joined the Partnering Against Corruption Initiative (PACI) and the German Institute for Compliance (DICO). Offering a platform for discussing measures to minimize compliance risks, PACI is a global anticorruption initiative of the World Economic Forum.

CR organization

At MAN, corporate responsibility is a managerial function. For this reason, the Management Board of MAN SE serves as the steering committee for corporate responsibility. Jochen Schumm, Chief Human Resources Officer of MAN SE and MAN Truck & Bus, is ultimately responsible for CR at MAN. In the reporting period, CR topics were discussed at three meetings of the Executive Board of MAN SE. The Corporate Responsibility function is in charge of the ongoing development and coordi-

The MAN CR Organization



nation of the CR strategy. It is supported by the CR Excellence Team, which is made up of experts from the Human Resources, Investor Relations, Public Affairs, and Corporate Communications functions, as well as representatives of MAN Truck & Bus, MAN Diesel & Turbo, and MAN Latin America. Each year, the CR Excellence Team prepares the data for CR reporting and monitors the implementation of the CR strategy. The team met twelve times in 2012. Its key tasks included steering MAN's Climate Strategy, preparing for the annual CR rankings and ratings, evaluating the results of stakeholder dialog and deriving follow-up measures (→ page 22 et seq.), and holding discussions with experts at guest lectures and similar events. Our Climate Expert Team, comprising product, production, and customer experts from the subgroups, is responsible for driving the implementation of the Climate Strategy.

Our values and MAN's CR principles (→ page 26) aim to interpret corporate responsibility as a continuous 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 and the Climate Expert Team are committed to furthering these principles.

To live up to the increased expectations of our stakeholders, a new CR organizational structure will be introduced in the second quarter of 2013.

Supplier management

MAN spends over €9 billion annually on raw materials, goods, and services. We hold not only ourselves but also our suppliers to high standards when it comes to environmental protection, employee rights, and preventing corruption. MAN's code of conduct for suppliers and business partners requires the prohibition of forced or child labor, compliance with internationally recognized human and employee rights, and adherence to environmental standards and anti-corruption regulations. We have made compliance with these principles mandatory. They are based on the labor standards outlined in the conventions of the International Labour Organization (ILO) and the ten principles of the UN Global Compact. We do

not do business with suppliers and business partners who fail to comply with these requirements, and we do not tolerate illegal behavior.

Our supplier selection standards include not only quality, innovative capability, and reliability, but also occupational safety and environmental protection. We aim to build long-term relationships with our suppliers.

Environmental and occupational safety management

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. In addition, environmental protection and safety are embedded in our vocational training and continuing professional development programs.

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). It is already being applied to energy management, and in the future it will be expanded to include occupational safety management.

MAN Diesel & Turbo has created an integrated HSE-Q handbook of management principles. This handbook combines health, safety, environmental, and quality aspects and — together with the guidelines for occupational and product safety — serves as a reference tool to guide employees in their daily work.

To protect the health and safety of our employees, we conduct systematic workplace hazard assessments and regularly hold internal occupational health and safety audits and inspections. We are currently developing a Group-wide health management system. The health services at our plants act independently to address specific concerns with appropriate measures. In addition, many facilities have concluded their own works agreements on health and safety and set up working groups. They have developed programs ranging from sports clubs to medical examinations and training courses in health protection.

Risk and crisis management

Our employees are active around the world. This calls for a preventive, global security management system. To meet this challenge, we have been coordinating security measures across the Group since 2011.

Innovative products and processes are essential to maintaining our competitive advantage — and are therefore key to MAN's success. In the year under review we launched a campaign to protect our confidential data against corporate and industrial espionage. Twenty-two on-site training sessions were conducted in Oberhausen, attended by some 950 employees. The program will be rolled out in Munich and Augsburg in 2013.

Worldwide, more than a thousand MAN employees travel on Company business each day. A travel tracking tool was launched in the year under review to help ensure their safety. It allows employees on business trips and overseas assignments to be tracked and provides them with specific information on safety and health risks before and during their travel.

In the year under review we also worked on introducing a Group-wide crisis management system. To this end we developed a management model for implementation at site, subgroup, and Group level. The aim is to create a crisis management organization that is capable of successfully handling negative events. Various crisis groups and teams are being set up at the different levels to serve as a crisis response instrument.

Zero Accident Initiative

In 2012 the Zero Accident Initiative was launched at MAN Diesel & Turbo. Its goal is to continue to significantly reduce the number and severity of workplace accidents. In addition to attending safety training courses and workshops to discuss best practices and lessons learned, employees are called upon to take the initiative. The aim is to create a culture in which every individual feels responsible for their own safety – and for that of their colleagues.

Examples of Zero Accident Initiative programs at our sites include:

- **Augsburg: Accident analysis and lessons learned**
- **Oberhausen: Training course aimed at reducing crush injuries**
- **Zurich: Safety course to build risk awareness**
- **Denmark: Reporting and analysis of narrowly averted accidents and dangerous situations**

Human resources management

Dedicated, responsible, and competent employees are essential to the continuing success of our innovative products and technologies. To this end, our HR management must look to the future. As a globally active corporation, 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 our HR management is decentralized, with each subgroup working 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.

MAN guidelines for management hiring were introduced in 2010 to promote diversity and the placement of qualified women. We keep pace with 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 products, but also facilitates the recruitment of top talent. Around the world, we collaborate with 110 universities, colleges, and research institutes.

Product development

The coming years will see a worldwide increase in the transportation of people and goods. To meet these challenges, MAN's strategic product development is aimed at trends and scenarios for the years 2015 to 2050. MAN Truck & Bus utilizes its Trend Radar for the early identification, evaluation, and analysis of relevant trends for the Company. Worldwide megatrends — climate change, globalization, demographic change, and urbanization — will significantly influence the Company's business activities. Because products manufactured by MAN have a life expectancy that often spans several decades, we plan and develop them with not only our customers' current needs but also their future requirements in mind.

Our customers judge our products based on the total cost of ownership — from purchase and use to disposal. As a result, increasing efficiency is the top priority in the development of our products and services.

In both Commercial Vehicles and Power Engineering, on average over 90% of greenhouse gas emissions are generated during the use phase of the product life cycle — 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 reduce the environmental impacts as much as possible through forward-looking product development. Important criteria here are the efficiency and marketability of our products as well as their quality and safety.

The product engineering process (PEP) at MAN Truck & Bus describes the standard sequence of a new vehicle project, from project initiation through to vehicle market launch. In 2012 this process was reworked in a joint project with MAN Latin America. The employees responsible for PEP met more than 50 times at workshops and developed a standardized process sequence which involves production managers from the very beginning. Accordingly, the product engineering process at Commercial Vehicles breaks down into six stages:

1. Initiation and definition
2. Concept
3. Development
4. Pre-series engineering
5. Series engineering
6. Series production ramp-up

"Environmentally Compatible Product Development" is the name of the process guidelines which regulate environmental aspects, such as reducing pollutant and noise emissions, at MAN Truck & Bus. In addition, we concentrate on the safety of our products and the safety of road users.

At MAN Diesel & Turbo the product development process focuses on efficiency, weight, noise emissions, and the selection of materials. We also concentrate on the reliability and safety of our products. And of course customer requirements are considered as well. The process includes the following steps:

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

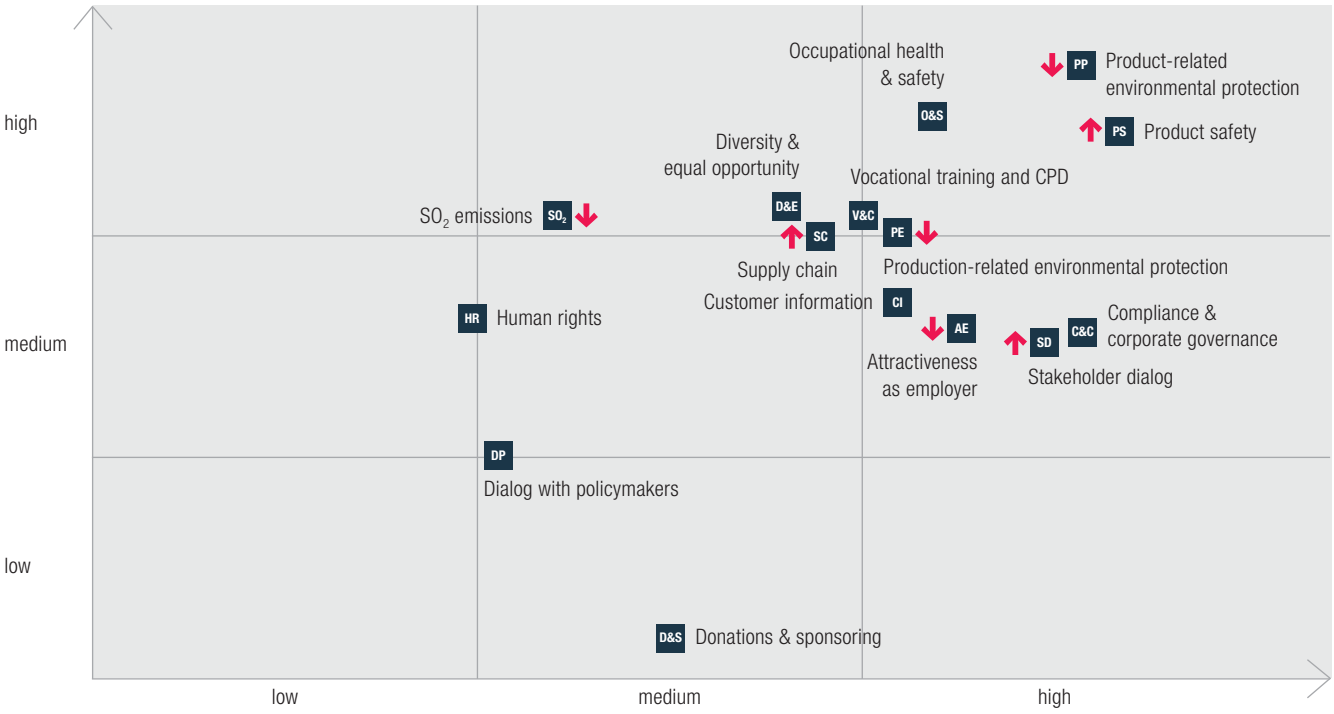
Materiality Analysis Sets Direction of CR Roadmap

The annual stakeholder survey is an important instrument for identifying CR fields where stakeholders place particularly high expectations on MAN. Our CR Excellence Team and Climate Expert Team have discussed and substantiated these issues and evaluated their relevance to our business. Our materiality analysis is the result.

Compared to last year, the topics of product safety, supply chain, and stakeholder dialog have increased in importance to our stakeholders. In contrast, they consider production-related and product-related environmental protection as well as attractiveness as an employer to be of less relevance than in 2011. The weighting given to different CR topics within this report is guided by our stakeholders' expectations. For topics identified as particularly relevant to our stakeholders and our business success, we have defined goals for 2015 and 2020 in our CR Roadmap and outlined activities that will allow us to achieve them. This supports our aim of continuous improvement.

The following overview not only lists our achievements in the year under review and our activities in 2013, but also presents the specific targets from our CR Roadmap and how they align with the issues identified by our materiality analysis. The CR Roadmap, approved by the Management Board of MAN SE, represents a core basis for the future development of our activities.

Fields of action — Findings of our materiality analysis



↓ ↑ Change in expectations/relevance in comparison to 2011

CR Roadmap

Objectives	Deadline	✔◐→	Status in 2012	Measures in 2013
Corporate Governance				
Making the compliance program a permanent part of MAN's corporate culture C&C	2012	✔	Compliance program further developed; 3,865 employees attended onsite training courses on compliance issues E-learning program launched covering the Code of Conduct, anti-corruption, antitrust, and data protection In cooperation with Audit function, compliance audits conducted at selected Group companies for the first time Management survey on compliance topics repeated Subgroup-specific special training classes conducted worldwide	Continuing with current activities
Commitment of MAN Group to comply with international regulations C&C HR	2012	✔	International Framework Agreement for basic human and employee rights signed Second UN Global Compact Communication on Progress submitted	Submitting third UN Global Compact Communication on Progress
Integration				
Integration of CR in business strategies, operational business, and internal processes AE O&S PE C&C	2015	→	CR integrated into MAN brand awareness: - CR film produced to reinforce employees' identification with the MAN brand - CR presented as a key topic at the Annual General Meeting - Renewed focus on CR at leading events such as IAA Commercial Vehicles and SMM (maritime trade fair) Optimization of data acquisition processes initiated Preparations made for rollout of IT tool for systematic acquisition of CR data	Introducing a CR IT tool
Integration of CR into vocational training, continuous professional development, and management development AE O&S	2015	→	"Manage responsibly" CR training concept for managers developed; pilot training sessions completed; 70 managers participated in nine training sessions at MAN Truck & Bus Plan for integrating CR into vocational training drawn up and presented to corporate training managers	Continuing with "Manage responsibly" at MAN Truck & Bus both in Germany and internationally and including it in the trainee program Expanding "Manage responsibly" program to MAN Diesel & Turbo Implementing pilot project for integrating CR into vocational training
Further development of CR structure by CR managers in the divisions O&S V&C PE	2015	→	CR Excellence Team expanded to include managers from additional departments relevant to CR; monthly meetings held CR and Climate Strategy status report presented to Executive Board committee consisting of CEOs of subgroups and board members responsible for production, research, and development; next steps defined Job description developed for CR manager at MAN Diesel & Turbo; job advertised; CR manager recruited	Developing and deploying a new CR organization Representation of the MAN brand on the relevant committees of the Volkswagen Group Onboarding of the CR manager at MAN Diesel & Turbo and strategic alignment of CR activities
Integration of CR Report and Annual Report with assurance by external auditor SD	2015	→	CR Report 2011 published in accordance with GRI guidelines (application level A+) and with assurance of complete report by external auditor CR reporting in Annual Report improved	Publishing CR Report 2012 in accordance with GRI guidelines (application level A+) and with assurance of complete report by external auditor Further improvement of CR reporting in Annual Report

✔ objective met ◐ partially met → ongoing

CR Roadmap

Objectives	Deadline	✔◐→	Status in 2012	Measures in 2013
Integration				
Start of systematic stakeholder dialog DP SD	2015	→	Renewed focus on CR at leading events such as IAA Commercial Vehicles and SMM (maritime trade fair) Customer survey on CR topics conducted at IAA Commercial Vehicles and analyzed CR presented as a key topic at the Annual General Meeting CR discussed with top managers at MAN Summit Third worldwide stakeholder survey with approx. 650 participants conducted, analyzed, and used as basis for materiality analysis	Conducting a stakeholder dialog event in conjunction with publication of 2012 CR Report Ensuring a focus on CR at the Annual General Meeting Continuing customer dialog on CR and Climate Strategy with at least one additional key customer Exchanging information with CR managers of relevant customers
Economy				
Identification and monitoring of non-quantifiable risks PP SD	2015	→	CR integrated into risk management: - CR ratings analyzed for risk-relevant topics - With the goal of integrating CR into risk management, contact to risk managers in subgroups initiated and opportunities for integrating CR defined - Preparations made for workshop on identifying CR-relevant risks	Conducting a workshop on identifying CR-relevant risks and incorporating them into risk management
Introduction of supplier evaluation system SC HR	2015	→	Pilot project from MAN Diesel & Turbo extended to Corporate Purchasing Contrary to plan, CR not yet integrated into award criteria	Encompassing supplier selection, rating, classification, and development
Systematic acquisition of CR data and monitoring of performance indicators O&S PE PP SD	2015	◐→	Listed in the Dow Jones Sustainability Indexes (DJSI) World and Europe KPIs developed for steering CR and Climate Strategy	Further improving overall score to become industry leader in DJSI by 2015 KPIs approved and monitored by Executive Board to steer CR and Climate Strategy
Environment				
Climate Strategy, Core Initiative 1 25% reduction in CO_2 emissions at MAN sites by 2020 (baseline: 2008) O&S PE	2020	→	Roadmap developed for implementing Climate Strategy at MAN Truck & Bus sites Walk of Energy installed at MAN Truck & Bus Nuremberg site to inform about production-related environmental protection Rollout of energy-efficiency measures continued at MAN Truck & Bus site in Plauen Energy efficiency booklet created at MAN Diesel & Turbo site in Changzhou	Applying and implementing Roadmap at all production sites and monitoring progress using relevant KPIs Rolling out further energy-efficiency measures at Plauen site Identifying and assessing additional Group-wide environmental targets
Climate Strategy, Core Initiative 2 Consistently Efficient product portfolio PP SD SO_2	2020	→	MAN Diesel & Turbo's Bluefire gas strategy developed, launched, and communicated EfficientLine expanded to bus product segment Consistently Efficient Tour carried out in South Africa and savings of 4.7 liters per 100 km confirmed	Expanding Consistently Efficient product portfolio to include other environmental aspects besides CO_2 Reducing total cost of ownership and cutting CO_2 emissions during the use phase Exchanging information with Sales and raising awareness of climate and environmental topics in the sales process
Climate Strategy, Core Initiative 3 Customer involvement and dialog PP SD	2020	→	Discussion of CR and Climate Strategy experiences held with three (of four planned) key customers Flagship projects (Concept S with semitrailer and MAN Metropolis) developed in cooperation with business partners and customers	Continuing customer dialog on CR and Climate Strategy with at least one additional key customer Developing further flagship projects in cooperation with business partners and customers

✔ objective met ◐ partially met → ongoing

CR Roadmap

Objectives	Deadline	✔◐→	Status in 2012	Measures in 2013
Environment				
Climate Strategy, Core Initiative 4 Potential for reducing CO_2 emissions along the product life cycle PE PP SD SO_2	2020	→	Tool developed to identify CO_2 savings potential along the product life cycle Product carbon footprint (PCF) calculated for different MAN Truck & Bus product segments PCF calculated for an MAN Diesel & Turbo reference engine	Improving data quality for PCF calculations Integrating PCF calculations into the standardized product development process Expanding PCF analyses to include additional product segments at MAN Diesel & Turbo Exchanging information with Sales and raising awareness of climate and environmental topics in the sales process
Climate Strategy, Core Initiative 5 Climate Strategy management SD	2020	→	(CR and) Climate Strategy status report presented to Executive Board committee consisting of CEOs of sub-groups and board members responsible for production, research, and development Management model (incl. KPIs) developed to track implementation of Climate Strategy Guidelines established for Group-wide data collection and reporting Climate Strategy communicated through various internal and external media (e.g. CR Report 2011, Annual General Meeting, CR film, UN Global Compact yearbooks)	Adopting relevant KPIs as part of management model for Climate Strategy
ISO 14001 certification for all European sites and all sites in BRIC countries AE PE	2015	→	ISO 14001 certification obtained for MAN Truck & Bus central spare parts warehouse in Dachau and production site in Saint-Nazaire Development of supervisory and support system for preparing MAN Truck & Bus sites outside Germany for certification	Preparing MAN Truck & Bus sites outside Germany for further certification Preparing for certification of MAN Diesel & Turbo site in Aurangabad, India
Employees				
Measurement of employee satisfaction and worldwide implementation of findings of employee survey AE	2015	→	2,850 workshops held on implementing top findings of the employee survey Preparations made for Group-wide MAN employee opinion survey in 2013	Conducting the MAN employee opinion survey
Introduction of a diversity management program D&E	2015	→	15 additional women appointed to positions in management levels 1–3	Further increasing the proportion of women in management to 12% by 2014
OHSAS 18001 certification for all sites AE O&S	2015	→	Certification obtained for MAN Latin America site in Resende OHRIS (similar to OHSAS) certification obtained for MAN Diesel & Turbo site in Augsburg Certification obtained for MAN Diesel & Turbo sites in Hamburg, Oberhausen, and Deggendorf Roadmap drawn up for certification of MAN Truck & Bus sites	Planning the OHSAS 18001 certification of the MAN Diesel & Turbo site in Augsburg Preparing for OHSAS 18001 certification of pilot MAN Truck & Bus sites in Nuremberg and Krakow
Corporate Citizenship				
Encouraging employee volunteering AE SD D&S	2015	→	Additional opportunities created in SOS Children's Villages facilities in Munich and Salzgitter 47 employees volunteered 329 hours	Expanding initiatives to sites outside Germany Providing at least 150 additional hours of voluntary work
Expansion of cooperation with SOS Children's Villages to the BRIC countries AE SD D&S	2015	→	Educational partnership for children and young people initiated in Brazil SOS Children's Villages facility in Brazil visited and initial discussions with leaders held	Selecting a specific development project in the São Paulo or Rio de Janeiro region of Brazil

✔ objective met ◐ partially met → ongoing

Responsible for social engagement in Brazil

According to the International Monetary Fund, Brazil has displayed rapid development in recent years, with economic growth of up to 7.5%. Sustainable growth requires an intact educational system that produces well-educated employees. In turn, a functioning economy has a favorable impact on social development. Enterprises in Brazil help shape this by becoming actively involved in communities — as MAN Latin America has done.

Opportunities for people with disabilities

According to figures published by the Brazilian Ministry of Education, in Brazil people with disabilities have less access to education. For this reason MAN Latin America has launched the New Horizons program in cooperation with universities in Resende, Barra Mansa, and Volta Redonda. This initiative makes scholarships available to students with disabilities. Twenty-two young people benefited from such scholarships in 2012. Through this program, MAN is seeking to find new talents for its own company and at the same time improve the situation of people with impairments. It also offers opportunities for cultural education. MAN has been supporting Ambassadors of Joy, Brazil's first samba school for people with disabilities, since 2009. The highlight of 2012 was its participation in the opening parade of the carnival in Rio de Janeiro.

Engagement in the fight against cancer

According to the Brazilian Ministry of Health, every year around 10,000 children and young people aged between five and 19 are diagnosed with cancer. The disease is the second most common cause of death in this age group. Support for these children and young people is provided by the "Grupo de Apoio ao Adolescente e à Criança com Câncer" (GRAACC), a non-profit organization founded in 1991. It supports holistic treatment and research into the disease and provides access to modern medical treatment for children and young people in São Paulo, thereby maximizing their prospects of recovery. GRAACC raises the quality of life of sick children and their families through a holistic approach to medical and educational care, for example by helping schoolchildren to catch up on material they have missed due to illness. An early diagnosis of cancer is crucial to the prospects of recovery. The GRAACC's Run and Walk sporting event sets out to publicize this fact. The nonprofit group organizes this run in São Paulo every year to raise funds for financing preventive screenings. MAN Latin America has been sponsoring the event since 2010. Our employees not only play an active role in the preparations, but also take part in the run themselves to support a good cause.

Antonio Roberto Cortes, President of MAN Latin America (second from right), with a successful student from the New Horizons program.

Members of the Ambassadors of Joy at the opening parade of the 2012 carnival in Rio de Janeiro.

Employees of MAN Latin America at the GRAACC's Run and Walk in São Paulo.

Project overview ➔

Responsible for more climate protection in China

Following a phase of rapid growth, China is now the world's second-largest economy. However, economic growth on this scale also presents challenges. Rising CO_2 emissions and increased pollution of air, water, and soil are creating a need for industry to comply with stricter environmental management requirements. At the same time, energy shortages are affecting production at many companies. This also applies in the city of Changzhou in Jiangsu province, where the MAN Diesel & Turbo plant is located. Because we are active in the Chinese market, we live up to our responsibility here. We are implementing specific local measures to support the Chinese government's climate objectives for the year 2015, which the Twelfth Five-Year Plan defines as 17% lower CO_2 emissions, 16% less energy, and 30% less water consumption (per unit of industrial output) compared with 2010.

Saving energy at our Changzhou site

In China we are also systematically implementing our Group-wide Climate Strategy. One major element is energy saving in our own production operations. To achieve this in Changzhou, right from the start we invested in efficient production facilities that comply with European standards. Since roughly half the plant's entire energy consumption comes from the production facilities, that is where we have the greatest potential for savings. We are also investing in the efficiency of our air-conditioning and lighting systems: We have insulated the building and are making increasing use of energy-saving lighting. In order to raise our employees' awareness of energy efficiency, MAN Diesel & Turbo runs regular training courses in Changzhou. We trained 150 employees in 2012. We also show relevant films in the cafeteria, have put up an energy-saving awareness bulletin board in the break rooms and award the Energy Efficiency Star to employees who make special efforts to achieve savings. To integrate energy efficiency in our production processes we set up the Energy Management Committee at the end of 2012. It serves as the steering committee for all measures and is intended to optimize cooperation among the individual departments.

Networks for more efficiency

MAN Diesel & Turbo serves as an example for other companies in the Changzhou region that are also aiming to improve energy efficiency at their facilities. With this role in mind, in 2010 we joined forces with twelve other companies to establish the Energy Efficiency Network Changzhou. The network enables local businesses to share information about ways and means of saving energy. The result: the "Energy Efficiency Booklet" with 100 best-practice examples of energy efficiency in production. This booklet also benefits companies outside the network.

An energy-saving awareness bulletin board keeps employees informed about the plant's energy consumption.

The Energy Efficiency Star is awarded to employees who have made special efforts to improve energy efficiency.

MAN Diesel & Turbo is investing in efficient production facilities at its Changzhou plant.

Worldwide Responsibility — Our Projects

With its local projects, MAN is adding value for society. Our particular focus is on the countries in which we do business. At MAN we see ourselves as part of society. We therefore aim to be a good corporate citizen, contributing to sustainable development at all our sites. MAN has initiated a variety of projects; some are directly related to its core business, while others have arisen to meet an urgent need. Our employees are actively involved in many of these projects — contributing volunteering hours as well as their passion for making a difference in society and for the environment.

Project 01: Germany – Kick-off Europe

Equality, fair play, and mutual appreciation – those are the key principles underpinning the Kick-off Europe (Anpfiff Europa) project. At the start of June 2012, 60 young people between the ages of ten and 14 from Germany and Poland came together at the international youth community center in Kreisau, in the German state of Lower Saxony. The aim was to break through boundaries and develop mutual acceptance, respect, and tolerance for one another. MAN Finance supplied a bus for the event.

Project 02: Germany – Family day in Augsburg

“At home in Augsburg and around the world” was the headline for the invitation sent out by MAN Diesel & Turbo at the end of June 2012 to a family day at the company’s Augsburg headquarters. With some 18,000 visitors, it was the largest event of its kind since 2008. As guests followed the planned route though the production halls, information stands and presentations at the different manufacturing stations showed how a marine engine is built. Also on the agenda for the event were culinary and cultural treats from around the world — as suggested by the day’s motto.

Project 03: Germany – MAN Christmas truck

The MAN Christmas truck was on the road once again in the run-up to Christmas 2012, stopping off at preschools, SOS Children’s Villages, children’s hospitals, social institutions, and Christmas markets across southern Germany up to December 24. The MAN TGX truck was carrying a full load of chocolate and small surprises. Trainees from MAN Truck & Bus decorated the truck at the Munich plant with a string of lights measuring almost 200 meters.

Project 04: France – E-mobility at MAN Diesel & Turbo

MAN Diesel & Turbo has updated the fleet of service cars in operation at its plant in Saint-Nazaire. One special addition was an electric car, for which MAN invested around €30,000. With a maximum range of 160 kilometers, it is used for short trips to customers and suppliers in the surrounding area. The goal of this investment is to make a contribution towards reducing CO_2 and noise emissions. Plugging it into a high-voltage 400 V charging point replenishes the car’s batteries to 80% of capacity in just 30 minutes.

Project 05: Austria – Astronauts on Board Spaceship Earth

In late August 2012 the ninth KinderUni event took place in Steyr under the banner "Thinking the Unthinkable." MAN was one of the sponsors. The aim was to prepare children – aged from nine to 12— for the social and environmental challenges facing their generation. One of the 163 events focused on the topic "Astronauts on Board Spaceship Earth." The 20 participating children pretended they were passengers on Spaceship Earth for its voyage around the sun. Guided by an expert from MAN Truck & Bus, they thought up some questions and answers on the subject of sustainability and had a lot of fun while they were at it.

Project 06: Poland – Safe journeys to school

Road traffic can be particularly dangerous if you are a child. MAN Truck & Bus Poland is well aware of this issue, as it demonstrated once again in its eighth year as main sponsor of the annual road safety day co-organized by Transport Polski magazine and the municipality of Niepolomice near Krakow. The MAN plant hosted the event, which took place in October 2012. The company supplied several trucks for the traffic training sessions and our employees also got involved. Three hundred children took the opportunity to learn about the correct way to behave around traffic – including in situations where there are trucks on the road.

Project 07: Spain – School bags for first-graders

The workforce at MAN Truck & Bus Spain held a collection to raise money to buy school supplies for 158 students starting elementary school. The employees teamed up with crews from the Spanish Red Cross to fill school bags with the school supplies. The initiative marked the start of the employee volunteering activities organized by MAN Truck & Bus in Spain in cooperation with the Red Cross.

Our projects online

Our projects online
You can find an overview of all the projects presented in the CR reports for 2010–2012 on our CR website www.man.eu.

Project 08: Germany – Augsburg Philharmonic Orchestra

MAN Diesel & Turbo has been the new main sponsor of the Augsburg Philharmonic Orchestra since April 2012. The aim of the partnership is to attract more internationally renowned artists to Augsburg and raise the profile of the city's philharmonic orchestra. The move also sees Augsburg's largest industrial employer promoting cultural and social life in the region. The orchestra's first concert with MAN Diesel & Turbo as the main sponsor took place at the end of May 2012 in Augsburg's freshly renovated convention hall.

Project 09: South Africa – Learning with a real MAN engine

Tom Naude Technical High School located in Polokwane, north of Johannesburg, has been working with MAN as part of a joint project since 2008. We have supplied the classrooms with technical equipment and provided practice objects. Instead of teaching theory from the front of the class, the teachers bring the subject matter to their students in a practical environment using a functioning engine and an actual rear axle. The teachers attend regular training sessions in the use of technical equipment. The improved teaching and learning conditions at the school are already being reflected in better final grades.

Project 10: Vietnam – The classroom on wheels

In rural areas of Vietnam such as the Mekong Delta, access to computers and the Internet is extremely restricted. Computer skills are a rarity among local children. But "Helena's mobile school" — run by the private Dariu Foundation, which works to improve education in Vietnam— is on a mission to change all that. Sea freight containers have been converted into classrooms for teaching groups of up to 30 children at a time. Once the course has been completed, a truck takes the classroom to its next stop. MAN SE partnered with MAN TopUsed to donate a truck to transport the mobile classrooms.

Project 01

Young people from Germany and Poland learned how to show respect, tolerance, and acceptance for one another as part of the Kick-off Europe project.

Project 02

“At home in Augsburg and around the world” was the headline for an invitation sent out by MAN Diesel & Turbo to a family day at the company’s Augsburg headquarters.

Project 03

The MAN Christmas truck once again caused children’s eyes to light up this year.

Project 04

MAN Diesel & Turbo service employees in Saint-Nazaire drive a low-CO_2 and very quiet electric car to customers and suppliers in the surrounding area.

Project 08

MAN Diesel & Turbo supports the Augsburg Philharmonic Orchestra and, by extension, cultural life in the region.

Project 07

MAN Truck & Bus in Madrid linked up with the Spanish Red Cross to help first-graders get ready for school.

Project 06

At MAN Truck & Bus in Poland, 300 children took the opportunity to learn about the correct way to behave around traffic — including in situations where there are trucks on the road.

Project 05

Children attending the KinderUni event in Steyr thought up questions and answers on the subject of sustainability, and had a lot of fun while they were at it — all supported by MAN.

Project 10

MAN uses a mobile classroom to give children in Vietnam access to computers and the Internet.

Project 09

Out with the blackboard, in with a real engine: MAN equipped a technical school north of Johannesburg with an engine and a rear axle, and provides regular training for the teachers.

An additional display keeps the driver informed about the status of the high-capacity condensers on the roof.

The eco-friendly MAN diesel engine starts generating electricity as soon as the stored braking energy is used up.

The MAN Lion's City Hybrid is particularly suitable for frequent starting and stopping in city traffic.

Performance Report: Corporate Responsibility in Figures

Stefan Würms (right) from MAN Truck & Bus in Switzerland advised Stefan Kalt, director of the Baden-Wettingen regional transport system (RVBW) to go for the MAN Lion's City Hybrid bus. The vehicle stores braking energy in high-capacity condensers, cutting diesel consumption by up to 30% — which results in savings of 26 tons of CO_2 per year.

Report Profile

With its CR Report 2012, MAN has once again complied with the highest reporting standard (A+) of the Global Reporting Initiative and submitted to a comprehensive audit by an external audit company.

How this report was drawn up

Our CR Report 2012 is divided into three parts to respond to the different needs and expectations of our stakeholders. This year's Priority Issue section concentrates on our customers as well as our products and services. It is followed by descriptions of the MAN CR strategy and CR management and the Performance Report.

As an internationally active company we also address our report to our employees, to investors and analysts, policymakers, local authorities, and NGOs as well as to the people who live in the countries where we operate. In its CR Report 2012, MAN presents a detailed and comparable overview of its performance in the field of sustainability. Our reporting complies with the Global Reporting Initiative Guidelines (GRI-G3) published in 2006 and for the second time in succession meets the requirements of the highest reporting standard (Level A+). Wherever possible and meaningful, we present indicators for the past three years. The report thus supplements our Annual Report 2012 and at the same time constitutes our third progress report for the United Nations Global Compact. It was prepared in consultation with our CR Excellence Team, which includes responsible persons from all areas relevant to CR. The report has been approved by the Management Board of MAN SE.

Reporting period and scope

The reporting period 2012 is identical with the 2012 fiscal year, which runs from January 1 to December 31. Unless otherwise specified, the information in this report relates to the entire MAN Group (MAN SE including subsidiaries, but excluding joint ventures, associated companies, and financial participations). Foreign currencies are converted at the average rates for 2012.

Data collection

Collecting CR data is a logistical challenge for our Group. This is because of the partial lack of Group-wide standards for the data published in the CR Report. The figures are sourced from various internal reporting systems which differ in some respects from those taken as a basis for the financial information in our consolidated financial statements. We are working on standardizing data collection.

Independent assurance report

We voluntarily submitted our CR Report 2012 to a comprehensive independent audit by the audit company PricewaterhouseCoopers which was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000. As in the previous year, the limited assurance audit covered all significant statements and all indicators for the reporting year 2012. The audit report can be seen on pages 70 and 71.

Editor's note

This report is published in German, English, and Portuguese. The closing date for contributions was January 31, 2013. Events with CR relevance are included through March 31, 2013. We will continue to publish these reports annually. The next report will appear in the first half of 2014. In the interests of readability we have not used the full legal names of MAN SE and its subgroups.

Additional information

The printed report is supplemented by additional information on our corporate website at www.man.eu. Direct access is facilitated by cross-references in the report and QR codes providing direct links to the relevant website pages. Our CR website also provides up-to-date information about current developments concerning our corporate responsibility.

Progress Report on MAN's Climate Strategy

MAN adopted a climate strategy in 2011. By 2020 we aim to be recognized as one of the companies in our sector that is best able to handle the challenges of climate change. This progress report on the implementation of MAN's Climate Strategy provides a transparent account of what we have achieved in the past year, what measures we have implemented, and what we are planning.

Core Initiative 1
→ 25% reduction in CO_2 emissions at MAN sites by 2020 (baseline: 2008)

We reduce CO_2 emissions at MAN sites by applying four principles: improving energy efficiency, using renewable energy sources (sun, wind, geothermal energy, and biomass), generating energy using combined heat and power (CHP) plants, and applying integrated technical and organizational energy management systems.

MAN is responsible for its production processes and for its products. Our sites consume raw materials and electricity and use resources to generate energy, giving rise to CO_2 emissions. In adopting MAN's Climate Strategy, we set ourselves the target of achieving a 25% reduction in CO_2 emissions at MAN sites by 2020. This first step makes an important contribution to climate protection in our production operations.

In concrete terms, this means that — compared with 2008, when we emitted 500,000 tons of CO_2 — we will have to save 125,000 tons of CO_2, which is equivalent to the emissions of a small German town with a population of 14,000. At the end of the year under review we had saved 24,000 tons of CO_2, which is 5% of the 2008 figure and represents one-fifth of our target for 2020. In other words, we have gotten off to a good start on the road we must rigorously follow to meet our target.

CO_2 savings in our business areas (rounded)

	CO_2 emissions in base year 2008	CO_2 emissions in 2012	Difference in %
Commercial Vehicles	373,300	339,500	–9.1
Power Engineering	117,800	127,600	+8.3
Total	**491,100**	**467,100**	**–4.9**

In 2012 the activities performed under Core Initiative 1 were aimed at reducing our own CO_2 emissions. These measures were based on four principles which were drawn up and established over the past years by MAN Truck & Bus, and they are now being extended to the other subgroups. This structured approach has led to the division's success in cutting emissions.

Scope

The data on progress with our Climate Strategy are collected from 26 of our 30 production sites in the MAN Truck & Bus, MAN Latin America, MAN Diesel & Turbo, and Renk divisions. These figures for CO_2 emissions therefore differ from those shown in the Environment chapter. The system boundaries of MAN's Climate Strategy are based on the Greenhouse Gas Protocol.
The emission factors we use for calculating direct emissions are shown on page 53. The increase in the International Energy Agency's (IEA) emission factors for electricity in 2012 over those we used for calculating the base year is also reflected in the higher CO_2 emission figures in this chapter.

The effects of most of the measures implemented in 2012 will not be felt until later years. To enable us to monitor and compare progress at the individual sites, we work with key performance indicators (KPIs) (➔ Core Initiative 5).

Measures taken to reduce CO_2 emissions in 2012

Principle	Steps taken in 2012
Improving energy efficiency	- Energy efficiency analyses completed at all MAN Truck & Bus locations. - We improved the energy efficiency of our buildings at a number of sites. - Replacement of the ventilation system at the MAN Truck & Bus plant in Munich has resulted in more efficient heat distribution, bringing a substantial reduction in our energy consumption. - At the MAN Truck & Bus site in Poznań (Poland) we reduced our energy requirements for compressed air by optimizing the use of compressors. - More efficient air locks and air curtains were installed at several MAN Truck & Bus sites to retain the heat in the production shops.
Using renewable energy sources	- At the Munich factory a roof-mounted photovoltaic system installed in 2012 has since been reducing CO_2 emissions. - We investigated the possibility of using renewable energy from photovoltaic, co-generation, and biogas systems at our MAN Truck & Bus plant in Plauen (see flagship project).
Generating energy with CHP systems	- We are currently investigating the use of co-generation with MAN engines at the MAN Truck & Bus factories in Munich, Nuremberg, Salzgitter, and Steyr (Austria). - We completed preparations to install two MAN engines at the Plauen plant for efficient energy generation using CHP.
Energy management	- Our energy experts at MAN Truck & Bus and MAN Diesel & Turbo hold regular meetings to share information about improving energy efficiency and optimizing energy management. - We are currently investigating the introduction of the ISO 50001 energy management system at all German Truck & Bus sites. - At MAN Diesel & Turbo's Augsburg factory the decision was made to introduce a certified energy management system. - We continued with organizational measures such as lowering the temperature of the halls outside of production times.

Flagship project: Energy-efficient factory in Plauen

We aim to achieve a 25% reduction in CO_2 emissions at all sites by 2020. The MAN Truck & Bus NEOPLAN plant in Plauen is to play a pioneering role in this. A pilot project here is not only implementing a climate-friendly, efficient, and innovative energy strategy, but also making this factory in Saxony more competitive and independent of rising energy costs.

By 2015 we will have transformed the Plauen plant into one of the most modern bus production facilities in the world. During the first phase we expanded our logistics center. Intelligent routing, energy-saving lighting, and boiler optimization all reduce CO_2 emissions. During the second phase, in 2013, we will install the heart of the energy supply system: the "Energy House." This energy center will supply the factory with electricity, heating, and process heat. These will largely be provided by two CHP plants using MAN engines. An efficient peak-load boiler will supply any additional heat needed at the factory on cold days. The internally generated heat will supply the entire paint complex, the adhesive and competence center, and from 2015 onward the assembly shop, administration building, and delivery department, representing the last phase of conversion.

Over the course of the year, the site will produce more electricity than it needs. The surplus production of eco-friendly electricity will be fed into the public grid.

Core Initiative 2
➔ Consistently Efficient product portfolio

We position ourselves in the Commercial Vehicles and Power Engineering business areas with sustainable products and solutions.

Low fuel consumption not only reduces CO_2 emissions, but also saves costs. Customers frequently base their decision to buy a vehicle on the total cost of ownership. This is an important incentive for us to steadily reduce consumption and constantly improve the efficiency of the products in our portfolio.

As part of MAN's Bluefire strategy, during the year under review MAN Diesel & Turbo presented various gas technologies that offer efficient alternatives for energy production: natural gas engines for power plants, dual-fuel engines that can run on both natural gas and diesel for stationary and maritime applications, and industrial gas turbines. By making use of heat energy – a by-product of power generation — the MAN Bluefire technologies achieve fuel efficiency levels of 86%. Reduced CO_2, NO_X, and SO_X emissions mean that natural gas engines and gas turbines ensure cleaner fuel consumption than conventional energy generation technologies.

On the basis of the results of the product life cycle analysis (→ Core Initiative 4) and analyses of our customers' needs, we are constantly working to reduce fuel consumption and improve efficiency.

In the Megatrends Demand Innovations brochure which accompanies this report, we have for the first time compiled a systematic overview of efficient products and innovations from all our business areas.

Core Initiative 3
→ Customer involvement and dialog

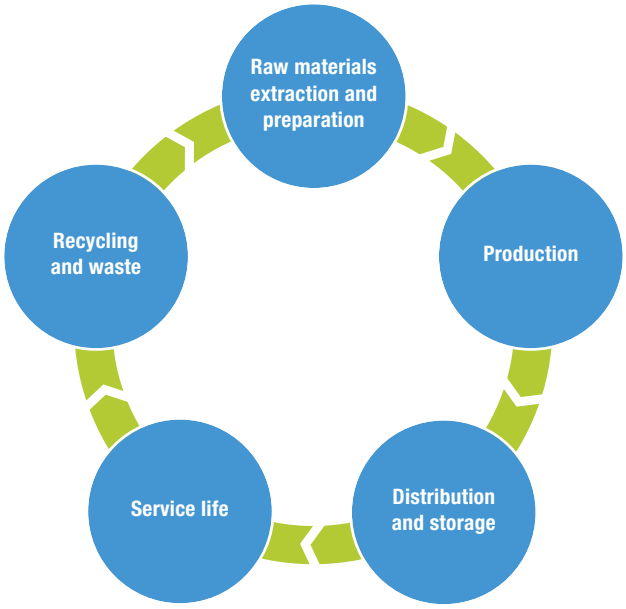
We involve our customers and talk to them about ways to reduce the global carbon footprint. After all, many of our customers have already set themselves ambitious targets for cutting CO_2 emissions.

We include our customers in our annual stakeholder survey and ask them to assess our CR engagement (→ page 22 et seq.). We also pursue dialog with our customers at trade fairs (→ page 16 et seq.). We have started a particularly intensive dialog with some of them — Deutsche Post DHL, for example. In March 2012 we invited customers to share information in the MAN Truck Forum. Participants had the opportunity to introduce their company's CR activities; joint targets in the field of CO_2 emission reductions were also on the agenda. It is important for MAN to understand the future needs of its customers. Businesses like Deutsche Post DHL benefit from this by being able to contribute their ideas and needs to the process of developing our products and services at an early stage. Further meetings with key customers are planned for 2013.

Core Initiative 4
→ Potential for reducing CO_2 emissions along the product life cycle

To identify potential for reductions, we measure CO_2 emissions along the entire product life cycle.

For our Consistently Efficient product portfolio we have developed a Product Carbon Footprint — Life Cycle Assessment tool for calculating CO_2 emissions. We use this to capture and calculate various emissions occurring from raw materials extraction all the way to recycling and total them as CO_2 equivalents. Since the upstream chains, production, and use phases of our products in the Commercial Vehicles and Power Engineering business areas show wide variations, we have tailored our Product Carbon Footprint tool to the relevant conditions. For both areas, however, it is based on the same logic and considers the following phases of the product life cycle on the lines of the Greenhouse Gas Protocol:



For MAN Truck & Bus this tool was used to calculate CO_2 emissions for vehicles in all truck and bus product segments in which we are represented. The Product Carbon Footprint tool takes account of twelve different material groups, energy consumption figures for production sites, including the logistics

chain, and data on our products in practical use. In the MAN Diesel & Turbo division the tool was used for a selected dual-fuel four-stroke engine (51/60 DF).

All calculations confirmed our assumptions: Whereas a maximum of 10% of all CO_2 emissions arise during production and the upstream chain, more than 90% are generated during the use phase. The analysis of the MAN Diesel & Turbo dual-fuel four-stroke reference engine shows that this figure is already reached during the first year of use. Assuming a service life of over 40 years, which is by no means unusual for large-bore diesel engines, the share of emissions due to production decreases to less than 1%. This shows that the strongest potential for reducing global CO_2 emissions lies in the use phase of our products.

We use these findings for our Consistently Efficient product portfolio and inform our customers about the CO_2 emissions along the product life cycle of our vehicles (→ Core Initiative 2). And that is not all: At a political level, we advocate a standardized CO_2 declaration system throughout Europe. This would improve transparency between different manufacturers' models and thereby increase competition — which would benefit not only customers, but also the environment.

Core Initiative 5 → Climate Strategy management

We manage the implementation of our Climate Strategy and have defined KPIs that are regularly measured and published.

During the year under review we developed a management model for Group-wide control of the Climate Strategy. This monitors our progress with implementing the five Core Initiatives and measures our success.

In the future, MAN's performance on the climate protection front will be measured in terms of selected key performance indicators (KPIs). We selected and defined these in 2012 on the basis of relevance and measurability criteria. They will be approved by the Executive Board in 2013.

Measures and activities for the Core Initiatives in 2013

1. 25% reduction in CO_2 emissions at MAN sites by 2020 (baseline: 2008)	- Put the roadmap into effect for all production sites and implement and monitor it with relevant KPIs - Continue developing the energy-efficient plant in Plauen - Introduce certifiable energy management systems at selected sites - Identify and assess further Group-wide environmental targets
2. Consistently Efficient product portfolio	- Continue focusing on consumption reduction projects for Consistently Efficient products - Expand Product Carbon Footprint tool to include additional environmental aspects - Reduce total cost of ownership of our products and make further reductions in CO_2 emissions during the use phase - Share ideas with Sales and raise awareness of climate and environmental issues in the sales process
3. Customer involvement and dialog	- Continue dialog on CR and climate strategy with key customers
4. Potential for reducing CO_2 emissions along the product life cycle	- Improve data quality for the Product Carbon Footprint tool - Take account of findings from the Product Carbon Footprint assessments when making product development decisions - Expand product life cycle analyses to include other MAN Diesel & Turbo product segments
5. Climate Strategy management	- Approve relevant KPIs under the climate strategy management model - Expand the management model to include the CR strategy - Complete a policy on CO_2 reporting - Continue to develop reporting on implementation of MAN's Climate Strategy

Corporate Governance

MAN has continued to enhance 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 largely complies with the recommendations of the German Corporate Governance Code (DCGK — German Corporate Governance Code) as amended on May 15, 2012. The most recent Declaration of Conformity was issued in December 2012 (2012 Annual Report, page 17 et seq.). MAN SE departed from the DCGK recommendations with regard to the following three points: The Chairman of the Supervisory Board's Audit Committee, Mr. Rupert Stadler, cannot be considered "independent" in view of his functions within the Volkswagen Group. As a precautionary measure, a departure from the Code was declared regarding the variable compensation of the Supervisory Board. We assume that the compensation structure, linked to the net income for the year, fulfills the criterion for "sustainable growth" of the enterprise as outlined in the Code. However, other views have been presented on this matter, leading us to declare the departure as a precautionary measure. Similarly, as a precaution due to recent developments in case law, a departure was declared from the stipulations of the Code regarding the extent to which conflicts of interest should be reported at the Annual General Meeting.

Our subsidiary Renk AG has also issued a Declaration of Conformity.

The Company's Supervisory Board has 16 members with equal numbers of shareholder representatives and employee representatives. In 2012 the Supervisory Board held six regular meetings. The average attendance rate at the Supervisory Board meetings was 98%. The Chairman of the Supervisory Board does not hold any other positions within the MAN Group. The mandates of the members of the Executive and Supervisory Boards are listed in the 2012 MAN Annual Report (page 180 et seq.).

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 business units 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

It is the Supervisory Board's objective and duty 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 the peer group as well as against 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. In fiscal 2012 the entitlement to common stock of the Company that previously formed part of the long-term remuneration component was converted into entitlement to cash payment of the equivalent amount. Against the backdrop of good corporate governance, part of the remuneration is contingent upon the sustained success of the Company.

Values, goals, and policies

Standards of ethical behavior and compliance requirements are defined in the MAN Group's Code of Conduct, which is binding for all MAN employees. Guidelines for putting these standards into practice can be found in various policies which apply across the Group. In addition, MAN has published a code of conduct for suppliers and business partners. It outlines min-

imum ethical standards which the suppliers commit to uphold. With the aim of simplifying and harmonizing the numerous policies, in 2012 our Compliance function launched a policy-management optimization project. Existing policies are currently being reworked by the applicable departments and adapted to the new standards. In the future a corporate policy database, known as the "House of Policies," will offer a central platform for the administration of all policies across the Group.

MAN's clear commitment to the United Nations 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.

Compliance organization

The MAN SE Compliance function is currently staffed by 45 employees and headed 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. At meetings of the Compliance Board, the Chief Compliance Officer informs MAN SE's Executive Board and the heads of other functions on the progress made by the Compliance organization and the introduction of new compliance measures. In addition, further steps are also agreed upon. The Compliance Board met three times during the reporting period.

2011 saw the appointment of Compliance Champions, managers who are not full-time Compliance employees but who have taken on special responsibility for the topic. In the reporting period, they were briefed at regular intervals on current developments within the MAN Compliance organization, on compliance instruments, and on related topics. Compliance Champions also ensure that compliance measures are implemented in Group companies that do not have a local compliance manager on site.

In 2012 we again conducted a management survey on compliance issues. The findings confirmed employee acceptance and knowledge of the Compliance organization and its activities.

Compliance program

Initiated in 2010, the MAN compliance program addressing the issues of combating corruption, antitrust law, and data protection was continuously developed in the reporting period and rolled out around the world.

The second compliance risk assessment was completed at the beginning of 2012. Its aim was to identify potential compliance risks within the business models applied in the Group. The results of the assessment will, among other things, be used to develop further measures to prevent compliance risks. One area of focus was the expansion of compliance training sessions and special workshops intended to enhance the compliance awareness of our employees. In 2012 the results of the survey were also used to drive compliance integration forward in the course of expanding the Compliance organization to the sales regions and divisions. The next compliance risk assessment will be launched in the first quarter of 2013.

All MAN employees can contact the Compliance Helpdesk by phone or e-mail to obtain answers to compliance-related questions. Since the Helpdesk was launched in February 2010 it has handled a total of 3,443 inquiries.

In the reporting period compliance awareness training sessions were held for all employees around the world who could be exposed to compliance risks in their daily work. The sessions focus on teaching the basics of anti-corruption and antitrust law. In addition, 3,635 employees attended special courses to deepen their knowledge of these topics and of data protection issues. December 2012 saw the start of the rollout of an e-learning program which teaches compliance basics. On-site instruction in anti-corruption and antitrust law was also offered to our business partners for the first time in 2012.

Selected compliance measures

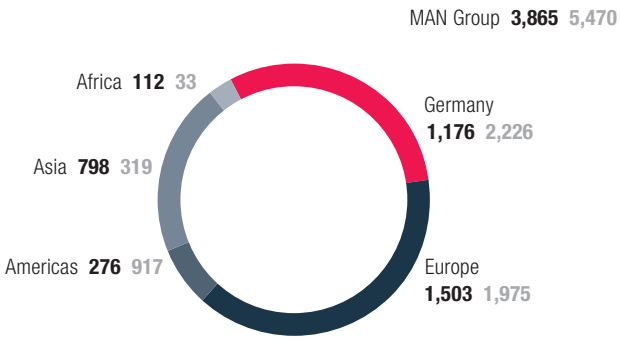
Helpdesk	931 questions handled
Training	3,865 employees (7%) around the world were trained in 197 on-site compliance awareness training sessions
Business Partner Approval Tool	A total of 1,829 employees have been trained in the use of this tool and 2,355 business partners checked

The Business Partner Approval Tool is used to check the integrity of business partners who support our sales activities. Because approvals are only valid for two years, in 2012 we started the process of renewing individual partners' approvals for the first time. A list of all business partners who we are not permitted to work with is updated on a monthly basis and communicated within the Group. In 2012 we continued with the rollout of an electronic monitoring system called

Continuous Controls Monitoring, which acts as an early warning system for compliance risks and policy violations in our purchasing and payment processes.

CR and compliance risks can ensue from the acquisition or disposal of equity investments. Since 2011 the Compliance function has been involved in acquisition projects from the start to prevent such risks. We continued to develop this process in 2012, adding questions to a due-diligence questionnaire that must be completed by the targeted company and covers aspects including human rights and environmental impacts.

Number of employees trained in compliance



2011 values in gray

In the reporting period preventive compliance audits were conducted for the first time in selected Group companies in coordination with the internal audit function. The goal of these audits is to check the status of the local implementation of the MAN compliance program as well as the employees' awareness of compliance issues.

Our whistleblower portal "Speak up!" again helped to uncover and prevent risks in 2012. MAN employees and third parties can use "Speak up!" to report compliance violations at any time — confidentially, anonymously, and regardless of location. The reports are investigated immediately, corrective actions are taken, and disciplinary measures are initiated in accordance with labor law. Compliance violations are not tolerated under any circumstances. We use the findings of misconduct investigations to continuously improve our compliance system.

Reports of suspected workplace bullying or other violations not related to compliance issues are handled confidentially and with sensitivity, and are passed on to the HR or specialist function responsible. In 2012 the Compliance organization received six reports that fell within HR's scope of responsibility, including three reports of suspected workplace bullying.

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, the Company is continuing to cooperate fully with the investigating authorities of the European Commission. In 2012 the European Commission discontinued the antitrust proceedings initiated against MAN in 2011 concerning alleged antitrust violations in the engine segment. The UK Office of Fair Trading has also discontinued the antitrust proceedings against truck manufacturers in the United Kingdom and passed the case to the European Commission for further review in connection with the abovementioned proceedings.

In view of suspected irregularities in the handover of four-stroke marine diesels from MAN Diesel & Turbo SE, in 2011 the Executive Board of MAN SE launched an investigation by the Compliance function and external consultants. In this case too, MAN is continuing to cooperate 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 89% of revenue.

Integration

With the goal of integrating CR in its operations and internal processes, MAN has rolled out a special training course for managers and continued with the certification of its sites.

Management systems and certifications

The effectiveness of MAN's integrated management system (→ page 30) is verified on-site by regular external and internal audits. The latter are also carried out at our non-certified sites. All MAN Truck & Bus production sites have ISO 14001 certified environmental management systems in place; some have also had their compliance with the standards of the EU Eco-Management and Audit Scheme (EMAS) validated and regularly publish site-specific environmental statements. Located near Krakow, Poland, our site in Niepolomice was nominated for the European EMAS award in the year under review. This renowned award is presented annually by the European Commission in recognition of outstanding corporate environmental performance. In 2012 water management was the focal issue. Our plant was one of just 13 companies nominated in the "large organization" category.

The entire MAN Diesel & Turbo division is ISO 9001 certified. All production sites — with the exception of Aurangabad, India — have also received ISO 14001 certification. We had the MAN Diesel & Turbo site in Saint-Nazaire and the MAN Truck & Bus logistics center in Dachau certified to ISO 14001 for the first time in 2012. Also in the year under review, three MAN Diesel & Turbo sites in Hamburg, Oberhausen, and Deggendorf and the MAN Latin America plant in Resende, Brazil, were certified in compliance with the Occupational Health and Safety Assessment Series (OHSAS) 18001 management system. This means that 19% of our workforce is now covered. In addition to the OHSAS 18001 certifications, the majority of MAN Diesel & Turbo's service engineers have qualified and been certified as "Safety Certificate Contractors" in line with standards which aim to sharpen safety awareness on customer construction sites and in projects. MAN Truck & Bus is currently running pilot projects for the introduction of occupational health and safety management systems in Nuremburg and Krakow. In accordance with our CR Roadmap, 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.

Percentage of employees covered by management systems*

Management system	Distribution	2010	2011	2012*
ISO 9000/9001	Number of sites	27	28	30
	Employee coverage	82%	80%	100%
ISO 14001	Number of sites	22	24	25
	Employee coverage	77%	76%	96%
EMAS	Number of sites	5	6	5
	Employee coverage	36%	35%	46%
OHSAS 18001	Number of sites	5	5	9
	Employee coverage	7%	6%	19%

* related to production sites (in line with our CR Roadmap)

CR in vocational training and continuing professional development

To further the aim of integrating CR in human resources and management development, MAN Truck & Bus has launched "Manage responsibly," a training course for managers. The participants learn to apply the CR and Climate Strategies within their own areas of responsibility. In the year under review, 70 executives from the first and second reporting levels attended nine half-day classes. In 2013 the "Manage responsibly" courses will be continued in MAN Truck & Bus and expanded to MAN Diesel & Turbo. "Manage responsibly" will also be integrated into the MAN Truck & Bus trainee program with the goal of raising CR awareness among young talents.

CR along the supply chain

MAN takes responsibility along its supply chain as well. When we award contracts, our business partners commit to compliance with the principles of the MAN code of conduct for suppliers and business partners. This lays out standards for corporate responsibility, transparent business relationships, fair market behavior, data protection, confidentiality, and safeguarding business assets. In the course of communicating this code of conduct, the MAN Diesel & Turbo purchasing teams for engines and components as well as power plants and marine propulsion systems at our Augsburg site used a

questionnaire to conduct a pilot project for supplier self-assessment. The goal was to raise CR awareness among our suppliers and evaluate concrete CR risks along the supply chain in the medium term. The results of the pilot project were presented in the first quarter of 2012. Building on these results, we are continuing to work on minimum standards, supplier development activities, and the identification of new supply sources. In the second quarter of 2012 we expanded the pilot project to Group-wide purchasing. The long-term aim is to develop and roll out an integrated supplier management system. The results of this project will be presented to the responsible departments in the Volkswagen Group; the feasibility of using the results to adapt the supplier management system across the entire Group is being examined.

Stakeholder communication

In 2012 our stakeholders were provided with targeted information on various CR topics using a variety of media. The table below provides an overview.

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
- Federation of German Industry
- German Association Materials Management, Purchasing, and Logistic
- Association of German Freight Forwarders and Logistics Operators
- DEKRA
- German Transport Forum
- European Automobile Manufacturers' Association
- International Chamber of Commerce Germany
- Transparency International Germany
- German Association of the Automotive Industry
- German Engineering Federation
- Bavarian Business Association

MAN is represented in all associations relevant to the Company as well as in all relevant working groups within these organizations. Our spectrum of participation extends from membership in task forces and committees to initiating and leading working groups. MAN employees from various levels of our hierarchy — from engineers to Executive Board members — are involved in our dialog with policymakers.

Stakeholder communication

Target group	Media		Topics
General stakeholder communication			
All stakeholders	■ CR Report 2011 ■ Stakeholder survey ■ MAN corporate website ■ Press releases	■ MAN CR film ■ MAN Forum — the MAN Group Magazine ■ Entries in the German and International Global Compact Yearbooks	CR strategy, CR management, CR performance, Climate Strategy
Targeted stakeholder communication			
Customers and business partners	■ Survey at IAA Commercial Vehicles ■ MAN Truck & Bus smartphone app and efficiency blog	■ MAN Diesel & Turbo represented at the SMM maritime trade fair in Hamburg ■ Website for "Bluefire" gas strategy	CR and Climate Strategy, Euro VI technology, alternative drive technologies, efficiency-boosting technologies and services
Employees	■ MAN Summit, HR Summit, meetings of the Group Works Council, works meetings, internal information fairs ■ "Manage responsibly" training courses for managers	■ Meetings of experts focusing on environmental issues and occupational health and safety ■ Employee newspapers, internal newsletters, intranet, presentations in departments ■ MAN career page on Facebook	CR strategy, CR management, CR performance, Climate Strategy, CR projects, employee volunteering
Analysts and investors	■ CR rankings and ratings ■ MAN Factbook ■ Annual Report	■ Annual General Meeting, annual press conference, Capital Market Day, roadshows, conferences	CR strategy, CR management, CR performance, Climate Strategy
Policymakers	■ "What Cities Want" study ■ MAN Politics Newsletter	■ Active participation in associations ■ Face-to-face meetings	Euro VI technology, alternative drive technologies and fuels, noise emissions
NGOs	■ Rio+20 — United Nations conference on sustainable development	■ Face-to-face meetings	CR strategy, CR management, Climate Strategy

Economy

Despite falling demand, MAN returned a robust performance: Following on from a record prior year, the Company posted a moderate 4% downturn in revenue, with operating profit just below the €1 billion threshold.

Business performance

The worldwide slowdown in economic growth and the prevailing sovereign debt crisis in Europe led to substantial uncertainties in the business sector. This was also reflected in the investment behavior of our customers. The MAN Group posted a moderate downturn in revenue in 2012. At €15.8 billion, revenue was 4% below the record level of the previous year. Operating profit in the year under review totaled €964 million, 35% down from what was a high prior-year figure. We paid out total dividends to our shareholders of €297 million in 2012 or €2.30 per share for the 2011 fiscal year. The return on sales fell to 6.1% in the year under review, compared to 9.0% in 2011. Further information on our financial performance is available in our 2012 Annual Report (➔ 2012 Annual Report, page 35 et seq.).

Business performance

€ million	2011	2012
Order intake	17,145	15,889
of which: Germany	3,646	3,252
of which: other countries	13,499	12,637
Revenue	16,472	15,772
of which: Germany	3,515	3,170
of which: other countries	12,957	12,602
Operating profit	1,483	964

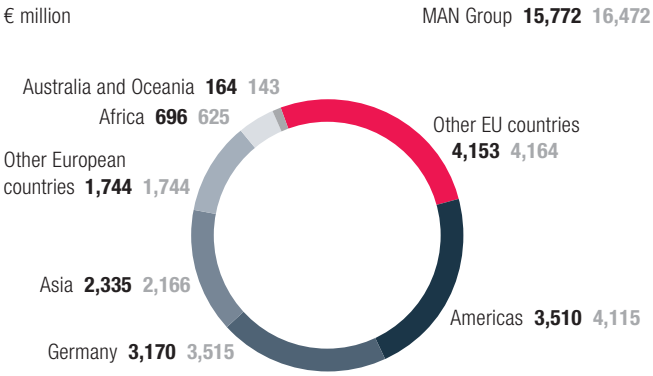
Capital expenditures by business area

€ million	2011	%	2012	%
Commercial Vehicles	12,563	76	11,692	74
Power Engineering	3,999	24	4,256	27
Others/consolidation	–90	-	–176	–1
MAN Group	**16,472**	**100**	**15,772**	**100**

Taxes and subsidies

MAN pays its taxes wherever value is added. In the year under review, MAN paid income taxes amounting to €609 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 €196 million. Approximately 51% of internal funds were invested in basic research and the development of new products.

Revenue by region



Figures for 2011 in gray

Capital expenditures

In the 2012 fiscal year, the MAN Group increased its capital expenditures by approximately 38%, from €671 million in 2011 to €929 million. Capital expenditures in property, plant and equipment, and in investments showed a strong increase. As well as making necessary replacement and maintenance investments, MAN Truck & Bus channeled funds above all into developing new products such as engines that comply with the Euro VI emission standard. Investments were also made in enhancing productivity and quality. Measures undertaken to realize growth potential included the opening in Ankara of Europe's largest electrophoretic deposition (EPD) plant and the further modernization of the NEOPLAN factory in Plauen. To strengthen its worldwide presence, MAN Truck & Bus also expanded and upgraded its sales and service network. In the first quarter of 2012, MAN Truck & Bus acquired the remaining shares in the MAN FORCE TRUCKS joint venture in India, a move that underlines the importance of the BRIC markets for future growth. MAN Latin America's capital expenditures were focused primarily on the changeover to the Euro V emission standard and on the technical integration of products and components from MAN Truck & Bus.

MAN Diesel & Turbo made necessary replacement and maintenance investments and invested in increasing the efficiency of its production operations. Other core areas of investment included plant and equipment for processing large components, as well as test benches. Investment was also made in improving occupational safety and works security.

Renk modernized and expanded its production operations at its Augsburg and Rheine sites.

Capital expenditures

€ million	2011	2012
Property, plant, and equipment and investment property	355	447
Intangible assets	246	307
Investments	70	175
Total	**671**	**929**
of which acquisition of additional interest in Euro-Leasing GmbH	50	-
of which acquisition of Sinotruk	-	148
of which other capital expenditures	621	781
of which Germany	438	520
of which other countries	183	261
Depreciation, amortization, and impairment*	353	384
Capital expenditure ratio in %	176	203

* Excluding earning effects from purchase price allocations (2012: €91 million, 2011: €99 million) and excluding write-downs of investments of €190 million (Sinotruk) and €41 million (RMVV)

Capital expenditures by business area

€ million	2011	2012
Commercial Vehicles	567	740
Power Engineering	117	195
Others/consolidation	–13	–6
MAN Group	**671**	**929**

Research and development

MAN invested €830 million in research and development in the year under review. This means that in relation to revenue, R&D expenditure increased to over 5%. The main focus of research and development in the Commercial Vehicles business area was on reducing fuel consumption and emissions, as well as on alternative drive concepts, including hybrid drive systems and electric mobility.

The need to increase efficiency while at the same time reducing emissions is also a major technology driver for the products of the Power Engineering business area. In the field of power plant applications, MAN Diesel & Turbo is working on combining multiple products to achieve substantially higher levels of efficiency than in the past. In the cogeneration sector, for example, engines are being optimized in such a way that their waste heat can be used as industrial process heat or for district heating. In addition, MAN Diesel & Turbo is participating in various research programs run by the German Federal Ministry of Economics and Technology (BMWi) designed to reduce CO_2 emissions. One such program is AG Turbo 2020, bringing together universities, research centers, and industry.

Research and development

€ million	2011	2012
R&D expenditures	**740**	**830**
of which Commercial Vehicles	403	437
of which Power Engineering	345	399
of which consolidation	–8	–6
R&D expenditures of the manufacturing areas (% of revenue)	4.5	5.3
Internally funded R&D	565	634
R&D employees (annual average)	4,443	5,153

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. The Climate Strategy adopted by MAN has led to a closer focus on climate-related risks and opportunities (→ page 41 et seq.). The direct impact of climate change for MAN is limited, however, as we have no production facilities in areas threatened by flooding. 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.

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. We clearly communicate the efficiency potential of our products and ways of reducing environmental impacts, such as through exhaust gas treatment.

One new offering at MAN Truck & Bus is MAN Solutions, an integrated concept designed to reduce vehicle operating costs as well as improve operating safety and vehicle availability. This brings together services for all requirements, from vehicle financing via service and support all the way to vehicle rentals. We honor outstanding customer focus measures and initiatives on the part of our employees with an annual award. MAN Truck & Bus is taking part in a research initiative to develop intelligent traffic assistance systems in urban areas. These systems can enable more efficient use of the existing infrastructure, make drivers' jobs easier, promote a more economical style of driving, and help improve road safety. The project is being supported by the BMWi.

MAN Diesel & Turbo provides local customer services at 116 sites through the after-sales brand MAN PrimeServ. In 2012, twelve PrimeServ Academies held 346 courses and training sessions around the world on the optimum operation of our products.

We take customer complaints very seriously and use them as important indicators of ways in which we could improve our products and services. To this end, in recent years MAN Truck & Bus has set up a Customer Management department, looking after customers not only in the event of complaints but also helping to implement specific solutions. In 2012, the department dealt with more than 40,000 customer concerns. Experience gained by Customer Management is passed on to the Fault Remediation and Product Development departments, to support the optimization and further development of our products. MAN Service Mobile24 helps our customers around the clock, 365 days a year. Via a single toll-free telephone number for all of Europe, MAN Truck & Bus offers rapid assistance for MAN trucks and for buses from MAN and NEOPLAN.

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 related to sales and service each year since 2006. We also address specific customer requirements in our product studies. For the ninth year in a row, MAN Latin America led the field for customer satisfaction in the light and heavy truck market segments in 2012.

Product marketing

As in all of our activities, we also observe the provisions of the law 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 2012.

Environment

We used 5% less electricity and district heating, reduced our solvent consumption by 17%, and invested €11 million in protecting the environment and the climate.

Scope

This chapter covers 30 sites in the MAN Truck & Bus, MAN Latin America, MAN Diesel & Turbo, and Renk divisions. Changes compared with last year are the inclusion of Querétaro (Mexico), Pinetown, and Olifantsfontein (both South Africa), and the exclusion of Vienna (Austria). The report thus covers about 89% of MAN's sales revenue — two percentage points more than last year.

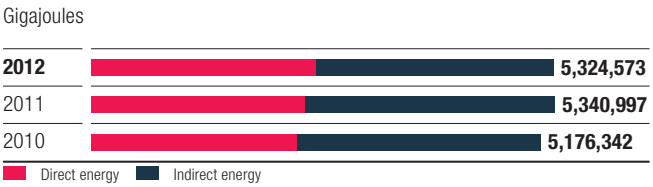
Direct emissions are reported using the emission factors published by the German Automobile Industry Association (VDA). Until the end of 2011 we used the VDA factors from 2005. As of the year under review, we use the VDA factors from 2009, which were published in January 2013. Indirect emissions are reported for 2010 and 2011 using the emission factors of the International Energy Agency (IEA) from 2005, and for 2012 using the IEA factors from 2012. The increase of 7 to 22% — depending on the country — in the emission factors for electricity is also reflected in our indicator "indirect CO_2 emissions."

Energy consumption

At 5.3 million gigajoules, total energy consumption by MAN remained at the same level as last year. In the reporting period we halved our consumption of heating oil from 0.35 to 0.17 million gigajoules. This is partly due to the replacement of heating oil by natural gas in MAN Diesel & Turbo and the temperature reduction in MAN Truck & Bus shops during non-productive periods. MAN Latin America had fewer production days in 2012, resulting in a 27% reduction in gasoline consumption. In 2012 we consumed hydrogen which we had purchased in 2011; as a result, we purchased 64% less hydrogen in the year under review than in the previous year.

An increase in test runs of our engines in Nuremberg resulted in our diesel consumption being 31% higher than in the previous year. A new test series for natural gas engines increased our consumption of liquefied gas by 20% to 5,592 gigajoules. We implemented various measures to improve our environmental management and increase our energy efficiency. These are described in our first progress report on MAN's Climate Strategy (→ page 41 et seq.).

Energy consumption

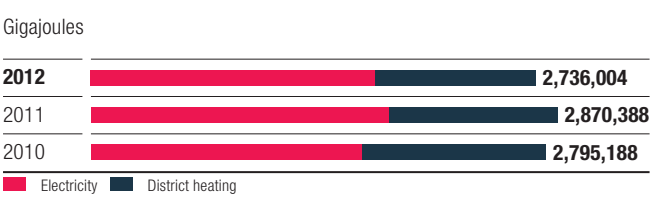


Direct energy consumption by primary energy source

Gigajoules	2010	2011	2012
Heating oil	337,825	346,379	170,727
Natural gas	1,449,428	1,412,854	1,490,778
Diesel	555,821	694,623	911,502
Gasoline	5,697	7,684	5,619
LPG	5,864	4,643	5,592
Acetylene	1,206	1,351	1,539
Hydrogen	6	11	4
Methanol	2,925	3,063	2,809
Heavy fuel oil	11,280	0	0
Lubricating oil	0	0	0

During the reporting period we reduced our indirect energy consumption by a total of around 5%. This is the result of the integrated energy management system that we introduced under our Climate Strategy.

Indirect energy consumption by source



Greenhouse gas emissions

As is evident from the slight drop in sales of 4% and the 7% drop in orders received, MAN's production in the year under review decreased compared to the previous year. This is reflected in our resource consumption, but not in our direct and indirect CO_2 emissions.

In 2012 our direct CO_2 emissions increased by 5%. The increase is due to the rise in the number of sites covered, from 28 to 30. The newly included Pinetown factory (South Africa) accounts for 4,000 tons of the CO_2 emissions. CO_2 emissions at the Changzhou site (China) rose by 1,200 tons as a result of production increases and new machines with strict temperature requirements.

Although we succeeded in reducing our indirect consumption of electricity and district heating by around 5% in 2012, our indirect emission calculations show a rise of nearly 3%. This is due to the increase in the International Energy Agency's emission factors for electricity. Accordingly, emissions per €1 million revenue rose from 28 to 30 tons.

Our 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. The heating plant in Nuremberg is operated by a service provider. Of the 24,004 annual allowances allocated to the Munich site for the second trading period, 15,980 allowances had been used by the end of 2012. The test stands at the Augsburg and Oberhausen facilities will fall under the emissions trading scheme from the start of the third trading period, which begins in 2013.

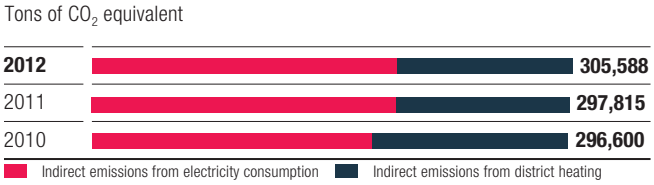
Emissions due to transportation and logistics

At 70%, truck transportation accounts for the largest share of CO_2 emissions in the logistics sector of MAN Truck & Bus. In the year under review, MAN Truck & Bus gave rise to 71,851 tons of CO_2 in the course of component supplies and 84,255 tons of CO_2 through deliveries of its products. To reduce CO_2 emissions within our own transportation chain, we supply our regional freight forwarders via freight hubs. These consolidate shipments, optimize vehicle capacity utilization, and avoid 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. In cooperation with a transportation and logistics company we are testing the use of extra-long trucks on the route between our logistics centers in Dachau and Salzgitter. This offers around 40% more load volume and therefore cuts fuel consumption and CO_2 emissions (➔ page 12).

Our Group-wide travel policy, which took effect in 2011, lays down rules for our employees regarding business 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 booked by the central travel office gave rise to 19,562 tons of CO_2 emissions. 2011 saw a significant increase in air travel to international sites; in the reporting period the CO_2 emissions from employees' air travel returned to 2010 levels.

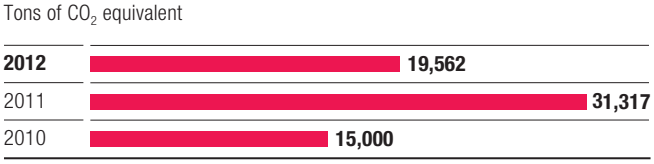
Direct emissions

Indirect emissions



Emissions per €1 million revenue

Emissions due to air travel



For our employees' commute to and from work, we offer concessionary tickets or bus transfers, depending on the infrastructure situation.

Pollutant emissions

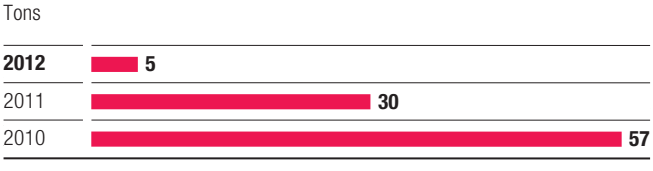
Our sulfur dioxide emissions fell by 83% in the year under review. This was largely due to substantial changes in emission factors for diesel and heating oil. Particulate emissions were down by about 16%.

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. All chlorine-based refrigerants in our systems will be replaced by 2014, as required by legislation. Small quantities of chlorodifluoromethane (R22) are being used in closed-cycle systems to operate air-conditioning equipment. 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 avoid R22 when procuring new refrigerants.

We reduced consumption of organic solvents (volatile organic compounds, VOC) by 17% in the year under review. This was due to the reduction in solvent-based paints and to their recovery using a solvent distillation system at our Augsburg site. VOCs are used for surface cleaning, coating, and adhesion purposes.

Emissions of other substances (e.g. CH_4, N_2O, SF_6, PFCs, HFCs), expressed in terms of CO_2 equivalent, account for less than 1% of total CO_2 equivalent emissions and are therefore not shown separately.

SO_2 emissions



NO_x emissions

CO emissions

Particulate emissions

Solvents

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 important for MAN not only for environmental, but also for economic reasons. The principal raw materials used in production are steel, copper, aluminum, and various plastics. Secure and economic supplies of these raw materials are essential to our success. Making savings here is therefore a Group-wide objective at MAN. Owing to rising commodity prices, our expenditure on materials showed only a slight drop from €9.3 billion to €9.1 billion in the year under review despite the fall in sales. 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 solutions in data cables and electrical wiring in our trucks. We are also increasingly substituting stainless steel for copper intercooler piping in marine engines. MAN Truck & Bus professionally reconditions used parts and makes them available for vehicle repair purposes under the brand "MAN Genuine Parts ecoline" (→ page 17).

Cost of materials by business area

€ million	2010	2011	2012
Commercial Vehicles	6,329	7,674	7,309
Power Engineering	1,853	1,722	1,951
Other/consolidation	–87	– 82	–152
Total	**8,095**	**9,314**	**9,108**

Cost of materials in relation to revenue

% of revenue	2010	2011	2012
Commercial Vehicles	60	61	63
Power Engineering	44	43	46
MAN Group	**55**	**57**	**58**

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 they are essentially made of materials that are readily recycled. We have determined the precise shares in the course of our product life-cycle analysis (→ page 41 et seq.). In the interests of resource conservation, the MAN Group attaches great importance to the use of recycled metals in its foundries.

Waste by type of treatment

Tons	2010	2011	2012
Total non-hazardous	45,457	119,817	117,344
of which: recycled	40,403	114,030	112,983
of which: disposed of	5,054	5,787	4,361
Total hazardous	12,188	16,628	15,055
of which: recycled	9,103	12,843	10,229
of which: disposed of	3,085	3,785	4,826
Metal scrap	46,425	57,335	53,549
Total	**104,070**	**193,780**	**185,948**

Recycled waste

Tons	2010	2011	2012
Total waste	**104,070**	**193,780**	**185,948**
of which: recycled	95,931	184,209	176,761
Recycling ratio (%)	**92**	**95**	**95**

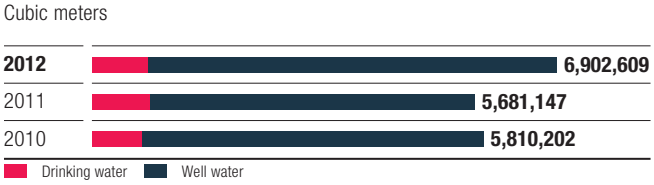
In 2012 we purchased and used some 14,000 tons of scrap from external recycling processes. In the same period, we also returned some 1,355 tons of swarf and scrap from our own production lines to the production cycle.

The total quantity of waste in the reporting period came to 185,948 tons, of which 95% was recycled. This means that the quantity of waste was down 4% compared to the previous year. 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.

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. Total water consumption increased by 21% to some 6.9 million cubic meters in the year under review. Whereas our consumption of drinking water remained more or less unchanged from the year before, consumption of well water rose by 25%. The main reason for this was the new, additional hardening plant at the Munich site. Water obtained from surface waters and used exclusively for cooling purposes is returned unchanged. In the year under review we extracted about the same amount of water as in 2011. The volume of wastewater remained around the previ-

Water consumption



ous year's level, with a decrease of about 2%. A large number of sites use groundwater for cooling purposes, and this is drained away again after use. Other sites use surface water from nearby streams. Some sites also use cooling water in closed-loop systems. The Ankara (Turkey), Munich, Nuremberg, Starachowice (Poland), and Steyr (Austria) sites operate their own treatment plants for contaminated wastewater from painting processes.

Surface water extraction

Cubic meters

2012	**8,771,410**
2011	**8,820,687**
2010	**9,305,944**

Wastewater

Cubic meters

2012	**1,148,921**
2011	**1,165,253**
2010	**1,136,208**

Nature conservation and biodiversity

The production sites owned by MAN cover a total area of around 6.1 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, the MAN Truck & Bus Munich site submitted to a biodiversity check devised by the European Business and Biodiversity Campaign (EBBC). This drew attention, for example, to the small distance of 100 meters separating our Munich site from the Allacher Forst woodland area, 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 2014 deadline.

Environmental protection investment and expenditures

In the year under review we invested €11 million in environmental protection and measures to implement our Climate Strategy. This was 43% more than the year before. In this way we ensure that our production facilities conform to the highest standards of environmental technology and resource efficiency.

Environmental incidents

During the period under review, 2,000 liters of oil escaped from a balancing unit at MAN Diesel & Turbo. Also, due to an operating error, one cubic meter of highly diluted coolant was lost from a storage tank.

At no time was there any risk of environmental consequences from the incidents, since appropriate emergency response plans are in place at all sites, and the major sites have well-equipped works fire services to coordinate and ensure the appropriate response to incidents of these and other magnitudes. In 2012 we issued instructions for MAN Truck & Bus on escalating environmental incidents. They are intended to regulate lines of communication during safety or environmental incidents and call for a causal analysis as well as communication of lessons learned to prevent similar incidents from occurring.

Product responsibility

For MAN the central challenge of product development is to reduce fuel consumption and improve efficiency — which goes hand in hand with cutting CO_2 emissions. In one of the core initiatives for implementing MAN's Climate Strategy, we determine the CO_2 emissions throughout the entire product life cycle with the aim of identifying savings potential (→ page 41 et seq.). It has emerged that over 90% of fuel consumption and CO_2 emissions arise during the use phase. Our answer in the Commercial Vehicles business area consists of alternative drive concepts, alternative fuels, and aerodynamic optimization.

The MAN TGX EfficientLine trucks produced by MAN Bus & Truck optimize both air resistance and payload, thereby saving up to three liters of diesel per 100 kilometers compared with conventional trucks. In the year under review, MAN Truck & Bus sold 74,680 trucks, of which about 3% were in the EfficientLine series. MAN Truck & Bus offers series-

production buses with either hybrid or CNG (compressed natural gas) drive systems. The MAN Lion's City Hybrid uses up to 30% less fuel than an urban bus with conventional diesel power and is already operating in several European cities. Nearly CO_2-neutral operation of CNG buses is possible with biogas, which permits clean and trouble-free combustion in standard natural gas engines. Ten percent of the 5,286 buses sold were powered by CNG. The share of urban buses sold was 37%. Two percent of the urban buses sold are hybrid vehicles. The new trucks of the TG family with Euro VI technology make systematic use of an efficient concept of demand-controlled exhaust gas recirculation, diesel particulate filters, and exhaust gas treatment using the SCRT system (selective catalytic reduction technology). This makes the vehicles practically pollutant-free.

To ensure that our customers receive optimal information about our EfficientLine trucks and buses and our gas and hybrid drives, in the future we will work to raise our Sales employees' awareness of CR, climate, and environmental issues.

By optimizing the operation of our products, our customers help to conserve resources. We therefore inform them about factors such as rolling resistance and aerodynamic drag which influence vehicle emissions and fuel consumption.

MAN Support offers fleet operators a mobile-positioning, vehicle, and fleet-management system: MAN TeleMatics. Since 2012 this system has also been available as an app for mobile devices. It provides the user with a comprehensive, round-the-clock overview of fleet activities and status reports. Moreover, MAN TeleMatics enables our customers to save up to 20% fuel.

For its pioneering work on the development of the first Brazilian hybrid truck, MAN Latin America received the AEA Environment Award of the association of Brazilian automobile engineers. The VW Constellation 17.280 6x2 Híbrido also won two Renewable Energy Infrastructure awards. Developed in Brazil, the vehicle is powered by hydraulic diesel hybrid technology and is ideally suited to conditions in emerging economies.

Greater efficiency combined with lower emissions is also a major technology driver in the products of the Power Engineering business area. The large 35/44DF diesel engine presented at the maritime trade fair SMM in Hamburg in 2012 is a dual-fuel engine that can run on both liquid and gaseous fuels. When running on natural gas, the four-stroke 35/44DF engine emits much lower levels of CO_2 and nitrogen oxide. As a result, it already meets the threshold levels of the International Maritime Organization's Tier III emission standard which takes effect in 2016. Under the name of ME-GI, MAN Diesel & Turbo offers dual-fuel technology for two-stroke engines as well. Another focus is on the use of natural gas as a low-emission alternative. New products introduced in this field included a new gas engine for power plant applications (35/44G) and a new gas turbine (GT6) in the 6-MW class.

Efficiency improvements and emissions reduction also play an important role in MAN PrimeServ, the service brand of MAN Diesel & Turbo. Its range of retrofits and upgrades was steadily developed in 2012. Upgrades of this kind can be used to improve efficiency, reduce resource consumption, and cut emissions in diesel engines, compressors, and turbines.

A broad overview of our products and innovations can be found in the brochure "Megatrends Need Innovation," which accompanies this CR Report.

Employees

We held 2,850 workshops on the findings of our employee survey, received international recognition as a top employer, and increased the number of women in management positions.

Employee structure

As of December 31, 2012, the MAN Group employed 54,283 people, including subcontracted employees. This represents an increase of 3% compared to the previous year. The proportion of employees in Germany versus those in other countries changed only slightly. Our non-German companies employed around 6% more people than in the previous year.

Employee structure

	2010	2011	2012
Total	**47,669**	**52,542**	**54,283**
Germany	27,354	30,187	30,513
Other countries	20,315	22,355	23,770
Women*	5,943	6,846	7,464
Subcontracted employees	1,976	2,364	1,802
Part-time employees	709	787	1,000
Employees on fixed-time contracts	2,035	2,581	1,741

*not including subcontracted employees

Employees by region (excluding subcontracted employees)

	2010	2011	2012
Germany	26,046	28,589	29,360
Europe (excluding Germany)	15,407	16,604	16,552
Africa	827	925	898
Asia	1,193	1,453	2,941
Americas	2,174	2,559	2,676
Australia	46	48	54
Total	**45,693**	**50,178**	**52,481**

Age of employees (excluding subcontracted employees)

<30	31–40	41–50	51–60	>60	Total
10,982	15,507	14,684	10,024	1,284	**52,481**

Employee turnover (excluding subcontracted employees)

	2010	2011	2012
New hires	3,906	8,486	5,557
Persons leaving	4,510	4,326	4,696
Employee turnover in %	9,9	8,6	8,9

The number of employees working in Germany remained virtually unchanged. Women make up 14% of our total workforce, compared to 13% in the previous year. The number of employees with fixed-term contracts was down 33% on the previous year; the number of subcontracted employees fell by 24%. In the year under review, the Group spent approximately €2,702 million on salaries and wages (2011: €2,542 million) and approximately €565 million on social security contributions, pensions, and other benefits (2011: €551 million).

Remuneration

Remuneration at MAN is based on market rates and performance. Participation in Company profits on the part of our employees, managers, and the Executive Board is based on the same principles 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 is in place for ranking management positions. It factors in competencies, contribution to value creation, and management and budget responsibilities. Around the world, employee compensation 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.

Social security

Retirement provision that goes beyond statutory pension systems is usually important for employees to ensure the standard of living to which they are accustomed when they retire. For many years now we have been contributing to our 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 attrac-

tive 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 who are covered by collective bargaining agreements. For employees at sites outside Germany, depending on the usual practice in each country we currently make market-based contributions to third-party pension plans, retirement investment funds, or defined benefit pension plans, the majority of which are designed to provide income to the pensioner until the end of their life.

Employee satisfaction

In 2011 we conducted a Group-wide survey of our employees for the first time. A priority was placed on measuring employee satisfaction in the workplace. Based on the findings of this survey, 2,850 workshops were held to develop follow-up activities, which were then implemented. The workshops focused on:

- Reinforcing open and honest communication
- Recognizing and rewarding performance
- Identifying individual career development opportunities

The next employee survey is planned for 2013.

Feedback instruments contribute to an open culture of constructive feedback within the Company. Annual performance reviews with managers are one important human resources development tool at MAN, with an implementation rate of over 90% in 2012. In addition to how well individual goals are met, the performance reviews look at the degree to which the MAN leadership qualities — competence, transparency, commitment, and behavior — are practiced. On average, in the year under review the application of these leadership qualities was assessed as "strong."

In 2012 the Corporate Research Foundation Institute presented MAN with multiple awards. The MAN Group was once again named the Top Employer 2012 in Germany, MAN Truck & Bus Germany was named Top Automotive Employer 2012/13, and MAN Truck & Bus Poland was named Top Employer 2012 in that country. MAN Latin America was honored as a Great Place to Work for the third time in a row and numbered among the Best Companies to Work For. In the year under review MAN Diesel & Turbo Singapore received the government's national award for Outstanding Leadership in Supporting Fair Employment Practices.

Diversity and equal opportunity

In 2010 MAN became a signatory to the United Nations Global Compact, further demonstrating its commitment to diversity and equal opportunity — respecting and granting opportunities to employees regardless of age, sex, religion, ethnicity, and sexual orientation. Our guidelines for management hiring specify that diversity and the placement of qualified women in particular are to be given due consideration. With the aim of further increasing the proportion of women in management positions, we offer mentoring and coaching programs for women and agree with executive search firms on a specific percentage of female candidates for management positions. We currently employ 15 more female managers than in the previous year. For the fourth year in a row, the proportion of women in management positions rose by almost one percentage point to 8.2%. Our goal is to increase the percentage of women in management positions to 12% by 2014. In the year under review, women made up 17% of our pool of candidates. There are no women on the Executive Board of the MAN Group; one woman sits on the MAN SE Supervisory Board. Sixty-four percent of our managers come from Germany. We employ managers from a total of 34 different nations. When filling management positions at our sites outside Germany, we try to draw on the pool of local talent whenever possible.

In our Company we work to integrate people with disabilities. In 2012, 5.2% of our 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.

Women in management positions (excluding subcontracted employees)

	2010	2011	2012
Level 1	-	3	3
Level 2	-	17	24
Level 3	-	68	76
Total	**63**	**88**	**103**
Percentage	6.1	7.3	8.2

Since 2011 MAN Latin America's New Horizon program has offered young people with disabilities the opportunity to

work for the Company on an equal basis, to participate in continuing professional development courses, and, in the event of outstanding performance, to receive a college scholarship. In the 2012 fiscal year 22 young men and women participated in New Horizon.

Balancing work and family

At its Munich and Augsburg sites, MAN offers child care in company daycare centers. These programs are aimed at infants and toddlers. A total of 176 children are cared for in the two facilities. In Latin America, we offer employees a six-month period of maternity leave. Our employees in Bavaria can take advantage of a caregiver placement service to help find appropriate care for children and family members. An initiative of the Bavarian metal and electric industry, this program supports families during medical crises or in situations where a family member suddenly becomes dependent on care.

Flexible working hours

To allow our employees to organize their working hours as flexibly as possible, we have set up flexitime accounts across the Group. This 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 to the previous year, the number of employees with flexitime accounts increased by 4%. In Germany, the average hours worked per week are governed by collective bargaining agreements. Permanent employees may also request to work from home. In the year under review, the number of telecommuters decreased slightly. By contrast, the number of employees on sabbatical increased by approximately 70%. Sabbaticals are primarily being taken by MAN Truck & Bus employees as part of the current short-time work program. Flexitime models are adapted to local requirements in the different countries where we are active.

Telecommuting and sabbaticals in Germany

(excluding Renk; excluding subcontracted employees)

	2010	2011	2012
Telecommuters (number)	5	8	3
Employees on sabbatical (number)	37	11	19

Flextime accounts

(excluding Renk in 2010, 2011; excluding subcontracted employees)

		2010	2011	2012
Number of employees	Germany	24,391	26,808	29,360
	Total	43,784	48,234	52,481
Employees with flextime accounts	Germany	23,749	26,116	28,352
	Total	31,720	35,036	38,679
Percentage	Germany	97.4	97.4	96.6
	Total	72.5	72.3	73.7

Vocational training

MAN offers vocational qualifications with a view to securing the services of outstanding young talents. In the fall of 2012 almost 800 young people — 13% of whom are women — started their careers at our sites in Germany, Austria, and Switzerland. Having completed secondary school, the young people enter one of more than 30 vocational training programs or 19 dual education programs offered by MAN. Of the technical fields, our most popular programs are those through which participants can qualify as industrial mechanics, mechatronics technicians, and machinists. The number of vocational trainees increased by 6.5% compared to the previous year.

MAN Diesel & Turbo took on 88 of the 138 participants in the vocational training and dual education programs of manroland, a printing machine manufacturer which went bankrupt. Starting on March 1, 2012, they continued with their training in eleven industrial and technical fields at the MAN Diesel & Turbo Augsburg site. The remaining 50 vocational trainees will be employed by manroland web systems GmbH, a successor company to the printing machine manufacturer.

Participants in our vocational training and dual education programs also have the opportunity to gain international experience by participating in an exchange program with our European and Asian sites. In the reporting period the Volkswagen Group honored 29 vocational trainees from 13 countries with its Best Apprentice Award 2012; for the first time two MAN trainees were among the recipients, one of them a woman. At the end of the year under review 373 university graduates, 16% of them women, completed a trainee program.

Vocational training

(excluding Renk in 2010, 2011; excluding subcontracted employees)

		2010	2011	2012
International	Number of employees	43,784	48,234	52,481
	Number of vocational trainees	2,740	2,769	3,276
	Percentage of total	6.3	5.7	6.2
Germany	Number of employees	24,391	26,808	29,360
	Number of vocational trainees	1,962	1,973	2,212
	Percentage of total	8.0	7.4	7.5

Continuing professional development

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. Standardized programs for our sales and technical staff held by MAN Truck & Bus at the MAN Academy help ensure that uniform standards are maintained worldwide. In the year under review a continuing professional education program specifically for sales employees was developed at MAN Latin America. In addition to the in-house continuing professional development program at MAN Diesel & Turbo, the PrimeServ Academy has special course offerings for service employees. Not only do we offer continuing professional development programs to our own service engineers, but to our customers' marine and power-plant engineers as well.

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. Our employees can also gain international experience at MAN sites around the world and participate in job-rotation programs between our subgroups. In 2012 the number of continuing professional development hours remained on par with the previous year.

Continuing professional development hours per employee

(excluding subcontracted employees)

	2010	2011	2012
MAN Truck & Bus (Germany only)	38	10*	13
MAN Diesel & Turbo	13	16	17
MAN Latin America	54	48	45
MAN corporate headquarters	-	-	44
Renk	-	-	18

* The system of calculation was changed in 2011. Since then it has reflected the continuing education hours actually completed rather than the estimated length of the training measures.

Participation in professional training courses, MAN Truck & Bus employees

(excluding subcontracted employees)

Category		Number
Continuing professional development activities	Courses	1,488
	Days	31,775
	Participants	14,495
Technical training courses	Courses	5,249
	Days	9,829
	Participants	44,968
Worldwide sales training courses	Participants	5,418

Young talents

A top team needs outstanding managers and young talents who serve as role models. Consequently, on an international level we aim to attract talent at an early stage. We offer internships, a trainee program, a Top Bachelor program, and scholarships for MBAs and PhDs. Our Campus Initiative gives talented young people the chance to get to know MAN as an attractive employer while still attending university. MAN offers students at the Technical University of Munich the opportunity to participate in hands-on 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 and in MBA and PhD programs. In 2012, 95 employees benefited from 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. With the goal of retaining top managers in the Company, an international project group has optimized our promotion processes. It focused on transparency, showing appreciation, and rewarding employees' professional achievements.

Occupational health and safety

MAN places a high priority on health and safety in the workplace. Across the Group we have launched a variety of initiatives to prevent work-related illness, including offering assembly-line workers support from a physiotherapist, providing preventive occupational health examinations and consultations on cardiovascular risk, and organizing skin protection awareness days, running groups, healthy back programs, nutrition classes, and stop-smoking courses, etc. Should an employee become ill during working hours, MAN provides walk-in and emergency health services. In addition, we believe that occupational health care includes assistance in returning to work following an injury.

A project was launched in 2012 with the aim of continuing the expansion of our integrated Group-wide health management system. The health management system at the

MAN Truck & Bus site in Salzgitter was presented with the Corporate Health Award in 2012. There was special praise for the innovative and holistic approach to employee health education and preventive health care, as well as for the system for managing hazards and physical stress to ensure that optimal health conditions are met at all work stations. The MAN Diesel & Turbo site in Singapore received the Singapore Health Award 2012 for its occupational health and safety systems.

Lost-time injuries*

(excluding subcontracted employees)

	2010	2011	2012
Lost-time injuries resulting in more than three days of missed work (number)	871	848	736
Lost-time injuries resulting in more than three days of missed work per million hours worked (proportion)	16.8	14.3	11.8

* In accordance with the German Social Code (SGB), lost-time injuries 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 in death.

Our preventive workplace health and safety initiatives and projects have started to bear fruit. The number of workplace injuries that resulted in the employee missing work for more than three days decreased by 13% compared to the previous year.

In 2012 there was a fatal accident at the MAN Truck & Bus facility in Pithampur, India, which we deeply regret. The Executive Board was informed of the incident and the entire site was assessed for hazards. The findings of the analysis were passed on to all relevant sites. We have introduced comprehensive measures at the Pithampur site to prevent a recurrence of this type of accident.

Employee rights

The MAN Code of Conduct guides our daily behavior 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. In the year under review the percentage of employees in Germany covered by collective bargaining agreements was on par with the previous year. Companies without collective bargaining agreements are currently being evaluated in cooperation with the Group Works Committee.

Employees with collective-bargaining agreements

(excluding Renk in 2010, 2011; excluding the Corporate Center and subcontracted employees)

		2010	2011	2012
Number of employees	Germany	24,968	26,482	29,360
	Europe (excluding Germany)	15,070	16,466	16,552
	Africa	722	1,013	898
	Asia	650	1,365	2,941
	Americas	2,064	2,531	2,676
	Australia	0	48	54
	Total	**43,474**	**47,905**	**52,481**
Number covered by collective-bargaining agreements	Germany	24,968	26,243	28,734
	Europe (excluding Germany)	13,227	12,016	12,701
	Africa	152	186	143
	Asia	0	0	430
	Americas	804	1,030	1,949
	Australia	0	0	0
	Total	**39,151**	**39,475**	**43,957**
Percentage	Germany	100.0	99.1	97.9
	Europe (excluding Germany)	87.8	72.3	76.7
	Africa	21.1	18.4	15.9
	Asia	0.0	0.0	14.6
	Americas	39.0	40.7	72.3
	Australia	0.0	0.0	0.0
	Total	**90.1**	**82.4**	**83.8**

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 companies. These agreements cover issues ranging from voluntary benefits to professional education and regulation of working hours. This establishes a dependable overall framework for our employees and encourages a relationship of trust between labor and management.

Corporate Citizenship

Everywhere MAN operates, it aims to benefit the people of the region. We work with suppliers in the area, hire local employees, and show our commitment to the community through donations and sponsorships.

Responsibility for the community

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. Wherever MAN creates value, the people of that region profit as well. 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, serious illness, or occupational disability. Since the fund was set up in 2007, the Trucker's World — Drivers helping Drivers program has donated a total of €162,000.

Partnership with SOS Children's Villages

For many years MAN has been a partner to SOS Children's Villages. In 2011 we extended this long-term international partnership for another three years, pledging annual financial support of €150,000. As part of this cooperation, MAN employees volunteer in SOS Children's Villages facilities. Following a successful pilot project in Nuremburg in 2011, we extended the volunteering program in the year under review to our Munich and Salzgitter sites. At the SOS Mother and Child Center in Munich our employees lent a helping hand in the garden, at the international summer festival, and in computer training classes designed to help women re-enter the workforce. We also cover the payroll costs for one member of the daycare staff. In this manner, we are making a contribution to early childhood education. At the SOS Mother Center in Salzgitter, MAN Truck & Bus vocational trainees joined forces with their trainers to support the annual "Christmas village." In 2012, 47 employees took part in different projects, volunteering some 329 hours for a worthy cause. MAN participated in disaster relief following the Haiti earthquake in 2010. To provide long-term assistance we are supporting the establishment of an SOS family house in Les Cayes, Haiti, giving children and young people without families a safe environment in which to grow up.

Yvonne Benkert, Head of Corporate Responsibility at MAN SE, traveled to Brazil in June 2012 to attend the Rio+20 world summit. Another goal of the visit was to get a firsthand look at the situation of children and young people in Rio de Janeiro and surrounding areas. Accompanied by a colleague from SOS Children's Villages, she visited a facility in Taquara, 40 kilometers west of Rio de Janeiro, and talked to employees to learn more about the program's specific needs and obtain a clear picture of the quality of the care provided.

Regional responsibility

Wherever MAN manufactures products and creates value, it aims to make a contribution to economic and social development as well. We not only create value directly at our sites, but also work with local and regional suppliers. As an employer we create skilled, fairly paid jobs at our sites. Similarly, suppliers and service providers profit from our presence in the region. The growth potential created by MAN's presence in the regions has positive downstream effects on the local infrastructure.

Examples of regional responsibility

Resende, Brazil
MAN Latin America

- 480 employees
- More than 3,000 local and regional suppliers and service providers in the region
- Creation of approximately 20,000 indirect jobs due to downstream employment effects

Changzhou, China
MAN Diesel & Turbo

- 338 employees
- More than 380 local and regional suppliers and service providers in the region
- Creation of approximately 3,500 indirect jobs due to downstream employment effects

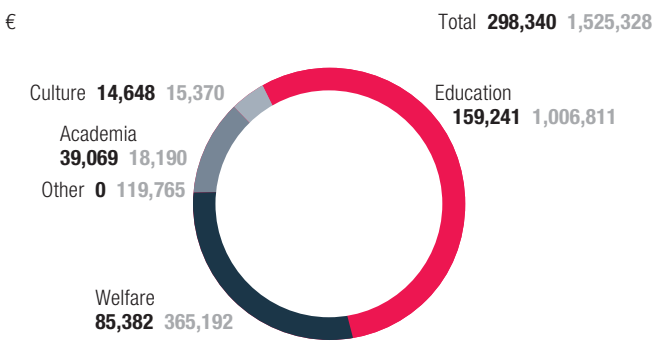
Our sites in Resende and Changzhou are examples of positive regional impacts. A supplier specializing in made-to-order components has set up operations directly adjacent to our MAN Latin America site in Resende and employs 200 people. Today a number of supplier facilities are located in an industrial park around our site. Our contracts with local logistics firms are responsible for an additional 400 jobs. At our Changzhou site, MAN Diesel & Turbo also has numerous license agreements with local suppliers.

A summary of our community and environmental initiatives at these and other sites can be found in the worldwide overview of our projects (→ page 36 et seq.).

Donations and sponsoring

As a good corporate citizen, MAN supports charitable organizations and community projects through donations and sponsoring. All donations and sponsoring activities must comply with a policy that applies Group-wide and defines permissible areas of support. For donations, these include education, academia, the arts, and community programs — in particular social welfare organizations, charitable and humanitarian projects, and disaster relief efforts. Sponsorships may also be extended to business 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. In the year under review, our cash and non-cash donations totaled approximately €300,000. This sum differs from the previous year's total due to a one-time donation of €1 million to the European School of Management and Technology in Berlin. We also adjusted our expenditures for donations in keeping with the general economic situation.

Cash and non-cash donations by area



Figures by 2011 in gray

This year the focus of our sponsoring activities was once again on sports. MAN continued its premium partnerships with football, basketball, and ice hockey teams. We also provided €3.4 million in funding for educational partnerships, most of them long-term. This included collaborations with Munich Technical University and with Jugend forscht, a foundation that promotes research by young people. In 2012 MAN Latin America also supported Caravana Siga Bem, Brazil's largest tour event. The truck convoy stops in various cities and teaches truck drivers about social and environmental aspects of transportation and how they can help improve the situation on Brazil's roads. Cutting greenhouse-gas emissions was in the spotlight in 2012.

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 transportation, energy, environmental protection, 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. As in the previous year, in 2012 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's mobility solutions contribute to the sustainable and efficient transportation of passengers and goods. The mobility concept we have developed for passenger transportation combines different modules. People only travel short distances using individual forms of transportation — driving, cycling, or walking — and then transfer to buses or trains. Efficient and environmentally compatible urban and regional buses are therefore at the heart of this mobility concept. When it comes to transporting freight, it is equally important to unite climate protection and efficiency. With its Concept S semitrailer study, MAN has shown that a change in the legally permissible length and weight could result in up to 25% savings in fuel consumption and CO_2 emissions in road freight transportation. A change in the relevant directive is currently being discussed at the EU level.

UN Global Compact Communication on Progress

MAN has been a signatory to the United Nations Global Compact since December 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. The present Report represents our third 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. In this context, our activities are aligned with the Guiding Principles of the MAN Group, our CR strategy, and our International Framework Agreement on basic human and employee rights.

CR Roadmap

Principle	Systems	Implementation	Achievements
Principle 1 Support for human rights **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	MAN Code of Conduct (pp. 28, 45 et seq.) Code of conduct for suppliers and business partners (pp. 28 et seq., 45 et seq., 48 et seq.) Joint Declaration on Human Rights and Working Conditions in the MAN Group (p. 46)	Results of the pilot project for supplier self-assessment introduced and expanded to Group-wide purchasing (p. 49 et seq.) Compliance and CR requirements included in due diligence reviews (p. 47)	84% of employees worldwide are covered by collective bargaining agreements (p. 63)
Principle 6 Elimination of discrimination	MAN management hiring policy (p. 60)	New Horizon program continued (p. 61)	Proportion of women in management positions increased by 0.9 percentage points (p. 60) Proportion of severely disabled people employed by MAN in Germany is 5.2% (p. 60) No reported cases of discrimination (p. 63)
Principle 7 Precautionary environmental protection	Integrated management system (pp. 30, 48)	Continued establishment and verification of environmental management systems at MAN sites (p. 48) "What Cities Want" study initiated (p. 17) Third stakeholder survey conducted (p. 23 et seq.) Development of KPIs for CR and Climate Strategy (p. 41 et seq., U5)	96% of employees are covered by ISO 14001 certification (p. 48) 100% of employees are covered by ISO 9000/1 certification (p. 48) 70 managers completed "Manage responsibly" training course (p. 48)
Principle 8 Initiatives to promote greater environmental responsibility	MAN's Climate Strategy (p. 26 et seq., p. 41 et seq.)	Rollout of core initiatives for implementing MAN's Climate Strategy (p. 41 et seq.)	Product life cycle assessments conducted (p. 41 et seq.)
Principle 9 Diffusion of environmentally friendly technologies	MAN's Climate Strategy (p. 26 et seq., p. 41 et seq.)	Rollout of core initiatives for implementing MAN's Climate Strategy (p. 41 seq.) Bluefire gas strategy launched by MAN Diesel & Turbo (p. 41 et seq.) EfficientLine expanded to bus product segment (enclosed product brochure)	Efficient and reliable transportation solutions, engines, and turbines (pp. 12–15 of enclosed brochure) Concept S with semitrailer and MAN Metropolis presented at IAA (p. 16, enclosed product brochure)
Principle 10 Measures to combat corruption	Compliance program (p. 28, p. 45 et seq.)	Second compliance risk assessment completed (p. 46) Preventive compliance audits conducted in selected Group companies (p. 47) Compliance and CR requirements for due diligence reviews supplemented (p. 47) E-learning program launched (p. 46)	931 questions handled by Helpdesk (p. 46) 3,865 employees participated in 197 on-site compliance awareness training sessions (p. 46) 2,355 business partners checked (p. 46)

GRI Content Index

This index shows where the relevant information can be found in the CR Report 2012. 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 72). 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/en.

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	12, 14, 26 et seq., 32 – 35
2.	**Organizational profile**		
2.1	Name of the company	fully	5
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	Munich, Germany
2.5	Countries with major operations	fully	4 et seq.
2.6	Nature of ownership	fully	5
2.7	Markets served	fully	4 et seq., 12, 14
2.8	Scale of the reporting organization	fully	4 et seq., 50, 59; AR 104
2.9	Significant changes in the reporting period	fully	5, 50 et seq.
2.10	Awards received in the reporting period	fully	Cover flap, inside, 22 et seq., 60
3.	**Report parameters**		
3.1	Reporting period	fully	40
3.2	Date of previous report	fully	April 2012
3.3	Reporting cycle	fully	40
3.4	Contact for questions on the report	fully	Cover flap, outside
3.5	Processes for defining report content	fully	23 – 25, 32 et seq., 40
3.6	Boundary of report	fully	40
3.7	Specific limitations on scope	fully	40
3.8	Joint ventures, subsidiaries, outsourcing	fully	4 et seq., 40
3.9	Data acquisition	fully	40
3.10	Explanation of any restatements of information	fully	-
3.11	Significant changes in scope, boundary or measurement methods	fully	40, 53
3.12	GRI index	fully	67 – 69
3.13	External verification	fully	40, 70 et seq.
4.	**Governance, commitments, and engagement**		
4.1	Governance structure	fully	28, 45; AR 12 – 16, 19 et seq.
4.2	Independence of the supervisory board chairperson	fully	45
4.3	Supervisory board or independent directors	fully	45
4.4	Mechanisms to provide shareholder and employee recommendations to the board/supervisory board	fully	49; AR 18
4.5	Link between senior management compensation and company performance	fully	45, 59; AR 66 – 69, 165 – 169

GRI Content Index (G3 standard indicators)		Reported	Page
4.6	Processes to ensure conflicts of interest are avoided	fully	45, AR 19
4.7	Sustainability expertise of the board/supervisory board	fully	28 et seq., 45
4.8	Vision, corporate values, and codes of conduct	fully	26, 28, 45 et seq.
4.9	Board-level processes for overseeing sustainability performance	fully	29, 45 et seq.
4.10	Processes for evaluating board performance	fully	45; AR 66 – 69, 165 – 169
4.11	Implementation of the precautionary principle	fully	30, 48
4.12	External initiatives that the organization endorses	fully	28 et seq., 45 et seq.
4.13	Memberships in industry and business associations	fully	25, 49
4.14	Stakeholder groups engaged by the organization	fully	16 et seq., 22 et seq., 40, 49
4.15	Basis for identification and selection of stakeholders to engage	fully	16 et seq., 22 et seq.
4.16	Approaches to stakeholder dialog (type/frequency)	fully	16 et seq., 22 – 25, 49, 60
4.17	Response to key concerns raised by stakeholders	fully	22 – 25, 60
5.	**Management approach and performance indicators**		
Economics — Management approach		fully	4, 26 et seq., 32 et seq., 50 et seq., 64 et seq.
EC1	Direct economic value created and distributed	fully	4, 50, 59, 65; AR 39
EC2	Financial implication of climate change[1]	partially	26 et seq., 41 – 44, 51
EC3	Coverage of benefit pension plan obligations	fully	59 et seq., AR 144 – 149
EC4	Financial assistance received from government	fully	50 et seq.
EC6	Payments to locally-based suppliers	fully	29, 47 et seq., 64 et seq.
EC7	Local hiring for senior management positions[2]	partially	60, 64 et seq.
EC8	Infrastructure investments and services for public benefit	fully	36 et seq., 64 et seq.
Environment — Management approach		fully	26 et seq., 30, 34 et seq., 47 et seq., 53 – 58
EN1	Weight/volume of materials used[3]	partially	56
EN2	Percentage of secondary raw materials used[4]	not	
EN3	Direct energy consumption by primary sources	fully	53
EN4	Indirect energy consumption by primary sources	fully	53
EN8	Total water withdrawal by source	fully	56 et seq.
EN11	Land use in protected areas	fully	57
EN12	Impacts of activities on protected areas	fully	57
EN16	Direct and indirect greenhouse gas emissions	fully	54 et seq.
EN17	Other relevant greenhouse gas emissions	fully	54
EN19	Ozone-depleting substances by weight	fully	55
EN20	NO_X, SO_X, and other significant airborne emissions by weight	fully	55
EN21	Water discharge[5]	partially	56 et seq.
EN22	Waste by type and disposal method	fully	56
EN23	Number and volume of significant spills	fully	57
EN26	Initiatives to mitigate environmental impacts of products and services	fully	7, 12 – 17, 27, 41 – 44, 57 et seq.
EN27	Percentage of recycled products and their packaging materials[6]	not	–
EN28	Fines and sanctions for non-compliance with environmental regulations	fully	47

GRI Content Index (G3 standard indicators)		Reported	Page
Labor practices and decent work — Management approach		fully	26 et seq., 30 et seq., 35, 59 – 63
LA1	Total workforce by employment conditions and region	fully	59
LA2	Employee turnover by age group, gender, and region[7]	partially	59
LA4	Employees covered by collective-bargaining agreements	fully	63
LA5	Minimum notice period(s) regarding operational changes	fully	63
LA7	Injuries, absentee rates, and work-related fatalities[8]	partially	62 et seq.
LA8	Prevention and risk-control programs for serious diseases	fully	30, 62 et seq.
LA10	Training hours by employee category[9]	partially	62
LA13	Composition of senior management and breakdown of employees (age/gender/ethnicity)[10]	partially	59 et seq.; AR 180 – 183
LA14	Ratio of basic salary of men to women by employee category	fully	59 et seq.
Human rights — Management approach		fully	28, 33 et seq., 46, 48 et seq.
HR1	Investment agreements with HR clauses or screening	fully	47
HR2	Proportion of suppliers that underwent screening on human rights and action taken	fully	30, 34, 48 et seq.
HR4	Incidents of discrimination and action taken	fully	63
HR5	Operations with significant risks to freedom of association	fully	30, 46, 48 et seq., 63
HR6	Operations with higher risk of child labor and action taken	fully	30, 46, 48 et seq.
HR7	Operations with higher risk of forced labor and action taken	fully	30, 46, 48 et seq.
Society — Management approach		fully	25, 28 et seq., 35, 46 et seq., 64 et seq.
SO1	Policy to manage impacts on communities	fully	37, 64 et seq.
SO2	Proportion of business units analyzed for risks of corruption	fully	46 et seq.
SO3	Percentage of employees trained in anti-corruption	fully	46
SO4	Action taken in response to instances of corruption	fully	29, 46 et seq.
SO5	Positions and participation in public policy development and lobbying	fully	25 – 27, 65
SO8	Fines/sanctions for non-compliance with laws and regulations	fully	47
Product responsibility — Management approach		fully	26, 29, 31 et seq., 47, 52
PR1	Product life cycle stages in which health and safety impacts are assessed	fully	26, 31
PR3	Principles/measures related to product labelling[11]	partially	52
PR6	Programs for compliance with laws and voluntary codes in advertising	fully	52
PR9	Significant fines for non-compliance with regulations governing the use of products and services	fully	47

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. This year we are already reporting the amount of scrap from external recycling processes we purchased and used as well as the amount of swarf and scrap from our own production lines, which we returned to the production cycle.
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 2012 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 2012 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, plausibility and aggregation of sustainability data;

- Site visits as part of the inspection of processes for collection, analysis, and aggregation of the selected data:
  - in the corporate center,
  - at the national production sites
    - · MAN Truck & Bus AG, Munich,
    - · MAN Diesel & Turbo SE, Augsburg,
    - · MAN DWE GmbH, Deggendorf,
  - at the international production sites
    - · MAN Latin America, Resende, Brazil,
    - · MAN Diesel & Turbo China Production Co. Ltd., Changzhou, China,
    - · MAN Truck & Bus, Starachowice, Poland,
    - · MAN Türkiye A.S., Ankara, Turkey,
    - · 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 Annual Report 2012;

- 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 2012 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 improvement of standardized CR Reporting processes and controls to all reporting areas, especially standardization of data collection and determination;

- Data collection and reporting of material KPIs during the year to manage the CR and climate strategies and to improve the data quality;

- Group-wide automation of data consolidation process, for example through the use of a company-wide IT system for reporting of CR Data.

Munich, April 26, 2013

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Petra Justenhoven
Wirtschaftsprüferin
(German Public Auditor)

Hendrik Fink
Wirtschaftsprüfer
(German Public Auditor)

GRI Level Check Certificate

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **MAN SE** has presented its report "2012 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. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 5 April 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

A+ GRI REPORT GRI CHECKED

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 27 March 2013. GRI explicitly excludes the statement being applied to any later changes to such material.*

If our brochure “Megatrends Demand Innovations. Transportation and Energy Solutions for the Future” is not included here, you can obtain a copy at: CorporateResponsibility@man.eu.

Megatrends Demand Innovations
Transportation and Energy Solutions for the Future

Engineering the Future – since 1758.
MAN SE

MAN at a Glance — Selected Indicators

Three-year comparison

KPI	unit	2010	2011	2012
Corporate Governance				
Compliance Helpdesk	number of questions received	1,107	1,405	931
Compliance training courses	number of employees attended	4,397	5,470	3,865
Business Partner Approval Tool	number of business partners trained	-	1,509	2,355
Integration				
Participants in "Manage responsibly" training courses for managers	number	-	-	70
ISO 14001 certified sites	number	22	24	25
OHSAS 18001 certified sites	number	5	5	9
Economy				
Performance in the Dow Jones Sustainability Indexes	points (max. 100)	48	64	78
Performance in the Carbon Disclosure Leadership Index	points (max. 100)	65	73	84
Orders received	€ million	15,072	17,145	15,889
Revenue	€ million	14,875	16,472	15,772
EBIT	€ million	1,035	1,483	964
R&D expenditures	€ million	626	740	830
Environment				
Reduction in CO_2 emissions at MAN sites (baseline: 2008)	%	-	-	5
Direct CO_2 emissions	tons of CO_2 equivalent	149,275	157,538	165,489
Indirect CO_2 emissions	tons of CO_2 equivalent	296,600	297,815	305,588
CO_2 emissions per €1 million revenue	tons	30	28	30
Energy consumption	gigajoules	5,176,342	5,340,997	5,324,573
Water consumption	cubic meters	5,810,202	5,681,147	6,902,609
Waste	tons	104,070	193,780	185,948
Employees				
Employees	number	47,669	52,542	54,283
Vocational trainees (international, excluding subcontracted employees)	number	2,740*	2,769*	3,276
Women in management positions (excluding subcontracted employees)	%	6.1	7.3	8.2
Workplace injuries (resulting in more than three days of missed work; excluding subcontracted employees)	per 1 million hours worked	16.8	14.3	11.8
Corporate Citizenship				
Employees who volunteered with SOS Children's Villages	number	-	22	47
Employee volunteer hours	hours	-	96	329
Expenditures for education sponsoring	€ million	1.3	1.0	3.4

* not including Renk

Credits

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