



2013 Corporate Responsibility Report

Engineering the Future – since 1758.

MAN SE



A global player with roots in Germany. This is who we are. This is MAN.

We have been around for more than 255 years, making us one of the longest-standing industrial companies in Germany with roots in Oberhausen, Augsburg, and Nuremberg.

Today we operate over 30 production sites in 14 countries we can call home.

This report focuses on what has made MAN the company it is today and what sets us apart from the rest – a theme that will continue to run through the next few CR reports. We want to highlight what our employees associate with MAN, the role they play at our sites, and what singles us out as an employer.



In this report we begin with our roots, which lie in Germany, and in the reports that follow we will take you on a tour around the world – to places that we can call home and where we are home for the people there. We show how we in Germany and all over the world nurture that which makes us special: “we are responsible.”

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Dear Stakeholders,

In view of the moderate growth of the global economy and the European sovereign debt crisis, the past year was a turbulent one for the MAN Group. While we were able to maintain revenue and order intake at their prior-year levels, our operating profit showed a marked year-on-year decline. Particularly in economically challenging times it is essential to consistently pursue sustainable value creation while at the same time reconciling business necessities with societal requirements. This goal can give rise to conflicting objectives, and in this Corporate Responsibility Report we transparently outline these for the first time.

We want to be judged by our actions. That is why we act on our commitment to responsible business practices within the framework of our Corporate Responsibility Strategy. In the year under review we set up our CR Board as the highest CR management body, made up of members of the executive boards of MAN SE and the subgroups. To drive our CR Strategy forward, we also established a new CR Steering Group made up of managers from all divisions and relevant functions. In terms of the goal of MAN's Climate Strategy – to achieve a 25-percent reduction in CO₂ emissions at our production sites by 2020 – we made substantial progress in the year under review, with 2013 emissions already down by 14 percent.

In recognition of this progress, rating agency RobecoSAM again listed MAN in the Dow Jones Sustainability Indexes (DJSI) and we were also able to close the gap on the industry leader. This not only makes us proud but also spurs us on: by 2015 we aim to be the leader in our industry.

For 255 years now, foresight and flexibility have been the twin safeguards of MAN's success. We are convinced that lasting commercial success is invariably based not only on reliable and efficient products but also on dedicated employees. Our employees are also our CR ambassadors at every single MAN site, where they demonstrate responsibility day in, day out. That is why the magazine section of this report is dedicated to them, their activities, and the part they play in our successful sustainable development.

Our 2013 CR Report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI) and once again complies with the highest reporting level A+. At the same time the report also represents our fourth UN Global Compact Communication on Progress, documenting how we foster human rights, good working conditions, environmental protection and the battle against corruption worldwide.

Along with validation by the auditors, for the first time we also asked our stakeholders to evaluate our sustainability performance. In February 2014, students from the Sustainable Marketing & Leadership Master's program at the Frese-nius University of Applied Sciences in Munich discussed our strategy and CR Roadmap at a workshop and formulated recommendations for MAN. We are taking their feedback seriously, as important pointers for the future design of our corporate responsibility activities.

We also welcome any ideas or suggestions you may have and hope you find this report makes informative reading.

Sincerely,



Dr. Georg Pachta-Reyhofen
Chief Executive Officer of MAN SE

We Are Respon



Dr. Georg Pachta-Reyhofen
Chief Executive Officer

“We’ve been successful for more than 255 years. Corporate responsibility is an integral part of our corporate strategy as we face the challenges of the future.”



Ulf Berkenhagen
Chief Procurement Officer

“Sustainability is more than just a current trend. It is the responsibility of society as a whole and one that we address together with our suppliers.”



Anders Nielsen
Chief Executive Officer of MAN Truck & Bus AG

“We are a driver of future-proof transportation solutions. This calls for sustainable innovations and forward-looking product development.”



Jochen Schumm
Chief Human Resources Officer

“Excellent, motivated, and dedicated employees are the key to our long-term success. CR plays an important role in MAN’s HR strategy to establish itself as a top employer.”



Jürgen Dorn
Chairman of the Group Works Council

“Codetermination is strong at MAN—which is good for both my colleagues and the Company.”

sible.



Dr. René Umlauf
Chief Executive Officer of MAN Diesel & Turbo SE

“We develop products that focus on the needs of our customers. In the process, energy efficiency is our key criterion.”



Antonio Roberto Cortes
President of MAN Latin America

“Brazil has grown rapidly in recent years. As an attractive employer and a good corporate citizen, MAN Latin America has been a force in shaping this growth.”

MAN is one of Europe's leading commercial vehicle and mechanical engineering players.

Engineering the Future – since 1758.

53,509
EMPLOYEES WORLDWIDE

We deliver efficient transportation and energy solutions

Focus on two high-growth business areas:
Commercial Vehicles and Power Engineering

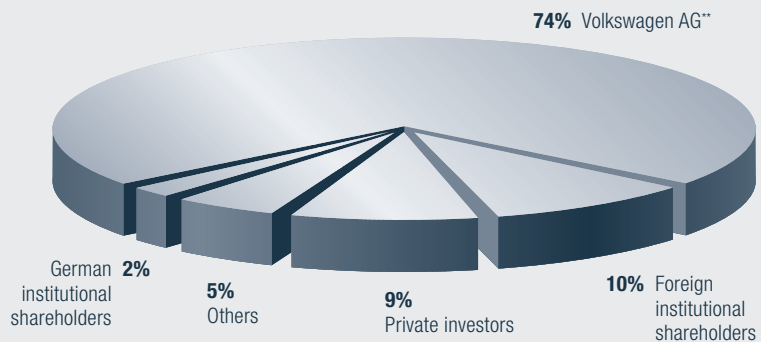
32
PRODUCTION SITES

€16 billion
ORDER INTAKE

€879 million
INVESTMENT IN RESEARCH & DEVELOPMENT

A strong brand within the Volkswagen Group since 2011

MAN shareholder structure*



For more information, please visit

www.man.eu

* Basis: 147,040,000 common shares, as of October 2013

** Shares in MAN SE are held by Truck & Bus GmbH, a wholly owned subsidiary of Volkswagen AG

Source: IPREO

2,292

VOCATIONAL TRAINEES IN GERMANY

MAN Truck & Bus

is the largest MAN Group company and is a leading supplier of commercial vehicles and transportation solutions.

MAN Diesel & Turbo

is one of the world's leading providers of large-bore diesel engines for marine and stationary applications and for turbomachinery.

MAN Latin America

is the largest truck manufacturer in Brazil and has been the local market leader for eleven years with its wide service network in South America and Africa.

Renk (76%)

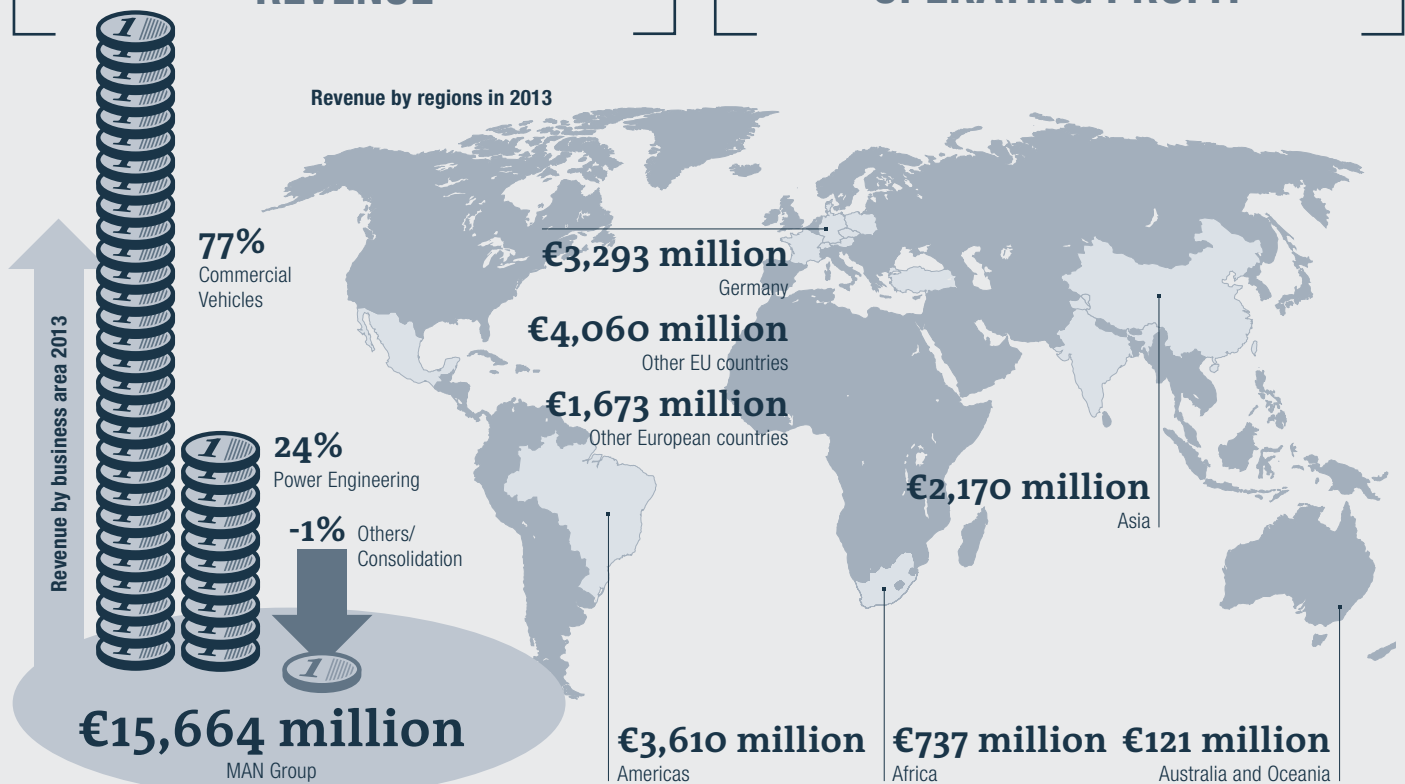
is a globally recognized manufacturer of high-quality special gear units, propulsion components, and testing systems.

€15.7 billion

REVENUE

€475 million

OPERATING PROFIT



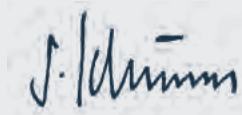
Dear Reader,

MAN's ongoing success has always been based on engineering, passion, and tradition – and driven by the excellence, expertise, and dedication of our employees. A lot has changed since our early days in Oberhausen, Augsburg, and Nuremberg. Today MAN employs an outstanding team of over 53,000 people. Our employees live our values, show passion for our products, and are a dedicated force for sustainable value creation. And we aim to create value wherever we do business – for the benefit of the local people and economy, and for our customers.

Our future success also depends on how we address megatrends such as climate change, urbanization, and demographic trends. MAN's Climate Strategy is our response to these challenges. Because our employees are our most effective instrument for living corporate responsibility within the Company, we have made our CR activities the responsibility of the chief human resources officer (CHRO) function. Sustainable success will only follow when we educate our employees in CR and encourage them to demonstrate responsibility in their daily actions – something that they also require of us. The ability to adapt and change made us strong in the past. And it allows us to develop forward-looking solutions today. We call this Engineering the Future – since 1758.

In this CR Report we show you how our employees live responsibility, shaping the future of MAN. This is who we are. This is MAN.

Best regards,



Jochen Schumm

Chief Human Resources Officer of MAN SE and MAN Truck & Bus AG,
responsible for corporate responsibility in the MAN Group

MAN –
We Are
Responsible.

We Are MAN

**Eberhard Hipp, 64, Head of Research,
MAN Truck & Bus**

“At MAN we’re working on a lot of solutions that we think will be important in the next five to ten years. Research is the factor that makes MAN so dynamic and dependable.”



**Kerstin Kuhfahl, 49, Director of the Munich Plant Works
Council, MAN Truck & Bus**

“I got my start at MAN in 1990 as an intern. I’ve enjoyed working here since then, and the diversity is the best part. It’s wonderful to have so many nationalities represented – it’s an interesting mix of people.”



**Mbaye Mamadou, 35, Assembly Line Worker,
MAN Truck & Bus**

“MAN means the world to me. I have job security here, and my coworkers are great. The Company keeps on growing and we all benefit from its success.”



**Rexhepi Pashije, 18, Industrial Mechanic Vocational Trainee,
MAN Truck & Bus**

“It came as no great surprise to friends and family that I would choose a technical profession: I always was good with my hands. MAN also offers many career advancement opportunities – which isn’t something you find at smaller companies.”

**Lily Zhang, 33, Press Officer,
MAN Diesel & Turbo China**

“What I value at MAN is the corporate culture and the many opportunities for development open to employees. In an environment like this, I’m happy to always do my best.”



**Dr. Thimo Zahn, 32, Executive Board Assistant for
Production & Logistics, MAN Truck & Bus**

“Ever since I became aware of MAN, I’ve found their products fascinating. You can really get things done here – our work is very action oriented, which appeals to me.”



**Hakan Demirdelen, 35, Assembly Line Worker,
MAN Truck & Bus**

“Every day we put together trucks and buses for MAN. Our work is essential to the product quality that the Company stands for. And that makes me proud.”



**Matheus Pereira, 32, Product Engineer,
MAN Latin America**

“MAN is challenging. I learn something new every day and I can contribute to what I find most interesting: developing hardware and software for our vehicles.”

We Are MAN

Raquel Francisco, 28, Purchaser, MAN Latin America

“The people in the region have a very good opinion of MAN: the Company offers fair salaries and makes an effort to constantly improve quality of life for its employees.”



Peter Attin, 53, Sales Human Resources Director, MAN Truck & Bus

“MAN is one of the oldest industrial companies, and at the same time very dynamic. Our 250th anniversary made me think about what an exciting combination this is. It was a moving moment.”



Sandro Lenz, 34, Head of Driver Cab Interiors, MAN Truck & Bus

“I have a background in the automotive industry. I discovered my passion for commercial vehicles when I was working for a haulage company and had to get a truck driver’s license. And it’s as strong as ever.”



Julia Tümmers, 27, Project Engineer, MAN Diesel & Turbo

“Every detail of our engines fascinates me – the way they work, the various ways they can be used. And now I help develop them.”

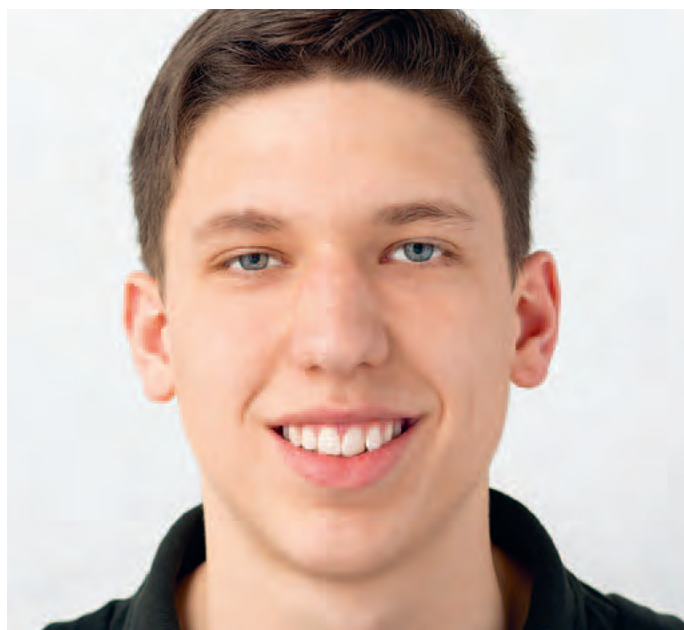
**Martina Papenfuß, 32, Head of Corporate Security,
MAN SE**

“I look forward to going to work at MAN every day – I have great colleagues and it’s never dull. Who’d have thought security could be such fun?”



**Simon Müller, 17, Industrial Mechanic Vocational Trainee,
MAN Diesel & Turbo**

“I’ve always been good with my hands, and here you get to see the results of your work right away. The vocational training at MAN Diesel & Turbo is great – there’s nothing I’d rather be doing!”



**Gerhard Frauenschuh, 50, Manager of Catering,
MAN Diesel & Turbo**

“Whether it’s a local German specialty or a Pakistani dish made with rose water and halal meat, our cuisine is a way of showing our appreciation and respect for our employees and international guests.”



**Selina Stocker, 23, Team Coordinator for Shipping,
MAN Truck & Bus**

“MAN rewards performance. Young people in particular can go far in a short time. I was even allowed to complete my vocational training as a specialist for warehouse logistics in less than the set period.”

We Make History

The birthplace of MAN: the St. Antony Ironworks, pictured in 1835.



MAN's roots lie in the Ruhr District, in Augsburg, and in Nuremberg – a fact that is reflected in our name: Maschinenfabrik Augsburg-Nürnberg (MAN). It was only after the Second World War that Munich became an important site for us. We have been headquartered there since 1986.

A tradition is born

MAN's long and successful history, dating back more than 255 years, has its beginnings in the St. Antony Ironworks, founded in 1758 on the site of the present-day MAN Diesel & Turbo plant in Oberhausen in the Ruhr District. A little over 80 years later,

two further forerunners of the thriving MAN Group of today were founded – originally competitors – Sander'sche Maschinenfabrik in Augsburg and the Klett & Comp. iron foundry and machine factory in Nuremberg. /

In 2013,

10,105

EMPLOYEES

at MAN were under 30,
and

1,403

were aged over 60.

Milestones in MAN's social history

1809

Sickness fund and assistance fund for widows and orphans established

1841

Company physician appointed

1875

Construction of first company housing for workers

1878

Construction of nursery schools

1880

Workers' relief fund established

1883

Pension fund for salaried employees established

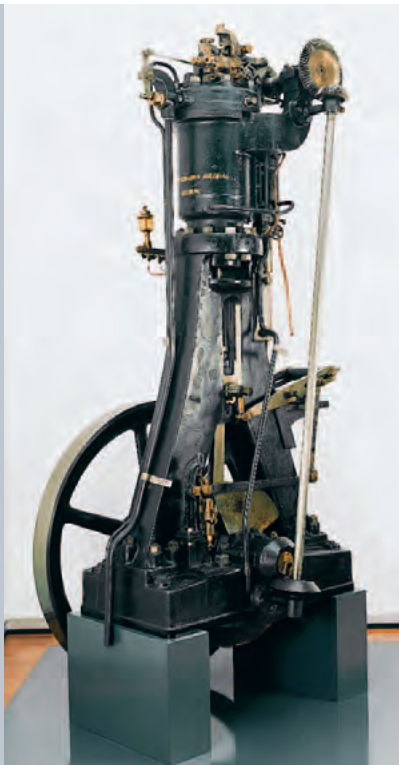
1890

Apprentice training school opened

The first diesel engine, now on display at the MAN Museum in Augsburg.



Thanks to MAN's support, Rudolf Diesel (1858–1913) made history with his invention.



The first MAN fire engine from 1917.

MAN and the diesel revolution

Rudolf Diesel's revolutionary engine was based on a principle that was as simple as it was brilliant. The fuel was injected into a cylinder where the air had been heated by compression, leading to auto-ignition. With its high efficiency – and therefore low fuel consumption – the diesel engine was a ground-breaking invention whose effects were felt across the world. From 1893 through 1897, Rudolf Diesel received financial help from Maschinenfabrik Augsburg, a forerunner of the company that 15 years later became MAN, to continue his development work and build the first fully operational diesel engine. /

100 years' experience in firefighting and disaster relief

Saving lives demands reliable equipment. MAN has been developing fire and disaster relief vehicles for almost 100 years, ever since the days of the old-style open-top fire engines with rear-mounted hose reels. Since then, these vehicles have changed beyond recognition – as evidenced by MAN's range today, which comprises the TGL, TGM, and TGS series of reliable, high-performance fire-fighting vehicles. Volunteer fire services in the German state of Saxony-Anhalt are among the many customers who put their trust in MAN. In 2013, they took delivery of six vehicles based on the MAN TGM chassis and equipped with articulated boom lifts and rescue baskets with a maximum load capacity of 450 kg. /

1905

Employees invited to contribute to first suggestion scheme

1906

Paid leave introduced

1917

First vaccinations provided

1926

First disabled workshops opened

1927

Construction of a gymnasium and playing fields

1936

First Christmas bonuses paid

1953

Long-service leave introduced

1989

Training center opened



Eleven miners are rescued in the "Miracle of Lengede."

MAN screw compressor to the rescue

In 1963, mud and water surged through the Lengede mine in Germany, trapping many of the men working inside. Only after 14 days holed up in a dark, cold, and waterlogged cavern far below ground were the last eleven survivors finally rescued. They were recovered by a combination of good luck and technology. Ten days after the accident, a further search shaft happened to be drilled right above the chamber where the men were trapped, whereupon they began knocking on the walls to signal that they were still alive. An amazing rescue operation then ensued, in which we played a part. An MAN screw compressor was used to compress air for the large drill which eventually broke through into the cavity where the men were trapped. The miners were then brought to the surface one by one in a rescue capsule. The rescue went down in history as the "Miracle of Lengede". /

Our products are exposed to rigorous, punishing conditions. The fact that lives are often at stake gives us a special responsibility to supply high-performance, fit-for-purpose technology.



As early as 1915, beer was already being transported on MAN flat-bed trucks.

MAN and the Oktoberfest: a long-standing partnership

Munich's breweries rely on strong MAN trucks. As early as 1915 our vehicles were already ferrying beer by the liter to the Oktoberfest. While this had to be carried out almost a century ago by MAN trucks with a horsepower of 45, our MAN TGX trucks of today boast a horsepower of 480 and can transport up to 24 tons of beer at a time.

We are also essential for visitors to the Oktoberfest. Every year up to 6.4 million people from all over the world attend this event. Many are carried safely through the city's busy streets to and from the Oktoberfest in MAN buses run by the Munich public transportation operator. /



The MAN TGX can transport 24 tons of beer at a time to the Oktoberfest in Munich.

Dialog

We Connect Generations

Three generations of the Pentz family have worked for MAN. The first, grandfather Adam Pentz, came to MAN in 1957 looking for a secure job. Wolfgang Pentz joined MAN in 1978, starting out in maintenance and since 1997 has been responsible for workplace safety in the foundry at the MAN Diesel & Turbo Augsburg site. His son Gerhard began vocational training as a foundry mechanic in 2011 and daughter Alexandra also works at MAN. Father and son tell their story.



Wolfgang and Gerhard Pentz talk about their family's ties with MAN going back three generations.

Wolfgang Pentz: Even in my school days, I already knew that I wanted to work for MAN. I was always impressed when my father came home from work – even today I can still remember his red hands. That came from the iron oxide in quartz sand that was used in the foundry back then.

Gerhard Pentz: I wanted to do something technical just like my father and grandfather, but not something ordinary like

mechatronics. The solidification of iron and the interaction of the different factors at play was something I found fascinating. I knew right away that foundry mechanic was the profession for me – and where else can you do that nowadays?

Wolfgang Pentz: Friends of ours thought Gerhard was overqualified for the job because he got such good grades at school.

But I always said, “no, if that’s what he’s set his heart on, he should do it.” He can always go to university later if he wants.

Gerhard Pentz: And I will. I am going to finish my vocational training in three years instead of three and a half, and then I’ll go on to study engineering, majoring in foundry technology/materials science. But I want to stay with MAN – I feel like I’m in good hands here.

Wolfgang Pentz: MAN offers job security. Vocational training with MAN has always been a solid option. Your grandfather started working in the foundry when he needed more money because my mother was pregnant with my brother—and he stayed for 25 years. And now the third generation of our family is with MAN.



“The vocational training program at MAN was the only one I wanted.” Gerhard Pentz

Gerhard Pentz: I find the practical experience particularly valuable. From the very beginning we’ve been allowed to work in a special trainee department, taking care of assignments at short notice. Thanks to my training at MAN, I know what is actually important in practice.

Wolfgang Pentz: What’s most important in a place like the foundry is safety. The iron is heated to almost 1,550°C, so that it can be poured out of the giant pots into the mold. Our workers each have to wear heat protective clothing and hoods.

Gerhard Pentz: Safety is something that we vocational trainees talk about every morning at a short briefing in our break room. We have to be especially careful when the crane is lifting heavy loads.

Wolfgang Pentz: Which makes it all the more important to prevent accidents in the first place. That’s why I keep in direct contact with the people who work there. It’s often more effective to talk over a cup of coffee than send an e-mail. And if I’m going to nip problems in the bud, I have to know what’s happening on the shop floor. So I favor the direct approach.

Gerhard Pentz: It’s true—we run into each other at the plant practically every day. And everyone knows that you’re in charge of workplace safety. When you’re not there a lot of trainees and workers in the foundry actually come to me, and I pass along the information to you.

Wolfgang Pentz: It works the other way, too. My daughter Alexandra also works at MAN, in administration. If I don’t know how to enter something into the system, she takes care of it for me right away.

Gerhard Pentz: And sometimes we also talk shop at home. For example, there is a workstation where you have to lift things up off the floor a lot. We were sitting around the kitchen table when we hit on the idea of using magnets.

Wolfgang Pentz: The fact is that our employer plays an important role in our family. My wife and I were able to raise four kids and pay for our house thanks to MAN. We get a Christmas bonus, a vacation allowance, and extra pay and we go on vacation every year.



“In all these years, I’ve never had to worry about my job.” Wolfgang Pentz

Gerhard Pentz: I can’t complain either. MAN is giving me a lot of training and pays good money plus benefits. If I have children someday, I’ll definitely recommend they get a job with MAN. /

We Deliver Efficiency



An MAN Lion's City hybrid bus in action on the streets of Munich.



Munich Airport takes delivery of 27 environmentally friendly MAN Lion's City buses.



An MAN truck on winter maintenance duty.

MAN keeps Munich on the move

MAN products not only power vehicles and ships, they also keep whole cities on the move—like the cosmopolitan Bavarian capital of Munich, which relies heavily on our trucks, buses, and engines. It was back in 1886 that we supplied Bavaria's first elec-

tric tram, which ran on the line to Munich's Ungerer baths. The ride was a novel and exciting experience for people of the time.

Today, thousands of people who live in Munich use MAN buses every day to get around the city. The fleet includes the MAN

Lion's City diesel-electric hybrid bus, which operates on the no. 132 route. At the same time, extra-low-noise, low-pollutant MAN Lion's City buses bearing the Blue Angel eco-label are used to provide passenger transport at Munich airport. And in winter, MAN trucks equipped with snowplows keep the streets free of snow and ice for the greater safety of all road users. /



High-performance engines under construction at the MAN Engine Development Center in Nuremberg.

Engines built to last

Customers all over the world are reaping the benefits of the innovative powertrain technology supplied by the MAN Truck & Bus plant in Nuremberg, our competence center for engines. The site recently expanded with the opening of the MAN Engine Development Center. 150 of our top engineers work at this center, developing high-performance engines of tomorrow that run on a range of different fuels. We are proud to be a technology leader in the field of engine development and design—a status we have held for decades. Throughout that time MAN has been committed to achieving unsurpassed efficiency and reliability. Our oldest diesel engine has now been running for 100 years and is still in use at the German Navy Engineering School in Stralsund-Parow. Volume production of diesel engines at MAN began in 1925. But our tradition of Engineering the Future goes back even further—to 1758. /

We Deliver Efficiency



The newly opened Audi e-gas plant in Werlte – built around an MAN methanation reactor.
© Audi AG

Powering the future

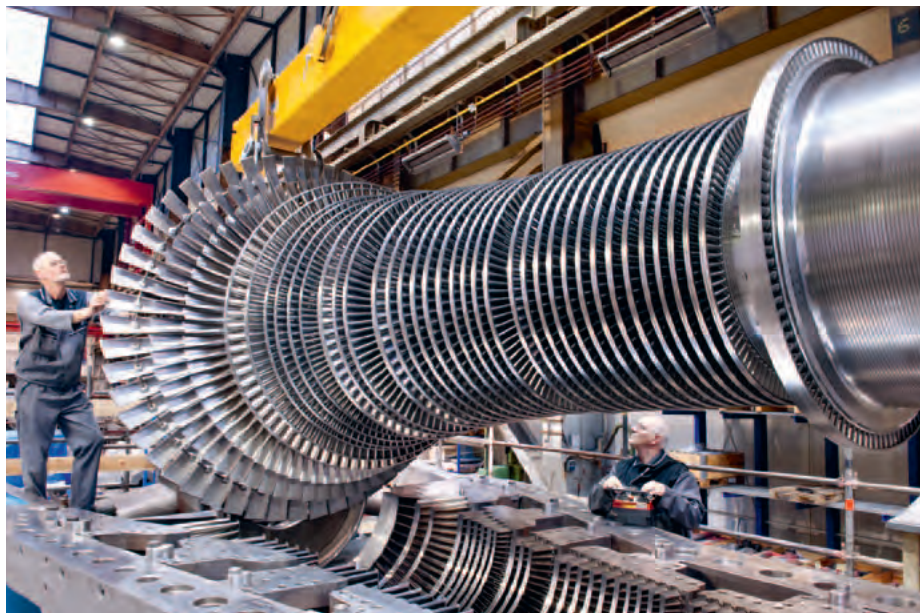
MAN's expertise is playing an important part in the Audi e-gas project, which has been producing synthetic natural gas since 2013. The amount of carbon-neutral e-gas produced by the new facility – built with know-how from MAN – will allow 1,500 natural-gas cars to travel up to 15,000 kilometers a year. Specialists from MAN Diesel & Turbo built the heart of this facility – a 16-meter-tall methanation reactor. The complete reactor was transported as an abnormal load from Deggendorf to the e-gas facility in Werlte, approximately 800 kilometers away, over the course of eight nights. This example of cooperation within the Volkswagen Group is further proof that whenever it's about developing sustainable solutions for future mobility, MAN's know-how is in demand. /

Oberhausen supplies customers around the world

At our factory in Oberhausen, almost 2,000 MAN employees develop, test, and build high-quality compressors and turbines for supply by MAN Diesel & Turbo

to customers throughout the world. The portfolio includes giant steam turbines, developing up to 160 megawatts and weighing as much as 160 tons. These are

used around the world in mechanical drive systems or in power generation. /



MAN Diesel & Turbo builds industrial steam turbines ranging up to 160 megawatts for use in mechanical drive systems and in power generation.

Efficient products and sustainable solutions for transport-related engineering make us a strong brand in the Volkswagen Group.

More than
9,800
IDEAS
and improvement suggestions were submitted by employees in 2013.



LNG could soon be the fuel of choice for ships.

Clean fuel for today's maritime shipping

Maritime shipping is cleaning up its act. From 2015, marine fuels used in Emission Controlled Areas will not be allowed to contain more than 0.1 percent sulfur. As a fuel with low sulfur emissions, liquefied natural gas (LNG) is an excellent candidate to replace diesel and heavy fuel oil as a marine fuel in the long term.

MAN is well prepared for this transition. With only minor technical modifications – simply by enlarging the bore and stroke – a diesel engine can be converted to operate as a spark-ignition engine. We already have extensive experience in this area: since 2010, five MAN dual-fuel engines have been powering the 300-meter-long LNG tanker “Castillo de Santisteban.” By supporting the changeover to clean fuels in marine engines, MAN is helping to modernize the shipping industry. /



Building their own 1:14-scale mini truck allows our vocational trainees to familiarize themselves with the product and its components.



As soon as sufficient models have been built, an MAN mini truck race championship will be held.

13
YEARS
is the average
length of service
at MAN.

Mini trucks big on efficiency

Technical vocational trainees at MAN Truck & Bus were recently given a challenging project assignment: “build your own truck!” The idea is that by building their own miniature version of an MAN truck they can consolidate what they have learned during their basic training in metalworking and familiarize themselves with the robust materials used on the MAN production lines. The 1:14-scale mini trucks will emulate all the qualities of the full-size MAN products in terms of performance, robustness, and durability. As soon as sufficient models have been built, an MAN mini truck race championship will be held. The winner will be invited to the “Truck Grand Prix” at the Nürburgring to see life-size MAN trucks in action. /

We Show Commitment

Flooding poses major challenges

The floods of summer 2013 had an emotional impact on the whole of Germany—and MAN was directly affected. The floodwaters threatened to inundate the MAN Diesel & Turbo plant in the Bavarian town of Deggendorf on the banks of the Danube. And it was only thanks to the exceptional commitment of our employees that the facility remained largely unscathed. MAN employees also collected €116,000—which the Company topped up to €250,000—to help the huge numbers of people affected by the floods. Around 3,000 of our most powerful MAN vehicles were in action around the clock helping the people fighting the floods, including military ambulances and vehicles from the THW disaster relief organization’s fleet. The teams dispatched to



Flooding in Germany – MAN helps the helpers.

help the flood victims also required back-up, of course, so we donated €30,000 to the Hilfe für Helfer (help for the helpers) initiative run by the Landesfeuerwehrverband Bayern e.V. (Bavarian Fire Fighters’ Association).



FC Bayern Munich (left) and Borussia Dortmund are two of the 13 Bundesliga clubs who travel to games in an MAN team coach.

MAN of the match

Germany’s soccer pros put their trust in MAN. A Bundesliga team covers up to 60,000 kilometers per year traveling to away games. And it’s not only winning the match that counts, but also comfort and safety. To help coach drivers deal with the pressures of the job, we offer MAN Profi Drive® safety training. On these courses, drivers learn to keep their vehicle under

control in critical situations and adopt an anticipatory driving style – which also cuts fuel consumption and CO₂ emissions by up to ten percent.

In the Bundesliga 2013/2014 season, a total of 12 clubs—including FC Bayern Munich, Borussia Dortmund, Hamburger SV, VfL Wolfsburg, and Borussia Mönchengladbach—relied on MAN and NEOPLAN coaches. That gives us a roughly 70 percent share of the team coach market. /

Some

300

SOCCER PROS

traveled to their matches in MAN coaches in 2013.



Museum ship Cap San Diego is back in action thanks to MAN.

Special spares for museum ship

We were not about to leave a museum ship with an MAN engine high and dry, which is why we donated special spare parts previously worth €90,000 to the Cap San Diego. The world's largest seaworthy museum ship – moored in the port of Hamburg – urgently needed three new cylinder liners to keep her mobile.

However, given the age of the vessel, a worldwide search for the required parts spanning several years had come to nothing. Not to be defeated, MAN Diesel & Turbo set about manufacturing the three liners, working to original drawings. A team of trainees from MAN Diesel & Turbo Hamburg and experienced retired

mariners then hauled the enormously heavy liners on board using a floating crane and fitted them in the 1962 two-stroke MAN engine. And so, 52 years after she was launched, this “old lady” remains fit for active service and can proudly continue to offer museum trips along the River Elbe. /

Mobility concepts for the future

Around the world, growing numbers of people are moving to the city. Those people want to get from A to B quickly, safely, and affordably – and that represents a major challenge for existing transportation systems. MAN has taken up that challenge and is working with 31 project partners from the fields of industry and research within the

UR:BAN project to develop sophisticated driver assistance and traffic management systems. What's more, MAN Truck & Bus is coordinating the research initiative.



The rising demand for urban mobility means there is an urgent need for future-ready transportation concepts that enable the intelligent interaction of vehicles and infrastructure. And the work already undertaken by MAN underlines our commitment to improving safety, capacity, and traffic flow in the cities of tomorrow. /

Report

We Nurture Talent

Getting young people excited about engineering and opening doors to education – MAN is a proud sponsor of the Germany Scholarship.



Jochen Schumm, Chief Human Resources Officer of MAN SE and MAN Truck & Bus AG, chats with Germany Scholarship recipient Julia Aronova.

Julia Aronova's smile is radiant as she accepts her award. Thanks to the Germany Scholarship, she will now have €300 more in her pocket each month – enough to help a student on a tight budget make ends meet. Half of the scholarship is funded by MAN, which has awarded 60 such scholarships. This makes us the lead sponsor of the Germany Scholarship.

And we have good reasons for our support. Faced with the predicted shortage of skilled professionals, MAN is taking a proactive approach. For the third time the Company is supporting students majoring in various technical fields and aiming to fire up an interest in working for MAN. "What we need is enthusiasm – for engineering and for our prod-

ucts," said Jochen Schumm, Chief Human Resources Officer of MAN SE and MAN Truck & Bus AG, during the scholarship award ceremony held at the Technical University of Munich (TUM) at the beginning of 2014.

"I wanted to turn my passion into a career."

And the enthusiasm of the students in the room is tangible. Mechanical engineering student Sebastian Eyerer can trace his strong interest in technology back to his childhood. "I once completely rebuilt an old tractor together with my father. Ever since then I wanted to turn my passion into a career." Now the Germany Scholarship will make it easier for him to pursue his dream, giving him the financial breathing space to focus on his studies.



Animated discussion between students from the Technical University of Munich and MAN.

That freedom from having to earn the rent is also appreciated by Julia Aronova. “I’d rather invest my time in building my future than in a part-time job.” At first the 21-year-old business student wasn’t sure if she should try for the scholarship, but her family talked her into applying. “I think it’s fairly typical for women – a lot of us aren’t as self-confident as men and don’t apply for scholarships as often.” Statistics back her up: only one third of the scholarship recipients are women, and only one fifth have an immigrant background. And yet when funding the scholarships, these are precisely the target groups that MAN wants to encourage to turn their passion for technology into a profession.

That explains why good grades are not the scholarship’s only criteria – social factors matter as well. The selection of a candidate could also depend on how well they have mastered a difficult situation in life, for example, or on their involvement in the community. Eyerer is a counsellor at the Offene Jugendwerkstatt in Karlsruhe, a workshop that aims to teach craft skills to young people. Receiving the scholarship means he will have enough time to keep volunteering in addition to his studies. “It is valuable experience for me, beyond what I could gain just trying to earn money.”

“What could be more sustainable than investing in talent?”

At the Campus Day held at the Munich production site, the scholarship recipients also got a close-up look at what it’s like to work at MAN, learning firsthand about the Company and its products. Patrick Zech, a business student at TUM, raved: “The best part was driving a truck myself – I’ve never done anything like it.”

But truck driving was not the only part of Campus Day to capture Zech’s imagination. After touring the production facility, the scholarship recipients also had an opportunity for face-to-face conversations with managers from their specialist fields. These proved a potential career springboard for the students, many of whom are planning internships, Master’s dissertations, or even PhD theses at MAN. Zech can also see himself working in production planning at MAN in the future, and has already started to build his personal network.

The feedback from the students is invaluable to MAN. In light of demographic change, like many others the Company is wondering whether the pool of qualified professionals will be large enough to meet future demand. Schumm is sure that MAN is on the right track. “We are taking a targeted approach to attracting young talents and promoting their professional development. After all, what could be more sustainable than investing in talent?”



Jochen Schumm advocates funding scholarships for young talents.

Report

We Make An Impression

Students at the Technical University of Munich learn about MAN's wealth of history and innovation in a dedicated series of lectures.



Almost 200 young talents listen spellbound to MAN Truck & Bus Executive Board member Dr. Carsten Intra.

Young, dynamic, and international – that's what comes to Lukas Jehle's mind when he thinks of MAN. Jehle is one of almost 200 students who listened with great interest as Dr. Carsten Intra, Executive Board Member for Production & Logistics at MAN Truck & Bus AG, spoke about "Local success – worldwide" as part of a lecture series called "Innovative Entrepreneurs" at the Technical University of Munich (TUM) early in 2014.

Jehle walked into the lecture room with high expectations – after all, he sees MAN as a company that values quality, and knows that it features in rankings such as the list of top 100 employers published by the trendence institute in Berlin. He is especially impressed by the MAN Truck & Bus portfolio. "It's amazing how powerful those heavy vehicles are."

Jehle sees MAN in the same league as the automobile manufacturers that are so popular with students. Even so, he was surprised at the variety and potential of the innovations being driven forward by commercial vehicle manufacturers too. For its part, MAN develops assistance systems, for example, that help provide a safe workplace for bus and truck drivers. "It was news to me – I always thought the carmakers were the pioneers in that field," said Jehle, considering what he learned in the lecture.

"It's amazing how powerful those heavy vehicles are."

The 26-year-old has already completed a degree in automotive engineering. Now he is continuing his studies, pursuing a Master's degree in Industrial Engineering. Jehle has big plans for his future – he wants to gain a foothold fast and take on

responsibility. His goal is a leadership position that combines management and engineering. So he is on the lookout for a



Student Lukas Jehle takes advantage of the lecture to question a real-world expert.



Dr. Intra in conversation with young talents from the Technical University of Munich.

future employer who offers career opportunities, professional development programs, and the chance to work internationally. Jehle has already completed two internships with a well-known automobile manufacturer, one of them in China. He was particularly impressed by the international aspects of Intra's career. Before joining the MAN Truck & Bus Executive Board, Intra was a member of the MAN Latin America Board and responsible for the subgroup's production and logistics.

His lecture on "Local success – world-wide" also had an international focus. Intra painted an impressive picture of how MAN grew from a local supplier to a successful global corporation – all in the space of a few years. Innovative products that are tailored to the regional requirements of the customers and the markets are the foundation of MAN's international success. In light of these differences, MAN Truck & Bus works in an integrated production network to "transfer the right products in each case from Bavaria to the rest of the world," as Intra explained.

"We transfer the right products in each case from Bavaria to the rest of the world."



Mechanical engineering student Sarah Fleischer's interest in MAN is sparked.

This was not Intra's first teaching experience. He is a visiting lecturer in the Forming and Casting Technology faculty at TUM – and a role model for many engineering students. One of them is Sarah Fleischer, a student in the fifth semester of her mechanical engineering degree program. She is impressed by Intra's views on balancing a career and family. In a conversation following his lecture, he tells students that they don't need to plan their careers down to the last detail. Work should also be fun, he argues. Then success will follow automatically. "It says a lot about MAN that Intra was able to climb the ladder with this attitude," notes Fleischer.

But the 21-year-old was also fascinated by MAN's research into mobility solutions. She would like to work for a company that supports her passion for developing new ideas and turning them into innovations. MAN impresses her as a company that backs its employees and develops innovative products. Fleischer says she would like a project-based job that gives her a lot of responsibility – "After all, I don't want to be stuck in a boring job later." This future mechanical engineer can well imagine working at MAN – the lecture showed her that the company lives up to her expectations.

Her fellow students are of the same mind. With its more than 30 sites around the globe, the Munich-based company will also be on Lukas Jehle's shortlist of potential employers when he launches his international job search. And since the lecture at TUM, it has probably been bumped up the list a little. Intra suggested that he might like to work on a PhD at MAN. "Of course I'll keep the idea in mind," says Jehle confidently. /

Highlights Worldwide in 2013



03/27 MAN steam turbine generates electricity in the world's largest solar thermal power plant

The 100-megawatt solar thermal power plant "Shams 1" (Arabic for sun) officially began operating in Abu Dhabi. A steam turbine supplied by MAN Diesel & Turbo is the heart of the plant. It generates enough eco-friendly electricity to serve roughly 57,000 German households. /



06/02 Showing the whole of Europe who's wearing the Lederhosen? We are your MAN.

FC Bayern Munich celebrates its treble triumph on a convertible MAN truck. The soccer pros arrive at MAN's Corporate Center on their MAN team coach where they then board the purpose-built truck before making their way through Munich to celebrate with their fans. /



06/25 MAN publishes rescue guides for trucks and buses

Accidents happen. Emergency rescue personnel are confronted with freeing the driver, co-driver, and bus passengers from the vehicle fast but carefully. Two rescue guides from MAN, one for trucks and the other for buses, now provide them with the key information they need. /



08/19 Efficiency tour through Russia: MAN tests optimized truck for Russian long-haul transportation

MAN compares the fuel consumption of two trucks on a 10,000-kilometer journey between Sochi and Moscow: an MAN TGS tractor optimized for Russian long-haul transport—equipped with an aerodynamically shaped cab and MAN TipMatic gearbox—with a conventional MAN TGS truck. MAN ProfiDrive trainers accompany the tour and ensure that the entire tour is driven in a way that is economic and reduces CO₂. /

09/27 MAN main sponsor of the 2013 Diesel Medal

The MAN Group is the main sponsor of the 2013 Diesel Medal, marking the 60th anniversary of Germany's oldest innovation award. MAN and Rudolf Diesel, the man whose name the innovation award bears, share an inextricably linked history: from 1893 onwards, Diesel developed the diesel engine in cooperation with MAN engineers from Augsburg. The breakthrough finally came in 1897, when the first fully functional diesel engine was presented to experts. /

10/24 MAN Latin America invests in Rio de Janeiro

MAN Latin America is set to invest around €335 million in the Brazilian state of Rio de Janeiro by 2016: production capacity at the Resende site is boosted to meet growing demand. Doing this also increases income in the region. /



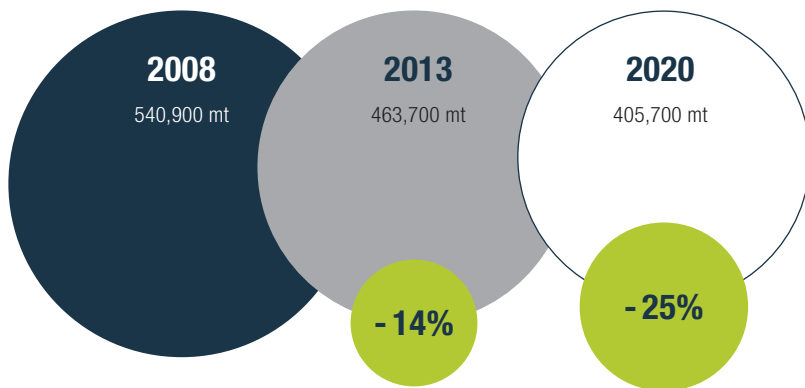
10/01 All-round service: new depot for MAN biogas city buses opens in Göteborg

NEOPLAN Väst AB opens a 32,000 square meter bus service center in Gothenburg at which bus operator Keolis Sverige AB looks after its entire bus fleet. This includes 90 CNG buses from MAN that are fuelled with biogas from the depot's own filling station. /

Strategy – Managing Corporate Responsibility

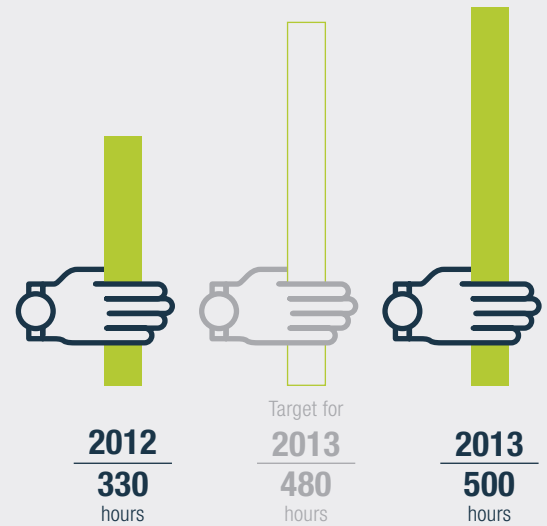
CR Strategy Success Stories

Reductions in CO₂ emissions at production sites



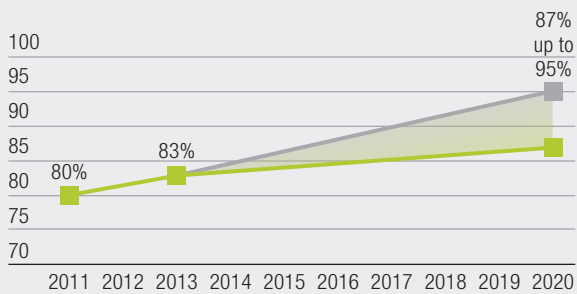
MAN's Climate Strategy targets a 25% reduction in CO₂ emissions at our production sites by 2020. In 2013 we achieved a 14% reduction compared to 2008. This represents significant progress towards our goal.

Employee volunteering in cooperation with SOS Children's Villages



In 2013 our employees exceeded our target of 480 hours of employee volunteer work by 4%.

Participation in MAN employee opinion survey



MAN conducts an opinion survey to measure employees' job satisfaction and identification with the Company. Employee participation in 2013 was a pleasing 83%.

Three-year comparison of MAN's rating in the Dow Jones Sustainability Indexes (DJSI)



■ Maximum score (100 points) ■ MAN rating

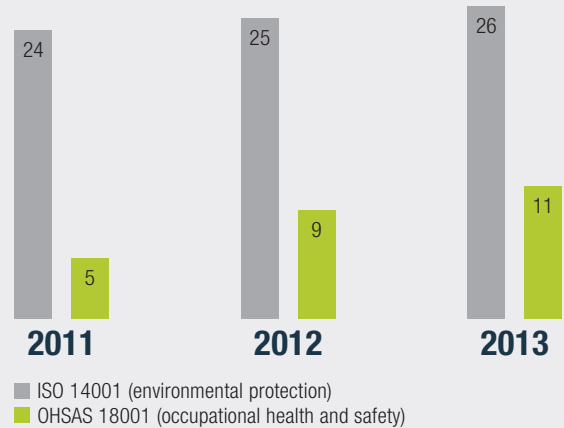
In the last three years, MAN has seen a continuous improvement in its rating in the Dow Jones Sustainability Indexes. 2013 saw us receive the SAM Sustainability Award Bronze Class for this.

“Manage responsibly” training courses for managers



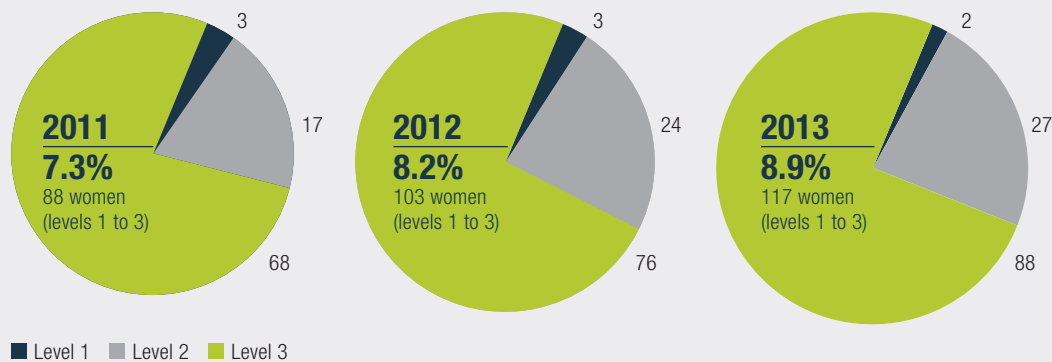
»»» The “Manage responsibly” training courses were launched in 2012 at MAN Truck & Bus. Since then we have been expanding the program to reach young talents and other multipliers.

Certified production sites



»»» By 2015 we are aiming to have ISO 14001 and OHSAS 18001 certification for all 32 of our production sites.

Women in management positions



»»» We have continuously increased the percentage of women in management positions in recent years. We are currently working with the Volkswagen Group to define a target.

MAN's Corporate Responsibility and Climate Strategies

We continue to analyze the consequences of climate change, demographic trends, globalization, and urbanization. We address their impacts on our markets with MAN's CR and Climate Strategies.

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's principles of corporate responsibility

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

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

Product responsibility: Given the nature of our product and service portfolio, we have a special responsibility toward people and the environment. Environmental protection and product 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. It is MAN's response to global challenges and the associated megatrends. To put our CR Strategy into practice, we have defined four fields of action:

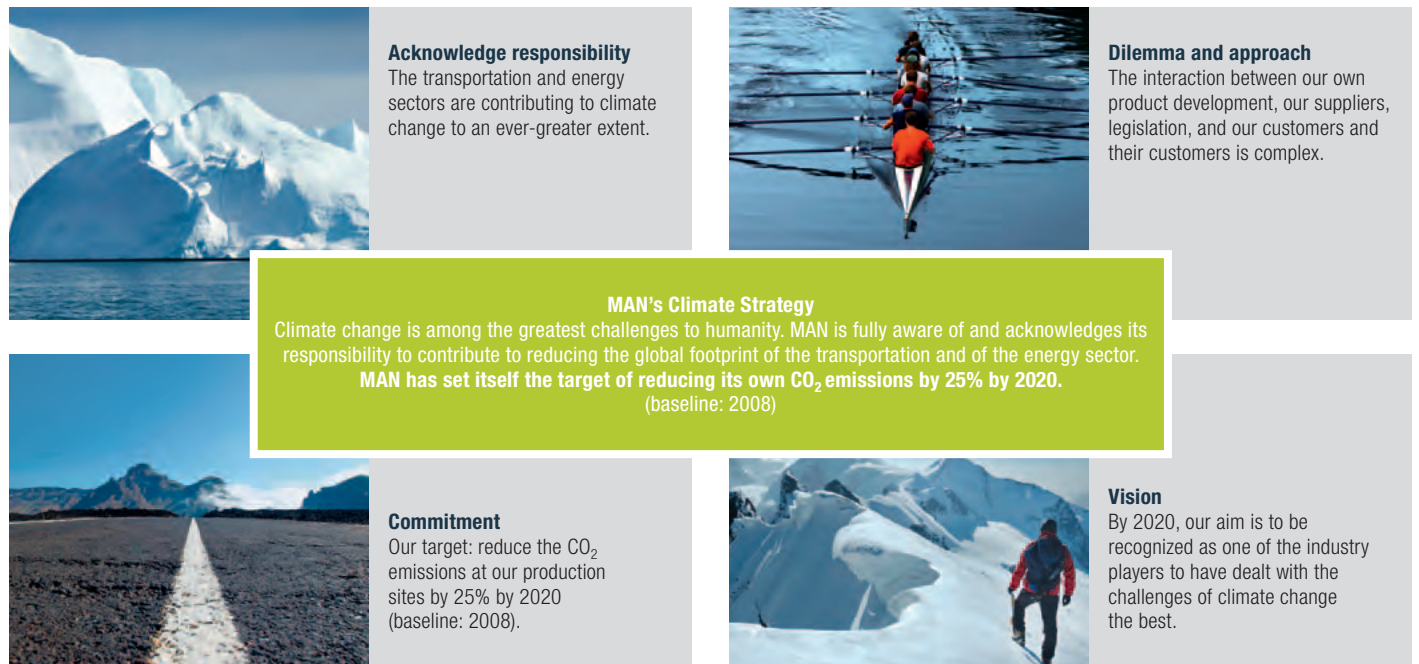
Integration: This is the key to success when it comes to fully living up to our responsibility within the Company every day.

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

MAN's CR Strategy with selected objectives



MAN's Climate Strategy



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

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

MAN's Climate Strategy
Climate change is among the greatest challenges to humanity. MAN is fully aware of and acknowledges its responsibility to contribute to reducing the global footprint of the transportation and of the energy sector.
MAN has set itself the target of reducing its own CO₂ emissions by 25% by 2020.
(baseline: 2008)

Commitment
Our target: reduce the CO₂ emissions at our production sites by 25% by 2020 (baseline: 2008).

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

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 a top employer worldwide.

We have defined specific targets and measures within each field of action, which we present in our CR Roadmap (page 32 et seq.) The MAN Executive Board signed off on the implementation of the CR Strategy as outlined in the CR Roadmap.

Anchoring the CR Strategy within the divisions

As MAN is integrated into the Volkswagen Group, we are undergoing a process of strategic re-orientation as a strong brand. In the year under review we began this process in the MAN Truck & Bus subgroup by aligning its corporate strategy with the

strategic objectives of the Volkswagen Group. As a second step, our CR Strategy was once again anchored in the re-aligned MAN Truck & Bus corporate strategy. In making CR an integral part of the corporate strategy of MAN Truck & Bus, we are aiming to become a leader in the following areas:

- Reputation as a responsible company
- Responsibility for production and supply chain
- Product responsibility
- Top Employer

MAN's Climate Strategy

Climate change is one of the most important global challenges faced by policymakers, industry, and society – and by the Company as well. MAN has more than 30 production sites in 14 countries. These facilities consume raw materials and electricity and use resources to generate energy, causing CO₂ emissions. We take our responsibility seriously. In 2011, we formulated a climate strategy that applies

across the Group and set the goal of cutting CO₂ emissions at MAN production sites by 25% (baseline: 2008) by 2020.

However, MAN's greatest potential contribution to reducing global CO₂ emissions lies in its product portfolio. For instance, MAN is working with policymakers to establish a quantification system for CO₂ emissions that is accessible to all and considers not only the engine or the tractor without the trailer, 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 well as to our products: reducing CO₂ emissions generated during production; Consistently Efficient products and services; customer dialog; identifying potential for reducing CO₂ emissions along the product life cycle; and using key performance indicators to manage the implementation of MAN's Climate Strategy.

CR Governance

Corporate responsibility is a top management function at MAN. A new structure was set up in 2013 to allow more targeted implementation of the CR strategy and address growing stakeholder expectations.

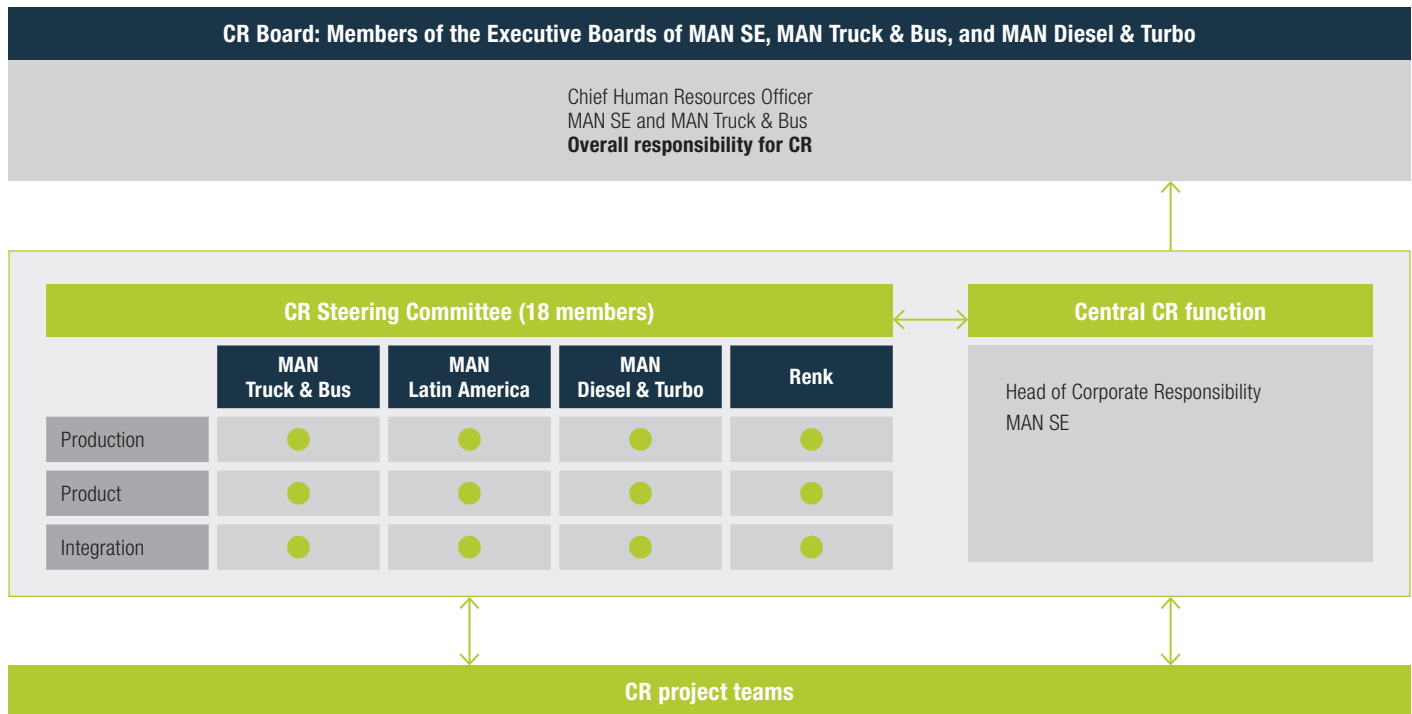
The Corporate Responsibility Board (CR Board) is the highest CR governance body and made up of members of the MAN SE and division executive boards. In the 2013 fiscal year, the CR Board met twice to discuss the CR strategy and its implementation. The Chief Human Resources Officer is ultimately responsible for corporate responsibility at MAN. The MAN Group's central CR function reports to him. Its job is to manage the CR Strategy, the CR Roadmap and the climate initiatives and to serve as the central contact for all CR

issues in the Company. It also coordinates the CR Steering Committee, which meets every two months and whose members include Production, Product, and Integration managers (e.g. from Purchasing, the Group Works Council, and Public Affairs) and all subgroups. In addition to the continuous development of the CR and Climate Strategies, the CR Steering Committee is responsible for integrating CR in our operating processes and for systematic stakeholder dialog. To facilitate the management of the CR Strategy, the Company

developed a CR cockpit in 2013 which includes the defined KPIs for all fields of action. It provides reliable information on current progress towards targets, so that remedial action can be taken if necessary.

MAN is also on the Volkswagen Group's CSR & Sustainability and Environment & Energy steering committees, through which it plays an active role in shaping the Group's environmental and sustainability strategy.

CR Organization



Stakeholder Dialog

As a global 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

Because analysts and investors view sustainability as a key indicator for forward-looking corporate governance, their recommendations and decisions are also influenced by companies’ CR performance. They look to CR ratings in particular to evaluate a company’s achievements in environmental, social, and economic fields. Receiving top scores in sustainability ratings not only sends a clear signal to stakeholders, but also helps make the company a more attractive employer and boosts the motivation of its employees.

Dow Jones Sustainability Index

The RobecoSAM sustainability rating agency again listed MAN in the Dow Jones Sustainability Indexes World and Europe, meaning that the Company met an important target for 2013. After qualifying for this renowned sustainability rating for the first time last year, MAN was able to increase its total score from 78 out of 100 in 2012 to 83 out of 100 in 2013. MAN is still the only German company from the machinery and electrical equipment sector to be listed in these indexes, and is also closing the gap on the industry leader. In 2013 we were able to improve our scores in

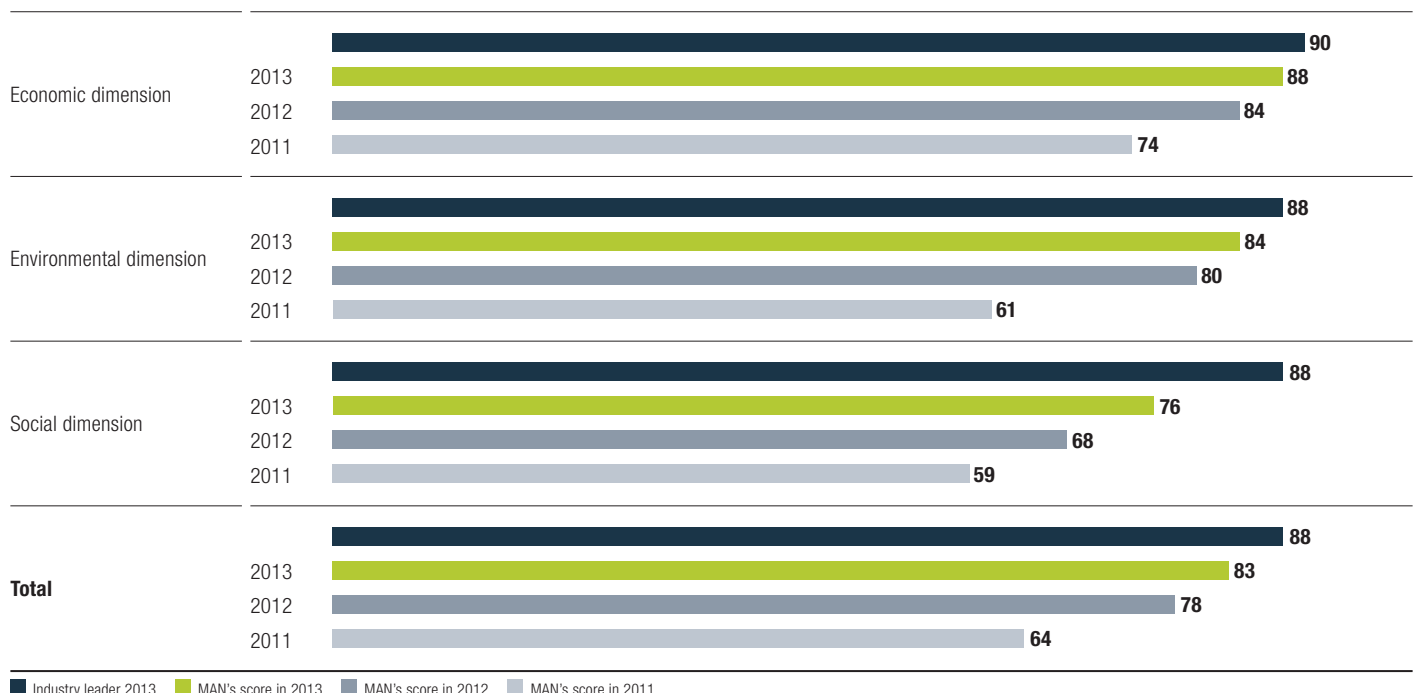
the environmental management, water risk, and occupational safety categories in particular.

The graph below shows MAN’s 2013 DJSI rating in comparison to the previous two years as well as to the 2013 industry leader.

In June 2013 we were honored with the SAM Sustainability Award Bronze Class 2013 for our CR performance. In addition to MAN’s Climate Strategy, the Company’s product responsibility and successful innovation management were also singled out for praise.






Dow Jones Sustainability Indexes: MAN in comparison to industry leader



■ Industry leader 2013 ■ MAN's score in 2013 ■ MAN's score in 2012 ■ MAN's score in 2011

Overview of other achievements in sustainability ratings

Rating agency	Rating	2011	2012	2013
			Listed in the Carbon Disclosure Leadership Index (CDLI) for the fourth time in a row (100 points possible)	73
	Ranked 15 out of 82 companies rated	Ranked 15 out of 87 companies rated	Ranked 8 out of 151 companies rated (Industry Leader)	
	Prime C+	Prime B-	No application for ranking in 2013	

Carbon Disclosure Project

The Carbon Disclosure Leadership Index (CDLI) evaluates the transparency of companies’ climate protection activities. In 2013 MAN was listed for the fourth time in a row and improved its score by a further five points over the previous year, achieving 89 out of 100 possible points.

Sustainalytics

Sustainalytics performs a sustainability analysis that rates environmental, social, and corporate governance performance. MAN was ranked number eight (of 151 companies listed), improving significantly on the previous year and moving into the position of industry leader in the mechanical engineering sector.

Stakeholder communication

In 2013 our stakeholders were provided with targeted information on various CR topics using a variety of media. The table on page 29 provides an overview.

Memberships

We are 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 Logistics
- Association of German Freight Forwarders and Logistics Operators
- DEKRA
- German Transport Forum
- European Automobile Manufacturers’ Association (ACEA)
- International Chamber of Commerce Germany
- Transparency International Germany
- German Association of the Automotive Industry
- German Engineering Federation
- Bavarian Business Association

MAN is an active member of these associations and organizations, participating in working groups as well as management

committees. This especially applies to committees which focus on the following issues:

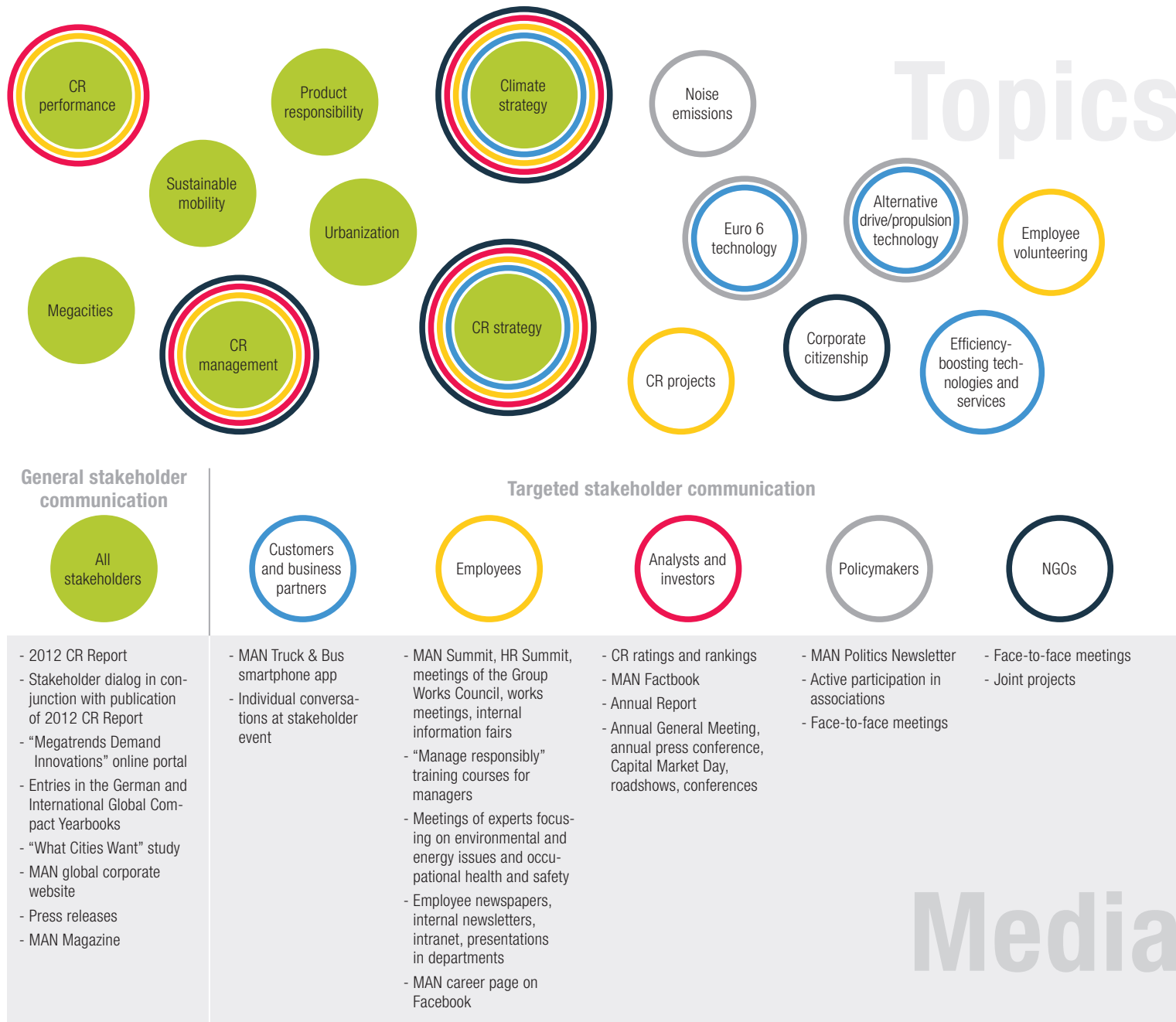
- Sustainable mobility
- Fuel efficiency
- Emissions of CO₂, airborne pollutants and noise
- Commercial vehicle dimensions and weights
- Safety

MAN employees from various levels of our hierarchy—from engineers to Executive Board members—are involved in our dialog with policymakers.

Dialog with policymakers

We are 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 CO₂ 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

Stakeholder communication



government and the opposition. We also represent our interests through membership in various organizations.

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. On the EU level we participate in the CR working group of the European Automobile Manufacturers' Association (ACEA).

Materiality Analysis and CR Roadmap

Our materiality analysis sets the direction of the CR Roadmap. For topics identified as particularly relevant to our business success and our stakeholders, in our CR Roadmap we have defined goals to be reached by 2015 and 2020 and activities that will allow us to achieve them. In 2013 we launched a process of modifying our materiality analysis and validating our CR Strategy.

MAN stakeholders have a wide variety of expectations of the Company, providing us with important input for our CR Strategy and corporate strategy. To identify issues that could represent opportunities and risks for our business, today and in the future, we continuously analyze topics from the perspective of different stakeholder groups as well as from an internal MAN point of view. To this end we have conducted several stakeholder surveys in the last three years. In conjunction with internal assessments, they form the basis of our materiality analysis.

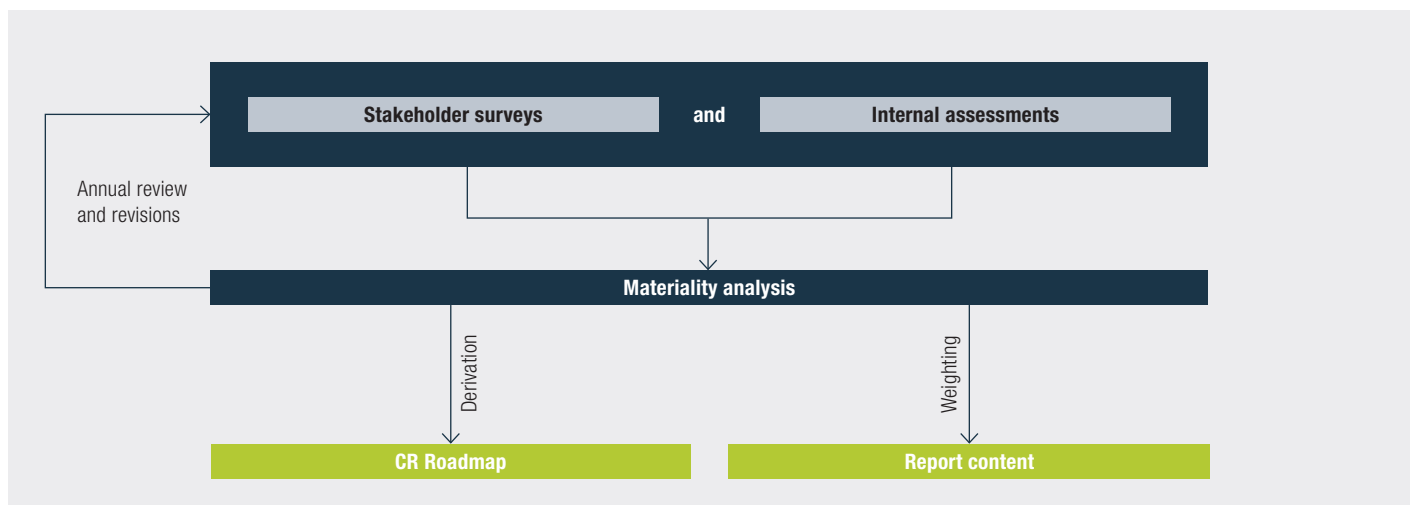
In 2013 we did not carry out another survey because our stakeholders' evaluation of our CR activities has remained constant over recent years. Instead we started modifying our materiality analysis and validating our CR Strategy (see box right). In this report, the weighting of the material CR issues aligns with the materiality analysis published in the 2012 report (see graphic on right). Our CR Roadmap (→ page 32 et seq.) not only defines objectives up to 2015 and the corresponding activities, but also includes new objectives up to 2020 that will allow us to continue improving our contribution to sustainable development.

Assessment by stakeholders

Between 2010 and 2012, we conducted an annual online survey of between 400 and 600 international stakeholders, with a response rate of around 40 percent. Employees, business partners, suppliers, customers, academics, and representatives of the media and NGOs rated topics such as the challenges faced by MAN and our CR activities.

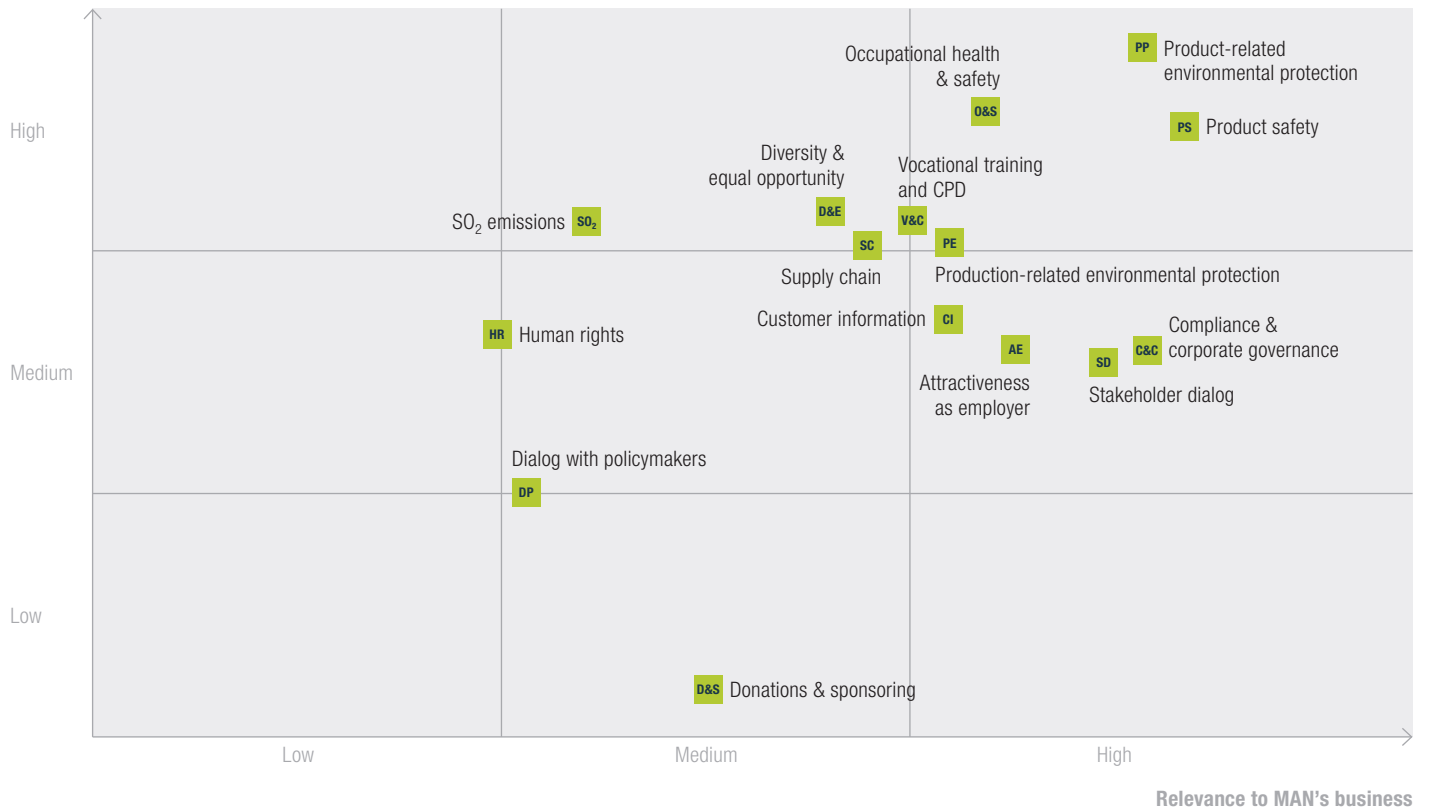
Resource conservation and climate change were named the most important global challenges in all three surveys, followed by globalization, urbanization, and diversity and equality.

Materiality analysis process



MAN materiality matrix

Stakeholder expectations



The results of the materiality analysis are presented in the graphic above. We consider an issue to be of material significance when both stakeholders and MAN rate it as very important. The five most material issues are:

- Product-related environmental protection
- Product safety
- Occupational health and safety
- Vocational training and continuing professional development
- Production-related environmental protection

Reworking of materiality analysis for CR Strategy and reporting

It is our aim to draft our next CR report in accordance with the new version (G4) of the Global Reporting Initiative (GRI) guidelines. This puts a spotlight on the process of defining and presenting material issues.

We are taking this opportunity not only to rework our materiality analysis, but also to validate our CR Strategy. As a

first step, our CR Steering Committee will analyze the global challenges in terms of their importance to the MAN business model. The results will be evaluated by relevant stakeholders. The internal and external assessment of material CR issues will also serve as the basis for a materiality analysis that meets GRI-G4 requirements.

CR Roadmap

Objectives	Deadline	Status in 2013	Measures in 2014
Corporate governance			
Implementation of the compliance program C&C	2015	→ Policy-management optimization continued MAN Truck & Bus procurement process analyzed for compliance risks Anti-corruption e-learning module launched Compliance program expanded to include money-laundering prevention: Group-wide risk analysis conducted, money-laundering policy put into effect, concept for e-learning program targeting money laundering commissioned Risk assessments conducted and measures developed Preventive compliance audits held in selected Group companies	Further policy management improvements Analysis of all procurement processes for compliance risks Establishing a regular exchange of information and lessons learned between all data protection coordinators Introducing an e-learning program on money-laundering prevention, conflicts of interest, and cooperation with authorities during a search
Integration			
Integration of CR into business strategies, operations, and internal processes AE O&S PE C&C SC PP	2015	→ Implementation of "CR Reporting 2.0" project targeting professionalization of CR data management: processes synchronized; standardized mandatory KPIs defined; monitoring activities and responsibilities assigned; CR IT tool for collection and consolidation of data developed and rolled out CR anchored in the re-aligned MAN Truck & Bus corporate strategy Renk integrated into the new CR governance organization	Following up on "CR-Reporting 2.0" project and linking it to KPIs for managing CR and Climate Strategy Signing off on Group-wide policy for CR reporting Anchoring CR in the functional and cross-functional strategies (e.g. Purchasing, Sales, Quality) at MAN Truck & Bus Integration of corporate responsibility into corporate strategy and operating processes at MAN Latin America Rolling out an equivalent CR governance organization within MAN Latin America Conducting a materiality analysis and validation of the CR strategy
Integration of CR into vocational training, continuous professional development, and management development AE O&S V&C	2015	→ Some 300 managers and multipliers from MAN Truck & Bus participated in over 30 "Manage responsibly" training courses 12 MAN Truck & Bus trainees receive CR/sustainability training	Continuing with "Manage responsibly" at MAN Truck & Bus, both in Germany and internationally Adapting "Manage responsibly" for MAN Latin America and developing a train-the-trainer concept Implementing pilot project for integrating CR into vocational training
Continuing development of the CR governance structure C&C	2015	✓ Establishment of the Corporate Responsibility Board, the highest CR management body, made up of members of the Executive Boards of MAN SE and the subgroups; two meetings held to discuss the CR strategy and its implementation New CR Steering Committee made up of executives from all subgroups and functions; three meetings held Representation of the MAN brand on the relevant committees of the Volkswagen Group CR manager onboarded at MAN Diesel & Turbo; consensus reached on strategic CR activities	Three CR Board meetings Seven meetings of the CR Steering Committee Participation in relevant Volkswagen Group steering committees
Integration of CR Report and Annual Report with assurance by external auditor SD	2015	→ 2012 CR Report published 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	Preparing to conduct reporting in compliance with the new GRI G-4 reporting standard, especially with regard to materiality

→ On track ✓ Objective achieved ⦿ New objective

CR Roadmap

Objectives	Deadline		Status in 2013	Measures in 2014
Systematic stakeholder dialog DP SD	2015	→	Stakeholder dialog event held in conjunction with publication of 2012 CR Report Discussions held with CR managers of the different Volkswagen Group brands CR on the agenda in working groups of relevant departments (Environment, Energy, OHS) and Works Council conferences Discussed CR strategy with students in the Sustainable Marketing & Leadership Master's program at Fresenius University of Applied Sciences	Conducting a stakeholder dialog event in conjunction with publication of 2013 CR Report Initiating dialog between MAN Diesel & Turbo and representatives of NABU on "Solutions for clean ships" Continuing to publicize worldwide CR projects Positioning MAN in policymaking circles (Germany and EU) with relevant CR issues
Economy				
Identification and monitoring of non-quantifiable risks PP SD	2015	✓	Workshop held on identifying CR-relevant risks; incorporated into risk management	Validating and monitoring identified risks
Introduction of supplier evaluation system SC HR	2015	→	Discussed CR and conflict minerals as key strategic issue at CR Steering Committee meeting; results passed on to CR Board in form of a position paper Official MAN-wide statement formulated and agreed for responding to customer questions about conflict minerals MAN brand integrated into Volkswagen's "Sustainability in Supplier Relations" concept	Step-by-step implementation of Volkswagen's "Sustainability in Supplier Relations" concept within the MAN Group
Industry leadership in DJSI O&S V&C PE C&C CI SC PS PP SD D&E	2015	→	Improved overall score by another five points Received SAM Sustainability Award Bronze Class	Further improving overall score
Systematic acquisition of CR data and monitoring of performance indicators O&S PE PP SD	2015	✓	CR cockpit with KPIs developed for steering CR and Climate Strategy and agreed by the CR Board	Regular reporting on KPIs in CR Steering Committee and CR Board meetings
Environment				
Climate Strategy, core initiative 1 25% reduction in CO ₂ emissions at MAN production sites by 2020 (baseline: 2008) O&S PE	2020	→	As part of the Green Production initiative at MAN Truck & Bus, identified measures related to in-company energy generation, energy efficiency, renewables, and energy management at MAN sites Roadmap put into effect for all MAN Truck & Bus production sites and implemented and monitored with relevant KPIs Energy-saving targets enshrined in the target agreement process for plant managers at MAN Truck & Bus Foundry at MAN Diesel & Turbo site in Augsburg certified in accordance with the ISO 50001 energy management system	Including investments aimed at achieving climate target in the subgroups' budget planning Defining a set of measures for achieving the climate target at MAN Diesel & Turbo
Climate Strategy, core initiative 2 Consistently Efficient product portfolio PP SD SO ₂	2020	→	Expanded Consistently Efficient product portfolio to include other environmental aspects besides CO ₂ (Euro 6) Exchanged information with Sales and raised awareness of climate and environmental topics in the sales process Discussed product responsibility as key strategic issue at CR Steering Committee meeting; results passed on to CR Board in form of a position paper	Presenting the Consistently Efficient product portfolio at leading trade fairs
Climate Strategy, core initiative 3 Customer involvement and dialog PP SD	2020	→	Results of the "What Cities Want" study presented at a parliamentary evening event in Brussels	Continuing customer dialog, especially at leading trade fairs

CR Roadmap

Objectives	Deadline	Status in 2013	Measures in 2014	
Climate Strategy, core initiative 4 Potential for reducing CO ₂ emissions along the product life cycles PE PP SD SO ₂	2020	→	Improved data quality for the calculation of the product carbon footprint (PCF) Launched additional product life cycle analysis projects at MAN Truck & Bus Initiated product engineering process optimization project at MAN Truck & Bus Calculated PCF of a truck with a semitrailer	Integrating PCF calculations into the standardized product development process at MAN Truck & Bus Verification of PCF calculations at MAN Truck & Bus by an independent third party Expanding PCF analyses to include additional product segments at MAN Diesel & Turbo
Climate Strategy, core initiative 5 Climate Strategy management SD	2020	✓	Relevant KPIs adopted as part of management model for Climate Strategy Climate Strategy handbook and database rolled out at MAN Truck & Bus	Regular reporting on relevant KPIs in CR Steering Committee and CR Board meetings
Expansion of Climate Strategy activities PP SD	2020	⊙	Discussed approaches for reporting scope 3 emissions Dissertation on sustainable mobility supervised at MAN	Discussed approaches for reporting scope 3 emissions Expanding scope of reporting in 2014 CR Report
ISO 14001 certification for all production sites AE PE	2015	→	Prepared MAN Truck & Bus and MAN Diesel & Turbo sites outside Germany for further certification	Certifying additional sites
Definition of Group-wide targets for resource conservation in the production sector PE	2020	⊙	Conducted workshop on water issues Database and measures for the definition of an MAN Truck & Bus-wide target for the reduction of waste developed	Discussing and drafting decision paper for further Group-wide targets for resource conservation in the production sector
Employees				
Measurement of employee satisfaction and worldwide implementation of findings of employee survey AE	2015	→	MAN employee opinion survey conducted (participation rate: 83%); almost 1,250 follow-up discussions held in departments and teams; over 4,250 specific measures derived; some 150 best practices identified and in some cases communicated via the Group intranet	Expanding the MAN employee opinion survey to include MAN Diesel & Turbo, Renk, and MAN Latin America Defining a target participation rate of between 87% and 95% by 2020 for the MAN employee opinion survey
Introduction of a diversity management program AE D&E	2015	→	Proportion of women in management positions increased to almost 9%	Further increasing the percentage of women in management positions Appointing a representative for women's issues in the MAN Group
OHSAS 18001 certification for all production sites AE O&S	2015	→	The MAN Diesel & Turbo sites in Augsburg and Changzhou received OHSAS 18001 certification Prepared for OHSAS 18001 certification of pilot MAN Truck & Bus sites in Nuremberg and Krakow	Certification of additional sites
Launching a Group-wide health management system as well as ergonomic measures AE O&S	2015	→	The MAN Truck & Bus site in Salzgitter again presented with the Corporate Health Award Central Health function established "Workplace Optimization" project launched at MAN Truck & Bus	Developing combined strategic approach for health services in the subgroups First international meeting of MAN Group physicians Continuing "Workplace Optimization" project at MAN Truck & Bus
Corporate citizenship				
Encouraging employee volunteering AE SD D&S	2015	✓	Initiative expanded to additional German and international sites 75 employees volunteered 500 hours	Continuing with the initiative
Continuing long-term partnership with SOS Children's Villages AE SD D&S	2015	✓	Partnership agreement extended by another three years Relevant facilities in Munich and Nuremberg visited Emergency relief provided following typhoon in the Philippines	Continuing the partnership Developing a system for measuring the success of projects carried out in cooperation with SOS Children's Villages

Challenger Statement

Many companies voluntarily have their corporate responsibility reports reviewed by an independent auditor for reasons of quality assurance. This is MAN's practice as well. But we are also blazing new trails in the evaluation of our sustainability performance. We asked eleven students to take part in a half-day workshop critically examining and evaluating our CR strategy and objectives, and to provide us with their feedback. The students addressed their critical challenges to the CR Board in the statement below. Some of their recommendations have already been applied in the Performance Report, which starts on page 37 – and we are still working on the others.



The MAN CR Board thanks the students from the Sustainable Marketing & Leadership Master's program at the Fresenius University of Applied Sciences in Munich for their feedback.

The students are in the Sustainable Marketing & Leadership Master's program at the Fresenius University of Applied Sciences in Munich, where they focus on how companies leverage sustainable corporate governance to gain a competitive edge.

MAN actively seeks out feedback from stakeholders – and we consider dialog with students particularly important. Contact with this key target group will help us find the best and the brightest candidates for future specialist and lead-

ership positions. In addition, when young talents select their employer, they are increasingly looking for companies that take corporate responsibility seriously and set ambitious CR targets.

Dear CR Board,

We are pleased to share our impressions of MAN's strategy and CR activities in the statement below. In addition to our assessment of your CR performance, we have developed suggestions for ways in which we think MAN can continue to improve.

Our impression of MAN's CR activities

As a manufacturer: With its categorical commitment to reducing the carbon footprint of the company's production sites, MAN's Climate Strategy is a definite point in its favor. However, we did not get the impression that sustainability has been recognized as a key issue by all departments.

As an employer: Because its communication is not sufficiently proactive, we are barely aware of MAN as a potential employer. We also didn't find its policy of "promoting the placement of qualified women" very compelling.

Regarding its products: We would like to see a transparent presentation of the total cost of ownership approach, linked to a clear position that going green is key to staying in the black. In our opinion, insufficient attention is paid to the customer perspective. We also think that MAN underestimates the influence that the drivers have on trucking companies' purchasing decisions. Raising driver awareness of sustainability issues would make a significant contribution to the success of CR at MAN.

As part of society: Despite its stakeholder surveys, we didn't get the impression that MAN really wants to know what the public thinks. We would like to see more cooperation with civil society organizations – after all, MAN has a large store of knowledge that it could share with society.

Our assessment of CR at MAN

Areas of focus: MAN has placed a strong focus on production in its CR activities, and its efforts in that area are laudable. However, since the use phase of its products has the greatest environmental impact, MAN should also pay more attention to products and the customer perspective.

Ambition: MAN goes far beyond what is required by law. But can we really call that ambitious? Or is it just about compliance with a certain expected standard? For example, it seems to us that MAN's activities and plans for the promotion of women are driven more by the concerns of policymakers than the company's own sense of conviction.

Reporting: Despite many interesting insights and positive endeavors, we still did not feel that the reporting was open and honest in the interests of sustainable development. It would be better if MAN reported more on projects that did not run optimally.

Our recommendations for MAN's CR Strategy and objectives

Adopt a bolder pro-sustainability position: Public visibility is part of the CR of a company that aims to be a force in shaping sustainable development. MAN should position itself more visibly here and demonstrate commitment to its goals – especially when these relate to customers and young talents. This also means being more creative in making the business case for sustainability, for example in Sales. Only then can MAN make a meaningful contribution to societal change and also reap the financial rewards of its many CR activities.

Get potential employees and customers involved: In the future MAN should also include potential employees in its surveys to give it a solid basis for assessing its attractiveness as an employer. To gain better insight into customer perspectives, we recommend setting up a "club" of young professionals who work in trucking and are interested in sustainability in their industry. Both sides stand to benefit from working together on this issue and learning from each other.

Best regards,

Tobias Buhmann, Peri Durmus, Daniel Erdl, Maria Fülle,
Michaela Hafner, Julia Hesse, Armin Koch, Ann-Sophie Mehler,
Pauline Nandlinger, Rafael Richter, and Gesa Steidel

The students of the Sustainable Marketing & Leadership program

Performance – Measuring Corporate Responsibility

Corporate Governance

- ✓ Compliance program expanded to include money-laundering prevention
- ✓ Third compliance risk assessment conducted in 116 Group companies

Management approach

Global guiding principles

Since 2010 MAN has been part of the world's largest and most important CR initiative, the UN Global Compact. Together with more than 12,000 participants from over 145 countries, we are working to shape a global economy that is fairer and more sustainable. Ten principles addressing human rights, labor standards, environmental protection, and anticorruption form the backbone of the Global Compact. In 2013 we complied with the Global Compact Advanced level, aligning the business practices at our sites with the principles of the Global Compact.

Responsible corporate governance

Our business success is achieved in compliance with the applicable laws and regulations. In managing and providing oversight of the Company, the focus is on ensuring its continued performance and on the sustained creation of value in accordance with the principles of the social market economy. In particular, our Management complies 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 (the Code). The Code requires the Executive Board to manage the Company in a far-sighted manner and to be monitored by and advised by 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.

The Joint Declaration on Human Rights and Working Conditions in the MAN Group, which was finalized and signed by our Executive Board and the International Metalworkers' Federation in 2012, represents our minimum standard for basic human rights and labor rights.

Codes of conduct

MAN does not tolerate illegal or irregular conduct. Managers have a particular responsibility to lead by example, follow rules, and comply with the law. The MAN Code of Conduct outlines

standards of behavior that are binding for all our employees in their daily work. Our compliance policies also provide concrete instructions for handling ambiguous situations. Our Code of Conduct for Suppliers and Business Partners regulates relationships with our associates and requires them to comply with basic principles of corporate responsibility, transparency, fairness, and data protection.

Compliance program

Introduced in 2010, our Group-wide compliance program aims to prevent noncompliance with laws and regulations and to reduce the risk of damage to our reputation. In addition to the issues of combating corruption, antitrust law, and data protection, since 2013 it has also addressed money laundering. The compliance program helps us detect noncompliance at an early stage and respond quickly, effectively, and consistently.

Violations of our compliance policies 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 Executive Officer of the subgroup concerned, the Chief Human Resources Officer of MAN SE, the Chief Compliance 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 continuously 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.

Data protection

MAN's worldwide data protection practices align with strict European standards. To this end, MAN maintains an international network of data protection officers and coordinators. In Germany, six data protection officers work to ensure that the personal data privacy rights of employees, customers, and suppliers are respected. The network also includes 80 coordinators in 44 countries outside of Germany who work on data protection issues in 91 companies.

Memberships

MAN is a member of Transparency International, the World Economic Forum's Partnering Against Corruption Initiative (PACI), and the German Institute for Compliance (DICO). In addition, MAN supports the Alliance for Integrity, an initiative of Germany's Federal Ministry for Economic Cooperation and Development, the Federation of German Industry, and numerous German companies, which promotes integrity in business practices.

Performance

Management and monitoring

In its management and reporting activities, MAN SE largely complies with the recommendations of the German Corporate Governance Code (the Code) as amended on May 13, 2013. The most recent Declaration of Conformity was issued in December 2013. MAN SE departed from the Code recommendations with regard to four points (→ 2013 Annual Report, page 17 et seq.).

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 2013 it held five regular meetings. The average attendance rate at the Supervisory Board meetings was 98 percent. The Chairman of the Supervisory Board does not hold any other positions within the MAN Group. The appointments of the members of the Executive and Supervisory Boards are listed in the MAN 2013 Annual Report (→ 2013 Annual Report, page 188 et seq.).

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, both of which are capped. Against the backdrop of good corporate governance, part of the remuneration is contingent upon the sustained success of the Company.

Compliance organization

The MAN SE Compliance function is currently staffed by 47 employees and headed up by the Chief Compliance Officer (CCO), 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 CCO 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 twice during the reporting period. In addition, the CCO reported to the Executive Board every six months to ensure regular communication on compliance matters.

2011 saw the appointment of some 100 compliance champions, managers who are not full-time Compliance employees but who have taken on special responsibility for the topic. In the year under review they supported the Compliance organization in the implementation of compliance measures at Group companies that do not have their own local compliance managers in place. The compliance champions were regularly informed of current developments relating to MAN's Compliance organization and compliance instruments in the reporting period.

Business Partner Approval Tool

The Business Partner Approval Tool is used to check the integrity of business partners who support our sales activities. A list of all companies who we are not permitted to work with is updated on a monthly basis and communicated within the Group. In 2013 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 procurement and payment processes.

Helpdesk

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 over 4,000 inquiries.

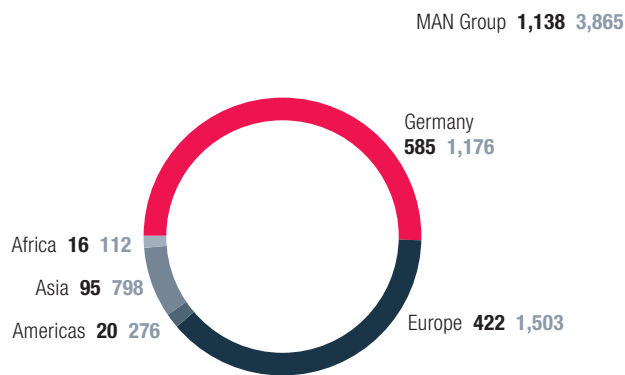
Training

In the year under review, 4,413 employees attended classroom compliance training courses. Of these, 1,138 participated in compliance awareness training courses, while 3,275 received in-depth

instruction on specific issues. In addition, special training sessions were held for employees from Procurement and for business partners.

In recent years, online programs have increased in importance relative to classroom training courses. In the reporting period, 22,296 employees took advantage of the first module of the compliance e-learning program. An e-learning module on combating corruption was introduced for the first time in the fourth quarter of 2013.

Number of employees attending compliance awareness training courses in the regions



2012 values in gray

Compliance risk assessment

In 2013 we conducted and completed the third compliance risk assessment in 116 Group companies (MAN Truck & Bus: 56, MAN Diesel & Turbo: 44, MAN Finance: 10, MAN Latin America: 2, Renk: 4). Its aim was to identify potential compliance risks within the business models applied in the Group. Among other things, the results of the risk assessment are used to determine measures to prevent compliance risks. The individual risk profiles were discussed with the responsible compliance officer or manager to ensure that the preventive compliance processes would be implemented.

In addition, in the year under review we analyzed the MAN Truck & Bus procurement process for compliance risks. We are currently working on specific optimization measures.

Preventive audits

In the reporting period three preventive compliance audits were conducted 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.

Selected compliance measures in 2013

Business Partner Approval Tool	1,962 business partners checked
Helpdesk	638 questions handled
Risk assessments	conducted in 116 Group companies
Preventive compliance audits	3 audits conducted with the internal audit function

Preventing money laundering

Both the German *Geldwäschegesetz* (GwG – German Money Laundering Act) and many laws in other jurisdictions require companies to introduce measures to prevent money laundering and terrorism financing. Money laundering prevention activities in the period under review included:

- Group-wide risk analysis
- Development and implementation of a Group-wide money laundering policy
- Commissioning the development of a special money-laundering prevention e-learning program for risk areas

In addition, both due diligence requirements appropriate to the risks and internal mitigation measures were identified and successively implemented.

“Speak up!” whistleblower portal

Our whistleblower portal “Speak up!” again helped to uncover and prevent risks in 2013. 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.

Workplace bullying

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 function responsible. In 2013 the Compliance organization received eight reports that fell within HR's scope of responsibility, including five reports of suspected workplace bullying.

Due diligence

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. The target company must complete a due-diligence questionnaire that addresses CR and compliance issues. It includes questions on human rights and environmental impacts.

Violations and investigations

The investigation by the European Commission into suspected possible antitrust violations in the commercial vehicles business launched in 2011 is still ongoing. MAN is continuing to cooperate in full with the European Commission. The antitrust investigation of several commercial vehicle manufacturers that was also launched in 2011 by the South Korean antitrust authorities was terminated at the end of 2013 with the imposition of administrative fines on all the manufacturers involved. An administrative fine of €2 million was imposed on MAN Truck & Bus Korea Ltd. MAN is currently examining an appeal against the administrative fine.

Based on indications that, in individual cases, there were irregularities during factory testing of the fuel consumption figures for four-stroke marine diesel engines on test beds at MAN Diesel & Turbo, MAN SE's Executive Board launched an investigation by the Compliance function of MAN SE and external advisers in the 2011 fiscal year. The internal investigation led to organizational and personnel consequences. MAN proactively notified the responsible public prosecution authorities of its investigation and worked closely with them in the clarification of the matter. In the reporting period, the Augsburg Local Court imposed an administrative fine on MAN Diesel & Turbo SE in the single-digit millions. The investigations by the Augsburg Public Prosecution Office into MAN Diesel & Turbo SE were terminated on payment of this amount.

No fines were paid for environmental incidents in the reporting period. Our reporting of such fines covers the 33 production and production-related sites which are also presented with the relevant KPIs in the Environment chapter (→ page 46 et seq.).

Economy

- ✓ More than 5% of revenue invested in research & development
- ✓ Workshop held to evaluate climate-related risks and opportunities

Management approach

Risk management

Operating a business entails constant exposure to risks. We consciously assume risks with a view to exploiting market opportunities if we expect this to contribute sufficiently to increasing the value of the Company. As a basic principle, risks that could jeopardize MAN's continued existence may not be entered into, or if unavoidable, must be minimized by taking appropriate measures. For MAN, opportunities and risks arise on the one hand from megatrends such as climate change, demographic trends, globalization, population growth, and urbanization; and on the other hand from the internationalization of the Company's business activities.

Our Group-wide risk management system quickly provides the information we need to manage risks and exploit opportunities. It forms an integral part of our corporate management and business processes and comprises the core elements of corporate planning, risk and opportunity management, an internal control system, and a compliance system (→ page 38 et seq. and Annual Report page 96 et seq.).

Supplier management

MAN procures raw materials, goods, and services worth around €9 billion every year. Against the backdrop of a growing and increasingly diversified supply chain, MAN considers itself responsible for promoting sustainability along the entire value chain and thereby ensuring stable and efficient flows of goods and supplies. With the integration of MAN into the Volkswagen Group, in 2013 we began to adopt the system underlying the Volkswagen "Sustainability in Supplier Relations" concept and implement it step by step. The concept essentially rests on four pillars:

1. Sustainability requirements for suppliers that have to be acknowledged by all suppliers before submitting a quotation. No company can submit a quotation without acknowledging these requirements.
2. An early warning system for identifying and minimising risks along the value chain.
3. Integration into the procurement process.
4. Supplier monitoring and development.

We expect responsible behavior with respect to environmental protection, occupational health and safety, employee rights, and combating corruption, not only of ourselves but also of our suppliers. 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 anticorruption regulations. It takes its lead from the ten principles of the UN Global Compact as well as from the internationally recognized core labor standards of the ILO regarding the freedom of association and the right of collective negotiation, abolishing forced labor, banning child labor, and banning workplace discrimination. Our aim is only to enter into business relations with suppliers and business partners who comply with these requirements.

Further criteria in the selection of suppliers include quality, innovative capability, and reliability. We aim to engage in long-term relationships with our suppliers.

For sustainable cooperation, MAN calls upon its suppliers to observe sustainability requirements in a strategically organized process based on the Volkswagen "Sustainability in Supplier Relations" concept (see the figure opposite).

The Volkswagen “Sustainability in Supplier Relations” concept



MAN pursues the goal of reducing ecological and social risks in the supply chain while at the same time optimizing material costs. In view of the international scope of our value and supply chains, which comprise large numbers of suppliers and sub-suppliers, this represents an enormous challenge not only for our business partners but also for us – and at the same time a huge opportunity.

A new piece of US legislation that does not affect MAN directly – the Dodd-Frank Act – places listed companies in the USA under obligation to disclose the use of the raw materials coltan (columbite-tantalite), tin, gold, and wolfram.

Performance

Business performance

As in the previous year, the global economy only saw moderate growth in 2013. At the beginning of the year in particular, the European sovereign debt crisis had a marked negative impact on the investment behavior of our customers. As the year went on, however, the business environment improved. In 2013, the MAN Group generated revenue of €15.7 billion, which was similar to the previous year. At €475 million, operating profit was 51% down year-on-year, with the decrease being almost exclusively attributable to the Power Engineering business area. The dividend payout to shareholders for the 2012 financial year totaled €151 million in 2013, which equates to €1.00 per share. The return on sales declined from 6.1% in 2012 to 3.0% in the year under review. Further information on the development of our business can be found in the MAN Annual Report (→ 2013 Annual Report, page 38 et seq.).

Business performance

€ million	2013	2012	2011
Order intake	15,987	15,889	17,145
of which: Germany	3,475	3,252	3,646
of which: other countries	12,512	12,637	13,499
Revenue	15,664	15,772	16,472
of which: Germany	3,293	3,170	3,515
of which: other countries	12,371	12,602	12,957
Operating profit	475	969*	1,483

* Adjusted on account of the retroactive effect of IAS 19 (2011) (→ 2013 Annual Report, page 117 et seq.)

Investment by Volkswagen AG in MAN SE

On July 16, 2013, a domination and profit and loss transfer agreement between Truck & Bus GmbH, a wholly owned subsidiary of Volkswagen AG, and MAN SE was entered in the commercial register, and has been effective since that date. A substantial majority of the shareholders of MAN SE voted in favor of the agreement at the Annual General Meeting on June 6, 2013. On December 31, 2013, Truck & Bus GmbH held 75.23% of MAN SE's voting rights and 73.98% of its share capital. MAN's 2013 Annual Report contains further information on this subject, starting on page 22.

Capital expenditures

Compared with the long-term average, the MAN Group's capital expenditures continued at a high level in fiscal year 2013. Overall, we incurred capital expenditures totaling €562 million, after €929 million in the previous year. In view of the difficult economic situation, we reviewed planned capital expenditures on property, plant, and equipment particularly critically and systematically prioritized them in the year under review. This led to a decline in investment in property, plant, and equipment in 2013, although MAN consciously continued to make the investments needed to drive long-term growth. Further information can be found in our 2013 Annual Report (→ 2013 Annual Report, page 59 et seq.).

At MAN Truck & Bus, particular emphasis was placed on the enhancement of the product portfolio, the modernization of production sites, and the expansion of the sales and service network. Necessary replacement and maintenance investments were also made. MAN Latin America's capital expenditures mainly related to the expansion of the product range and the localization of MAN Do8 engines and the MAN TGX series.

MAN Diesel & Turbo made necessary replacement and maintenance investments and modernized production. Investments focused on machining systems for large components for diesel engines and turbomachinery, as well as on test beds. New service centers were set up and existing ones expanded in order to strengthen our global presence. Renk modernized vehicle transmission production at its Augsburg site.

Taxes and subsidies

In the year under review, MAN paid income taxes amounting to €123 million (€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 €243 million (€196 million). Approximately 44% of internal funds were invested in basic research and the development of new products.

Research and development

MAN invested €879 million in research and development in the year under review. This means that in relation to revenue, R&D expenditures remained at the prior-year level of 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. In addition, we pursued research into the use of alternative fuels like natural gas or biodiesel.

Greater efficiency combined with lower emissions is also a major technology driver in 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.

An overview of efficient products and services from MAN can be found in the Product Responsibility chapter (→ page 54 et seq.) as well as in our Annual Report (→ 2013 Annual Report, page 55 et seq.).

Research and development

€ million	2013	2012	2011
R&D expenditures	879	830	740
of which: Commercial Vehicles	465	437	403
of which: Power Engineering	461	399	345
of which: Consolidation	-47	-6	-8
R&D expenditures by manufacturing area (% of revenue)	5.6	5.3	4.5
Internally funded R&D	635	634	565
R&D employees (annual average)	5,349	5,153	4,445

Climate-related risks and opportunities

With the aim of assessing climate-related risks and opportunities for the MAN Group we staged an internal workshop in 2013. This confirmed that MAN is indirectly affected by climate change. The following material risks were identified for one or more sub-groups:

- Regulatory risks above all in relation to a CO₂ tax or emissions trading for the logistics sector
- Extreme weather conditions, including storms, flooding, hail, and strong snowfall that could lead to production stoppages or suppliers failing to deliver
- Image risks, since the use of our products causes greenhouse gas emissions, or in the event of failure to meet voluntary commitments relating to the CO₂ emissions of our products

At the same time, the systematic pursuit of European climate protection policies and successive implementation of similar goals in the BRIC countries also give rise to new growth opportunities for MAN. These include:

- Growing market shares through early compliance with regulatory provisions
- Stronger customer and supplier ties through collaboration on cutting CO₂ emissions
- Enhanced competitiveness as a result of falling energy costs

These risks are reported in the risk board meetings to the division executive boards and the Executive Board of MAN SE on a quarterly basis. Along with the executive board members, the risk board comprises the decision-makers in the organizational units and business processes. It meets at least four times a year to discuss the most important short-term and strategic long-term risks and opportunities. In addition, the main risks and opportunities are reported to the Supervisory Board.

Our reporting on the topics of customer focus, customer satisfaction, and customer information can be found in the Product Responsibility chapter (→ page 54 et seq.).

Environment

- ✓ CO₂ emissions at MAN production sites reduced by 14% compared with 2008
- ✓ Climate strategy management instruments successfully introduced

Scope and special aspects

This chapter covers 33 production sites and production-related sites in the MAN Truck & Bus, MAN Latin America, MAN Diesel & Turbo, and Renk divisions. New facilities compared with last year are the spare parts warehouse in Salzgitter (data included under the Salzgitter plant until 2012), and the Pithampur (India) and Winterthur (Switzerland) sites, which are included for the first time.

CO₂ emissions reported in the Progress Report on MAN's Climate Strategy relate solely to the 29 production sites falling within the scope of the Climate Strategy. This means the nonproduction sites – the spare parts warehouses in Dachau and Salzgitter (Germany), Holeby (Denmark), and the Renk facility in Winterthur (Switzerland) are excluded. Renk, a 76% subsidiary of MAN, is represented in the MAN Group's CR Steering Group. In 2013 it stepped up the integration of its CR and Climate Strategy in its operating processes. As in past years, we collect environmental indicators for Renk as far as possible, and are currently reviewing the scope of the Climate Strategy.

Direct and indirect emissions are reported using the emission factors published by the German Automobile Industry Association (VDA). An exception is made for emissions arising from district heating: where available, we use site-specific emission factors, otherwise the VDA factors. Further information on our data management can be found in the Report Profile on page 77.

Unlike last year, we state the energy consumption figures for all three years in megawatt-hours (MWh) instead of gigajoules (GJ).

Management approach

Environmental management

Responsibility for the environment is traditionally an important part of MAN's corporate culture. Which is why our environmental management is part of the integrated management system. This encompasses environmental protection, occupational safety, fire safety, hazard protection, quality assurance, and information security management. It offers the best possible protection for people and the environment, and helps safeguard quality, values, and knowledge. It is verified on site by regular external and internal audits. Internal audits are carried out at our non-certified sites as well. Environmental protection and safety are also integrated in the vocational training and continuous professional development of our employees.

In 2013, with a view to embedding environmental protection in management and operating processes, MAN Truck & Bus adopted new policies for environmental protection and occupational safety, as well as for energy. They give more precise shape to our CR strategy and form the framework within which our employees act. These policies have been signed by the Executive Board of MAN Truck & Bus and the Group Works Council. The subgroup uses its own capability maturity model to rate environmental performance at its sites. This registers the current situation and identifies objectives and measures. Corresponding instruments are also used for energy and occupational safety management.

During the reporting year, MAN Diesel & Turbo introduced new environmental protection guidelines. These include conserving resources in production, considering environmental aspects in planning and decision processes, and reducing the environmental impacts of products during the use phase.

Performance

Certification

With the exception of the Pithampur (India) site, all MAN production locations are certified in accordance with quality standard ISO 9001¹. In line with our CR Roadmap we aim to have all sites certified under environmental management standard ISO 14001 by 2015. Ten of the 14 MAN Truck & Bus production sites have ISO 14001 certified environmental management systems in place; five 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.

The production sites of MAN Diesel & Turbo – with the exception of Aurangabad (India) – are certified under ISO 14001. The Augsburg (Germany) site is the first in the Group to have its foundry certified in accordance with the energy management system ISO 50001. This has indicated potential for making savings and improving efficiency. Renk's Augsburg site also has plans for certification under ISO 50001.

Although one more site had ISO 14001 in 2013 than in the previous year, employee coverage decreased slightly. This can be attributed to a redefinition of the scope.

Number of certified production sites, listed by environmental management system

Management system	Distribution	2013*	2012*	2011
ISO 14001	Number of sites	26	25	24
	Employee coverage	95%	96%	76%
EMAS	Number of sites	5	5	6
	Employee coverage	46%	46%	35%

* Related to production sites included in our CR Roadmap

Energy consumption

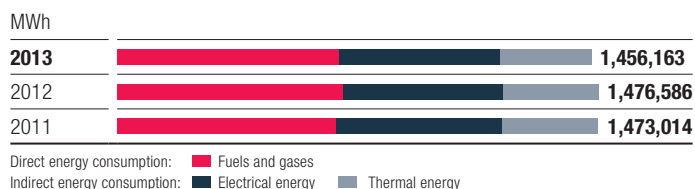
MAN's energy consumption was down by 1% to 1.46 million MWh in 2013. We consumed 36% less heating oil than the year before. The reason for this drop was that consumption at the Nuremberg site had been unusually high in 2012 due to conversion work.

Other primary fuels include not only acetylene, propane, and hydrogen, but also gasoline. Consumption of these fuels increased by a factor of two and a half in the reporting period. The main reason was an increase in test runs at the MAN Diesel & Turbo site in Velká Bíteš (Czech Republic).

This report is the first time we have shown energy consumption per vehicle produced for the Commercial Vehicles business area (MAN Truck & Bus and MAN Latin America), including retrospective figures for previous years. In 2013 we were able to improve this figure by 11% against the prior year.

We implemented various measures to improve our environmental management and boost energy efficiency at our sites. These are summarized in our Progress Report on the MAN Climate Strategy (→ box on page 49 et seq.).

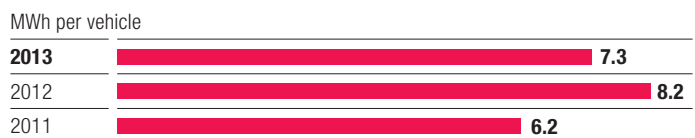
Energy consumption



Direct primary fuel consumption

MWh	2013	2012	2011
Heating oil	14,896	23,097	17,974
Natural gas	398,279	397,778	381,254
Diesel	261,631	270,499	265,865
Other	6,476	3,249	4,943

Energy consumption per vehicle produced (figures for the Commercial Vehicles business area)



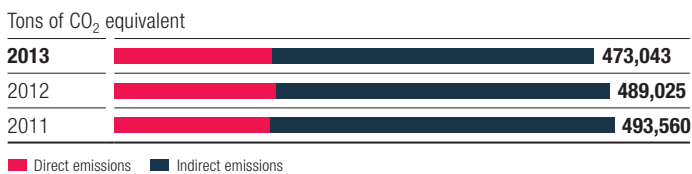
¹ Owing to a subsequent correction, this figure differs from the number stated in the MAN 2013 Annual Report.

Greenhouse gas emissions

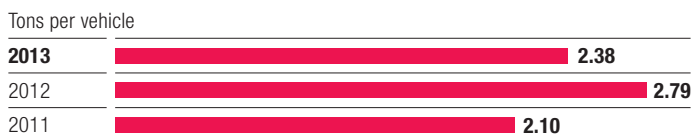
In 2013 we produced almost as many vehicles, engines, and components as in the previous year: revenue showed a slight 1% drop, while order intake was up 1%. But we still managed to reduce our greenhouse gas emissions by 3%. This encouraging development is primarily due to the successful implementation of our energy efficiency improvement measures (→ page 50). Direct emissions – like direct energy consumption – fell by 2% and we succeeded in cutting indirect emissions by 4%.

In 2013 we achieved a 15% reduction in CO₂ emissions per vehicle produced by MAN Truck & Bus and MAN Latin America, to 2.38 tons.

Direct and indirect emissions



CO₂ per vehicle produced (figures for the Commercial Vehicles business area)



The Nuremberg and Munich sites of MAN Truck & Bus 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. The first allocation to the Munich site for the third trading period – which started in 2013 – amounted to 16,094 allowances. By the end of the year under review, 16,576 allowances had been used (2012: 15,980). The MAN Diesel & Turbo sites Augsburg and Oberhausen with their test stands have been subject to the emissions trading scheme since the third trading period. In 2013 the Augsburg site was allocated 8,286 allowances and used 14,884. The Oberhausen site did not receive any allocation, and used 1,185 allowances.

Emissions due to transport and logistics

At 67%, truck transportation accounts for the largest share of CO₂ emissions in the logistics sector at MAN Truck & Bus. In the year under review MAN Truck & Bus gave rise to 72,101 tons of CO₂ in the course of component supplies and 85,071 tons of CO₂ through deliveries of its products. To reduce CO₂ emissions within our own transport chain, we supply our regional freight forwarders via freight hubs, which consolidate shipments, optimize vehicle capacity utilization, and avoid vehicles having to make empty runs. As a commercial vehicle manufacturer, we expect our service providers to use state-of-the-art trucks that conform to the latest emissions standards.

In cooperation with a transportation and logistics company we have been testing the use of extra-long trucks on the circuit between our logistics centers in Dachau and Salzgitter since October 2012. The result: it takes two trips to transport the same amount as three trips by a normal truck. On a direct comparison, we save 200-300 liters of diesel and 600-800 kilograms of CO₂. Unfortunately, political factors have prevented us from extending this test to other routes. Until March 2013 we used a Euro 5 tractor unit and trailers and semi-trailers with a load height of

Dilemma: CO₂ reduction

Our production facilities consume electricity and use resources to generate energy, causing CO₂ emissions. Combustion of fossil fuels is one of the main causes of climate change. That is why, in 2011, MAN developed a Climate Strategy with the aim of cutting CO₂ emissions at its production sites by 25% by 2020 (baseline: 2008).

However, MAN's greatest potential contribution to reducing global CO₂ emissions lies in its products. Our research is therefore focused on making our commercial vehicles and large-bore diesel engines more efficient and reducing their fuel consumption and emission levels – a goal in which we invest about 5% of our revenue every year.

In the process of developing more eco-friendly products we constantly need to test their engines. This not only consumes diesel and gasoline, but also contributes to CO₂ emissions at the sites. On the one hand we want to continue rigorously pursuing our aim of reducing CO₂ emissions at our production sites, but on the other, we believe we have a responsibility to carry on research into improving the efficiency of our vehicles. In spite of this dilemma, MAN's Climate Strategy includes both production-site-related measures and product-related measures.

2.65 meters. Since April 2013 we have been using a Euro 6 tractor and have increased the load height to the 3 meters that are normal in the automobile industry.

Our Group-wide travel policy lays down rules for our employees regarding travel by air, rental car, and train: Journeys should only be undertaken when unavoidable, and only after first considering alternatives such as video or telephone conferencing. Whenever economically feasible, the most environmentally friendly form of transport should always be used. During the year under review our employees were responsible for 14,837 tons of CO₂ emissions resulting from business travel booked through the central travel office. Air travel accounted for circa 90% of this amount. Since 2013, the central Environment & Safety department of MAN Truck & Bus has been making its employees' international meetings and business trips CO₂ neutral. For this purpose it has acquired compensation certificates amounting to 93 tons of CO₂. We have also compensated for three tons of CO₂ emissions caused by the event held to mark the publication of the 2012 CR Report.

In Germany we offer concessionary job-tickets – depending on the infrastructure situation – for our employees' journeys to and from work. At our sites in other countries we offer our employees bus transfer facilities.

Climate Strategy progress report

MAN regards protecting the climate as one of its most important tasks. That is why the Executive Board takes account of climate change and the resulting opportunities and risks in its strategic decisions. As a company with production sites in 14 countries, we take our corporate responsibility seriously. Back in 2011 we drew up a Group-wide Climate Strategy. To implement it, we developed five Core Initiatives relating to both our products and our production sites.

Core Initiatives of the Climate Strategy

1. 25% reduction in CO₂ emissions at MAN production sites by 2020 (baseline: 2008)

2. Consistently Efficient product portfolio →

3. Customer involvement and dialog →

4. Potential for reducing CO₂ emissions along the product life cycle →

See Product Responsibility chapter for progress report

5. Climate Strategy management

Core Initiative 1: Reducing CO₂ emissions at production sites

In concrete terms, making a 25% reduction in CO₂ emissions at our production sites by 2020 compared with the 2008 baseline means 135,000 tons less CO₂. That is equivalent to the emissions of a small German town with a population of 15,000. In 2013 we saved 77,200 tons of greenhouse gas emissions, or 14% compared with the baseline. In other words, we have made a good start on the road that we must rigorously follow to meet our target.

MAN Truck & Bus achieved the biggest emission reductions with over 18%. All sites within the subgroup have drawn up plans for saving energy and CO₂. We consider CO₂ reductions in relation to investments and savings to ensure that we invest where the CO₂ avoidance costs are low and the contribution to target

The specific measures implemented in 2013 under Core Initiative 1 are based on four principles:

Principle	Steps taken in 2013
Improving energy efficiency	<ul style="list-style-type: none"> - We have implemented various measures such as thermal insulation, temperature reduction, and lighting optimization at a number of MAN Truck & Bus and MAN Diesel & Turbo sites. - A smart routing concept was introduced in the logistics center at the Plauen site. - At the Salzgitter site, energy consumption has been reduced by a control circuit with an outdoor temperature sensor. - At the Ankara plant (Turkey) switching over to infrared radiators throughout has saved energy. - At the Steyr (Austria) site, hall ventilation fan speeds and both heat and power consumption were improved. - At the Augsburg site we brought a new, more energy-efficient smelting furnace into service. - Also in Augsburg, new single-cylinder test stands started operating. This considerably reduces the additional CO₂ emissions. In addition, these single-cylinder test stands were equipped with a system for recovering energy as electricity, which is directly returned to the test process.
Using renewable energy sources	<ul style="list-style-type: none"> - Photovoltaic systems were brought into service at the Munich and Plauen sites.
Internal energy generation with CHP systems	<ul style="list-style-type: none"> - MAN Truck & Bus conducted a cross-site analysis on the use of combined heat and power generation.
Energy management	<ul style="list-style-type: none"> - 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. For example, at the Green Production Summit the European sites of MAN Truck & Bus met to develop and implement a concept for eco-friendly production. - The foundry at MAN Diesel & Turbo's Augsburg site was certified under the energy management standard ISO 50001. - We have integrated savings targets in the target agreements of MAN Truck & Bus plant managers. - At MAN Truck & Bus we provided regular information about savings measures in the production function's departmental meetings.

achievement is high. We therefore seek to identify savings potentials in excess of 25%. As part of the Green Production initiative, the MAN Truck & Bus sites are drawing up cross-site measures in the fields of internal energy generation, energy efficiency, and renewables.

CO₂ savings*

Tons	CO ₂ emissions in 2008 (base year)**	CO ₂ emissions in 2013	Difference in %
Commercial Vehicles	400,200	329,900	-17.6
MAN Truck & Bus	373,000	303,600	-18.6
MAN Latin America	27,200	26,300	-3.3
Power Engineering	140,700	133,800	-4.9
MAN Diesel & Turbo	120,700	112,100	-7.1
Renk***	20,000	21,700	8.5
Total	540,900	463,700	-14.3

* Figures rounded.

** In view of the amended definitions (→ page 77) we have also recalculated our base year. As a result, the indicators shown here no longer agree with those published in the 2012 CR Report.

*** See "Scope and special aspects" (→ page 46)

Core Initiative 5: Climate Strategy management

The aim of this core initiative is to define key performance indicators for monitoring and steering the implementation of our Climate Strategy. These are the subject of regular measurement and reporting. In 2012 we developed a management model for Group-wide control, which measures the degree of implementation of the five Core Initiatives and their success. In the year under review this system was integrated in the newly developed CR Cockpit (→ page 26). We use this to measure MAN's performance in the field of climate change with the aid of selected performance indicators (KPIs), such as CO₂ per vehicle produced in the Commercial Vehicles business area.

Other instruments implemented during the reporting year for managing the Climate Strategy of MAN Truck & Bus are: a rule book for CO₂ emissions accounting, a manual with concrete examples of efficiency improvement, and a database for standardized collection of climate-relevant indicators and measures.

Pollutant emissions

Atmospheric emissions of sulfur dioxide and particulates remained unchanged against the previous year. Emissions of nitrogen oxides fell by around 2%. Emissions of volatile organic compounds (VOC) rose by 8% in the reporting period.

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.

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

Air pollutants*

Tons	2013	2012	2011
Sulfur dioxide (SO ₂)	1	1	1
Nitrogen oxides (NO _x)	342	349	342
Particulates	2	2	2
Volatile organic compounds (VOC)	1,270	1,172	1,345

* There are changes compared with the 2012 CR Report in the collection and calculation of all indicators (use of standardized conversion factors).

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 Augsburg, Munich, Nuremberg, Oberhausen, Steyr (Austria), and Zurich (Switzerland) sites. In the past these problems have been solved by organizational steps and construction work, such as the erection of noise barriers. At the Munich site we also acquired low-noise vehicles to replace six tractor units that were used for in-factory transport. This yielded a noise reduction of 10 dB(A) per vehicle. 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.

As a result of the decline in raw materials prices, our expenditure on materials during the reporting period fell from €9.1 billion to €8.8 billion, a drop of 3% – whereas revenue was down by only 1%. Expressed as a proportion of total revenue, the cost of materials was down by two percentage points in 2013. This is due to procurement synergies between MAN and the Volkswagen Group.

MAN is aware that a renewed rise in prices and supply shortages in the commodities market pose a potential risk. For example, we are reducing the amount of copper used in trucks by making increasing use of glass-fiber cable instead of copper for data cables and electrical wiring.

Cost of materials by business area

€ million	2013	2012	2011
Commercial Vehicles	7,139	7,309	7,674
Power Engineering	1,875	1,951	1,722
Other/consolidation	-183	-152	-82
Total	8,831	9,108	9,314

Cost of materials by revenue

% of revenue	2013	2012	2011
Commercial Vehicles	59	63	61
Power Engineering	48	46	43
Total	56	58	57

Recycling and waste

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 recycled. They are essentially made of materials that are readily recycled. We have determined the precise shares in the course of our product lifecycle analysis (→ page 56 et seq.). In the interests of resource conservation, the MAN Group attaches great importance to the use of recycled metals in its foundries. For example, at our Augsburg

site we re-melt chips from the machining of cast metal. At our sites in Augsburg and Nuremberg, we purchased and used some 20,300 tons of scrap from external recycling processes in 2013. In the same period, we returned over 4,500 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 118,779 tons, of which 92% was recycled. This means that the quantity of waste was up 36% compared to the previous year. This is mainly due to the 60% decline in nonhazardous waste for recycling, since our construction work at the Munich, Nuremberg, and Plauen sites was largely completed during the previous year. In the year under review we also reduced packaging material at a number of sites by agreement with our suppliers, and introduced re-usable transport containers. We optimized our waste strategy at Steyr (Austria) and waste separation at Poznań (Poland). In 2013, nonhazardous waste for disposal showed an increase of 19% over the previous year. This is due to a data capture error in 2012.

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.

During the reporting period MAN Truck & Bus also developed a database and measures for defining a possible target to reduce waste.

Waste

Tons	2013	2012	2011*
Total quantity of waste for disposal	9,661	9,187	8,183
Hazardous	4,488	4,826	3,744
Nonhazardous	5,173	4,361	4,439
Total quantity of waste for recycling	54,817	123,212	125,906
Hazardous	9,544	10,229	11,057
Nonhazardous	45,273	112,983	114,849
Metallic waste	54,301	53,549	56,648
Total waste	118,779	185,948	190,737
Recycling ratio (%)	92	95	96

* As a result of retroactive corrections, these indicators differ from the figures published in the 2012 CR Report.

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 consumption of fresh water during the year under review rose by 48% to around 9.3 million cubic meters. In 2013 we used 57% more fresh water from our own sources, whereas our consumption of surface water fell by over 30%. This was due to corrections made necessary by the more stringent indicator definitions (→ Report Profile page 77). Water that we take from surface waters and use solely for cooling purposes is returned unchanged.

Water and wastewater

m ³	2013	2012*	2011*
Total fresh water	9,273,936	6,281,616	5,823,436
From third parties (incl. drinking water)	730,462	856,593	847,235
From own sources (incl. well water)	8,543,474	5,425,023	4,976,201
Surface water from lakes, rivers, seas	6,039,697	8,771,410	9,227,522
Wastewater	1,124,565	1,168,374	1,151,419

* As a result of retroactive corrections, these indicators differ from the figures published in the 2012 CR Report.

We used more fresh water at the Munich site than in the previous year, partly because of increased production output, and partly because of the cooling requirements of a newly opened building. By contrast, we were able to cut our drinking water consumption by 15% year-on-year – largely by eliminating leaks at the Ankara site (Turkey).

A large number of sites use groundwater for cooling purposes, and this drains away again after use. At other sites we use surface water from nearby streams. Some sites also use cooling water in closed-loop systems. The Ankara (Turkey), Munich (Germany), Nuremberg (Germany), Starachowice (Poland), and Steyr (Austria) sites operate their own treatment plants for contaminated wastewater from painting processes.

We reduced the volume of wastewater by 4% in the reporting period.

Nature conservation and biodiversity

The production sites owned by MAN cover a total area of around 7.1 square kilometers. Only the Berlin site of MAN Diesel & Turbo is situated in a water conservation area, though at present this does not give rise to any special official requirements. There were

no significant releases of pollutants during the reporting period. We have no knowledge of any impacts by products and services on protected areas or high-biodiversity areas.

As part of our materiality analysis we have identified species diversity and biodiversity as issues of very little relevance to MAN. The Munich site of MAN Truck & Bus nevertheless submitted to a biodiversity check by the European Business and Biodiversity Campaign (EBBC) in 2010. 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.

Investment expenditures on environmental protection

In the year under review we invested €9 million in environmental protection measures. These investments ensure that our production facilities conform to the highest standards of environmental technology and resource efficiency. In line with the general economic situation, our investment in environmental protection was 19% down on the previous year. Our sites have a total of 63 employees working in the environmental protection sector. The MAN Truck & Bus and MAN Diesel & Turbo subgroups also have central departments for environmental protection and occupational safety. They ensure overarching coordination of CR and Climate Strategy implementation and ongoing development of the environmental management systems.

Environmental incidents

No significant incidents with adverse impacts on the environment occurred during the reporting period. Emergency response plans are in place for such cases. The major sites have well-equipped works fire services which coordinate the response to incidents of these and other magnitudes. MAN Truck & Bus has issued instructions on escalating environmental incidents. As well as regulating lines of communication during safety or environmental incidents, these also call for a causal analysis and communication of lessons learned to prevent similar incidents from occurring in the future.

Product Responsibility

- ✓ Further expansion of natural gas expertise
- ✓ Life Cycle Assessment project launched
- ✓ Products and services for increased efficiency and reduced emissions combined under PrimeServGreen label

Management approach

Comprehensive product responsibility

MAN's comprehensive approach to product responsibility extends from the development of efficient and safe products to environmentally friendly, resource-efficient production and environmentally responsible after-sales activities and customer support. Based on four cornerstones – environment, safety, health, and social responsibility – product responsibility at MAN focuses on the entire product lifecycle, from raw materials extraction to recycling.

The aim is to minimize risks right from the product development stage, taking all necessary preventive measures to reduce potential risks for stakeholders – and thus for the Company itself too.

In 2013, MAN Diesel & Turbo introduced a standard policy on product safety monitoring and the handling of substandard products. A product safety committee was formed to anchor this policy across the subgroup.

Trend analysis

The coming years will see a worldwide increase in the transportation of people and goods. Megatrends such as climate change, globalization, demographic change, and urbanization will significantly influence the Company's business activities. Accordingly, trends and future scenarios up to 2050 are integrated into the strategic product development process at MAN. The MAN Truck & Bus Trend Radar assists in the early identification, evaluation, and analysis of relevant trends for the subgroup. All findings are also integrated into our product development process.

In addition, an internal expert committee produces a regular energy report on developments in the energy sector, which provides important input for the development of future drive, propulsion, mobility, and transportation concepts.

Performance

Product development

On average, more than 90% of the greenhouse gas emissions of the products of both the Commercial Vehicles and Power Engineering business areas are generated during the product use phase (→ page 56). Because most of our products have a very long service life – and are used intensively – we reduce their environmental impacts as much as possible by taking future requirements into account in the product development process.

In the course of 2013 we further optimized our product development process, which defines standard procedures for designing products. These procedures are geared particularly to ensuring the cost efficiency and reliability of our products. This means continuously reducing fuel consumption and thus emissions, while also minimizing our consumption of materials, for example through lightweight engineering of our trucks and buses.

In developing its commercial vehicles, MAN Truck & Bus also takes into account the results of Life Cycle Assessments (→ page 56) and focuses on ways of reducing the total cost of ownership, that is to say the wider costs of vehicle operation – for example by reducing maintenance costs. At MAN Truck & Bus the Environmentally Compatible Product Development process guidelines regulate environmental and health aspects of vehicle development, such as reducing pollutant emissions and noise.

Our aim is to continuously improve the efficiency of our products. Although MAN Diesel & Turbo engines of today are already capable of achieving up to 50% efficiency, our work to reduce fuel consumption is ongoing. In the year under review, among other things we expanded our research and development test activities at MAN Diesel & Turbo.

Climate Strategy progress report

Core Initiative 2: Consistently Efficient product portfolio

In many cases customers base their decision to buy a vehicle on the total cost of ownership. In the freight transportation sector, fuel costs are the largest component of the total cost of ownership, at more than 30%. This is an important incentive for us to steadily reduce the fuel consumption of our products, improve their efficiency, and thereby also reduce their CO₂ emissions.

Core Initiatives of the Climate Strategy

1. 25% reduction in CO ₂ emissions at MAN production sites by 2020 (baseline: 2008)	→	See Environment chapter for progress report
2. Consistently Efficient product portfolio		
3. Customer involvement and dialog		
4. Potential for reducing CO ₂ emissions along the product life cycle		
5. Climate Strategy management	→	See Environment chapter for progress report

As one of the lowest emission fossil fuels, natural gas plays a key role in the global transportation and energy markets. We have adopted a clear strategic positioning on natural gas and offer innovative technologies along the entire value chain, from natural gas exploration, extraction, and production to transportation and use. Natural gas can also be crucial in the storage of surplus electricity generated from renewable sources. We contribute to this advancement with our power-to-gas technology, which allows surplus electricity to be converted into synthetic natural gas that can then be distributed via the existing natural gas infrastructure. This gas can either be used to heat buildings or to drive vehicles or, alternatively, can be converted back into electricity in a gas power station. “Power to gas” is a solution capable of providing long-term storage for large quantities of renewable electricity, subsequently making this energy available wherever it is required, without the need for high-voltage power lines.

One application of MAN gas engines is in helping to provide decentralized energy supplies, not least as a backup for wind and solar energy. Combined heat and power plants that use MAN's natural gas engines can achieve up to 90% efficiency. This compares with an average efficiency of only around 40% for large conventional power stations. Our 6 MW gas turbine is both compact and versatile. For example it can serve as a small on-site generator or be used on remote offshore oil platforms.

With its CNG/biogas engines, MAN also offers mobility solutions for urban transportation. Buses powered by compressed natural gas (CNG) are low-pollutant, climate-friendly, and cost-efficient. When operated on biogas, these vehicles are virtually carbon-neutral. Even if biogas is not used, the CO₂ emissions of these CNG engines are still around 17% lower than for diesel vehicles. Engines capable of using liquefied natural gas as a fuel are attracting increasing interest for use in maritime shipping. These engines emit no sulfur dioxide and significantly less carbon dioxide and nitrogen oxide than conventional engines burning marine diesel or heavy fuel oil.

MAN is also active in the field of natural gas extraction – for example through its underwater compressors. We developed the world's first subsea compressor, a special compressor that compresses the gas directly on the seabed, so that it can then be transported via a pipeline.

MAN's 2013 Annual Report presents our natural gas activities in detail in the “Going for Gas” magazine section. Further Consistently Efficient products and innovations from all business areas are presented on our website at www.corporate.man.eu/en under the heading of Responsibility, then “Transportation and energy solutions for the future.”

Core Initiative 3: Customer involvement and dialog

We involve our customers in an ongoing dialog about ways to reduce their global carbon footprint. After all, many of our customers have set themselves ambitious targets for cutting CO₂ emissions.

In customer advisory panels set up in 2009, truck and bus customers meet roughly twice a year for discussions with MAN experts and the MAN Truck & Bus Executive Board member responsible for Marketing, Sales and Services. Meetings of this discussion and feedback forum are attended by up to twelve selected customers at a time. In 2013, discussion topics in the Trucks customer advisory panel included trends in the commercial vehicle industry and the potential for hybridization, while the Buses customer advisory panel is focused on developing bus concepts for the future.

We also invited selected customers to our stakeholder event for the publication of the 2012 CR Report in May 2013, where we took the opportunity to talk about our CR and Climate Strategy, alternative drive technologies, Euro 6 technology, and efficiency improvements. For MAN, this dialog is a way of understanding future customer needs, while for customers it provides an opportunity to contribute their input to product and service development at an early stage. In 2014, customer dialog events are planned at the major trade fairs, the IAA Commercial Vehicles Show and the International Shipbuilding, Machinery and Marine Technology trade fair (SMM).

Core Initiative 4: Potential for reducing CO₂ emissions along the product life cycle

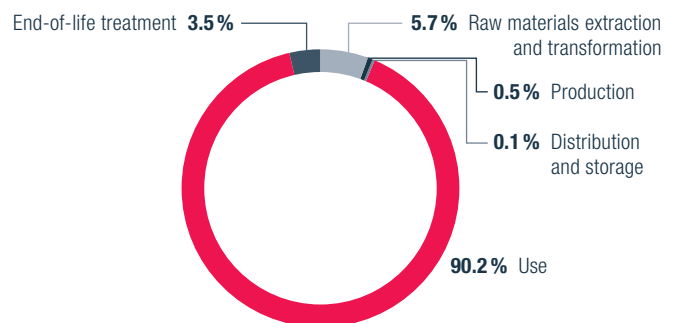
MAN's most effective lever for reducing global CO₂ emissions is through its product portfolio. In order to identify potential for reducing carbon dioxide emissions at the various stages of the product life cycle, MAN has calculated carbon footprints for almost all product groups of the MAN Truck & Bus subgroup, and for selected product groups of MAN Diesel & Turbo. These calculations confirmed our initial hypothesis, showing that for the MAN product range as a whole, more than 90% of CO₂ emissions are generated during the use phase (see graphic). The calculation methodology is based on the Greenhouse Gas Protocol Product Life Cycle Accounting and Reporting Standard.

MAN Truck & Bus calculates the life cycle environmental impact of its products in two stages: the Product Carbon Footprint (PCF) and the Life Cycle Assessment (LCA). In 2014, the first certification processes to validate the PCF in accordance with ISO 14064 will begin. The second phase – LCA – will take into account additional environmental impact categories, such as acidification,

photochemical ozone creation potential, eutrophication, and ozone depletion. For this purpose we require information about the materials used by our suppliers and in the year under review we launched a joint project with them to collate the relevant data.

At MAN Truck & Bus, we use the results of the above-mentioned calculations in developing our Consistently Efficient product portfolio (→ Core Initiative 2). At the same time, at the political level, we are pressing for a standardized CO₂ disclosure system throughout Europe. This would improve transparency and competition between different manufacturers' models – with benefits for both customers and the environment.

Carbon footprint of a semitrailer tractor (MAN TGX Euro 5) incl. semitrailer*



* Emissions percentages may differ from those shown above depending on vehicle specification, operating conditions, and greenhouse gas calculation methodology.

Reducing fuel consumption and emissions

At the beginning of 2014 the introduction of the Euro 6 emissions regulations, which apply to all newly registered trucks and buses in Europe, marked a further significant tightening of emissions standards. Euro 6 reduces the emissions limits of Euro 5 by 80% for nitrogen oxides, to 0.4 g/kWh, and by 66% for particulate emissions, to 0.01 g/kWh. These regulations will make near-zero-emission vehicles a reality in European road freight transportation.

The Euro 6-compliant EfficientLine models of MAN Truck & Bus achieve fuel savings of up to 3 l/100 km compared with a standard vehicle. Approximately 2% of the 76,268 trucks sold in 2013 were EfficientLine models. The new Euro-6 TGX EfficientLine is also fitted as standard with MAN TeleMatics® – the efficient fleet management and logistics solution.

In the marine diesel sector, since 2013 all new ships have been required to comply with the International Maritime Organization's Energy Efficiency Design Index, which limits the number of grams of CO₂ that a vessel may emit per ton transported and per nautical mile traveled. With its G-type two-stroke engines with super-long stroke, MAN Diesel & Turbo already offers engine technology to meet this requirement. These engines optimally support slow steaming – a solution that allows ships to be operated at slower speeds to save fuel.

After-sales service

With the MAN Genuine Parts® ecoline range of professionally remanufactured used parts, MAN Truck & Bus has developed a repair solution that conserves resources, reduces energy consumption and cuts costs by an average of 30%. Workshops can also take advantage of the web-based training courses developed by the MAN Academy. Furthermore, an extensive range of MAN replacement units and parts is available for customers in most parts of Europe.

In order to satisfy stricter requirements for reduced emissions and improved environmental compatibility, MAN PrimeServ, the service brand of MAN Diesel & Turbo, continued to develop and improve its range of retrofits and upgrades. It now offers the PrimeServGreen line of sustainable and innovative solutions for improved efficiency and reduced emissions. These retrofit solutions boost efficiency and cut emissions in diesel engines, marine propulsion systems, compressors, and turbines. MAN Diesel & Turbo offers this service at 116 PrimeServ sites worldwide.

Alternative drive technology

MAN is certain that hybrid technology is set to play a key role in the transportation sector of the future. In the local mass transit sector in particular, its importance will continue to grow.

MAN Lion's City Hybrid buses save up to 30% on fuel consumption, and all-electric capability makes them virtually silent when pulling away from bus stops. CO₂ emissions are reduced by up to 26 tons per year compared with conventional vehicles. Of the 5,294 buses and chassis sold in 2013, 33 were equipped with hybrid drive.

The MAN Metropolis research truck is designed for urban garbage collection. In urban areas it operates in all-electric mode, with low noise and zero emissions. Outside of built-up areas, electric drive is supplemented by a diesel range extender. Testing of the MAN Metropolis was completed in 2013, and in 2014 a two-year customer field trial will be launched in the Antwerp-Brussels region.

Field testing by potential customers is also under way for the VW Constellation hybrid truck, developed in Brazil. This truck's diesel/hydraulic hybrid drive technology offers improved energy efficiency and is an optimal solution for frequent stop-go operation.

Alternative fuels

More than 40 years' experience in developing and building natural gas buses has made MAN Truck & Bus market leader in urban natural gas buses. In 2013, we supplied 715 CNG (compressed natural gas) buses.

MAN Latin America is the first company to test vehicles powered solely by sugarcane-based biodiesel. The new fuel reduces emissions of nitrogen oxides by 15% and particulate matter by 77%. It also reduces soot by 40%.

In the field of gas-powered large-bore power plant engines, MAN Diesel & Turbo is setting new standards with the 35/44G. With an electrical efficiency of 47.3%, this 10.6-MW engine is the most efficient in its class.

Product safety

For MAN, product safety comprises both reliability and accident avoidance. Since forward collisions account for 32% of all accidents involving trucks, in 2013 the MAN development engineers further improved the active safety of MAN trucks and buses with the series introduction of an emergency brake assistant – before

the official target date. If the driver fails to react to the system's warnings, it automatically initiates emergency braking in order to prevent a collision, or at least mitigate the severity.

The Electronic Stability Program is standard specification on many MAN vehicles. It supports the driver in critical situations such as a skid, slide, or risk of overturning when taking a corner too fast. The Lane Guard System III is a camera-based system that warns the driver if it detects that the vehicle is unintentionally crossing the lane markings, and prompts the driver to take corrective action.

Products of MAN Diesel & Turbo remain in use for several decades. We ensure first-class quality throughout that time by supplying high-quality original parts which are bar-coded for easy identification.

Customer focus

For both customers and employees, the MAN Diesel & Turbo PrimeServ Academies offer technical courses and product training that is specially tailored to individual needs. This training can be delivered directly on-site, even on board the customer's ship or at the customer's power station. Technical know-how transfer mainly takes the form of hands-on product-based training. This is supplemented by web-based training that combines practical elements with e-learning. The PrimeServ Academies are a training network that facilitates the exchange of knowledge between customers, suppliers, and employees in our research and development functions. This improves our understanding of the market, while at the same time helping to boost customer satisfaction. We are steadily expanding the network of Academies. In 2013 we opened new training centers in Copenhagen, Høleby (both Denmark), and Piraeus (Greece).

Customer satisfaction

Customers are among our most important stakeholders. After all, it is our customers who drive our business success. In order to maintain close contacts with customers, and to better understand their requirements, we conduct regular surveys in all our business areas to find out how satisfied our customers are with our products and services. Since 2006, for example, MAN Truck & Bus has been tracking customer loyalty and satisfaction annually by means of the Customer Retention Index (CRI). In 2013 this telephone survey of sales and service satisfaction was carried out in 21 countries. Roughly 60% of MAN Truck & Bus customers questioned rated MAN Truck & Bus "excellent" or better, while around 30% opted for "very good". For the eleventh year in a row, MAN Latin America was the local market leader in the over 5 t class.

Just like us, our customers have a business to run. They have to be able to rely on our products. And so they can: in the 2013 TÜV Report for Commercial Vehicles, MAN had the highest percentage of complaint-free vehicles, outperforming its competitors in all age categories. 95% of one-year-old vehicles passed their statutory inspection with no significant faults; for five-year-old vehicles, the figure was around 82%. Here too the MAN brand is ahead of the competition.

MAN Truck & Bus services won three awards in the European Transport Award for Sustainability, which honors outstanding products and services in the commercial vehicle sector. These awards, presented at the beginning of 2014, went to MAN Service Complete, MAN service partner Stegmaier Nutzfahrzeuge, and MAN Rental/EURO-Leasing.

In 2013 MAN Diesel & Turbo conducted a global customer satisfaction survey. Questionnaires were sent to more than 4,000 customers, over 30% of whom responded. There has been a slight improvement in satisfaction with our products and processes since the last survey. What our customers appreciate most is our technical expertise and the quality of MAN Diesel & Turbo spare parts. Room for improvement was identified in our

Dilemma: Product safety

Approximately 30,000 people die on Europe's roads every year. In 2013, the European Commission therefore set itself the aim of achieving zero road deaths by 2050.

Since human error is a leading cause of road accidents, research work at car and commercial vehicle manufacturers – including MAN – is focused on the improvement of both active and passive safety systems. Technical systems have the ability to correct driver errors, protect other road users, and mitigate injuries. The research, development and series production of safety-related systems does, however, involve significant additional costs. Bearing in mind that the most important factor in the customer's buying decision is the total cost of ownership, when safety features are not required by law they are unlikely to constitute a selling point.

Increasing the number of vehicle safety systems used is the duty of policymakers and society as a whole. As a commercial vehicle manufacturer, we contribute through our research and development and our range of vehicle safety system products to help reduce the number of road deaths to zero by 2050. The market determines whether our customers are in a position to pay for a vehicle with additional safety systems. It is society and policymakers who must ultimately decide how much safety is worth to them.

speed of response to customer enquiries. The results are now being discussed with the relevant business areas, with a view to identifying improvements. This customer satisfaction survey is conducted every two years.

Complaints

We take customer complaints very seriously and use them as important indicators of ways in which we could improve our products and services. The MAN Truck & Bus Customer Management department supports customers not only in the event of complaints but also in implementing specific solutions. In 2013, the department dealt with approximately 40,000 customer concerns. To support the optimization and further development of our products, all results and outcomes are passed on to the Fault Remediation and Product Development departments. MAN Service Mobile24 helps our customers round the clock, 365 days a year. Via a single toll-free telephone number for all of Europe, we offer rapid assistance for MAN trucks and for MAN and NEOPLAN buses.

Customer information

We provide our customers with comprehensive product information and user guides for all our products. By operating our products correctly, our customers can not only improve product safety but can also conserve resources. This is why we provide specific information on factors which influence fuel consumption and emissions, like rolling resistance and drag. We also provide information on the CO₂ emissions of our vehicles over their total lifetime mileage. These calculations are based on the Environmental Lifetime Emission and Energy Consumption Calculator. Customers can access the calculator at www.manted.de.

Our Global Sales Training courses for sales personnel provide training on CR, climate and environment-related topics, on EfficientLine trucks and buses, and on hybrid and gas-based technology. In 2013, more than 3,000 sales personnel took part in this training.

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 2013.

Employees

- ✓ Four of our best vocational trainees receive the Volkswagen Group's Best Apprentice Award
- ✓ All training and professional education activities integrated in the MAN Academy
- ✓ 83% participation in the MAN employee opinion survey

Management approach

Human resources management

MAN is one of Europe's leading players in the commercial vehicle and mechanical engineering sectors. To maintain this position going forward, we need a first-class team with outstanding performance. 53,509 talented individuals work at MAN. Only by promoting the professional growth of all our employees – from vocational trainees to senior executives – can we ensure that the Company remains successful in the long term. This is why MAN's human resources (HR) strategy is built around outstanding performance, the resultant success, and sharing in the benefits of that success.

We also live up to our responsibility to our employees by fostering health, skills, and dedication. To attract and retain committed, responsible, and competent employees, we need responsible leadership and individualized HR development and training opportunities. In 2013 we centralized the structure of our HR management. In the corporate functions, we developed uniform methods and instruments and bundled competencies with the aim of leveraging synergies and setting consistently high standards for quality and skills.

As an international company, we encounter a wide variety of social parameters and challenges in the locations where we do business. We meet them with tailored solutions that are based on our Group-wide standards.

Occupational health and safety management

Only healthy, motivated, and dedicated employees can achieve outstanding performance. With this in mind, MAN has traditionally placed a high priority on occupational health care as well as preventive health and safety in the workplace. To protect the health and safety of our employees, we conduct systematic assessments of hazardous materials, workstation ergonomics,

and potential dangers in the workplace. Our occupational safety management is part of our integrated management system (→ page 46).

We regularly hold internal occupational health and safety audits and inspections. In 2013 we created a health-management organization charged with developing and rolling out a Group-wide health management strategy. The goal is to define a coordinated strategic approach for our health services around the globe by developing principles that are applicable in every location.

In addition, the health services at our plants act independently to address specific concerns with appropriate measures. Many facilities have also concluded their own works agreements on health and safety and set up working groups. They have developed programs ranging from sports clubs to physical examinations and training courses in health protection.

Certifying our sites under the OHSAS 18001 management system for occupational health and safety makes a contribution to improving the health and safety of our workforce. Furthermore, the majority of MAN Diesel & Turbo's service engineers have qualified and been certified as "Safety Certificate Contractors," in order to sharpen safety awareness on customer construction sites and in projects.

Remuneration

Remuneration at MAN is based on performance and market rates. 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 functions. It factors in competencies as well as the degree of difficulty and influence associated with the function. 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. We meet local minimum wage requirements at our international sites and ensure that this represents a living wage.

Performance

Headcount

As of December 31, 2013, the MAN Group employed 53,509 people including subcontracted employees. This represents a slight reduction of 774 employees, or 1%, as against the end of 2012 due to the lower production figures.

The proportion of employees in Germany versus those in other countries changed only slightly. Women make up 14% of the total workforce, the same ratio as the previous year.

Permanent staff comprised 52,182 employees, down only slightly on the prior-year level. The number of employees with fixed-term contracts declined by 33% to 1,162. The number of subcontracted employees was reduced by 475 to 1,327 to align the production capacity.

In the year under review, the Group spent around €2,734 million on salaries and wages (2012: €2,702 million) and approximately €609 million on social security contributions, pensions, and other support (2012: €564 million).

Employee structure

	2013	2012	2011
Total	53,509	54,283	52,542
of which: Germany	30,296	30,513	30,187
of which: other countries	23,213	23,770	22,355
of which: women	7,475	7,464*	6,846*
of which: subcontracted employees	1,327	1,802	2,364
of which: part-time employees	1,255	1,000	787
of which: employees on fixed-term contracts	1,162	1,741	2,581

* Excluding subcontracted employees

Employees by region

	2013	2012*	2011*
Germany	30,296	29,360	28,589
Europe (excluding Germany)	16,331	16,552	16,604
Africa	1,170	898	925
Asia	2,901	2,941	1,453
Americas	2,754	2,676	2,559
Australia	57	54	48
Total	53,509	52,481	50,178

* Excluding subcontracted employees

Employees by business area

	2013	2012	2011
Commercial Vehicles	36,541	36,816	36,154
Power Engineering	16,641	17,108	16,052
Other	327	359	336
MAN Group	53,509	54,283	52,542

Age of employees*

Total	< 30	31–40	41–50	51–60	> 60
52,182	10,105	15,548	14,737	10,389	1,403

* Excluding subcontracted employees

Employee turnover*

	2013	2012	2011
New hires	4,237	5,557	8,486
Persons leaving	4,536	4,696	4,326
Employee turnover in %	8.7	8.9	8.6

* Excluding subcontracted employees

Vocational training

Vocational training is the first step in the development of a top-performing team at MAN. Our dual model of vocational training ensures the development of the next generation of outstanding technical and commercial employees. Over 800 young people, 17% of them women, started dual programs at our sites in Germany, Austria, Switzerland, Denmark, France, and Turkey in the fall of 2013. Having completed secondary school, they are entering 53 vocational training programs, eleven dual education programs, and eight integrated vocational training and degree programs. At MAN these programs provide training for 67 technical and 14 commercial professions. MAN particularly needs the skills offered by technical vocational careers – industrial mechanics, mechatronics technicians, and milling machine operators – to enable advances in production. The number of new vocational trainees again increased compared to the previous year.

Our four best vocational trainees were honored with the Volkswagen Group's 2013 Best Apprentice Award, which was again presented to the 40 best vocational trainees worldwide in the year under review. Two of MAN's prize-winning young talents are completing their studies at a technical university with the support of the Company.

Vocational training

		2013	2012	2011*
International	Number of employees	52,182	52,481	48,234
	Number of vocational trainees	3,290	3,276	2,769
	Vocational trainees as % of workforce	6.3	6.2	5.7
Germany	Number of employees	29,539	29,360	26,808
	Number of vocational trainees	2,292	2,212	1,973
	Vocational trainees as % of workforce	7.8	7.5	7.4

* Excluding Renk

Dual education programs in cooperation with various technical universities are increasingly popular with young people. At present, 153 students from dual education and integrated vocational training and degree programs are completing the practical part of their studies at MAN in Germany. It is encouraging to note that almost 28% of these students are women.

Continuous professional development and training for every employee

The continued success of the MAN Group as a leader in transportation and energy relies on having exemplary, highly-qualified managers and specialists. In addition, 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.

Our broad-based, targeted continuous professional development program ensures that every employee can grow in their "Berufsfamilie," building their skill sets and applying their knowledge on the job. A "Berufsfamilie" is the professional family comprising all employees who work within a field of related competencies.

Continuous professional development

	2013	2012
Courses	13,489	13,057
Participants	121,506	93,143

Continuous professional development hours per employee

	2013	2012	2011
MAN Truck & Bus	18	17	10*
MAN Diesel & Turbo	13	17	17
MAN Latin America	20	42	48
Renk	11	14	–

* The system of calculation was changed in 2011; since then it has reflected the continuous professional development hours actually completed rather than the estimated length of the training measures.

As of May 1, 2013, all training and professional education activities have been integrated in the MAN Academy. This means that in the future, we will be able to leverage synergies and uniformly apply high standards for quality and skills in our vocational education, HR development, and professional training. One important element of our task-oriented approach to training is offering courses to our production employees, for instance in quality and workplace safety.

Feedback and performance

Feedback instruments contribute to an open culture of constructive feedback and reward performance. The annual performance review for managers helps us build an outstanding team. Evaluating performance and mapping out professional development are not the only elements of the review; it also focuses on setting targets, monitoring target achievement, and assessing leadership conduct. In 2013, 2,325 performance reviews for managers were held in the MAN Group.

Fostering talent

At MAN we aim to attract and retain talent at an early stage. For young people with a university background, for example, we offer internships, a trainee program, a Top Bachelor program, and scholarships for MBAs and PhDs. In addition, MAN recognizes the importance of working with institutes of higher education. We cooperate with over 100 technical universities, and have a particularly close partnership with the Technical University of Munich (TUM), where we help fund the education of 60 students through the Germany Scholarship (→ page 16 et seq.). We also work closely with RWTH Aachen. Overall we provide financial support in the form of scholarships to some 100 students in faculties of mechanical engineering, electrical engineering, information technology, and economics and business. In addition to scholarships, the Company offers internships, opportunities to write theses and dissertations, and expert advice. In 2013 the MAN Group supported 22 PhD students and gave some 900 students around the world a chance to gain first-hand experience working in the Company. MAN Latin America has also launched a scholarship program to support outstanding employees in their continuous professional development and in MBA and PhD programs.

Leadership and management development

The management selection process is used to place employees on the management track. Within the function we choose candidates based on their competence in their field. We then look at their business skills in our cross-departmental Management Assessment Center, which was held in 2013. In this context we have also reworked our training program for managers and management trainees. A new promotion process provides for better transparency and recognizes and rewards outstanding performance; it also has the long-term objective of increasing the percentage of women managers.

Corporate responsibility in HR and management development

Our employees are CR ambassadors. With this in mind, we recognize the importance of raising awareness and providing training. In 2012 MAN Truck & Bus launched its “Manage responsibly” management training program, which was continued with great success in 2013. The participants learn to apply the CR and Climate Strategies within their own spheres of responsibility. To date we have held more than 30 half-day training sessions, which were attended by a total of almost 300 managers and multipliers. The courses are regularly evaluated and have been very highly rated overall.

Diversity and equal opportunity

MAN is committed 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. In 2013 we promoted 19 women into or within management levels one to three. This represents 15% of our management promotions.

We offer mentoring and coaching programs for women and agree with executive search firms on a specific percentage of female candidates for management openings. We currently employ 14 more female managers than in the previous year. The ratio of women managers was 8.9% in 2013, compared to 8.2% in 2012. Our goal of increasing the percentage of women in management positions to 12% by 2014 is currently being evaluated in consultation with Volkswagen.

Recruiting talented women and fostering their professional development from an early stage is one important factor which will help make us a top employer. In the year under review, women made up 17% of our pool of management candidates, while 60 of the 245 college graduates in our management-trainee program were women.

Currently, there are no women on the Executive Board of the MAN Group; two women sit on the MAN SE Supervisory Board. The Supervisory Boards of MAN Truck & Bus and MAN Diesel & Turbo also have two female members each, while the Renk Supervisory Board has one.

When filling management positions at our sites outside Germany, we try to draw on the pool of local talent whenever possible.

Women in management positions*

	2013	2012	2011
Level 1	2	3	3
Level 2	27	24	17
Level 3	88	76	68
Total	117	103	88
Percentage	8.9	8.2	7.3

* Excluding subcontracted employees

MAN works to integrate people with disabilities. In the year under review, we employed 1,523 severely disabled people in Germany. This fulfills the legally required employment quota for people with disabilities, which is 5% in Germany. Internationally, we also recognize the importance of providing opportunities to disabled employees. Since 2011 MAN Latin America's New Horizon program has offered young people with disabilities the chance to work for the Company on an equal basis, to participate in continuous professional development courses, and to receive a college scholarship. In 2013, 22 young men and women participated in New Horizon.

At our MAN Truck & Bus production sites in Salzgitter and Steyr, Austria, we cooperate with Lebenshilfe, a national association for the support of people with intellectual disabilities. At the Salzgitter site, vocational trainees acquire important social competence by working together with disabled trainees. And in Steyr we work with Lebenshilfe to employ 22 people with intellectual disabilities.

Balancing work and family

In addition to recruiting and promoting talented women, MAN continues to help employees achieve a better balance between career and family. This not only includes flextime models, but also childcare in company daycare centers at its Munich and Augsburg sites. 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. In the year under review, daycare and other forms of care were organized for almost 40 children and family members of MAN employees.

Flexible working hours

To allow our employees to organize their working hours as flexibly as possible, we have set up flextime 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 flextime accounts increased by 7.5%. In Germany, the average hours worked per week are governed by collective bargaining. Flextime models are adapted to local

Flextime accounts*

		2013	2012	2011**
Number of employees	Germany	29,539	29,360	26,808
	Total	52,182	52,481	48,234
Employees with flextime accounts	Germany	28,924	28,352	26,116
	Total	42,305	38,679	35,036
Percentage of employees with flextime accounts	Germany	97.9	96.6	97.4
	Total	81.1	73.7	72.6

* Excluding subcontracted employees

** Excluding Renk

Dilemma: Flexibility

We aim to be a top employer. Part of this is about providing our employees with a degree of flexibility. This shows them that we take their needs seriously and make allowance for their individual situations to the fullest extent possible. We are committed to creating opportunities to balance work and family life.

However, being a responsible employer also means keeping our eye on the overall success of MAN at all times. As a global company, we are dependent on international economic developments and must respond accordingly. This calls for flexibility from our employees as well. Temporary measures such as short-time work or overtime may be necessary, but may also have a negative impact on work-life balance.

Here we must take due account of both our general aim to be a top employer and the specific need to react to economic fluctuations. For this reason the flexibility and understanding of our employees are essential to our long-term success as a company.

requirements in the different countries where we are active. At MAN Diesel & Turbo's PrimeServ site in Shanghai, China, we have defined a five-and-a-half-hour period as our core hours. Employees can take advantage of flexible hours during the rest of the working day. This enables them to shift their commuting time away from rush hour, for instance.

Idea management

Our employees actively contribute their ideas and suggestions for improvement. MAN idea management evaluates these proposed optimizations of workflows, processes, and products. In 2013 over 8,200 suggestions for improvement were submitted at MAN Truck & Bus, over 40% of which were acted on. In the year under review, MAN Diesel & Turbo employees came up with more than 1,600 ideas; more than half of which were implemented. In recognition of their creativity and contribution to the Company, the employees who submitted the ideas were rewarded with sums totaling €1.8 million across the Group.

Employee opinion survey

MAN carried out another employee survey in June 2013. For the first time, employees of all Volkswagen Group brands and subsidiaries took part in the standardized annual employee opinion survey. Participation is voluntary and anonymous. The employee opinion survey gives our workforce an active voice in shaping the Company. It assesses the satisfaction of the employees and their identification with MAN as an employer.

In the future the employee opinion survey will be conducted every year to evaluate the success of MAN's HR strategy for becoming a top employer. The year under review saw employee participation of 83%, an increase on the last survey in 2011 (80%). The employee satisfaction index, a weighted average of the eleven rated statements, indicates how happy employees are with their jobs; it can range from 0 to 100. In the year under review, the employee satisfaction index was 72. Our employees expressed their opinions on MAN's image; communication, quality, and processes; teamwork with colleagues and supervisors; satisfaction; and workload. Their answers revealed both strengths and areas for improvement. Managers and employees talked about and analyzed the responses in more than 1,250 follow-up discussions. More than 4,250 measures were identified, around one third of which had already been implemented by the end of the year under review.

Top employer

In 2013 we again occupied top spots in a number of ratings. The CRF (Corporate Research Foundation) Institute once again certified MAN as a top employer in Germany and Poland. In addition, the CRF Institute certified MAN Truck & Bus as a top automotive employer for 2012/13 and MAN Diesel & Turbo SE as a top engineering employer in 2013. MAN Latin America was awarded the distinction "Great Place to Work in Brazil 2013."

Occupational health and safety

Across the Group we have continued with a variety of initiatives to cut accident rates and 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 activities such as running groups, healthy back programs, nutrition classes, and stop-smoking courses. In 2013 we added massages and classes in Pilates and relaxation techniques. In addition, we are planning to offer an annual physical checkup with the aim of maintaining and promoting employee health, physical fitness, and performance.

As part of the "Workplace Optimization" project, we have systematically assessed the ergonomics of most workstations at MAN Truck & Bus production sites. We have also continued developing measures and activities for our "healthy leadership" initiative, which aims to strengthen manager and employee health awareness.

The employee assistance program (EAP), which goes beyond the legal requirements for corporate health management programs, is a key pillar of health management at MAN Diesel & Turbo. It was launched in May 2012 at our Augsburg site, and has been an integral part of HR policy ever since. Its services include assistance in overcoming professional and personal difficulties, counselling during crisis situations, the development of concrete solutions, and raising awareness for preventive health.

In the reporting period, the MAN Diesel & Turbo sites in Augsburg, Germany, and Changzhou, China, received OHSAS 18001 certification for the first time. In 2013 we also prepared the MAN Truck & Bus sites in Cracow, Poland, and Nuremberg, Germany for certification in the following year. This means that a total of eleven of our sites now have OHSAS 18001 certification. You will find an overview of additional management systems online at cr-bericht2013.man.eu.

Thanks to the MAN Diesel & Turbo Zero Accident Initiative, for the fifth year in a row there has been a decrease in the overall number and severity of workplace accidents.

Targeting better safety behavior, we rolled out behavior-based safety (BBS) programs in selected MAN Group sites. The objective is to increase awareness of high-risk situations, systematically remove risks, and promote safe workplace behaviors. The program will be expanded in 2014.

At the MAN Truck & Bus Munich production site, in the year under review we successfully launched the “Always Safe. Always Good.” pilot project in the axle production shop.

The health management system at the MAN Truck & Bus site in Salzgitter was again presented with the Corporate Health Award in 2013. There was special praise for the innovative and holistic approach to employee health education and preventive health-care.

Occupational safety*	(excluding subcontracted employees; excluding Renk)
	2013
Number of lost-time injuries¹	940
Accident frequency index²	14.9
Accident severity index³	18

1 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 death. We count lost-time injuries starting at one day of missed work.

2 The accident frequency index is an indicator of the frequency of lost-time injuries relative to the sum of all hours worked. The formula for calculating the index is the number of workplace accidents x 1 million / hours worked.

3 The accident severity index indicates the severity of accidents by showing the sum of workdays missed due to injury in relation to the number of hours worked. The formula for calculating the index is the number of workdays missed x 1 million / hours worked x 10.

* Because definitions have been reworked, a comparison to the previous year's figures is not possible.

In 2013 there was an accident at the MAN Truck & Bus spare parts warehouse in Neufahrn which indirectly led to a fatality, which we deeply regret.

Retirement benefits

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 the MAN Group has been contributing to its employees' retirement provision by granting pension commitments and similar benefits that are structured to country-specific and market requirements.

Once their active working life finishes, employees in Germany receive benefits provided by a modern and attractive occupational pension system that constitute a key element of MAN's remuneration policy. These benefits offer a reliable additional income on retirement and also provide cover for the risk of permanent disability or death during their active employment. Our 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 our 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 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. In the year under review, no cases of discrimination were ascertained.

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 was on a par with the previous year. Companies without collective bargaining were evaluated in cooperation with the Group Works Committee and individual solutions developed.

The SE Works Council represents the employees at our European sites. It is made up of 26 employee representatives and meets regularly with the Executive Board to discuss relevant issues. In addition to the eleven EU nations, the European Works Council includes two seats for employees representing Turkey and Switzerland.

Part of our sustainable HR policy concerns maintaining a transparent relationship of trust between the Company management, the workforce, and labor representatives. With this in mind, MAN welcomes the commitment to the Volkswagen Charters on Temporary Work and Labor Relations. The principles of the Charter on Temporary Work serve to ensure fair employment conditions and pay for temporary employees and set a uniform standard regulating temporary work throughout the Volkswagen Group. The International Charter on Labor Relations provides for phased

rights to information, consultation, and codetermination for the labor representatives of the brands, companies, and sites represented in the Volkswagen Group Global Works Council.

Employees covered by collective-bargaining*

		2013	2012	2011**
Number of employees	Germany	29,539	29,360	26,482
	Europe (excluding Germany)	16,146	16,552	16,466
	Africa	900	898	1,013
	Asia	2,807	2,941	1,365
	Americas	2,733	2,676	2,531
	Australia	57	54	48
	Total	52,182	52,481	47,905
Number covered by collective-bargaining	Germany	29,187	28,734	26,243
	Europe (excluding Germany)	11,726	12,701	12,016
	Africa	141	143	186
	Asia	0	430	0
	Americas	2,092	1,949	1,030
	Australia	0	0	0
	Total	43,146	43,957	39,475
Percentage	Germany	98.8	97.9	99.1
	Europe (excluding Germany)	72.6	76.7	73.0
	Africa	15.7	15.9	18.4
	Asia	0.0	14.6	0.0
	Americas	76.5	72.3	40.7
	Australia	0.0	0.0	0.0
	Total	82.7	83.8	82.4

* Excluding subcontracted employees

** Excluding Renk and the Corporate Center

The Volkswagen Charter on Temporary Work has been rolled out at MAN Truck & Bus and is being applied in accordance with local conditions. It will be introduced at MAN Diesel & Turbo in the first half of 2014. Plans have been made for the first country workshops for the rollout of the Charter on Labor Relations with participation by Volkswagen.

In the different countries where MAN is active, relations with its employees are structured in accordance with national law, as are communications with employees regarding fundamental changes within the organization.

The employees of our subgroups are represented by their own works councils, which have negotiated numerous works agreements with the management of the respective subgroups. These agreements cover issues ranging from voluntary benefits to continuous professional development and the regulation of overtime. This establishes a dependable overall framework for our employees and encourages a relationship of trust between labor and management.

Corporate Citizenship

- ✓ Partnership with SOS Children’s Villages extended for another three years
- ✓ €250,000 donated to flood victims in Germany
- ✓ €50,000 in emergency relief provided following typhoon in the Philippines

Strategic approach

Corporate citizenship

At MAN we see ourselves as part of society. Our goal is to be a good corporate citizen everywhere we do business, contributing to sustainable development. Through our many attractive activities, we are aiming to strengthen identification with our sites and gain an edge in the competition for talented employees. Our sponsoring activities and donations, most of which are long standing and closely related to our core business areas, further this end. We have turned to the internationally recognized standard of the London Benchmark Group (LBG) to measure the success of our community projects. MAN is currently developing a concept for evaluating the effectiveness of our partnership with SOS Children’s Villages.

Performance

Intensive partnership with SOS Children’s Villages

In 2013 MAN extended its long-standing partnership with SOS Children’s Villages for another three years, pledging annual financial support of €150,000. MAN has been providing long-term assistance in Haiti through this program since 2010. In addition to donating two trucks for transporting emergency supplies following the earthquake, MAN has also contributed some €90,000 to fund the construction of the SOS Children’s Village Les Cayes and other activities. MAN also donated €50,000 to the SOS Children’s Villages organization for disaster relief efforts following the typhoon in the Philippines.

The Company not only provides international aid, but also supports SOS Children’s Villages facilities in Germany. For example, at the Nuremberg SOS vocational training center we are funding vocational training in different fields for five socially disadvantaged young people. In the year under review, the first two graduated from the program and found jobs. Another important aspect of the partnership is our employee volunteering program. For a number of years the SOS Children’s Villages facilities in Munich and Salzgitter have been offering MAN employees the opportunity to become involved in their charitable projects as

volunteers. With the permission of their supervisors, employees can take half a day off each year for these activities. In 2013, 75 MAN employees had donated around 500 hours of their time.

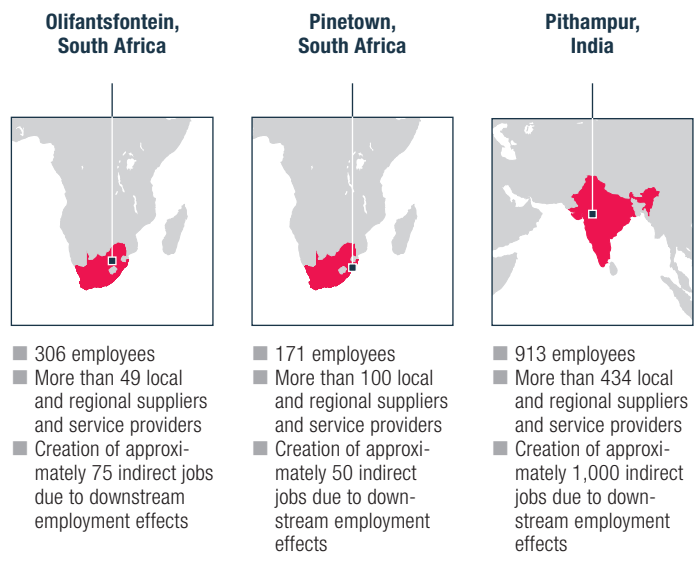
Contributing to disaster relief

Following the heavy flooding which struck Germany in June 2013, MAN employees raised some €116,000, which MAN SE’s Executive Board topped up to €250,000, to donate to those affected by the floods. The money went to the benevolent fund of the Deggendorf MAN Diesel & Turbo works council, the city of Passau’s donation account, as well as to an aid organization in Dresden. In addition to immediate relief totaling €30,000, the Company also donated €30,000 to the Hilfe für Helfer (help for the helpers) initiative run by the Bavarian Fire Fighters’ Association (→ page 14).

Creating value on a regional level

Wherever MAN manufactures products and creates value, it makes a contribution to economic and social development as well. We work with suppliers in the area and hire local employees. As an employer we create skilled, fairly paid jobs at our sites, which also benefits local residents. The growth potential created

Examples of regional responsibility at MAN Truck & Bus*



* Data based on internal sources.

by MAN’s presence in the regions has positive downstream effects on the local infrastructure. In Olifantsfontein (South Africa), we make a targeted effort to do business with small and medium-sized enterprises. By awarding contracts to such firms, MAN helps support the policies of the Broad-Based Black Economic Empowerment Act (B-BBEE), which was ratified in 2004. The long-term goal of B-BBEE is to level the economic playing field for South Africa’s black population. At our site in India, we hire vocational trainees and engineering graduates from the region.

Donations

As a good corporate citizen, MAN supports charitable organizations and community projects through donations and sponsoring. All such activities must comply with a Group-wide policy that defines procedures and permissible areas of support. For donations, these include education, academia, the arts, and community programs (social welfare organizations, charitable and humanitarian projects, and disaster relief efforts). In the year under review, our cash and noncash donations totaled almost €500,000. This sum is significantly higher than in the previous year, largely due to contributions made during the catastrophic flooding in Germany in June 2013.

The relief fund that we maintain through MAN Trucker’s World, our international drivers’ club, is closely linked to MAN’s core business activities. 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 €193,365. In recognition of its efforts, the drivers’ club was granted an “honorary knighthood” for 2014 by the Children’s Accident Prevention and Assistance Association.

Sponsoring

Sponsorships may also be extended to business and sports. In 2013 our sponsorships totaled €6.38 million. The focus was again on sports in the year under review. MAN continued its premium partnerships with football, basketball, and ice hockey teams. In the field of education, we also continued multiple long-standing partnerships with various institutions and carried on with numerous initiatives.

We are especially proud to be the primary sponsor of the Germany Scholarship at the Technical University of Munich (TUM) (→ page 16 et seq.). Since 2007 we have provided support to some 500 students, held lecture series, and organized placements for project work. We cooperate with almost 100 technical universities around the world.

MAN also supports university teams at Formula Student, an annual race car construction and racing competition. In 2013 MAN was a partner to TUM, Munich University of Applied Sciences, Karlsruhe Institute of Technology, and Nuremberg Institute of Technology. As the only sponsor from the commercial vehicles sector, MAN provided all Formula Student events in Europe with a truck to transport the race cars. We were also represented on the jury, rating concepts and use of technology.

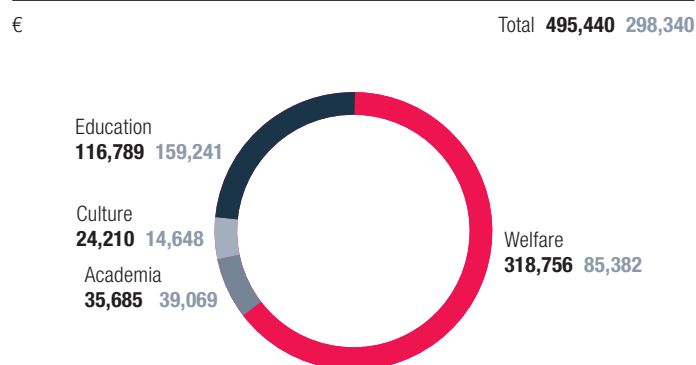
Guidelines for lobbying

The MAN guidelines for lobbying are defined in the MAN Code of Conduct and apply throughout the Group. This Code explicitly outlines our commitment to nonpartisanship and to making our positions transparent. As in the previous year, in 2013 MAN spent around €80,000 on direct lobbying activities. In the interests of transparency, MAN advocates a mandatory registry of all lobbyists, and is itself listed in the EU lobby register.

Our positions

MAN puts a spotlight on efficiency and safety. When it comes to safety, as a vehicle manufacturer MAN has a responsibility to play a significant role in achieving the European Commission’s goal of zero road-accident deaths.

Cash and noncash donations



2012 values in gray

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 fourth 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.

Principle	Systems	Implementation	Achievements
Principle 1 Support for human rights	MAN Code of Conduct (p. 38) Code of conduct for suppliers and business partners (p. 38, 42, and 43 et seq.) Joint Declaration on Human Rights and Working Conditions in the MAN Group (p. 38)	Adoption of the Volkswagen Group "Sustainability in supplier relations" concept started (p. 42 et seq.)	82.7% of employees worldwide are covered by collective bargaining agreements (p. 67)
Principle 2 Exclusion of human rights abuses			
Principle 3 Ensuring freedom of association			
Principle 4 Elimination of all forms of forced labor			
Principle 5 Abolition of child labor			
Principle 6 Elimination of discrimination	MAN management hiring policy (p. 63)	New Horizon program continued (p. 64) Cooperation with Lebenshilfe, a national association for the support of people with intellectual disabilities (p. 64)	Proportion of women in management positions increased by 0.7 percentage points (p. 63) Proportion of severely disabled people employed by MAN in Germany is more than 5% (p. 64) No reported cases of discrimination (p. 66)
Principle 7 Precautionary environmental protection	Integrated management system (p. 46) New policies for environmental protection and occupational safety and for energy at MAN Truck & Bus (p. 46) New environmental protection guidelines at MAN Diesel & Turbo (p. 46)	Continued establishment and verification of environmental management systems at MAN sites (p. 47) CR Cockpit to measure the CR and Climate Strategies developed (p. 26, p. 50)	95% of employees are covered by ISO 14001 certification (p. 47) Almost 300 managers and multipliers from MAN Truck & Bus have completed the "Manage responsibly" training courses (p. 63)
Principle 8 Initiatives to promote greater environmental responsibility	MAN's Climate Strategy (p. 25, p. 49 et seq.)	Rollout of core initiatives 1 and 5 for implementing MAN's Climate Strategy (p. 49 et seq.)	14.3% CO ₂ savings at the production sites compared with the base year of 2008 (p. 49 et seq.)
Principle 9 Diffusion of environmentally friendly technologies	MAN's Climate Strategy (p. 25, p. 55 et seq.)	Rollout of core initiatives 2-4 for implementing MAN's Climate Strategy (p. 55 et seq.)	Consistently Efficient product portfolio (p. 55)
Principle 10 Measures to combat corruption	Compliance program (p. 38)	Third compliance risk assessment completed (p. 40) Analysis of the procurement process of MAN Truck & Bus with regard to compliance risks (p. 40) "Anticorruption" e-learning module introduced (p. 40)	638 questions handled by Helpdesk (p. 40) 4,413 employees participated in on-site training sessions (p. 40) 1,962 business partners checked (p. 40)

GRI Content Index

This index shows where the relevant information can be found in the CR Report 2013. 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 76). A complete GRI index with information on the supplementary indicators that are relevant for us can be found on the internet at cr-report2013.man.eu.

GRI Content Index (G3 standard indicators)	Reported	Page
1. Strategy and analysis		
1.1 Statement from the CEO or the supervisory board chairperson	fully	I
1.2 Description of key impacts, risks, and opportunities	fully	24 et seq., 30–34
	fully	
2. Organizational profile		
2.1 Name of the company	fully	MAN SE
2.2 Primary brands, products, and services	fully	IV et seq., 11–13, 24; AR 3–5
2.3 Operational structure and divisions	fully	IV et seq.; AR 184–187
2.4 Location of headquarters	fully	Munich, Germany
2.5 Countries with major operations	fully	IV et seq.
2.6 Nature of ownership	fully	IV, 43; AR 117
2.7 Markets served	fully	IV et seq., 11–13; AR 3–5
2.8 Scale of the reporting organization	fully	IV et seq., 43, 61; AR 2–5, 112
2.9 Significant changes in the reporting period	fully	43; AR 37, 118, 132 et seq.
2.10 Awards received in the reporting period	fully	27 et seq., 58, 62, 65
3. Report parameters		
3.1 Reporting period	fully	77
3.2 Date of previous report	fully	May 2012
3.3 Reporting cycle	fully	77
3.4 Contact for questions on the report	fully	77
3.5 Processes for defining report content	fully	30 et seq., 77
3.6 Boundary of report	fully	77; AR 117 et seq.
3.7 Specific limitations on scope	fully	46
3.8 Joint ventures, subsidiaries, outsourcing	fully	77, AR 117 et seq.
3.9 Data acquisition	fully	46, 77
3.10 Explanation of any restatements of information	fully	50, 52
3.11 Significant changes in scope, boundary or measurement methods	fully	46, 51, 66
3.12 GRI index	fully	71–73
3.13 External verification	fully	74 et seq., 77
4. Governance, commitments, and engagement		
4.1 Governance structure	fully	38 et seq.; AR 12–16, 19
4.2 Independence of the supervisory board chairperson	fully	39
4.3 Supervisory board or independent directors	fully	Not applicable since there is a supervisory board
4.4 Mechanisms to provide shareholder and employee recommendations to the board/supervisory board	fully	29, 39, 65; AR 18

GRI Content Index (G3 standard indicators)	Reported	Page
4.5 Link between senior management compensation and company performance	fully	38, 61; AR 70 – 73, 175 – 178
4.6 Processes to ensure conflicts of interest are avoided	fully	AR 14 et seq., 19
4.7 Sustainability expertise of the board/supervisory board	fully	26; AR 12
4.8 Vision, corporate values, and codes of conduct	fully	24, 38, 46
4.9 Board-level processes for overseeing sustainability performance	fully	26, 33, 38, 44 et seq.; AR 12 – 17, 20 et seq.
4.10 Processes for evaluating board performance	fully	39, 61; AR 12, 70 – 73, 175 – 178
4.11 Implementation of the precautionary principle	fully	40, 42, 46; AR 96 – 105
4.12 External initiatives that the organization endorses	fully	38
4.13 Memberships in industry and business associations	fully	28, 39
4.14 Stakeholder groups engaged by the organization	fully	29
4.15 Basis for identification and selection of stakeholders to engage	fully	27, 30 et seq.
4.16 Approaches to stakeholder dialog (type/frequency)	fully	27 – 31, 56, 65
4.17 Response to key concerns raised by stakeholders	fully	27 – 31, 35 et seq., 65
5. Management approach and performance indicators		
Economics – Management approach	fully	U2, IV – VI, 22, 24, 31 – 33, 42 et seq., 68
EC1 Direct economic value created and distributed	fully	V, 43 et seq., 69; AR 42 et seq.
EC2 Financial implication of climate change ¹	partially	25, 42, 44 et seq., 49 et seq., 55 et seq.
EC3 Coverage of benefit pension plan obligations	fully	66, AR 153 – 158
EC4 Financial assistance received from government	fully	44
EC6 Payments to locally-based suppliers ²	partially	38, 41 et seq., 68 et seq.; AR 61
EC7 Local hiring for senior management positions ³	partially	63, 68
EC8 Infrastructure investments and services for public benefit	fully	20, 68 et seq.
Environment – Management approach	fully	22, 25, 33 et seq., 41, 46
EN1 Weight/volume of materials used ⁴	partially	51
EN2 Percentage of secondary raw materials used ⁵	none	
EN3 Direct energy consumption by primary sources	fully	47
EN4 Indirect energy consumption by primary sources	fully	47
EN8 Total water withdrawal by source	fully	52
EN11 Land use in protected areas	fully	52 et seq.
EN12 Impacts of activities on protected areas	fully	52 et seq.
EN16 Direct and indirect greenhouse gas emissions	fully	46, 48
EN17 Other relevant greenhouse gas emissions	fully	49 et seq.
EN19 Ozone-depleting substances by weight	fully	51
EN20 NO _x , SO _x , and other significant airborne emissions by weight	fully	51
EN21 Water discharge ⁶	partially	52 et seq.
EN22 Waste by type and disposal method	fully	52
EN23 Number and volume of significant spills	fully	53
EN26 Initiatives to mitigate environmental impacts of products and services	fully	54 – 57
EN27 Percentage of recycled products and their packaging materials ⁷	not relevant	
EN28 Fines and sanctions for non-compliance with environmental regulations	fully	41
Labor practices and decent work – Management approach	fully	24, 34, 60 et seq., 63, 66 et seq.
LA1 Total workforce by employment conditions and region	fully	61
LA2 Employee turnover by age group, gender, and region ⁸	partially	61
LA4 Employees covered by collective-bargaining agreements	fully	67
LA5 Minimum notice period(s) regarding operational changes	fully	67

GRI Content Index (G3 standard indicators)	Reported	Page
LA7 Injuries, absentee rates, and work-related fatalities ⁹	partially	66
LA8 Prevention and risk-control programs for serious diseases	fully	65 et seq.
LA10 Training hours by employee category ¹⁰	partially	62
LA13 Composition of senior management and breakdown of employees (age/gender/ethnicity) ¹¹	partially	61 – 64, AR 11, 188 – 191
LA14 Ratio of basic salary of men to women by employee category ¹²	partially	61
Human rights – Management approach	fully	24, 33, 38, 42 et seq., 66 et seq.
HR1 Investment agreements with HR clauses or screening	fully	41
HR2 Proportion of suppliers that underwent screening on human rights and action taken ¹³	partially	42 et seq.
HR4 Incidents of discrimination and action taken	fully	66
HR5 Operations with significant risks to freedom of association	fully	38, 42 et seq., 67
HR6 Operations with higher risk of child labor and action taken	fully	38, 42 et seq.
HR7 Operations with higher risk of forced labor and action taken	fully	38, 42 et seq.
Society – Management approach	fully	28 et seq., 32, 34, 38, 68
S01 Policy to manage impacts on communities	fully	68 et seq.
S02 Proportion of business units analyzed for risks of corruption	fully	40
S03 Percentage of employees trained in anti-corruption	fully	40
S04 Action taken in response to instances of corruption ¹⁴	partially	38, 40
S05 Positions and participation in public policy development and lobbying	fully	28 et seq., 56, 69
S08 Fines/sanctions for non-compliance with laws and regulations	fully	41; AR 159 et seq.
Product responsibility – Management approach	fully	25, 38 et seq., 54, 58 et seq.
PR1 Product life cycle stages in which health and safety impacts are assessed	fully	54, 57 et seq.
PR3 Principles/measures related to product labelling	fully	56 – 59
PR6 Programs for compliance with laws and voluntary codes in advertising	fully	59
PR9 Significant fines for non-compliance with regulations governing the use of products and services	fully	41; AR 159 et seq.

AR = 2013 MAN Annual Report

- 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 not yet able to report on the percentage of the procurement budget accounted for by regional and local suppliers since we do not have this data available. We are aiming to report on this point in 2015.
- 3 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.
- 4 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.
- 5 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.
- 6 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.
- 7 We do not indicate the percentage of packaging taken back as this is not relevant in our business.
- 8 We do not break down employee turnover by gender and age at Group level as this is not relevant.
- 9 We are currently unable to provide a breakdown by region and data on contractors as these data are not available. As a result of the implementation of a new data reporting system, we are unable to report as planned in 2013. We are aiming to report on this point in 2015.
- 10 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.
- 11 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.
- 12 We are currently unable to report on the exact ratio of payment of women and men since we do not have this data available. We are aiming to report on this point in 2015.
- 13 We are not yet able to report on the number and percentage of business relationships terminated and agreed remedial action since this information is not available. We are aiming to report on this point in 2015. Upon the integration of MAN into the Volkswagen Group, we started adoption of the Volkswagen "Sustainability in supplier relations" concept.
- 14 We are not yet able to report on corruption cases since we do not have this data 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 2013 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. 3.0 (pp. 8–17) 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 2013 has not been prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 3.0 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 functions 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 Truck & Bus AG, Salzgitter,
 - Renk AG, Augsburg;
 - at the international production sites
 - MAN Latin America, Resende, Brasil,
 - MAN Diesel & Turbo Schweiz AG, Zürich, Switzerland,
 - MAN Truck & Bus Österreich AG, Steyr, Austria;
- 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 2013;
- 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 2013 in the CR-Report has not been prepared, in all material respects, in accordance with the criteria of the Sustainability Reporting Guidelines Vol. 3.0 (pp. 8-17) of the GRI.

Emphasis of Matter – Recommendations

Without qualifying our conclusion presented above, we make the following recommendations for the further development of CR-Management and CR-Reporting:

- Further improvement of the consistently efficient product portfolio and verification of underlying tools like Product Carbon Footprint Calculator and Lifecycle Assessment Tool;
- Further increase of awareness of the production sites and the corporate functions on CR-Reporting and on the benefits of using key performance indicators for managing the CR-Strategy and CR-Initiatives.

Munich, April 28, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

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GRI Level Check Certificate



Statement GRI Application Level Check

GRI hereby states that **MAN SE** has presented its report "We Are Responsible. 2013 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, 10 April 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



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

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

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 2 April 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

Report Profile

MAN's 2013 CR Report

This is MAN's fourth CR Report. In its pages, we provide our stakeholders with a detailed account of our progress in embedding corporate responsibility within the Company. The 2013 CR Report is divided into three parts. In the first section, called "We Are Responsible," we show readers what MAN means to our employees, how they make a difference wherever we are located, and what makes us a special employer. This is followed by "Strategy – Managing Corporate Responsibility" and "Performance – Measuring Corporate Responsibility." In the Performance section we present our management approaches, KPIs, and specific activities in the areas of Corporate Governance, Economy, Environment, Product Responsibility, Employees, and Corporate Citizenship.

Professionalized data management

In 2013 we continued to standardize the collection of data for our CR reporting and initiated and successfully completed our CR Reporting 2.0 project. We synchronized processes and defined standard KPIs, in particular for environmental protection and occupational safety. We also assigned monitoring activities and responsibilities as well as developing and rolling out an IT tool for the collection and consolidation of data. This project allowed us to significantly improve the quality of our data. However, because some definitions were revised, there are occasional deviations from the KPIs published in the Environment chapter of the 2012 CR Report. Auditing firm PricewaterhouseCoopers AG advised us during the project. Consultancy firm sustainable AG supported MAN in implementation of the processes and development of the IT tools.

Additional information

This printed report is supplemented by a detailed online report containing additional information. It can be found at cr-report2013.man.eu. Wherever relevant we have included cross-references to additional information in the Annual Report or other MAN Group

internet pages. The online and printed versions of the report appear in German and English.

Scope

The 2013 reporting period is identical to the 2013 fiscal year, which runs from January 1 to December 31. The closing date for contributions was January 31, 2014. Events with CR relevance are included through March 31, 2014. The next report is scheduled to appear in early 2015.

Unless otherwise specified, the facts and figures published in this report relate to the entire MAN Group (MAN SE including subsidiaries, but excluding joint ventures, associates, and financial investments). In the interests of readability we have not used the full legal names of MAN SE and its subgroups.

Compliance with GRI

The MAN 2013 CR Report was drawn up in accordance with the guidelines of the Global Reporting Initiative (GRI-G3.0) published in 2006. It complies with application level A+ (GRI checked), the highest in the GRI guidelines. The GRI index outlines our compliance with the relevant indicators (→ page 71 et seq.).

UN Global Compact Communication on Progress

In 2010 MAN committed itself to the ten principles of the United Nations Global Compact. This CR Report represents our fourth Communication on Progress towards fulfilling this commitment (→ page 70).

Independent assurance report

We voluntarily submitted our 2013 CR Report to a comprehensive independent audit by the audit company PricewaterhouseCoopers which was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (→ page 74 et seq.).

Credits

Published by

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