

We are responsible.

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REAFFIRMING OUR COMMITMENT TO TRANSPARENCY, SUSTAINABILITY, AND CORPORATE RESPONSIBILITY

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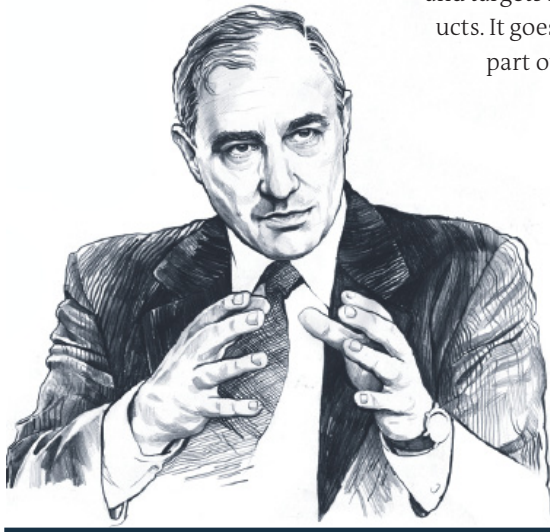
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Dr. Georg Pachta-Reyhofen
Chief Executive Officer, MAN SE

Dear Stakeholders,

For the first time, MAN is issuing a report in line with the new G4 version of the Global Reporting Initiative (GRI) guidelines. By taking this step we are reaffirming our commitment to transparency, sustainability, and corporate responsibility.

As part of the process of preparing this report and realigning our CR strategy, in 2014 we analyzed sustainability issues to determine which are most material for the MAN Group – evaluating global challenges such as climate change, environmental pollution, resource scarcity, and urbanization with regard to the opportunities and risks that they represent not only for the environment and society, but also for our commercial success. The result is MAN's CR Strategy 2020+, which defines activities and targets in the areas of People, Integration, Production, and Products. It goes without saying that the CR strategy remains an integral part of the MAN corporate strategy.

In the past year, our ongoing initiatives led to a number of significant achievements. We succeeded in cutting CO₂ emissions at our production sites by 19 percent compared to 2008 levels. By installing an on-site photovoltaic system, we were able to present our first climate-neutral plant in Pinetown, South Africa. And at the IAA Commercial Vehicles and SMM trade fairs, we impressed visitors with our portfolio of efficient products and services. Our active commitment to environmental and climate protection has also been honored by the renowned Carbon Disclosure Project organization, which awarded MAN its highest rating.

Our employees have played a crucial part in these successes. MAN's outstanding performance is built on their dedication. Our working relationship is firmly anchored in respect, integrity, opportunities for personal and professional development, and a safe and healthy workplace. In 2014 the participation rate in our employee opinion survey, which measures our employees' satisfaction and identification with the company, rose from 83 to 90 percent – and encouragingly, the responses were positive. At the same time, our employees continue to give back to the community. In 2014 they contributed more than 600 volunteer hours to SOS Children's Villages projects, a significant increase over the previous year.

This GRI Report is one of several innovative formats in which we present Corporate Responsibility at MAN in 2014. It includes all the facts and figures on sustainable business practices at MAN, and is aimed not only at sustainability analysts and investors, but also at our customers and business partners. By outlining our activities in line with the UN Global Compact's ten principles for responsible business practices, it also represents our Communication on Progress, upholding our commitment to the largest and most important international CR initiative. In the interest of credibility, we have also had our strategy, management approach, and key performance indicators verified by an independent firm of auditors.

Looking to the future, we aim to continue demonstrating our commitment to corporate responsibility and to maintain our dialog with you, our readers. Let us live our responsibility – together!

Best regards,

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

WE PROVIDE EFFICIENT TRANSPORTATION AND ENERGY SOLUTIONS

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2014

55,903

employees worldwide

€14.3

billion revenue

4

divisions:
 MAN Truck & Bus
 MAN Latin America
 MAN Diesel & Turbo
 Renk

2014

31

production sites in
 14 countries

€15.3

billion order intake

€384

million operating profit



For more information:
www.man.eu

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Portrait of the MAN Group

The MAN Group

The MAN Group is one of Europe's leading commercial vehicle, engine, and mechanical engineering companies. As a producer of trucks, buses, diesel engines, turbomachinery, and special gear units, all our divisions hold leading market positions. The Group is active in more than 180 countries.

Our primary objective – sustainable value creation

We have successfully placed our strategic focus on transportation and energy in recent years. The fact that these are forward-looking and high-growth sectors can be seen in challenges such as globalization and the associated rise in international trade, population growth, urbanization,

and climate change. In its Commercial Vehicles und Power Engineering business areas, MAN offers its customers tailored solutions specifically designed to reduce emissions and fuel consumption. Our corporate strategy is built on our global presence and our broad-based portfolio of efficient products and services. They give us the stability we need to largely absorb fluctuations in individual markets and to be prepared for increasing global competition. MAN prioritizes responding to customer needs, with technology leadership and the continuous expansion of our after-sales business as further key factors in our success. This strategic approach forms the cornerstone of the MAN Group's primary objective – sustainable value creation.

MAN divisions

Commercial Vehicles		Power Engineering	
MAN Truck & Bus	MAN Latin America	MAN Diesel & Turbo	Renk
Is the largest company in the MAN Group and one of the leading providers of commercial vehicles and transportation solutions.	Is the largest truck manufacturer in Brazil. It has been the local market leader in the over 5 t class for twelve years and is a leading supplier of commercial vehicles and bus chassis for growth markets, marketed under both the Volkswagen and MAN brands.	Is one of the world's leading suppliers of large-bore diesel engines for maritime and stationary applications and also ranks among the leading suppliers of turbomachinery on the global market.	Is a globally recognized manufacturer of high-quality special gear units, propulsion components, and testing systems.
2014 revenue			
€8,412 million	€2,253 Mio million	€3,273 million	€480 million

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Economic environment

In the year under review, global economic growth only slightly exceeded the prior-year figure. In Western Europe, GDP growth recovered year-on-year, but the economy slowed over the course of the year. In addition, the effects of the crisis in Ukraine and weaker demand in various emerging markets led to a downturn in the capital goods sector. The MAN Group generated sales revenue of €14.3 billion in 2014, down 10 percent year-on-year. Operating profit improved slightly compared to the previous year, rising to €384 million. We paid out guaranteed dividends to our shareholders totaling €24 million in 2014, or €3.07 per share for the 2013 fiscal year. The MAN Group's operating return on sales increased from 1.9 percent in the previous year to 2.7 percent in 2014. Further information on our financial performance is available in our 2014 Annual Report.

In the year under review, MAN paid income taxes amounting to €708 million (€123 million). We do not take extensive measures to optimize our taxes.

Investment by Volkswagen AG in MAN SE

A domination and profit and loss transfer agreement (DPLTA) between Truck & Bus GmbH, a wholly owned subsidiary of Volkswagen AG, and MAN SE was entered into the commercial register on July 16, 2013, and has been effective since that date. On December 31, 2014, Volkswagen AG held 75.28 percent of MAN SE's voting rights and 74.04 percent of its share capital. On December 31, 2014, the free float for MAN's common shares amounted to 24.75 percent.

Capital expenditures

In the 2014 fiscal year, the MAN Group incurred capital expenditures totaling €610 million, after €562 million in the previous year. There was growth in both payments to acquire property, plant, and equipment, and in capital expenditures on intangible assets. In view of the difficult economic situation, we are reviewing planned capital expenditures particularly critically, and are deliberately continuing the necessary capital expenditures that will lead to long-term growth.

CORPORATE RESPONSIBILITY STRATEGY AND GOVERNANCE



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MAN's future performance depends on understanding global challenges and recognizing the opportunities and risks with regard not only to sustainable development, but also to our commercial success. These were the factors that guided the realignment of our CR strategy, resulting in MAN's CR Strategy 2020+. This is how we live our responsibility – along our entire value chain.

Realignment of MAN's Corporate Responsibility Strategy

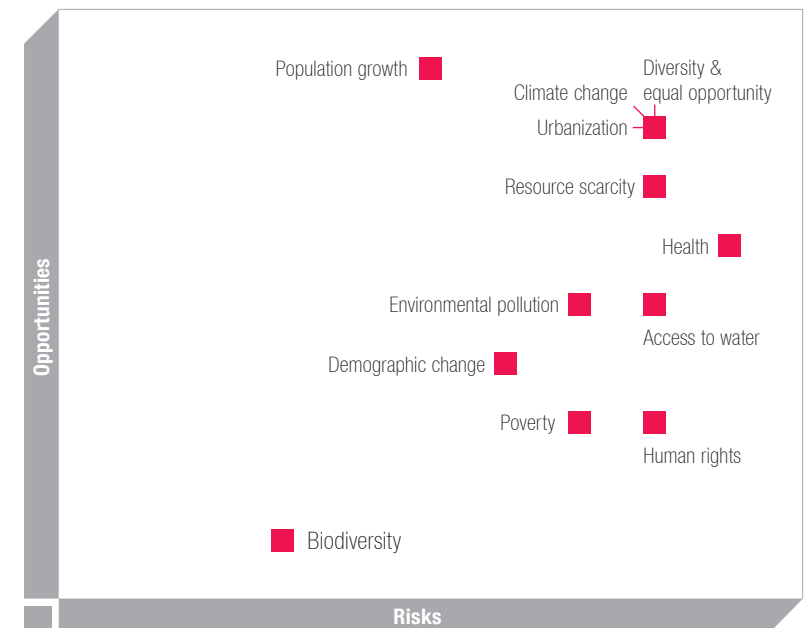
[G4-18] Since 2010 corporate responsibility (CR) has been an integral part of MAN's Corporate Strategy. In 2014 we undertook the strategic realignment of our CR strategy and its four fields of action, Integration, People, Environment, and Economy.

As part of a multi-step materiality analysis, we identified CR issues that are relevant to MAN. This included not only what our stakeholders expect of the Company, but also MAN's own objectives for sustainable commercial success.

Evaluation by MAN CR Steering Committee

The MAN CR Steering Committee (→ CR Governance) discussed and ranked twelve global challenges, including climate change, population growth, resource scarcity, poverty, and health. Using a scale of zero (low) to ten (high), they evaluated the challenges with regard to business opportunities and risks for MAN (→ graphic).

Global challenges: MAN ranking of opportunities and risks



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Realignment of MAN's Corporate Responsibility Strategy

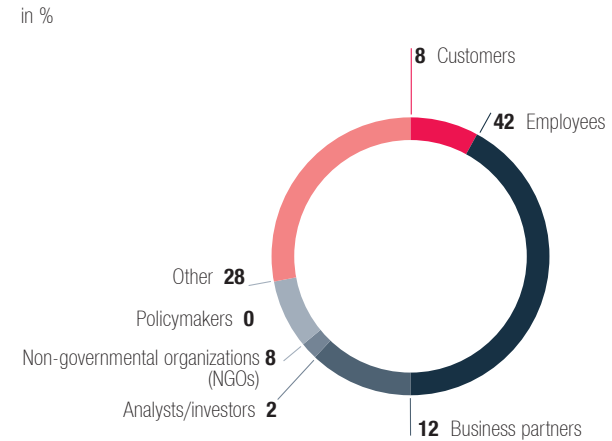
Assessment by stakeholders

[G4-24, G4-25, G4-26, G4-27] To supplement the materiality analysis performed by the MAN CR Steering Committee, we once again conducted a stakeholder survey to assess our stakeholders' expectations. This time we elected to use an international, open, online questionnaire. With the aim of including as many stakeholder interests as possible, we did not pre-select target groups. Over a period of several months more than 1,700 people participated in the survey on the MAN corporate website. We were able to analyze more than 150 of these data sets. Forty-two percent of the participants were employees; 20 percent were customers and business partners.

Global challenges: Stakeholders' expectations of MAN

	Percentage
Environmental pollution	77
Climate change	66
Resource scarcity	53
Urbanization	31
Health	17
Diversity & equal opportunity	14
Human rights	12
Population growth	11
Demographic change	7
Biodiversity	5
Poverty	5
Access to water	4

Survey participants by stakeholder group



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[G4-18] To identify the material global challenges facing MAN, we also looked beyond the assessments of the MAN CR Steering Committee and MAN stakeholders, conducting analyses of our competitors and consulting experts. As a result, we defined six material challenges as the basis of our realigned CR strategy as well as our reporting in line with the G4 standard of the Global Reporting Initiative (GRI). These global challenges were then assigned to the corresponding GRI Aspects (→ table page 8) for which MAN reports at least one performance indicator (→ GRI Index page 59 et seq.).

We performed this materiality analysis for the MAN Group as a whole. To take account of potential regional variations, MAN Latin America conducted an additional, separate analysis, which confirmed the MAN Group results to a very large extent. In this analysis, regionally relevant issues such as access to water, biodiversity, and population growth were ranked higher and are addressed accordingly by the subgroup's CR activities.

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Material global challenges facing MAN

[G4-19, G4-20, G4-21] Material global challenges facing MAN

Global challenge	Description	Relevance for MAN	Material GRI Aspect	Aspect boundary (inside <input type="checkbox"/> , outside <input type="checkbox"/> or both <input type="checkbox"/>)	Corresponding CR cornerstone
Climate change	The rise in global temperatures leads to natural disasters such as severe storms and forest fires. In some areas this causes secondary disasters, such as famine caused by loss of harvests.	Against this backdrop, the transportation and logistics sector is called on to reduce its CO ₂ emissions. Top priority is given to the development and use of alternative drives and fuels as well as advancing the development of decentralized energy supplies.	Energy Emissions Transportation	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Production Products
Resource scarcity	Resources include all raw materials and natural resources such as water, energy, and land which are necessary for life and economic activity. Overuse of these resources leads to water shortages, desertification and erosion, and rising prices for raw materials and building materials.	As a manufacturing company, resource scarcity impacts on MAN and makes its supply of production materials less secure. In addition, the finite nature of fossil fuel resources necessitates the rapid development of alternative drive technologies.	Materials	<input type="checkbox"/>	Production Products
Urbanization	The percentage of the total world population living in urban areas is growing steadily. According to United Nations estimates, in 2030 sixty percent of all people will live in cities.	The quality of life and ecological sustainability of large cities depends on efficient transportation and energy solutions, as well as intelligent mobility. MAN can make a material contribution in these areas.	Energy Transportation	<input type="checkbox"/> <input type="checkbox"/>	Production Products
Health	Severe physical strain, lack of exercise, and psychological issues such as stress, mental overload, and burnout are the key challenges in the field of health and create a burden on social welfare and health insurance systems. In addition, environmental pollution (see below) can lead to health problems.	For MAN as a manufacturer of heavy industrial machinery and commercial vehicles, the issue of occupational health and safety has traditionally played an important role. In addition to initiatives targeting our production workers, the prevention of office-related illnesses is assigned high priority.	Occupational health and safety Customer health and safety	<input type="checkbox"/> <input type="checkbox"/>	People Products
Environmental pollution	The increasing amounts of waste produced around the world have far-reaching effects on plant, animal, and human life. Millions of tons of plastic waste end up in the oceans and contaminate the groundwater. In addition, waste incineration plants cause air pollution.	MAN makes every possible effort to limit the negative environmental impacts of its production activities, focusing on the continuous reduction of volumes of waste and assessing the recyclability of materials in product life cycle analyses.	Wastewater and waste Products and services Compliance (environmental regulations)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Integration Production Products
Diversity & equal opportunity	Diversity means treating all people equally, regardless of characteristics such as gender, ethnic origin, age, disability, and sexual orientation.	As a globally positioned, inclusive company, MAN believes it is essential to treat every employee equally and create an environment in which individuals can develop to their full potential.	Training and education Diversity & equal opportunity	<input type="checkbox"/> <input type="checkbox"/>	People

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The CR Strategy 2020+ is MAN's response to the global challenges which have been identified as having material significance for the Group. It allows us to identify the risks and opportunities arising from these challenges at an early stage and react accordingly. This safeguards the future success of our business and makes a contribution to sustainable development.

In 2014 we realigned our existing CR strategy and the fields of action it defined. Our CR activities have been brought even more closely into line with our value chain, specifically placing a sharper focus on the use phase of MAN products. Accordingly, we have identified Products as a

new CR cornerstone and integrated the Product Responsibility field of action into our CR strategy. MAN's CR Strategy 2020+ thus comprises four CR cornerstones: People, Integration, Production, and Products. Four fields of action have been assigned to each cornerstone. We have set ourselves a strategic objective for each field of action.

We have assigned the five core initiatives of MAN's Climate Strategy to the Integration, Production, and Products cornerstones of our CR Strategy 2020+. It goes without saying that we will continue to pursue these objectives and initiatives within the new framework.

MAN has systematically aligned its 2014 GRI Report with the CR Strategy 2020+. The following chapters correspond to the four CR cornerstones, while their subsections are named after the fields of action.

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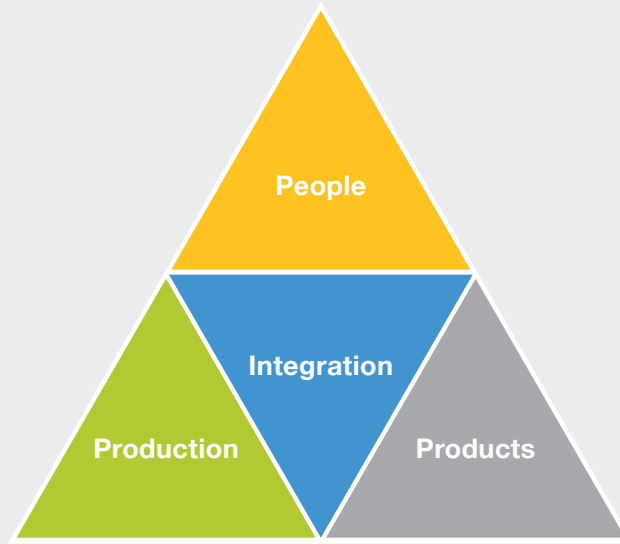
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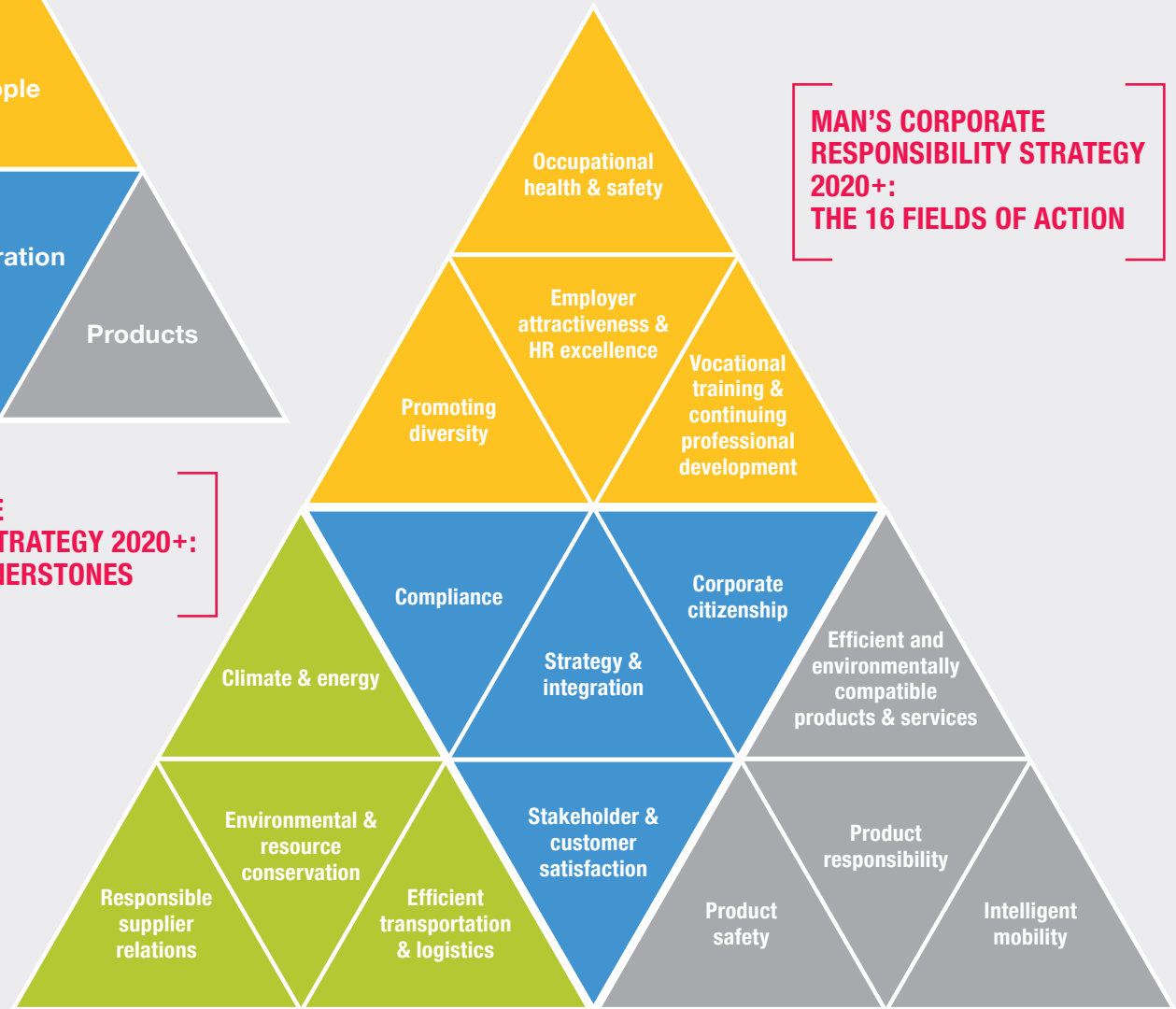
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CR Strategy 2020+



MAN'S CORPORATE RESPONSIBILITY STRATEGY 2020+: THE FOUR CR CORNERSTONES

MAN'S CORPORATE RESPONSIBILITY STRATEGY 2020+: THE 16 FIELDS OF ACTION



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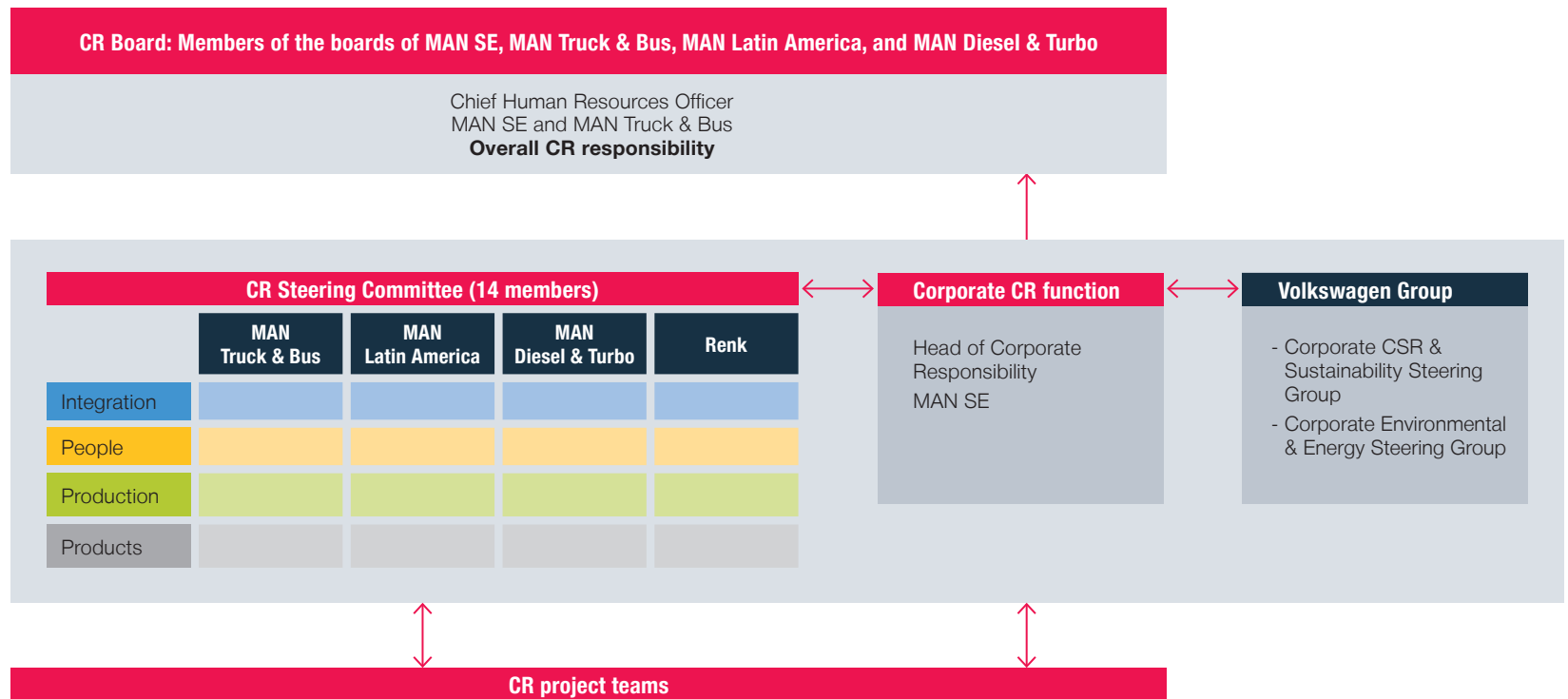
CR Governance

CR Governance

At MAN, corporate responsibility is a top managerial function. The Corporate Responsibility Board, the highest CR governance body, is made up of members of the boards of MAN SE and the subgroups. In 2014 the CR

Board consulted on the CR strategy and its realignment and implementation. The Chief Human Resources Officer and Director of Labor Relations is ultimately responsible for CR at MAN. The MAN Group's Corporate Responsibility function reports to him and is responsible for applying MAN's CR Strategy 2020+ and overseeing its implementation. The Corpo-

CR organization



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rate Responsibility function serves as the central point of contact for all CR issues in the Company. It also coordinates the CR Steering Committee, which met seven times in the 2014 fiscal year and whose members include managers from the Production, Products, and Integration functions (e.g. from Purchasing, the Group Works Council, and Human Resources) and all subgroups. In addition to the continuous development of the CR strategy, the CR Steering Committee is responsible for integrating CR into our operating processes and for systematic stakeholder dialog.

CR cockpit

To facilitate the management of the CR Strategy the Company has developed a CR cockpit which includes the defined KPIs for all fields of action. This provides reliable information on current progress towards meeting targets, making it possible to initiate remedial measures if deviations from those targets are identified.

Cooperation with the Volkswagen Group

As a strong brand within the Volkswagen Group, we participate in the Corporate CSR & Sustainability and Environment & Energy Steering Groups in order to play an active part in shaping the Volkswagen Group's environmental and sustainability strategy.

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INTEGRATION

Our business practices are shaped by corporate responsibility (CR). It is our aim to live our responsibility every day. We continue to boost our competitive edge by anchoring CR firmly in the strategies of our divisions, our operating processes, and our vocational training and continuing professional development. Responsible corporate governance is the foundation on which we build. Systematic stakeholder dialog and open communication with our customers help us integrate CR in our core business activities. Through our corporate citizenship initiatives, we also make a lasting contribution to sustainable development.

Responsible corporate governance

Challenges and objectives

Our business success is achieved in compliance with the applicable laws and regulations. In managing and providing oversight of the Company, the aim is to ensure its continued performance and the sustained creation of value in accordance with the principles of the social market economy.

Principles and guidelines

Our management complies with internationally and nationally recognized standards of good and responsible corporate governance. Important policies and guidelines include:

- Corporate law and financial regulations
- German Corporate Governance Code
- UN Global Compact (UNGC)
- Code of Conduct
- Articles of Association and internal policies

Compliance program

Challenges and objectives

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

Organization

The MAN Group Compliance function is currently staffed by 48 employees and headed up by the Chief Compliance Officer (CCO). At meetings of the Compliance Board, the CCO informs MAN SE's Executive Board and the heads of other functions on the progress made in the implementation of compliance activities and the introduction of new compliance measures. In addition, further steps are agreed upon. The Compliance Board met twice during the reporting period.

In addition to the Compliance function, MAN has a network of some 100 Compliance Champions, managers who are not full-time Compliance employees but who have taken on special responsibility for the topic. They support the Compliance organization in the implementation of compliance measures at Group companies that do not have their own local compliance managers in place.

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Integration

Principles and guidelines

Our 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. Relations with our associates are regulated by our Code of Conduct for Suppliers and Business Partners, which requires them to comply with basic principles of corporate responsibility, transparency, fairness, and data protection.

Systems and instruments

Rolled out in 2010, the compliance program helps us detect non-compliance at an early stage and respond quickly, effectively, and consistently. In addition to combating corruption, antitrust law, and data protection, a fourth pillar has now been added to the compliance program: the prevention of money laundering and terrorism financing.

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.

Memberships

MAN is a member of Transparency International, the World Economic Forum (WEF) Partnering Against Corruption Initiative, and the German Institute for Compliance (DICO). We are active in several different DICO committees and working groups. In addition, we support 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.

Risk Management

Challenges and objectives

Operating a business entails constant exposure to risks. With a view to exploiting market opportunities, we consciously assume risk if we expect it to contribute sufficiently to increasing the value of our enterprise. As a basic principle, risk that could jeopardize the Group's continued existence may not be entered into; unavoidable risk must be minimized by taking appropriate measures. Global challenges such as climate change, demographic change, globalization, population growth, and urbanization represent opportunities and risks for MAN, as does the internationalization of our business activities.

Organization

Our Group-wide risk management system provides us with the necessary information at an early stage, allowing us to contain risk and take advantage of opportunities. Comprising key elements such as corporate planning, risk and opportunity management, internal audit, and the compliance system, it forms an integral part of our corporate management and business processes.

Instruments

The assessment of climate-related risks and opportunities is part of the MAN Group's overall risk management. To this end experts regularly conduct risk analyses, which have concluded that MAN is indirectly affected by climate change. One or more of the subgroups is subject to the following risks:

- Regulatory risks, particularly with regard to a CO₂ tax or emissions trading in the logistics sector
- Extreme weather events, such as severe storms, flooding, hail, or heavy snowfall, which could interrupt production or affect suppliers

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- Risk of damage to reputation – because the use of our products generates greenhouse gas emissions and MAN can only achieve long-term market success if the Company invests in energy-efficient and low-carbon technologies

At the same time, the consistent continuation of the European climate-protection policy and the gradual implementation of similar policies in the BRIC countries will also yield new growth opportunities for MAN. These include:

- Increasing market share through early compliance with regulatory requirements
- Strengthening ties to customers and suppliers through joint efforts to cut CO₂ emissions
- Increasing competitiveness due to greater immunity to energy price fluctuations, resulting from increased reliance on internal energy generation and renewables

Corporate citizenship

At MAN we see ourselves as part of society. Our goal is to be a good corporate citizen and promote sustainable development. We can make the most valuable contributions to issues that relate to our core business areas. Our activities focus on long-term and sustainable education projects for children and young people.

With our attractive initiatives, we are aiming to make a contribution to society and increase our employees' identification with the Company.

For seven years now, we have enjoyed a strategic partnership with SOS Children's Villages. In cooperation with this non-profit organization, we implement projects around the world – often with the help of volunteer work by our employees.

Policies

All donations and sponsoring activities must comply with our mandatory, Group-wide policy. Permissible fields of activity for donations include education, academia, the arts, and community programs (social welfare organizations, charitable and humanitarian projects, and disaster relief efforts).

Instruments

Most of our sponsoring activities and donations are long standing and closely related to our core business areas. We apply the internationally recognized London Benchmarking Group (LBG) model to measure the success of our community projects.

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TO SUCCEED, OUR CR STRATEGY MUST BE INTEGRATED THROUGHOUT THE ENTIRE COMPANY

CR strategy realignment

The MAN CR Strategy (→ page 9 et seq.) was revised in 2014 and is continuously updated to reflect global challenges and the changing requirements of our stakeholders. This allows us to boost our competitive edge.

Integration in corporate divisions

The integration of CR in the strategies of the divisions, operating processes, and vocational training and continuing professional development activities is the most important factor in our success. Systematic stakeholder dialog and open communication facilitate the integration of CR in MAN's core business activities. In 2014 we also continued anchoring CR in the functional and cross-functional strategies at MAN Truck & Bus. This process of integration will be further intensified at MAN Diesel &

Turbo in 2015. In the year under review, MAN Latin America not only rolled out a CR committee, but also conducted a materiality analysis which specifically took regional factors into account.

Training courses for managers

Our employees live corporate responsibility in their day-to-day work and act as ambassadors for our CR activities. Our "Manage responsibly" training course raises our managers' CR awareness and teaches them how to implement MAN's CR and Climate Strategies within their spheres of responsibility. In 2014 some 200 managers and multipliers – such as trainers and works council members – from MAN Truck & Bus participated in more than 20 "Manage responsibly" training courses. Since the program was initiated in 2012, a total of almost 600 participants have attended 67 such courses.

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GUIDELINES AND MONITORING SAFEGUARD INTEGRITY IN BUSINESS PRACTICES

German Corporate Governance Code

In its management and reporting activities, MAN SE largely complies with the recommendations of the German Corporate Governance Code (DCGK) as amended on June 24, 2014. The most recent Declaration of Conformity was issued in December 2014. MAN SE departed from the DCGK recommendations with regard to three points (→ 2014 Annual Report, page 14 et seq).

Business Partner Approval Tool

Our policy on engaging business partners regulates collaboration with business partners who support our sales activities. The Business Partner Approval Tool is used to check and approve their integrity. 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 total, over 2,033 checks were conducted using this tool in the 2014 reporting period. As approvals are limited to two years, some of the checks related to renewals of the approvals granted to individual business partners.

Compliance Helpdesk

All MAN employees can contact the Compliance Helpdesk by phone or e-mail to obtain answers to compliance-related questions. In the reporting period, 527 questions were answered.

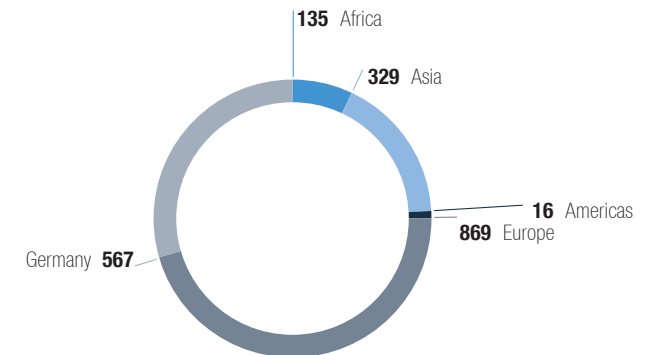
Compliance training

The Compliance function held compliance awareness training courses for 1,916 employees around the world in the year under review. These on-site training courses focus on providing basic knowledge on combating corruption and antitrust law. We also conduct special training courses on

antitrust law and combating corruption for employees who are particularly exposed to risks in these areas. In 2014 these courses provided intensive training to 1,591 employees. Special classroom training courses were also held for 155 procurement employees and business partners in the reporting period.

Number of employees completing compliance awareness training courses in the regions

MAN Group 1 916



In the reporting period 4,082 employees successfully completed the first compliance e-learning module on the Code of Conduct. This e-learning course covers the fundamentals of combating corruption, antitrust law, and data protection. In addition, 22,370 employees were trained in correct conduct during searches, dealing with conflicts of interest, and preventing money laundering using the second training module on the Code of Conduct, which was rolled out in 2014.

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Since 2013, employees who are exposed to an increased corruption risk (e.g. in sales and purchasing) have participated in an in-depth web-based training module on corruption prevention. In 2014, 3,989 employees completed the module.

Compliance Risk Assessment

A horizontal compliance risk assessment was conducted for the first time in the year under review, in the course of which we specifically analyzed the superordinate responsibility structures for compliance-relevant areas.

In the first phase, a total of 33 areas (e.g. employment law, tax compliance, environmental protection) were identified and compiled in a legal compliance register. The responsibility structures within the MAN Group were then evaluated with respect to all of these areas.

Preventive audits

The Compliance function again conducted three preventive compliance audits at selected Group companies together with the Internal Audit function in the reporting period. The specific aim of these audits is to review the local implementation status of the MAN compliance program, as well as employee awareness of compliance issues in the company concerned.

Selected compliance measures in 2014

	2014
Business Partner Approval Tool	2,033 business partners checked
Helpdesk	527 questions handled
Risk assessments	Horizontal compliance risk assessment conducted
Preventive compliance audits	3 audits conducted together with Internal Audit

Preventing money laundering

Both the German Money Laundering Act (GwG – Geldwäschegesetz) and many laws in other jurisdictions require companies to introduce measures to prevent money laundering and terrorism financing. In the reporting period, communication measures targeted a total of more than 3,500 employees with information about the new money laundering policy introduced in 2013 and the corresponding obligations.

Reporting compliance violations

The MAN “Speak up!” whistleblower portal again helped to uncover and prevent risks in the year under review. “Speak up!” is used to accept and analyze information relating to serious compliance violations, especially in the areas of white-collar crime (e.g. corruption offenses and money laundering), antitrust law, and data protection. MAN employees and third parties can use “Speak up!” to report compliance violations at any time — confidentially and regardless of time and location.

MAN does not tolerate compliance violations under any circumstances. Reports of possible violations are investigated in detail and violations are dealt with and punished according to the penalties permitted under labor law. In addition, findings from the investigation of compliance violations are used to continuously improve the compliance system.

Data protection

MAN stands for effective data protection in compliance with legal regulations, applied worldwide based on the rigorous European standards. To meet these stringent requirements, the MAN Group has a global network of data protection officers and data protection coordinators. In Germany, four data protection officers work to ensure that the personal data privacy rights of employees, customers, and suppliers are respected. The network also includes 75 coordinators in 44 nations outside of Germany who work on data-protection issues in 89 companies.

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Compliance**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.

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Stakeholder & customer satisfaction

OUR BUSINESS SUCCESS IS BUILT ON THE ACCEPTANCE AND TRUST OF OUR STAKEHOLDERS

Ratings and rankings

We are a world leader for climate protection and occupy a top position in important climate protection indexes compiled by the Carbon Disclosure Project (CDP) organization. With 97 out of a possible 100 points in the Climate Disclosure Leadership Index and an A grade in the Climate Performance Leadership Index, MAN secured top marks in the “Industrials” sector. The CDP analysts had special praise for the successes achieved by MAN’s Climate Strategy.

The fact that we rank among the most sustainable vehicle and engineering companies worldwide has been confirmed by the internationally recognized rating agencies oekom research AG and RobecoSAM. The assessments compiled by oekom research are based on a twelve-grade scale ranging from A+ (top rating) to D-. Attaining a B- grade and “Prime” status, we secured a top place in the engineering sector and qualified for a

Corporate Responsibility Ratings

	2014	2013	2012
Dow Jones Sustainability Indices	listed, 80 out of 100 points	listed, 83 out of 100 points	listed, 78 out of 100 points
oekom Corporate Rating	B-; “Prime”	no new assessment	B-; “Prime”
Carbon Disclosure Project (CDP)			
Climate Disclosure Leadership Index	listed, 97 out of 100 points	listed, 89 out of 100 points	listed, 84 out of 100 points
Climate Performance Leadership Index	A; listed	B; not listed	B; not listed
Sustainalytics	ranked 8th out of 151 companies; sector leader	ranked 8th out of 151 companies; sector leader	ranked 15th out of 87 companies

sustainable investment recommendation. In addition to MAN’s Climate Strategy, the Company’s fuel-efficient drives and development of alternative fuels were also decisive factors.

In 2014 we were also included in the Dow Jones Sustainability World Index and the Dow Jones Sustainability Europe Index by sustainability rating agency RobecoSAM for the third time in succession. As a result, MAN remains among the top three companies, as well as being the only German enterprise in its sector to be listed in these indexes. In the 2014 ratings, we showed improvement in social aspects and received high scores in the areas of environmental management, risk management, and compliance.

Memberships

With the aim of supporting dialog and communication between industry, policymakers, and society, we are a member of numerous associations and organizations. Our most important memberships are:

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

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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
- CO₂, air pollutant, and noise emissions
- Size and weight of commercial vehicles
- Safety

[G4-26] Dialog with policymakers

We are actively working to develop solutions for global challenges. To this end, 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 passengers. We maintain an ongoing dialog with the responsible ministries at the national, EU, and international levels, as well as with elected representatives and opinion leaders from the government and the opposition.

Dialog event

As part of a stakeholder dialog event held at the MAN Museum in Augsburg, Germany, the 2013 CR Report was discussed with selected employees and CR managers from the different Volkswagen Group brands. The conversation focused on topics such as the implementation of MAN's Climate Strategy and the local engagement of MAN and its employees.

Customer involvement and dialog

Dialog with our customers – one of the core initiatives of MAN's Climate Strategy – represents a valuable opportunity to discuss the reduction of global CO₂ emissions. After all, many of our customers have already rolled out their own CO₂ reduction targets. It is essential for MAN to understand future customer needs; our customers benefit by flowing their requirements into the development of our products and services at an early stage.

At meetings of the customer advisory panel, first set up in 2009, MAN Truck & Bus customers exchange ideas with MAN experts and the board member responsible for sales. Up to twelve selected customers participate in each meeting of this discussion and feedback platform.

In 2014 we conducted customer dialog at the leading events for our industry, the IAA Commercial Vehicles fair and the SMM maritime trade fair. At its Eco Technology Lounge and the MAN PrimeServ Lounge at the SMM, MAN Diesel & Turbo presented technological solutions for cutting emissions and boosting fuel efficiency in new engines and through retrofitted equipment. Customers were able to learn more about dual-fuel engines, for example, and exhaust gas treatment technologies.

Customer satisfaction

Along with our employees, customers are our most important stakeholders because they drive our business success. In order to maintain long-term relationships with our customers and to better understand their needs, we conduct regular surveys in all our business areas to find out how satisfied customers are with our products and services.

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MAN Truck & Bus and MAN Latin America have been tracking customer loyalty and customer satisfaction each year using the Customer Retention Index (CRI) study. As part of the CRI study in 2014, we conducted telephone surveys of some 24,000 customers for MAN Truck & Bus, 3,000 more than in the previous year. Ninety percent gave MAN Truck & Bus a “good” rating or better, with some 60 percent responding with “very good.” We use these results to check the effectiveness of our customer satisfaction improvement measures and initiate follow-up activities.

Customer information

We provide our customers with comprehensive information and instructions for all our products. By optimizing the operation of our products, our customers help not only to improve product safety, but also to con-

serve resources. We therefore inform them specifically about factors such as rolling resistance and aerodynamic drag which influence vehicle emissions and fuel consumption. We present information on the CO₂ emissions generated by our vehicles in terms of the total lifetime mileage. The calculations are performed using the Environmental Lifetime Emission and Energy Consumption Calculator, which our customers can access at www.manted.de.

We are working to raise our Sales employees’ awareness of CR, safety, climate, and environmental issues and ensure they are informed about our EfficientLine trucks and buses and our gas and hybrid drives. In 2014, more than 5,000 Sales employees successfully completed this training course. Of these, 2,000 participants focused specifically on efficiency and environmental topics, and more than 1,300 on product safety issues.

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WE TAKE ON SOCIAL RESPONSIBILITY – WORLDWIDE

Long-term partnership with SOS Children's Villages

In 2013 we extended our long-term partnership with SOS Children's Villages by an additional three years, pledging annual funding of €150,000.

MAN provides support to SOS Children's Villages facilities in Germany and around the globe. For example, in 2014 we covered the costs for five teachers at the SOS Herman Gmeiner School in Santo on the outskirts of Port-au-Prince, the capital city of Haiti.

During the fiscal year, MAN donated €75,000 to SOS Children's Villages to help cope with the Ebola epidemic in West Africa. We present detailed information on our partnership with SOS Children's Villages in our online CR report (cr-bericht2014.man.eu).

Our decision to continue funding the SOS Vocational Training College in Kality, Ethiopia, was based on an analysis we conducted using the London Benchmarking Group (LBG) model. MAN has contributed some €600,000 since 2008, for instance for the construction of a new training building, facility maintenance, the salaries of five teachers, and MAN scholarships for young people.

The employee volunteering program encourages MAN employees in Munich, Salzgitter, and Augsburg to donate their time to different charitable projects in SOS Children's Villages facilities. The employees can use some of their working hours for this volunteer work. In 2014 more than 100 MAN employees volunteered over 600 hours.

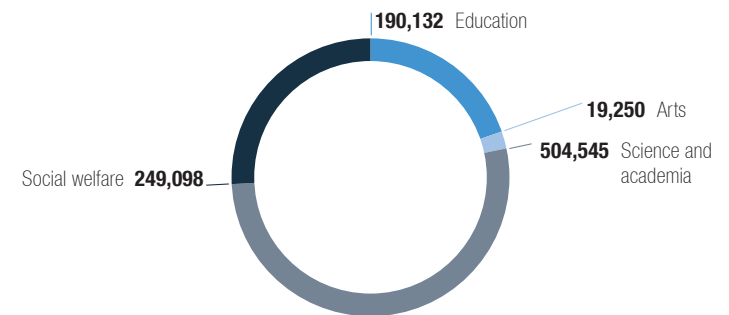
We present detailed information on our partnership with SOS Children's Villages in our CR Online Journal (cr-bericht2014.man.eu).

Donations

In the year under review, our cash and non-cash donations totaled almost €963,000. This increase – particularly in donations to science and academia – is primarily due to a single donation to the Future Initiative of the Deutsches Museum.

Cash and non-cash donations

In € Total **963,025**



MAN Diesel & Turbo continued its support for the Africa Mercy, the largest non-governmental hospital ship in the world, which travels along the coast of Africa offering medical assistance to people who cannot afford it themselves. In 2014 MAN Diesel & Turbo donated parts and services worth more than €100,000 to keep the engines of the hospital ship in good working order.

Scholarships

We are especially proud to be the primary funder of the Germany Scholarship at the Technical University of Munich (TUM). Since 2007 we have provided support to some 600 students, held lecture series, and provided placements for project work. We work with a total of almost 100 technical universities around the world.

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MAN PrimeServ China has launched a scholarship program which allows MAN Diesel & Turbo to support students of marine technology at Shanghai Maritime University and Dalian Maritime University in China. Each year four students are granted scholarships based on their outstanding academic achievement.

Qualified and motivated teachers are an essential element in the success of vocational training programs. With this in mind, MAN PrimeServ offers four additional scholarships for teachers each year.

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PEOPLE



MAN – a top-performing team of almost 56,000 employees. We are one of Europe's leading players in the commercial vehicle and mechanical engineering sectors, a position we aim to maintain going forward. To achieve this, we need employees whose excellent performance makes a sustainable contribution to the success of the Company.

Human resources strategy

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 which delivers outstanding performance. 55,903 individuals work at MAN. Only by promoting the professional growth of all our employees – from vocational trainees to executives – can we ensure that the Company will remain successful in the long term. This is why our 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.

Key GRI Aspects covered by this chapter:

Training and Education – Diversity & Equal Opportunity – Occupational Health and Safety

Human resources management

Challenges and objectives

Our HR strategy addresses important challenges such as the health of our employees, diversity and equal opportunity, and demographic change. Based on these challenges, we have developed several key fields of action: occupational health & safety, vocational training & continuing professional development, employer attractiveness & HR excellence, and promoting diversity. Concrete objectives have been defined for each field of action and are reflected in our CR Roadmap. The long-term positioning of MAN as a top employer has been anchored in the MAN Group's corporate strategy as a key objective since 2013.

Organization

Human resources management within the Group is the responsibility of the corporate HR function, headed up by the Chief Human Resources Officer and Director of Labor Relations of MAN SE and MAN Truck & Bus AG. In the corporate functions, we develop uniform methods and instruments and bundle competencies with the aim of leveraging synergies and setting consistently high quality standards.

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MAN and its employees are active in more than 180 countries. We stand for respect and tolerance, have made a clear commitment to diversity, and we do not discriminate based on age, gender, religion, ethnic origin, or sexual orientation. Wherever MAN has production sites, we support local economic development by recruiting employees from the region. The following policies provide a binding framework for our human resources work around the globe:

- UN Global Compact
- OECD Guidelines for Multinational Enterprises
- Code of Conduct
- Charter on Labor Relations
- Charter on Temporary Work

Systems and instruments

Key systems and instruments used in the implementation of MAN's HR strategy include:

- Training in the "Berufsfamilien" (professional families – the singular is "Berufsfamilie"): vocational training and continuing professional development in line with the dual training model; transfer of knowledge and experience by in-house experts
- Performance and participation: rewarding performance and profit-sharing; participation and co-determination; employee opinion survey and idea management
- Diversity and creating opportunities for women: recruiting and developing talented women; balancing work and family; cultural diversity; inclusion; equal opportunity

Occupational health and safety management**Challenges and objectives**

Shifting demographics and today's changing working environments and lifestyles bring significant challenges for occupational health and safety at MAN. These factors affect our employees' productivity and require holistic approaches to maintain their health and physical ability. Only healthy, motivated, and dedicated employees can achieve outstanding performance. With this in mind, we have traditionally placed a high priority on ergonomics and preventive health and safety in the workplace.

Organization

The corporate health services function is responsible for our Company-wide health management strategy and its implementation. The goal is to define a coordinated strategic approach to health services worldwide by developing principles which are applicable in every location. In addition, the health services at our plants act independently to address specific concerns with appropriate measures.

Systems and instruments

At MAN, occupational health measures aim to strengthen our employees' and managers' health awareness and encourage them to take the initiative in matters concerning their own health. To this end, we offer health counseling, training courses, therapeutic measures, and re-integration assistance.

Occupational safety includes all measures related to preventing workplace accidents, work-related illnesses, and occupational diseases. Our occupational safety management is part of our integrated management system (→ page 37).

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Certifying our sites under the OHSAS 18001 management system for occupational health and safety helps to continuously improve the safety and health of our workforce.

Across the Group, we systematically evaluate workstation ergonomics and potential workplace hazards. We continue to place high priority on improving ergonomics in our production sites with the aim of keeping our employees healthy and physically fit throughout their working lives. In addition, we conduct regular internal and external occupational health and safety audits and inspections.

Employee structure

[G4-22] We have adapted our definition of headcount in line with Volkswagen's reporting practice. The headcount comprises active employees, employees in the passive phase of partial retirement, and vocational trainees. It does not include subcontracted employees. The comparable prior-year figures have been adjusted accordingly.

On December 31, 2014, the MAN Group employed 55,903 people. This represents a decrease of 199 employees compared with the end of 2013. The ratio of employees in Germany to those in other countries changed only slightly. Our non-German companies employed a total of 23,594 people. This represents a year-on-year decrease of 78. The number of employees working in Germany fell by 121 compared with the previous year to 32,309.

The number of employees on fixed-term contracts rose by 3 percent to 1,193 (previous year: 1,162). The number of subcontracted employees decreased by 448 to 879. In 2014, 373 subcontracted employees were taken on as permanent staff. In the year under review, 631 women and 139 men held part-time contracts not related to parental leave.

Employees by location

	2014	2013
Germany	32,309	32,430
Other countries	23,594	23,672
Total	55,903	56,102
% in other countries	42	42

Employees by business area

	2014	2013
Commercial Vehicles	38,449	38,907
Power Engineering	17,143	16,866
Other	311	329
MAN Group	55,903	56,102

Employee structure

	2014	2013
Permanent staff	51,995	52,182
of which: women	7,228	7,255
of which: men	44,767	44,927
of which: part-time employees	1,073	1,255
of which: employees on fixed-term contracts	1,193	1,162
Vocational trainees	3,312	3,290
of which: women	552	501
of which: men	2,760	2,789
of which: in Germany	2,341	2,292*
Employees in the passive phase of partial retirement	596	630
Headcount	55,903	56,102
Subcontracted employees	879	1,327

* not including Renk

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Age of employees*

	2014
< 30	9,512
31 - 40	15,650
41 - 50	14,650
51 - 60	10,697
> 61	1,486
Total	51,995

* permanent staff only

Employee turnover

In 2014 we also adapted our definition of employee turnover in line with Volkswagen's reporting practice. The employee turnover rate indicates what percentage of employees left the company during a one-year period. Employees on fixed-term contracts and employees starting retirement or partial retirement are not included in the calculation of this indicator. The relevant 2,043 departures in 2014 result in an employee turnover rate of 3.9 percent. This relatively low rate demonstrates the stability of labor relations at MAN. In the year under review we hired a total of 4,845 people, while 4,482 left our Company.

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Vocational training & continuing professional development

OUR LONG-TERM SUCCESS IS BUILT ON THE OUTSTANDING QUALIFICATIONS OF OUR EMPLOYEES AND MANAGERS

Vocational training and the dual model

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 started their careers in the fall of 2014, for example in Germany, Austria, Switzerland, Spain, France, and Turkey. These secondary-school graduates entered 55 vocational training programs, 14 dual education programs, and eight integrated vocational training and degree programs covering a whole range of technical and commercial professions. In 2014, some 17 percent of our 3,312 vocational trainees were women; seven percent of these were in technical professions.

Dual education programs in cooperation with various universities are increasing in popularity among young people. At present, 205 students from cooperative dual education and combined degree programs are completing the practical training portion of their studies at MAN in Germany. It is encouraging to note that almost 24 percent of these students are women.

The four best MAN Group vocational trainees were honored with the Volkswagen Group's 2014 Best Apprentice Award. One of MAN Truck & Bus' prize-winning young talents from Munich is completing a degree program at a technical university with the support of the Company. In the year under review, a vocational trainee from MAN Diesel & Turbo was honored as the best in Germany in his vocational field.

Continuing professional development and training

The continued success of the MAN Group as a leader in transportation and energy relies on having exemplary, highly-qualified managers and specialists. Standardized across the Company, the MAN Academy's targeted train-

ing program ensures that every employee worldwide – from vocational trainees to managers – can build their skill sets and apply their knowledge on the job.

Approximately 123,000 employees around the globe participated in some 14,500 continuing professional development (CPD) and training initiatives in 2014. Learning and teaching takes place in close cooperation with internal experts. They pass their knowledge on to their colleagues within the Berufsfamilien, which include all employees who have a common skill that they develop further. This training and knowledge transfer takes place within the Berufsfamilien Academies.

The MAN Academy established a Berufsfamilien Academy for Production in 2014, focusing on the Assembly Berufsfamilie. Skills profiles and corresponding training measures were developed and a training center was established to provide integrated training in basic assembly skills. Based on this successful pilot project, further activities followed in the Sales/After Sales and Engineering Berufsfamilien. The principle of the Berufsfamilien Academies is being continuously expanded and broadened to guarantee uniform standards for quality and competencies around the globe.

In 2014 each employee received an average of 18.1 CPD hours (previous year: 17.7).

New training programs were implemented to improve the leadership skills of group leaders ("Meister") and support them in their day-to-day leadership roles. In addition, the program provides the opportunity for group leaders to network within the Group and offers an associated platform where they can exchange best practices. Overall, some 110 group leaders were trained from the production, logistics, service operations, and vocational training sectors.

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Production**Products****Annex****Leadership and management training**

In the year under review, the focus was on the implementation of Group-wide standards for the selection and training of high potentials for management and executive positions. To this end, we rolled out new measures designed to prepare employees for their future leadership responsibilities and management roles. The Company's current requirements determine the focus of these HR development measures as well as the selection criteria.

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Employer attractiveness & HR excellence

SYSTEMATIC EMPLOYEE DEVELOPMENT IS KEY TO BEING A TOP EMPLOYER

Top employer

To secure a lasting position as a top employer, MAN has committed to the following objectives: offering comprehensive onboarding programs to integrate new employees as quickly as possible, providing topic-specific and interdisciplinary training and CPD, facilitating the creation of professional and international networks, fostering cooperation across business areas, and making MAN's product range come alive. We believe that MAN employees make the most convincing ambassadors for the Company's attractiveness as an employer.

Fostering young talent

We aim to attract and retain talent at an early stage. We offer internships, scholarships, and career development programs to young people who are attending or have recently graduated from universities and vocational-technical schools. In 2014 the MAN Group supported 20 PhD students and gave some 3,000 students from colleges and schools around the world a chance to gain first-hand practical experience working in the Company. Also in 2014 MAN Latin America granted scholarships to 40 employees and launched an additional scholarship program for language learners.

Our young talent programs target students at more than 100 technical colleges and universities. The MAN Group was represented at more than 20 specialist and university career fairs in 2014. In addition, our experts held numerous lectures around the world. For three years now MAN has also supported teams from Munich Technical University, Munich University of Applied Sciences, Karlsruhe Institute of Technology, and RWTH Aachen in the Formula Student Germany race series. These activities focus on providing opportunities for face-to-face meetings and discussions with MAN employees

[G4-26] Employee opinion survey

In June 2014 we again conducted a survey of our employees. The employee opinion survey (also known by its German name "Stimmungsbarometer" or mood barometer) is a standardized, anonymous, voluntary survey of the employees of all brands and companies in the Volkswagen Group. By participating, employees play an active role in shaping events in the Company. The survey measures employee satisfaction and identification with MAN and is also used to gauge the success of MAN's Top Employer HR strategy.

In 2014, 90 percent of MAN Group employees participated in the survey (previous year: 83 percent). The mood reflected is positive. Employees expressed their opinions on MAN's image, communications, quality and processes, teamwork with colleagues and supervisors, job satisfaction, and workload. Their responses revealed both strengths and areas for improvement. The survey results will be used as the basis for subsequent improvement processes and follow-up activities. Specific measures will be implemented in departments and teams before the next survey in 2015.

Retirement benefits

When their active working life comes to an end, employees in Germany receive benefits from a modern and attractive occupational pension system that constitute a key element of MAN's remuneration policy. These benefits offer a reliable additional income on retirement and also provide cover for the risk of permanent disability or death during their active employment. Employees benefit from 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.

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For employees at sites outside Germany, depending on the usual practice in each country we make market-based contributions to third-party pension plans or retirement investment funds. These also include defined benefit pension plans, the majority of which are designed to provide life-long annuities.

Job security

We are planning to bundle the production of urban buses at our plant in Starachowice, Poland in the future. To this end MAN is investing approximately €40 million and hiring employees. In particular, the final assembly of the buses will be moved from Poznań to Starachowice by the end of 2016. Although some 900 employees in Poznań will be affected by the move, they will not lose their jobs, but have been guaranteed positions within the Volkswagen Group – primarily in the new central bus production site in Starachowice and at the Volkswagen production sites in the Poznań region. The responsible labor unions have agreed to the transfers.

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 reporting period, no cases of discrimination were ascertained.

MAN recognizes the rights of workers to form and participate in unions and to conduct collective bargaining. As of the year under review, all permanent staff in Germany are covered by collective bargaining agreements. Companies without collective bargaining agreements were evaluated in cooperation with the Group Works Committee and customized solutions are being drawn up.

Employees covered by collective-bargaining agreements*

Region	2014	2013
Germany	100.0	98.8
Europe (excluding Germany)	77.8	72.6
Africa	90.0	89.2**
Asia	0.0	0.0
Americas	77.2	76.5
Australia	0.0	0.0
Total	86.3	82.7

* permanent staff only

** This does not correspond to the figure published in the 2013 CR Report, because the methodology used in South Africa to calculate the indicator has changed.

The Volkswagen Charter on Temporary Work has been rolled out at MAN Truck & Bus and is being applied in accordance with local conditions. In 2014 MAN Diesel & Turbo also adopted the Charter on Temporary Work. Additional country-specific workshops for the rollout of the Charter on Labor Relations are planned for 2015 in conjunction with Volkswagen. In 2014 the first participation agreement for the implementation of the Charter was signed off on at the MAN Truck & Bus plant in Steyr, Austria. In the various countries where MAN is active, employee relations are structured in accordance with national laws and regulations.

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Promoting diversity

55,903 DIFFERENT PEOPLE WORKING TO CREATE SUSTAINABLE VALUE

Equal opportunity

MAN is committed to diversity and equal opportunity — respecting and advancing employees regardless of age, sex, religion, ethnicity, and sexual orientation.

To this end, we are working to promote equal opportunity for women and men worldwide. Key aspects here are the creation of opportunities for women, in particular by establishing special company policies and daycare facilities for children, offering training for employees on parental leave, and organizing programs to recruit talented women and foster their career development.

In 2014, we employed ten more women in management positions than in the previous year. However, because of an increase in the overall number of managers, the ratio of women managers decreased slightly to 8.7 percent, compared to 8.9 percent in 2013.

Women in management positions

	2014	2013
Level 1	2	2
Level 2	29	27
Level 3	96	88
Total	127	117
Percentage	8.7	8.9

Our guidelines for management hiring specify that diversity and the placement of qualified women in particular are to be given due consideration. In 2014 we promoted 28 women into or within management levels one to three. This represents 15 percent of our management promotions. There are currently no women on the Executive Board of the MAN Group; two women sit on the MAN SE Supervisory Board.

Diversity

MAN supports and integrates people with disabilities into its operations. The Company employed 1,577 people with severe disabilities in Germany in the fiscal year. But outside Germany too we 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 continuing professional development courses, and to receive a college scholarship. In 2014, 44 young men and women took part in New Horizon.

Balancing work and family

MAN continues to work to help its employees achieve a better work-life balance. Measures include flexitime models, the opportunity to split a full-time position into two part-time positions, and company daycare centers at MAN's Munich and Augsburg sites that care for 166 infants and toddlers. Information sessions for pregnant employees and a seminar on re-entry into the workforce after parental leave round off the resources available at the Munich site. In addition, 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 Latin America, we offer employees a six-month period of maternity leave.

Parental leave

	Men	Women
Employees working during parental leave	265	113
Employees starting parental leave	676	227
Length of parental leave (average months per employee)	2.5	18.5

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Dilemma

Efficiency and flexibility

MAN has production facilities in 14 countries and is an important employer in many locations. Because we make a point of hiring employees and managers from the regions in which we operate, we represent a stable source of income for local families. In addition, whenever possible we support the local economy by purchasing upstream products and services in the regions where our sites are located. We value long-time employees and strive to retain skilled workers.

At the same time, MAN aims to maintain its position as one of Europe's leading players in the commercial vehicle and mechanical engineering sectors in the future. To remain competitive in the long term, the Company must be agile and continuously improve its efficiency. This may also mean bundling capacity at certain sites and consolidating production facilities (→ page 32).

Here we must take due account of both our aim to be a top employer – which includes offering job security – and the need to respond to the demands of the market in order to meet our long-term business objective. Whenever we transfer production to a different location, we limit the impact on our employees, their families, and the region wherever possible. We are often able to offer employees jobs at other sites.

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Occupational health & safety

GOOD HEALTH IS ESSENTIAL TO SUSTAINING THE STRENGTH OF THE TEAM

Preventive occupational safety

Across the Group we have continued with a variety of initiatives to cut accident rates and prevent work-related illness. The success of these measures is demonstrated by the 14-percent decrease in lost-time injuries in 2014 compared to the previous year. As part of our “Workplace Optimization” initiative, we have systematically assessed the ergonomics of all workstations in MAN Truck & Bus production sites. In 2014, MAN Truck & Bus took the important step of establishing a Health and Safety Competence Forum which includes all its sites. Within the framework of the initiative, the forum aims to facilitate the exchange of information and the strategic development of occupational health and safety in the coming years. Its permanent members include representatives of the responsible corporate functions, health and safety officers from the various sites, and members of the works council. The evaluation of workstations for potential dangers was also systematized and standardized within the subgroup with the aim of reducing workplace hazards to a minimum.

Lost-time injuries*

	2014	2013
Number of lost-time injuries ¹	805	940
Accident frequency index ²	13.5	14.9
Accident severity index ³	17	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. 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 multiplied by 1 million divided by 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 multiplied by 1 million divided by hours worked x 10.

* permanent staff only, not including Renk

MAN Latin America has appointed workplace safety sponsors, who both advise their colleagues on safety questions and report risks to their supervisors. In 2014, 371 suggestions for improving workplace safety were submitted by employees of the subgroup; 344 were implemented.

Behavior-based safety

The “Always Safe. Always Good” project at the MAN Truck & Bus production sites in Munich, Steyr, and Salzgitter aims to improve behavior-based safety. Expansion of the program continued in 2014. A total of 94 managers and 240 employees in Munich and 54 managers in Salzgitter attended the training workshops. The program was extended to all managers and employees in Steyr as part of short-time work measures.

In 2014 MAN Diesel & Turbo placed particular emphasis on avoiding occupational accidents. Thanks to the MAN Diesel & Turbo Zero Accident Initiative, for the sixth year in a row there was a decrease in the severity as well as the overall number of workplace accidents within the subgroup. Behavior-based safety programs were extended to five sites in the UK, eight sites in the USA, and the Augsburg site in 2014. The programs aim to increase awareness of hazardous situations, systematically remove risks, and foster safe workplace habits. In addition, the “Safety First” campaign has made a valuable contribution to improving safety awareness and occupational health and safety. The majority of MAN Diesel & Turbo’s service engineers have also been trained and certified in line with the Safety Certificate Contractors standard, which aims to sharpen safety awareness on customer construction sites and in projects.

A number of important events took place in the year under review, including a Safety Week in India and the presentation of several awards at MAN Diesel & Turbo sites. These included a CSR award and the Safety Level Certificate for the Changzhou plant, while MAN Diesel & Turbo Singapore received the Singapore Health Award 2014 – Gold Award.

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In the reporting period, the MAN Truck & Bus production sites in Ankara, Turkey, Krakow, Poland, and Nuremberg, Germany; the MAN Diesel & Turbo production site in Velka Bites, Czech Republic; and the Renk production site in Winterthur, Switzerland received OHSAS 18001 certification for the first time. This means that 17 of our sites are certified under the occupational health and safety management system – six more than in the previous year.

Occupational health

MAN sees programs and assistance for employees re-integrating into the workplace following a protracted illness or accident not only as a legal obligation, but as an integral part of maintaining employees' ability to work and employability.

The “MAN Checkup” is a high-quality preventive health initiative aimed at helping employees remain healthy and physically fit. In 2014 we began rolling out the MAN Checkup in the Munich, Nuremberg, Salzgitter, Augsburg, Deggendorf, and Oberhausen sites. Attractive follow-up measures and health campaigns are regularly added to the program. The aim is to offer the Checkup to all employees within the next three years.

At MAN Truck & Bus, in the year under review absences due to illness averaged 13.7 days per employee.

At MAN Diesel & Turbo, the employee assistance program (EAP) is another important pillar of occupational health management. An integral part of our HR policy for many years, its services include counseling during crisis situations and the development of concrete solutions.

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Efficiency, resource conservation, and environmental protection are key pillars of our corporate responsibility activities in the production sector, which also covers the fields of transportation, logistics, and purchasing. We have set ourselves a clear goal: by 2020 we aim to reduce CO₂ emissions at our production sites by 25 percent compared to 2008 levels.

Environmental Management

Challenges and goals

In the production sector, climate change, pollution, and resource scarcity represent relevant global challenges to which the MAN Group is responding. Responsibility for the climate and the environment has traditionally formed a core element of our corporate culture. We use our integrated management systems and advanced technology to mitigate the negative impacts of our activities. We take our responsibility seriously; in 2011 we drew up a Group-wide climate strategy including the binding goal of reducing CO₂ emissions at our production plants by 25 percent by 2020, compared to a 2008 baseline.

Material GRI aspects covered by this chapter:

Materials, Energy, Emissions, Effluents and Waste, Compliance with environmental legislation and regulations, Transport

Organization

The highest decision-making body in strategic matters concerning the climate and the environment is the CR Board of the MAN Group (→ page 11). The members of the CR Board include the Chief Executive Officers and the members of the board responsible for Production and Logistics and Research and Development at MAN SE, MAN Truck & Bus, MAN Latin America, and MAN Diesel & Turbo. A number of organizational units handle central steering, operational implementation, and the networking of climate and environmental matters at the subgroups:

- The central Environmental Protection and Occupational Safety functions of the divisions analyze normative requirements, implement and steer the management systems, and drive them forward in close collaboration with the environmental management officers at the production sites.
- The plant managers and heads of production are responsible for operational tasks related to environmental protection. At each site they are supported by specialist officers responsible for e.g. waste or water protection.

The exchange of information between these officers across all central functions and sites is assured by regular meetings.

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The MAN Group operates management systems for environmental protection, occupational safety, and quality. At the production sites these systems are regularly verified by external experts or auditors as well as by internal audits.

Other material systems and instruments for the implementation of the climate strategy and environmental protection include:

- at MAN Truck & Bus, environmental protection and energy policies that specify the CR strategy and provide a frame of reference for the activities of our employees
- at MAN Diesel & Turbo the corporate policy providing a frame of reference for quality, occupational safety, and security management activities, as well as for environmental management; regulations and guidelines for the organization of environmental and security management.

Together with occupational safety, environmental protection is firmly anchored in the vocational training and continuing professional development activities of our employees.

Transportation and Logistics Management**Principles and guidelines**

Reduction of the negative environmental impacts of transportation and logistics activities also forms part of our integrated environmental management system. At MAN Truck & Bus targets have been defined in this respect, including the optimization of transportation structures and procedures. An appropriate tool for computing the CO₂ emissions from transportation activities has been put in place.

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 comply with the latest emissions standards.

Rules governing travel by air, rental car, and train prescribe that journeys should only be undertaken when unavoidable, and only after first considering alternatives such as video or telephone conferencing. Wherever economically feasible, the most environmentally friendly form of transport should always be used.

Supplier Management**Challenges and goals**

The MAN Group aims to reduce environmental and social risks in the supply chain while simultaneously optimizing material costs. The objective is to increase procurement efficiency with regard to both sustainability and cost-effectiveness.

MAN has adopted the core system of the Volkswagen Group's "Sustainability in Supplier Relations" concept. Together with traditional priorities such as quality, price, and delivery times, the concept has been thoroughly integrated in our procurement processes. To us, applying and monitoring sustainability standards in the supply chain is above all a matter of minimizing risk – preventing potential supply shortages and damage to our reputation and ensuring that the quality of the procured supplies and services remains consistent. Both MAN and its suppliers profit from the long-term supplier relationships which result.

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Concept and organization

The concept, which is based on three main pillars, aims to minimize or prevent negative social, environmental, and financial impacts along our supply chain:

- An early warning system identifies risks along the supply chain.
- Contractually mandated integration of the sustainability standards in the procurement process ensures that these are acknowledged by all suppliers before submitting a quotation on the Group Business Platform. Otherwise it is not possible to submit a quotation.
- Supplier monitoring and development.

We regularly benchmark the effectiveness of our concept against other companies and intensively analyze the results of sustainability ratings.

Principles and guidelines

Our supplier relations are based on the “Volkswagen Group requirements regarding sustainability in its relationships with business partners (Code of Conduct for Business Partners)” which apply across the Group. They formulate our expectations for our business partners’ conduct with regard to central environmental and social standards. Among other things, they are based on the principles of the UN Global Compact, the International Chamber of Commerce’s Business Charter for Sustainable Development, and the relevant conventions of the International Labour Organization. These principles are supplemented by the Volkswagen Environmental Policy, the environment targets and regulations derived from it, the Group’s Quality Policy, and the Volkswagen Declaration on Social Rights (→ the 2014 Volkswagen Sustainability Report).

Before submitting a quotation, the supplier must acknowledge the sustainability requirements; this acknowledgement must be repeated every 12 months. Since January 1, 2015, these requirements have been contractually integrated for all suppliers to General Procurement. The requirements apply to all outsourced goods and services worldwide. We also expect our tier 1 suppliers to pass these requirements on to their own suppliers.

Systems and instruments

In the interests of continuing supplier development, in the course of our business relations we make an electronic learning (E-Learning) module on sustainability available to all suppliers in all of the languages of the defined risk markets. After completing this task, the supplier has to perform a final test.

The Volkswagen Group uses an internal system for sustainable supply chain management. It provides supplier-specific sustainability information, enabling the comprehensive analysis of suppliers. If there is reason to suspect that tier 1 suppliers or their suppliers are failing to comply with our sustainability requirements, we ask the party concerned for a written statement using a standardized report (6D Report). Based on the six points in the report, they can describe the status quo and any remedial measures. If the answers prove unsatisfactory, we take further appropriate steps, such as the examination of documents, visits to the supplier’s premises, or other customized supplier development activities.

Through fair dialog in a spirit of partnership and through supplier development we create sustainability in supplier relations. The focus throughout all process steps and measures is on such fair dialog and on the development of the supplier in the interests of long-term collaboration.

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[G4-23] This chapter covers 34 production sites and production-related sites in the MAN Truck & Bus, MAN Latin America, MAN Diesel & Turbo, and Renk divisions. The one addition compared with last year is the MAN Truck & Bus plant in St. Petersburg (Russia). Data from this plant 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 that fall within the scope of the Climate Strategy. This means that the nonproduction sites – the spare parts warehouses in Dachau and Salzgitter (Germany), the Holeby facility (Denmark), as well as the St. Petersburg (Russia) and Winterthur (Switzerland) sites are excluded.

Data management specifics

[G4-22] Back in 2013 we launched a process designed to improve the accuracy and reliability of our environmental indicators. In 2014 we managed to further improve the quality of these indicators, for example by reviewing – and where necessary adjusting – the data for 2008-2013. In addition, in 2014 we began drawing up the strategically relevant indicators on a quarterly basis.

In this context we adjusted the indicators for 2012 and 2013. As a result, the indicators in this GRI Report in some cases deviate from the data published in our 2013 CR Report.

Our reporting of the direct and indirect CO₂ emissions is aligned with the emission factors of the Association of the German Automotive Industry (VDA). One exception here concerns the emissions from district heating: wherever possible we use site-specific emission factors here, with the VDA factors being applied only where these are not available.

Further information on our data management can be found in the chapter on CR Strategy and Governance (→ page 12 et seq.).

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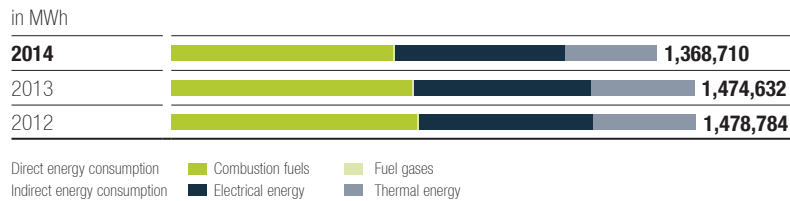
Climate & energy

REDUCING CO₂ EMISSIONS BY 25 PERCENT AT OUR SITES BY UNCOMPROMISING EFFICIENCY

Energy consumption

Energy consumption at MAN was down 7 percent to 1.37 million megawatt-hours in the report year – a major step on the way to achieving our 2020 climate target of a 25 percent reduction in CO₂. Direct energy consumption fell by 8 percent in comparison with the previous year. Heating oil consumption was down by around one-third, while natural gas use fell 12 percent and heat consumption 11 percent. These savings are due not only to the mild temperatures over the winter of 2014 and lower production output, but also to the energy efficiency measures implemented as part of MAN's Climate Strategy.

Energy consumption



Direct primary energy consumption

in MWh	2014	2013	2012
Heating oil	10,221	14,896	22,832
Natural gas	352,302	398,569	397,778
Diesel	258,387	261,910	271,110
Other	8,325	7,992	5,992

Other primary energy sources, apart from gasoline, also include acetylene, hydrogen, and propane, consumption of which rose by almost 30 percent in 2014. Greater volumes of this fuel gas were used in 2014 by MAN Diesel & Turbo on test rigs in Augsburg and by MAN Truck & Bus for operating additional forklift trucks at the Starachowice site (Poland).

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

in MWh per unit	2014	2013	2012
	8.1	7.4	8.2

In 2014, energy consumption per vehicle produced rose by 9 percent over the previous year to 8.1 MWh per unit. This is the result of the decline in commercial vehicle output: Our plants have a certain base load when in operation, so energy consumption does not decline proportionally to the number of vehicles produced.

CO₂ emissions

In 2014 we produced fewer vehicles, engines, and components than in the previous year: Sales were down 10 percent and order intake down 5 percent. CO₂ emissions correspondingly fell by 6 percent. We achieved a reduction of 7 percent in direct CO₂ emissions and of 5 percent in indirect emissions over the reporting period. Successful implementation of the measures in our climate strategy also helps to explain this downward trend (→ box page 43).

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Direct and indirect CO₂ emissions

in tons of CO ₂	2014	2013	2012
Direct emissions	144,721	156,183	160,113
Indirect emissions	305,980	322,959	329,602
Total	450,701	479,142	489,715

Like energy consumption per vehicle produced, CO₂ emissions per vehicle produced rose in the Commercial Vehicles business area.

CO₂ per vehicle produced
(values for Commercial Vehicles business area)

in tons per unit	2014	2013	2012
	2.70	2.41	2.79

CO₂ savings as part of our climate strategy

2014 took us a big step closer to our climate target: We have made savings of 19.4 percent, or 105,400 tons of CO₂, relative to the 2008 baseline. MAN Truck & Bus made the largest savings of 24.6 percent. All sites have drawn up plans for saving energy and CO₂. These often include:

- optimizing lighting, insulation and ventilation
- regular inspections to identify compressed air leaks
- measures to reduce base load, such as switching off machinery at weekends and during periods of closure
- optimizing heating control
- increasing employee awareness

CO₂ reductions are evaluated on a cost-benefit basis to focus investment on areas where CO₂ avoidance costs are low and the contribution to achieving the target high. We therefore endeavor to identify potential savings of above 25 percent. As part of the Green Production initiative, MAN Truck & Bus sites are developing measures relating to own energy generation, energy efficiency and renewable energies.

CO₂ savings as part of implementation of our climate strategy*

in tons	baseline year 2008	2014	Saving in %
Commercial Vehicles	402,300	305,900	-24.0
MAN Truck & Bus	375,100	282,900	-24.6
MAN Latin America	27,200	23,000	-15.4
Power Engineering	141,500	132,500	-6.4
MAN Diesel & Turbo	121,500	111,800	-8.0
Renk	20,000	20,700	3.5
Total	543,800	438,400	-19.4

* Values rounded

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Specific measures which we implemented during 2014 as part of the climate strategy are based on four principles:

Principle	Measures implemented in 2014
Boosting energy efficiency	<ul style="list-style-type: none"> ■ At our Munich (Germany) site, we implemented various measures on our heating network (heating plant, heat distribution, heating systems), refurbished ventilation and heating systems and converted outdoor lighting to LEDs. ■ At our Salzgitter (Germany) site, we achieved a substantial reduction in district heating losses by reducing the feed temperature. ■ At our Ankara (Turkey) site, we installed a boiler in the paint shop which distinctly reduces natural gas consumption. ■ At our Pinetown (South Africa) site, we installed energy-efficient lighting across the entire site. ■ At our Copenhagen (Denmark) site, we optimized the ventilation system. ■ At our Hamburg site, a high-speed door was fitted which reduces heat losses in cold weather. ■ At MAN Latin America, we optimized automatic floodlight control and ventilation.
Using renewable energy sources	<ul style="list-style-type: none"> ■ At our Pinetown (South Africa) site, we commissioned a photovoltaic system with a total area of 6,300 m². ■ At our Changzhou (China) site, we have partly changed over to solar energy for heating industrial water.
Generating energy with combined heat and power systems	<ul style="list-style-type: none"> ■ Analysis of use of combined heat and power generation carried out at all MAN Truck & Bus sites. ■ At our Plauen (Germany) and Starachowice (Poland) sites, we commissioned a total of four combined heat and power plants. ■ At our Frederikshavn (Denmark) site, we recover waste heat from test rigs.
Energy management	<ul style="list-style-type: none"> ■ Energy experts at MAN Truck & Bus and MAN Diesel & Turbo meet regularly to exchange experience in improving energy efficiency and optimizing energy management. For example, European MAN Truck & Bus sites met at the Green Production Summit. ■ We have incorporated energy-saving targets into the target agreements for plant managers at MAN Truck & Bus. ■ At MAN Truck & Bus we regularly reported on energy-saving measures to departmental meetings in the production area. ■ At our Velka Bites (Czech Republic) site, we carried out an analysis of potential savings which was used to identify energy-saving measures. ■ At MAN Latin America, an international energy-saving committee was set up to decide on appropriate measures and appoint individuals responsible for implementing them in each area.

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First carbon-neutral site

MAN Truck & Bus is operating its first carbon-neutral commercial vehicle plant at Pinetown in South Africa. The production plant is now completely powered by renewables: a photovoltaic system covering 6,300 m² and generating approximately 810,000 kWh of electricity annually has been installed on the roofs of the production shops. As a result, the plant saves around 860 tons of greenhouse gases annually.

Dilemma

CO₂ reduction

Back in 2011, MAN developed a climate strategy with the target of cutting CO₂ emissions at production sites by 25 percent by 2020 (baseline year 2008). However, it is MAN's products which are its largest lever for reducing global CO₂ emissions. Our research and development activities therefore focus on making our commercial vehicles, engines and turbomachinery perform more efficiently, consume less fuel and generate lower emissions.

In the course of developing more environmentally friendly products, engines have to be subjected to repeated testing. This not only consumes liquid fuel or natural gas, but also causes CO₂ emissions at the sites. On the one hand, we want to pursue our target of reducing CO₂ emissions from our production sites systematically, while on the other hand we believe we have a responsibility to carry out further research into boosting the efficiency of our products.

We are addressing this dilemma by implementing specific climate protection measures on our sites (→ above) and regularly measuring and monitoring their effectiveness. For example, at the MAN Truck & Bus plant in Nuremberg, we carry out “cold tests” on our engines, thereby considerably reducing diesel fuel consumption. Even the braking energy generated on the engine test rigs is fed back into the internal power grid.

Since over 90 percent of the CO₂ emissions from our products occur in the use phase, our focus during product development is on boosting the efficiency of our engines while also researching alternative powertrains and the use of alternative fuels (→ Products chapter). Since our products are often in service with our customers for several decades, the effort involved in testing our engines to boost their efficiency is well worthwhile.

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Efficient transportation & logistics

WE ALSO PUT OUR EXPERTISE IN EFFICIENCY AND TRANSPORTATION INTO PRACTICE ON OUR OWN SITES

Emissions from transport and logistics

At 63 percent, truck traffic accounts for the largest proportion of CO₂ emissions in MAN Truck & Bus logistics. In the year under review, MAN Truck & Bus caused the release of 71,422 tons of CO₂ for incoming supplies and 87,895 tons of CO₂ in delivering its products.

Employee mobility

In the report year, our employees caused 28,000 tons of CO₂ emissions by business travel booked through the central travel service, around 55 percent of which was for flights.

In Germany, depending on the available infrastructure, we provide subsidized tickets for employees' journeys to and from work. At our sites outside Germany we provide our employees with bus transfers, for example. At MAN Latin America's Resende site in Brazil, around 80 percent of employees make use of this service.

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RESPONSIBILITY FOR THE ENVIRONMENT IS PART OF OUR CORPORATE CULTURE

Certifications

All 34 MAN production and production-related sites are certified to a quality standard (the majority to ISO 9001). We have set ourselves the target of also certifying these sites to the ISO 14001 environmental management standard.

The Salzgitter spare parts warehouse (MAN Truck & Bus) went through this certification process for the first time in 2014. This means that eleven of the subgroup's 15 production or production-related sites now have a certified environmental management system to ISO 14001, while five of them are also validated to the European Environmental Management and Audit Scheme (EMAS) and regularly publish a site-related environmental statement.

The production sites of MAN Diesel & Turbo, with the exception of Aurangabad (India), are certified to ISO 14001. The foundry at the Augsburg site is additionally certified to the ISO 50001 energy management system, which indicates possible ways of making energy savings and boosting efficiency.

Consumption of resources and raw materials

MAN makes use of raw materials, auxiliaries and consumables which predominantly consist of steel, copper, aluminum and various plastics. Managing these resources economically is essential to our success, so saving them is a Group-wide goal. Costs for raw materials, auxiliaries and consumables fell by 10 percent in 2014 in comparison with the previous year.

Expenditure on materials

in million €	2014	2013	2012
Expenditure on raw materials, auxiliaries and consumables and on procured supplies	7,171	7,926	8,152
Expenditure on procured services	736	905	956
	7,907	8,831	9,108

Recycling and waste

The products manufactured by MAN largely consist of materials which can be readily recycled. We will record the exact proportions in the future for product life cycle assessments (→ page 53).

In order to save raw materials, we pay particular attention to reusing metals in our foundries. For instance, at our Augsburg plant we remelt the chips produced when castings are machined. In 2014, we purchased and reutilized around 20,500 tons of scrap from external recycling processes at the Augsburg and Nuremberg plants. In the year under review, we also recycled over 12,000 tons of chips and scrap from our own production in the manufacturing process at the same plants.

Total waste volumes amounted to 120,691 tons in the year under review, 92 percent of which were reutilized. These figures are in line with the previous year's levels. The sharp rise in total waste volumes for recycling was caused by construction activities at the MAN Truck & Bus site in Munich and by the disposal of waste emulsions there after the in-house demulsification plant failed.

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In consultation with our suppliers, we reduced packaging material at further sites in 2014 and introduced reusable shipping containers.

Hazardous waste for disposal and hazardous recyclable waste were collected and disposed of at all sites in accordance with waste management legislation. Disposal providers have confirmed proper disposal. No waste was exported.

Waste

in tons	2014	2013	2012
Total waste for disposal	9,203	9,865	8,239
Hazardous	5,014	4,688	4,905
Non-hazardous	4,190	5,177	3,334
Total waste for recycling	62,229	54,817	124,176
Hazardous	11,719	9,392	10,162
Non-hazardous	50,510	45,425	114,014
Metallic waste	49,258	54,329	55,105
Total waste	120,691	119,011	187,520
Recycling rate in %	92	92	96

Water and wastewater

We consumed 6 percent less freshwater in the year under review than in the previous year. Surface water abstraction from lakes, rivers and the sea was up by 15 percent due to the increased numbers of trials on the test rigs by MAN Diesel & Turbo in Augsburg and St. Nazaire, where water is used to provide resistance in the test rigs. Any water we abstract from water-courses and use solely for cooling purposes is returned to its source.

We achieved a further 15 percent reduction in wastewater volumes in 2014, which is primarily attributable to the general downturn in production.

Water consumption and wastewater volume

in m ³	2014	2013	2012
Total freshwater	8,800,915	9,326,797	8,693,537
From external sources (incl. drinking water)	734,001	783,323	789,730
From own abstraction (incl. spring water)	8,066,914	8,543,474	7,903,807
Surface water from lakes, rivers and the sea	6,956,060	6,039,697	5,965,540
Wastewater	981,785	1,152,897	1,177,388

Atmospheric pollutant emissions

Atmospheric pollutant emissions showed an overall decline in the year under review: nitrogen oxide emissions were down 5 percent and volatile organic compounds down 14 percent, the latter primarily due to the downturn in production.

Atmospheric pollutants

in tons	2014	2013	2012
Sulfur dioxide (SO ₂)	0.92	0.99	1.02
Nitrogen oxides (NO _x)	326	342	350
Particulates	1.46	1.61	1.66
Volatile organic compounds (VOC)	914	1,061	1,025

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In 2014, we increased the rate at which chlorine-containing refrigerants are being replaced in stationary installations by more environmentally friendly alternatives.

Investment in environmental protection

In the year under review, we invested more than €15.7 million in environmental protection measures, which is 69 percent more than in the previous year. The purpose of this investment is to maintain the highest level of industrial environmental protection and resource efficiency at our production plants.

Environmentally relevant accidents

No significant accidents with a negative environmental impact occurred in the reporting period. No fines for environmentally relevant incidents had to be paid by any MAN production sites in the reporting period. There were also no pending legal proceedings or open claims pertaining to environmental protection.

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Responsible supplier relations

SUSTAINABILITY IS SOMETHING WE EXPECT NOT JUST OF OURSELVES BUT OF OUR SUPPLIERS TOO

Purchasing

MAN buys in around €8 billion worth of raw materials, goods and services annually. The largest proportion is metals and plastics. Faced with a growing, increasingly global and more complex supply chain, the MAN Group believes it has a responsibility to promote sustainability along the entire value chain. The aim is to establish robust and efficient flows of goods and supplies.

Local suppliers

By purchasing raw materials, goods and services where we manufacture, we contribute to local economic and social development. For example, over 90 percent of suppliers to MAN Truck & Bus have their registered offices in Europe, 70 percent in Germany.

Growth potential arising from demand for goods and services by MAN has a positive impact on infrastructure thanks to downstream effects: Jobs are created and local incomes rise. Moreover, regional suppliers are also preferable from an environmental standpoint since transportation-related emissions are lower.

Proportion of expenditure to local suppliers* at selected sites

in percent

Ankara (Turkey)	57
Aurangabad (India)	28
Resende (Brazil)	87

* MAN defines local suppliers as all suppliers domiciled in the respective country.

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PRODUCTS

MAN stands for efficient transportation and energy solutions. Our approach to product responsibility is broad and comprehensive: Not only must our products offer maximum economic benefits for our customers and the lowest possible environmental and carbon impact, they must also offer top-class safety and add value for society as a whole.

Comprehensive product responsibility

Challenges and goals

To meet the global challenges in the areas of health, resource scarcity, urbanization and climate change, MAN takes a broad and comprehensive approach to product responsibility. This focuses on everything from the development of efficient and safe products and the implementation of environmentally friendly, resource-efficient production processes to environmentally responsible after-sales activities and customer support. Consequently, product responsibility at MAN is based on four cornerstones – environment, safety, health and social responsibility – and takes into account the entire product life cycle, from raw materials extraction to end-of-life disposal. This broad-based approach allows us to meet the increasing expectations of our stakeholders. As well as our customers, who base their purchase decision on total cost of ownership and reliability, these also include the Volkswagen Group, which is pursuing an environmental strategy to which MAN aims to contribute, and policymakers around the world, who are pressing ahead with ambitious environmental regulations.

Material GRI aspects covered in this chapter:

Products and Services (measures to reduce negative impacts) – Customer Health and Safety

Principles and goals

We are committed to continuously improving the efficiency of our products. After all, in most cases our customers base their decision to buy a product on total cost of ownership. In the freight transportation sector, fuel costs account for approximately one-third of this sum, which is why the quest for greater efficiency and low emissions is a key technology driver. In pursuit of technology leadership, MAN focuses its research and development activities not only on developing new products and enhancing existing ones but also on:

- Reducing fuel consumption and emissions
- Alternative drive concepts
- Alternative fuels.

Systems and instruments

Future trends and scenarios are an important benchmark for MAN's strategic product development process. MAN Truck & Bus therefore uses a "Trend Radar" to assist in the early identification, evaluation and analysis of relevant trends. The findings are then integrated into the Product Engineering Process.

To calculate the life cycle environmental impact of its products, MAN Truck & Bus has adopted a two-step strategy. In addition to the Product Carbon Footprint (PCF), this will in future also include the Life Cycle Assessment (LCA).

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To meet the high safety standards expected of our products, and to embed product safety monitoring even more firmly in the organizational structure, MAN Diesel & Turbo has set up a Product Safety Committee. In addition, the Executive Board has introduced Product Safety Guidelines that apply to all projects worldwide.

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PRODUCT RESPONSIBILITY AT MAN IS BASED ON PRODUCT LIFE CYCLE ASSESSMENTS

Product Engineering Process

On average, more than 90 percent of the total life cycle greenhouse gas emissions of the products of both the Commercial Vehicles and Power Engineering business areas are generated during the use phase of the product (→ page 53). Because most of our products have a very long service life – and are used intensively – we implement a future-oriented product development process to minimize environmental impacts as far as possible.

Our Product Engineering Process defines standard procedures for product development. These procedures are geared particularly to ensuring the cost efficiency and reliability of our products, where we aim to continuously reduce fuel consumption – and therefore also emissions – while also minimizing our consumption of materials.

In developing its commercial vehicles, MAN Truck & Bus also takes into account the results of Life Cycle Assessments (→ page 53) and options for reducing total cost of ownership – for example by reducing maintenance costs. In 2014, the subgroup took further steps to align its Product Engineering Process with standard procedures at Volkswagen. At MAN Truck & Bus, environmental and health aspects of vehicle development, such as measures to reduce pollutant emissions and noise, are regulated by the Environmentally Compatible Product Development process guidelines.

Our aim is to continuously improve the efficiency of our products. Although MAN Diesel & Turbo's engines are today already capable of achieving up to 50 percent efficiency, our work to reduce fuel consumption is ongoing.

WE MAKE OUR MOST EFFECTIVE CONTRIBUTION TO ENVIRONMENTAL PROTECTION BY BUILDING EFFICIENT AND ECO-FRIENDLY PRODUCTS

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Potential for reducing the life cycle CO₂ emissions of our products

To identify the potential for reducing the life cycle CO₂ emissions of our products, we calculate Product Carbon Footprints (PCF) for virtually all product groups of the MAN Truck & Bus subgroup and for selected product groups of MAN Diesel & Turbo. The benchmark products for which calculations have been performed here included not only a dual-fuel engine, but also a performance-enhancing system (turbocharger) and a Selective Catalytic Reduction (SCR) system. The calculation methodology is based on the requirements of the Greenhouse Gas Protocol. The findings confirm that more than 90 percent of our products' life cycle CO₂ emissions are generated during the use phase.

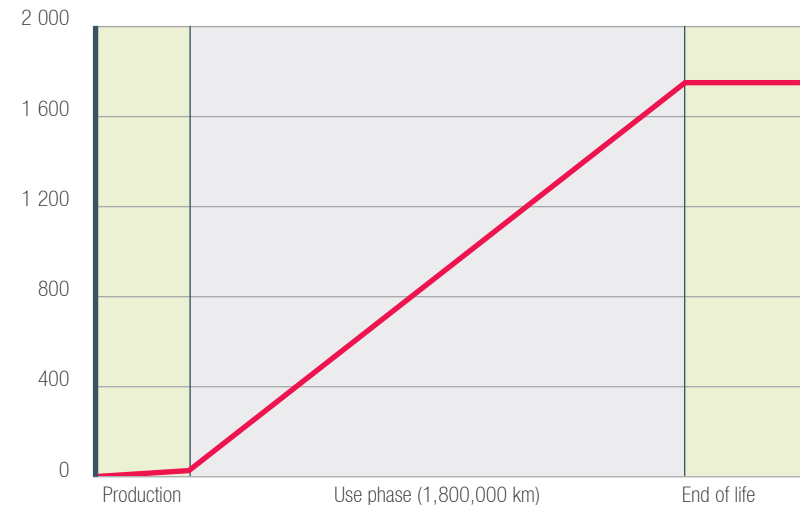
In 2014, MAN Truck & Bus further refined its calculation model for the PCF. One of the main changes is that the life cycle stages are now defined in accordance with standard automotive industry practice. They comprise:

1. Production
2. Use phase
3. End of life (recycling and waste processing)

Also in 2014, we began using more specific – and therefore more realistic – calculation data for the PCF. For example we now use segment-specific lifetime mileages, instead of an average for all trucks. To take a specific example, over a total lifetime mileage of 1.8 million kilometers, a TGX 18.440 4x2 BLS Euro 5 semitrailer tractor produces total greenhouse gas emissions of 1,746 tons of CO₂ equivalent, 98 percent of which is generated in the use phase (→ figure). In 2013 this truck topped the production charts at MAN. The calculation was carried out in line with the requirements of the GHG Protocol Product Accounting and Reporting Standard and was verified in accordance with TÜV NORD standard TN-CC 020 and the international standard ISO 14064-3.

Carbon footprint for the TGX 18.440 4x2 BLS Euro 5

Greenhouse gas emissions in t CO₂ equivalent



In future, MAN Truck & Bus also plans to perform Life Cycle Assessments (LCAs) for its products. In addition to CO₂, these will also take into account additional environmental impact categories not considered in the PCF. To ensure that the LCA provides an even more accurate picture of our products, we are currently collating a database of the materials used in these products.

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Consistently Efficient product portfolio

Total cost of ownership is an important purchasing criterion for customers. In response, MAN offers a Consistently Efficient product portfolio in all business areas.

Commercial Vehicles Cost-efficient and clean transport solutions from MAN Truck & Bus include the new TGX EfficientLine 2, which incorporates a whole series of new, fuel-saving technologies aimed at further reducing total cost of ownership and CO₂ emissions. Standard specification includes the EfficientCruise predictive cruise control system, the torque-enhancing TopTorque system and the MAN TeleMatics system. The GPS-based EfficientCruise cruise control anticipates upcoming uphill and downhill stretches and calculates the most fuel-efficient speed in advance. In this way the vehicle's momentum can be used to save fuel. These measures result in fuel savings of up to 6 percent compared with the previous model. The TGX EfficientLine is the most successful efficiency model on the market. Since market launch in 2010, almost 30,000 customers have already opted for the extra-fuel-efficient EfficientLine models and packages.

The D38 engine, developed for use in the TGX series and presented at the 2014 IAA Commercial Vehicle Show, develops outputs in the 500-plus hp range. This 15.2-liter six-cylinder engine is available in 520-, 560- and 640-hp-rated versions and combines effortless power and performance with top-class efficiency.

The products of MAN Latin America combine enhanced customer benefits with sustainability. The company offers a wide range of products, tailored in accordance with the motto "Less you don't want, more you don't need". In addition, solutions for specific customers are custom-developed and built at a special vehicle modification center.

Power Engineering The highly efficient gas engines and emissions control systems offered by MAN Diesel & Turbo allow customers to comply with both present and future emissions requirements. The technologies used in new engines are also offered for retrofitting in engines already being operated by customers. In its Power Plants strategic business unit, MAN Diesel & Turbo offers one-stop power plant solutions that are optimized to meet the requirements of the individual customer. Following the launch of the 35/44G gas engine (electrical output 10,335 kW) on the power generation market, the latest addition to the MAN Diesel & Turbo portfolio is the 51/60G gas engine, with an electrical output of 18,465 kW. This engine too boasts very high efficiency.

From 2016, the IMO Tier III standard will come into force for ships operating in the ports and coastal waters of North America, imposing substantially more stringent limits for nitrogen oxide emissions. MAN Diesel & Turbo is the first company to successfully make four-stroke marine engines IMO Tier III-compliant, based on a fully modular SCR system that can be used across the entire MAN Diesel & Turbo four-stroke engine port-

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folio. The certification society DNV-GL has awarded MAN Diesel & Turbo a Tier III-compatibility certificate for the MAN 8L21/31 four-stroke engine with retrofitted SCR system.

An overview of efficient products can be found on our Corporate Website at → man.eu

Alternative drive technology

In MAN's view, alternative drive technology will take on new importance in the future. While hybrid drive, for example, has long been established in the local mass transit sector, the challenge for the future will be to establish this technology in long-distance transport too.

The MAN Lion's City Hybrid bus offers reductions of up to 30 percent in fuel consumption, which equates to a reduction in annual CO₂ emissions of 26 tons per bus. In 2014, MAN sold 75 of these vehicles, twice as many as in the previous year.

At the 2014 IAA Commercial Vehicle Show, the company also presented the hybrid-powered TGX Hybrid concept model for long-distance haulage. While the diesel engine provides the concept model's main source of motive power, the electric motor operates as a generator on the overrun and during braking. Tests have showed that this solution can bring a reduction in fuel consumption and CO₂ emissions of around 8 percent.

In February 2015, MAN Latin America was the first company in South America to begin testing all-electric trucks. The project is focusing initially on the VW Delivery 8.160, one of Brazil's best-selling commercial vehicles.

The new diesel/hydraulic hybrid drive system developed by MAN Latin America for buses and Constellation trucks is already being tested by customers. It offers greater energy efficiency at a lower cost than other

hybrid systems available on the Brazilian market. This technology is ideal for vehicles in emerging markets that do a lot of stop-go driving, like refuse collection trucks. City buses are a further possible application.

Alternative fuels

Commercial Vehicles When operated on biogas or e-gas, the MAN Lion's City GL CNG natural gas-powered city bus is almost carbon-neutral. In addition, life cycle maintenance and operating costs are cut by around 15 percent. This vehicle was voted "Bus of the Year 2015" by a jury of European trade journalists, and was also presented with the Huss publishing group's "International busplaner Sustainability Award 2015", in the line-service category. 296 of the 5,025 buses supplied by MAN in 2014 were powered by compressed natural gas.

Testing of sugar-cane diesel-powered Euro 5 trucks and buses by the MAN Latin America subgroup revealed significant reductions in emissions: Nitrogen oxides were reduced by up to 15 percent, soot emissions by 40 percent and particulate emissions by 77 percent. At the 2014 IAA Commercial Vehicle Show, MAN Latin America presented the Volksbus 18320 Low-Entry powered by sugar-cane diesel.



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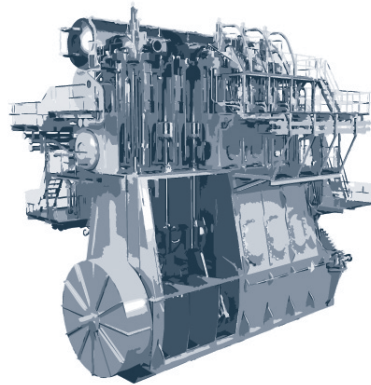
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Power Engineering Natural gas is a fuel of the future in the shipping industry. The two-stroke dual-fuel ME-GI engine from MAN Diesel & Turbo, which can operate both on gaseous and liquid fuels, is particularly eco-friendly when running on gas, with a marked reduction in CO₂ and nitrogen oxide emissions, while sulfur dioxide, soot and particulate emissions are cut virtually to zero.



MGT gas turbines are ideal for providing decentralized energy supplies. They are small, compact and flexible, and allow overall efficiencies of over 88 percent to be achieved. In the “Green Earth” project, MAN has been working with Ruhr-University Bochum since 2014 to further improve the

MGT industrial gas turbine for use in combined-cycle gas and steam power stations and CHP plants. This project is being subsidized by the German Federal Ministry of Economics.

After-sales service

With the MAN Genuine Parts ecoline® range of professionally remanufactured used parts, MAN Truck & Bus offers a repair solution that conserves resources, reduces energy consumption and cuts costs by an average of 30 percent. Furthermore, for customers in most parts of Europe, an extensive range of MAN replacement units and parts is also available.

The MAN “ProfiDrive” driver training program teaches the principles of safe and fuel-efficient driving. One of the modules in this program is “Connected CoDrive”, an e-learning course in which a virtual co-driver analyzes driving style and provides tips for more fuel-efficient driving. On average, drivers can reduce their fuel consumption by 2.3l/100 km after completing this training.

“MAN PrimeServ”, the service brand of MAN Diesel & Turbo, already enjoys an excellent global reputation. It has a strong local presence with a network of well over 100 PrimeServ locations worldwide. The PrimeServ portfolio includes certified original parts, high-quality servicing, customer training and retrofits – which can be used to boost efficiency and cut emissions in diesel engines or marine propulsion systems. The retrofits are offered under the “PrimeServGreen” brand.

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OUR CUSTOMERS TRUST IN THE QUALITY AND SAFETY OF OUR PRODUCTS

Product quality

MAN Truck & Bus was once again rated highly in the 2014 TÜV Report for Commercial Vehicles; for the third successive year it was named the truck manufacturer with the highest share of vehicles to pass the main TÜV inspections free of faults. This makes MAN the most reliable brand for trucks from 7.5 tons upward. The report found that one-, three-, four-, and five-year-old vehicles from our TGL, TGM, TGS, and TGX series had the fewest faults. MAN even widened its lead in the one-year-old vehicle category, with 83 percent of the trucks proving free of faults. For the twelfth time in succession, MAN Latin America was the local market leader for trucks from 5 tons upward.

Driver assistance systems

Based on many years of accident research, MAN Truck & Bus is working to continuously improve the safety of its vehicles – for example with driver assistance systems such as Adaptive Cruise Control (ACC), Emergency Brake Assist (EBA) and Lane Guard System (LGS). Our engineers are currently developing systems that will act as an extended “electronic eye” and will provide a view of areas not directly visible to drivers from the cab.

Safety training

When it comes to product safety, we depend on the support of all our employees. It is essential to maintain high levels of safety awareness, along with high standards of competence on the part of employees working in critical areas such as explosion safety or machine safety. These priorities form the basis for the ROST (Rollout Standardized Safety Training) project. Launched in 2014, the ROST project is looking to expand the existing range of continuing professional development programs on product safety in order to ensure uniform standards throughout the company. In addition to training our own employees, training for our customers is another important focus.

For both customers and employees, MAN Diesel & Turbo’s PrimeServ Academies offer technical training and customized product training – which 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. All PrimeServ Academies worldwide operate to the same high quality standards. The PrimeServ Academies also provide a network for promoting the exchange of knowledge between customers, suppliers and employees in our research and development departments.

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HELPING TO SHAPE THE FUTURE OF TRANSPORTATION AND MOBILITY

Traffic management systems

How can commercial vehicles operate safely and efficiently in an increasingly congested urban environment? These are the questions MAN engineers are tackling in the UR:BAN research project. The 31 project partners include companies, universities, research institutes and cities. The project is being subsidized by the German Federal Ministry for Economics and Energy, and will be concluded in 2016.

The focus is on the development of new driver assistance and traffic management systems for trucks and buses. In this area, MAN is contributing to three subprojects: “Human Factors in Traffic”, where the aim is to strip down information supplied by assistance systems to the essentials, which are then presented in an intuitive way to drivers; “Networked Traffic System”, where MAN is developing a green wave assistance system to ensure fuel efficiency and time savings in urban driving by making optimal use of traffic light green phases; and “Cognitive Assistance”, which is focused on improved 360° urban traffic monitoring for buses and trucks.

Long trucks

On certain routes, extra-long (up to 25.25 m) trucks have the potential to help meet the forecast future growth in road freight traffic while at the same time helping to curb greenhouse gas emissions. An MAN vehicle is taking part in the German long-truck field trial, which will continue through to the end of 2016. The trial vehicle is shuttling daily between the Dachau parts depot and the Salzgitter plant. Further vehicles will also operate between the Munich and Salzgitter plants. Findings derived from the scientific monitoring of the field trial shows that on average one trip by a long truck can replace 1.56 trips by a conventional standard truck, reducing fuel consumption and CO₂ emissions by up to 25 percent. A decision on whether to grant general authorization for the use of long trucks in Germany will not be taken until the field test has been completed and the findings evaluated.

Connected mobility

Connected, automated driving offers a way to make optimal use of vehicles, drivers and infrastructure. The biggest potential benefits, as seen by transportation experts, industry and customers, are in the areas of road safety and infrastructure utilization. Specifically, this will be a step towards achieving the European Commission’s goal of “zero traffic deaths by 2050”, as well as making better use of the transportation infrastructure.

But connected mobility also has much wider implications for the future of commercial vehicles. As well as improved safety, it also offers improved fuel- and cost-efficiency. Connected vehicles provide a way of optimally controlling traffic flows so that vehicles can avoid congestion and goods reach customers faster. Bearing in mind that commercial vehicles typically cover over 130,000 km a year, connectivity has the potential to greatly improve efficiency for haulage companies, other road users and the business sector as a whole.

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This report was prepared in accordance with the Global Reporting Initiative (GRI) guidelines in its actual version G4 and fulfills the “in accordance” Core option. In cases in which all requirements for an indicator were not completely met, the information which was not included is not material to the MAN Group.



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G4-PR5 Results of surveys measuring customer satisfaction	21	–		
G4-PR9 Significant fines concerning the provision and use of products and services	AR 147 et seq.	☑ AR 147; 189		

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INDEPENDENT ASSURANCE REPORT

To MAN SE, Munich

We have been engaged to perform a limited assurance engagement on the description of the necessary materiality analysis for a sustainability report and selected issues of the Corporate Responsibility Report 2014 of the MAN SE, Munich, (hereinafter: the Company), for the business year from January, 1st to December, 31st 2014.¹ The sustainability information, which were selected by the Company and reviewed by us, are marked with the following symbols in the Sustainability Report.

Management's Responsibility

The company's Board of Managing Directors is responsible for the accurate preparation of the Sustainability Report in accordance with the criteria stated in the Sustainability Reporting Guidelines Vol. 4 of the Global Reporting Initiative (GRI).

This responsibility includes the selection and application of appropriate methods to prepare the Sustainability 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 report.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA-Codex), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a conclusion based on our work performed as to whether anything has come to our attention that causes us to believe that:

- the marked description of the materiality analysis is necessary for a sustainability report to determine its content and the boundaries of its aspects is not in accordance with the criteria "Stakeholder Inclusiveness", "Sustainability Context", "Materiality" and "Completeness" of the GRI's Sustainability Reporting Guidelines Vol. 4 and that they were not used during the Sustainability Report's preparation,
- the management approaches marked with in the Sustainability Report are not in accordance with the requirements of the standard disclosures G4-DMA of the Sustainability Reporting Guidelines Vol. 4 and that

¹ Our engagement applies to the German paper version of the Sustainability-Report. This text is a translation of the Independent Assurance Report issued in German language – the German text is authoritative.

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■ the quantitative information marked with in the Company's Sustainability Report for the business year 2014, is in material aspects not in accordance with the criteria "Completeness", "Comparability", "Accuracy", "Clarity", "Timeliness" and "Reliability" of the GRI's Sustainability Reporting Guidelines Vol. 4.

It was not part of our engagement to review any additional information outside the scope of the given information or statements.

We also have been engaged to make recommendations for the further development of the sustainability management and the sustainability 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, under consideration of materiality, in order to provide our conclusion with limited assurance.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement.

The procedures selected depend on the practitioner's judgment.

Within the scope of our work we performed amongst others the following procedures concerning the materiality analysis, management approaches and key data – for the aspects that are marked by a check in the Sustainability Report.

- Inquiries of personnel responsible for the preparation of the report regarding the process to prepare the reporting of sustainability information and the underlying internal control system;
- Understanding the Company regarding to its sustainability organizational structure, stakeholder dialogue and development process of the sustainability program;
- Recording of the systems and processes for collection, analysis, validation and aggregation of sustainability data and their documentation on a sample basis;
- Performance of site visits as part of the inspection of processes for collecting, analyzing and aggregating selected data at:
 - MAN Truck & Bus AG, Munich;
 - MAN Latin America; Resende;
 - MAN Diesel & Turbo SE, Augsburg;
 - MAN Diesel & Turbo SE, Oberhausen;
 - Renk Aktiengesellschaft, Augsburg;
- Analytical procedures on relevant data;
- Comparison of corresponding data in the Company's Annual Report 2014;
- Gaining further evidence for selected data of the report through inspection of internal documents, contracts and invoices.

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Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that

- the marked description of the materiality analysis, which is necessary for a sustainability report to determine its content and the boundaries of its aspects, is not in accordance with the criteria “Stakeholder Inclusiveness”, “Sustainability Context”, “Materiality” and “Completeness” of the GRI’s Sustainability Reporting Guidelines Vol. 4 and that they were not used during the report’s preparation,
- the management approaches marked with in the Sustainability Report are not in accordance with the requirements of the standard disclosures G4-DMA of the Sustainability Reporting Guidelines Vol. 4 and that
- the quantitative information marked with in the Company’s Sustainability Report for the business year 2014 is in material aspects not in accordance with the criteria “Completeness”, “Comparability”, “Accuracy”, “Clarity”, “Timeliness” and “Reliability” of the GRI’s Sustainability Reporting Guidelines Vol. 4.

Emphasis of Matter – Recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company’s materiality process as well as its sustainability reporting:

- Extending the focus on the current stakeholder groups with its existing formats (online questionnaire, challenger statements, etc.) to additional, more critical stakeholders (e.g. non-governmental organizations) and, where necessary, adaptation of the current dialogue formats for a targeted inclusion of those stakeholders,
- Further harmonization of indicator definitions with the VW group, where reasonable,
- Continuing the standardization of reporting processes for employee data as well as
- Implementation of the CR strategy 2020+ focusing on field of action ‘product’.

Munich, 1st June, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Hendrik Fink
 Wirtschaftsprüfer



ppa. Heinke Richter

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ABOUT THIS REPORT

[G4-24] Since 2011, each year we have provided our stakeholders with transparent and detailed information about our progress in implementing our CR strategy. This year's GRI Report is part of a multipronged reporting approach aimed at the needs of our different target groups. Instead of addressing all readers with a single publication, we decided to use a more targeted reporting approach consisting of three different formats – all under the heading of “Corporate Responsibility at MAN in 2014”:

- In this MAN GRI Report, we provide a transparent account of what we achieved in 2014 in the area of corporate responsibility and sustainability and what we plan to accomplish in the future. Available exclusively online as a PDF, it contains detailed information and KPIs for analysts, investors, customers, and business partners.
- The MAN CR Online Journal presents the CR highlights of 2014, such as the realignment of the CR strategy, our efficient products, and our partnership with SOS Children's Villages. It also includes our Indicator Tool, which allows readers to explore our KPIs for the last five years. The microsite is aimed at employees, job applicants, customers, non-governmental organizations (NGOs), and members of the general public.
- The MAN CR Journal provides a clear summary of MAN's CR activities in 2014. It is primarily intended to provide a quick overview for our employees and customers around the world. This publication is available for download as a PDF and in print.

Report profile

This report complies with the standards of the new G4 version of the Global Reporting Initiative (GRI) guidelines. It was prepared in accordance with the GRI G4 Core option. MAN's CR reporting was preceded by a pro-

cess of materiality analysis which also took stakeholder views into account – as described on pages five to eight. The GRI confirmed our selection of material issues through its Materiality Disclosures Service. The GRI index outlines our compliance with the relevant GRI indicators (→ page 59) and represents our UN Global Compact Communication on Progress.

We voluntarily submitted our 2014 GRI Report to a comprehensive independent audit by PricewaterhouseCoopers which was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (→ page 63 et seq.). In accordance with the GRI G4 reporting standard, the focus of the audit was on the materiality process as well as on selected management approaches and the corresponding indicators. They are marked in the report with a symbol.

Scope

[G4-17] The 2014 reporting period is identical with the 2014 fiscal year, which runs from January 1 to December 31. The closing date for contributions was February 28, 2015. The next report should appear in the first half of 2016.

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, associated companies, and financial participations).

In the interests of readability we have not used the full legal names of MAN SE and its subgroups.

Wherever relevant we have included cross-references to additional information in the 2014 Annual Report or other MAN Group internet pages. The GRI Report, the Journal, and the Online Journal appear in German and English.

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Additional information



CORPORATE RESPONSIBILITY AT MAN IN 2014 ON THE INTERNET

[→ MAN CR Online Journal](#)

[→ MAN Global Corporate Website](#)

THE MAN GROUP ON THE INTERNET

[→ MAN Group and its products](#)

[→ MAN Global Corporate Website](#)

SOCIAL MEDIA

[→ MAN Group News](#)

[→ MAN Careers](#)

[→ MAN Xing](#)

[→ MAN Truck & Bus Facebook](#)

[→ MAN Diesel & Turbo Facebook](#)

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