

Corporate Responsibility at MAN

▶ 2015

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COMMITTED TO TRANSPARENCY, SUSTAINABILITY, AND CORPORATE RESPONSIBILITY

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Joachim Drees
Chief Executive Officer of MAN SE

Dear Readers,

As one of the oldest industrial enterprises in Germany, we have mastered the art of adapting to societal changes and meeting global challenges with flexibility and a spirit of innovation. Our clearly defined principles and actively applied values are the foundations on which we build. Our commitment to transparency, sustainability, and corporate responsibility guides our steps and shapes our actions.

For the sixth time, we are issuing a report in line with the standards of the Global Reporting Initiative (GRI) to summarize our sustainability activities. Using KPIs, we report on our progress in implementing our CR Strategy 2020+. An integral part of our corporate strategy, it defines objectives and initiatives which are assigned to the CR cornerstones of Production, Products, People, and Integration. Our CR Strategy 2020+ is based on our analysis of global challenges such as climate change, environmental pollution, resource scarcity, and urbanization — viewed through the lens of the opportunities and risks they represent for the MAN Group.

By cutting the carbon footprint of MAN production sites by 19.5% compared to the baseline year of 2008, last year we came a step closer to reaching our climate goal for production — a 25% reduction in CO₂ emissions by 2020. Our portfolio of efficient products and services isn't just a success with our customers. It also impressed the trade journal Transport, which honored MAN Genuine Parts ecoline with the European Transport Prize for Sustainability in 2015. Within our People CR cornerstone, we are stepping up our efforts to foster the professional growth of talented women. We have launched a number of programs aimed at supporting women early in their careers — including a new talent development initiative targeting female vocational trainees. Digitization also pre-

sents new challenges which not only impact on our business model, but are also transforming the world of work. We will continue to work closely with the works council to develop new responses to these questions.

The difficult situation facing the people who fled to Germany in 2015 moved us all. Many of our employees spontaneously offered assistance to the refugees who last summer arrived in Munich every day in their hundreds. In collaboration with our partner SOS Children's Villages, we have now launched numerous activities at our sites in Germany to help support and integrate refugees. These activities are bundled in our "MAN aid for refugees" initiative.

We are proud of the three prizes we have received for our innovative sustainability communications, not least the European Excellence Award. This year we will continue to communicate with our different target groups using formats tailored to their needs. This GRI report is aimed at sustainability analysts and investors, customers, and business partners. It includes all KPIs and data related to our sustainable business practices and outlines our activities in line with the United Nations Global Compact's ten principles of corporate responsibility. It represents our Communication on Progress, upholding our commitment to the largest and most important international CR initiative. We have also had our KPIs verified by an independent firm of auditors.

In these challenging times, we reaffirm our commitment to corporate responsibility and invite you to remain engaged in dialog with us on the subject of CR. We hope you find this report makes informative reading.

Best regards,

Joachim Drees
Chief Executive Officer of MAN SE

WE PROVIDE EFFICIENT TRANSPORTATION AND ENERGY SOLUTIONS

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2015

55,030

employees worldwide

€13.7

billion sales revenue

4

business areas:
MAN Truck & Bus
MAN Latin America
MAN Diesel & Turbo
Renk

2015

31

production sites in
14 countries

€14.4

billion order intake

€92

million operating profit



For more information:
www.corporate.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 business areas

Commercial Vehicles		Power Engineering	
MAN Truck & Bus	MAN Latin America	MAN Diesel & Turbo	Renk (76%)
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 thirteen 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 and gas-powered engines and also one of 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.
2015 sales revenue			
€8,997 million	€1,047 million	€3,305 million	€487 million

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Economic environment

The economic environment deteriorated significantly in the year under review. Although the global economy saw moderate growth and the situation improved somewhat in industrialized nations, economic momentum continued to slow in many emerging economies over the course of the year. For the MAN Group, the picture is mixed. While the European commercial vehicles market has recovered, the situation in other regions such as Brazil and Russia remains tense. The same can be said of the Power Engineering business area.

The MAN Group generated sales revenue of €13.7 billion in 2015, down 4% year-on-year. Our operating profit was €92 million. In the Commercial Vehicles business area, it dropped to €-101 million. Restructuring expenses related to the MAN Truck & Bus future growth program, which aims at increasing long-term competitiveness, totaled €185 million — a special item that impacted negatively on operating profit. We paid out guaranteed dividends to our shareholders of €3.07 per share in 2015. The MAN Group's operating return on sales amounted to 2.9% in 2015, remaining largely unchanged compared to 2014 (3%). In the year under review, MAN paid income taxes amounting to €64 million. We do not take extensive measures to optimize our taxes.

Further information on our financial performance is available in our 2015 Annual Report.

Investment by Volkswagen AG in MAN SE

A domination and profit and loss transfer agreement (DPLTA) between Volkswagen 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, 2015, Volkswagen Truck & Bus GmbH held 75.56% of MAN SE's voting rights and 74.35% of its share capital. On December 31, 2015, the free float for MAN's common shares amounted to 24.44%.

Capital expenditures

In the 2015 fiscal year, the MAN Group incurred capital expenditures totaling €708 million, after €610 million in the previous year. There was growth in both expenditures on property, plant, and equipment, and on intangible assets. In view of the difficult economic situation, we are reviewing planned capital expenditures particularly critically, and are systematically prioritizing them. We are deliberately going ahead with the necessary capital expenditures that will lead to long-term growth and that are designed to improve our operational efficiency.

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STRATEGY AND GOVERNANCE

MAN's future performance depends on understanding global challenges and on recognizing the opportunities and risks with regard not only to sustainable development, but also to our commercial success. MAN's CR Strategy 2020+ is our response to the worldwide megatrends associated with these challenges. This is how we live our responsibility – along our entire value chain.

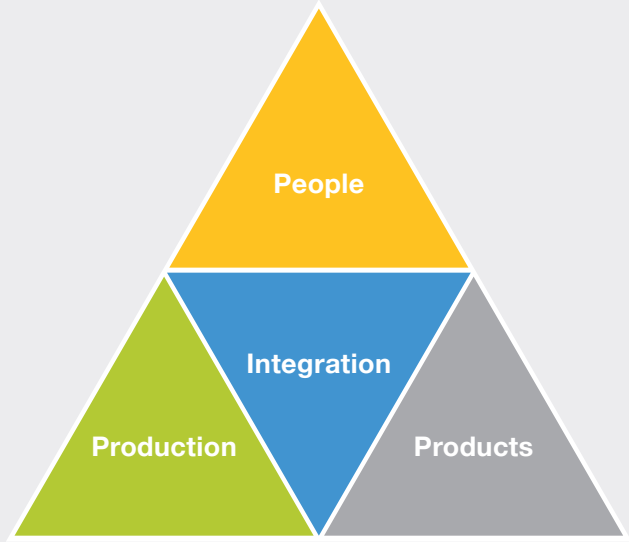
CR Strategy 2020+

Since 2010, corporate responsibility (CR) has been an integral part of MAN's Corporate Strategy. And our CR Strategy 2020+ outlines the ways in which we take responsibility along our entire value chain. It places an emphasis on the people who work for us, and is aimed at integrating CR in our processes, our production operations, and our products. Four fields of action have been assigned to each of these four CR cornerstones (→ page 6). We have set ourselves a strategic objective for each field of action.

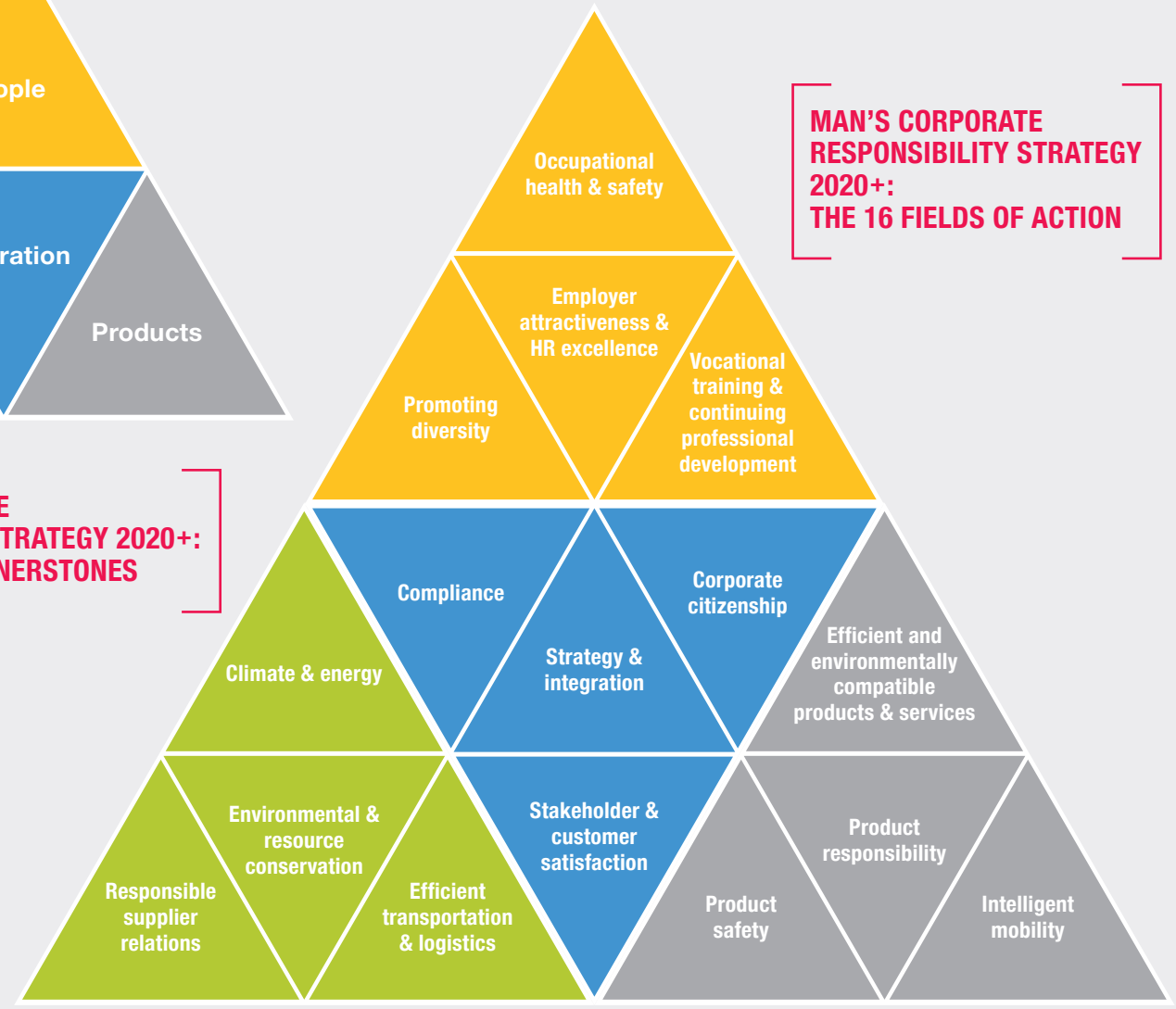
We have assigned the five core initiatives of MAN's Climate Strategy to the Integration, Production, and Products cornerstones of our CR Strategy 2020+. It goes without saying that we will continue to pursue these objectives and initiatives within this framework.

The CR Strategy 2020+ is MAN's response to the global challenges which have 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.

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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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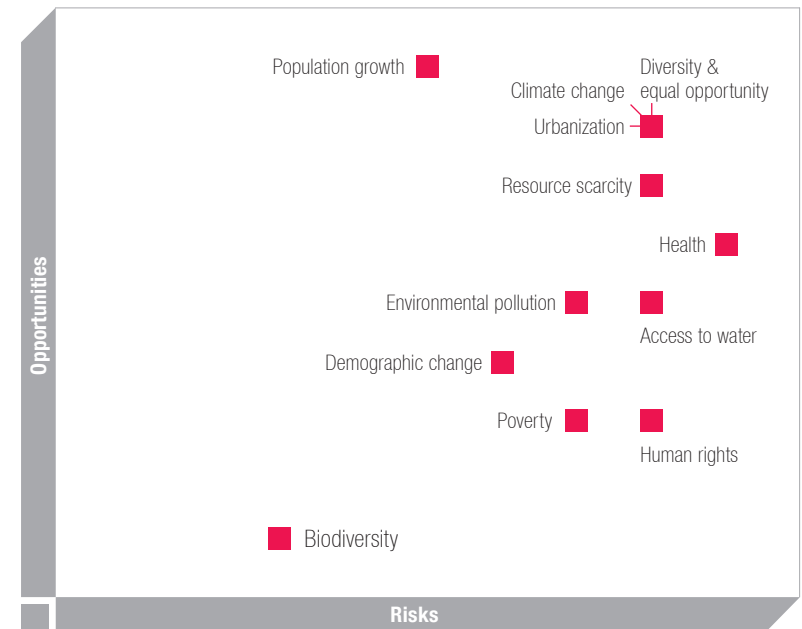
Analysis of key challenges

[G4-18] As part of a multi-step materiality analysis conducted in 2014, we identified the global challenges 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 (→ page 10) discussed and analyzed 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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Evaluation by stakeholders

[G4-24, G4-25, G4-26, G4-27] To supplement the materiality analysis performed by the MAN CR Steering Committee, in 2014 we asked our stakeholders what expectations they have of MAN. For this process 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.

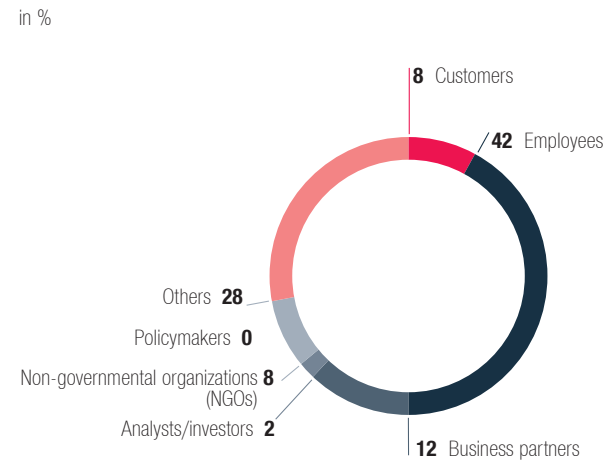
Material global challenges facing MAN

In addition to the assessments of the global challenges performed by the MAN CR Steering Committee and our stakeholders, we also conducted an analysis of our competitors and consulted expert opinion. This led to the definition of six material challenges as the basis of the MAN CR strategy as well as our reporting under the G4 standard of the Global Reporting Initiative (GRI). These global challenges were then assigned to the corresponding GRI Aspects (→ page 9) for which MAN reports at least one performance indicator (→ GRI Index page 57 ff.).

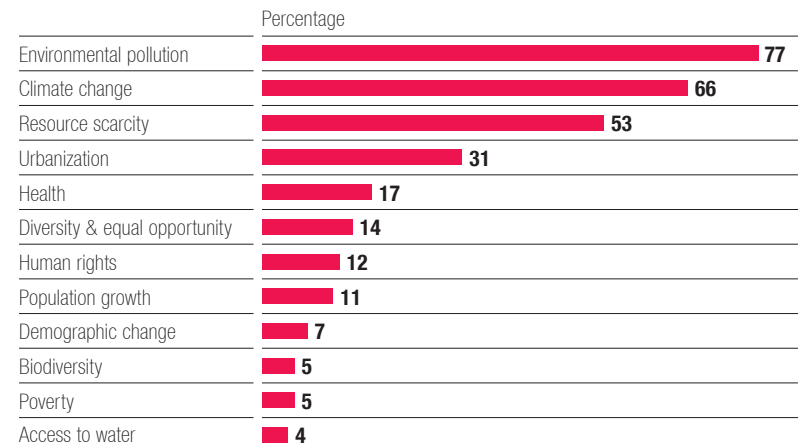
We performed the materiality analysis for the MAN Group as a whole. To take account of regional variations, MAN Latin America conducted an additional, separate analysis, which confirmed the MAN Group results to a very great extent. In this analysis, regionally relevant issues such as access to water,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

At the end of 2015 MAN Diesel & Turbo also conducted a materiality analysis specifically for the subgroup. In February 2016 the findings of this analysis were reviewed by experts from specialist functions and measured against MAN's CR Strategy 2020+.

2014 survey participants by stakeholder group



Global challenges: Stakeholders' expectations of MAN



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Analysis of key challenges

[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.	In this context, the transportation and logistics sector is called upon to reduce its emissions of CO ₂ and other greenhouse gases, as well as nitrogen oxides and pollutants. Top priority here is assigned to the development and implementation of alternative drive systems and fuels. All MAN engines comply with current emissions standards.	Energy Emissions Transportation	<input type="checkbox"/> <input checked="" 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 checked="" 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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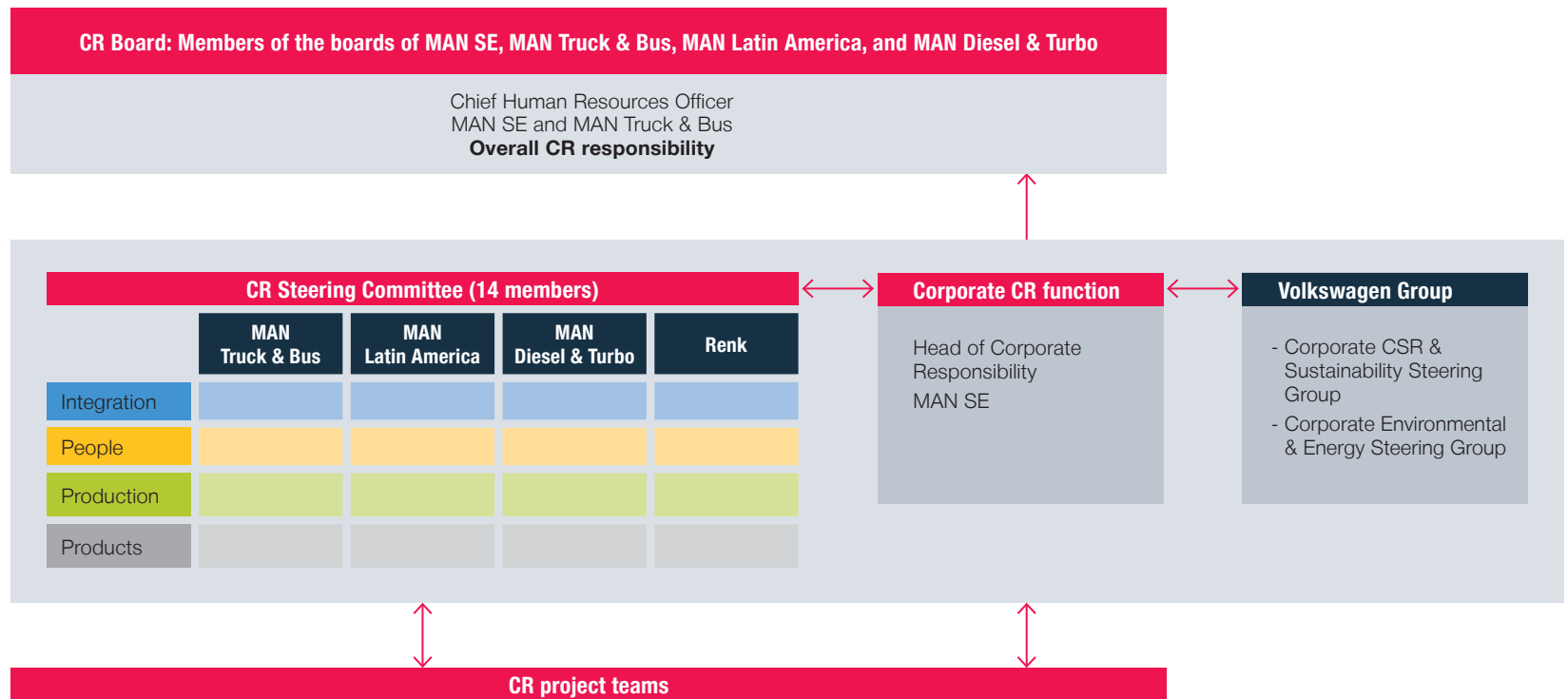
CR Governance

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. The Chief Human Resources Officer and *Arbeitsdirektor* (Executive Board member responsible for employee 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 Corporate Responsibility function serves as the cen-

Resources Officer and *Arbeitsdirektor* (Executive Board member responsible for employee 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 Corporate Responsibility function serves as the cen-

CR organization



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tral point of contact for all CR issues in the Company. It also coordinates the CR Steering Committee, which met four times in the year under review 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 in 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.

Activities within 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. In 2015, our activities focused on providing aid for refugees in Germany.


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
-  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's Compliance function is currently staffed by 48 employees and headed up by the Chief Compliance Officer (CCO). The CCO reports regularly to MAN SE's Executive Board and the heads of other functions on the current status of compliance activities. In addition to the Compliance function, MAN has a network of some 120 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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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. In 2015, the part of our compliance management system aimed specifically at combating corruption was certified to the IDW PS 980 standard, which evaluates the concept, applicability, implementation, and effectiveness of the system.

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 — including the mid-year review process — risk and opportunity management, our internal control system, our continuous controls monitoring system, and our compliance system, it is an integral part of our corporate management and business processes.

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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
- 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**Strategic approach**

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.

We have enjoyed a strategic partnership with SOS Children's Villages since 2008. 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 standard of the London Benchmark Group (LBG) to measure the success of our community projects.

INTEGRATING CR THROUGHOUT THE ENTIRE COMPANY

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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 2015, we also continued anchoring CR in the functional and cross-functional strategies at MAN Diesel & Turbo. This process of integration was completed at MAN Truck & Bus in 2014.

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 2015, some 60 managers and multipliers — such as trainers and works council members — from MAN Truck & Bus successfully completed this course. Since the program was initiated in 2012, a total of almost 600 participants have attended 69 such courses. Eighty-seven percent of the managers in Munich have attended this course; 62% in Nuremberg, Steyr, Plauen, and Salzgitter. The course was recognized as best practice within the Volkswagen Group, leading to the development of a "Manage responsibly" course adapted to the requirements of Volkswagen, which can be used by all brands. At MAN the development of "Manage responsibly 2.0" is planned for 2017.

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SAFEGUARDING ETHICAL 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 May 5, 2015. The most recent Declaration of Conformity was issued in December 2015. MAN SE departed from the DCGK recommendations with regard to three points (→ 2015 Annual Report, page 15 ff.).

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 that we are not permitted to work with is updated on a monthly basis and communicated within the Group.

In total, over 1,825 checks were conducted using this tool in the 2015 reporting period. Because approvals are issued for a limited period, some of the checks were 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, 469 questions were answered.

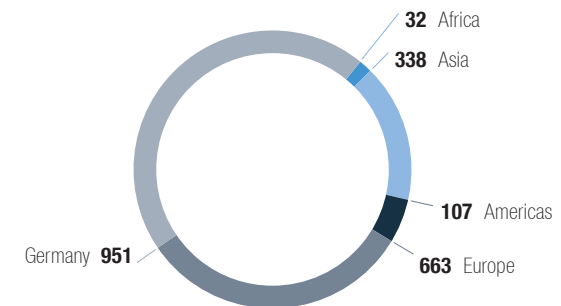
Compliance training

The Compliance function held compliance awareness training courses for 2,091 employees around the world in the year under review. These on-site training courses focus on providing basic knowledge on combating corruption and on 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 the year under review, these courses

provided in-depth training to 2,834 employees. Since 2015, we have been offering our managers special on-site compliance training courses. They focus on specific compliance risks and challenges as well as the special responsibilities that come with a leadership role. In the reporting period, 306 managers attended these courses. Special classroom training courses were also held for 392 procurement employees and 178 business partners in 2015.

Participation in on-site training courses in 2015

MAN Group 2,091



Furthermore, in the year under review 3,091 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 the second training module on the Code of Conduct, 5,334 employees were trained in correct conduct during searches, dealing with conflicts of interest, and preventing money laundering.

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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 2015, 2,667 employees completed this module. In addition, a training module called “Antitrust Law: Preventing Antitrust Infringements” was rolled out in the second quarter of 2015. In the reporting period, 11,364 employees took advantage of this training.

Compliance risk assessment

In 2015, we conducted our regular Group-wide compliance risk assessment for the fifth time. The aim was to analyze compliance risks in the fields of combating corruption, antitrust law, and money-laundering prevention. For the first time we applied a two-stage approach. In the first stage, we used centrally available data to draw up risk profiles for a total of 81 companies and business units. Based on this information, we identified 39 at-risk companies and business units for in-depth analysis. The second stage comprised a detailed questionnaire which was completed by the local management. It contained questions on their specific business model and business environment as well as their self-assessment of how they identify and handle compliance risks. The findings of the compliance risk assessments informed the definition of targeted measures at local level by the responsible compliance manager and the board of management.

Selected compliance measures

	2015
Business Partner Approval Tool	1,825 business partners checked
Helpdesk	469 questions handled
Risk Assessments	Vertical compliance risk assessment conducted
Preventive compliance audits	3 audits conducted with Internal Audit

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 compliance program, as well as employee awareness of compliance issues in the organization concerned.

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. Among other things, our Group-wide money-laundering policy establishes minimum standards for handling suspicious business partners and requires investigation of ambiguous circumstances before a business transaction is concluded. We educate our employees on this topic as part of the training module on our Code of Conduct (→ page 16).

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 — 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.

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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 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 76 coordinators in 44 nations outside of Germany who work on data-protection issues in 90 companies.

Due diligence

CR and compliance risks can ensue from the acquisition or disposal of equity investments. To prevent such risks, the Compliance function is involved in acquisition projects from the start. The target company must complete a due-diligence questionnaire that addresses CR and compliance issues, and includes questions on human rights and environmental impacts.

ENTERING INTO DIALOG WITH STAKEHOLDERS

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Ratings and rankings

MAN is a world leader in climate protection. The CDP investor initiative awarded us top marks for our transparency and performance in the field of climate protection, naming MAN as one of the top ten companies in the “Industrials” sector. This means we have achieved the status of “Sector Leader, Industrials” in the DACH (Germany, Austria, Switzerland) region.

In 2015, we were included in the Dow Jones Sustainability World Indexes by sustainability rating agency RobecoSAM for the fourth time in succession. With a score of 85, we again succeeded in building on the positive results of the previous year. MAN remains one of the top three companies in the industry, as well as being the only German enterprise in its sector to be listed in these indexes.

The oekom research and Sustainalytics rankings are published every two years, so there are no new ratings specifically for 2015.

Corporate Responsibility Ratings

	2013	2014	2015
Dow Jones Sustainability Indexes	83 listed	80 listed	85 listed
Climate Disclosure Leadership Index	89 listed	97 listed	100 listed
Climate Performance Leadership Index	B	A listed	A-
oekom Corporate Rating	B-; “Prime” (from 2012)	B-; “Prime”	No new rating
Sustainalytics	8th	8th	No new rating

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

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
- Connected automated driving, aimed at safer and more efficient transportation of goods and people

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[G4-26] 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 people. 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.

The MAN guidelines for lobbying are defined in a Code of Conduct which applies Group-wide. This Code explicitly outlines our commitment to nonpartisanship and to making our positions transparent. In 2015, MAN spent around €80,000 on direct lobbying activities.

Dialog event

The 2014 CR Report was presented at a stakeholder dialog event held at the SOS Children's Village in Diessen am Ammersee, Germany, as part of the celebrations to mark the 60th anniversary of SOS Children's Villages. Some 80 stakeholders, including employees and representatives of local businesses as well as 30 children and caregivers from the SOS Children's Village, were invited. The dialog focused on MAN's CR activities in the context of its long-term partnership with SOS Children's Villages.

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 them have already rolled out their own CO₂ reduction targets. It is essential for MAN to understand future customer needs; by flowing customer requirements into the development of our products and services, we create more customer value.

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. Selected customers participate in this discussion and feedback platform.

We also conduct targeted customer dialog at trade fairs for our sector. For instance, at the Power-Gen Europe event MAN Diesel & Turbo presented its new, highly efficient line of gas-powered engines with two-stage turbocharging.

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. MAN Truck & Bus America has been tracking customer satisfaction each year using the Customer First Study (CFS). As part of the CFS, in 2015 we conducted telephone surveys of some 29,000 customers — 5,000 more than in the previous year. More than 90% gave MAN Truck & Bus a "good" rating or better, while almost 65% responded with "very good." This indicates that customer satisfaction has risen above 2014 levels.

Every two years, MAN Diesel & Turbo conducts an online survey which also serves to monitor customer satisfaction. In 2015, some 4,000 customers were asked to give their feedback on the company's products and services. Thirty-five percent of the participants rated the performance of MAN Diesel & Turbo as "good," 42% as "very good," and 9% as "excellent."

We use the results of these customer surveys to check the effectiveness of our customer satisfaction improvement measures and initiate follow-up activities.

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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 conserve 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 awareness of CR, safety, climate, and environmental issues among MAN Truck & Bus sales employees and ensure they are informed about our EfficientLine trucks and buses and our gas and hybrid drives. In 2015, some 3,000 sales employees successfully completed this training course. Of these, more than 700 participants focused specifically on efficiency and environmental topics, and more than 1,000 on product safety issues.

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CREATING A BRIGHTER FUTURE FOR PEOPLE IN NEED

Long-term partnership with SOS Children's Villages

As part of our long-term partnership with SOS Children's Villages, we have pledged annual funding of €150,000 to support SOS Children's Villages facilities in Germany and around the globe. In addition to offering financial assistance, we strongly encourage employee volunteering. In 2015, 76 MAN employees volunteered 625 hours in SOS Children's Villages facilities.

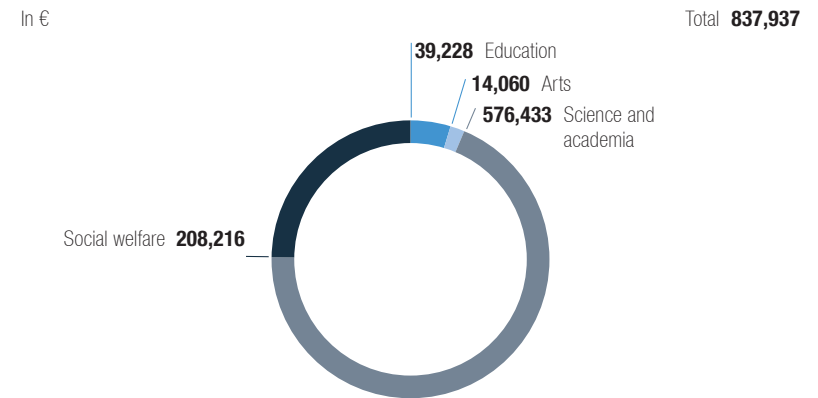
One international program which we support is the SOS Vocational Training College in Kaliti, Ethiopia. Since 2008, MAN has contributed some €600,000, which has gone toward construction of a new training building, facilities maintenance, the salaries of five teachers, and MAN scholarships for the young people. Our decision to continue funding the project was based on an analysis we conducted using the London Benchmarking Group methodology. Another international project we support is the SOS Hermann Gmeiner School on the outskirts of the Haitian capital city of Port-au-Prince, where we cover the cost of five teachers.

In the year under review, the longstanding and successful relationship between MAN and SOS Children's Villages was expanded to include a partnership between MAN Diesel & Turbo and the SOS Children's Villages organization in Augsburg, Germany.

Aid for refugees

From early in 2015, we focused our charitable activities on providing aid to refugee children and their families as well as unaccompanied refugee minors. To help address this issue, here too we are collaborating with our strategic partner SOS Children's Villages. We have donated almost €90,000 to the non-profit organization's refugee assistance programs, earmarked for its facilities in Munich, Augsburg, Salzgitter, and Dießen am Ammersee. It is our goal to help create a brighter future for refugee children by opening up opportunities for education and participation in our society.

Cash and non-cash donations



MAN employees have been playing an active role in these efforts. They also collected donations totaling €13,000, proceeds from a raffle. The money will be used to assist unaccompanied refugee minors living in three group homes in the Bavarian town of Landsberg am Lech. A teacher has been hired to teach German to the young people, who are also receiving intensive instruction to allow them to continue their secondary education. A detailed report on our engagement on behalf of refugees can be found in our [CR Online Journal](#).

Donations

Following a donation drive initiated jointly by the Executive Board and the Group Works Council, MAN topped up employee donations for refugee assistance and donated the total sum of €200,000. Half of this amount went to international and regional aid projects: in addition to providing support for several long-term aid projects at MAN sites in Germany, the

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Company donated €25,000 to the UN refugee assistance program. MAN also donated €15,000 to the City of Munich to help provide refugees with access to public transportation. The second half of the sum went into an MAN fund designated for programs which support the integration of refugees through education and training. In 2015, our cash and non-cash donations totaled almost €838,000.

Scholarships

MAN supports 60 recipients of the Germany Scholarship at the Technical University of Munich (TUM), making us the primary sponsor. Half of the funding for the scholarships, which are awarded in recognition of out-

standing achievements, comes from the German federal government, with the other half contributed by companies, foundations, and private individuals. In addition to TUM, MAN also provides Germany Scholarship funding at RWTH Aachen University, Deggendorf Institute of Technology, and the Technical University of Berlin. Around the world we collaborate with a total of almost 100 technical universities.

Several years ago, MAN PrimeServ China launched its own 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 achievements.

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PEOPLE

MAN is a top-performing team of around 55,000 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. 55,030 talented 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 placed under the corporate HR function, headed up by the Chief Human Resources Officer and *Arbeitsdirektor* 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 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 human resources 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 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 provide them with treatment when necessary. Only healthy and productive employees can make a meaningful contribution to the long-term success of the Company. With this in mind, MAN places high priority on ergonomics and preventive health and safety in the workplace within the framework of its comprehensive occupational safety and health management program.

Organization

The corporate health services function at MAN is responsible for guiding the employer in the formulation and implementation of its Company-wide health management strategy. 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.

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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).

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. This reflects the high priority that we assign to improving ergonomics in our production sites with the aim of keeping our employees healthy and physically fit. In addition, we conduct regular internal and external occupational health and safety audits and inspections.

Employee structure

The MAN headcount is defined as active employees, employees in the passive phase of partial retirement, and vocational trainees. It does not include subcontracted employees.

As of December 31, 2015, the MAN Group employed 55,030 people. This represents a decrease of 873 employees compared to the end of 2014. The ratio of employees in Germany to those in other countries changed only slightly. Our non-German companies employed a total of 23,310 people. This is a year-on-year decrease of 284. Compared to the previous year, the number of employees working in Germany fell by 589 to 31,720.

The number of employees on fixed-term contracts rose by 23% to 1,467 (2014: 1,193). The number of subcontracted employees decreased by 77 to 802. In 2015, 86 subcontracted employees were taken on as permanent staff. In the year under review, 927 women and 256 men held part-time contracts not related to parental leave.

Employees by location*

	2013	2014	2015
Germany	32,430	32,309	31,720
Other countries	23,672	23,594	23,310
Total	56,102	55,903	55,030
% in other countries	42	42	42

Employees by business area*

	2013	2014	2015
Commercial Vehicles	38,907	38,449	37,599
Power Engineering	16,866	17,143	17,133
Other	329	311	298
MAN Group	56,102	55,903	55,030

Employee structure*

	2013	2014	2015
Permanent staff	52,182	51,995	51,234
of which: women	7,255	7,228	7,102
of which: men	44,927	44,767	44,132
of which: part-time employees	1,255	1,073	1,183
of which: employees on fixed-term contracts	1,162	1,193	1,467
Vocational trainees	3,290	3,312	3,177
of which: women	501	552	571
of which: men	2,789	2,760	2,606
of which: Germany	2,292**	2,341	2,268
Employees, passive partial retirement	630	596	619
Headcount	56,102	55,903	55,030
Subcontracted employees	1,327	879	802

* KPIs were audited by PwC as part of the 2015 Annual Report process

** not including Renk

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Age of employees*

	2015
< 30	8,902
31 - 40	15,440
41 - 50	14,492
51 - 60	10,841
> 61	1,559
Gesamt	51,234

* permanent staff only; KPIs were audited by PwC as part of the 2015 Annual Report process

Employee turnover

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 2,070 departures in 2015 result in an employee turnover rate of 4.0%. This relatively low rate demonstrates the stability of labor relations at MAN. In the year under review, we hired a total of 4,120 people, while 4,040 left our Company.

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Vocational training and the dual model

Our dual model of vocational training ensures the development of the next generation of outstanding technical and commercial employees. The program, which is anchored in the MAN Academy, saw almost 800 young people starting their careers at MAN in the fall of 2015 — in locations including Germany, Austria, and Turkey. In the year under review we also rolled out a dual vocational training model at our site in Poland.

MAN offers its vocational trainees the opportunity to enter one of 28 vocational training programs, which provide training in 20 technical and eight commercial professions. The number of young women entering our programs and showing an interest in technical professions has grown. In the year under review, 17.8% of our 2,957 vocational trainees were women.

Dual education programs in cooperation with various universities are increasing in popularity among young people. At present, more than 200 students from dual education and integrated vocational training and degree programs are completing the practical part of their studies at our sites in Germany. And 20.5% of the participants in these programs are women.

The digitization of the workplace means that going forward, the restructuring of vocational training programs will present a particular challenge. With this in mind, projects have been initiated within the Volkswagen Group.

Our trainees have received several awards for excellence. The four best MAN Group vocational trainees were honored with the Volkswagen Group's 2015 Best Apprentice Award. In addition, the Chamber of Commerce and Industry awards for the best vocational trainee in the machinist program in their respective regions went to a young talent from MAN Truck & Bus in Lower Saxony and another from MAN Diesel & Turbo in Bavaria. And an international award also honored a vocational trainee

from MAN Diesel & Turbo, who received the 2015 Apprentice of the Year Award from the Confederation of Danish Industry in Copenhagen, Denmark.

Continuing professional development and training

Approximately 145,000 participants around the globe took part in some 14,400 continuing professional development (CPD) and training initiatives in 2015. Learning and teaching take 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.

In 2015, the principle of the Berufsfamilien Academies (BFA) was further expanded and broadened by the MAN Academy to guarantee uniform standards of quality and competencies around the globe. Here the focus was on the Berufsfamilien of Sales/After Sales, Engineering, Purchasing, Finance, HR, and Quality. The Production BFA had already launched its activities in 2014. The user base of the central MAN training portal has also been expanded. Employees in our Steyr and Ankara sites are among those who will be able to take advantage of the full range of offerings starting in early 2016. This will include a broader spectrum of digital learning opportunities.

Additional training programs were successfully rolled out to improve the leadership skills of group leaders ("Meister") and support them in their day-to-day leadership roles. In 2015, some 200 group leaders were trained from the production, logistics, service operations, and vocational training sectors.

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The selection and training of high potentials for management functions and leadership roles is a key aspect of HR development. We offer these employees a comprehensive training program designed to prepare them for their future leadership roles and management functions. In 2015, we expanded our leadership and management training program. The Company's current requirements determine the focus of these HR development measures.

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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 into the world of MAN 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

We believe that our employees make the most convincing ambassadors for the Company's attractiveness as an employer. "Best Employer of 2016," a Germany-wide study conducted by the Statista, Xing, and Kununu online portals in cooperation with FOCUS magazine, ranked over 2,000 companies. MAN placed 19th in the mechanical engineering category. We were also ranked 23rd in the 2015 Trendence survey of college graduates in Germany, and finished 19th in the Universum ranking. Our high rankings on these lists show that our strategy is on the right track.

Fostering young talent

It is our 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 2015, the MAN Group supported 23 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 2015 MAN Latin America granted scholarships to 44 employees. 64 employees participated in a scholarship program for language learners launched in 2014.

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 2015. In addition, our experts held numerous lectures around the world. For four 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 2015 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 2015, 87% of MAN Group employees participated in the survey (previous year: 90%). The mood reflected is somewhat more positive than in 2014. 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 2016.

MAN will redesign its employee survey in 2016, organizing 22 statements into four topic-based sections. This change comes in response to multiple employee requests for more detailed questions as well as more conclusive findings.

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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.

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

As part of a realignment of the MAN Truck & Bus production network, we have streamlined our European manufacturing, clearly defining the operational focal points of each plant. We achieve higher productivity by bundling similar types of production at fewer sites, while efficient vertical integration keeps our headcount at a consistently high level. Against this backdrop, MAN Truck & Bus plans to make a three-digit million euro investment by 2019. These plans are being rolled out in consultation with the responsible labor unions in Germany, Poland, Austria, and Turkey.

Employees covered by collective-bargaining agreements*

Percentage	2013	2014	2015
Germany	98.8	100.0	99.8
Europe (excluding Germany)	72.6	77.8	89.4
Africa	89.2**	90.0	78.8
Asia	0.0	0.0	54.6
Americas	76.5	77.2	90.3
Australia	0.0	0.0	0.0
Total	82.7	86.3	93.2

* permanent staff only

** This figure 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.

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, almost all permanent staff in Germany is covered by collective bargaining agreements. Around the globe, the share of our workforce that falls under collective agreements has increased to more than 93%.

The Volkswagen Charter on Temporary Work has been rolled out at MAN Truck & Bus and MAN Diesel & Turbo. The rollout of the Charter on Labor Relations continued in 2015, with additional participation agreements signed off at the MAN Truck & Bus plant in Ankara, Turkey as well as at MAN Turbo & Diesel at the plants in Copenhagen, Frederikshavn, and Holeby in Denmark. In the various countries where MAN is active, employee relations are structured in accordance with national laws and regulations.

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FOSTERING OPPORTUNITY MEANS FOSTERING DIVERSITY

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.

We have placed a special focus on the creation of professional opportunities for women. Programs like our “Girls for Engineering” camp and our “WOMAN’s Career Day” are aimed at recruiting talented women and fostering their career development. We support young women in our technical and commercial vocational training programs through “KICK,” our new talent development initiative. As part of the pilot program launched at the end of 2015, the young women are mentored and attend special training courses to prepare them for a career at MAN.

MAN offers special HR development measures, such as its mentoring program, to support women who are starting out as specialists and managers. We offer special programs and training courses for our employees on parental leave. Launched in 2015, a special program at MAN Latin America also aims to support women on their career paths by focusing on networking and the exchange of ideas and experiences with female managers.

Women in management positions

	2013	2014	2015
Level 1	2	2	2
Level 2	27	29	33
Level 3	88	96	87
Total	117	127	122
Percentage	8.9	8.7	8.5

Our guidelines for management hiring specify that diversity and the placement of qualified women in particular are to be given due consideration. Because of a decrease in the overall number of managers, in 2015 we employed five fewer women in management positions than in the previous year. This means that at 8.5%, the proportion of female managers has decreased. In 2015, we promoted 14 women within management levels one to three. This represents 11% of our management promotions. There are currently no women on the Executive Board of the MAN Group. The number of women who sit on the MAN SE Supervisory Board has increased to three.

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 154 infants and toddlers. We also offer part-time hours for management staff. Information sessions for expecting parents, a seminar on re-entry into the workforce after parental leave, a vacation program for employees’ children, and opportunities to work from home round off the resources available at the Munich site. In addition, in 2015 our employees in Bavaria could take

Parental leave

	Men	Women
Employees working during parental leave	29	79
Employees starting parental leave	766	178
Length of parental leave (average months per employee)	1.8	15.7

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Women in management positions

We view the diversity of our Company as an important factor contributing to our long-term success. Because heterogeneous teams often come up with solutions that are more innovative and creative than uniform groups, MAN places special emphasis on fostering the careers of women. As of the beginning of 2016, we and numerous other companies in Germany are required by law to appoint women to fill 30% of all new Supervisory Board vacancies and define targets for increasing the number of women on our Executive Board and in the top levels of management.

Unfortunately, it is still the case that relatively few women choose careers in the fields of science, technology, engineering, and mathematics (STEM). According to the Federal Labor Office, in Germany only 15% of the people employed in STEM professions are women. This particularly impacts on vehicle manufacturing and engineering companies like ours. Although it is our aim to increase the percentage of women working for our Company, we primarily require managers and high potentials with STEM backgrounds. We are addressing this dilemma through a variety of measures. For example, programs such as our “Girls for Engineering” camp aim to recruit young women for technical careers at MAN. We also foster the careers of our female employees by offering targeted training courses and varied professional development opportunities, as well as helping them balance work and family.

advantage of a caregiver placement service to help find appropriate care for children and family members. In Latin America, we offer employees a six-month period of maternity leave.

Inclusion

MAN supports and integrates people with disabilities into its operations. The Company employed 1,609 people with severe disabilities in Germany in the year under review (previous year: 1,577).

At the MAN Truck & Bus plant in Salzgitter, inclusion is an integral part of the vocational training program. As part of the “Changing Sides” project, vocational trainees from the Braunschweig chapter of Lebenshilfe,

an association for the support of people with disabilities, spend four weeks at the MAN Academy. In exchange, four apprentices from MAN spend two weeks helping out in the Lebenshilfe workshop. The project was awarded with the Chamber of Commerce and Industry’s Social Transfer Prize in 2015.

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 2015, 31 young men and women took part in “New Horizon.”

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KEEPING EMPLOYEES FIT AND HEALTHY

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 4% decrease in lost-time injuries in 2015 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.

The Health and Safety Competence Forum, which was set up by MAN Truck & Bus and includes all its sites, aims to facilitate the exchange of information and the strategic development of occupational health and safety in the coming years.

In 2015, MAN Diesel & Turbo spotlighted employee health and safety on business trips. A cross-functional working group took a close look at all processes related to business travel. Initial measures for improving these processes have already been rolled out.

MAN Latin America has appointed workplace safety sponsors, who both advise their colleagues on safety questions and report risks to their supervisors. In 2015, 287 suggestions for improving workplace safety were

submitted by employees in Resende, Brazil and 264 of these were implemented. And the employees’ initiative has paid off. In November 2015, the Resende plant was able to celebrate an occupational safety milestone: two million working hours without any missed workdays due to accidents.

Behavior-based safety

The “Always Safe. Always Good” project at MAN Truck & Bus production sites aims to improve behavior-based safety. This initiative, which was first launched in Munich and Dachau, has now been expanded to include Nuremberg and Salzgitter. Some 30 workshops have been held for managers, employees, and trainers, focusing on safe behavior for oneself as well as staff and colleagues. In the first stage of the campaign, the target is to reach at least 30% of the employees in each plant with the aim of achieving a lasting improvement in the safety culture. Almost 100% of the employees at the Steyr site have already completed the training. Planning for the rollout to non-German-speaking sites was completed in 2015; the rollout itself will begin in 2016.

MAN Diesel & Turbo places particular emphasis on preventing occupational accidents. Thanks to the MAN Diesel & Turbo Zero Accident Initiative, 2015 marks the seventh year in a row in which there has been a decrease in the severity of workplace accidents within the subgroup. Established in 2014, behavior-based safety programs were fine-tuned in the UK, the U.S., and the Augsburg site in 2015. 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 aim to sharpen safety awareness on customer construction sites and in projects.

Lost-time injuries*



	2013	2014	2015
Number of lost-time injuries ¹	940	807	830
Accident frequency index ²	14.9	13.6	13,0
Accident severity index ³	18.4	17.3	17,2

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

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One important event in the year under review was the international MAN Diesel & Turbo HSE Conference focusing on strategy and targets in the area of occupational health and safety. In 2015, a Safety Week was also held in India, as well as an all-day event called “Safety Stand-Down Day” for all employees at MAN Diesel & Turbo sites in the USA.

OHSAS 18001 certification

In the reporting period, the MAN Truck & Bus production and production-related sites in Munich and Salzgitter (plant and components warehouse) (Germany), Steyr (Austria), Poznan (Poland), and Pithampur (India); the MAN Diesel & Turbo production site in Saint-Nazaire (France); and the MAN Latin America production site in Quéretaro (Mexico) received OHSAS 18001 certification for the first time. This means that 25 of our sites are certified under the occupational health and safety management system — eight more than in the previous year.

Occupational health

With our occupational health management program, we are aiming to successively systematize all health-related measures within the Company. Our health activities target not only working conditions, but also the behaviors of the individual employees.

Through our targeted occupational health measures, we encourage our employees to take the initiative in matters concerning their own health. This not only includes offerings from our annual health program, but also initiatives such as stop smoking classes, intraocular pressure examinations, flu shots, and physical therapy. In cooperation with MAN Academy, we offer numerous training programs which reinforce employees’ personal responsibility, healthy behavior, and a leadership culture which promotes good health.

In addition, 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 our employees’ ability to work and employability. The “MAN Checkup” is a preventive health initiative which is also aimed at helping employees remain healthy as well as identifying any potential risks at an early stage. In 2014, we successfully rolled out the MAN Checkup in the Munich, Nuremberg, Salzgitter, Augsburg, Deggendorf, and Oberhausen sites, and we have continued to supplement the program with attractive follow-up measures and health campaigns. At MAN Truck & Bus, in the year under review absences due to illness averaged 14 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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PRODUCTION

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% 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% 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 10). The members of the CR Board include the Chief Executive Officers and the members of the board responsible for Production & Logistics and Research & Development at MAN SE, MAN Truck & Bus, MAN Diesel & Turbo, and MAN Latin America. 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, energy, and occupational safety 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 logistics 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.

Group-wide 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 transportation 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 environmental targets and regulations derived from it, the Group’s Quality Policy, and the Volkswagen Declaration on Social Rights (see the 2015 Volkswagen Sustainability Report). Before sub-

mitting 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. Compared to the previous year, we also included for the first time this year the data of our new MAN Truck & Bus site in St. Petersburg, Russia.

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] In 2013, we already initiated a process to improve the accuracy and reliability of the environmental KPIs. In 2015 we again improved the quality of these indicators by checking old data and — when necessary — adjusting it. As part of this process, we also again revised the indicators for the years 2008 to 2014. For this reason, some KPIs presented in this GRI Report deviate from the data published in 2014.

To improve transparency, for 2015 we have decided to report the environmental indicators both as totals for MAN SE as a whole and separately for the Commercial Vehicles and Power Engineering business areas.

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 Strategy and Management (→ page 10 f.).

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REDUCING CO₂ EMISSIONS THROUGH EFFICIENCY IMPROVEMENTS AND RENEWABLES

Energy consumption

Energy consumption at MAN increased by just under 2% to 1.40 million megawatt-hours in the year under review. Direct energy consumption rose by just under 5%, while indirect energy consumption showed a slight fall.

Energy consumption

In MWh	2013	2014	2015	CV	PE
Direct energy consumption (combustion fuels and gases)	683,225	630,226	660,972	410,147	250,825
Indirect energy consumption	803,039	742,014	736,304	542,888	193,416
Electrical energy	511,906	479,598	470,722	325,888	144,834
Thermal energy	291,133	262,417	265,582	217,001	48,581
Total	1,486,264	1,372,240	1,397,276	953,035	444,241

CV: Commercial Vehicles; PE: Power Engineering

Direct primary energy consumption

In MWh	2013	2014	2015	CV	PE
Heating oil	14,836	10,221	8,706	7,719	987
Natural gas	398,720	353,500	380,619	224,574	156,046
Diesel	261,677	258,174	263,574	174,056	89,518
Other*	7,991	8,331	8,072	3,798	4,274

* Other primary energy consumption consists of gasoline for heat or power generation at sites and fuel gas for manufacturing processes.

CV: Commercial Vehicles; PE: Power Engineering

Heating oil consumption in the year under review was down by approximately 15%. This was primarily due to the opening of a new combined heat and power plant at the Plauen site. Natural gas consumption increased by 8%. Other primary energy sources, apart from gasoline, include acetylene, hydrogen, and propane.

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

in MWh per unit	2013	2014	2015
	7,5	8,0	9,4

Energy consumption per vehicle produced rose from 8 MWh in 2014 to 9.4 MWh in 2015. This was due to the sharp drop in production output at MAN Latin America and the resultant rise in the impact of the baseload energy consumption figures.

CO₂ emissions

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

As is the case with the higher energy consumption figures, this was due to the sharp drop in production output at MAN Latin America and the resultant rise in the impact of the baseload energy consumption figures.

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

in tonnes per unit	2013	2014	2015
	2,4	2,6	3,0

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Absolute CO₂ emissions remained roughly stable during the reporting period. Direct CO₂ emissions rose by just under 5%, while indirect CO₂ emissions fell by 2%.

Absolute direct and indirect CO₂ emissions

in tonnes of CO ₂	2013	2014	2015	CV	PE
Indirect emissions	321,698	298,300	292,597	214,458	78,139
Direct emissions	156,329	145,055	151,599	94,874	56,724
Total	478,028	443,355	444,196	309,332	134,863

CV: Commercial Vehicles; PE: Power Engineering

CO₂ reduction as part of our climate strategy

By 2020, we are aiming to reduce our CO₂ emissions from production by 25% relative to the baseline year 2008. So far, emissions have been cut by 19.5% — equivalent to 106,000 tonnes of CO₂. This means that our CO₂ reduction over the past year remained stable at the previous year's level. To implement our climate strategy, all sites have drawn up plans for saving energy and cutting CO₂ emissions. These often include:

- implementing new energy supply concepts
- optimizing lighting systems
- measures to reduce base load, such as switching off machinery on weekends and when plants are closed
- replacing ventilation systems
- 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 is high.

CO₂ reduction as part of implementation of our climate strategy*

in tonnes	baseline year 2008**	2015	Difference in %
Commercial Vehicles	401,800	304,900	- 24,1
MAN Truck & Bus	374,600	288,800	- 22,9
MAN Latin America	27,200	16,100	- 40,8
Power Engineering	142,800	133,700	- 6,4
MAN Diesel & Turbo	122,800	112,000	- 8,8
Renk	20,000	21,700	8,5
Total	544,600	438,600	- 19,5

* Values rounded

** Figures adjusted following correction of historical data

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 In 2015, we carried out specific climate-strategy activities based on four principles:

Principle	Activities in 2015
Boosting energy efficiency	<ul style="list-style-type: none"> ■ At our Munich (Germany) site, we rolled out improvements to our heating network (heating plant, heat distribution, heating systems), refurbished ventilation and heating systems, and converted outdoor lighting to LEDs. ■ At our Ankara (Turkey) site, we installed a boiler in the paint shop, significantly reducing natural gas consumption. ■ At our Pinetown (South Africa) site, we installed energy-efficient lighting across the entire site. ■ At our Augsburg (Germany) site, we carried out a number of measures to improve building insulation and lighting efficiency. Improved lighting systems (including LED lighting, voltage control, and presence detectors) were also installed at our Krakow (Poland) site. ■ At our Changzhou (China) and Steyr (Austria) sites, we replaced the existing production shop lighting systems with more efficient LED lighting. ■ In 2015 our Oberhausen (Germany) site began using more energy-efficient radiant gas heaters in its production shops. ■ At our Velká Bíteš (Czechia) site, we reduced electricity consumption by repairing leaks in the compressed air system. ■ At our Steyr (Austria) site, the ventilation system in the chassis paint shop is now frequency inverter-controlled, allowing optimal control of air volumes and reducing electricity consumption by up to 50%. ■ Also at the Steyr (Austria) site, the Training Center was fitted with state-of-the-art building management systems, control technology, and sensors. Electricity and heat meters were also installed, and the heating system was optimized.
Using renewables	<ul style="list-style-type: none"> ■ At our Pinetown site, a photovoltaic system has been installed with solar panels on 6,300 sqm of the production hall roofs. It saw its first full year of operation in 2015. At our Ankara site, we installed a solar thermal heating system to supply staff facilities and the canteen with renewably generated heat. ■ Since 2015, our Berlin (Germany) site has been using green power to meet all its electricity needs.
Generating energy with combined heat and power systems	<ul style="list-style-type: none"> ■ At our Plauen (Germany) and Starachowice (Poland) sites, we commissioned a total of four combined heat and power plants. ■ A combined heat and power plant also went on stream at our Nuremberg (Germany) site. ■ At our Frederikshavn (Denmark) site, we continued to recover waste heat from test rigs. ■ At our Pinetown (South Africa) site, energy-efficient motor-generator sets were brought into service.

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Principle

Energy management

Activities in 2015

- Our energy experts at MAN Truck & Bus and MAN Diesel & Turbo continued to hold regular meetings to share information about improving energy efficiency and optimizing energy management. For example, representatives from European MAN Truck & Bus sites met at the Green Production Summit.
- Supported by external consultants, a number of MAN Diesel & Turbo sites, including the Copenhagen (Denmark) site, evaluated their potential for further energy savings.
- We have integrated energy-saving targets in the target agreement process for plant managers at MAN Truck & Bus.
- We regularly reported on energy-saving measures at department meetings in MAN Truck & Bus production facilities.
- 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.
- At MAN Diesel & Turbo, a platform was set up to enhance internal sharing of know-how.

Dilemma

CO₂ reduction

Back in 2011, MAN drew up a climate strategy with the aim of cutting CO₂ emissions at production sites by 25% by 2020 (baseline year 2008). However, it is MAN's products which are its most powerful lever in reducing global CO₂ emissions. After all, more than 90% of total life cycle CO₂ emissions are generated during the use phase (→ page 51). 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. We are addressing this dilemma by implementing specific climate protection measures at our sites (→ page 42) 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.

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CLIMATE-FRIENDLY LOGISTICS

Emissions from transportation and logistics

At 69.5%, 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 75,934 tonnes of CO₂ for incoming supplies and 81,566 tonnes of CO₂ in delivering its products. MAN Diesel & Turbo has succeeded in transferring more of its heavy shipments of large-bore engines from road to rail, particularly at its Augsburg plant.

Employee mobility

In the year under review, our employees caused 16,000 tonnes of CO₂ emissions by business travel booked through the central travel service, around 85% of which was for flights. Since 2013, the central Environmental and Safety Management function at MAN Truck & Bus has been offsetting the carbon emissions from employees' international meetings and business trips, making them carbon-neutral. In 2015, it purchased offset certificates equivalent to 80 tonnes of CO₂ emissions.

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% of employees make use of this service.

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RESPONSIBLE RESOURCE MANAGEMENT

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 Pinetown (South Africa) and Pithampur (India) production sites of MAN Truck & Bus went through this certification process for the first time in 2015. This means that twelve of the subgroup's 15 production or production-related sites now have an environmental management system certified 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.

In all, 28 production and production-related sites in the MAN Group are certified to ISO 14001.

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 9% in 2015 in comparison with the previous year.

Expenditure on materials

in million €	2013	2014	2015
Expenditure on raw materials, auxiliaries, and consumables and on procured supplies	7,926	7,171	6,672
Expenditure on procured services	905	736	514
	8,831	7,907	7,186

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 51).

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 2015, we purchased and reutilized around 18,000 tonnes of scrap from external recycling processes at the Augsburg and Nuremberg plants. During the same period we also recycled just under 10,000 tonnes of chips and scrap from our own production in the manufacturing process at the same plants.

Total waste volumes amounted to 112,759 tonnes in the year under review, 92% of which were recycled. These figures are approximately 7.5% down on the previous year's levels.

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. In 2015, we made further refinements to the way our data is collected, recording non-production waste (construction waste)

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separately for the first time. In the year under review, non-production waste totaled 78,139 tonnes for the MAN Group as a whole, not including our sites in Nuremberg, Cracow, Poznan, and Starachowice.

Waste

in tonnes	2013	2014	2015*	CV	PE
Total waste for disposal	9,852	9,231	9,876	7,952	1,924
Hazardous	4,675	5,041	5,084	3,693	1,392
Non-hazardous	5,177	4,190	4,791	4,259	532
Total waste for recycling	54,831	61,658	45,935	31,344	14,591
Hazardous	9,392	11,733	11,080	7,252	3,828
Non-hazardous	45,439	49,924	34,855	24,092	10,763
Metallic waste	54,329	50,989	56,948	42,187	14,761
Total waste	119,012	121,877	112,759	81,483	31,276
Recycling rate in %	92	92	91		

* Not including non-production waste, which has been recorded separately since 2015. For this reason the indicators cannot be compared directly with the data reported in previous years.

CV: Commercial Vehicles; PE: Power Engineering

Water and wastewater

We consumed 9% less freshwater in the year under review than in the previous year. Surface water abstraction from lakes, rivers, and the sea was up by 6% due to the increased numbers of trials on the test rigs by MAN Diesel & Turbo in Augsburg and St. Nazaire (France), 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. Wastewater volumes rose by 2% in 2015 compared to the previous year.

Water consumption and wastewater volume

In m ³	2013	2014	2015	CV	PE
Total freshwater	9,341,331	8,820,946	8,026,885	4,837,447	3,189,437
From external sources (incl. drinking water)	797,857	754,032	727,847	561,623	166,223
From own abstraction (incl. spring water)	8,543,474	8,066,914	7,299,038	4,275,824	3,023,214
Surface water from lakes, rivers, and the sea	6,039,697	6,956,060	7,350,752	199,437	7,151,315
Wastewater	1,160,172	1,115,840	1,133,546	752,902	380,643

CV: Commercial Vehicles; PE: Power Engineering

Atmospheric pollutant emissions

Atmospheric pollutant emissions showed an overall decline in the year under review. While nitrogen oxides, sulfur dioxide, and particulates showed a slight rise, volatile organic compounds were down 10%; the latter primarily due to the downturn in production output.

Atmospheric pollutants

in tonnes	2013	2014	2015	CV	PE
Sulfur dioxide (SO ₂)	0,99	0,92	0,96	0,59	0,37
Nitrogen oxides (NO _x , in the form of NO ₂)	329	316	325	213	112
Particulates	1,44	1,31	1,40	0,97	0,43
Volatile organic compounds (VOC)	1.064	915	828	758	69

CV: Commercial Vehicles; PE: Power Engineering

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Environmental & resource conservation
Investment in environmental protection


In the year under review, we invested more than €5,8 million in environmental protection measures. The fall of 63% against the previous year reflects the prevailing macroeconomic environment and was also influenced by a number of non-recurring items. For example the construction of an energy recovery system at the Frederikshavn site was among items that resulted in an exceptionally high level of investment in 2014.

Environmentally relevant incidents

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

MEETING OUR RESPONSIBILITIES ALONG THE SUPPLY CHAIN

Purchasing

MAN buys in around €7 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 our production operations are located, we contribute to local economic and social development. For example, over 90% of suppliers to MAN Truck & Bus have their registered offices in Europe; 70% 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 %	
Ankara (Turkey)	57
Aurangabad (India)	28
Resende (Brazil)	87

* MAN defines local suppliers as all suppliers domiciled in the same country as the MAN plant purchasing their goods or services.

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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.

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,

Material GRI aspects covered in this chapter:

Products and Services [measures to reduce negative impacts]
Customer Health and Safety

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).

To meet the high safety standards expected of our products, MAN Diesel & Turbo has set up a Product Safety Committee. With the aim of embedding safety more firmly in the organizational structure, the relevant Subgroup Policy has been revised and the Executive Board has signed off on internationally binding Product Safety Guidelines.

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A FULL-LIFE CYCLE APPROACH TO PRODUCT IMPACTS

Product engineering process

On average, more than 90% 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 51). 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 51) and options for reducing total cost of ownership — for example by cutting 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 over 50% efficiency, our work to reduce fuel consumption is ongoing.

PROTECTING THE ENVIRONMENT WITH EFFICIENT SOLUTIONS

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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% of our products' life cycle CO₂ emissions are generated during the use phase.

The product life cycle stages used by MAN Truck & Bus in this calculation model are defined in accordance with standard automotive industry practice. They comprise:

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

Since 2014, we have also been 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 tonnes of CO₂ equivalent, 98% of which is generated in the use phase.

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. We are currently preparing a PCF for the Euro 6 successor model. In addition, we are looking at the potential for reducing the carbon footprint of our vehicles during the use phase. The principal focus here is on fuel-efficiency measures and on calculating the greenhouse gas emissions of potential alternative fuels and drive concepts.

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.

Emissions standards for commercial vehicles

The pollutant emissions of heavy-duty commercial vehicles such as trucks and buses are regulated by a number of European directives and regulations. Unlike passenger cars and light commercial vehicles, where the measurements are based on full-vehicle testing on a chassis dynamometer, in the case of heavy-duty commercial vehicles an engine dynamometer is used to measure the engine emissions over a specified cycle of operating conditions. In this case the standards are expressed in terms of pollutant emissions per unit of work done by the engine, i.e. per kilowatt hour. All MAN truck and bus engines comply with current emissions standards. This is certified in test reports by state-accredited independent verifiers.

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Efficient and environmentally friendly products & services

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 transportation 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% compared with the previous model. The TGX EfficientLine is the most successful efficiency model on the market. Since market launch in 2010, more than 50,000 customers have already opted for the extra-fuel-efficient EfficientLine models and packages. In 2015, the TGX EfficientLine 2 was named "Truck of the Year" in Spain.

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. In 2015, MAN Diesel & Turbo showcased versions of these highly efficient gas engines at Power-Gen Europe in Amsterdam — the world's leading technology fair, outside the USA, for the power plant and power generation industry.

In 2016, the IMO Tier III standard came 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 offers customers an IMO Tier III-compliant marine engine portfolio based on a diverse and extensive range of technologies. We are 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 portfolio. The DNV-GL certification body has awarded MAN Diesel & Turbo a Tier III-compatibility certificate for the MAN 8L21/31 four-stroke engine with retrofitted SCR system.

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Efficient and environmentally friendly products & services

An overview of our sustainable and efficient energy solutions can be found on our Corporate Website → www.corporate.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 transportation too.

The MAN Lion's City Hybrid bus offers reductions of up to 30% in fuel consumption, which equates to a reduction in annual CO₂ emissions of 26 tonnes per bus. In 2015, MAN sold 126 of these vehicles, 68% more than in the previous year.

With the TGX Hybrid, the Company also offers a hybrid-powered truck for long-distance haulage. While the diesel engine provides the 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%.

In 2015, MAN Latin America launched an exclusive low-cost, light-weight "Smart Ratio" automated transmission system for trucks and buses in the 13 to 30 tonne weight range. This technology maximizes the potential of a six-speed transmission by combining it with a two-speed rear axle. Performance is equivalent to that of a 12-speed automatic transmission, but at lower cost and weight. "Smart Ratio" technology has already been implemented on the Constellation truck model, developed by MAN Latin America. This vehicle is available with hydraulic hybrid drive, which can reduce fuel consumption by up to 25%, cutting CO₂ emissions by up to 20 tonnes per year. For 2016, there are plans to advance the city bus technologies with prototype development and testing. For the truck model Constellation a more sustainable cab has been developed with plastic

components manufactured using nanoclay and featuring increased use of renewable materials, while offering the same standards of quality and functionality as conventional cabs.

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%. 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. 387 of the 1,736 city buses supplied by MAN in 2015 were powered by compressed natural gas. That means CNG buses accounted for 22% of total sales of MAN city buses. With a market share of 39%, MAN is the undisputed leader in the European CNG bus market.

MAN already presented its first gas-powered bus in 1943. Since then, both the engine technology and emissions technology have been continuously refined and improved. Furthermore, all gas-powered buses are capable of running on biogas, which means they can provide near carbon-neutral mobility.



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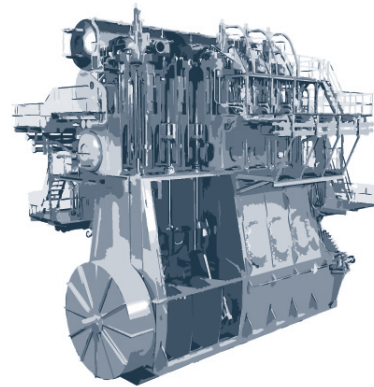
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To explore the potential for natural gas in Brazil and other emerging markets, MAN Latin America has developed a 23-tonne, 100% natural gas-powered truck for urban operation. The tank capacity of 150 m³ of gas gives the truck a driving range of 200 km. Dynamometer tests have shown major reductions in emissions, with a 95% drop in particulate material emissions, a 70% cut in nitrogen oxides and a 20% reduction in CO₂.



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% to be achieved. In the “Green Earth” project, MAN has been working with Ruhr-University Bochum and the Institute of Combustion

Technology at the DLR in Stuttgart 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

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%. Furthermore, for customers in most parts of Europe, an extensive range of MAN replacement units and parts is also available. In 2015, MAN Genuine Parts ecoline was honored with the European Transport Award for Sustainability by the trade journal Transport.

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. The retrofits help to boost efficiency and cut emissions, for example in diesel engines or marine propulsion systems.

In 2015, MAN PrimeServ took an important step forward in the conversion of marine propulsion systems. The Wessels Reederei shipping company commissioned MAN PrimeServ to convert the main engine of a vessel to LNG-capable propulsion. This will bring major cuts in emissions when running on LNG.

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PRODUCT QUALITY AND SAFETY THAT INSPIRE TRUST

Product quality

MAN Truck & Bus once again performed strongly in 2015 in the TÜV Report for Commercial Vehicles, where for the fourth year in a row it was the truck manufacturer with the highest share of vehicles to pass the main TÜV inspections free of faults. This made MAN the most reliable brand for trucks from 7.5 tonnes 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 also widened its lead in the one-year-old vehicle category, with 85.9% of the trucks proving free of faults (2014: 83%).

Driver assistance systems

Highly and fully automated driving is an increasingly important development focus. As well as improving road safety, these driver assistance systems also help make our vehicles even more efficient. 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).

Platooning systems are also improving traffic safety on motorways. These increase also the capacity of existing road infrastructure, making a further contribution to more environmentally friendly freight transportation. MAN defines platooning as a vehicle-based system, still at the development stage, in which two or more truck-trailer combinations follow each other in close proximity with the aid of driver assistance systems, controller technology, and vehicle-to-vehicle communication. The vehicles are effectively connected by an “electronic tow bar,” with the lead vehicle controlling the following vehicle in the platoon. The distance between each semitrailer rig is less than 15 meters, or roughly half a second of driving time. The resulting “slipstreaming effect” achieves an overall fuel sav-

ing for the platoon as a whole of up to 10%, depending on vehicle model and convoy length. MAN is a partner in the platooning project organized by the Dutch EU Council Presidency. Its work on this project involves road testing of platooning systems.

Training

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.

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. The ROST (Rollout Standardized Safety Trainings) project, which was set up to promote these objectives, continued in 2015. Its goal — to expand the existing range of continuing professional development programs on product safety, with a view to ensuring uniform standards throughout the Company — has already been achieved. A total of more than 6,500 participants received product safety training in 2015 alone. In 2016, the concept will also be implemented for the International Group Companies (IGC), in the form of the ROST Global program.

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SHAPING THE FUTURE OF MOBILITY

Traffic management systems

How can commercial vehicles operate safely and efficiently in an increasingly congested urban environment? This was the question tackled by MAN engineers in the UR:BAN research project. The 31 project partners included companies, universities, research institutes, and cities. The project, concluded in 2016, was subsidized by the German Federal Ministry for Economic Affairs and Energy. The focus was on the development of new driver assistance and traffic management systems for trucks and buses. In this area, MAN contributed to three subprojects: “Human Factors in Traffic,” in which the information supplied by assistance systems is stripped down to the essentials, which are then presented in an intuitive way to drivers; “Networked Traffic System,” where MAN developed 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 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 show 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%. 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.

Challenge

Mobility in a digitized world

Growing competition and cost pressure pose major challenges for the transportation industry. However, MAN is seizing the opportunities offered by digitization to further improve vehicle efficiency, cutting costs for the customer and saving resources. Vehicle connectivity is a key focus here.

Based on the MAN TeleMatics onboard module, which provides customers with key vehicle and driving data in real time, MAN already offers connected services that reduce fuel consumption, improve fleet utilization, and reduce the frequency of workshop visits. This solution allows optimal management of fleet capacity and proactive planning of servicing and maintenance. This allows commercial vehicles to be used more productively — saving both time and fuel.

Digitization and connectivity opens up a whole new range of potential applications and business opportunities for MAN. However, this potential can only be unlocked with the aid of innovative solutions and capital investment. In 2015, MAN invested a total of approximately €43 million in digital projects, and set up a new “Telematics and Digital Solutions” department to strategically manage its activities in the field of digital technology and telematics services.

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GRI CONTENT INDEX AND UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

This report meets the standards of the G4, the current version of the Global Reporting Initiative (GRI). It was prepared in accordance with the GRI G4 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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Aspect: Occupational Health and Safety – Management approach	25 f., 35	35, 61	1, 6
G4-LA6 Injuries, occupational diseases, lost days, and work-related fatalities	34 f.	34, 61	–
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G4-LA9 Average hours of training	Due to an adjustment to the data collection process in the year under review, we will not be able to report this KPI until 2016.	–	–
G4-LA10 Programs that support the continued employability of employees	28, 30	–	–
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G4-SO3 Percentage of operations assessed for risks related to corruption and risks identified	17	–	10
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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

To MAN SE

We have been engaged to perform a limited assurance engagement on the sustainability information marked with in the Sustainability Report of MAN SE (hereafter the "Sustainability Report"), Munich (hereafter the "Company"), for the period January 1 to December 31, 2015.

Management's Responsibility

Company's Management is responsible for the preparation and presentation of the Sustainability Report in accordance with the criteria as set out in the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) (hereafter the "GRI-Criteria") and for the selection of the information to be assessed.

This responsibility includes the selection and application of appropriate methods to prepare the Sustainability Report as well as 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 Sustainability Report, which is free of material misstatements due to intentional or unintentional errors.

Audit Firm's Independence and Quality Control

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

The audit firm applies the national legal requirements and professional standards — in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschafts-

prüfer und vereidigte Buchprüfer:" "BS WP/vBP") as well as the joint opinion of the Wirtschaftsprüferkammer (Chamber of German Public Auditors; WPK) and the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms ("Gemeinsamen Stellungnahme der WPK und des IDW: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis:" "VO 1/2006") — 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 an opinion on the sustainability information marked with in the Sustainability Report based on our work performed.

Within the scope of our engagement we did not perform an audit of the Company's CO₂ fleet emissions. Neither did we perform an audit on external sources of information or expert opinions, referred to in the Sustainability Report.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the sustainability information marked with in the Sustainability Report has not been prepared, in all material respects, in accordance with the GRI-Criteria.

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In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgement. This includes the assessment of the risks of material misstatements of the sustainability information in the Sustainability Report with regard to the GRI-Criteria.

Within the scope of our work we performed amongst others the following procedures:

- Inquiries of personnel involved in the preparation of the Sustainability Report, including data collection, regarding the preparation process, the underlying internal control system and selected sustainability information
- Inspection of complementary documents and supporting systems
- Conduction of site visits as part of the inspection of data collection and consolidation processes as well as internal control procedures with regard to the selected indicators at:
 - MAN Diesel & Turbo Augsburg, Germany
 - MAN Diesel & Turbo Copenhagen, Denmark
 - MAN Truck & Bus, Nuremberg, Germany
 - MAN Truck & Bus, Steyr, Austria
 - MAN Latin America, Resende, Brazil

- Analytical procedures on selected sustainability information of the Sustainability Report
- Comparison of selected sustainability information with corresponding data in the consolidated financial statements and in the group management report
- Assessment of the presentation of selected sustainability information in the Sustainability Report regarding the sustainability performance

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the sustainability information marked with in the Sustainability Report of the Company for the period January 1 to December 31, 2015 has not been prepared, in all material respects, in accordance with the GRI-Criteria.

Emphasis of Matter – Recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company's sustainability management and sustainability reporting:

- Further implementation of the group guideline "MAN 10.4 Berichterstattung Corporate Responsibility" that came into force in 2015 and therein defined process- and control standards

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Restriction on Use and Distribution

We issue this report on the basis of the engagement agreed with MAN SE. The review has been performed for purposes of MAN SE and is solely intended to inform MAN SE about the results of the review. The report is not intended for any third parties to base any (financial) decision thereon. We do not assume any responsibility towards third parties.

Munich, June 3, 2016

**PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft**

Petra Justenhoven
Wirtschaftsprüferin
(German Public Auditor)

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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. Our reporting approach features three different formats aimed at different target groups — all under the heading of “Corporate Responsibility at MAN 2015:”

- In this MAN GRI Report, we provide a transparent account of what we achieved in 2015 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 for analysts, investors, customers, and business partners.
- The MAN CR Online Journal presents an accessible and interactive overview of our CR highlights of 2015. The microsite is aimed at employees, job applicants, customers, non-governmental organizations (NGOs), and members of the general public.
- The MAN CR Journal illustrates what CR means at MAN and provides a clear summary of our activities in 2015. 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 meets the standards of the current G4 version of the Global Reporting Initiative (GRI). It was prepared in accordance with the GRI G4 Core option. MAN's CR reporting was preceded by a process of materiality analysis which also took stakeholder views into account — as described on pages 5 to 9. The GRI confirmed our selection of material issues through its Materiality Disclosure Service. The GRI content index outlines our compliance with the relevant GRI indicators (→ page 57 ff.) and represents our UN Global Compact Communication on Progress.

MAN has systematically aligned its GRI Report with the CR Strategy 2020+. The sections correspond to the four CR cornerstones, while their subsections are named in accordance with the fields of action (→ page 6).

We voluntarily submitted our 2015 GRI Report to a comprehensive independent audit by PricewaterhouseCoopers (PwC) which was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) (→ page 61 ff.). The focus of the audit was on occupational safety and environmental indicators in production operations. The verified content is marked in the report with a symbol . The marked employee KPIs were audited as part of the 2015 Annual Report process. The materiality process and the management approach have not changed significantly compared to the previous year. They were verified by PwC in its audit of the 2014 MAN GRI Report.

Scope

[G4-17] The 2015 reporting period is identical with the 2015 fiscal year, which runs from January 1 to December 31. The closing date for contributions was March 31, 2016. The next report should appear in mid-2017.

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 2015 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 2015 ON THE INTERNET

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- [➔ MAN Global Corporate Website](#)

THE MAN GROUP ON THE INTERNET

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