



Modern Slavery and Human Trafficking Statement by MAN Truck & Bus Group (Fiscal year 2021)

This statement has been prepared pursuant to section 54 of the United Kingdom Modern Slavery Act 2015. In particular, it details the measures implemented throughout the MAN Truck & Bus Group ("MAN") to prevent forms of modern slavery and human trafficking.

At MAN we respect, protect and promote all regulations in force to protect human rights and children's rights as a fundamental and general requirement throughout the world. We reject all use of child labor and forced or compulsory labor as well as all forms of modern slavery and human trafficking.

ORGANISATION

MAN Truck and Bus is a part of TRATON SE and is one of Europe's leading players in the commercial vehicle industry. It aims to offer innovative and sustainable transportation solutions for its customers as well as generating profitable international growth and a sustained increase in its enterprise value.

MAN's most important products are heavy-duty trucks, medium- and light-duty trucks, buses and vans. The Group's Industrial Business also includes the sale of engines and components for marine and industrial applications, as well as used vehicles. In addition to its new and used vehicle offering, MAN has an aftersales business, which contributes a significant portion to its sales revenue and operating result. The Group's services comprise a range of digital solutions, including an extended service offering based on a connected ecosystem, as well as flexible maintenance plans.

MAN Truck & Bus is headquartered in Munich, Germany, with 34.349 employees worldwide (as at 31.03.2022). MAN has production facilities in two European countries and furthermore in Russia, South Africa and Turkey.

INTERNAL MEASURES TO PREVENT MODERN SLAVERY AND HUMAN TRAFFICKING

COMPLIANCE AND INTEGRITY

Integrity and Compliance are key cornerstones of our entrepreneurial activities. They form the basis of the Group's reputation, for the trust that our customers and business partners place in us, for the well-being of our employees, and for our long-term commercial success.

MAN does not tolerate illegal or irregular conduct. Compliance with applicable laws and the Code of Conduct, which covers our guiding principles on acting with integrity, are basic preconditions for the success of our business.



Code of Conduct

The principles laid down in our Code of Conduct are based on MAN's shared corporate values: customer focus, integrity, respect, team spirit, and determination. The Code of Conduct focuses on the integrity and responsibility of each individual. It also uses practical examples to explain how each individual can live up to this responsibility and act with integrity — especially in conflict situations. Integrity means for us to act responsibly and in compliance with laws and ethical values — everywhere and at all times. This applies equally to every single one of us. We do not tolerate infringements of the law. The Code of Conduct is binding for all employees.

Human Rights are explicitly addressed in the Code of Conduct. MAN rejects all use of child labor and forced, bonded or compulsory labor as well as any forms of modern slavery and human trafficking.

This applies not only to all cooperation and all conduct within MAN but also to the conduct of and towards business partners and suppliers as specified in our MAN Code of Conduct for Suppliers and Business Partners.

Qualification of employees

Communication and employee training plays a key role in compliance and sustainability work across all hierarchy levels. MAN conducts regular face-to-face and online training sessions on compliance and integrity topics. A web-based training on the Code of Conduct was rolled out Group-wide. This training includes information on Business & Human Rights and is aimed at increasing the awareness of risks in this area for all employees.

Reporting Compliance violations

The "Speak up!" whistleblower online portal is used for reporting potential regulatory violations, such as a violation of human rights. It enables not only employees, but also third parties such as business partners and customers around the world, to report suspected misconduct any day of the year. Written information can be submitted anonymously in any language using a specially protected online reporting channel.

Additionally, an international toll free 24-hour telephone hotline of Volkswagen AG is available for reporting information in a total of 15 languages. Whistleblowers can also turn to the external ombudsman engaged by Volkswagen AG. Furthermore, whistleblowers can also report potential regulatory violations directly to the Compliance Organization or dedicated whistleblower system within the Compliance Organization under a designated email address or telephone number.

Strict confidentiality and secrecy are maintained throughout the entire process, as far as legally possible. Our whistleblower system guarantees the highest possible protection for whistleblowers and concerned persons. Discrimination against whistleblowers is considered a regulatory violation and will not be tolerated.



Risk analysis

At MAN, human rights have been added to the compliance management system as a further focus topic. In 2021, MAN conducted a Group-wide compliance risk assessment, which also included a set of questions addressing potential human rights issues. On that basis, every entity has been assigned to a risk category (high, medium, low risk), which mainly reflects the entity's business model and its location. A measure set has been defined to mitigate human rights risks and to support the integration of human rights in the compliance management system — among other things, this includes commitment to human rights by management as well as the initiation of specific training and communication measures.

With this, human rights are also part of the ongoing compliance monitoring system, including reporting to relevant stakeholders, such as the MAN Executive Board, and continuous improvement of measures related to human rights.

RESPONSIBILITY IN THE SUPPLY CHAIN

The principles and importance of sustainability are not only important to MAN, but expand to our supply chains. Facing highly diverse and complex supply chains, it is of utmost concern for us to prevent environmental and social risks in the relationship with suppliers, while also optimizing material costs and ensuring security of supply.

Together with the Volkswagen Group, MAN has adopted the "Sustainability in Supplier Relations" concept. In our procurement activities, we pursue a sustainability management system in supplier relations, which is a three-step approach to establish sustainable supply chains, respect human rights, and combat corruption.

- **Prevent:** Sustainability requirements are laid down in contracts and specifications, particularly in the MAN Code of Conduct for Suppliers and Business Partners. As part of the tendering and supplier approval process, suppliers confirm that they will comply with the terms of the MAN Code of Conduct for Suppliers and Business Partners. The MAN Code of Conduct for Suppliers and Business Partners is based on the UN Global Compact's ten principles, with principle 4 specifically aiming at the elimination of all forms of forced and compulsory labor. With the Code of Conduct for Suppliers and Business Partners, MAN requires all its suppliers not to tolerate any form of modern slavery, human trafficking, child, forced, bonded or compulsory labor by or in relation to the supplier's employees or the supplier's suppliers.
- **Detect:** Sustainability risks in our supply chain are systematically identified and prioritized accordingly. Sustainability is an established aspect of key contract award decisions. One tool used in this context is the risk-based Sustainability Rating ("S-Rating") which is implemented at MAN in stages. The S-Rating is a combination of self-disclosures and risk-based on-site inspections. It is used to review suppliers' sustainability performance and identifies potentials for continuous improvement. The S-Rating evaluates suppliers' social performance as well as their ecological



sustainability and integrity, which is based on a self-assessment questionnaire. It includes questions on policies, management systems and trainings on human rights and working conditions, notably on child labor and young workers, as well as modern slavery. A positive S-Rating result is mandatory for nomination: if a supplier falls short of our requirements regarding compliance with sustainability standards, the supplier is not eligible for a contract award. This provides a direct incentive for suppliers to continuously improve their sustainability performance.

- React: Various measures are available to allow us to respond to the risks identified and the impact of these risks. The main objective is to prevent or mitigate negative impacts in the supply chains and to take effective action to improve our suppliers' sustainability performance. They include a standardized ad hoc process for dealing with breaches committed by individual suppliers, which is for instance communicated via our externally accessible grievance mechanism. After asking our supplier for a written statement, usually a sustainability on-site check is conducted by our external service provider. Any resulting findings are recorded in an action plan, which need to be corrected by the supplier within a firm deadline.

Procurement employees are trained on sustainability requirements in the supply chain, including Business & Human Rights. Furthermore, suppliers can access the Volkswagen e-learning module on sustainability.

Human rights due diligence

As part of our sustainable supplier management system, we are particularly committed to protecting those groups that are exposed to a high risk of potential human rights violations at all stages in our supply chain. We are guided in these efforts by the implementation of human rights due diligence processes as required by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. In line with the requirements of a risk-based approach, our measures focus on those supply chains that, according to our analyses, are associated with particularly high risks of a negative impact.

In 2021, MAN piloted a human rights due diligence management system (HRDDMS) together with the Volkswagen Group, which we use to systematically analyze, prioritize, and reduce human rights risks in our supply chain. For our initial risk analysis, aggregated assessments based on the S-Rating results of our suppliers were used to identify 15 countries with high human rights risks. As a result, we conducted a supplier training on human rights and the implementation of due diligence management systems with the lowest performing suppliers as preventive and mitigation measures.

On the sales side, red flags on human rights are part of the risk assessment process in the Business Partner Approval Tool, a system used to check the integrity of business partners before any engagement can take place.

The S-Rating as well as the Business Partner Approval Tool are currently used at MAN.



Responsible raw materials procurement

We are aware that the potential effects on people and the environment arise primarily in the upstream value chains, for example in raw materials extraction or the production of primary products. As a manufacturer with global supply chains, enforcing our sustainability requirements right down to the last link in the supply chain is a particular challenge. To effectively manage risks in our complex supply chains, a raw materials due diligence management system was established with the Volkswagen Group in 2020. This provides further details on the prioritization and processing of the 16 raw materials that we classify as being particularly high-risk. The OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas serves as a guideline for the responsible sourcing of raw materials. It includes guidance on management approaches, risk identification and prevention, checks on smelting, and communication and reporting tools. We are working closely with our direct suppliers and require them to disclose the origin of materials associated with potential human rights violations to then start preventing and mitigation measures. We therefore cooperate closely with our direct suppliers and demand disclosure of the origin of materials (supply chain transparency) linked to potential breaches of human rights such as child labor, forced labor or any form of modern slavery and human trafficking. We also contribute to the Volkswagen Group annual report on the progress of the raw material management system within responsible sourcing.

Another approach that has been pursued with Volkswagen Group since 2020 is the use of a service provider which comprehensively check suppliers using artificial intelligence. Constant monitoring of freely available internet sources including social media allows information on possible violations by suppliers to be reported in real time.

RESPONSIBILITY FOR PEOPLE

As one of the Europe's leading players in the commercial vehicles industry, MAN relies on having a future-ready workforce of qualified and motivated employees. We offer our employees a safe and attractive working environment that allows them to develop and live up to their full potential. This is made possible by our value-based culture of determination, integrity, respect, customer focus and team spirit.

Diversity and Inclusion

Diversity and Inclusion are key success factors for MAN and go far beyond visible dimensions like gender or ethnicity. MAN is committed to fulfil standards that ensure diversity and inclusion sustainably.

Diversity, inclusion, and equal opportunities are essential to our business success and our ability to take good decisions, be innovative and ultimately achieve our goals as a company and as a responsible employer. We value all colleagues and strive to create an atmosphere of respect and mutual trust.

The central Human Resources function of MAN Truck and Bus SE develops common methods and tools and bundle competencies with the aim of leveraging synergies and reaching high quality standards across



all locations. In 2021, over 1.340 leaders across MAN Group have been trained with our “Skill Capture” methodology, targeting inclusive leadership to foster a diverse and inclusive company culture.

We stand for respect and tolerance. We have made a clear commitment to embrace diversity and not to discriminate based on e.g., age, gender, religion, disability, ethnic origin, sexual orientation or any other visible or non-visible dimension of diversity. The following policies provide guidance for our human resources work around the globe: UN Global Compact, OECD Guidelines for Multinational Enterprises, the MAN Code of Conduct, the Charter on Labor Relations, the Charter on Temporary Work and the International Framework Agreement of the MAN Group based on the Conventions of the International Labor Organization.

Employee rights

MAN recognizes the rights of workers to form and participate in unions and to engage in collective bargaining. Within MAN Group, almost all permanent staff in Germany are covered by collective bargaining agreements. Around the globe, the share of our workforce which falls under collective agreements stands at over 85% .

OUTLOOK

MAN is continuously improving its measures to prevent modern slavery and human trafficking. Because MAN regards human rights violations as a dynamic and permanent risk, MAN will align its monitoring procedures with ongoing processes such as the implementation of human rights and environmental aspects in the compliance risk assessment. MAN continues to raise public awareness for Business & Human Rights;. MAN is for example member of the UN Global Compact. Furthermore, MAN will publish a Policy Statement on Human Rights mid-2022.

MAN Truck & Bus SE
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