



Slavery and Human Trafficking Statement – MAN Group

This statement is made in accordance with Section 54 of the United Kingdom's Modern Slavery Act of 2015.

Organisation

The MAN Group is one of Europe's leading commercial vehicle and mechanical engineering groups and focuses on activities in the areas of transportation and energy — market segments that offer long-term, global opportunities. MAN's business activities are grouped into two business areas: Commercial Vehicles, comprising MAN Truck & Bus and MAN Latin America, and Power Engineering, featuring MAN Diesel & Turbo and Renk. With a workforce of 53,824 employees, the Group operates in over 180 countries and has production sites in 14 countries.

Commercial vehicles: MAN Truck & Bus AG, which is based in Munich, Germany, is the largest company in the MAN Group and one of Europe's leading manufacturers of commercial vehicles. MAN Truck & Bus has production facilities in three European countries, Russia, South Africa, India, and Turkey. The company MAN Latin America produces trucks and buses in Resende, Brazil, and Querétaro, Mexico. In 2015, Volkswagen Truck & Bus GmbH, a holding company for commercial vehicles was created. The aim is to enhance the alliance of MAN Truck & Bus, MAN Latin America, most of whose sales are made through Volkswagen Caminhões e Ônibus, and Scania, as part of Volkswagen Truck & Bus.

Power Engineering: MAN Diesel & Turbo SE, which is based in Augsburg, Germany, is one of the world's leading developers and manufacturers of large-bore diesel engines, turbocompressors, industrial turbines, and chemical reactor systems. Renk is a listed subsidiary of MAN SE and a global manufacturer of special gear units, propulsion components, and testing systems. MAN holds 76 % of the company's capital.



Internal measures

MAN Group Code of Conduct¹

The MAN Group's ethical conduct guidelines and basic compliance requirements are described in its Code of Conduct, which is binding for all employees throughout the Group. The Code of Conduct provides our employees with a practical guide, summarising the key basic principles for correct conduct and providing support should they ever face legal or ethical challenges. The observance of internationally recognized human rights forms part of this Code of Conduct. We act in accordance with the values set out in the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the declarations of the International Labour Organization (ILO).

The MAN Group Whistleblower System²

The Speak up! whistleblower portal serves to detect and prevent material risks to MAN. With this portal, MAN offers employees and business partners the option of providing tip-offs about serious legal infringements confidentially. This information is investigated in detail. Violations are dealt with and punished according to the penalties permitted under labour law. The Speak up! whistleblower portal acts as a means of both recognizing and avoiding considerable risks for the Company.

Qualification of employees

By taking preventive measures, we promote compliance with regulations in our organisation and raise the awareness of our employees. This is why information and employee training plays a key role in compliance work across all hierarchy levels. We hold trainings on compliance issues worldwide for MAN employees who may be exposed to compliance risks. Employees learn how they should act in order to avoid legal violations and conflicts. All employees joining MAN Group are obliged to complete an online tutorial about the Group's Code of Conduct and, in addition to this, there are special training sessions on specific issues for employees working in areas that are particularly at risk. The topic of human rights is also part of the Code of Conduct online training course.

¹http://www.corporate.man.eu/man/media/content_medien/doc/global_corporate_website_1/unternehmen_1/MAN_Code_of_Conduct_en.pdf

²<http://www.corporate.man.eu/en/risk-and-compliance/speak-up/Speak-up.html>



Furthermore, employees are able to access and print other online Code of Conduct related material.

Risk analysis

As part of the established risk management processes, risk assessments on the subject of human rights are also carried out by the Group's key divisions and companies, including the countermeasures taken. The results of the risk assessments are reviewed annually enabling MAN to check the adequacy of its compliance program.

Measures in the supply chain

Sustainability requirements for our suppliers and business partners ³

MAN expects its suppliers, business partners, and their employees to act responsibly and to adhere to the laws in force and ethical principles everywhere and at all times. That is why MAN has issued its own Code of Conduct for Suppliers and Business Partners, which prescribes the minimum ethical standards that they must adhere to. By acceding to the United Nations' Global Compact, MAN has undertaken to observe its ten principles in the areas of human rights, labour, environmental protection, and anti-corruption. Furthermore, MAN meets the labour standards laid down in the Conventions of the International Labour Organization (ILO). MAN has also set itself binding guidelines in its Code of Conduct for acting responsibly. Moreover, the "Volkswagen Group requirements for sustainable development with regard to the relationships with business partners (Code of Conduct for Business Partners)" apply to MAN and are thus extended to MAN's suppliers.

³<https://www.volkswagenag.com/presence/nachhaltigkeit/documents/policy-intern/2016%20Code%20of%20Conduct%20for%20Business%20Partners%20DE-EN.pdf>



Training and monitoring of suppliers

To facilitate ongoing supplier development, in the course of our business relations we make an electronic learning (e-learning) module on sustainability available to all. Alongside the e-learning format, we also conduct topic-specific sustainability training courses and workshops with our suppliers at selected locations. We use various tools to test the suppliers' compliance with our sustainability requirements. This includes a thorough self-assessment questionnaire (aligned with other European based OEMs), as well as performing Third-Party-Audits at supplier locations in order to get a proof of the alignment with the out Sustainability Requirements.

Risk analysis

The Volkswagen Group uses country-specific risk analysis to get an assessment of social or ecological risks or risks related to human rights at the respective locations prior to negotiations with potential suppliers. The risk analysis incorporates data from third parties as well as internal experience. On this basis, countries such as Brazil, India, China, Mexico and Russia have been identified as having a higher risk of non-compliance with our sustainability requirements. In supplier development, we therefore place special focus on these countries. To identify current developments as well as long-term structural challenges in each country, we rely on the ongoing exchange of information between the brands and the regions at the regular meetings and videoconferences held by the sustainability procurement network.

Before entering into a business relationship, the integrity of our business partners (Business Partner Check) is checked in a risk-oriented manner.

Outlook

In pursuit of ongoing improvements to its sustainability management activities, the Volkswagen Group set up a Sustainability Council in 2016. Made up of prominent experts from politics, science and public life, the Sustainability Council communicates with the Board of Management, top management and employee representatives on a regular basis and provides unbiased advice on related issues. The Sustainability Council is free to define its own procedures and set its own priorities. Alongside sustainable mobility, climate protection, the future of work, and digitisation, the Council also deals with questions of social responsibility and integrity.

To incorporate further insights into human rights issues and the opinions of independent external experts in our corporate strategy, we organise regular stakeholder dialogues attended by representatives from NGOs, science and politics.

Our company will show the same intolerance towards human rights violations in the future as well. Because we regard such violations as a dynamic risk, we will align our monitoring procedures with ongoing developments and continue to raise awareness of forms of modern-day slavery and human trafficking both inside and outside the company. One such measure will be to refine our Code of Conduct for Business Partners by adding modern-day slavery and human trafficking as examples of human rights' abuses.

The group companies will maintain a process by which we aim to ensure that slavery, servitude, forced compulsory labour and human trafficking do not feature in anything we do.



To help our employees recognise possible violations we have established some typical 'red flags' (this is not an exhaustive list) and MAN also recognises the fact that some of these indicators may not necessarily show that a person is a victim of slavery. Often an awareness of a person's circumstances may indicate there is a problem.

- The person is not in possession of their passport, identification or travel documents.
- The person is acting as if they are being instructed or coached by someone else.
- The person is withdrawn or appears frightened.
- The person does not seem to be able to contact friends or family freely.
- The person has limited social interaction or contact with people outside their immediate environment.

MAN will request that all employees should report any suspicions regarding human rights, slavery or human trafficking violations without delay, however MAN is also mindful of the fact that some victims may not want to be helped. In addition, reports should be handled with sensitivity as a report could potentially put the victim at further mental or physical risk. MAN will offer guidance on the reporting methods and instructions on what action to take if someone is in immediate danger.

MAN Group

June 2017

A handwritten signature in black ink, appearing to read "Joachim Drees".

Joachim Drees
Chief Executive Officer
of MAN SE

A handwritten signature in black ink, appearing to read "Peter Attin".

Peter Attin
Senior Vice President
Corporate Responsibility