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INTEGRATION

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

Responsible corporate governance

Challenges and objectives

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

Principles and guidelines

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

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

Compliance program

Challenges and objectives

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

Organization

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

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

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Principles and guidelines

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

Systems and instruments

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

The Disciplinary Sanction Committee is the body responsible for imposing internal sanctions in the event of compliance violations. It meets on an ad hoc basis and is made up of the Chief Executive Officer of the subgroup concerned, the Chief Human Resources Officer of MAN SE, the Chief Compliance Officer, and the Compliance Officer of the subgroup in question. The findings of misconduct investigations – as well as the results of regularly conducted compliance risk assessments – are used to continuously improve our compliance program and introduce selective compliance measures.

Memberships

MAN is a member of Transparency International, the World Economic Forum (WEF) Partnering Against Corruption Initiative, and the German Institute for Compliance (DICO). We are active in several different DICO committees and working groups. In addition, we support the Alliance for Integrity, an initiative of Germany's Federal Ministry for Economic Cooperation and Development, the Federation of German Industry, and numerous German companies, which promotes integrity in business practices.

Risk Management

Challenges and objectives

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

Organization

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

Instruments

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

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

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GUIDELINES AND MONITORING SAFEGUARD INTEGRITY IN BUSINESS PRACTICES

German Corporate Governance Code

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

Business Partner Approval Tool

Our policy on engaging business partners regulates collaboration with business partners who support our sales activities. The Business Partner Approval Tool is used to check and approve their integrity. A list of all companies who we are not permitted to work with is updated on a monthly basis and communicated within the Group.

In total, over 2,033 checks were conducted using this tool in the 2014 reporting period. As approvals are limited to two years, some of the checks related to renewals of the approvals granted to individual business partners.

Compliance Helpdesk

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

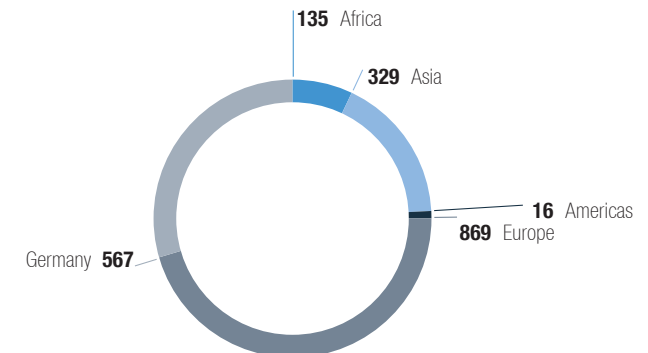
Compliance training

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

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

Number of employees completing compliance awareness training courses in the regions

MAN Group 1 916



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

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

Compliance Risk Assessment

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

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

Preventive audits

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

Selected compliance measures in 2014

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

Preventing money laundering

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

Reporting compliance violations

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

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

Data protection

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

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Due diligence

CR and compliance risks can ensue from the acquisition or disposal of equity investments. Since 2011 the Compliance function has been involved in acquisition projects from the start to prevent such risks. The target company must complete a due-diligence questionnaire that addresses CR and compliance issues. It includes questions on human rights and environmental impacts.