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RESPONSIBILITY FOR SOCIETY AND INTEGRITY

Our business practices are shaped by corporate responsibility (CR). It is our aim to put our responsibility into practice every single day. In addition to responsible corporate governance and compliance with applicable laws, this also includes open dialog with our stakeholders. Our corporate citizenship initiatives and MAN aid to refugees also enable us to make a lasting contribution to sustainable development.

COMPLIANCE AND RISK MANAGEMENT

MAN does not tolerate illegal or irregular conduct. Compliance with applicable laws is the basic precondition for the success of our business.

“Compliance is an integral part of MAN’s corporate strategy. All employees must be aware of their individual responsibility and make their contribution so that we can live up to our social responsibility together. Compliance with laws, fundamental ethical values, and internal policies is a matter of course for all of us – regardless of when and where we work. We operate a zero-tolerance policy for violations of the law,” says Joachim Drees, Chief Executive Officer of MAN SE and MAN Truck & Bus AG.

Organization

As part of its responsibility for compliance and risk management, which is also set out in the German Corporate Governance Code, the Executive Board of MAN SE has established the Governance, Risk & Compliance (GRC) organization.

The GRC organization is headed by the Head of GRC/Chief Compliance Officer, who reports directly to the Chief Executive Officer of MAN SE as well as to the Audit Committee of the Supervisory Board. The GRC organization is responsible for compliance and risk management issues throughout the Group.

The Corporate GRC Office performs central compliance and risk management tasks. This includes, for example, drafting policies and regulations that apply throughout the Group as well as designing training

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sessions for employees. In addition, the Corporate GRC Office carries out a specific risk analysis on a regular basis to identify potential compliance risks for the Group and to align and further develop the Group-wide compliance management system based on these risks. The Corporate GRC Office also steers risk management processes in the subgroups and is responsible for further developing the risk management measures in cooperation with the risk/ICS (Internal Control System) managers.

The GRC organization at subgroup level is responsible for implementing the compliance management system and the risk management system in the Group companies of the subgroups. Each subgroup has a Head of GRC/Compliance Officer who is supported by compliance managers and risk/ICS managers in the different business units/sales regions.

Elements of the MAN compliance management system

The compliance management system developed by the GRC Office addresses the topics of white-collar crime (in particular, combating corruption, money laundering prevention, terrorism funding) and antitrust law.

Code of Conduct

Ethical principles of conduct and fundamental compliance requirements for the MAN Group are laid down in the Code of Conduct. The Code also describes the corporate values and provides guidelines on integrity. The MAN Group Code of Conduct was updated in 2017 and came into force on January 1, 2018.

Policies

The GRC organization has also developed policies on the compliance issues of combating corruption, antitrust law, and money laundering prevention. These policies have brought uniform and binding requirements for all employees throughout the Group into force.

Business Partner Approval Tool

The Business Partner Approval Tool is used to check and approve the integrity of business partners providing sales support. In total, 1,376 checks were conducted using this tool in the reporting period.

Compliance training

The GRC organization conducts regular face-to-face and online training sessions on topics such as combating corruption, antitrust law, money laundering prevention, and data protection. In 2017, the spotlight was on the rollout of two new online courses. These are refresher courses focusing on combating corruption and on antitrust law. These courses are designed to remind participants of the material covered in the basic online learning courses.

Compliance Helpdesk

All MAN employees can contact the Compliance Helpdesk by phone or e-mail to obtain answers to compliance-related questions. This gives the GRC organization an overview of frequently asked questions in order to identify further preventive compliance measures. In 2017, the Compliance Helpdesk in the central GRC organization answered 378 questions from employees.

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Reporting compliance violations

The “Speak up!” whistleblower portal helps to uncover and prevent serious risks for MAN. “Speak up!” is used to accept and analyze information relating to serious infringements of the law, especially in the areas of white-collar crime (e.g., corruption offenses, suspected money laundering activities, and terrorism funding), antitrust law, and data protection. These reports are investigated in detail and violations are dealt with and sanctioned in line with the penalties permitted under labor law. The Disciplinary Sanction Committee is the body responsible for imposing internal sanctions. In addition, findings from the investigation of compliance violations are used to continuously improve the compliance management system.

Compliance measures in 2017

	2017
Business Partner Approval Tool	1,376 business partners checked
Compliance training	390 face-to-face sessions with 4,238 participants 29,575 employees participated in online sessions
Compliance Helpdesk	378 questions answered by the central Compliance organization, another 2,056 handled locally
Additional measures	Various communication measures were taken in 2017 to promote integrity. This includes the publication and communication of the film on integrity, one of the corporate values, in a total of 12 languages, the distribution of GRC alerts and GRC newsletters on current GRC and compliance topics, and events at the Group companies to mark International Anti-Corruption Day on December 9, 2017.

Memberships

MAN is a member of Transparency International and the German Institute for Compliance (DICO). MAN also remains committed to the Ten Principles of the United Nations Global Compact and supports the Alliance for Integrity, which promotes integrity in business practices.

Data protection

MAN stands for effective data protection in compliance with legal regulations, applied worldwide based on the rigorous European standards. Since the spring of 2017, the MAN companies in the European Union have been preparing intensively to meet the new requirements that apply to them under the EU General Data Protection Regulation, which came into force on May 25, 2018, in a timely manner. In order to meet both the statutory challenges and the challenges that MAN defines for itself, the MAN Group maintains a worldwide network of data protection officers and coordinators who work to ensure that the data protection-related privacy rights of employees, customers, suppliers, and business partners are protected. The global coordination of data protection activities in the reporting period was the responsibility of Group Data Protection, an organizational unit reporting directly to the Chief Executive Officer.