



Corporate Responsibility at MAN in 2017

Products

Production

Supply chain

People

Society
and integrity

Responsible procurement

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Partner for the region

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Responsibility in the supply chain

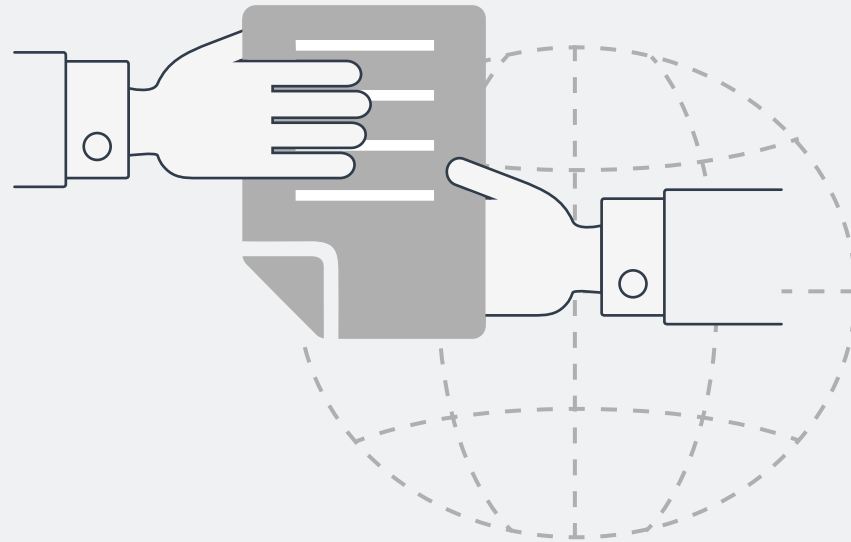
The MAN Group's procurement policy aims to reduce environmental and social risks in the supply chain while simultaneously optimizing material costs and ensuring security of supply. As well as maximizing cost-effectiveness and efficiency, we are also committed to improving sustainability aspects.

Responsible supplier relations

As part of the Volkswagen Group, we have adopted the “Sustainability in Supplier Relations” concept. The “Sustainability in Supplier Relations” concept is based on three main pillars: requirements, monitoring, and development. The idea is to minimize and prevent negative social, environmental, and financial impact along our supply chain.

Requirements that suppliers have to meet

The Volkswagen Group’s requirements regarding sustainability in supplier relations span a range of issues, including environmental protection, employee rights, fair market conduct, and transparent business relations, and have been a mandatory element of all contracts since 2015. We also expect our tier 1 suppliers to pass these requirements on to their own suppliers.

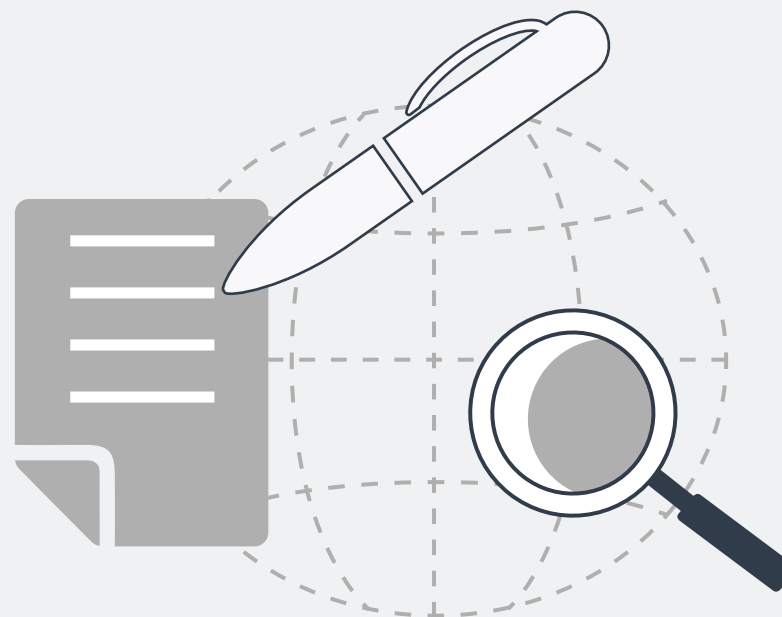


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Supplier monitoring

In order to identify and minimize risks early on, we use the [Self Assessment Questionnaire \(SAQ\)](#). Our business partners are asked to complete the SAQ and to document which measures they have taken in selected areas. The SAQ, which is widely used in the industry, was developed by the Volkswagen Group together with other automotive groups. MAN also appoints independent auditors to conduct sustainability audits, which scrutinize our suppliers for compliance with environmental, social, and human rights standards.





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Supplier training

Throughout all process steps and measures, the focus is on fair dialog between partners and on supplier development, in the interests of continuous, long-term collaboration. To ensure that the concept of sustainability is firmly anchored in our supply chain, all suppliers can access the e-learning module on sustainability.

357

procurement employees have undergone training on sustainability topics to date – 57 of them in 2017.



Partner for the region

By purchasing raw materials, goods, and services close to our production operations, we support local economic and social development. Growth potential leveraged by demand for goods and services from MAN has a positive impact on infrastructure thanks to downstream effects: jobs are created and local incomes rise.

Regional suppliers are also preferable from an environmental perspective as they allow us to reduce our transportation-related emissions.

99 %

of suppliers to MAN Truck & Bus have their registered offices in Europe and Turkey (2016: 98%).