## **MAN Truck & Bus SE**



B4UKRAINE 4 Back Hill London EC1R 5EN UNITED KINGDOM via eMail: contact@b4ukraine.org

Munich, 19th of December 2024

## Our response to your inquiry dated 11th of December 2024

Dear Sir or Madam,

Thank you for your inquiry.

The Russian attack on Ukraine continues to present us all politicians, society and the economy with enormous challenges. In this terrible situation, it is important that the countries of Europe and its citizens stand firmly on the side of Ukraine.

We at MAN Truck & Bus SE also strongly condemn the Russian war of aggression against Ukraine and are aware of our responsibility. We are fully committed to the legal requirements of the European Union's sanctions against the Russian Federation and are implementing them completely. In many areas, MAN also goes beyond the legal requirements. With the beginning of the war of aggression against Ukraine, MAN immediately stopped all business with Russia: On February 28, 2022, the Executive Board stopped all exports of vehicles to Russia and Belarus, and from May 2, 2022, any form of spare parts delivery to Russia and Belarus was prohibited by Executive Board resolution. The entity in St. Petersburg that existed at the start of the war was closed and liquidated, and the sales company in Russia was sold.

In addition to the absolute ban on exports to Russia and Belarus as a matter of corporate policy, sales to so called "critical countries" (countries suspected of supporting circumventing transactions in Russia's favour) are monitored both technically (through systemic barriers) and manually and checked extensively before any transactions are carried out. Among other things, end users and end use are comprehensively checked.

Furthermore, MAN uses compliance programs that make corporate and ownership structures traceable down to the smallest detail. MAN has of course also implemented the "no re export to Russia clause" required by the EU sanctions: all MAN customers have been contractually requested not to sell, transport or export vehicles or parts supplied by MAN to Russia, either directly or indirectly, or for use in Russia.

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 Members of the Board of Directors: Alexander Vlaskamp (Chairman)
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Furthermore, MAN has also sent additional letters to direct customers requesting written confirmation that they will refrain from reselling to Russia. These and numerous other measures that go beyond the sanctions requirements underline MAN's absolute prioritization of compliance with the sanctions against Russia.

MAN is generally aware of the website you mentioned, but the data listed there has so far only been tracked on an ad hoc basis. Any cases have been investigated by MAN to the best of its ability, but no violations of sanctions by MAN or an MAN subsidiary have been identified. Insofar as potential violations (suspected cases) by MAN customers were identified, we reported these to the relevant authorities (German Federal Office of Economics and Export Control; BAFA). MAN fully complies with all reporting obligations and deliveries to suspicious companies are stopped in their entirety.

Yours sincerely,

Friedrich Baumann Member of the Executive Board MAN Truck & Bus SE

C. Shukes

Christoph Schuler Head of Public Affairs MAN Truck & Bus SE



Alexander Vlaskamp Chief Executive Officer MAN Truck & Bus SE Dachauer Straße 667, 80995 München, Germany

December 11, 2024

Dear Mr. Vlaskamp and the MAN Leadership Team,

We write to you as <u>B4Ukraine</u>, a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We are writing to express our concern regarding the presence of MAN sanctioned trucks in the Russian market, particularly in light of the critical role that trucks play in military logistics and the ongoing war in Ukraine.

It has been over two and a half years since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 30,000 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer war crimes charges.<sup>1</sup>

Research conducted by Corisk based on data from the Russian Customs Agency, reveals that Russian imports of trucks produced in Germany have increased since 2022, with MAN emerging as one of the leading Western producers supplying this market.<sup>2</sup> According to the Corisk research, on June 15, 2024, 80 sanctioned MAN trucks were listed for sale on a prominent Russian truck sales platform. On November 15, there were 129 sanctioned trucks on the same website. In brief, despite international sanctions, MAN trucks have become increasingly available in Russia.

We kindly urge MAN to clarify its position on this matter and outline any steps being taken to ensure that its products are not used in ways that contribute to Russia's aggressive war in Ukraine. We trust that MAN, as a global leader, shares the values of accountability and commitment to ethical and responsible business practices.

<sup>&</sup>lt;sup>1</sup> International Criminal Court, "Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova," March 17, 2023, <u>https://www.icc-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and</u> (accessed March 22, 2023).

<sup>&</sup>lt;sup>2</sup> Von Konrad Schuller, "Der Russland-Boom der Mercedes-Laster," November 30, 2024, *Frankfurter Allgemeine*, <u>https://www.faz.net/aktuell/politik/krieg-gegen-die-ukraine-der-russland-boom-der-mercedes-laster-110142587.html</u> (accessed December 12, 2024).

As you are aware, companies have a responsibility to respect human rights.<sup>3</sup> In order to do this, businesses must have policies and processes in place to meet their responsibilities to respect human rights, including conducting robust human rights due diligence. As stated in Article 18 of the UNGPs<sup>4</sup>, in order to gauge human rights risks, business enterprises should identify and assess any adverse human rights impacts with which they may be involved either through their own activities or as a result of their business relationship. The context of conflict may increase the risks of enterprises being complicit in gross human rights abuses committed by other actors. As clarified by the UNGPs, businesses should treat this risk as a legal compliance issue "given the expanding web of potential corporate legal liability arising from extraterritorial civil claims, and from the incorporation of the provisions of the Rome Statute of the International Criminal Court in jurisdictions that provide for corporate criminal responsibility."<sup>5</sup>

We acknowledge that, shortly after the start of the full-scale invasion, MAN has decided to stop deliveries of products to Russia and Belarus and halted the production in St Petersburg.<sup>6</sup>

MAN's human rights policy states: "we acknowledge the International Bill of Human Rights. We have joined the UN Global Compact and recognize our commitment to it and its principles regarding human rights and environmental protection. MAN bases its approach to human rights on the UN Guiding Principles on Business[...]"<sup>7</sup> The company further recognises its responsibility not to cause or contribute to human rights violations, confirming that MAN seeks to "take responsibility, not only for our products, but also for our people and for the consequences our business can have. We protect people and their environment and strive to eliminate any negative human rights impact by continuously reviewing our business operations for human rights risks and implementing preventive measures at an early stage in relation to identified risks. If we identify a violation of human rights or environmental obligations, we will take immediate action to prevent, stop or minimize the extent of the violation."<sup>8</sup> MAN's Human Rights Policy continues to highlight that the company does not accept violations of human rights, uses its influence to prevent and address human rights risks, and address human rights violations appropriately.

While at this point, we are not claiming that the company breached sanctions, MAN's continued business links to the Russian military sector are undoubtedly contradictory to the company's statements and principles regarding respect for human rights, as well as CSR and ESG more broadly. Furthermore, we would like to remind MAN that sanctions compliance is complementary to, but distinct from, a business' responsibility to respect human rights as described under the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines, the UNDP Guide on Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts, as well as the broader business and human rights framework or responsible and ethical business conduct.

Accordingly, we would like to pose the following questions:

https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\_en.pdf (accessed December 4, 2024).

<sup>7</sup> MAN, "MAN Policy Statement on Human Rights,"

<sup>&</sup>lt;sup>3</sup> United Nations Guiding Principles on Business and Human right: Implementing the United Nations 'Protect, Respect, and Remedy' Framework,

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> Ibid.

<sup>&</sup>lt;sup>6</sup> Denis Budenkov, "Truck maker MAN stops exports to Russia and Belarus," March 2, 2022, https://www.gazeta.ru/auto/news/2022/03/02/17369947.shtml (accessed December 11, 2024).

https://www.man.eu/ntg\_media/content\_medien/doc/bw\_south\_africa/220603\_MAN\_Policy\_Statem ent\_on\_Human\_Rights.pdf (accessed December 11, 2024).

<sup>&</sup>lt;sup>8</sup> Ibid.

- Can MAN comment on potential sanction breaches stemming from the alleged ongoing imports of its trucks into Russia?
- What supervisory mechanisms and supply chain due diligence has MAN implemented to fulfil the obligation of adapting company behaviour to recognise, prevent, and stop sanction circumventions from happening?
- Can MAN provide insight into the specific heightened human rights due diligence process undertaken regarding the ongoing presence of its trucks in Russia?
- Can MAN clarify its mechanisms for ensuring that its business practices consistently align with the company's own stated commitments to human rights, CSR, and ethical conduct, especially in contexts of severe human rights violations?
- Is MAN concerned that maintaining this business relationship could negatively impact its ESG score and result in significant reputational risks?

In consideration of the above points, we kindly request a dialogue with the MAN's relevant senior management and staff to discuss ongoing activities and relationships in Russia and associated risks to the people of Ukraine. Should you wish to join the proposed meeting, please contact the B4Ukraine Coalition at <u>contact@b4ukraine.org</u> to schedule a call. We kindly ask for your response by 5:00pm CET, December 28, 2024.

Please note that this letter and any response provided, or lack thereof, will be published on the B4Ukraine webpages. In case you would like to join the proposed call, any such meeting will be held under Chatham House Rules.

Sincerely,

The B4Ukraine Coalition