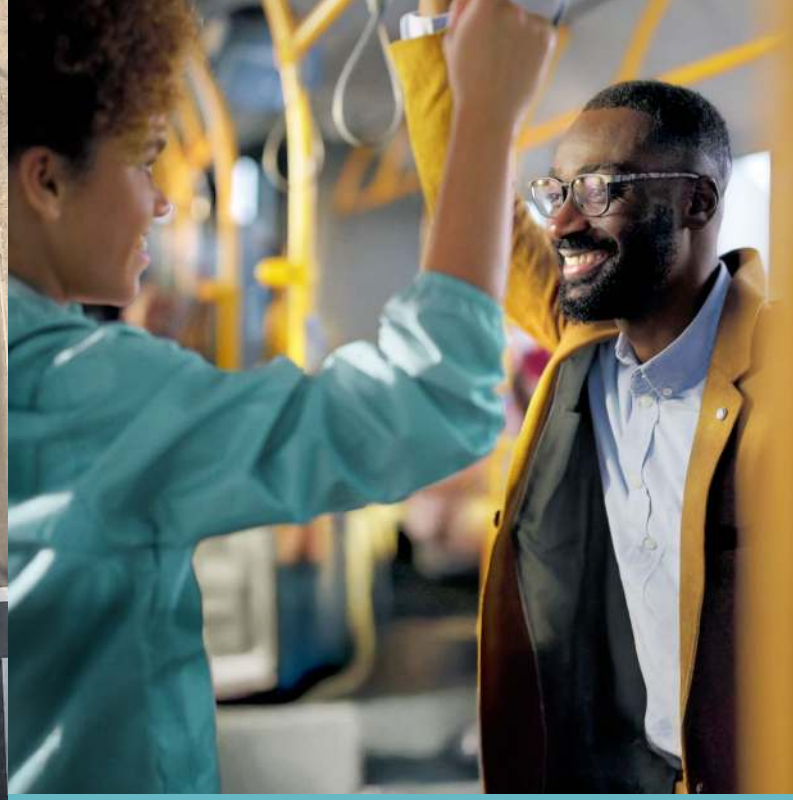
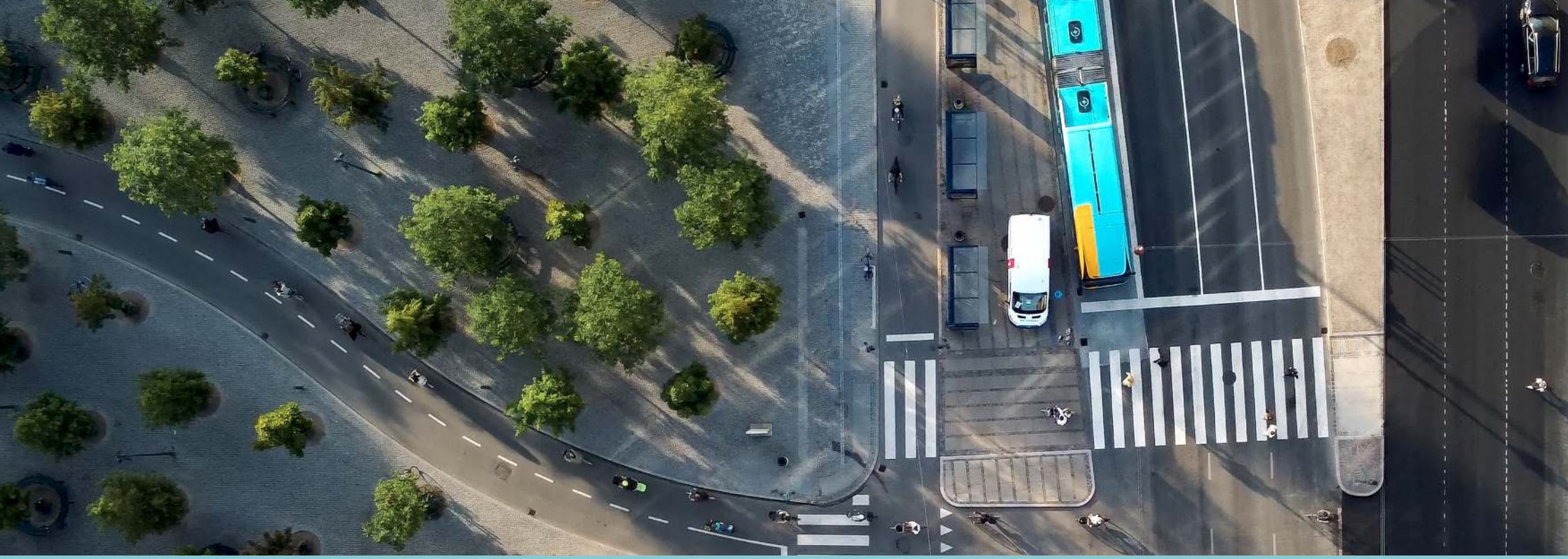
TRATON



TOGETHER

2024
Annual Report

SCANIA / MAN / INTERNATIONAL / Truck Bus



Copenhagen, Denmark: Efficient, gas-powered city buses like this MAN bus play a major role in making public transport environmentally friendly.

TOGETHER

Scania, MAN, International, and Volkswagen Truck & Bus — the four TRATON GROUP brands have their own unique history and individual strengths. Together, they are key drivers for the transformation of the transportation industry.

Our global positioning gives the Group stability and a solid foundation for the future. We advance our brands by facilitating collaboration on many levels, helping them offer their customers sustainable products and tailor-made services. To this end, TRATON establishes new Group functions, enters into strategic partnerships, and provides crucial momentum with cross-brand services.

Together – decarbonizing transportation can only be achieved by joining forces. This applies equally to our strong brands and service entities as well as to all players along the value chain.

AT A GLANCE

TRATON GROUP
2024

Key figures

	2024	2023	Change
Trucks and buses (units)			
Incoming orders	263,575	264,798	0%
Unit sales	334,215	338,183	–1%
of which trucks	278,130	281,290	–1%
of which buses	28,413	30,266	–6%
of which MAN TGE vans	27,672	26,627	4%
BEV unit sales ratio (excluding MAN TGE vans, in %)	0.5	0.6	–0.1 pp
TRATON GROUP			
Sales revenue (€ million)	47,473	46,872	1%
Operating result (adjusted) (€ million)	4,384	4,034	350
Operating return on sales (adjusted) (in %)	9.2	8.6	0.6 pp
Earnings per share (€)	5.61	4.90	0.71
Active workforce[1]	105,541	103,621	1,920
TRATON Operations			
Sales revenue (€ million)	46,182	45,736	1%
Operating result (adjusted) (€ million)	4,776	4,272	504
Operating return on sales (adjusted) (in %)	10.3	9.3	1.0 pp
Primary R&D costs (€ million)	2,458	2,170	13%
Capex (€ million)	1,751	1,516	16%
Net cash flow (€ million)	2,834	3,594	–760
TRATON Financial Services			
Sales revenue (€ million)	1,932	1,589	22%
Earnings before tax (€ million)	212	171	41
Equity (€ million)[1]	2,052	1,884	168
Return on equity (in %)	10.8	8.4	2.4 pp

1 As of December 31

Incoming orders
(units)



263,575

Sales revenue
(€ million)



47,473

Operating return on sales
(adjusted)



9.2%

THE TRATON GROUP AND ITS BRANDS



More than the sum of its parts: four brands, each with its own history and strengths, become one Group and transform the transportation industry together.

Global commercial vehicle brands

4

Countries[1]

12

Production sites

25

Scania
Scania is a proud leader in premium transport solutions, specializing in heavy-duty trucks and offering an array of tailored services and applications. Renowned for its ingenious engineering, Scania empowers businesses and customers to progress through strong and trusted collaboration and a firm commitment to guiding them through the shift to fossil-free transportation. With a global footprint, Scania serves markets across Europe, North and South America, Asia, Africa, and Oceania.

MAN
MAN is a strong German heritage brand, operating internationally across Europe, Asia, the Middle East, Africa, and South America. MAN's strength lies in its extensive range of transport solutions, from light commercial options to durable construction vehicles and heavy-duty trucks. What truly sets MAN apart is its unwavering commitment to its customers, constantly striving to optimize their businesses and adapt to the dynamic changes in their requirements.

International
International's roots in North America date back to the 1800s, when its predecessors pioneered mechanized harvesting. Today, International offers comprehensive mobility solutions for North and South America. Among its key strengths are its vast dealer network, its deep industry expertise and its exceptionally strong and loyal customer relationships. Formerly known as Navistar, International is now moving into its next chapter under the new overarching brand.

Volkswagen Truck & Bus
Volkswagen Truck & Bus stands for unparalleled value-for-money solutions. Its core competence is vehicles that are robust, reliable, and efficient – tailored to meet the unique conditions of emerging growth markets and the specialized applications required there. Its strong presence in South America, Mexico, Africa, and Asia underlines its adaptability and commitment to meeting the specific needs of its customers in these dynamic regions.

1 Number of countries where the TRATON GROUP has production and assembly sites. In addition, our brands Scania, MAN, International, and Volkswagen Truck & Bus also have regional product centers, assembly sites, sales offices, and research & development facilities in many countries around the world.

ROUTE 2024

Distance covered and milestones reached: The TRATON GROUP achieved numerous highlights throughout 2024 – here are just a few.

Watch the full video

MDAX

Five years after its stock market debut in 2019, TRATON advances from the SDAX to the MDAX, which tracks the performance of the 50 largest companies after the DAX stocks on the regulated market of the Frankfurt Stock Exchange.

TRATON Financial Services makes significant progress in its mission to establish itself as a global captive and integrated financial service provider.

€ 1.9 bn

Sales revenue of TRATON Financial Services

Autonomous driving

Scania starts sales of autonomous mining trucks, opening up for safer, more efficient and more sustainable mining operations. The first market is Australia, start of operation is scheduled from 2026.





> 2,000

Order inquiries and orders

Big demand for eTruck

MAN is starting to deliver its fully electric heavy-duty trucks. Together with the eTGL, MAN now offers a complete portfolio of electric trucks from 12 to 50 tons.



International is back

Navistar becomes International: The brand returns to its roots and takes on the company name yet again to emphasize its focus on reliability and innovation.

e-Volksbus

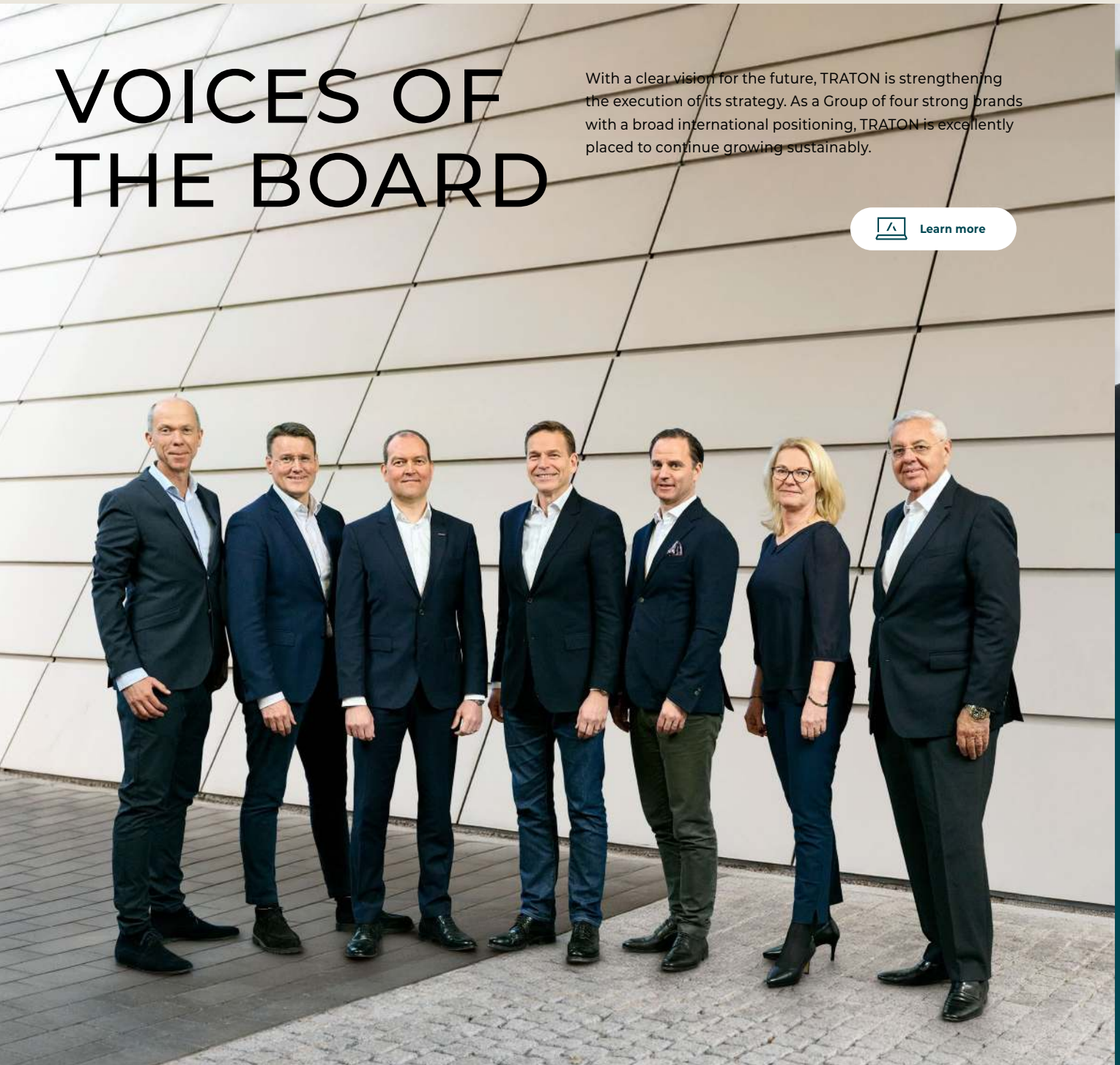
Volkswagen Truck & Bus is taking the next step towards e-mobility in Brazil to transform the transportation industry in South America with the new e-Volksbus.

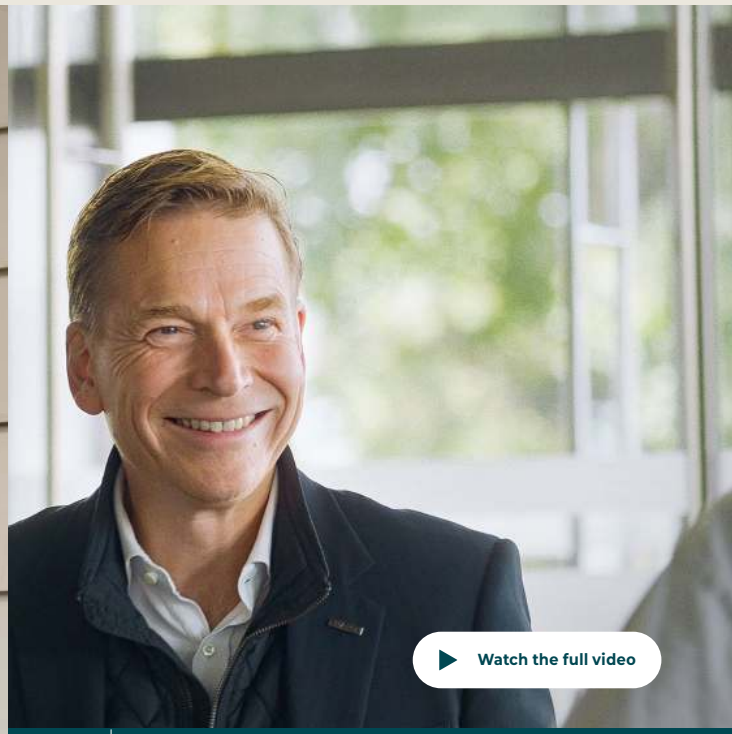


VOICES OF THE BOARD

With a clear vision for the future, TRATON is strengthening the execution of its strategy. As a Group of four strong brands with a broad international positioning, TRATON is excellently placed to continue growing sustainably.

Learn more





Watch the full video

"We were merely a collection of brands who agreed that we needed to collaborate, but today I am really proud to say that we have started to transform into a real Group, the TRATON GROUP."

Christian Levin, Chairman of the Executive Board and Chief Executive Officer of TRATON SE, Chief Executive Officer of Scania

OPPORTUNITY MARKETS

The TRATON GROUP is one of the world leaders in manufacturing commercial vehicles. Creating a strategy for future growth, two markets have been singled out that have potential for strengthened focus: North America and Asia. These markets are unique profit pools, especially with regard to innovations in industry-led technologies and the gradual shift to a solutions-oriented approach.

Selected TRATON GROUP sites:



USA
Huntsville, Lisle, San Antonio



China
Rugao

Learn more



"Charging infrastructure is make or break for the success of electric trucks."

Andreas Kammel, Vice President Alternative Drivetrains at the TRATON GROUP

TAKING CHARGE

As heavy-duty commercial vehicles have distinct charging needs, the TRATON GROUP is working on establishing innovative and customized solutions. Accounting for the diversity of the charging needs, the brands of the TRATON GROUP therefore entered into selected partnerships, benefitting from the respective industry-specific expertise.

Learn more



With its significant resource footprint, the transport industry is standing at the crossroads of challenge and change. To decouple resource use from business growth, the Group focuses on scaling up circular services. As circular practices are increasingly integrated at TRATON, businesses can further thrive without a corresponding rise in environmental harm.

Learn more

THE FUTURE IS A CIRCLE



"Every component we remanufacture, every material we reuse, is a step toward a system where nothing goes to waste, and everything serves a purpose."

Karol Gobczyński,
Head of Climate and Circularity at the TRATON GROUP

SMART TRUCKS, SMARTER TRANSPORTATION

Autonomous driving is an essential element of TRATON's strategy. Self-driving trucks address challenges like driver shortage, environmental impact, or road safety. The TRATON brand Scania has already started selling autonomous mining trucks, operations are set to begin in late 2025. The next step is hub-to-hub automation. For this, TRATON is developing autonomous solutions together with the partner company Plus.

Watch the full video



Technologies for level 4 autonomous driving:

- **Radar**
- **Stereo and mono cameras**
- **LiDAR sensors**
- **RTK GNSS positioning and real-time navigation**
- **V2X communication**

Learn more

STRATEGIC PILLAR



"Our job is to support the brands with solutions that align with their strategies and their customers' expectations."

Johan Haeggman,
CEO of TRATON Financial Services

The transformation of the automotive industry further increases the importance of captive financing. Financial services are key to meet evolving customer demands. TRATON Financial Services, the TRATON GROUP's captive financial services provider, empowers the brands to offer customer-centered and integrated solutions, enabling the right amount of flexibility to successfully master various challenges.

67

Countries with TRATON Financial Services commercial presence

1,900

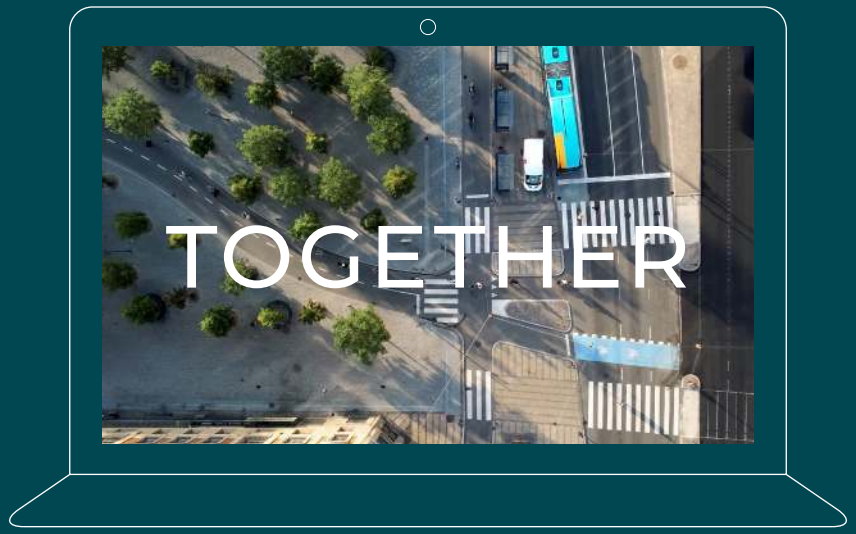
Employees at TRATON Financial Services (as of December 2024)

Learn more

To become CO_2-neutral by 2050, the TRATON GROUP will primarily use battery-powered drive systems. The process is ready for use today and will ultimately become the technology of choice for most applications in the transport sector. Nonetheless, no discussion would be complete without investigating other potential technologies and their strengths and weaknesses, including fuel cells or biodiesel.

WAYS OUT OF THE FOSSIL FUEL ERA

Learn more



Discover the online version of our Annual Report with all texts in full length, as well as videos and further information.

Learn more

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This report contains certain forward-looking statements for fiscal year 2025 that are based on present assumptions and forecasts by the Company's management. A range of known and unknown risks, uncertainties, and other factors may result in the actual results, financial position, development, or performance of the TRATON GROUP differing materially from the estimates given here. Such factors include those that TRATON has described in published reports. These reports are available on our website at www.traton.com. The Company does not assume any obligation to update such forward-looking statements or to adapt them to future events or developments.

All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Comparable prior-year figures are presented in brackets in the text alongside the figures for the fiscal year under review.

TO OUR SHAREHOLDERS

1



Munich, Germany

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TO OUR SHAREHOLDERS

Dear shareholders,

We look back on a year full of significant milestones and crucial groundwork. In 2024, we at the TRATON GROUP made great strides on our way toward becoming a stronger, more efficient Group. Focusing on the introduction of our TRATON Modular System was pivotal in this regard. At the same time, we are systematically driving the merger of significant sections of our brands' research & development departments into a cross-brand organization. This will lead to considerably more effective cooperation. Naturally, the brands will focus entirely on optimizing the value propositions for all our customers, in each application, in every corner of the world and leveraging the strengths of each brand's individual identities in full. This is fundamental for our Group's future success and that of our customers. We are thus laying the foundation to enable us to continue to meet the different needs of our customers.

The rapid advancement of a common Research & Development and the continued, promising progress of the TRATON Modular System are essential for our growth and the leading role we play in the transformation to sustainable transport. In late November 2024, the Supervisory Board reinforced this approach by appointing Niklas Klingenberg, Head of TRATON GROUP R&D, to the Executive Board as of January 1, 2025, thereby making Research & Development an Executive Board function. It is important to me personally that we maintain the necessary continuity and strong teamwork in our Executive Board as we move forward together. I am therefore delighted that the contracts of two Board members, Mathias Carlbaum and Alexander Vlaskamp, have been extended by five years ahead of schedule. The contract of Mathias Carlbaum, Chief Executive Officer and President of TRATON brand International (formerly Navistar), as a member of TRATON's Executive Board now runs until September 2029. Alexander Vlaskamp's contract as a member of TRATON's Executive Board and Chief Executive Officer of MAN Truck & Bus runs until November 2029. The other Executive Board members are Dr. Michael Jackstein, responsible for Finance and Business Development as well as Human Resources, Catharina Modahl Nilsson, Head of Group Product Management, Antonio Roberto Cortes as Chief Executive Officer of our successful Latin American brand Volkswagen Truck & Bus (VWTB), and myself as Chief Executive Officer of both Scania and TRATON.

Our fully experienced TRATON team is perfectly positioned to drive the transformation to sustainable transportation. Closer, even more finely tuned collaboration will be a crucial factor in achieving our medium-term profitability targets. In many cases, this will eliminate duplicate work and reduce the costs of integrating shared backbone and technology with different performance steps in our brands' portfolios, giving us a tremendous competitive edge. At our Capital Markets Day in October 2024, we explained in detail how we intend to implement our strategy successfully and continue to create value for our shareholders. We have also set ambitious goals. The TRATON GROUP's adjusted operating return on sales is expected to be between 9% and 11% in 2029. Moreover, we aim to increase the Group's sales revenue by 20% to 40% during the period 2024 to 2029 and fully repay the net financial debt of the industrial business (TRATON Operations business area) including Corporate Items.

In doing so, we never lose sight of our most important ambition, driver, and purpose: "Transforming Transportation Together. For a sustainable world". As a result, our brands invariably succeed in making impressive progress with their products and services. 2024 was full of sensational advances, from vehicles in numerous applications to the ramp-up of the charging infrastructure and key customer services to facilitate the shift toward the electrification of commercial vehicles. Scania now offers battery electric vehicles for virtually all applications. In line with the brands' electrification roadmap, Scania's commitment is to be able to electrify most transport operations by 2025. MAN unveiled its eTGL, designed for urban deliveries, taking its portfolio of battery electric vehicles from twelve to 42 tons. International's North American customers are also showing increased interest in battery electric vehicles. International has already announced deliveries of the first

International eMV Series vehicle. Volkswagen Truck & Bus presented the new generation of the e-Delivery at Fenatran 2024, the International Road Cargo Transport Show. The new e-Delivery now offers more torque and greater connectivity. Our brands continue to expand their portfolio of vehicles powered by renewables, thereby meeting the needs of our different customers even better. This strong performance fills me with pride and confidence for our joint future.

However, the commitment of the TRATON brands to sustainable transport is by no means limited to our product portfolio. We are also working tirelessly on new services to make the transition from diesel to battery as smooth and efficient as possible. In 2024, Scania founded Erinion, a company that will allow us to offer very attractive depot and destination charging options in the future. Erinion will facilitate the ramp-up by establishing 40,000 charging points at customer depots by 2030. In 2024, MAN also laid the crucial groundwork for developing the charging infrastructure. A cooperation was launched with energy company E.ON to set up charging stations at 170 MAN service sites throughout Europe. In addition to this cooperation, audiences at soccer matches and music concerts in Munich's Allianz Arena will soon also see that the TRATON GROUP and our brands have adopted a holistic approach regarding the transition to sustainable transport. A charging park at the Allianz Arena, planned by MAN, was greenlit in 2024. In the future, up to 500 electric trucks and buses a day will be able to charge their batteries with the rapid megawatt charging standard, MCS, directly at the nearby Autobahn interchange. International has joined forces with its competitors as part of the PACT coalition to accelerate the development of the essential charging infrastructure for commercial vehicles. All our brands are working on creative solutions to pave the way for sustainable transport. This enables us as a Group to make green transport even more attractive to our customers.

At the TRATON GROUP, when it comes to building the public charging network, we are not just active in the Milence joint venture, which set up the first charging stations at central hubs in 2024; TRATON Charging Solutions also plays a key role. By simplifying access to charging stations as much as possible, this service entity — now on the market for a year — makes it easier for our customers to switch to battery electric commercial vehicles. The company provides charging services like Scania Charging Access and MAN Charge&Go. Currently comprising roughly 150 charging stations for commercial vehicles, the network has over 400 charging points throughout Europe. These smart initiatives all contribute to our common goal: making the transport sector part of the solution to fight climate change.

Transforming transportation is a Herculean task, but our brands and our entire Group are working at full speed to make it a reality. Nonetheless, this task cannot be shouldered by vehicle manufacturers alone. We need to partner with and obtain the support of politics, suppliers, transport buyers, network providers, and energy suppliers. Moreover, this calls for urgent action, with all parties working hand in hand to achieve the goal of sustainable transport in full. There is no doubt in my mind that we will succeed — for the benefit of all future generations.

We at TRATON firmly believe that battery electric is the technology of the future. Until our preferred market conditions are in place, we will offer our customers attractive alternatives. Thanks to our diverse product portfolio, we are fully prepared as, for instance, MAN showed at the IAA when presenting the MAN hTGX — a hydrogen truck that won the Truck Innovation Award 2025. This is a major achievement! However, it is also necessary to make diesel drives more fuel-efficient, emitting fewer emissions. Now that Scania and International's customers are already reaping the benefits of its energy-effectiveness, MAN is also introducing the Group-wide, 13-liter Common Base Engine (CBE) platform. Even more logistics companies will benefit from the efficiency of this impressive platform. At the same time, it is a shining example of how Group collaboration makes us powerful.

Biofuels will play a part in reducing CO_2 too. VWTB has started testing trucks fueled by biomethane, thereby saving up to 90% CO_2. A truly remarkable feat. Moreover, VWTB fills the vehicles rolling off the production line in Brazil to one tenth with renewable HVO diesel. Scania also presented its engines that can run on biomethane, such as the Scania Super 460 R with its 13-liter engine, which won the highly coveted German Green Truck Award 2024, for the seventh time in the last eight contests.

Our Group's strong key financial performance indicators in 2024 are a sign of TRATON's continued progress, despite the many challenges. The TRATON GROUP's unit sales reached a total of 334,200 vehicles in 2024, virtually on a par with 2023. We lifted our revenue by 1% to €47.5 billion. Adjusted operating result came in at around €4.4 billion, plus 9% year-on-year. We reported an adjusted operating return on sales of 9.2%, slightly above the forecast range of 8.0% to 9.0%. This formidable achievement would not have been possible without the enormous commitment of every one of our 107,000 employees around the world. This performance fills me with pride, and I would like to thank all TRATONians for their valuable contribution.

As our shareholders, our performance benefited you in two ways. In June 2024, we paid out a dividend of €1.50 per share for fiscal year 2023, more than twice last year's figure of €0.70. Along with the extremely positive share price performance, this led to a total shareholder return of 38% in 2024, based on the Xetra listing. The excellent share price performance also propelled TRATON from the German SDax stock index to the Mdax on June 24, 2024. We want our shareholders to participate in the TRATON GROUP's growing success. Therefore, we are proposing to the Annual General Meeting 2025 that a dividend of €1.70 be paid out per share for this fiscal year.

A challenging year lies ahead. Customers are noticeably cautious as to what economic developments are expected in 2025. Our wide regional footprint, which we are extending by opening our China factory, our vital Vehicle Services business, and our financial services will give us stability in 2025 and beyond. TRATON Financial Services continues to forge ahead, becoming a global, captive, and integrated financial services entity. Optimizing the TRATON GROUP's financial services business helps us make our earnings more resilient to the ups and downs of the commercial vehicle markets. We are getting better and better at positioning TRATON successfully for every market phase.

Once again in 2025, we will remain focused and keep a close eye on our costs. I am more confident than ever before that we can succeed, even in a market environment that will certainly be challenging. For fiscal year 2025, we expect unit sales and revenue in the range of –5% to +5%. We are forecasting an adjusted operating return on sales of between 7.5% and 8.5% for the TRATON GROUP.

I am delighted with the impressive development of our Group in 2024. Together with our worldwide team, I look forward to reaping the fruits of our hard work in the years ahead. Our international presence, our strong product portfolio, our continuous improvement, and our focus on the needs of our customers will continue to be the basis for creating value for our shareholders.

I trust that we can continue to count on your support as our shareholders.

Kind regards



Christian Levin
CEO of TRATON SE

EXECUTIVE BOARD



CHRISTIAN LEVIN

Chairman of the Executive Board and Chief Executive Officer of TRATON SE, Chief Executive Officer of Scania



DR. MICHAEL JACKSTEIN

Member of the Executive Board of TRATON SE, responsible for Finance, Business Development, and Human Resources



CATHARINA MODAHL NILSSON

Member of the Executive Board of TRATON SE, responsible for Product Management in the TRATON GROUP



NIKLAS KLINGENBERG

Member of the Executive Board of TRATON SE, responsible for Research & Development in the TRATON GROUP



ALEXANDER VLASKAMP

Member of the Executive Board of TRATON SE, Chief Executive Officer of MAN



MATHIAS CARLBAUM

Member of the Executive Board of TRATON SE, Chief Executive Officer and President of International



ANTONIO ROBERTO CORTES

Member of the Executive Board of TRATON SE, Chief Executive Officer of Volkswagen Truck & Bus

Report of the Supervisory Board [1]

Dear readers,

The Company's Supervisory Board addressed the Company's position and performance regularly and in detail in fiscal year 2024. In accordance with the recommendations of the German Corporate Governance Code (the Code), the statutory requirements, the Articles of Association, and the Rules of Procedure, we regularly advised the Executive Board in its management of the Company and monitored its activities. We were involved in an advisory capacity in all matters and decisions of major importance for the TRATON GROUP. We also regularly discussed strategic matters with the Executive Board.

The Executive Board provided us with regular, comprehensive, and timely information, in both written and oral form, on the business performance, especially business in China, the progress of the Group R&D carve-out project, and on relevant business events, corporate planning, and deviations in the course of business from forecasts as well as their causes. The Executive Board also reported to the Supervisory Board, especially on the TRATON GROUP's strategy and the implementation status of strategic projects, the TRATON GROUP's risk position and risk management, as well as compliance issues. The documents and information required as a basis for making decisions were available to the members of the Supervisory Board at all times at the meetings and during the preparation of the resolutions to be adopted. We also received a detailed report on the current business situation from the Executive Board on defined dates. The Supervisory Board also met regularly without the Executive Board. During regular talks with the Chief Executive Officer outside the Supervisory Board meetings, I also discussed matters and issues relevant to the Company, such as the business performance, planning and strategic projects, the risk position, risk management, and compliance.

The Supervisory Board held nine meetings in fiscal year 2024. Five of these meetings were in-person, four were video meetings. In addition, the Supervisory Board visited the IAA Transportation trade fair in Hannover in September to view the Group's latest models and those of its competitors. We adopted resolutions on specific, especially urgent matters in writing.

The attendance rate of members at Supervisory Board meetings (calculated for all meetings in the fiscal year and for all Supervisory Board members in office) was 93.89% in fiscal year 2024. The individualized attendance of the members of the Supervisory Board at the meetings of the Supervisory Board and its committees is shown in the following overview:

	Supervisory Board		Presiding Committee		Audit Committee		Nomination Committee	
	No.	%	No.	%	No.	%	No.	%
Mr. Pötsch	9/9	100	7/7	100			1/1	100
Mr. Kerner[1]	9/9	100	7/7	100				
Ms. Andersson	8/9	89						
Mr. Bechstädt	9/9	100			4/4	100		
Ms. Carlquist	9/9	100						
Ms. Cavallo	5/9	56						
Dr. Döss	6/9	67						
Mr. Kilian	8/9	89	6/7	86			1/1	100
Dr. Kirchmann	8/9	89						
Dr. Kuhn-Piëch	9/9	100			4/4	100		
Ms. Lorentzon	9/9	100			3/4	75		
Mr. Luthin	9/9	100						
Mr. Lyngsie[2]	9/9	100	7/7	100				
Ms. Macpherson	8/9	89			4/4	100		
Dr. Dr. Porsche	9/9	100	7/7	100			1/1	100
Dr. Schmid	9/9	100						
Ms. Schnur	9/9	100	6/7	86	4/4	100		
Mr. Sedlmaier	9/9	100						
Mr. Wansch	9/9	100						
Mr. Witter	9/9	100			4/4	100		

1 Deputy Chairman of the Supervisory Board since June 13, 2024

2 Deputy Chairman of the Supervisory Board until June 12, 2024

1 In accordance with section 171 (2) of the *Aktiengesetz* (AktG — German Stock Corporation Act)

Committee activities

To discharge its duties, the Supervisory Board has formed the **Presiding Committee** and the **Audit Committee**, on each of which shareholders and employees are represented equally with three representatives each. The **Nomination Committee**, which consists solely of shareholder representatives, was also formed. The main role of the committees is to prepare Supervisory Board resolutions. In some cases, the Supervisory Board's decision-making powers or tasks are transferred to committees. The task of the Nomination Committee is to identify suitable candidates for Supervisory Board positions and to propose suitable persons to the Supervisory Board for its proposals for election to be submitted to the Annual General Meeting. It takes account of the targets defined by the Supervisory Board for its composition and the diversity concept applied to the composition of the Supervisory Board. In addition, care is taken to ensure that the skills and expertise profile for the entire body is met. In this function, the shareholder representatives on the Presiding Committee form the Nomination Committee.

Mr. Frank Witter was Chairman of the Audit Committee. I chaired the Presiding Committee in my capacity as Chairman of the Supervisory Board. At the Supervisory Board meetings, the Chairman of the Audit Committee and I provided regular reports on the work of the committees.

The names of the members of the committees as of the end of 2024 can be found in the list in Note **"48. Supervisory Board Committees"**.

The **Presiding Committee** of the Supervisory Board held seven meetings in the year under review. One of these meetings was in-person, six were video meetings. At its meetings, the Presiding Committee meticulously prepared the resolutions of the Supervisory Board, gathered information about ESG-related performance reviews and new features of the remuneration system for the Executive Board, discussed changes to Supervisory Board remuneration, discussed planned loans by Scania to Northvolt, and addressed the planning round, which contains the cornerstones of the medium and long-term financial planning, and the investment program. In addition, secondary activities of members of the Executive Board were approved, the extension of the Executive Board mandates of Mr. Carlbaum and Mr. Vlaskamp was discussed, the further details of the realignment of the Group's research & development activities were discussed and their significant progress was monitored and reviewed. Finally, the recommendation for a production setup in the EU regarding e-propulsion was discussed. In addition, we discussed the appointment of Niklas Klingenberg to the TRATON GROUP's Executive Board as Chief Technology Officer with responsibility for Research & Development as of January 1, 2025, and adopted a corresponding resolution.

The **Nomination Committee** met once in the year under review. This was a video meeting. This meeting developed the proposals for the election of shareholder representatives to the Supervisory Board by the Annual General Meeting.

The **Audit Committee** held a total of four meetings in the year under review. One meeting was an in-person meeting and three were video meetings. It dealt in detail with financial reporting issues, the 2023 Annual Financial Statements of TRATON SE and the TRATON GROUP, and the audit reports submitted by the auditor, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Munich (EY). It also addressed the requirements of the Corporate Social Responsibility Directive and the TRATON Group policy on export controls, as well as corresponding measures and sanctions. The engagement of EY for non-audit services by Scania was discussed and approved.

The committee discussed the quarterly reports and the half-year financial report with the Executive Board prior to their publication. EY reviewed the TRATON GROUP's Half-Year Financial Report for the period ended June 30, 2024. The review did not lead to any objections. The committee discussed the findings of the review with the auditors in detail.

The Audit Committee additionally discussed the engagement of the auditor to audit the annual financial statements. The committee regularly addressed the business performance in the TRATON GROUP, the internal control system, risk management and the risk management system, and the TRATON GROUP's impending and pending litigation, among other issues. The Audit Committee also addressed compliance and internal audit issues, such as the TRATON GROUP's internal audit system and the audit plans for the TRATON GROUP's Corporate Audit function, as well as the implementation status. The head of Corporate Audit of the TRATON GROUP and the Chief Compliance Officer of the TRATON GROUP reported to the committee in person on a regular basis. Progress in sustainability reporting and the area of export control (including the effects on the Group R&D carve-out project) were also reported on regularly. The Audit Committee regularly consulted with the auditors without the Executive Board.

The members of the Supervisory Board are responsible for obtaining the education and training necessary for them to perform their duties, for example with regard to changes in the legal environment. They are supported by the Company if necessary. In addition, topics relating to the Company are regularly discussed in depth at Supervisory Board meetings. On the one hand, this related to the BEV strategy together with the battery and cell strategy. On the other, further regulatory developments and requirements regarding sustainability reporting, as well as a deep dive into the Future Powertrain program, more in-depth information on software and software-defined vehicles, and anti-corruption issues in the context of sustainability reporting were relevant topics. Newly appointed members of the Supervisory Board are additionally given the opportunity to receive a detailed introduction to the specific issues concerning the Supervisory Board of TRATON SE.

Issues addressed by the Supervisory Board

Topics discussed regularly by the Supervisory Board included trends with respect to orders, sales revenue, earnings, and employment within the TRATON GROUP. We also regularly addressed key strategic matters and projects, as well as programs for the future at subsidiaries of TRATON SE. The Supervisory Board also met regularly without the Executive Board to discuss specific topics. In general, the shareholder and employee representatives met for separate preliminary discussions before each of the Supervisory Board meetings.

The following additional information relates to the Supervisory Board meetings held in 2024:

Supervisory Board meeting on February 21, 2024

At this meeting, following detailed examination and discussion, we approved the Annual Financial Statements for TRATON SE and the Consolidated Financial Statements with the Combined Management Report, including the Nonfinancial Group Statement, for TRATON SE and the TRATON GROUP for fiscal year 2023 prepared by the Executive Board. The Supervisory Board also prepared the remuneration report for fiscal year 2023. In addition, the Supervisory Board examined the report on relationships with affiliated companies (Dependent Company Report). On completion of our examination, we raised no objections to the Dependent Company Report. Additionally, the Supervisory Board resolved to issue the audit engagement letter for the 2024 Annual and Consolidated Financial Statements and to engage the auditors to review the TRATON GROUP's Half-Year Financial Report for the period ended June 30, 2024, and the remuneration report for fiscal year 2024. Other items on the agenda included changes to Supervisory Board remuneration, defining targets for the remuneration of the Executive Board, reviewing the appropriateness of the Executive Board's remuneration, and extending the Executive Board mandates of Mr. Vlaskamp and Mr. Carlbaum. In addition, a decision was made regarding the appointment of the member of the Executive Board of MAN Truck & Bus SE responsible for Human Resources. We also addressed the Corporate Governance Statement and the agenda for the 2024 Annual General Meeting. Finally, we discussed the status and benefits of the Group R&D carve-out project and the corresponding target image, and adopted a corresponding resolution.

Supervisory Board meeting on February 27, 2024

This meeting dealt with filling the position of Group General Counsel of TRATON SE and the corresponding resolution.

Supervisory Board meeting on April 19, 2024

The main focus of this meeting on April 19, 2024, was on a range of Executive Board and Supervisory Board matters. For example, changes to the remuneration system for the members of the Executive Board, which were also submitted to the 2024 Annual General Meeting, were discussed. The background to this was the discontinuation of the *Stimmungsbarometer* as the basis for the opinion index. The new gender index was therefore used for the "Social" subtarget. In addition, the Executive Board appointment "CTO/Brand Identity Development" at Scania and the appointment of the Head of Group R&D Powertrain in the management of TRATON AB were approved.

Supervisory Board meeting on June 12, 2024

At this meeting we discussed in particular a proposal on the topic of "E-Propulsion Units – CMP/DMP & Recommendation for Production Setup EU" and adopted a corresponding resolution. We also discussed the amendment of the Rules of Procedure for the Executive Board and the amendment of the Executive Board employment contracts, and approved an Executive Board appointment at International Motors for the Commercial Operation area. Finally, we dealt with the acquisition of an Austrian MAN company by Scania Österreich Holding GmbH as part of the expansion of the financial services business.

Supervisory Board meeting on June 13, 2024
This meeting was the constituent Supervisory Board meeting following the 2024 Annual General Meeting, at which the shareholder representatives on the Supervisory Board were re-elected as proposed. The employee representatives were re-elected in separate elections in accordance with the SE Participation Agreement. Both the Chair of the Supervisory Board and his deputy were elected at the meeting. Furthermore, the members of the Presiding Committee and the Audit Committee, as well as the corresponding chairs and deputy chairs, were elected.

Supervisory Board meeting on September 18, 2024
At this meeting we looked in detail at the progress of the Future Powertrain project, which was initially presented in 2023. In addition, we were informed in detail about the current topics of software, software-defined vehicles, and the autonomous strategy. We also received detailed information on the planning round and the investment program and adopted a corresponding resolution. Finally, we dealt with the Sustainability Reporting Directive, the corresponding requirements and actions, and the current status of implementation in the TRATON GROUP, and adopted a resolution on the name change from "Navistar" to "International."

Supervisory Board meeting on October 16, 2024
The subject of this meeting was a secured loan of up to USD 100 million that Scania CV AB planned to provide to Northvolt to sustain its operations.

Supervisory Board meeting on November 15, 2024
The topic of this meeting was debtor-in-possession (DIP) financing by Scania CV AB for Northvolt in US Chapter 11 proceedings to ensure the continuation of operations and to allow Northvolt to attract further investors.

Supervisory Board meeting on November 22, 2024
At this meeting, among other things, we discussed and resolved the appointment of Niklas Klingenberg as member of the Executive Board responsible for Research & Development as of January 1, 2025, and amended the list of responsibilities accordingly. We also approved the appointment of a successor to the CFO positions at Scania CV AB and International Motors, LLC. Additionally, we received detailed information on the BEV strategy, including the battery and cell strategy, and discussed it at length. We also approved a volume increase for TRATON's European Medium Term Note program (EMTN program). We also adopted the Declaration of Conformity with the German Corporate Governance Code and took note of the Executive Board's decision with regard to the execution of the 2025 Annual General Meeting. Finally, we received an update on the status of the EU truck litigation relating to MAN Truck & Bus SE and Scania CV AB.

Resolutions adopted in writing
In addition to the topics mentioned above, we approved the amended agenda and the correspondingly amended invitation to the 2024 Annual General Meeting of TRATON SE by resolutions adopted in writing and approved the proposed resolutions, among other things. In addition, a resolution was adopted to divide the TRATON R&D division EE/Software/Autonomous into the two areas EE Platform and EE Applications, and to appoint the relevant area heads.

Conflicts of interest

No conflicts of interest involving members of the Supervisory Board within the meaning of recommendation E.1 of the German Corporate Governance Code were reported in the year under review.

In April 2024, the Executive Board and Supervisory Board issued a Declaration of Conformity during the year due to the change in Executive Board remuneration. Implementation of the GCGC recommendations and suggestions was also on the agenda of the Supervisory Board meeting on November 22, 2024. We discussed the requirements in detail and, together with the Executive Board, issued the annual declaration on the GCGC recommendations in accordance with section 161 of the *Aktiengesetz* (AktG — German Stock Corporation Act). The declarations are permanently available on TRATON SE's website at **https://ir.traton.com/en/corporate-governance**. The departures from the recommendations of the German Corporate Governance Code are described in detail and substantiated in the Declarations of Compliance.

Further information on corporate governance at TRATON is available in the **"Supplemental Information on Fiscal Year 2024"** section of this Annual Report under **"Corporate Governance"**.

Changes to the composition of the Supervisory Board and the Executive Board

The terms of office of all members of the Supervisory Board ended with the conclusion of TRATON SE's Annual General Meeting on June 13, 2024. The Annual General Meeting re-elected the ten shareholder representatives on the Supervisory Board for a full term of office. The ten employee representatives on the Supervisory Board had previously been re-elected for a full term of office in an election process in accordance with the SE Participation Agreement.

Audit of the Annual and Consolidated Financial Statements and of the Dependent Company Report

The Annual General Meeting of TRATON SE elected EY (EY GmbH & Co. KG Wirtschaftsprüfergesellschaft, Munich) as the auditor of the Annual Financial Statements and the Consolidated Financial Statements for fiscal year 2024 on June 13, 2024. The Supervisory Board issued the concrete audit engagement letter to EY in line with the Audit Committee's recommendations and specified the areas of emphasis of the audit.

The auditor issued unqualified auditor reports on the 2024 Annual Financial Statements of TRATON SE and TRATON's 2024 Consolidated Financial Statements, together with the Combined Management Report. In addition, the auditor audited the remuneration report for fiscal year 2024 prepared jointly by the Executive Board and the Supervisory Board in accordance with section 162 of the *Aktiengesetz* (AktG — German Stock Corporation Act).

In addition, the auditor assessed the internal control system and the risk management system and concluded that the Executive Board had taken the measures required by section 91 (2) of the AktG to identify at an early stage any risks that could endanger the Company's continued existence.

The Executive Board of TRATON SE prepared a report on relationships with affiliated companies (Dependent Company Report) in accordance with section 312 of the AktG for fiscal year 2024. The auditor audited the Dependent Company Report and issued the following opinion:

"Based on our audit performed in accordance with professional standards and our professional judgment, we confirm that:

1. The factual statements contained in the report are correct.
2. The consideration paid by the Company for the legal transactions stated in the report was not excessive or any disadvantages were offset.
3. There are no circumstances that would support a materially different assessment of the actions or omissions stated in the report from that of the Executive Board."

The Supervisory Board concurred with the result of the audit of the Dependent Company Report by the auditor.

The members of the Audit Committee and the members of the Supervisory Board received the documents relating to the Annual Financial Statements, including the Dependent Company Report, and the audit reports prepared by the auditor in good time for the meetings of these committees that dealt with the 2024 Annual Financial Statements.

At Audit Committee meetings, the auditors reported in detail on the key findings of their audits and were available to provide additional information.

Based on the audit reports by the auditor and its discussion with them as well as its own findings, the Audit Committee prepared the Supervisory Board's examination of the Consolidated Financial Statements and the Annual Financial Statements of TRATON SE, as well as the Combined Management Report (including the Nonfinancial Group Statement) and the Dependent Company Report, and reported on them in the Supervisory Board meeting on March 3, 2025.

We examined these documents in depth in the knowledge of, and taking into account, the report by the Audit Committee and the auditor's report, and in our discussions with them. We came to the conclusion that there were no objections to the Annual Financial Statements and Consolidated Financial Statements prepared by the Executive Board for fiscal year 2024, and that the assessments by the Executive Board of the position of the Company and the Group presented in the Combined Management Report correspond to those of the Supervisory Board.

In our meeting on March 3, 2025, we concurred with the results of the audit by the auditor in line with the Audit Committee's recommendation and our own examination and approved the Annual Financial Statements prepared by the Executive Board and the Consolidated Financial Statements. The Annual Financial Statements are thus adopted.

We examined the Executive Board's proposal on the appropriation of net earnings after considering in particular the interests of the Company and its shareholders and concurred with the proposal.

On completion of our examination, we raise no objections to the declaration by the Executive Board at the end of the Dependent Company Report.

We would like to thank the Executive Board, the Works Council, the management, all employees of TRATON SE, and the employees of its affiliated companies for their work in 2024, and extend our special appreciation to them. 2024 was another year that brought many challenges, some of them considerable, that had to be overcome. With their great personal dedication and high level of motivation, they all made a decisive contribution to the TRATON GROUP's successful performance in fiscal year 2024.

Munich, March 3, 2025

On behalf of the Supervisory Board,



Hans Dieter Pötsch
Chairman of the Supervisory Board

TRATON on the Capital Markets

Open dialog with the capital markets in fiscal year 2024

TRATON has continued its open, transparent dialog with the capital markets in fiscal year 2024. In doing so, the Investor Relations department ensured that institutional and retail investors and analysts were informed promptly about current topics, business performance, and the TRATON GROUP's strategic focus. TRATON held an analyst/investor conference or video call each quarter when it published its financial results. In addition, we held continuous discussions with institutional investors and analysts at roadshows and investor conferences in Europe and North America — both virtually and in person.

TRATON GROUP held its Capital Markets Day in Munich on October 1, 2024. The event kicked off with a tour of the truck production facility in Munich. Following this, TRATON's Executive Board provided information about the Group's and brands' future strategic focus and presented an outlook on the expected market developments and business performance over the next five years. The four-hour event was attended in person by around 50 institutional investors and analysts, and followed virtually by a further approximately 530 people.

TRATON SE held a purely virtual Annual General Meeting for shareholders and their representatives in Munich on June 13, 2024, which was followed online by around 260 people.

Positive equity market performance in 2024

The performance of the international financial markets was mixed in the reporting year, but positive overall. Due to the different economic momentum, among other things, the European equity markets were unable to keep pace with the extremely positive performance of the US equity markets. The lower inflation risks and the resulting interest rate cuts by the leading central banks, the Fed (USA) and the ECB (Europe), pushed up prices. The generally buoyant mood on the equity markets remained largely unaffected by the uncertain geopolitical environment, the election of Donald Trump as US President, China's fiscal policy stimuli, the collapse of the French and German governments, the ongoing conflict in Ukraine, and the widening of the conflicts in the Middle East.

The performance of the German equity market in the reporting period was very mixed. At 20,522 points, the German Dax benchmark index reached a new all-time high on December 13, 2024, and closed the trading year at 19,909 points, an increase of 18.8%. The MDax, which comprises the 50 most important companies in Germany below the Dax and where TRATON has been listed since June 24, 2024, closed the year down 5.7% on the previous year-end. Compared with German large caps, many small and mid caps have a significantly higher exposure to the domestic market, which was dominated by weak economic forecasts. The Stoxx Europe 600 Industrial Goods & Services (SXNP) index, whose members are the largest listed European companies in the industrial goods and services sector, including TRATON, rose by 13.8% in 2024.

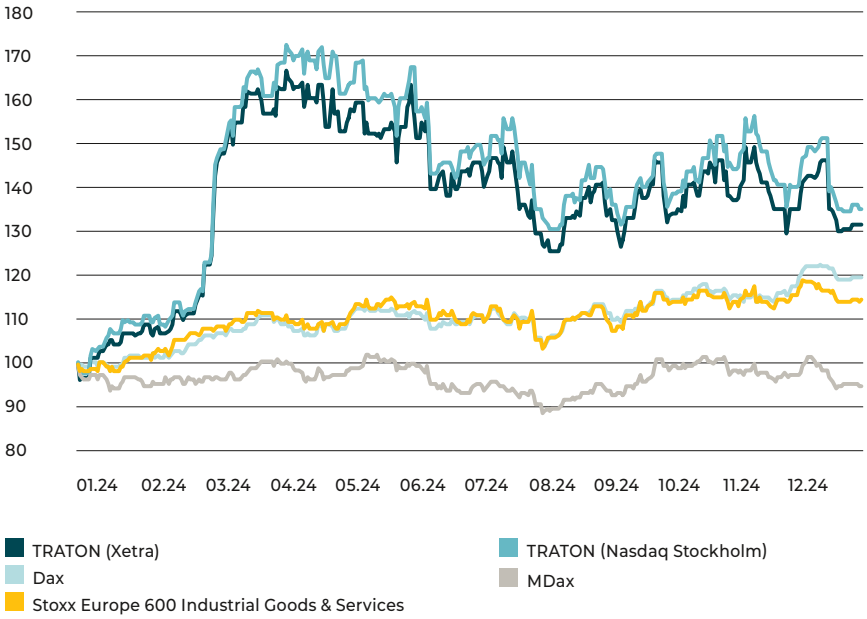
TRATON share price sees significant increase

At the beginning of 2024, TRATON SE shares initially followed the slight general downward trend on the equity markets, but were able to offset the losses within the first month of trading and subsequently recovered. The positive reception given to the 2023 full-year figures and an outlook for 2024 that exceeded analysts' expectations led to TRATON shares performing significantly better than the relevant indices, particularly at the end of the first quarter and the beginning of the second quarter. Despite positive half-year results, TRATON shares experienced a brief, significant decline in August amid a challenging macroeconomic environment, with signs of growth slowing in Europe and China. After that, TRATON's shares largely followed the volatile albeit positive trends in the markets. Overall, TRATON shares recorded a significantly positive performance in 2024.

TRATON shares were priced at €27.95 and SEK 319.00 on December 31, 2024. This resulted in price increases of 31.1% and 34.9% compared with the end of 2023. Including the dividend of €1.50 distributed for 2023, the total return to our shareholders was 38.1% and 42.1%, respectively.

As of the end of 2024, 21 financial analysts rated TRATON shares, of which 13 issued a positive recommendation ("buy" or "overweight"). Eight analysts rated the shares as "neutral."

TRATON share price performance in 2024 compared with selected indices since January 1, 2024 (indexed; January 1, 2024 = 100%)



Indicators for TRATON shares

	2024	2023
Earnings per share in € (diluted/basic)	5.61	4.90
Price-earnings ratio (PE ratio)[1]	5.0	4.3
Dividend per share (in €)[2]	1.70	1.50
Dividend yield (in %)[3]	6.1	7.0
Payout ratio (in %)	30	31
Xetra (in €)		
Year-end closing price	27.95	21.32
Annual average price	29.28	18.69
Annual high	35.45	21.86
Annual low	20.46	14.44
Nasdaq Stockholm (in SEK)		
Year-end closing price	319.00	236.40
Annual average price	335.08	214.82
Annual high	407.00	241.40
Annual low	230.00	160.80
Number of shares (million)[4]	500	500
Market capitalization (€ billion)[4]	14.0	10.7

1 Year-end closing Xetra price in relation to earnings per share

2 2024: proposed dividend, subject to approval by the 2025 Annual General Meeting

3 Dividend per share based on the year-end closing price of TRATON shares (Xetra trading)

4 As of December 31

Basic data for TRATON shares

Class	No-par value common bearer shares
ISIN	DE000TRAT0N7
WKN (German Securities Identification Number)	TRAT0N
Stock exchange	Frankfurt Stock Exchange Nasdaq Stockholm
Segment	Regulated Market (Prime Standard) of the Frankfurt Stock Exchange Large Cap Segment of Nasdaq Stockholm
Bloomberg ticker symbol	8TRA GY/8TRA SS
Reuters ticker symbol	8TRA.DE/8TRA.ST
Index membership (selection)	MDax (Deutsche Börse) OMX Stockholm All Share Index
Number of shares	500,000,000
Free float	10.28%

Shareholder structure with unchanged free float

The largest single shareholder of TRATON SE is Volkswagen International Luxemburg S.A., Strassen, Luxembourg, a Volkswagen Group company, which holds 89.72% of the share capital. At the end of 2024, the free float calculated in accordance with the criteria used by Deutsche Börse stood at 10.28%. This comprises both institutional and retail investors, including from Sweden, Germany, the United Kingdom, and the USA.

Resilient market environment for corporate bonds

Despite geopolitical tensions, the corporate bond market was generally constructive and receptive to large issuance volumes in 2024. The initial interest rate cuts by the central banks and expectations of further easing played a role here. Despite the uncertainties, the bond markets remained resilient and were able to absorb a relatively high level of issuance activity, especially in the third quarter. The US presidential election led to issues being brought forward from the fourth quarter. Overall, 2024 offered a sufficient number of time windows for placements in the bond market.

TRATON's ratings

TRATON SE has had long-term issuer ratings from Moody's Investors Service (Moody's) and S&P Global Ratings (S&P) since June 17, 2020. Since September 12, 2023, TRATON SE has also had short-term ratings from both rating agencies.

Ratings (as of December 31, 2024)

	Long-term rating	Outlook	Short-term rating
Standard & Poor's	BBB	stable	A-2
Moody's	Baa2	positive	P-2

Capital raised under the European Medium Term Notes program

Since March 12, 2021, TRATON has had a European Medium Term Notes program (EMTN program), which was updated on March 19, 2024. The €12.0-billion program enables TRATON to raise capital on the debt markets flexibly and efficiently. In addition to TRATON SE, the Company's indirect subsidiary TRATON Finance Luxembourg S.A., Strassen, Luxembourg (TRATON Finance) can also issue bonds under the program. The issuance program is used for general corporate purposes, with the capital raised being used as needed within the TRATON GROUP.

Issuances under the EMTN program with maturities of more than two years are generally conducted via public placements, while private placements are primarily used for maturities of between one and two years. In 2024, TRATON issued public bonds in Swedish kronor, sterling, and Swiss francs for the first time to further diversify its investor base. The bonds were issued by TRATON Finance and are listed on the Regulated Market of the Luxembourg Stock Exchange.

Financing under the Commercial Paper program

The €2.5 billion commercial paper program (CP program) launched in 2023 was regularly used in fiscal year 2024 for short-term refinancing with maturities of up to one year. This means that TRATON has successfully established itself in this important financing market to complement the EMTN program. The issuers under the CP program are TRATON SE and its indirect subsidiaries TRATON Finance and TRATON Treasury AB. Through the CP program, TRATON can issue bonds in various currencies, and the funds raised are intended for general corporate purposes.

Outstanding bonds of TRATON Finance Luxembourg S.A.

Million		EUR	SEK	GBP	CHF
Outstanding bonds	12/31/2023	8,100	2,550	–	–
	Issuances	2,050	10,000	450	500
	Repayments	–1,500	–	–	–
Outstanding bonds	12/31/2024	8,650	12,550	450	500

In addition, Scania CV AB, Södertälje, Sweden (Scania CV AB), an indirect subsidiary of TRATON SE, continued to have bonds outstanding under its €5 billion bond issuance program in 2024.

Outstanding bonds of Scania CV AB

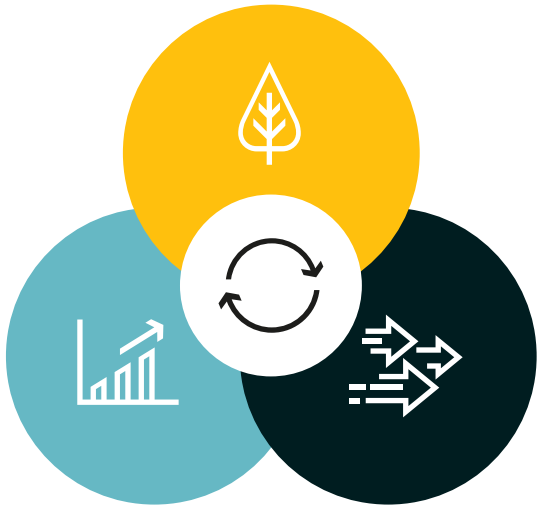
Million		EUR	SEK	NOK
Outstanding bonds	12/31/2023	500	17,825	2,450
	Issuances	–	–	–
	Repayments	–	–6,600	–1,350
Outstanding bonds	12/31/2024	500	11,225	1,100

Further information about TRATON shares, outstanding bonds, and TRATON's ratings, as well as financial news, financial reports, presentations, and information about the Annual General Meeting can be found on our Investor Relations website at https://ir.traton.com/en/.

TRATON Way Forward

Ongoing climate change, the growing importance of sustainability, decarbonization, and digital transformation pose complex challenges for TRATON, yet also present a large number of opportunities. The TRATON GROUP's strategy, the TRATON Way Forward, is based on a long-term vision that describes how TRATON will manage this environment and hence the resulting changes expected in the transportation and logistics industry. As part of this strategy, TRATON has set itself the overarching goal of acting sustainably and responsibly at all times.

The TRATON Way Forward consists of three pillars, together with an additional focus on the systematic implementation and execution of the strategy. The elements are: (1) Responsible Company; (2) Value Creation; (3) TRATON Accelerated!; and (4) Strategy Execution.



All four elements of the TRATON Way Forward are interconnected, making it possible for the TRATON GROUP to pave the way toward a sustainable future.

Responsible Company	The TRATON GROUP and its portfolio brands are committed to becoming more sustainable, focusing on a number of areas, including decarbonization and battery electric vehicles.
Value Creation	The TRATON GROUP is optimizing its cost basis, accelerating growth in the US, and enforcing operations in China while maintaining focus on customer needs for each brand.
TRATON Accelerated!	We have a clear roadmap for our electrified, connected, and automated commercial vehicles. We are developing new business models and strengthening partnerships.
Strategy Execution	Executing this strategy is critical for the Group's success. Progress is already being made with the new Group functions for R&D and by coordinating purchasing, production, logistics, and building the TRATON Modular System.

(1) Responsible Company

The TRATON GROUP intends to become even more responsible as a company in every respect. Decarbonization, circularity, and human rights play a key role in this endeavor and are a top priority for us. Together with our brands, we are working hard on our purpose of continuing to transform transportation in a sustainable way. Our objective is to generate the greatest possible benefit for our customers and society as a whole across the entire life cycle of our products. The TRATON GROUP has a strong focus on achieving its environmental objectives and strengthening sustainable conduct toward people: employees, customers, suppliers, and strategic partners. Being responsible has the highest priority and influences everything we do.

As part of our strategy, we have set ourselves the target of around half of our annual new vehicle sales in the relevant regions (EU27+3 region, USA, and Canada) to be zero-emission vehicles by 2030. This target is subject to the conditions needed to achieve it, such as the expansion of the corresponding charging infrastructure and the various grid connections, as well as a supportive regulatory environment, being in place. It will also allow us to make a significant contribution to the decarbonization of the global transportation sector. One example of our stronger sense of responsibility is the establishment of the Milence charging joint venture together with Daimler Truck and the Volvo Group. The joint investment of €500 million to build at least 1,700 public charging points for heavy-duty trucks and coaches by 2027 is a key factor for the expansion of electric mobility. The first site started operating in Venlo on December 7, 2023. Additional sites in Belgium, Germany, France, and Sweden followed in 2024. Milence plans to have over 70 sites operating by the end of 2025.

Responsible Company also includes a corporate culture that focuses on people and diversity. Our understanding of the term goes beyond the popular notion of diversity. The TRATON GROUP will strengthen its actions to consciously bring together and secure the inclusion of people with different experiences, educational backgrounds, and personalities. To be able to act responsibly, the Company also continues to focus increasingly on ethical principles in corporate governance.

(2) Value Creation

For TRATON, customers are the focus of value creation, which is why it is the second pillar of TRATON's strategy. TRATON can only be successful as a company and build a foundation for creating value for all TRATON GROUP stakeholders in the long term if it can sustainably create value for its customers and enhance their business success. Unlocking additional revenue streams and developing important markets are key elements of this strategy. The TRATON GROUP has defined ambitious medium-term business performance targets and communicated them at its 2024 Capital Markets Day in Munich. Adjusted operating return on sales is expected to be between 9 and 11% in 2029. Over the period from 2024 to 2029, the TRATON GROUP's sales revenue is projected to grow between 20 and 40%. During this period, TRATON also aims to completely eliminate net debt in the TRATON Operations business area, including Corporate Items. Making all TRATON brands even stronger is another objective. Each brand has a clearly defined, brand-specific strategic target return and works to deliver on it.

TRATON's entry into the North American market in 2021 strengthened its global footprint by giving it access to the world's largest profit pool in the commercial vehicle industry. International (formerly: Navistar) plays a key role in this regard and will be led to new strengths as part of our strategy. The measures for doing this range from using the powerful component and technology setup within the TRATON GROUP and expanding the financial services business, all the way to even more effectively leveraging International's dealer and service network, which is one of the largest independent networks in the North American market. The development and launch of the new International S13 Powertrain on the basis of the Group-wide 13-liter Common Base Engine (CBE) diesel engine is a key milestone. In 2024, a large number of customers took delivery of their vehicles with the new energy-efficient powertrain.

As part of our global expansion, we will additionally strengthen our footprint in Asia by also establishing an industrial presence in China. China is the world's largest commercial vehicle market. Chinese fleet customers are increasingly looking to higher-end vehicles, expecting more and more in terms of efficiency and safety. TRATON meets this demand by making appropriate investments in this region. In addition to providing additional production capacity in Asia, the presence in China also allows TRATON to capitalize on technological innovations in the Chinese market.

(3) TRATON Accelerated!

The third element of the TRATON strategy is particularly forward-looking. In a world shaped by electrification, autonomous driving, and connectivity, TRATON will create more added value for customers in the future through new business models, solutions, and partnerships. To do this, the Company intends to create new business models and partnerships. The TRATON GROUP is accordingly expanding its perspective on business potential beyond pure transportation. What matters here is developing the right capabilities and partnerships in order to be able to help shape the transformation of the industry. For example, Scania launched the first series production solution for autonomous driving in confined areas in 2024. Mining company REGROUP ordered eleven Scania vehicles that will start operating in an Australian mine at the end of 2025. Another example is the establishment of Scania's Erinion subsidiary, which will plan, implement, and, if the customer wishes, operate brand-neutral depot charging solutions for customers.

(4) Strategy Execution

The fourth element is focused on executing the strategy. TRATON has set out the strategic framework for the coming years with the TRATON Way Forward. The task now is to implement this strategy systematically. One example is to concentrate development capabilities and hence strengthen the overall competitiveness by developing a TRATON Modular System and through closer organizational integration. We laid the cornerstone by establishing new Group functions (Group Industrial Functions) for research & development and by coordinating purchasing, production, and logistics across the whole Group.

All four elements of the TRATON Way Forward are interconnected. Together, they form the strategy that makes it possible for the TRATON GROUP to create an even more responsible company, add value, and pave the way toward a sustainable future.

Highlights 2024

The TRATON GROUP made progress in 2024 on the forward-looking topics of sustainable transportation and autonomous driving, celebrated being uplisted to the German MDax stock market index, and resolutely implemented its TRATON Way Forward strategy, which charts a course for the Company's future success.

TRATON's Supervisory Board made key decisions to ensure continuity at top executive level as the Company implements its corporate strategy further. The contracts of the two TRATON Executive Board members Mathias Carlbaum and Alexander Vlaskamp were extended by five years each, ahead of schedule. This means that Mathias Carlbaum's contract as a member of the TRATON GROUP's Executive Board will now run until September 2029. Mathias Carlbaum is Chief Executive Officer and, at the same time, President of TRATON's International brand (formerly: Navistar). The contract of Alexander Vlaskamp, who is a member of the TRATON GROUP's Executive Board and Chief Executive Officer of MAN Truck & Bus, will run until November 2029. In addition, a decision was taken at the end of November 2024 to expand TRATON's Executive Board to include a seventh member as of January 1, 2025. Niklas Klingenberg will become a member of the Executive Board of TRATON SE, responsible for Research & Development. This move reflects the growing importance of the Group-wide research & development organization. Niklas Klingenberg has been heading this area since November 1, 2023.

The TRATON GROUP communicated its ambitious new medium-term business performance targets at its 2024 Capital Markets Day in Munich. Adjusted operating return on sales is expected to be between 9 and 11% in 2029. Over the period from 2024 to 2029, the TRATON GROUP's sales revenue is projected to grow between 20 and 40%. During this period, TRATON also aims to completely eliminate net debt in the TRATON Operations business area including Corporate Items.

At the virtual Annual General Meeting of TRATON SE on June 13, 2024, Chief Executive Officer and Chairman of the Executive Board Christian Levin described the Company's progress in implementing its corporate strategy in detail in his speech to the shareholders. TRATON's shareholders benefited from the Group's good performance in fiscal year 2023. At the Annual General Meeting, they voted in favor of a dividend of €1.50 per share — more than double the dividend of €0.70 per share for fiscal year 2022.

Even though market conditions continued to normalize, the TRATON GROUP increased its sales revenue by 1% to €47.5 billion in 2024. Adjusted operating result grew by €358 million or 9% to €4.4 billion and adjusted operating return on sales rose by 0.6 percentage points to 9.2%. Unit sales fell by 1% to 334,200 vehicles, whereas incoming orders remained virtually on a level with the comparative period, at 263,600 vehicles.

The TRATON GROUP also saw successful bond market performance in 2024. The Company further diversified its funding sources at the end of May 2024, with its debut bonds in the Swiss market amounting to CHF 500 million. The bond issuance in Swiss francs marks TRATON's third public bond debut in a currency other than the euro since the European Medium Term Notes program was launched in 2021. In the first quarter of 2024, TRATON successfully placed debut sterling bonds on the UK bond market and Swedish krona bonds on the Swedish bond market. All non-euro transactions were well received by investors.

After the TRATON share price had already performed well in 2023, it continued to rise in 2024. This paved the way for TRATON SE to be uplisted from the SDax to the MDax, which took place on June 24, 2024. The MDax tracks the performance of the 50 largest companies below the Dax shares on the Regulated Market of the Frankfurt Stock Exchange. The decisive factor for the Company's inclusion in this stock market index was its free float market capitalization. TRATON SE celebrated the fifth anniversary of its initial public offering on June 28, 2024, just four days after its inclusion in the MDax.

In 2024, the TRATON Financial Services segment concluded a dynamic 12 months in which the company focused on rolling out customer-centric financial solutions in the global markets. The TRATON Financial Services segment already provides tailored financial solutions for Scania, MAN, and International customers and is also actively driving forward the integration process for Volkswagen Truck & Bus in several countries.

TRATON Charging Solutions celebrated its first year on the market in 2024. The company provides charging services such as Scania Charging Access and MAN Charge&Go. TRATON Charging Solutions is thereby simplifying access to the charging infrastructure. The network currently includes around 150 charging stations for commercial vehicles, with more than 400 charging points throughout Europe.

TRATON rolled out new corporate values across the entire organization in 2024. These values define the framework for how the Group conducts business. They are based on the firm conviction that the Company's performance is closely linked to the way all employees and managers, as well as the Executive Board, act, think, and make decisions. That is why the TRATON GROUP has committed itself to five corporate values: Customer First, Respect, Team Spirit, Responsibility, and Elimination of Waste. These values underscore our intention: "Transforming Transportation Together. For a sustainable world".

The TRATON GROUP brands reported numerous strategy and product highlights in 2024:

Scania

Scania reached important milestones on the road to sustainable transportation in 2024. Erinion, a company specialized in charging solutions for battery electric commercial vehicles in depots of private and semi-public customers, as well as destination charging, was established in June. Erinion will support the ramp-up of electric mobility with 40,000 charging points on customer premises. This demonstrates that Scania is systematically contributing to the TRATON GROUP's purpose: "Transforming Transportation Together. For a sustainable world".

Scania is also making good on this aspiration with the expansion of its range of battery electric models, which were on show at the IAA Transportation trade fair in Hannover in September 2024. Scania now offers battery electric vehicles for virtually all applications, including heavy-duty e-trucks for use in mining or for transporting timber.

Scania also made considerable progress in the pioneering field of autonomous driving in 2024. Scania launched a commercial pilot project for highway trips between logistics hubs and is using technology from Plus for driverless transit. As well as with Scania, Plus also works with MAN and International. Sales of autonomous trucks for use in mines were also launched. Mining company REGROUP ordered eleven Scania vehicles. They will start operating in an Australian mine at the end of 2025. Scania has reached an agreement with Australian mining company Fortescue to jointly develop and validate a fully integrated solution for autonomous road trains.

MAN

MAN already registered especially large interest in its battery electric heavy-duty eTruck in 2024. We received around 2,800 orders and order requests by the end of 2024. The largest single order to date for 100 vehicles comes from Jacky Perrenot, a leading freight forwarder in France. The first MAN eTruck was handed over to automotive supplier DRÄXLMAIER Group, which will use it to transport zero-emission batteries for the Porsche Macan Electric to the Porsche plant in Leipzig. The MAN eTGL for urban delivery operations was also showcased at the IAA Transportation 2024. This means that MAN's portfolio of battery electric vehicles ranges from 12 to 42t.

MAN also recorded significant progress in developing its charging infrastructure in 2024. MAN launched a collaboration with energy company E.ON to develop charging stations at 170 MAN service locations in Europe. 2024 also saw the green light for a charging park at the Allianz Arena soccer stadium in Munich. In the future, up to 500 electric trucks and buses will be able to charge their batteries here at the nearby motorway hub daily using the MCS fast megawatt charging standard.

MAN will achieve further fuel savings in heavy-duty diesel trucks in the future by introducing the new Power Lion powertrain with the highly efficient D30 engine. It is based on the Group-wide Common Base Engine (CBE) platform, which is already part of the Scania and International portfolios.

International

Navistar, TRATON's US subsidiary, rebranded as International Motors on October 1, 2024. This marks a return to the International brand's historic roots. In future, International aims to increase its market share in North America by focusing to a much greater extent on solutions for trucks and buses. International's comprehensive solution portfolio also includes services such as spare parts, maintenance, financing, connectivity, and charging solutions. In addition, the efficient S13 powertrain, which is based on TRATON's Group-wide 13-liter engine, offers growth potential in the market.

In 2024, together with its competitors Daimler Truck North America and Volvo Group North America, International (when it was still called Navistar) launched a coalition to drive forward the development of charging infrastructure for medium- and heavy-duty zero-emission commercial vehicles in the USA through industry-wide collaboration. Membership of the Powering America's Commercial Transportation (PACT) coalition is also open to other market participants interested in accelerating the ramp-up of zero-emission commercial vehicles and the infrastructure they need.

Like Scania and MAN, International is also working with technology company Plus to introduce autonomous driving between transportation hubs. As part of this partnership, International brand trucks equipped with SuperDrive technology will be deployed in Texas. A safety driver is on board for each of the Level 4 journeys.

Volkswagen Truck & Bus

Volkswagen Truck & Bus (VWTB) is also making progress with the electrification of its product range. After the brand had already sparked great interest among customers with its battery electric e-Delivery distribution truck, production of the first e-Volksbus models began in the second half of 2024. These have been deployed since the beginning of 2025. The e-Volksbus uses some of the technology and parts of the e-Delivery and is therefore optimally suited to the operating conditions in Brazil and in VWTB's other markets.

In addition to purely battery electric models, VWTB is focusing on other alternative drives to ensure that the transportation of the future is sustainable. At the largest exhibition of commercial vehicles in South America, Fenatran, the VW Meteor Hybrid made its debut as a concept truck in November 2024. This has an electric auxiliary axle in addition to the diesel engine. Depending on the topography of the location, this is expected to achieve fuel savings of up to 10% compared with a conventional diesel model. VWTB predicts a substantial 90% reduction in carbon emissions for a new Constellation 26.280 truck powered by biomethane, which was also presented at Fenatran. A full tank will give the truck a range of 300 kilometers.

VWTB also made further progress in expanding its global footprint. A vehicle production plant was opened in Córdoba in collaboration with Volkswagen Group Argentina. Five vehicle models are being produced there on an assembly line. VWTB aims to use local production to accelerate unit sales in the Argentinian market.

COMBINED MANAGEMENT REPORT

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of TRATON SE, Munich, Germany,
for the period from January 1 to December 31, 2024



Stockholm, Sweden

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COMBINED MANAGEMENT REPORT OF TRATON SE, MUNICH, GERMANY, FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2024

All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Comparable prior-year figures are presented in brackets alongside the figures for the fiscal year under review.

Key Information about the TRATON GROUP

1. Business activities and organization

With its four brands Scania, MAN, International (formerly: Navistar), and Volkswagen Truck & Bus, the TRATON GROUP is one of the world's leading manufacturers of commercial vehicles. The portfolio consists of trucks, buses, and light-duty commercial vehicles, as well as the sale of spare parts and customer services. In addition, the TRATON GROUP offers a broad range of financial services to its customers.

Navistar was officially rebranded as International and the brand strategy realigned on October 1, 2024. The rebranding was developed in collaboration with dealers, customers, and employees. The aim is to stimulate growth in the American market and enhance the customer experience. The North American commercial vehicle manufacturer increasingly offers end-to-end solutions including trucks, buses, spare parts, maintenance, financing, connectivity, and charging solutions.

The TRATON GROUP's activities are divided into the industrial business (TRATON Operations) and financial services (TRATON Financial Services) business areas. The TRATON Operations business area consists of the four segments Scania Vehicles & Services (brand name: Scania), MAN Truck & Bus (brand name: MAN), International Motors (brand name: International; formerly: Navistar Sales & Services), and Volkswagen Truck & Bus (brand name: Volkswagen Truck & Bus — VWTB).

The four brands of the TRATON GROUP are clearly positioned:

Scania is a proud leader in premium transport solutions, specializing in heavy-duty trucks and offering an array of tailored services and applications. Scania empowers business partners and customers to progress through strong and trusted collaboration and a firm commitment to guiding them through the shift to fossil-free transportation. With a global footprint, Scania serves markets across Europe, North and South America, Asia, Africa, and Oceania.

MAN is a strong German heritage brand, operating internationally across Europe, Asia, the Middle East, Africa, and South America. MAN's strength lies in its extensive range of transport solutions, from light commercial options to durable construction vehicles and heavy-duty trucks. What truly sets MAN apart is its unwavering commitment to its customers, constantly striving to optimize their businesses and adapt to the dynamic changes in their requirements.

International's roots in North America date back to the 1800s, when its predecessors pioneered mechanized harvesting. Today, International offers comprehensive mobility solutions for North and South America. Among its key strengths are its vast dealer network, its deep industry expertise and its exceptionally strong and loyal customer relationships. Formerly known as Navistar, International is now moving into its next chapter under the new overarching brand.

Volkswagen Truck & Bus (VWTB) stands for unparalleled value-for-money solutions. Its core competence is vehicles that are robust, reliable, and efficient – tailored to meet the unique conditions of emerging growth markets and the specialized applications required there. Its strong presence in South America, Mexico, Africa, and Asia underlines its adaptability and commitment to meeting the specific needs of its customers in these dynamic regions.

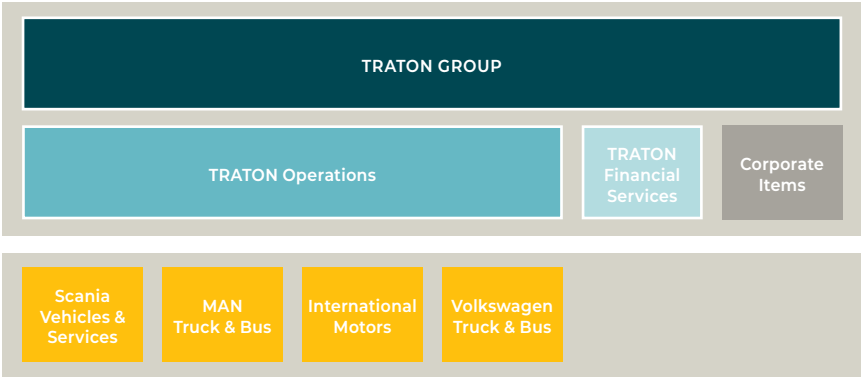
The primary production sites of Scania (nine locations) and MAN (nine locations) are in Europe. The original plants are in Södertälje, Sweden, and Munich, Germany. International (five sites) produces vehicles in the United States and Mexico. Scania and VWTB trucks and buses are also manufactured in Brazil (two sites). Scania is expanding its presence in China and is currently constructing a production facility in Rugao.

The TRATON Financial Services segment is building on Scania's successful Financial Services business, which has more than 35 years of experience and a global presence in over 60 countries. The TRATON Financial Services segment aims to create sustainable added value for the TRATON GROUP and its brands by providing financial capacity, risk management, and world-class services. With its own financial brands, the company offers financing, leasing, insurance, and modular solutions in 67 countries worldwide, and supports vehicle sales in close cooperation with all brands of the TRATON GROUP. TRATON took the next steps on its journey to expand the TRATON Financial Services segment into a global captive financial services entity: TRATON Financial Services acquired rights to future MAN Financial Services business in several European countries and began operations in 2024. Today, the TRATON Financial Services segment focuses on an expansionary brand strategy and a diversified financing strategy that targets efficient, sustainable growth. In the long term, its priorities are to expand BEV financing, optimize the operating model, and create business models such as TaaS (Transportation as a Service).

In 2024, the Group Industrial Functions were further refined to coordinate product management, research & development, procurement, production, and logistics in a matrix structure with the TRATON brands. The goal is to drive forward the TRATON Modular System by establishing a Group-wide R&D organization. The Group is working together to develop sustainable and connected transportation solutions. Over the next few years, substantial funds will be invested in research & development and capital expenditures to shape the transformation to a sustainable transportation industry.

The Company is led by an experienced Executive Board team that comprises the Group functions Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Human Resources Officer (CHRO), as well as another Executive Board member responsible for TRATON Group Product Management, plus the CEOs of Scania, MAN, International, and VWTB. Since January 1, 2025, additional Executive Board member Niklas Klingenberg has been driving forward the Group's research & development activities. In his role as Executive Board member responsible for Group Research & Development, Niklas Klingenberg is increasingly playing a key role in building a Group-wide Research & Development organization.

The Executive Board manages the company and steers the strategic direction of the TRATON GROUP. This board currently consists of seven members. In addition to the Executive Board members, two other members for the areas of purchasing and production and logistics form part of the extended management body, the Truck Board. The central functions of these areas are distributed across selected locations of the TRATON GROUP brands, in particular Munich, Södertälje, Lisle (Illinois), and São Paulo.



Within the organizational structure and financial reporting,

- TRATON Holding (consisting of TRATON SE and its investees not allocated to specific segments),
- consolidation effects between the business areas,
- and the effects of purchase price allocation from the acquisition of individual segments are summarized under Corporate Items.

At the end of 2024, the Group employed a total of 105,541 (103,621) people worldwide.

2. Research & development

The TRATON GROUP aims to drive forward the transition to sustainable transportation with its investments in research & development. The TRATON Modular System will play an important role here. It will also be a catalyst for commercial success because it supports efficiency and global scalability. This strategic approach ensures versatile, efficient solutions and enables the TRATON brands to deploy competitive innovative technologies. The heart of this approach is the development of modular components with universal applicability across brands and applications. This approach streamlines development and signals a significant advance on the road to sustainable transportation solutions.

In February 2024, the Executive and Supervisory Boards of TRATON SE decided to strengthen Group-wide research & development as well as brand-specific development. To do this, considerable parts of the research & development departments of the individual brands are being merged into a cross-brand organization. This new structure will drive forward the development of the TRATON Modular System with the aim of delivering sustainable, efficient, and connected transportation solutions to the market.

TRATON stands ready to play a leading role in guiding the industry toward a more sustainable and electrified future, and will sustain this role in the long term.

For this purpose, the TRATON GROUP not only focuses systematically on innovation, but also on harmonizing product modules to secure different performance steps. In addition, the Company is making substantial investments in forward-looking key areas, such as electrification and autonomous driving. In this context, investments in electric mobility of more than €2.1 billion are planned for the years from 2025 to 2029. The focus here is on developing BEV vehicles. This includes the development of the necessary components, vehicle integration, and batteries. By contrast, development expenditures on the further development of combustion engine technology will be scaled back.

Scania's research & development priorities in 2024 were on electric mobility, compliance with future emissions legislation, and other legal requirements, such as the new EU General Safety Regulation (GSR). Development of the TRATON Modular System is also being strengthened. Scania also invested in the establishment of a research & development department in China. In the future, vehicles will be offered that are specifically tailored to Chinese market conditions and customer requirements.

MAN's research & development activities in 2024 focused on the introduction of the new model generation (model year 2024) and preparations for the integration of the D30 powertrain, which is based on the Group-wide 13-liter Common Base Engine diesel engine. In addition, MAN concentrated on truck electrification and work on the TRATON Modular System, and continued research & development activities on the integration and type approval of battery technology in production-ready battery electric vehicles.

International's research & development expenditures in 2024 were primarily focused on investments in electrification and in the next generation of the E/E architecture, as well as on work on the TRATON Modular System.

In South America, VWTB invested primarily in projects in 2024 that had legal requirements enter into force in the reporting period. Additionally, VWTB implemented both investments in electric mobility and compliance with legal emission requirements.

The progress made by the TRATON brands in megatrends such as autonomous driving is also attracting the attention of industry experts. In April 2024, for example, MAN completed the first successful journey by an automated truck on the A9 highway in Germany. Further hub-to-hub projects will follow, starting in 2025, which will then be implemented in typical customer applications. This underscores the high level of commitment to innovation — from the initial idea, through corresponding investments in transformative projects, down to implementation. The core topics here are autonomous transportation and road safety.

Research & development in figures, TRATON operations

€ million	2024	2023	Change
Primary R&D costs, TRATON Operations	2,458	2,170	288
of which capitalized development costs	978	687	291
Capitalization ratio (in %)	39.8	31.7	8.1 pp
Amortization of, and impairment losses on, capitalized development costs	530	423	106
Research & development costs recognized in the income statement	2,010	1,906	104
Sales revenue, TRATON Operations	46,182	45,736	446
Primary R&D costs, TRATON Operations	2,458	2,170	288
R&D ratio (in %)	5.3	4.7	0.6 pp
R&D employees (as of 12/31)[1]	12,527	12,010	517

1 Prior-year period adjusted.

3. Financial management

Internal management process within the TRATON GROUP

The TRATON GROUP is included in the Volkswagen Group's internal management process. The starting point for the TRATON GROUP's internal management is medium-term planning, which is prepared once per year over a period of five years. The core of the planning includes the long-term unit sales plan, the product program, and the capacity and utilization planning for the individual sites. The TRATON GROUP's financial medium-term planning comprises the income statement, cash flow and balance sheet planning, profitability and liquidity, as well as investments.

The first year of the medium-term planning period is then fixed and a budget drawn up for the individual months at the level of the operating cost centers. The budget is reviewed each month to establish the degree to which the targets have been met. Important control tools are target/actual comparisons, prior-year comparisons, variance analyses, and, if necessary, action plans to ensure budgetary targets are met. For the relevant current fiscal year, detailed revolving forecasts for the full year are made based on the reporting in February, May, August, and October. These take into account current risks and opportunities.

The focus of intra-year internal management is on measures for quickly adapting operating activities. At the same time, the current forecast serves as an ongoing, potential corrective to the medium-term and budget planning that follow on from it.

Most important key performance indicators of the TRATON GROUP

The following most important key financial and nonfinancial performance indicators were defined for the TRATON GROUP and the TRATON Operations and TRATON Financial Services business areas during fiscal year 2024:

	2024			2023		
	TRATON GROUP	TRATON Operations	TRATON Financial Services	TRATON GROUP	TRATON Operations	TRATON Financial Services
Sales	x	x	–	x	x	–
Sales revenue	x	x	–	x	x	–
Operating return on sales (adjusted)	x	x	–	x	x	–
Net cashflow	–	x	–	–	x	–
Primary R&D costs	–	x	–	–	x	–
Capex	–	x	–	–	x	–
Return on equity	–	–	x	–	–	–
Return on investment (ROI)	–	–	–	–	x	–

Following an adjustment of the TRATON GROUP's financial management in the first half of 2024, return on investment (ROI) is no longer used for the internal management in the TRATON Operations business area and is therefore no longer one of the most important financial KPIs starting in fiscal year 2024.

For the TRATON Financial Services segment, return on equity, which was previously reported as an additional performance indicator, will become one of the most important performance indicators within the meaning of German Accounting Standard No. 20 from fiscal year 2024. This is a standard industry indicator for measuring the return on capital of financial services units.

Unit sales
Unit sales represent the number of vehicles sold by Scania, MAN, International, and VWTB. They reflect the demand for our products and are decisive for the development of sales revenue.

Sales revenue
Sales revenue reflects our market performance in financial terms. For the segments within the TRATON Operations business area, it is based in particular on unit sales of new and used vehicles and on sales of spare parts and customer services. Sales revenue is also generated by the rental and leasing business and by interest from the financial services business in the TRATON Financial Services segment.

Operating return on sales (adjusted)
Operating return on sales (adjusted) is the ratio of operating result (adjusted) to sales revenue and expresses the economic performance of our business activities after accounting for the use of resources. Operating return on sales (adjusted) measures the TRATON GROUP's profitability.

Adjustments are made in order to ensure the greatest possible transparency of our business performance. The adjustments to operating result concern certain items in the financial statements that, in the opinion of the Executive Board, can be presented separately to enable a more appropriate assessment of financial performance. They include, in particular, costs of restructurings and structural measures as well as one-time events with a material impact on the TRATON GROUP's earnings.

Net cash flow
Net cash flow in the TRATON Operations business area comprises net cash provided by/used in operating activities and net cash provided by/used in investing activities attributable to operating activities and indicates the excess funds from operating activities in the reporting period.

Primary R&D costs
Primary research & development costs in the TRATON Operations business area contain both capitalized development costs and research & development costs not eligible for capitalization. They represent expenditures ranging from blue skies research down to the market-ready development of our products and services.

Capital expenditures
Capital expenditures in the TRATON Operations business area represent the TRATON GROUP's investments in the future. They consist of the cash investments in property, plant, and equipment and in intangible assets (excluding capitalized development costs) that are reported in the statement of cash flows.

Return on equity
For the TRATON Financial Services business area, return on equity describes the profitability of the capital employed. It is calculated as the ratio of earnings before tax to average equity. Average equity is calculated from the equity at the beginning and the end of the reporting period. If calculated during the year, earnings before tax for the period in question are extrapolated to the full fiscal year on a straight-line basis.

Additional key performance indicators of the TRATON GROUP
In addition to the most important key performance indicators, the following additional performance indicators are defined for the TRATON GROUP or for the individual business areas or segments:

Capitalization ratio
The capitalization ratio is defined as the ratio of capitalized development costs to primary research & development costs. It indicates which proportion of primary research & development costs is required to be capitalized.

Incoming orders
Incoming orders are defined as legally effective, binding orders.

BEV unit sales ratio
The ratio of the number of battery electric vehicles and fuel cell electric vehicles to the total number of vehicles sold, excluding the MAN TGE model.

Book-to-bill ratio
The ratio of incoming orders to unit sales.

Gross margin
The gross margin is calculated as the percentage ratio of gross profit to sales revenue for the period in question.

EBITDA (adjusted)

EBITDA (earnings before interest, taxes, depreciation, and amortization) reflects operating performance before interest, taxes, depreciation, and amortization, after accounting for the use of resources. Since depreciation and amortization may depend on the chosen accounting policies, the carrying amounts, the capital structure, and the way in which an asset was acquired, EBITDA (adjusted) is used as a key performance indicator for peer group comparisons, in particular. Adjustments to operating result are also taken into account in determining EBITDA (adjusted). EBITDA (adjusted) is calculated for the TRATON Operations business area including Corporate Items, as it is taken into account for the calculation of the net financial debt / EBITDA (adjusted) ratio for the TRATON Operations business area including Corporate Items.

Equity ratio

The equity ratio indicates the ratio of total equity to total capital. For the TRATON Operations and TRATON Financial Services business areas, it is calculated from the perspective of the business area in question.

R&D ratio

Ratio of primary R&D costs to sales revenue.

Return on investment (ROI)

Return on investment represents the return on invested capital for a particular period. It is determined by calculating the ratio of operating result after tax to annual average invested capital. If the return on investment exceeds the cost of capital demanded by the market, added value is generated. Return on investment is calculated based on operating result after tax. In addition to operating result in the TRATON Operations business area, the calculation also includes operating result of the TRATON Holding, consolidation effects between the TRATON Operations business area and the TRATON Holding, and earnings effects from the purchase price allocations with regard to the TRATON Operations business area. An overall average tax rate of 30% is applied. Invested capital is calculated as total recognized operating assets (intangible assets, property, plant, and equipment, assets leased out, inventories, and receivables) less noninterest-bearing liabilities (trade payables and prepayments received on customer contracts). Average invested capital is derived from the balance at the beginning and the end of the reporting period. Since the concept only comprises our operating activities, assets relating to investments in subsidiaries and associates and the investment of cash funds are not included when calculating invested capital. Interest charged on these assets is reported in financial result. The calculation is only performed on an annual basis.

Net liquidity/net financial debt

Net liquidity or net financial debt is calculated as gross liquidity, meaning cash and cash equivalents, marketable securities, investment deposits, and loans to affiliated companies (incl. restricted cash), less third-party borrowings (noncurrent and current financial liabilities). It reflects cash and cash equivalents, marketable securities, investment deposits, and loans to affiliated companies not financed by third-party borrowings.

Net financial debt/EBITDA (adjusted) ratio

The net financial debt to EBITDA (adjusted) ratio is calculated by dividing net liquidity/net financial debt by EBITDA (adjusted) for the past twelve months and is determined for the TRATON Operations business area, including Corporate Items.

Operating result (adjusted)

Operating result (adjusted) is calculated to ensure the greatest possible transparency of our business performance by making adjustments to our operating result. These adjustments concern certain items in the financial statements that, in the opinion of the Executive Board, can be presented separately to enable a more appropriate assessment of financial performance. They include, in particular, costs of restructurings and structural measures as well as one-time events with a material impact on the TRATON GROUP's earnings.

Capex ratio

The capex ratio indicates the ratio of capital expenditures to sales revenue and is calculated for the TRATON Operations business area.

Report on Economic Position

1. Macroeconomic environment

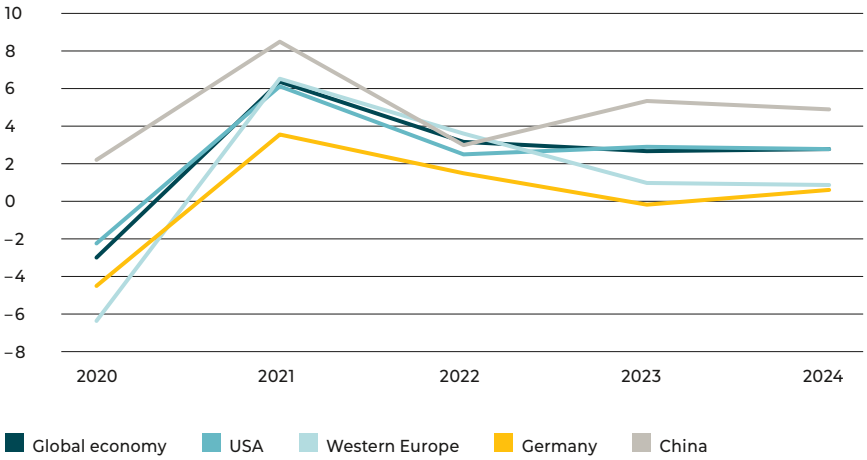
Developments in the global economy

The global economy continued to grow in 2024, albeit at a somewhat slower pace than in the previous year. This trend was observed in both the advanced and emerging economies. Inflation rates, which were still relatively high in some countries despite declining in many others, coupled with the restrictive monetary policy of some central banks, continued to curb economic development in many places. Some of the leading central banks began to gradually lower their key interest rates from their comparatively high levels from around the midpoint of the reporting period.

Europe

The Western European economy recorded positive growth overall in the reporting period, somewhat above the previous year's level. Developments varied in the individual countries of Northern and Southern Europe. With inflation rates on the decline, the European Central Bank cut its key interest rates in three steps starting in June 2024.

Economic growth
GDP change (in %)



The economies of Central and Eastern Europe as a whole grew at a somewhat higher pace in 2024 than in the prior-year comparative period.

Germany

German gross domestic product fell somewhat in 2024, continuing a similar trend seen in the previous year. Compared with 2023, the seasonally adjusted unemployment rate rose on average over the year as a whole. After reaching historically high levels at the end of 2022, monthly inflation rates fell since then roughly in line with the eurozone average.

North America

US gross domestic product grew at a slower rate in the reporting period than in the previous year. The US Federal Reserve initially maintained its restrictive monetary policy due to the comparatively high inflation rates and the strained labor market. The first cut in key lending rates in September was followed by two further interest rate cuts by the end of the reporting period. Canada's economic growth slowed somewhat compared with the previous year, while Mexico experienced a more pronounced downturn.

South America

Economic output in Brazil grew at a somewhat faster pace, while growth in Argentina slowed more sharply than in the previous year.

Asia/Pacific

In global terms, Chinese economic output continued to grow at a high rate, albeit somewhat more slowly than in the previous year.

2. Exchange rates

TRATON's primary foreign currencies in 2024

	Average rate for the year		Year-end closing rate	
	2024	2023	2024	2023
BRL/EUR	5.8262	5.4031	6.4314	5.3750
GBP/EUR	0.8467	0.8700	0.8302	0.8691
USD/EUR	1.0820	1.0817	1.0410	1.1077
SEK/EUR	11.4329	11.4716	11.4501	11.0874
MXN/EUR	19.8219	19.1958	21.5892	18.7689

In 2024, the euro remained virtually unchanged against the US dollar on average over the year, after being comparatively weak in the previous year due to the high level of uncertainty about global economic development. The euro lost ground slightly against sterling on average over the year and remained almost unchanged on average over the year against the Swedish krona. On average, Brazilian reais and Mexican pesos were weaker against the euro than in 2023.

3. Market environment

The most important truck markets (> 6t) for the TRATON GROUP are the EU27+3 region (European Union, the United Kingdom, Norway, Switzerland), the North America region (the USA, Canada, and Mexico), and South America. Türkiye and South Africa are no longer considered to be among the most important truck markets. In North America, the truck market is divided into weight Classes ranging from 1 through 8. The market relevant for International is the Class 6–8 segment. This corresponds approximately to weight class > 9t.

In 2024, the most important truck markets (> 6t) for the TRATON GROUP reported a slight decline overall. After the high market level in Europe and North America in 2023 largely covered the pent-up demand from the Covid years, there was a return to normal in the reporting period. Demand therefore declined in 2024.

New truck registrations in the EU27+3 region were down moderately on the previous year's level in fiscal year 2024. The weakness in the construction industry and certain industrial sectors has led to noticeable customer caution. A decline was recorded in virtually all the countries in the region, although it varied from market to market. In Western Europe, the countries United Kingdom and Italy only experienced a slight decline, while the truck market in Germany weakened noticeably. Some EU countries in Eastern Europe even experienced a strong to very strong market decline compared with the previous year's level.

Despite the robust economic trend, new truck registrations in North America were moderately lower than in the strong previous year. By contrast, the South American market gained significant ground in 2024 following a decline in the previous year that was caused by regulatory changes.

The Company's most important bus markets are the EU27+3 region, North America, and South America. These markets mainly recorded slight growth compared with the previous year. New bus registrations in the EU27+3 region in 2024 overall slightly exceeded the previous year's level, albeit to varying degrees in the individual countries. The North American market declined slightly compared with the previous year. However, this was attributable more to bottlenecks in supply chains and production than a lack of demand. The South American market grew slightly.

4. Results of operations

Incoming orders and unit sales

Incoming orders and unit sales by country, TRATON Operations

	Incoming orders			Unit sales		
Units	**2024**	**2023**	**Change**	**2024**	**2023**	**Change**
Total	**263,575**	**264,798**	**0%**	**334,215**	**338,183**	**–1%**
of which all-electric vehicles	3,851	2,430	58%	1,739	2,107	–17%
BEV unit sales ratio (excluding MAN TGE vans, in %)	–	–	–	0.5	0.6	–0.1 pp
Trucks	**208,519**	**210,617**	**–1%**	**278,130**	**281,290**	**–1%**
EU27+3	77,991	82,559	–6%	104,521	123,516	–15%
of which in Germany	20,145	19,056	6%	26,904	33,073	–19%
North America	48,193	53,213	–9%	82,198	78,288	5%
of which in the USA/Canada	38,930	42,357	–8%	66,354	66,961	–1%
of which in Mexico	9,263	10,856	–15%	15,844	11,327	40%
South America	59,086	47,221	25%	62,257	46,083	35%
of which in Brazil	49,152	40,460	21%	52,300	36,671	43%
Other regions	23,249	27,624	–16%	29,154	33,403	–13%
Buses	**32,235**	**29,808**	**8%**	**28,413**	**30,266**	**–6%**
EU27+3	6,554	6,736	–3%	4,912	6,306	–22%
of which in Germany	1,485	1,650	10%	895	1,723	–48%
North America	14,281	13,975	2%	12,874	15,152	–15%
of which in the USA/Canada	11,357	10,268	11%	9,711	12,001	–19%
of which in Mexico	2,924	3,707	–21%	3,163	3,151	0%
South America	8,567	6,265	37%	7,899	6,247	26%
of which in Brazil	6,795	4,829	41%	6,246	4,907	27%
Other regions	2,833	2,832	0%	2,728	2,561	7%
MAN TGE vans	**22,821**	**24,373**	**–6%**	**27,672**	**26,627**	**4%**
EU27+3	22,400	23,970	–7%	27,239	25,889	5%
of which in Germany	6,873	7,849	–12%	8,369	8,914	–6%
Other regions	421	403	4%	433	738	–41%

The TRATON GROUP's incoming orders in the reporting period were on a level with the previous year. Incoming orders for trucks were down slightly year-on-year. The sharpest decline in incoming orders for trucks was recorded in North America and the EU27+3 region. In North America, the number of incoming orders for trucks was noticeably lower than in the previous year, primarily because of weak demand for heavy-duty trucks. In the EU27+3 region, customers remaining cautious on the back of weakness in individual industrial sectors and in the construction business was the primary negative factor. By contrast, there was a strong increase in incoming orders in South America. In Brazil in particular, the favorable economic development fueled demand, whereas the previous year's performance in the Brazilian market was materially negatively impacted by the new emissions regulations that had come into force. MAN TGE vans recorded a moderate decline in incoming orders and a high order backlog due to the upcoming model year change in 2025. By contrast, incoming orders for buses increased noticeably. The primary driver of this was the orders won for school buses in South America. Incoming orders for buses were up slightly year-on-year. The very sharp decline in incoming orders in Mexico due to a change of engine supplier and restrictive order acceptance was offset by a significant increase in incoming orders in the USA and Canada. By contrast, restrictive order acceptance in the EU27+3 region in connection with stricter regulatory requirements for vehicle software systems led to a slight decline in incoming orders.

The TRATON GROUP recorded a slight year-on-year decline in unit sales in the reporting period, although the downward trend in the first half of 2024 was mitigated by the positive trend in the second half of the year. The year-on-year decline in truck unit sales was minor. In the EU27+3 region, we observed that customers remained cautious, which led to a substantial decline in unit sales, especially in Germany. In North America, truck unit sales were moderately higher than in the prior-year period due to pull-forward effects in Mexico, primarily in connection with the introduction of a new emissions standard. Unit sales in the USA were down significantly against the backdrop of reduced transportation activities. Very strong unit sales growth was posted in South America, due primarily to the positive economic development in Brazil. The TRATON GROUP's unit sales of buses recorded a moderate decline compared with the previous year's level. This was due to the slower ramp-up of the new school bus model at International in North America in the first half of the year. Tighter regulatory requirements for vehicle software systems in the EU27+3 region led to delays in unit sales of buses in the second half of 2024. By contrast, unit sales of buses increased in South America.

The book-to-bill ratio in the reporting period was unchanged at 0.8 (previous year: 0.8).

430 (previous year: 381) all-electric trucks, 1,190 (previous year: 1,411) all-electric buses, and 119 (previous year: 315) MAN eTGE models were sold in the reporting period. Additionally, 58 (previous year: 118) hybrid trucks and 274 (previous year: 284) hybrid buses were sold.

Sales revenue

Sales revenue by product group

€ million	2024	2023	Change
TRATON GROUP	**47,473**	**46,872**	**1%**
TRATON Operations	**46,182**	**45,736**	**1%**
New Vehicles	32,202	31,224	3%
Vehicle Services business[1]	8,751	8,693	1%
Others	5,230	5,819	–10%
TRATON Financial Services	**1,932**	**1,589**	**22%**
Corporate Items	–642	–453	–

1 Including genuine parts and workshop services

Despite a slight decrease in unit sales, the TRATON GROUP increased its sales revenue by €600 million in the reporting period. This growth is attributable in particular to a positive market and product mix and to better unit price enforcement in the TRATON Operations business area. By contrast, the development in used and third-party vehicles led to a significant decline in other sales revenue. Sales revenue in the TRATON Financial Services segment increased by €343 million compared with the prior-year period. This was primarily due to a rise in portfolio volume.

Profit and loss

Condensed income statement of the TRATON GROUP

	TRATON GROUP		TRATON Operations		TRATON Financial Services		Corporate Items	
€ million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Sales revenue	47,473	46,872	46,182	45,736	1,932	1,589	–642	–453
Cost of sales	–37,373	–37,632	–36,499	–36,900	–1,315	–1,060	440	328
Gross profit	**10,100**	**9,240**	**9,684**	**8,836**	**617**	**529**	**–202**	**–125**
Distribution expenses	–3,813	–3,604	–3,320	–3,175	–243	–182	–249	–246
Administrative expenses	–1,710	–1,518	–1,478	–1,334	–47	–40	–184	–144
Other operating result	–368	–355	–285	–223	–122	–139	38	8
Operating result	**4,209**	**3,763**	**4,601**	**4,103**	**205**	**168**	**–597**	**–508**
Operating result (adjusted)	**4,384**	**4,034**	**4,776**	**4,272**	**205**	**269**	**–597**	**–508**
Operating return on sales (adjusted) (in %)	9.2	8.6	10.3	9.3	10.6	17.0	–	–
Financial result	–639	–511	–777	626	7	3	130	–1,140
Earnings before tax	**3,569**	**3,253**	**3,824**	**4,730**	**212**	**171**	**–467**	**–1,649**
Income taxes	–766	–802	–732	–1,019	–57	–91	23	308
Earnings after tax	**2,803**	**2,451**	**3,092**	**3,710**	**155**	**81**	**–444**	**–1,340**

Operating result

The TRATON GROUP's gross profit improved by €859 million (or 9%) in fiscal year 2024 compared with the previous year. This increase is attributable primarily to continued good price management combined with an improved cost structure in the TRATON Operations business area. Higher research & development expenses had an offsetting effect. Gross margin increased by 1.6 percentage points to 21.3% (previous year: 19.7%) in the TRATON GROUP and by 1.6 percentage points to 21.0% (previous year: 19.3%) in the TRATON Operations business area.

In the reporting year, the TRATON GROUP's distribution expenses were up €209 million or 6% and administrative expenses were up €192 million or 13% year-on-year. In both cases, the increase was primarily due to inflation-related cost increases, for example in personnel costs. The ratio of distribution and administrative expenses to sales revenue rose by 0.7 percentage points to 11.6% (previous year: 10.9%).

Other operating result declined slightly by €13 million compared with the previous year. In the TRATON Operations business area, expenses attributable to civil lawsuits against Scania and MAN in connection with the EU truck cases in individual countries, in particular, had a negative impact. The TRATON Financial Services segment was impacted by higher expenses from bad debt allowances on receivables. By contrast, the primary positive effect was the discontinuation of charges in the TRATON Financial Services segment in the amount of €102 million in connection with the sale of Scania Finance Russia in the prior-year period.

Due to the effects described above, in particular because of the improvement in gross profit, the TRATON GROUP's operating result in fiscal year 2024 increased by €446 million or 12% compared with the previous year.

Adjustments to operating result

Adjustments (€ million)	**2024**	**2023**
Scania Vehicles & Services	**109**	**102**
of which legal proceedings and related measures	101	22
of which restructuring measures	7	80
MAN Truck & Bus	**66**	**67**
of which legal proceedings and related measures	60	67
of which restructuring measures	6	–
TRATON Operations	**175**	**169**
TRATON Financial Services	**–**	**102**
TRATON GROUP	**175**	**271**

Adjustments in the TRATON Operations business area in fiscal year 2024 amounted to €175 million (previous year: €169 million). They include expenses of €162 million (previous year: €89 million) in connection with civil lawsuits against Scania and MAN as a result of

the EU truck cases. These were recognized in the course of the updated reassessment of risks. The adjustments also contained €7 million (previous year: €80 million) in connection with the realignment of the Scania bus business. In addition, the adjustments contain expenses of €6 million (previous year: €0 million) in connection with an internal reorganization at MAN. In the TRATON Financial Services segment, adjustments in the previous year in connection with the sale of Scania Finance Russia had amounted to €102 million.

The TRATON GROUP's operating result (adjusted) therefore rose by €350 million or 9% year-on-year. The TRATON GROUP improved its operating return on sales (adjusted) by 0.6 percentage points to 9.2% (previous year: 8.6%) compared to the previous year. In the TRATON Operations business area, operating return on sales (adjusted) increased by 1.0 percentage points to 10.3% (previous year: 9.3%).

Financial result

The TRATON GROUP's financial result declined by €129 million or 25% in 2024 compared with the previous year. Currency translation effects on net financial debt were the main driver of the decline, due above all to the devaluation of the Brazilian real versus the euro. By contrast, the higher earnings of the equity-method investment in Sinotruk (Hong Kong) Limited, Hong Kong, China (Sinotruk) had a positive effect. In the TRATON Operations business area, an effect of €971 million from the adjustment of the ownership structure of the financial services business had a positive impact in the previous year, although this was eliminated at the level of the TRATON GROUP.

Taxes

Income taxes declined by €36 million in 2024. The tax rate was thus slightly below the previous year's level, at 21% (previous year: 25%), mainly due mainly to the positive effects of tax-exempt income. The previous year income taxes had been marked in particular by positive effects from the recognition of loss carryforwards from previous years.

Earnings after tax

Earnings after tax increased to €2.8 billion (previous year: €2.5 billion) in the year under review. This resulted in earnings per share of €5.61 (previous year: €4.90). Calculation of earnings per share was based on an average of 500 million shares.

Segments of the TRATON GROUP

Scania Vehicles & Services

	2024	2023	Change
Incoming orders (units)	**81,012**	**84,080**	**–4%**
Sales (units)	**102,069**	**96,727**	**6%**
of which trucks	96,443	91,652	5%
of which buses	5,626	5,075	11%
Book-to-bill ratio	**0.79**	**0.87**	**–0.08**
Sales revenue (€ million)	**18,907**	**17,878**	**6%**
New Vehicles	12,883	11,672	10%
Vehicle Services business[1]	3,839	3,700	4%
Others	2,185	2,505	–13%
Operating result (adjusted) (€ million)	2,666	2,266	400
Operating return on sales (adjusted) (in %)	14.1	12.7	1.4 pp

1 Including genuine parts and workshop services

Scania Vehicles & Services recorded a moderate decline in incoming orders for trucks compared with the comparative period. Among other things, this was due to restrictive order acceptance in South America in order to meet quality requirements when rolling out a new software generation. By contrast, incoming orders in the EU27+3 region were slightly higher than in the comparative period. This was primarily attributable to pull-forward effects due to price adjustments for fiscal year 2025 already communicated. Incoming orders for buses increased substantially. Unit sales rose moderately overall, driven by the solid order backlog, stable supply chains, and a steady production volume.

Sales revenue also grew moderately year-on-year. This growth was mainly attributable to the very strong increase in the New Vehicles business in South America. In addition to the volume-related increase in sales revenue, operating result (adjusted) was lifted by a positive price and product mix and by lower product costs. Negative effects due to increased personnel costs and costs in connection with the expansion of production capacities had an adverse effect on operating result (adjusted).

MAN Truck & Bus

	2024	2023	Change
Incoming orders (units)	**77,108**	**86,783**	**–11%**
Sales (units)	**96,037**	**116,033**	**–17%**
of which trucks	63,655	83,703	–24%
of which buses	4,710	5,703	–17%
of which MAN TGE vans	27,672	26,627	4%
Book-to-bill ratio	**0.80**	**0.75**	**0.05**
Sales revenue (€ million)	**13,732**	**14,811**	**–7%**
New Vehicles	8,383	9,527	–12%
Vehicle Services business[1]	2,902	2,808	3%
Others	2,447	2,476	–1%
Operating result (adjusted) (€ million)	985	1,075	–90
Operating return on sales (adjusted) (in %)	7.2	7.3	–0.1 pp

1 Including genuine parts and workshop services

MAN Truck & Bus recorded a significant decline in incoming orders in the reporting period compared with the previous year. This was due in particular to weaker demand for trucks in the EU27+3 region. The substantial year-on-year decline in unit sales is mainly attributable to the weak truck market environment in Germany and catch-up effects in the comparative period. In the case of unit sales of buses, tighter regulatory requirements resulting from the new EU General Safety Regulation (GSR) in the EU27+3 region led to delays in deliveries, particularly in the second half of 2024. The decline in unit sales was only partially offset by an improved product mix for trucks and MAN TGE and an optimized cost structure resulting from the realignment program completed at the end of 2023, which meant that operating result (adjusted) and operating return on sales (adjusted) were below the level in the comparative period.

International Motors

	2024	2023	Change
Incoming orders (units)	**56,616**	**60,932**	**–7%**
Sales (units)	**90,562**	**88,890**	**2%**
of which trucks	79,300	75,532	5%
of which buses	11,262	13,358	–16%
Book-to-bill ratio	**0.63**	**0.69**	**–0.06**
Sales revenue (€ million)	**11,116**	**11,042**	**1%**
New Vehicles	8,263	7,859	5%
Vehicle Services business[1]	1,860	2,045	–9%
Others	994	1,138	–13%
Operating result (adjusted) (€ million)	791	734	57
Operating return on sales (adjusted) (in %)	7.1	6.6	0.5 pp

1 Including genuine parts

International Motors recorded a noticeable decrease in incoming orders compared to the previous year, mainly due to a lower demand caused by the ongoing freight recession in the USA and the lower demand for heavy-duty trucks. Unit sales were up slightly year-on-year. While truck unit sales recorded a moderate increase, bus unit sales recorded substantially below the comparison period. This was primarily the result of the delayed ramp-up of sales of the new school bus model in the first half of 2024.

Sales revenue was slightly higher than in the comparative period. The decline in the vehicle service business caused by lower transportation activity in the USA was offset by improved price realization, which resulted in a year-on-year increase in operating profit (adjusted) and operating return on sales (adjusted).

Volkswagen Truck & Bus

	2024	2023	Change
Incoming orders (units)	**48,865**	**33,739**	**45%**
Sales (units)	**45,846**	**37,203**	**23%**
of which trucks	39,018	30,953	26%
of which buses	6,828	6,250	9%
Book-to-bill ratio	**1.07**	**0.91**	**0.16**
Sales revenue (€ million)	**2,918**	**2,477**	**18%**
New Vehicles	2,698	2,258	19%
Vehicle Services business[1]	179	165	8%
Others	42	53	–21%
Operating result (adjusted) (€ million)	349	217	132
Operating return on sales (adjusted) (in %)	12.0	8.8	3.2 pp

1 Including genuine parts and workshop services

Volkswagen Truck & Bus recorded a very strong rise in incoming orders in 2024. In the fiscal year, demand returned to normal levels compared with the comparative period, which was negatively impacted by pull-forward effects in connection with the introduction of the P-8 emissions standard in Brazil. Unit sales rose sharply in the reporting period. This was primarily attributable to lower truck and bus unit sales in the comparative period due to the introduction of a new emissions standard, as well as an improved economic situation in the reporting period. The volume-related increase in sales revenue and positive currency effects more than offset higher product and fixed costs, resulting in an increase in operating profit (adjusted) and operating return on sales (adjusted) compared with the comparative period.

TRATON Financial Services

	2024	2023	Change
Sales revenue (€ million)	**1,932**	**1,589**	**22%**
Earnings before tax (€ million)	212	171	41
Equity (€ million)[1]	2,052	1,884	168
Return on equity (in %)	10.8	8.4	2.4 pp

1 As of December 31

In 2024, TRATON Financial Services recorded a strong increase in sales revenue, which is mainly attributable to an increased portfolio volume. In addition, activities of MAN Financial Services were launched in several new markets and the captive financial services business of International Financial (formerly Navistar Financial Services) was further expanded. In 2024, earnings before tax was negatively influenced by higher costs in connection with the expansion of the financial services business as well as increased funding and risk costs, which could not be offset by a higher portfolio volume.

Nonetheless, earnings before tax substantially exceeded the level of previous year. Earnings before tax in the comparative period had been impacted by negative accumulated other comprehensive income of €102 million from currency translation effects attributable to Scania Finance Russia, which were reclassified to the income statement upon disposal. This resulted in an increase in the return on equity.

The TRATON Financial Services segment acquired key aspects of the global financial services business of Volkswagen Financial Services AG and Volkswagen Financial Services Overseas AG in fiscal year 2024, both located in Braunschweig, as well as their subsidiaries (Volkswagen Financial Services) for MAN. Among other things, this included the rights to MAN's future financial services business in Germany, the United Kingdom, South Korea, and other European countries. Additionally, in Austria, 100% of the shares of MAN Financial Services GesmbH, Eugendorf, Austria were acquired. The business operations of EURO-Leasing GmbH, Sittensen, in France were also acquired. The consideration transferred amounted to €254 million. The difference between the considerations paid and the carrying amounts of the net assets as of the acquisition dates, amounting to €164 million net of deferred taxes, was deducted from equity. €229 million was also contributed to TRATON Financial Services AB as an internal Group transaction in 2024.

5. Financial position

Principles and goals of financial management

Financial management contributes to the value of the TRATON GROUP by optimizing the outcome of all financing measures, liquidity and capital structure, and also by managing risks.

All external and internal financial transactions are solely generated to fulfill financing needs or to limit risks from an actual underlying business transaction and therefore do not serve any speculative purpose. Strong dependencies on particular financial partners are systematically avoided. All financial transactions are concluded under standard market conditions.

Financial management has the duty to manage all financial transactions and financial risks in the TRATON GROUP with a focus on achieving the following objectives:

- Ensuring the solvency of all Group companies at all times as well as the financing of all Group business activities
- Limiting of market price risks (from interest rates, foreign currencies/exchange rates, commodity prices) and default risk of financial counterparties
- Optimization of costs from funding activities and returns on financial investments
- Safeguarding the settlement of financial and payment transactions as well as pooling of Group liquidity

Financing strategy

Our goal is to finance ongoing investment requirements of the TRATON Operations business area including Corporate Items from operating cash flow. For this reason, the TRATON Operations business area, including Corporate Items, should not report any net financial debt in a normal business environment. Depending on the gearing ratio and the liquidity position, other capital spending projects, such as acquisitions, should be financed by a balanced mixture of equity and debt. The composition can be adapted to reflect the relevant capital market environment. TRATON's goal is to reduce net financial debt in the TRATON Operations business area, including Corporate Items, to zero by 2029 at the latest. In the TRATON Financial Services business area, we ensure that leased or financed assets are financed at matching maturities.

As a general rule, the capital structure of the TRATON Operations business area including Corporate Items should correspond to an implied solid investment-grade classification. The net financial debt/EBITDA (adjusted) ratio is a key performance indicator in this context. If justified by extraordinary financing requirements or special market circumstances, this target can be temporarily relaxed subject to certain conditions. TRATON SE has been awarded external credit ratings by Moody's and Standard & Poor's (S&P) since June 2020. Moody's is currently awarding a long-term rating of Baa2 (positive outlook), and S&P's rating is BBB (stable outlook). Both ratings are investment-grade.

Financing mix

Financial liabilities are intended to comprise a balanced mix of capital market financing, bank liabilities, the asset-backed securities (ABS) portfolios of the TRATON Financial Services segment, and other financing sources. No single source of financing should exceed 60% of the total financing volume. We intend to use a wide range of financing instruments for current financial liabilities in particular.

Liquidity

The TRATON GROUP strives to maintain adequate available liquidity from net cash flow in the TRATON Operations business area. In addition to TRATON's access to the debt market, liquidity is supplemented by the syndicated revolving credit line and by credit lines from Volkswagen AG and banks, among others, to cover liquidity requirements at all times.

Maturity profile

The TRATON GROUP generally aims to achieve a balanced maturity profile for its liabilities so that it can cover amounts that fall due during the year from net cash flow to the greatest extent possible. To reduce funding risk in the TRATON Financial Services business area, the maturity profile should not be considerably shorter than the portfolio of underlying customer contracts.

Dividends policy

The TRATON GROUP intends to pay a dividend of 30 to 40% of its annual consolidated earnings after tax. The resolution to pay out a dividend for a particular fiscal year is adopted by the Annual General Meeting in the following year. The dividend is paid once a year. The proposal by the Executive Board and Supervisory Board concerning the amount of the dividend generally considers business performance and other influencing factors.

Risk management

TRATON operates an appropriate risk management system, including financial instruments such as derivatives, to cover the Group's financial risks, for example exchange rate risks or commodity price risks. Order book and other probable future sales and purchase contracts are partly hedged within defined limits. Commodity price risks are also partly hedged, while counterparty risks are closely monitored. Management of foreign currency, interest rate, and commodity exposure is at the discretion of each brand. The relevant requirements of each company are considered since different functional currencies and business environments apply. The Group's activities in the TRATON Financial Services business area are managed to largely match assets and liabilities in order to minimize interest rate mismatches using appropriate methods to manage risks.

Financing in 2024

Gross financial liabilities amounted to €24.3 billion (previous year: €21.7 billion) as of December 31, 2024. €15.3 billion (previous year: €13.4 billion) of this amount was attributable to capital market instruments, €5.4 billion (previous year: €5.9 billion) to bank funding, €2.4 billion (previous year: €1.2 billion) to Volkswagen Group loans, and €1.2 billion (previous year: €1.2 billion) to lease liabilities.

Financial liabilities of the TRATON GROUP as of 12/31/2024 € billion	**Carrying amount**	**Nominal value**						
	Total	**Total**	**Due 2025**	**Due 2026**	**Due 2027**	**Due 2028**	**Due 2029**	**Due 2030 or later**
Bonds	14.7	14.8	4.9	3.5	1.3	1.0	2.2	1.8
of which for the financial services business		10.9	3.8	3.3	1.3	0.5	1.0	1.0
Commercial paper	0.2	0.2	0.2	–	–	–	–	–
of which for the financial services business		0.2	0.2	–	–	–	–	–
Liabilities to banks	5.4	5.4	2.0	2.4	0.5	0.2	0.1	0.2
of which for the financial services business		2.5	1.3	0.5	0.4	0.2	0.1	–
Schuldscheindarlehen	0.4	0.4	–	0.3	–	0.1	–	–
of which for the financial services business		–	–	–	–	–	–	–
Volkswagen Group liabilities	2.4	2.4	0.9	0.6	0.6	0.3	–	–
of which for the financial services business		1.5	0.7	0.6	0.2	–	–	–
Total financial liabilities (excluding lease liabilities)	**23.1**	**23.2**	**7.9**	**6.8**	**2.5**	**1.7**	**2.3**	**2.0**
of which for the financial services business		15.1	6.0	4.4	1.9	0.7	1.1	1.0
Lease liabilities[1]	1.2	1.2						
Total financial liabilities	**24.3**	**24.4**						
of which for the financial services business		15.1						

1 The maturity structure of the lease liabilities (IFRS 16 *Leases*) is as follows: < 1 year: €254 million; 1–5 years: €698 million; > 5 years: €219 million.

Financial liabilities of the TRATON GROUP as of 12/31/2023 € billion	Carrying amount	Nominal value						
	Total	Total	Due 2024	Due 2025	Due 2026	Due 2027	Due 2028	Due 2029 or later
Bonds[1]	11.7	11.9	2.7	4.9	1.7	0.1	0.5	2.0
of which for the financial services business		7.9	2.6	3.7	1.5	0.1	–	–
Commercial paper	1.0	1.0	1.0	–	–	–	–	–
of which for the financial services business		1.0	1.0	–	–	–	–	–
Liabilities to banks	5.9	5.9	2.8	0.5	2.0	0.3	0.1	0.2
of which for the financial services business		2.3	1.0	0.5	0.4	0.3	0.1	–
Schuldscheindarlehen	0.7	0.7	0.4	–	0.3	–	–	–
of which for the financial services business		–	–	–	–	–	–	–
Volkswagen Group liabilities	1.2	1.2	0.7	0.5	–	–	–	–
of which for the financial services business		0.9	0.4	0.5	–	–	–	–
Total financial liabilities (excluding lease liabilities and miscellaneous financial liabilities)	**20.5**	**20.7**	**7.6**	**5.9**	**4.0**	**0.4**	**0.6**	**2.2**
of which for the financial services business		12.1	5.0	4.7	1.9	0.4	0.1	–
Lease liabilities[2]	1.2	1.2						
Total financial liabilities	**21.7**	**21.9**						
of which for the financial services business		12.1						

1 Prior-year period adjusted (total carrying amount).

2 The maturity structure of the lease liabilities (IFRS 16 *Leases*) is as follows: < 1 year: €239 million; 1–5 years: €666 million; > 5 years: €275 million.

Financing of the TRATON GROUP

The total principal amount of bonds as of December 31, 2024, was €10.8 billion (previous year: €8.3 billion), which were issued under the €12.0 billion European Medium Term Notes program (EMTN program) by TRATON Finance Luxembourg S.A., Strassen, Luxembourg (TRATON Finance). Of this total, a principal amount of approximately €7.3 billion (previous year: €4.8 billion) was used for financial services transactions. During the course of 2024, bonds with a principal amount of €2.1 billion were issued in euros, €873 million were issued in Swedish kronor, €542 million in British pounds sterling, and €531 million in Swiss francs. The bonds issued under the EMTN program are hedged in part by interest rate derivatives. In addition, Scania maintains a €5.0 billion (previous year: €5.0 billion) EMTN program, of which a total principal amount of €1.6 billion (previous year: €2.3 billion) has been drawn down as of year-end 2024. There are TRATON Financial Services bonds of €1.0 billion (previous year: €456 million) and International bonds of €624 million (previous year: €542 million) from asset-backed securities transactions. The bonds for financial services transactions increased by approximately €3.0 billion.

In September 2023, TRATON launched a commercial paper program (CP program) with a volume of €2.5 billion, €189 million (previous year: €999 million) of which have been used for financing in the TRATON Financial Services segment as of December 31, 2024. TRATON has opened up another financing market with the CP program, which complements the existing €12.0 billion TRATON Finance EMTN program. It is used to finance short-term maturities with terms of up to one year. The short-term P-2 credit rating assigned by Moody's and the A-2 rating assigned by S&P correspond to TRATON SE's long-term investment-grade ratings. Two Scania commercial paper programs in Swedish kronor and euros with a total value of €2.4 billion were discontinued in 2024. TRATON SE's CP program covers the short-term financing requirements of the TRATON Financial Services segment. As of December 31, 2024, drawdowns under the program decreased by €810 million.

The TRATON GROUP also has bank liabilities of €5.4 billion (previous year: €5.9 billion). TRATON SE repaid bank liabilities of €1.1 billion over the course of 2024. In addition, TRATON SE extended loan liabilities of €600 million and borrowed a further €150 million. The TRATON GROUP also has €562 million (previous year: €624 million) in unused unconfirmed credit lines from banks at its disposal in order to enhance flexibility in financing decisions.

The *Schuldscheindarlehen* placed by TRATON SE in 2021 were drawn down to €350 million (previous year: €700 million) as of December 31, 2024.

The TRATON GROUP has access to revolving credit lines of €4.3 billion (previous year: €4.3 billion) from Volkswagen AG, of which €943 million (previous year: €797 million) was drawn down, as well as the loan of €95 million (previous year: €359 million) from Volkswagen Group of America Finance, LLC to Navistar Financial Corporation. In addition, International Motors received a three-year loan of €383 million from Volkswagen Group of America Finance, LLC. Moreover, Volkswagen International Finance N.V., Amsterdam, Netherlands, extended a two-year loan of €500 million and a three-year loan of €191 million.

The TRATON GROUP also has an unused confirmed credit line of €4.5 billion (previous year: €4.5 billion) available as a liquidity reserve. TRATON SE entered into this syndicated loan on July 28, 2020, and increased it from the original €3.8 billion to €4.5 billion on December 15, 2021. The revolving credit line had a term of five years and was extended twice for one year each following agreement after the banking consortium consisting of 23 banks approved both extension requests. The term of the syndicated loan ends on December 16, 2028. The credit line serves general corporate purposes as well as to safeguard the TRATON GROUP's liquidity.

The broad range of funding contracts entail interest rates in keeping with market conditions, which differ according to the respective financial instrument, maturity, currency, funding purpose, volume, and region.

Financial liabilities of the TRATON GROUP by currency

€ billion	12/31/2024	12/31/2023
EUR	14.4	14.1
SEK	2.8	2.7
USD	1.5	1.2
BRL	0.8	0.6
GBP	1.0	0.4
MXN	0.7	0.4
CHF	0.5	–
ZAR	0.4	0.3
Other currencies	0.8	0.8
Lease liabilities	1.2	1.2
Total financial liabilities	**24.3**	**21.7**

The TRATON GROUP's credit facilities include customary change-of-control clauses, allowing the counterparty to demand early repayment in the event of significant changes in ownership. Two loans to a subsidiary of the TRATON GROUP used to develop and construct production and assembly facilities in China each include a financial covenant that requires the ratio of the subsidiary's total liabilities to its total assets not to exceed 90%. These loans have a term of ten years and a volume of €400 million, of which €308 million (previous year: €– million) was drawn down as of December 31, 2024.

Liquidity

Cash and cash equivalents amounted to €2.5 billion (previous year: €1.7 billion) as of December 31, 2024. Cash and cash equivalents in certain countries (e.g., Brazil, China, and Poland) in the amount of €834 million (previous year: €792 million) are subject to exchange controls and are not available to the Group for cross-border transactions without restriction. Such amounts are used locally to cover the financing needs of the operating business.

€120 million (previous year: €333 million) was reported in other financial assets as restricted cash as of December 31, 2024. Restricted cash included €41 million (previous year: €271 million) for the gradual acquisition of key aspects of the global financial services businesses of MAN and VWTB. Miscellaneous restricted cash is mainly used as collateral in asset-backed securities transactions.

The TRATON GROUP's financial management manages cash pool structures at brand level, wherever legally and economically appropriate and feasible. The TRATON segments manage operational cash themselves. Excess cash in the TRATON segments is managed at TRATON SE level.

Individual TRATON GROUP companies are also continuing to sell a limited volume of current receivables on a revolving basis as part of their receivables management. This also involves selling trade receivables to TRATON Financial Services companies. In addition, certain companies use supplier finance arrangements, in which suppliers, with the involvement of a bank or a third-party provider, can decide to receive payment of individual invoices before they are due. The contractual terms (e.g., payment terms) do not change, or do not change materially, due to the involvement of the bank or third-party provider. Accordingly, the payment obligations are recognized under trade payables and the cash outflow is recognized in net cash provided by/used in operating activities.

Equity

Equity ratio

	TRATON GROUP		TRATON Operations		TRATON Financial Services		Corporate Items	
€ million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Equity	17,844	16,488	11,728	10,246	2,052	1,884	4,064	4,358
Total assets	65,547	61,699	42,867	41,446	20,431	17,166	2,249	3,087
Equity ratio (in %)	**27.2**	**26.7**	**27.4**	**24.7**	**10.0**	**11.0**	–	–

Cash flow

Condensed statement of cash flows of the TRATON GROUP

	TRATON GROUP		TRATON Operations		TRATON Financial Services		Corporate Items	
€ million	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Cash and cash equivalents as of 01/01	**1,730**	**1,743**	**4,256**	**3,155**	**246**	**455**	**–2,772**	**–1,867**
Gross cash flow	5,654	5,266	5,809	5,546	512	566	–666	–846
Change in working capital	–3,315	–2,683	–311	–737	–3,585	–2,340	581	394
Net cash provided by/used in operating activities	**2,340**	**2,583**	**5,498**	**4,809**	**–3,073**	**–1,774**	**–85**	**–452**
Net cash used in investing activities attributable to operating activities	–2,782	–2,385	–2,663	–1,214	–81	–718	–38	–453
Change in marketable securities, investment deposits, and loans	–29	18	1,294	–1,153	–25	–8	–1,299	1,179
Net cash provided by/used in investing activities	**–2,811**	**–2,368**	**–1,369**	**–2,368**	**–105**	**–725**	**–1,337**	**725**
Net cash provided by/used in financing activities	**1,392**	**–128**	**–1,579**	**–1,259**	**3,337**	**2,294**	**–366**	**–1,163**
Effect of exchange rate changes on cash and cash equivalents	–109	–100	–91	–81	–11	–4	–7	–15
Change in cash and cash equivalents	**812**	**–13**	**2,459**	**1,101**	**148**	**–210**	**–1,795**	**–905**
Cash and cash equivalents as of 12/31	**2,542**	**1,730**	**6,715**	**4,256**	**394**	**246**	**–4,567**	**–2,772**
Gross cash flow	5,654	5,266	5,809	5,546	512	566	–666	–846
Change in working capital	–3,315	–2,683	–311	–737	–3,585	–2,340	581	394
Net cash used in investing activities attributable to operating activities	–2,782	–2,385	–2,663	–1,214	–81	–718	–38	–453
Net cash flow	**–442**	**198**	**2,834**	**3,594**	**–3,154**	**–2,492**	**–123**	**–905**

The TRATON GROUP's net cash provided by/used in operating activities fell by €243 million year-on-year to €2.3 billion. This was primarily a result of the higher level of cash tied up in working capital, which amounted to €632 million and was due mainly to the €1.3 billion increase in financial services receivables resulting from the ongoing expansion of the business volume and reflected in the net cash flow in the TRATON Financial Services segment. The €671 million lower increase in inventories had an offsetting effect on working capital in the TRATON Operations business area. Net cash provided by/used in operating activities was also positively affected by the €446 million increase in operating result.

The TRATON GROUP's net cash used in investing activities attributable to operating activities rose by €397 million. This was attributable primarily to increased investments in intangible assets (excluding capitalized development costs), property, plant, and equipment, and investment property amounting to €241 million, and higher additions of capitalized development costs amounting to €291 million. The cash outflow for investments in subsidiaries and other equity investments was €240 million lower than in the previous year because the TRATON Financial Services segment had made a €275 million payment for the gradual acquisition of key aspects of the MAN and VWTB financial services business in fiscal year 2023. There was an outflow of €54 million in this context in the reporting period. In addition, the disposal of Scania Finance Russia had had a positive effect of €96 million in the previous year. This effect was the result of the purchase price payment of €400 million in the TRATON Operations business area, less the disposal of the cash of Scania Finance Russia of €304 million, which affected the TRATON Financial Services business area.

Net cash flow in the TRATON Operations business area was negatively affected by loss absorption from the TRATON Financial Services segment amounting to €12 million, whereas in the previous year it had been positively impacted by a dividend payment of €130 million.

In the 2024 reporting period, net cash provided by/used in financing activities in the TRATON Operations business area was negatively impacted by dividend and profit and loss transfer payments of €1.3 billion to TRATON Holding companies, included in Corporate items, whereas loss transfers of €170 million had had a positive effect in the previous year. In the previous year, the adjustment of the ownership structure of the financial services business had led to a positive effect of €499 million on net cash used in investing activities and on net cash flow in the TRATON Operations business area. In this context, €547 million in dividends paid had a negative impact on the net cash used in financing activities in the TRATON Operations business area. These effects were eliminated at the TRATON GROUP level.

The TRATON GROUP's net cash provided by/used in financing activities rose by €1.5 billion year-on-year to €1.4 billion in the year under review. In the year under review, it contained bond issuances amounting to €5.4 billion (previous year: €3.8 billion), including €4.0 billion (previous year: €3.2 billion) issued by TRATON Finance. These were partly offset by repayments in the total amount of €2.6 billion (previous year: €2.4 billion). Of this amount, €1.5 billion (previous year: €614 million) was attributable to TRATON Finance within Corporate Items and €692 million (previous year: €1.7 billion) to Scania Vehicles & Services in the TRATON Operations business area. The bond issues and repayments related primarily to the European Medium Term Notes programs.

Additionally, long-term loans of €692 million (previous year: €– million) were taken out with Volkswagen International Finance N.V., Amsterdam, Netherlands, and loan liabilities to Volkswagen Group of America Finance, LLC, Wilmington, USA, grew by €367 million (previous year: €371 million). Conversely, short-term loan liabilities to Volkswagen Group of America Finance amounting to €278 million (previous year: –) were repaid. A long-term loan of €250 million was taken out from Volkswagen AG, whereas €1.2 billion had been repaid in the previous year. The short-term credit liabilities to Volkswagen AG decreased by €104 million, whereas a loan of €297 million had been taken out in the previous year. A loan from Volkswagen International Luxemburg in the amount of €500 million had been repaid in full in the previous year.

In addition, the other financial liabilities decreased by €1.0 billion, whereas they had increased by €137 million in the previous year, primarily due to the repayment of commercial paper liabilities and the repayment of external loans. In the year under review, TRATON SE also repaid a *Schuldscheindarlehen* of €350 million (previous year: €– million).

Additionally, TRATON SE paid out a dividend of €750 million (previous year: €350 million) for fiscal year 2023, more than double the dividend in the previous year.

Net liquidity/net financial debt

Net liquidity/net financial debt of the TRATON GROUP

	TRATON GROUP		TRATON Operations		TRATON Financial Services		Corporate Items	
€ million	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Cash and cash equivalents	2,542	1,730	6,715	4,256	394	246	–4,567	–2,772
Marketable securities, investment deposits, and loans to affiliated companies	201	427	102	1,653	154	331	–54	–1,557
Gross liquidity	**2,743**	**2,157**	**6,817**	**5,909**	**547**	**576**	**–4,621**	**–4,329**
Third-party borrowings	–24,277	–21,704	–6,901	–6,527	–17,178	–14,347	–197	–830
Net liquidity/net financial debt	**–21,534**	**–19,547**	**–85**	**–617**	**–16,631**	**–13,770**	**–4,818**	**–5,159**

More detailed information explaining changes in net liquidity can be found in the "Cash flow" section.

The net financial debt in the TRATON Operations business area including Corporate Items declined by €874 million to €4.9 billion in the current year. This is primarily attributable to the net cash flow of €2.7 billion less the dividend paid of €750 million and exchange differences on net financial debt items.

The net financial debt/EBITDA (adjusted) ratio for the TRATON Operations business area including Corporate Items was –0.8 as of December 31, 2024, and hence down on the prior-year comparative figure of –1.0 as of December 31, 2023. This is calculated by dividing the net financial debt in the TRATON Operations business area including Corporate Items as of the reporting date of €4.9 billion (previous year: €5.8 billion) by the EBITDA (adjusted) in the TRATON Operations business area including Corporate Items of €6.0 billion (previous year: €5.5 billion).

The following table shows the reconciliation of operating result to EBITDA (adjusted) for the TRATON Operations business area including Corporate Items:

EBITDA (adjusted), TRATON Operations including Corporate Items

€ million	**2024**	**2023**
Operating result, TRATON Operations	**4,601**	**4,103**
Operating result, Corporate Items	**–597**	**–508**
Operating result, TRATON Operations including Corporate Items	4,004	3,595
Adjustments	175	169
Operating result (adjusted), TRATON Operations including Corporate Items	**4,179**	**3,764**
plus share of earnings of equity-method investments	236	124
plus other financial result	–394	–92
plus depreciation and amortization of, and impairment losses on, intangible assets, and property, plant, and equipment, net of impairment reversals[1]	1,423	1,331
plus amortization of, and impairment losses on, capitalized development costs, net of impairment reversals[2]	530	393
plus impairment losses on equity investments, net of impairment reversals	1	2
EBITDA (adjusted), TRATON Operations including Corporate Items	**5,974**	**5,522**

1 Adjusted for depreciation and amortization in the adjustments to operating result amounting to €– million (previous year: €22 million)

2 Adjusted for depreciation and amortization in the adjustments to operating result amounting to €– million (previous year: €31 million)

Investments

Investments by segment

€ million	2024	2023	Change
TRATON GROUP	**2,884**	**2,592**	**292**
TRATON Operations	**2,780**	**2,270**	**511**
Scania Vehicles & Services	1,487	1,127	360
MAN Truck & Bus	631	564	67
International Motors	571	488	83
Volkswagen Truck & Bus	92	91	1
Reconciliation	0	0	0
TRATON Financial Services	**68**	**415**	**–348**
Corporate Items	**36**	**–93**	**129**
Investments, TRATON Operations	**2,780**	**2,270**	**511**
of which capex	1,751	1,516	235
Capex ratio (in %)	3.8	3.3	0.5 pp
of which capitalized development costs	978	687	291
of which other investees	51	66	–15

The main drivers for the increased investments at Scania Vehicles & Services in 2024 were expenditures for the construction of the production site in China to safeguard the planned start of production in 2025, among other things.

MAN Truck & Bus increased its investments in electric mobility (battery production in Nuremberg, amongst others) and the integration of the Group-wide powertrain into the MAN product range in 2024 compared with the previous year. Battery production in Nuremberg reached another milestone in November. MAN celebrated the topping-out ceremony for the new production building after just one year of construction. Starting in April 2025, battery packs will be manufactured in Nuremberg using state-of-the-art production methods on an industrial scale. This will make MAN the first commercial vehicle manufacturer in Germany to have its own series battery production.

The year-on-year increase in investments by International Motors in 2024 is primarily attributable to the further development of a driver's cab for heavy trucks and investments in the expansion of the site in Escobedo, Mexico.

In 2024, VWTB invested primarily in electric mobility and compliance with statutory requirements, such as compliance with emissions standards. VWTB also invested in IT and the facility structure.

In the previous year, the TRATON Financial Services segment had invested in the gradual acquisition of key aspects of the global MAN and VWTB Financial Services businesses, and had paid €275 million into an account of Volkswagen Bank GmbH for this purpose. Scania's financial services business was also integrated legally into the TRATON Financial Services business area in 2023. In Corporate Items, there had been offsetting effects from the adjustment of the ownership structure of the financial services business in 2023.

On December 15, 2021, the TRATON GROUP signed the contract to establish the Commercial Vehicle Charging Europe B.V, Amsterdam, Netherlands (Milence) charging infrastructure joint venture together with Daimler Truck and the Volvo Group, and undertook to invest a total amount of up to €167 million in this joint venture. €38 million (previous year: €39 million) was paid into Milence's equity in this context in the reporting period.

The TRATON GROUP's off-balance sheet commitments

€ million	12/31/2024	12/31/2023	Change
TRATON GROUP			
Contingent liabilities	4,618	4,835	–218
Purchase order commitments for property, plant, and equipment, and intangible assets	837	980	–143
Obligations under irrevocable credit commitments	879	923	–44
Off-balance sheet commitments under rental and lease contracts	91	73	18
Miscellaneous financial obligations[1]	170	219	–48

1 Prior-year amount adjusted

Contingent liabilities included buyback guarantees of €2.6 billion (previous year: €2.9 billion) under which TRATON is obliged to buy back vehicles from the financial services company in the event of default.

They also included guarantees by International of €492 million (previous year: €730 million). These are mostly default guarantees in favor of banks.

Miscellaneous financial obligations were impacted by the obligations of the TRATON GROUP amounting to €85 million (previous year: €123 million) arising from the agreement signed on December 15, 2021, to set up the Milence charging infrastructure joint venture together with Daimler Truck and the Volvo Group.

In addition to the off-balance sheet commitments shown above, there were long-term purchase obligations from battery procurement contracts between TRATON GROUP companies and Northvolt Group companies in the amount of €8.0 billion (previous year: €7.2 billion).

For information on contingent liabilities, refer to Note **"37. Contingent liabilities and commitments"**. For all other off-balance sheet commitments, refer to Note **"39. Other financial obligations"**.

6. Net assets

Balance sheet analysis

Condensed balance sheet of the TRATON GROUP

	TRATON GROUP		TRATON Operations		TRATON Financial Services		Corporate Items	
€ million	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Goodwill	6,154	6,083	365	367	–	–	5,789	5,717
Intangible assets	7,389	7,114	4,898	4,475	20	15	2,471	2,624
Property, plant, and equipment	9,646	8,964	9,256	8,550	18	28	372	386
Assets leased out	5,168	5,658	5,021	5,504	1,057	874	–911	–720
Equity-method investments	1,641	1,482	387	286	6	4	1,247	1,192
Other equity investments	139	235	272	330	24	35	–158	–130
Deferred and current income taxes	3,027	2,647	3,127	2,891	274	183	–374	–427
Financial services receivables	15,984	13,321	0	1	15,986	13,345	–2	–25
Inventories	7,532	7,447	7,529	7,444	3	3	0	–
Trade receivables	3,096	3,894	2,476	3,233	992	839	–372	–179
Other assets	3,183	3,071	2,806	4,057	1,623	1,593	–1,247	–2,580
Marketable securities and investment deposits	46	53	14	53	32	–	–	–
Cash and cash equivalents	2,542	1,730	6,715	4,256	394	246	–4,567	–2,772
Total assets	**65,547**	**61,699**	**42,867**	**41,446**	**20,431**	**17,166**	**2,249**	**3,087**
Equity	17,844	16,488	11,728	10,246	2,052	1,884	4,064	4,358
Financial liabilities	24,277	21,704	6,901	6,527	17,178	14,347	197	830
Provisions for pensions and other post-employment benefits	1,909	1,847	1,878	1,823	18	9	13	15
Deferred and current income taxes	1,219	1,187	948	1,024	150	185	121	–22
Other provisions	3,835	3,527	3,722	3,427	18	13	95	88
Other liabilities	11,114	11,154	12,354	12,637	634	525	–1,874	–2,009
Trade payables	5,349	5,791	5,336	5,762	381	203	–368	–174
Total equity and liabilities	**65,547**	**61,699**	**42,867**	**41,446**	**20,431**	**17,166**	**2,249**	**3,087**

As of December 31, 2024, the TRATON GROUP's total assets increased by approximately €3.8 billion compared with December 31, 2023. This was attributable primarily to a €2.7 billion rise in financial services receivables, the €812 million growth in cash and cash equivalents, and an increase of €682 million in property, plant, and equipment. These increases were offset to some extent by the lower trade receivables of €798 million and the €490 million decline in assets leased out. On the liabilities side of the balance sheet, financial liabilities increased by €2.6 billion and equity increased by €1.4 billion.

The increase in intangible assets and goodwill is mainly attributable to positive effects from the translation of financial statements of foreign operations into euros. This reflected in particular the positive development of the US dollar against the euro. In addition, the increase in intangible assets reflects the higher investments in new developments.

Property, plant, and equipment increased by €682 million due to increased investments, especially in China. The €490 million decline in assets leased out is attributable to lower buyback agreements at Scania and MAN.

Equity-method investments rose by €158 million. This was attributable primarily to the positive earnings contributions from Sinotruk and Rheinmetall MAN Military Vehicles GmbH, Munich, (RMMV), but also to further investments in the Milence joint venture and the sennder associate.

Other equity investments decreased by €96 million. This reflected in particular the impairment loss of €76 million recognized directly in equity on the investment in Northvolt.

The increase in financial services receivables of €2.7 billion resulted primarily from the expansion of the financing business. Inventories increased by €85 million compared with December 31, 2023. This is mainly due to higher inventories of work in progress at MAN. Trade receivables fell by €798 million. This is primarily due to lower sales revenue and higher sales of receivables at MAN.

The €812 million increase in cash and cash equivalents was primarily attributable to the significantly improved net cash provided by/used in financing activities (or further information, please refer to the **"Cash flow"** section).

Other assets declined by €1.3 billion in the TRATON Operations business area. This was due primarily to the lower current intragroup receivables from loans at Scania Vehicles & Services.

The TRATON GROUP's total equity increased to €17.8 billion as of December 31, 2024. The main driver was the improved total comprehensive income of €2.3 billion. Positive earnings after tax of €2.8 billion were partly offset by negative other comprehensive income of €516 million. This reflected in particular the negative effects of translating the financial statements of foreign operations and the impairment loss on the investment in Northvolt. The acquisition of the MAN Financial Services business reduced equity by €164 million.

The dividend payout of €750 million reduced equity (see Note **"27. Equity"**). The equity ratio increased slightly year-on-year to 27.2% (previous year: 26.7%).

Financial liabilities increased by €2.6 billion. This was primarily due to the net issuance of further bonds amounting to €2.5 billion under the European Medium Term Notes program by TRATON Finance (for further information, please refer to the **"Financial position"** section).

Other provisions increased by €308 million. This was mainly attributable to increased provisions for litigation risks and costs, and provisions for warranties.

Trade payables fell by €443 million. This reflected lower production volumes, in particular at MAN, compared with December 2023.

In addition to the assets recognized in the consolidated balance sheet, the TRATON GROUP also uses assets that are not eligible for recognition, such as individual brands, internally developed patents, and employee expertise. Expenditures on these assets are investments in the future that safeguard market success in the coming years.

Return on investment

For information on the calculation of the return on investment, refer to the **"Financial management"** section. The following table shows the calculation for the year under review and the previous year.

Return on investment, TRATON Operations

€ million	2024	2023
Annual average invested capital	18,383	17,528
Operating result, TRATON Operations	4,601	4,103
Operating result, TRATON Holding	–157	–135
Earnings effects from purchase price allocation, TRATON Operations	–243	–253
Consolidation effects between TRATON Operations and the TRATON Holding	4	0
Operating result for ROI, before tax	4,204	3,715
Operating result for ROI, net of tax	2,943	2,600
Return on investment (ROI) (in %)	**16.0**	**14.8**

The return on investment (ROI) showed an improvement compared with the previous year due to the higher operating profit. Average invested capital, which also rose in 2024, had an offsetting effect on ROI. For more information on the change in invested capital and operating result, refer to the disclosures in the **"Balance sheet analysis"** and **"Profit and loss"** sections.

Expenses of €175 million (previous year: €169 million) reported as adjustments were not deducted when calculating ROI.

7. Target achievement in 2024 and summary of economic position

	Actual 2023	Forecast for 2024	Actual 2024
TRATON GROUP			
Sales (units)	338,183	–5 – 10%	334,215
Sales revenue (€ million)	46,872	–5 – 10%	47,473
Operating return on sales (adjusted) (in %)	8.6	8.0 – 9.0	9.2
TRATON Operations			
Sales revenue (€ million)	45,736	–5 – 10%	46,182
Operating return on sales (adjusted) (in %)	9.3	9.0 – 10.0	10.3
Return on investment (ROI) (in %)	14.8	13 – 15	16.0
Net cash flow (€ million)	3,594	2,300 – 2,800	2,834
Capex (€ million)	1,516	noticeable increase	1,751
Primary R&D costs (€ million)	2,170	moderate increase	2,458
TRATON Financial Services			
Return on equity (in %)	8.4	+7 – 10%	10.8

The TRATON GROUP's Executive Board can look back on a successful fiscal year 2024. Overall, the performance of the TRATON GROUP's most important truck and bus markets varied considerably during the fiscal year, with a slight overall decline recorded in 2024. The TRATON GROUP's unit sales were therefore down slightly year-on-year and within the forecast range.

The TRATON GROUP's sales revenue in the reporting period was up slightly on the prior-year level. This was due primarily to a favorable market and product mix as well as better unit price enforcement. In addition, the TRATON Financial Services segment was able to increase its sales revenue sharply compared with the comparative period. This meant that the generated sales revenues for the TRATON GROUP and the TRATON Operations business area were in the middle of the forecast range.

The TRATON GROUP's operating return on sales (adjusted) was 9.2% in the reporting period, and hence 0.2 percentage points above the forecast target corridor. This saw the TRATON GROUP achieving its strategic target return of 9%.

The return on investment (ROI) reached 16.0% and was therefore 1 percentage point above the forecast range.

Capital expenditures were substantially above the previous year's level and hence slightly below the forecast range. This shortfall was due to seasonable shifts in our investment projects. Primary research & development costs increased significantly and were therefore above our forecast. This development is attributable primarily to higher investments in forward-looking technologies and compliance with regulatory requirements.

Net cash flow for the TRATON Operations business area was slightly above the forecast target corridor. This development is due primarily to improved operating result and a lower level of cash tied up in working capital.

TRATON SE (German GAAP)

TRATON SE has its registered office in Munich and is the parent and holding company of the TRATON GROUP. TRATON SE is the (direct or indirect) parent company of Scania AB, Södertälje, Sweden (Scania AB), MAN Truck & Bus SE, Munich (MAN Truck & Bus SE), International Motors LLC, Lisle, Illinois, USA (International Motors LLC) (formerly: Navistar International Corporation, Lisle, Illinois, USA), Volkswagen Truck & Bus Indústria e Comércio de Veículos Ltda., São Paulo, Brazil (Volkswagen Truck & Bus Ltda.), TRATON Financial Services AB, Södertälje, Sweden (TRATON Financial Services AB), and a large number of other companies.

TRATON SE is entered in the commercial register at the Munich Local Court under no. HRB 246068. The Annual Financial Statements of TRATON SE for the fiscal year from January 1 through December 31, 2024, have been prepared in accordance with the provisions of the *Handelsgesetzbuch* (HGB — German Commercial Code) and the SE Regulation, in conjunction with the *Aktiengesetz* (AktG — German Stock Corporation Act).

As of the reporting date of December 31, 2024, TRATON SE was an 89.72%-owned direct subsidiary of Volkswagen International Luxemburg S.A., Strassen, Luxembourg (Volkswagen International Luxemburg), which in turn is a wholly owned subsidiary of Volkswagen Finance Luxemburg S.A., Strassen, Luxembourg (Volkswagen Finance Luxemburg). All the shares of Volkswagen Finance Luxemburg (100%) are held in turn by Volkswagen Aktiengesellschaft, Wolfsburg (Volkswagen AG).

1. Course of business

The performance of TRATON SE is heavily influenced by that of the TRATON GROUP, which is presented in detail in the "Report on Economic Position" section. Profit and loss transfer agreements enable TRATON SE to participate in the operating results of individual subsidiaries. In addition, TRATON SE profits from dividend payouts. TRATON SE is integrated into the TRATON GROUP's internal management process, and the same key performance indicators apply as for the TRATON GROUP.

TRATON SE is led by an experienced Executive Board team that comprises the Group functions Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Human Resources Officer (CHRO), as well as another Executive Board member responsible for TRATON Group Product Management, plus the CEOs of Scania, MAN, International, and VWTB. Niklas Klingenberg has been a new member of the Executive Board, responsible

for Research & Development, since January 1, 2025. He will continue to drive forward research & development in the Group.

The *Schuldscheindarlehen* placed by TRATON SE in 2021 were drawn down to €350 million (previous year: €700 million) as of December 31, 2024.

TRATON SE has revolving credit lines of €4.3 billion (previous year: €4.3 billion) at Volkswagen AG, of which €943 million (previous year: €797 million) was drawn down. The TRATON SE also has an unused confirmed credit line of €4.5 billion (previous year: €4.5 billion) available as a liquidity reserve. TRATON SE had entered into this syndicated loan on July 28, 2020, and increased it from the original €3.8 billion to €4.5 billion on December 15, 2021. The revolving credit line had a term of five years and was extended twice for one year each following agreement after the banking consortium consisting of 23 banks approved both extension requests. The term of the syndicated loan ends on December 16, 2028. The credit line serves general corporate purposes as well as to safeguard the TRATON GROUP's liquidity.

The TRATON GROUP has had a European Medium Term Notes program (EMTN program) in place since March 12, 2021. This €12.0 billion capital market issuance program enables the TRATON GROUP to raise capital on the debt markets flexibly and efficiently. In addition to TRATON SE, the Company's indirect subsidiary TRATON Finance Luxembourg S.A., Strassen, Luxembourg (TRATON Finance) can also issue bonds under the program. The EMTN program is used for general corporate purposes, with the capital raised being used as needed within the TRATON GROUP. As of December 31, 2024, bonds issued by TRATON Finance with a total principal amount of €10.8 billion (previous year: €8.3 billion) were outstanding under the €12.0 billion EMTN program and hedged in part by interest rate derivatives.

In September 2023, the TRATON GROUP had launched a commercial paper program (CP program) with a volume of €2.5 billion, of which a carrying amount equivalent to €188 million (previous year: €999 million) had been used for financing in the TRATON Financial Services segment as of December 31, 2024. In addition to TRATON SE, the Company's indirect subsidiaries TRATON Finance and TRATON Treasury AB, Södertälje, Sweden (TRATON AB) can also issue commercial paper under the CP program. This has opened up an additional financing market for TRATON and complements the existing €12 billion EMTN program. The CP program is used to finance short-term maturities with terms of up to one year.

In 2024, the most important truck markets (> 6t) for the TRATON GROUP reported a slight decline overall. After the high market level in Europe and North America in 2023 largely covered the pent-up demand from the Covid years, there was a return to normal in the reporting period. Even though market conditions normalized, the TRATON GROUP increased its sales revenue by 1% to €47.5 billion in 2024. Unit sales fell by 1% to 334,215 vehicles, whereas incoming orders remained on a level with the comparative period at 263,575 vehicles.

For fiscal year 2024, TRATON SE reported earnings after tax of €–92 million (previous year: €565 million). The €656 million decrease resulted primarily from net investment income, income from long-term loans, and higher Other operating expenses. Income taxes had an offsetting effect. This means that we did not achieve the improvement in both net investment income and earnings after tax projected in the previous year.

2. Results of operations

Income statement of TRATON SE

€ million	2024	2023	Change
Net investment income	381	839	–458
Income from other securities and long-term loans	27	189	–162
Net interest income/expense	–289	–248	–41
Sales revenue	46	36	11
Cost of sales	–41	–33	–7
Gross profit	**5**	**2**	**3**
General and administrative expenses	–158	–137	–20
Other operating income	440	381	59
Other operating expenses	–537	–381	–156
Income taxes	39	–81	120
Earnings after tax	**–92**	**565**	**–656**
Net loss/profit	**–92**	**565**	**–656**
Profit carried forward from the previous year	202	16	186
Withdrawal from capital reserves	800	400	400
Allocation to the statutory reserve	–	–28	28
Net retained profit	**910**	**952**	**–42**

Net investment income primarily includes income of €361 million (previous year: €805 million) from profit transfer agreements, investment income of €50 million (previous year: €51 million), and expenses of €31 million (previous year: €17 million) from loss absorption. Net investment income decreased by €458 million year-on-year. This was mainly the result of the profit transfers from MAN Truck & Bus SE and Scania CV Deutschland, Koblenz.

The decrease in income from long-term loans is primarily attributable to the contribution of a loan to TRATON Sweden AB in the amount of €3.5 billion to TRATON International S.A. by way of capitalization measures.

Sales revenue, which primarily contains services and cost allocations charged to affiliated companies, rose from €11 million to €46 million. General and administrative expenses increased by €21 million to €158 million. This is mainly due to higher consulting costs in connection with the execution of the TRATON Way Forward strategy and the increase in personnel expenses due to new hires.

The changes in other operating income and other operating expenses mainly result from foreign currency translation and the expenses incurred in connection with the judicial award proceedings.

The Executive Board and Supervisory Board of TRATON SE will propose the payout of a dividend of €1.70 (previous year: €1.50) per share for fiscal year 2024 to the shareholders at the Annual General Meeting. This proposal corresponds to a total payout of €850 million (previous year: €750 million).

3. Assets and financial position

Balance sheet of TRATON SE

€ million	2024	2023	Change
Fixed assets	22,819	22,849	–29
Receivables and other assets[1]	2,837	2,094	744
Bank balances	459	220	239
Total assets	**26,115**	**25,162**	**954**
Equity	13,934	14,776	–842
Liabilities to banks	2,365	3,644	–1,279
Miscellaneous provisions and liabilities[1]	9,816	6,742	3,074
Total equity and liabilities	**26,115**	**25,162**	**954**

1 Including accruals and deferrals

Total assets increased by €954 million year-on-year to €26.1 billion.

Fixed assets primarily comprise interests in TRATON International S.A., Strassen, Luxembourg (TRATON International S.A.) and MAN Truck & Bus SE. This also contains loans of €801 million (previous year: €4.7 billion) to affiliated companies. A loan of €3.5 billion to TRATON Sweden AB, Södertälje, Sweden, was contributed to TRATON International S.A. in the fiscal year by way of capitalization measures. This was recognized as a disposal in loans. In addition, repayments of loans of Scania CV AB, Södertälje, Sweden (Scania CV AB) in the amount of €500 million and TRATON Finance Luxemburg S.A. in the amount of €350 million were recognized as disposals. By contrast, loans increased due to a loan to TRATON Treasury AB in the amount of €500 million.

Receivables and other assets rose by €744 million to €2.8 billion. The increase is mainly due to internal refinancing in the Group.

The decrease in equity is the result of the net loss for the year of €92 million less the dividend of €750 million paid out in the reporting period for fiscal year 2023. The equity ratio decreased to 53.4% (previous year: 58.7%) as of December 31, 2024.

TRATON SE's capital reserves of €12.5 billion (previous year: €13.3 billion) constitute the contributions by Volkswagen AG to TRATON SE, in particular from the contribution of MAN SE and Scania AB. €800 million (previous year: €400 million) was withdrawn from the capital reserves during fiscal year 2024.

Miscellaneous provisions and liabilities contain, in particular, liabilities to affiliated companies and other provisions. The main drivers here are the increase in liabilities to Scania CV AB by €1.4 billion and to TRATON Sweden AB by €1.0 billion.

Net liquidity/net financial debt comprises bank balances, intragroup receivables from financing transactions, loans to Group companies, and marketable securities less financial liabilities to banks/others and less intragroup liabilities from financing transactions. TRATON SE's net financial debt was €8.2 billion (previous year: €4.2 billion) as of December 31, 2024.

4. Opportunities and Risks

The business performance of TRATON SE is essentially exposed to the same risks and opportunities as that of the TRATON GROUP. TRATON SE's exposure to the risks of its equity investments and subsidiaries is proportionate to the stakes it holds in these. The risks and opportunities are outlined in the **"Report on opportunities and risks."** In addition, the relationship with equity investments may result in payments arising from statutory or contractual liability (especially financing) and write-downs of shares in affiliated companies and equity investments.

5. Report on expected developments

TRATON SE is the parent and holding company of the TRATON GROUP. The results reported by its subsidiaries are distributed or transferred to TRATON SE. The expectations with regard to the TRATON GROUP's business performance as described in the outlook also affect the earnings of TRATON SE. The outlook for the TRATON GROUP thus also applies to TRATON SE. Taking into account the expectations with regard to the TRATON GROUP's key performance indicators, higher income from equity investments will have a positive impact on the result for the year. For further information, refer to the TRATON GROUP's **"Report on expected developments."**

Report on Expected Developments, Opportunities, and Risks

1. Report on expected developments

This report on expected developments describes the estimated expected development of the TRATON GROUP's most important key performance indicators for fiscal year 2025. These estimates are based on assumptions concerning the development of opportunities and risks, the economy as a whole, and the truck and bus markets relevant to us. The assessments presented for future development of the business are based on the targets of our segments. Developments that run counter to our assumptions and expectations may lead to corresponding adjustments to the forecast.

Expected macroeconomic developments

Our planning is based on the assumption that global economic output will grow overall in 2025 at a similar pace to 2024. We assume that both the advanced economies and the emerging markets will show similar momentum to the reporting period on average. The declining inflation in major economic regions and the resulting monetary easing should positively impact consumer spending. We continue to believe that risks will arise from the growing fragmentation of the global economy, protectionist tendencies, turbulence in the financial markets, and structural deficits in individual countries. Growth prospects are also being adversely affected by ongoing geopolitical tensions and conflicts; risks arise in particular from the Russia-Ukraine conflict and the hostilities in the Middle East, as well as uncertainties surrounding the political direction of the USA.

We also expect the global economy to continue growing at stable rates of change in the period to 2029.

Europe

In Western Europe, we are expecting the economy to grow at a faster rate in 2025 than in the reporting year, with average inflation continuing to recede. The associated cuts in key lending rates by the European Central Bank (ECB) should support the economic situation in the eurozone.

In Central Europe, we are anticipating a somewhat higher growth rate in 2025 compared with the previous year, with continued high, but less dynamic price increases, while economic output in Eastern Europe is likely to continue recovering after the sharp slump in 2022 as a result of the Russia-Ukraine conflict.

North America

We are anticipating continued robust economic growth in the USA in 2025, although the pace of growth will weaken and the labor market will be impacted accordingly. The US Federal Reserve is likely to cut interest rates further in 2025 in response to the expected decline in inflation and to support the labor market. Economic growth in Canada and Mexico looks set to be somewhat higher than in the reporting period.

South America

The Brazilian economy is expected to record positive growth in 2025, albeit at a somewhat lower rate than in the reporting period. Argentina is expected to see positive growth again following two years of contraction.

Asia/Pacific

Chinese GDP is expected to grow at a relatively high level in 2025, albeit at a slower pace than in 2024.

Expected sectoral developments

In the markets for trucks and buses that are relevant for the TRATON GROUP, we are expecting the trends from the reporting year to continue in 2025. In light of the current geopolitical risks and their impact on the macroeconomic situation, there could be additional challenges for the development of the commercial vehicle markets.

Due to the noticeable consumer caution, we are projecting an overall declining market for new registrations of medium and heavy-duty trucks (> 6t, or Class 6 through 8 in North America) in our core regions, albeit with regional variations. We are anticipating a noticeable or slight market decline for the EU27+3 and North America regions. We are expecting a slight increase in the South American market volume in 2025, following a significant increase in demand for trucks in the reporting period.

Our expectations for demand in the bus markets relevant to the TRATON GROUP (EU27+3 region, North America, South America) in 2025 are for a positive market trend overall, albeit with regional variations. We are assuming a moderate increase in the market in the EU27+3 region. We are expecting a substantial increase in new registrations in North America. We are anticipating a noticeable decline in the South American market.

Expectations for the TRATON GROUP

Unit sales 2025

We are forecasting demand to decline overall in our core markets in fiscal year 2025. Overall, we are expecting unit sales across all brands and all vehicles (including the MAN TGE) to fall within a range of –5 to +5%.

Sales revenue and return 2025

We anticipate that the TRATON GROUP's sales revenue and the sales revenue of the TRATON Operations business area will see a stable development in the range of –5 to +5%.

For fiscal year 2025, we are forecasting an operating return on sales (adjusted) of between 7.5 and 8.5% for the TRATON GROUP, which is below the level of the reporting period. For the TRATON Operations business area, we are also anticipating a lower operating return on sales (adjusted) of between 8.5 and 9.5%.

Reflecting the gradual expansion of the Financial Services business of MAN and VWTB, we are projecting a return on equity of 8.0 to 11.0% for the TRATON Financial Services business area.

Net cash flow 2025

In light of a lower operating return on sales, we are expecting the TRATON Operations business area to generate net cash flow in the range of €2.2 billion to €2.7 billion in fiscal year 2025.

Capital expenditures and primary research & development costs 2025

By investing in forward-looking technologies and our plants, including the new production site in China, we are laying the foundations for profitable growth in the future. Because investments were shifted from the reporting period, we are anticipating a significant increase in capital expenditures at the TRATON Operations business area for the new fiscal year 2025. By contrast, research & development costs are likely to decrease slightly year on year. This is attributable to upfront spending on forward-looking technologies and to higher costs of compliance with regulatory requirements in reporting year 2024.

Summary of expected developments

Although the global economy is expected to grow in 2025 at a similar rate to the previous year, we are anticipating a mixed picture in the truck and bus markets that are relevant to us. Overall, the TRATON GROUP is forecasting sales revenue growth in the range of –5 to 5% and an operating return on sales (adjusted) of 7.5 to 8.5% for 2025. This forecast is conditional on there being no increased economic risks that could impact our sector in particular.

	Actual 2024	Forecast 2025
TRATON GROUP		
Sales (units)	334,215	–5–5%
Sales revenue (€ million)	47,473	–5–5%
Operating return on sales (adjusted) (in %)	9.2	7.5–8.5
TRATON Operations		
Sales revenue (€ million)	46,182	–5–5%
Operating return on sales (adjusted) (in %)	10.3	8.5–9.5
Net cash flow (€ million)	2,834	2,200–2,700
Capex (€ million)	1,751	significant increase
Primary R&D costs (€ million)	2,458	slight decrease
TRATON Financial Services		
Return on equity (in %)	10.8	8.0–11.0

2. Report on opportunities and risks (contains the report required by section 289 (4) of the HGB)

The TRATON GROUP is exposed to numerous risks in a wide range of categories. Entrepreneurial risks are acceptable to a reasonable extent, but they need to be managed effectively and controlled with appropriate risk response measures. Risks that pose a threat to the continued existence of the TRATON GROUP or any TRATON brand must be avoided.

In this context, the term "risk" describes the possibility of events or developments occurring that may — individually or together with other circumstances — have a significant effect on achieving TRATON GROUP´s targets, plans or strategies. Risks with a positive effect are referred to as "opportunities." In addition, risks to society and the environment are taken into consideration, which relate to the aspects presented in the Group Sustainability Statement. Such risks may impact TRATON's business activities, society, and the environment, or a combination thereof. Risks arising from the supply chain and the use of TRATON's products and services are also included.

The TRATON GROUP promotes a risk awareness culture that is characterized by transparency and encourages people throughout the Group to address and manage risks openly. Transparency is fundamental for dealing effectively with risks and avoiding blind spots, in other words, risks that remain undetected and therefore are not addressed properly.

TRATON is a dynamically evolving company that is characterized by various transformation projects (e.g., formation of Group Industrial Functions, expansion of TRATON Financial Services, development of the TRATON Modular System). To address these changes, the TRATON GROUP continuously reviews and enhances its risk management and internal control systems in order to ensure effective and uniform minimum standards across the whole TRATON GROUP.

Risk management organization

The Executive Board of TRATON SE holds the ultimate responsibility for implementing and monitoring effective risk management in the TRATON GROUP. In order to fulfill this obligation, the Executive Board provides strategic focus, takes decisions on major risk management matters, and acknowledges TRATON GROUP's significant risks. Furthermore, the Executive Board provides summarized information to the Supervisory Board and Audit Committee of TRATON SE so that these can fulfill their oversight role.

The mandate to develop the Group's risk management framework has been assigned to the Governance, Risk & Compliance (GRC) function at TRATON SE. Together with the corresponding functions in the brands, it is responsible for designing, implementing, and coordinating the respective processes across the TRATON GROUP.

As a principle, all managers across the organization have a responsibility to manage risks within their area of responsibility (risk ownership). As soon as these risks fulfill the relevant reporting criteria and thresholds, they must be reported openly and promptly along the defined reporting channels and additionally to the respective risk management function.

The Corporate Audit function provides independent assurance about the effectiveness and efficiency of the TRATON GROUP's risk management activities.

Risk management framework

The TRATON risk management framework covers several risk and control related processes within the TRATON GROUP and shows how these correlate. The framework addresses relevant legal requirements and further makes reference to generally accepted principles defined by external framework and standard setters (e.g., COSO, ISO).

The purpose of risk management at TRATON is to define binding minimum standards for effective risk management across the whole TRATON GROUP. It provides a transparent description of the current TRATON risk exposure and ensures that clear responsibilities are allocated for all relevant risks. In general, all processes included in the framework follow the same generic cycle:

- **Identify** relevant risks that affect the business, society, or the environment
- **Assess** and prioritize relevant risks based on financial effect, likelihood, and further criteria
- **Respond** to risks by implementing appropriate risk responses (e.g., controls or action plans)
- **Report** to management on the Company's risk status
- **Monitor** the Company's risk status and the effectiveness of risk response measures

The risk management framework deals with risks in a narrower sense, thus without considering opportunities. Instead, for external reporting purposes opportunities are collected periodically from dedicated functions, especially Controlling, Sustainability and Strategy.

Risk management processes

Enterprise risk management (ERM)

The ERM process is designed to provide management with transparency regarding the TRATON GROUP's current risk exposure. To achieve this, it focuses on concrete risks which, isolated or in combination with other risks, may have a significant effect on TRATON and its Brands' strategies, plans and objectives or on society and the environment. ERM encompasses all organizational rules and measures to identify and assess such concrete risks from a broad range of categories. It helps management to ensure that all relevant risks are clearly assigned to an owner and to monitor the implementation of appropriate measures. ERM serves as the core process for satisfying a variety of internal and external reporting obligations, as outlined in the related chapters below. It should be noted that ERM and Double Materiality Analysis (for more information refer to the Sustainability Statement) are separate processes with defined interfaces to ensure coordinated risk identification, mitigation, and reporting.

Risks are assessed on a net basis in terms of their probability of occurrence and financial effect, which already factors in any implemented risk response measure. The assessment also covers the qualitative criteria of reputational loss, effect on legal and compliance, and, since 2024, effect on society and the environment. A score is calculated from the quantitative and qualitative criteria. Risks are ranked according to this score, if necessary, considering an additional professional judgement by management.

For risk aggregation purposes, the two quantitative criteria of probability of occurrence and financial effect are used. TRATON uses a Monte Carlo simulation to analyze the aggregate effect of the risks on our financial results. The expected maximum loss at a defined confidence level (value-at-risk) is then compared with the TRATON GROUP's risk-bearing capacity. Risk-bearing capacity is defined as recognized equity plus the planned financial result of the TRATON GROUP. The outcome of this comparison is included in the overall assessment of the TRATON GROUP's risk and opportunity position.

Internal control system (ICS)

The ICS is a recurring process for managing and monitoring systemic or inherent risks at process level. It covers all prescribed procedures, methods, and measures that serve to provide reasonable assurance regarding the reliability of financial reporting and selected compliance topics (e.g., anti-corruption, antitrust law, tax compliance, product compliance) as well as the ICS introduced in 2024 regarding sustainability reporting, which should ensure a comparable security level in the future. ICS as a process comprises the selection of entities to be included (scoping), the risk-based selection and documentation of relevant control activities, assessment of control design and operating effectiveness, remediation of identified control deficiencies, and management reporting.

In response to the European Union's Corporate Sustainability Reporting Directive (CSRD), TRATON is currently pursuing a group-wide project to implement the respective requirements for the internal control system. Further steps will be taken to achieve a reasonable assurance level in the upcoming years.

Risk reporting

The Executive Board and the Supervisory Board/Audit Committee of TRATON SE are informed regularly about the TRATON GROUP's risk position and risk management. The same applies to the executive and supervisory bodies of the TRATON brands and Group companies.

On behalf of TRATON SE's Executive Board, the TRATON Governance & Risk Board (GRB) deals with risk management, internal controls, and other related topics in the TRATON GROUP on a quarterly basis. The GRB is hosted by the GRC function and composed of the Chief Financial Officers of TRATON SE and the brands as well as other managers from the levels below the Executive Board.

In addition to the criteria for regular risk reporting processes, criteria have been defined across the TRATON GROUP for when an urgent risk notification to the Executive Board is required. That is the case if a new risk emerges that may have a material impact on the TRATON GROUP's targets, or if an already reported risk increases significantly.

Finally, TRATON satisfies a number of additional internal and external reporting requirements, e.g., risk reporting to Volkswagen AG and external risk reporting in the Combined Management Report of the statutory financial reporting.

Appropriateness and effectiveness of risk management

Monitoring the appropriateness and effectiveness of risk management, in particular the ERM and ICS processes, is one of the core tasks of the GRB. It collates and evaluates relevant information that allows conclusions to be drawn on the appropriateness and effectiveness of risk management. This includes findings from internal and external audits, results from control evaluations as part of the ICS and status reports on risk management projects. If weaknesses are identified, the GRB initiates appropriate corrective measures and monitors their implementation. The results are integrated into the reports to the Executive Board and the Supervisory Board/Audit Committee of TRATON SE.

Based on the measures described above for monitoring the appropriateness and effectiveness of risk management, the Company is not aware of any evidence that would indicate any material weakness in risk management. It should be noted that even an appropriate, effective risk management system cannot offer any absolute certainty that all relevant risks will be identified in good time and will be mitigated by suitable measures and controls.

Main characteristics of the internal control system for financial reporting

The TRATON GROUP's internal control system is designed, among other things, to provide reasonable assurance that TRATON's consolidated financial statements are accurate, in other words without material errors or omissions. The TRATON GROUP's internal control system for sustainability reporting was initially designed for limited security. We aim to achieve a comparable level of assurance for sustainability reporting in the coming years.

At TRATON SE, the Accounting and ESG functions prepare the consolidated financial and sustainability statements for the TRATON GROUP respectively. Both functions govern the corresponding frameworks, which include relevant reporting manuals, policies, and the definition of procedural instructions and internal controls. A manual for sustainability reporting was introduced for the first time in 2024. Furthermore, both functions monitor legislative requirements relevant to their area of responsibility and review the consistency and continuity of financial and sustainability reporting across the TRATON GROUP.

To ensure the validity of financial reporting, typical control mechanisms are systematically applied to all relevant processes, in particular comprehensive verification and review mechanisms, approval hierarchies, segregation of duties, and the four-eyes-principle. For sustainability reporting for fiscal year 2024, typical control mechanisms are systematically applied to processes of data collection and data aggregation, such as comprehensive plausibility checks, review mechanisms, and approval hierarchies. Since financial reporting and consolidation rely heavily on the use of information technology, appropriate IT controls are in place for all relevant systems, e.g., access controls, backup/recovery procedures, and change management, including controls over external service providers. For sustainability reporting, TRATON expects greater reliance on information technology in the future and will use IT controls to mitigate the underlying risks. The TRATON GROUP's internal control system not only covers accounting or ESG activities at TRATON SE, but also includes other functions and subsidiaries where material reporting-relevant information is generated. The internal controls for sustainability reporting cover not only the ESG activities of TRATON SE, but also other functions at Group level in which material information on sustainability reporting is consolidated and reported. Consolidation and aggregation of data relevant for sustainability reporting is also monitored by controls at brand level.

The effectiveness of the internal control system over financial reporting is assessed at least annually during the ICS process. The implementation status of the internal controls for sustainability reporting in fiscal year 2024 was tracked and documented. In the course of an ongoing CSRD ICS project, a continuous evaluation approach for internal controls over sustainability reporting will be implemented for fiscal year 2025. Any identified control deficiencies are centrally monitored until remediation measures have been implemented.

Opportunities and risks

Significant opportunities and risks that may have an effect on the TRATON GROUP's net assets, financial position, and results of operations, as well as on society and the environment, are classified into five categories: Strategic Risks, Market Risks, Operational Risks, Legal & Compliance Risks, and Financial Risks. Starting with this year's reporting, the Company streamlined its risk taxonomy by merging the two categories Products and Operations into the Operational Risks category, for simplified risk classification without losing any risk information. We also renamed the 2023 reported risk categories to be named as follows in 2024 going forward: Strategy to Strategic Risks, Markets to Market Risks, Operations to Operational Risks, Legal & Compliance to Legal & Compliance Risks and Finance to Financial Risks.

Strategic Risks

The TRATON GROUP's strategy, the TRATON Way Forward, is based on the long-term vision of how TRATON will manage the growing importance of sustainability, decarbonization, and digital transformation, and hence the resulting changes expected in the transportation and logistics industry. This strategic framework aims to leverage the opportunities resulting from these changes. TRATON is committed to operating sustainably and responsibly at all times, irrespective of individual corporate decisions.

The TRATON Way Forward consists of four elements. The elements are: (1) Responsible Company; (2) Value Creation; (3) TRATON Accelerated!; and (4) Strategy Execution & Governance. Implementing these elements is associated with various opportunities and risks.

(1) Responsible Company

Commercial vehicles are subject to increasingly rigorous environmental requirements and other rules worldwide. The goal of climate neutrality by 2050 defined in the European Green Deal for the 27 member states of the European Union (EU) and the associated ambitious CO_2 reduction targets (general reduction of CO_2 emissions in the EU by at least 55% by 2030 vs. 1990 and by 90% by 2040 vs. 1990) pose a significant challenge for TRATON and the entire transportation sector. In mid of 2024, for example, the European Union set new ambitious targets for manufacturers of heavy-duty commercial vehicles like the TRATON GROUP to reduce CO_2 emissions in Europe in the course of two decades in the new Regulation (EU) 2024/1610 (CO_2 regulation). The existing target set for 2025 of reducing CO_2 emissions from heavy-duty commercial vehicles with more than 16 tons by 15% was confirmed. However, the EU increased the reduction target from 30% to 45% by 2030 and set it to 65% by 2035 and 90% by 2040 for these vehicles, based on a benchmark from the period from July 2019 to June 2020. In addition, these targets will be extended to other commercial vehicle sub-groups. This concerns medium and heavy commercial vehicles over 5 tons, including interurban buses and coaches. Some special vehicles will continue to be exempt. To stimulate faster deployment of zero-emission city buses, the EU has further decided that all new city buses must be zero-emission starting in 2035, with an interim target of 90% in 2030. If these emissions targets are not met, there are to be penalties of €4,250 for every gram of CO_2 emitted per ton-kilometer (tkm) that exceeds the limits starting in 2025. The new Euro 7 emissions standards to limit harmful pollutants such as nitrous oxide (NOx) or particulate matter from vehicle exhaust gases have been agreed in the EU. The corresponding law was published in May 2024. The final text is very challenging in terms of both limit values and testing methods. Many technical details remain to be set in so-called secondary legislation.

In North America, TRATON is also affected by the potential further tightening of CO_2 and NOx emissions regulations in the USA. The U.S. Environmental Protection Agency (EPA) has set more stringent CO_2 limits for heavy-duty vehicles, among other things. The new regulations require a significant portion of heavy commercial vehicles to be emission-free by 2032 to achieve the set climate targets. Already in 2023, the California Air Resources Board (CARB) had adopted the Advanced Clean Fleet Regulation (ACF). The ACF requires fleet owners to convert their vehicles to zero emissions. Some fleet requirements began in 2024 but vary by industry. In addition to the fleet requirements, the ACF requires all trucks sold in California to be zero-emission by 2036. This may expose the TRATON GROUP to differing regulatory standards at the level of the USA as a whole and of individual states, with the result that emissions regulations may become effective at different times and with varying degrees of severity.

Along with other important markets in which the TRATON GROUP sells its products, in 2023 China set the China 6 (CN 6) emission standard for reducing pollutions for all heavy-duty commercial vehicles. Also, China will introduce new Stage IV Fuel Consumption Limits from July 2025, as well the New Energy Vehicle Credit Policy plan which is estimated to be implemented from 2026 to reduce CO_2 emissions for all commercial vehicles. The progress of new regulation drafting, and regulation revision goes rapidly, especially on Advanced Driver-Assistance Systems (ADAS), Intelligent and Connected Vehicles (ICV) and New Energy Vehicle (NEV) areas.

Adapting commercial vehicles to new emissions standards is technologically challenging and costly, especially in light of often conflicting regulations for CO_2 and other pollutant emissions produced by combustion engines. To meet European Union and North American targets, it is imperative to deploy new technologies to reduce CO_2 and other exhaust emissions. TRATON is therefore investing to a substantial extent in climate-friendly alternative drive systems, primarily battery electric commercial vehicles.

However, the medium- to long-term transition from combustion engines to zero-emission commercial vehicles is associated with uncertainties that are reflected in various risks and opportunities. The current and future investments in battery electric vehicles might not generate the expected income. On the one hand, the gradual, well-timed switch to battery electric vehicles, offers TRATON the opportunity to meet CO_2 emissions standards worldwide, respond better and faster to customer wishes, and gain market share by entering the market at an early stage. On the other, the limited availability of batteries and the current higher purchase costs for battery electric commercial vehicles represent risks to the transition to zero-emission commercial vehicles. An additional very important and necessary condition for the transition is a powerful, widespread charging infrastructure tailored specifically to commercial vehicles. In order to speed the market acceptance of battery electric commercial vehicles in the European market, the TRATON GROUP has established the Milence joint venture together with Daimler Truck and the Volvo Group. This partnership aims to develop a publicly accessible, high-performance charging network for battery electric commercial vehicles in Europe that is open to vehicles from all manufacturers. Despite the common efforts in the Milence joint venture, the development of an adequate pan-European charging infrastructure remains a challenge.

By aspiring to be a Responsible Company, TRATON is continuing to aim to foster diversity and inclusion throughout the Company and ensure good standards of governance and ethical conduct by its employees. In the course of these efforts, TRATON is exposed to various challenges that may result in the company not achieving the targets it has set itself. Altogether, the Company will gain access to various long-term opportunities if, for example, it succeeds in attracting investors with a strong focus on sustainability criteria.

(2) Value Creation

Within the TRATON GROUP, each brand has a clearly defined strategic target return and is seeking to achieve this return by gaining market share, improving unit price realization, and enhancing efficiency. The Group operates in an industry where improving brand performance is crucial in order to maintain competitiveness and increase profitability. Moreover, cooperation between the brands is generating significant opportunities due, in particular, to additional economies of scale. The future success of the TRATON GROUP may be jeopardized if long-term synergies from cooperation between the brands fail to materialize and successful operational efficiency enhancements within the individual units are not achieved.

In addition, TRATON's presence on the North American market is creating opportunities from leveraging the powerful component and technology base within the TRATON GROUP, expanding the financial services business, and further leveraging International's dealer and service network, which is one of the largest independent networks in the North American market. However, the success of this complex and long-term process is associated with uncertainties, which are also influenced by decisions made by the new US administration.

In the course of its global expansion, the TRATON GROUP intends to close the most important gap it still has — Asia. China is the world's largest commercial vehicle market by volume. TRATON intends to respond to local demand through appropriate investments. However, this exposes TRATON to certain risks associated with the Chinese market. These include growing geopolitical uncertainties that could lead to new trade barriers and the decoupling of economic areas. In addition, the Company's activities in China are under particular scrutiny with regard to respect for human rights. Various operational risks are also associated with investments in China, such as risks in the course of developing local production, risks from legislation, and risks from the local market and competitive environment.

(3) TRATON Accelerated!

In a world shaped by electrification, autonomous driving, and connectivity, the TRATON GROUP aims to create more added value for customers in the future through new business models, solutions, and partnerships. The Group is expanding its perspective on business beyond pure transportation through an active role in shaping the transportation and logistics ecosystem of the future. Moving into new business areas such as logistics, new solutions for customers, and other digital business models entails risks for the Group, but also offers it sustainable opportunities to position itself competitively in the long term in the course of the transformation of technologies and markets. In addition, the development of the TRATON Financial Services segment into an integrated captive Financial Services unit for the whole Group enables comprehensive financing options to meet the demand for new technologies and business models.

(4) Strategy Execution & Governance

The fourth element of the TRATON Way Forward focuses on executing the strategy. The goal is to concentrate capabilities and hence strengthen the overall competitiveness by developing a Group-wide modular system with standardized interfaces for the most important technology areas (TRATON Modular System) and through closer organizational integration. TRATON laid the cornerstone by establishing new Group Industrial Functions for research & development and by coordinating purchasing, production, and logistics across the whole Group. If the TRATON GROUP does not succeed in achieving the desired synergy and efficiency improvements, this could have a substantial adverse effect on its long-term business, operating result, financial position, and future prospects.

Market Risks

The commercial vehicle industry is heavily influenced by economic and political conditions globally and in TRATON's regional and product-specific core markets. For that reason, the industry is subject to significant cyclicality. Deviations from expected developments in the economic environment and fluctuations in the business climate may result in both opportunities and risks when it comes to demand for the TRATON GROUP's products and services.

In general, demand for commercial vehicles is highly cyclical, i.e., periods of high customer investment in commercial vehicles are typically followed by phases of reduced demand. The length, timing and intensity of these demand cycles can vary depending on the market segment, customer group, and region. Additionally, these cycles are influenced by external political and economic factors and hence generally subject to uncertainty. Such variable demand patterns can lead to a rapid rise or fall in demand for TRATON's products and services. The global macroeconomic situation, which is characterized, among other factors, by growing geopolitical tensions, has led to a continuing imbalance between supply and demand. This may lead to considerable risks for TRATON.

Risks to the global economic development also stem from growing protectionist tendencies and structural deficits that threaten the progress of individual advanced economies and emerging markets. The increasing ecological challenges, which affect individual countries and regions to different degrees, are another contributing factor. Inflation has recently approached the ECB's and Fed's 2% target in many regions, prompting central banks to cut interest rates. It is uncertain, however, if this trend will continue. TRATON can miss growth opportunities if it fails to expand beyond the current regional core markets. The Group could lose market share to new and existing competitors, if it fails to meet customer's and regulatory requirements alike. In case of political turmoil, it could be partially or fully shut out of important markets.

The TRATON GROUP aims to benefit from accessing growing addressable markets in emerging economies. The addressable market for western vehicle manufacturers in these markets is expected to grow as stricter regulations and emissions standards are implemented globally over the coming years. However, economic growth in some emerging markets is overshadowed, in particular, by dependency on energy and commodity prices, a shortage of capital imports, as well as by socio-political tensions, conflicts, corruption, inadequate government structures, and a lack of legal reliability.

Geopolitical tensions and conflicts, such as the war in Ukraine, tensions between China and Taiwan, and the conflict in the Middle East, which remains unresolved despite the recent easing of tensions, as well as signs that the global economy is becoming increasingly fragmented are additional material risk factors for the development of individual countries and regions. In addition, decisions by the new U.S. administration may have a significant influence on this. These are increasingly leading to sanctions, tariff barriers, and other protectionist obstacles to trade. In light of the existing, strong global interdependence, local developments may also negatively impact the global economy. Any escalation of regional conflicts could further distort the supply chain, energy, and commodity markets around the world and intensify migration trends, for example. The same applies to violent conflicts, terrorist activities, cyberattacks, and the spread of infectious diseases, which may prompt unexpected, short-term responses from the markets.

Internationals' business in North America gives the TRATON GROUP access to a large, high-margin part of the global transportation market. This opens up additional growth potential for TRATON and ensures a better balance between regional market developments in the cyclical commercial vehicle industry. In addition, International Motors has substantial growth opportunities in its primary North American markets if the International brand can progressively restore its market share to the levels seen in the past. Decisions by the new U.S. administration may have a significant influence on this development, which is why we are monitoring them closely.

TRATON is subject to intense competition, which may increase further in the future, e.g., as a result of new competitors entering primary markets. TRATON's future success depends on the Group's ability to address the key factors of competition in the commercial vehicle industry. These are, in particular, its innovative capacity, which has a positive effect on the total cost of ownership of TRATON products, the ability to address specific customer needs with tailored solutions, and the availability of technological innovations that respond to the major trends of the industry (i.e., alternative drives, connectivity, and autonomous driving). If TRATON fails to successfully compete in changing markets, this may result in pricing pressure, loss of sales revenue, and lower margins.

The TRATON GROUP can address the fluctuation in the demand for its products with flexible production and labor concepts, among other measures. Furthermore, the international footprint of the TRATON GROUP helps to buffer market volatility that is limited to specific regions, at least to some extent. As a further option, we may implement structural adjustments if a market downturn cannot be addressed by temporary measures. Such adjustments may involve substantial nonrecurring expenses.

Operational Risks

The TRATON GROUP's future success depends on its ability to correctly assess and respond to the industry's major trends with innovative, commercially attractive products, technologies, and services. Furthermore, growing climate and environmental awareness, increasingly strict energy efficiency and exhaust emissions regulations have resulted in a shift towards the development of commercial vehicles with alternative drive systems, and vehicles powered by alternative fuels or electricity. Timely innovations in disruptive trends like autonomous driving, digital connectivity, and electric vehicles provide business opportunities. Therefore, TRATON is investing substantially in research & development. This may also involve partnerships and cooperation with suppliers or other organizations outside TRATON's core competences.

The development of new products involves large and complex projects that are subject to various risks. These may result from a number of factors, including inaccurate assumptions with respect to planning and implementation costs, unexpected technical challenges, weaknesses in project design and management, or poor performance of third-party suppliers and partners. These factors could result in cost overruns, delays in new product launches, delivery delays, quality issues, and damage to customer relationships. Considerable risks in the supply of electric vehicle batteries can lead to risks of TRATON's product portfolio not meeting the CO_2 and other emission regulations. To address these risks, the TRATON GROUP and its brands have set up a strategic planning process based on an analysis of trends in the market and business environment. The resulting product plans are used to manage TRATON's extensive research & development activities.

As commercial vehicle technology becomes increasingly complex, the risks from vehicle defects, cyber security and quality issues generally rise. Substandard quality may result in manufacturer's guarantee, statutory warranty, and ex gratia repair costs as well as the loss of market share or lower product margins. If security issues arise, the software included in vehicles could impact the functionality of vehicles and jeopardize the safety of vehicle users and other traffic participants. The TRATON GROUP and its brands have implemented dedicated management systems aiming to prevent such risks (Cyber Security Management System and Software Update Management System). However, in severe cases, TRATON may be exposed to product recalls as well as product liability and compensation claims. On the other hand, superior product quality may strengthen the Company's positioning within the competitive environment.

The impact of these factors may be further amplified in the future by the TRATON GROUP's Modular System, as the components are used in a number of different vehicles across all brands and hence in higher volumes. By the same token, the TRATON Modular System opens up a range of opportunities for the TRATON GROUP, in particular through economies of scale in production and procurement, as well as better allocation of development costs.

In order to maintain high quality standards for its products and comply with government-prescribed safety and other standards, the Company incurs costs for monitoring, certification, and quality assurance. TRATON has implemented a comprehensive quality management system that begins at the product gestation stage and extends to manufacturing, suppliers, and in-life monitoring of the entire Group's products.

A lack of availability of bought-in components and increasing costs for certain raw materials and energy can lead to uncertainties. TRATON has intensified monitoring of its supplier network as it relies on the timely delivery of high-quality materials and components by its suppliers. If suppliers are unable or unwilling to fulfil delivery obligations, for example due to supply shortages, labor strikes, capacity allocation to other customers, or financial distress, TRATON would face risks of production downtimes and inventory backlogs. Currently, a battery supplier of the Group is experiencing financial distress. If the financial condition of this supplier deteriorates further, the Group faces risks of delayed or even cancelled deliveries from this supplier.

In addition, TRATON's corporate responsibility to respect human rights and the environment is anchored within TRATON's own business area and within the business relationships in its sphere of influence. TRATON's Policy Statement on Human Rights outlines its commitment to comply with applicable national and international human rights legislation. However, due to TRATON's international business activities, risks in this regard cannot be completely ruled out.

The TRATON GROUP's success depends on the uninterrupted operation of its manufacturing activities. Unforeseen disruption of a production facility represents a risk and may be caused by a number of incidents — for example maintenance outage, power failure, equipment failure, fires, floods, social unrest or terrorist activity, labor difficulties, public health concerns or other operational problems. Furthermore, accidents or technical faults in production facilities may cause hazardous substances to contaminate water, soil, and air. The TRATON GROUP has taken a variety of preventive and detective measures to mitigate these risks. These measures include preventive plant maintenance and servicing, regular checks by qualified personnel, on-site inspections, risk avoidance plans, hazardous substance management, and plant fire departments.

Due to the high level of competition in the commercial vehicle industry, efficiency improvements and cost savings are crucial in order to maintain competitiveness and profitability. The TRATON GROUP has operational efficiency initiatives in place for each of its brands. However, there can be no assurance that these programs will yield the targeted improvements permanently, or that they will not entail higher implementation costs than expected. This could result in considerable risks for TRATON.

The TRATON GROUP's business processes rely heavily on information technology. As well as opportunities for improving the efficiency and effectiveness of TRATON's operations, this also gives rise to risks. Parts of the infrastructure may fail as a result of accidents, disasters, technical damage, outdated technology, or cyberattacks, thereby impairing business processes or bringing them to a complete standstill. There is also the risk of unauthorized access to confidential business data and information stored on the Company's IT systems or those of its business partners. In order to ensure the availability, integrity, and confidentiality of information, TRATON uses a risk-based information security management system as well as a combination of the latest hardware and software technologies, effective IT organizational mechanisms, and an IT-related internal control system.

In addition, the Company's business performance depends on generating a competitive advantage through the TRATON GROUP's Human Resources Strategy. The TRATON GROUP leverages the strength of its brands, focuses on common prioritized topics, and uses joint resources effectively to enable the business to succeed. The key is to utilize the potential of the Company's employees to achieve the strategic goals while mitigating potential challenges such as the loss or non-utilization of expertise. Attracting, developing and retaining talent is therefore of crucial importance. Enhancing recruitment, people development and employee-retention strategies allows TRATON to mitigate risks of talent shortages and presents opportunities to attract, hire, develop, and retain experienced management and personnel for the Group. TRATON's management team has substantial expertise and industry experience, and the loss of key members of management or employees with critical core competencies may adversely impact the TRATON GROUP's ability to execute its strategic objectives. Attracting and retaining these employees depends on a variety of factors. Therefore, TRATON has set the goal of becoming and remaining an employer of choice. These factors include a strong organizational culture, flexible working opportunities, various compensation and benefit programs, an attractive work environment, good career development opportunities, a strong commitment to diversity, high health and safety standards, and a positive public image.

Legal & Compliance Risks

The TRATON GROUP is involved in various legal disputes and legal proceedings in the ordinary course of its business. Some of the associated risks are considerable. See the **"Important legal cases"** section for further information. Furthermore, the Company may be subject to proceedings by governmental authorities if it fails to comply with laws and regulations. In connection to its global business operations, the TRATON GROUP must comply with a broad range of legal and regulatory requirements in areas such as anti-bribery, corruption, and money-laundering. Violations are punishable by civil penalties as well as criminal fines and imprisonment. Furthermore, any violation could negatively affect the Group's reputation.

In particular, the TRATON GROUP is subject to antitrust regulation in the European Union and other jurisdictions and thus exposed to the risks of related enforcement actions and damage claims. Competition in the commercial vehicle industry is increasingly concentrated, which is why it is subject to heightened scrutiny by antitrust authorities. An infringement of antitrust regulations could adversely affect the TRATON GROUP in a variety of ways, including significant fines, private enforcement claims, disclosure of and changes in business practices, and reputational damage.

The TRATON GROUP is subject to data protection regulations with respect to, among other things, the use and disclosure of personal data, and the confidentiality, integrity, and availability of such information. In particular, TRATON is subject to the stringent requirements of the European Union's General Data Protection Regulation (GDPR), which entered into force in May 2018. If the TRATON GROUP fails to comply with the requirements of this this regulation, this could result in claims for damages and other liabilities, significant fines and other penalties, as well as the loss of customers and reputation.

The TRATON GROUP's global footprint and large number of products and services expose us to risks arising from breaches of the Company's patents by third parties, or the unauthorized disclosure of company-specific TRATON expertise by third parties. To address these risks, the Company reviews the specific legal situation in each case, if appropriate with the support of external legal advisors. This enables TRATON to defend itself against unjustified claims and to assert own claims. Further, the TRATON GROUP has set up and is continuously enhancing a comprehensive compliance program with a special focus on combating corruption, antitrust law, preventing money laundering, and business and human rights, among other things.

Financial Risks

Due to its global business activities and international nature, the TRATON GROUP is exposed to considerable financial risks. It manages these risks using a Group-wide financial risk management system.

If the TRATON GROUP carries out transactions in a currency other than its functional currency, it is exposed to currency risk. The TRATON GROUP therefore partly hedges currency risk arising from order backlog, receivables and liabilities, and planned unit sales. The inclusion of subsidiaries or other affiliated companies in countries outside the eurozone in the consolidated financial statements represents a risk and an opportunity as a result of currency translation. As a general rule, TRATON does not use derivatives to hedge these translation risks.

Interest rate risk results from interest rate-sensitive assets and liabilities. The goal of interest rate risk management is to largely reduce these risks through the use of derivative financial instruments.

The manufacture of the TRATON GROUP's products requires commodities. Price trends on the commodity markets or price escalation clauses in supplier contracts may entail commodity price risks. These risks are managed through long-term supplier contracts, price escalation clauses in customer contracts, and targeted commodity price hedging in the banking market.

Liquidity risk describes the risk that the TRATON GROUP may have difficulty in meeting obligations associated with financial liabilities. To ensure sufficient liquidity at all times, cash inflows and outflows are continuously monitored and managed. In addition, changes in the TRATON GROUP's liquidity are monitored using a detailed financial plan. The TRATON GROUP's financial management manages automated cash pools, wherever legally and economically appropriate and feasible. There are increased liquidity risks because of uncertainty relating to the impact of the war in Ukraine and the conflict in the Middle East, which remains unresolved despite the recent easing of tensions.

For external financing purposes, the opportunities available on the financial market are tracked continuously so as to ensure the TRATON GROUP's financial flexibility. Additionally, the TRATON GROUP has access to Volkswagen Group intragroup financing.

Credit risk is the risk that a party to a contract will fail to meet its contractual obligations as a result of its own financial situation or the political environment, thereby causing a financial loss for the TRATON GROUP. The credit risk is reduced through the careful selection of business partners, through appropriate contractual and payment terms, and through guarantees and documentary credits. In addition, central cash management functions and a central limit allocation system are used to distribute investments of cash funds across financial institutions.

The TRATON GROUP is exposed to a risk of impairment affecting earnings if equity-method investments are impaired.

The Company grants its employees pension commitments and other long-term benefits. The present value of these liabilities depends largely on the discount rate used to discount future benefits, the inflation rate as the basis of future benefit adjustments, expected salary trends, the contribution payments to be made, and the life expectancy of the beneficiaries. In order to reduce the financial risks inherent in pension commitments, some of the TRATON GROUP's pension plans are funded on a mandatory or voluntary basis through pension plan assets that can be offset against pension plan liabilities in the balance sheet. The fair value of plan assets can be negatively impacted, in particular, by changes in exchange rates, interest rates, credit risks, and securities prices. Any significant increase in the present value of pension commitments and other long-term benefits granted by TRATON to its employees and/or significant reductions in the fair value of plan assets could materially adversely affect the TRATON GROUP's net assets, financial position, and results of operations.

The TRATON GROUP's financial planning is based on assumptions made by the Group's management. These assumptions relate to business developments or other external factors that are difficult to predict or cannot be influenced by TRATON, as well as measures, some of which still have to be implemented. There is therefore a risk that the planning assumptions may be incomplete or incorrect, and that a variance between the planned and actual outcomes may arise. Opportunities for TRATON may materialize if actual developments differ from expected developments in a positive way.

Furthermore, the TRATON GROUP is subject to income and other taxes in multiple jurisdictions. Provisions for income, sales, value-added, and other taxes, including withholding taxes, are primarily determined on the basis of responsible judgment and estimates of tax bases. Accordingly, in the ordinary course of our business, there are various transactions and calculations, including, for example, intercompany transactions and cross-jurisdictional transfer pricing and transactions with specific documentation requirements, for which the final tax assessments or the timing of the tax effect are subject to some uncertainty.

TRATON is regularly subject to tax audits conducted by the tax authorities responsible, which may disagree with the tax positions that have been included. Even if the TRATON GROUP considers the reported tax positions appropriate, an external tax audit may affect the tax positions reported. As a result, TRATON may be subject to additional tax liabilities, interest, penalties, or any regulatory, administrative, or other sanctions relating thereto.

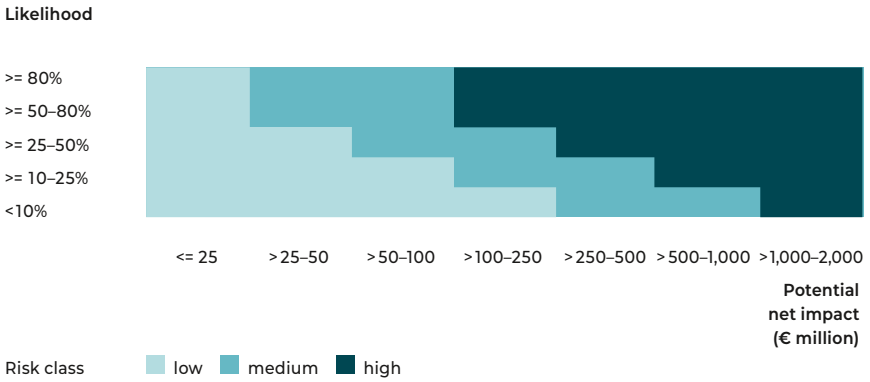
Aggregated representation on the basis of risk categories

The Combined Management Report outlines risks that could have a significant impact on the achievement of the Company's goals based on financial criteria as well as on the society and the environment. The ERM process defines brand-specific thresholds for internal risk reporting in the net risk impact amount of between €7.5 million and €15 million. These criteria are validated on a regular basis and adjusted if necessary.

For risk aggregation purposes, we run a Monte Carlo simulation. As part of this process, we analyze the identified risks' potential impact and probability of occurrence considering any risk-mitigating measures that may have already been implemented. The outcome of the Monte Carlo simulation for each risk category is then set in relation to the TRATON GROUP's planned result to calculate the corresponding risk class. The matrix below forms the basis of this process. If there are more risks or if they have a higher net impact, the risk class itself is higher, while a higher result with an unchanged risk assessment results in a lower risk class.

Risks belonging to the "Strategic Risks" category usually have a long-term effect, which is difficult to quantify in the short term. TRATON therefore does not quantify these risks. The risk class for strategic risks is assessed through expert opinion.

The aggregated risk situation of the reported risks for each risk category is represented in the following table on the basis of the three risk classes (Low, Medium, High) and the risk categories described above:



Risk category (New Risk Taxonomy)	Risk class – 2024 Annual Report	Risk class – 2023 Annual Report
Strategic Risks	High	High
Market Risks	Medium	Medium
Operational Risks[1]	High	High
Legal & Compliance Risks	High	High
Financial Risks	High	High

1 Operational Risks is a merge of two risk categories from Annual Report 2023: Products and Operations. Prior-year period adjusted

The current economic environment, a range of issues in the supply chains especially for battery electric vehicles, and future trends in the cost of bought-in components such as, energy, and raw materials continue to lead to a high degree of uncertainty. This means that the Strategic Risks, Legal & Compliance Risks, and Financial Risks categories are assessed as "High", which is unchanged compared with the previous year. Operational Risks as the merger of Product risks and Operations risks is also assessed as "High." The assessment of Market Risks is unchanged ("Medium").

Overall assessment of the TRATON GROUP's risk and opportunity position

According to its own evaluation, risks in the "Operational Risks" category have the most considerable impact on the TRATON GROUP. Operational risks chiefly comprises supply chain risks of electric vehicle batteries, EU CO_2 penalty risks, and general raw material cost increase risks. In the area of Strategic Risks, the requirements and risks arising from the CO_2 emissions regulation in the European Union, as well as CO_2 and nitrogen oxides (NOx) rules in North America, remain a particular focus. Legal & Compliance Risks comprise mainly of litigation risks involving the TRATON GROUP. In addition to the general cyclicality of and intense competition in the commercial vehicle industry, market risks include the economic environment. As in the previous year, these risks can arise from supply chain issues, from protectionist measures, and from growing geopolitical tensions. These may have a negative impact on sales volumes and sales margins. Among the Financial Risks, future currency developments remain an area of considerable uncertainty that may have both a positive and a negative effect on the TRATON GROUP.

Overall, the TRATON GROUP is exposed to significant levels of uncertainty that it can influence only partially. In the aggregate, the described risks generally outweigh the corresponding opportunities. TRATON has determined that there are no risks that could endanger its continued existence, either individually or in combination with other risks.

Due to the very dynamic nature of the current business environment, the Company will continue to monitor its main risks and opportunities closely.

Important legal cases

MAN and Scania/EU antitrust proceedings

In July 2016, the European Commission reached settlements (the "Settlement Decision") with MAN and four other European truck manufacturers (excluding Scania) finding collusive arrangements on pricing and the timing and the passing on of costs for emission technologies for medium- and heavy-duty trucks from January 17, 1997, to January 18, 2011 (for MAN: until September 20, 2010). MAN was granted immunity from fines since it had revealed these practices to the European Commission in September 2010. Scania decided not to apply for leniency and not to settle this antitrust case and, by decision of the European Commission dated September 27, 2017 (the "Scania Decision"), received a fine in the amount of approximately €880.5 million. Scania appealed the Scania Decision to the General Court of the European Union and asked for full annulment. On February 2, 2022, the General Court rendered its judgment, whereby Scania's appeal was dismissed in its entirety and the amount of fines set by the European Commission upheld. On April 8, 2022, Scania appealed against the judgment of the General Court of the European Union from February 2, 2022, to the European Court of Justice. The €880.5 million fine plus interest from the EU antitrust proceedings was paid on April 12, 2022, to avoid additional interest penalties. On February 1, 2024, the European Court of Justice decided to dismiss Scania's appeal.

Following the Settlement Decision, a significant number of (direct and indirect) truck customers in various jurisdictions have initiated or joined lawsuits against MAN and/or Scania. With the merger of MAN SE with TRATON SE taking effect, TRATON SE has — in most jurisdictions — automatically assumed the procedural role of MAN SE as legal successor in the respective proceedings (and is insofar covered by "MAN companies"). Even if such claims may have expired under the respective applicable local laws, it cannot be excluded that further lawsuits will be filed. The claims against MAN companies differ significantly in scope; while some truck customers only bought or leased a single truck, other cases concern a multitude of trucks. Furthermore, some truck customer damages claims have been combined in class actions or through claim aggregators to which the truck customers assigned their respective damages claims.

MAN takes the view that there are well-founded arguments against such claims and takes appropriate steps to defend itself.

However, it cannot be excluded that these claims result in substantial liabilities for MAN including significant costs for their defense, which may have a material adverse effect on MAN's financial results, cash flows and financial positions. Given the inherently complex nature of these claims and the different stages of the proceedings (with a number of cases still in a rather early stage), it is not possible to make a reliable estimate of the total liability that may arise from these claims. MAN is continuously monitoring the development and re-assesses the respective risks on a regular basis.

A relatively small number of (direct and indirect) customers in various jurisdictions have initiated or joined lawsuits against Scania. Further, Scania has received a number of third-party notices from other defendant commercial vehicle manufacturers. As is the case for MAN, the claims against Scania differ significantly in scope as some customers only bought or leased one truck while others operate a whole fleet of commercial vehicles. Furthermore, some customer damages claims in other jurisdictions have been combined in class actions or through claim aggregators. The exact number of commercial vehicles involved is, however, unknown.

As of December 31, 2024, no provisions were recognized for the majority of these cases as it is not assumed as of the reporting date that there will be a final and unappealable court ruling awarding damages. TRATON recognized a negative impact on its operating result in the amount of €162 million (previous year: €89 million) for cases in which, as a result of a reassessment of the risks, a final and unappealable ruling under which MAN or Scania would have to pay damages is more likely than unlikely at present. In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" (paragraph 92), no further information is disclosed so as not to prejudice TRATON's position.

VW Truck & Bus Ltda.

In the tax proceedings between Volkswagen Truck & Bus Indústria e Comércio de Veículos Ltda. (VW Truck & Bus Ltda.), formerly MAN Latin America Indústria e Comércio de Veículos Ltda. (MAN Latin America), and the Brazilian tax authorities, the Brazilian tax authorities took a different view of the tax implications of the acquisition structure chosen by MAN SE (now merged with TRATON SE) for the acquisition of VW Truck & Bus Ltda. in 2009. The tax proceedings have been divided into two auditing periods, covering the years 2009–2011 (Phase 1) and 2012–2014 (Phase 2). In December 2017, an adverse last instance judgment was rendered by the Brazilian Administrative Court (Phase 1), which was negative for VW Truck & Bus Ltda. VW Truck & Bus Ltda. appealed this judgment before a regular judicial court in 2018. This lawsuit was dismissed in 2019, and an appeal was filed against the dismissal. The appeal was then rejected in June 2023, and a petition for review was filed in July 2023. In the tax proceeding related to Phase 2, a partial success was achieved that partly reduced the penalties. An appeal against this decision was filed, which was rejected in September 2023, thus concluding the Administrative Court proceedings. As a result of a new law regarding the handling of casting vote decisions in September 2023, VW Truck & Bus Ltda. filed an objection to the determinations in October 2023. In May 2024, the amendment to the law already resulted in a significant reduction of the penalties in phase 2, and in November 2024, the complete repeal of the phase 2 penalties was finally achieved.

Due to the potential range of penalties plus interest which could apply under Brazilian law, the estimated size of the risk in the event that the tax authorities are able to prevail overall with their view is uncertain. This could result in a risk of about BRL 3.0 billion (equivalent to €477 million as of December 31, 2024) for the contested period from 2009 onward. This assessment is based on the accumulated accounts at the reporting date for the claimed tax liability including the potential penalty surcharges, as well as accumulated interest, but excluding any future interest and without discounting any cash flows. Several insurers have issued bank guarantees for the benefit of VW Truck & Bus Ltda. as is customary in connection with such tax proceedings.

Update on the MAN SE merger squeeze-out

The merger of MAN SE with TRATON SE was entered in the commercial register of MAN SE and TRATON SE on August 31, 2021. With this, MAN SE ceased to exist as an independent legal entity, and all rights and obligations were transferred to TRATON SE. MAN SE shares were delisted at the same time.

Cash compensation in the amount of €70.68 per common and preferred share was paid out to MAN SE noncontrolling shareholders on September 3, 2021. This marked the conclusion of the MAN SE merger squeeze-out. The appropriateness of the cash compensation will be reviewed by a court-appointed auditor as part of the judicial award proceedings initiated by affected noncontrolling interest shareholders as applicants.

By way of a ruling dated December 20, 2024, which is not yet final, the Regional Court of Munich I increased the cash compensation to €79.71 per common and preferred share. Various applicants as well as TRATON SE appealed against this ruling in January 2025. An expense of €98 million was recognized in other financial result and interest expense in fiscal year 2024 for the transaction.

Nonfinancial Group Statement

TRATON SE is exercising its option under section 315b(2) of the HGB to exempt itself from the requirement to issue a nonfinancial Group statement and refers to the combined nonfinancial statement of the Volkswagen Group and Volkswagen AG for fiscal year 2024, which will be available at **https://www.volkswagen-group.com/de/finanzberichte-18134** from March 11, 2025.

Comprehensive information on the TRATON GROUP's sustainability activities can be found in the **"Sustainability Statement"**.

EU Taxonomy disclosures

1. Background and objectives

Under the European Green Deal, the European Union (EU) has put the issues of climate change mitigation, environmental protection, and sustainability at the center of its political agenda. It has defined the goal of achieving climate neutrality by 2050. In this context, the EU published the Strategy on Financing the Transition to a Sustainable Economy in 2021 in order to support the financing of the transformation to a sustainable economy. This strategy is based on the 2018 EU action plan on financing sustainable growth. It aims to reorient capital flows toward sustainable investments, mainstream sustainability into risk management, and foster transparency and long-termism. The action plan consists of ten actions and has as its core Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (Regulation 2020/852)[1], as well as the related delegated acts (hereinafter referred to collectively as "EU Taxonomy").

The EU Taxonomy is a classification system for sustainable economic activities. Economic activities that fall under the EU Taxonomy, and are thus taxonomy-eligible, are those that are described in the delegated acts and for which technical screening criteria are available for one of the six environmental objectives. Economic activities are deemed to be environmentally sustainable, and thus taxonomy-aligned, if they make a substantial contribution to the achievement of at least one of six environmental objectives ("substantial contribution"), do not significantly harm (DNSH) one or more environmental objectives (substantial contribution and DNSH are together referred to as "technical screening criteria"), and also meet certain minimum safeguards that apply to all economic activities with a primary focus on human rights and social and labor standards. The six environmental objectives relate to:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

All other economic activities are taxonomy-non-eligible economic activities.

2. Reporting on fiscal year 2024

For fiscal year 2024, the TRATON GROUP is reporting on the six environmental objectives mentioned above in accordance with Article 8 of Regulation 2020/852 and Article 10(4) of the Delegated Regulation on Article 8 of the aforementioned Regulation. The EU Taxonomy contains wording and terms that are subject to interpretation uncertainties and could lead to changes in the reporting if they are subsequently clarified by the EU. There is a risk that the reported key performance indicators must be assessed differently. The TRATON GROUP's interpretation is presented in the following.

3. Economic activities of the TRATON GROUP

With its four brands Scania, MAN, International, and Volkswagen Truck & Bus, the TRATON GROUP is one of the world's leading manufacturers of commercial vehicles. The portfolio consists of trucks, buses, and light-duty commercial vehicles, as well as the sale of spare parts and customer services. In addition, the TRATON GROUP offers a broad range of financial services to its customers. The TRATON GROUP's activities are divided into the industrial business (TRATON Operations) and financial services (TRATON Financial Services) business areas.

1 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

3.1 Taxonomy-eligible economic activities

The TRATON GROUP's economic activities were analyzed based on its business model as a manufacturer of commercial vehicles and fall under code C.29.1 (Manufacture of motor vehicles and motor vehicle engines) of the EU's Statistical Classification of Economic Activities (NACE).

In terms of the "climate change mitigation" environmental objective pursuant to Annex I to Regulation 2020/852, this means that the economic activities related to the manufacture, repair, maintenance, retrofitting, or upgrade of vehicles are allocated to economic activity 3.3 "Manufacture of low-carbon technologies for transport." The allocation of economic activity is independent of the drive technology of the underlying vehicle.

In detail, the manufacture and related selling activities for all new and used vehicles (including the sale of leased used vehicles) as well as financial services are allocated to economic activity 3.3 under the "climate change mitigation" environmental objective. In addition, service activities such as maintenance and repair, including the genuine parts used for this purpose, are also allocated to this economic activity.

In contrast, economic activities where TRATON acts as dealer of vehicles or as supplier of components and parts for non-battery electric vehicles are assigned to the taxonomy-non-eligible activities. They relate to economic activities for vehicles not manufactured internally being sold by the TRATON GROUP brands as well as those in connection with Engines, powertrains, and parts deliveries.

Hedging transactions and individual activities that are reported in the "Other sales revenue" item in the Consolidated Financial Statements as of December 31, 2024, do not conform to the descriptions of economic activities in the delegated acts and are therefore classified as taxonomy-non-eligible.

In the course of an analysis of economic activity within the framework of the EU Taxonomy, no activities were identified for TRATON that specifically account for any of the five other environmental objectives. However, the dynamic evolution of EU Taxonomy rules may lead to modifications of economic activities in the future.

3.2 Taxonomy-aligned economic activities

Substantial contribution

The criteria for assessing the substantial contribution of economic activity 3.3 defined in Annex I to Regulation 2020/852 are based on the relevant vehicle classes and the associated CO_2 emissions and drive technologies. For the TRATON GROUP, all internally produced, all-electric vehicles (BEVs) meet the criteria for a significant contribution. This means that economic activities associated with BEVs make a significant contribution to climate change mitigation.

DNSH criteria

The analysis of the DNSH criteria was conducted at the level of the relevant sites. In addition to production sites, component plants and research & development units that are associated with vehicles that meet the technical screening criteria for substantial contribution, or will do so in the next five years, were also analyzed. The majority of the sites included in the analysis are located in countries within the EU, in the USA, and in South America. The EU Taxonomy is subject to interpretation uncertainties with regard to the DNSH criteria and goes beyond the requirements applicable to ongoing business operations to some extent. In addition, the application of the EU Taxonomy to sites outside the EU leads to particular challenges due to the different legal situations that may apply there.

The assessment of the DNSH criteria was based on the requirements applicable in the EU in 2024 for ongoing business operations as well as on internal policies and processes. Country-specific requirements and internal processes were used for sites outside the EU. The assessment was entirely positive apart from the DNSH criterion for pollution prevention and control. The TRATON GROUP's approach to assessing the DNSH criteria is presented in detail in the following.

Climate change adaptation
A climate risk and vulnerability assessment was performed to identify sites that could be impacted by physical climate risks. The assessment of the chronic and acute physical climate risks analyzed was performed in line with the useful life of the relevant assets in relation to economic activity 3.3. TRATON's climate-based DNSH assessment is based on Shared Socioeconomic Pathway (SSP) 8.5 of the 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) up to the year 2050 and thus assumes the highest expected CO_2 concentration according to the IPCC. In addition, risk-specific analyses were conducted with additional data sources based on the exact locations. Identified threats were assessed for relevance in the local environment, and any necessary risk mitigation measures were developed.

The sustainable use and protection of water and marine resources
Environmental impact assessments, ISO 14001 certificates, local legislation, internal policies and processes, and other external data sources were used to analyze compliance with the DNSH criterion. To achieve good water status and good ecological potential, risks of environmental damage related to maintaining water quality and avoiding water scarcity were identified and analyzed. Countermeasures are being initiated at sites with an increased risk.

The transition to a circular economy
Sustainability is an established concept within the TRATON GROUP brands. The transition to a circular economy is defined in the strategic focus areas specified by TRATON. Specifically, a review was carried out at the level of the brand in question to determine the extent to which local legislation or internal rules cover the specific requirements.

Pollution prevention and control
In order to be considered environmentally sustainable, an economic activity cannot result in a substantial increase in air, water, or ground pollution compared to the levels before it began. The automotive industry is already extremely regulated on the whole — among other things, this is reflected in the publicly accessible Global Automotive Declarable Substance List (GADSL). Implemented approval and control processes are designed to ensure compliance with the legal requirements and internal regulations applicable to ongoing business operations. In this context, we are already actively addressing the use of alternative substances in our analyses and assessments.

As a result of the June 2023 update to the EU Taxonomy, requirements for the use of other substances that meet certain criteria of Regulations (EC) No. 1272/2008 and (EC) No. 1907/2006 came into force for fiscal year 2024. The requirements specify that also these substances may only be used if it is determined and documented that no other suitable alternative substances are available on the market and that they are used under controlled conditions. Furthermore, there is room for interpretation regarding detailed requirements for substitution testing.

TRATON has established processes and standards that aim to minimize and substitute the use of substances of very high concern (SVHCs). As part of our analysis to assess the substitutability of SVHCs, we include the vehicle-related materials and components of BEVs as well as their suppliers. Among other things, we consider technical and economic criteria. Our current processes are founded on our suppliers complying with TRATON's Supplier Code of Conduct and its updates. The Code of Conduct is an integral part of our long-term strategy for supplier relations. Suppliers are automatically notified about changes to our standards and our Code. However, compliance with the requirements governing newly added substances cannot be fully guaranteed, which means that compliance with the criterion for pollution prevention and control as a whole cannot be demonstrated.

The protection and restoration of biodiversity and ecosystems
To verify compliance with the requirements governing biodiversity and ecosystems, the relevant areas were identified using various information sources (including Natura 2000 areas and environmental impact assessments). To the extent that biodiversity-sensitive areas are close to a site, an assessment of the associated risks and impacts on the area was performed. If necessary, compensatory or remedial measures are generally taken to ensure that the business activity has no significant impact on the conservation objectives of the protected area.

Minimum safeguards
Minimum safeguards ensure compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the fundamental principles and rights from the eight core conventions set out in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, and the guiding principles from the International Bill of Human Rights. The analysis was based on the recommendations on minimum safeguards issued by the Platform on Sustainable Finance in October 2022. They require TRATON to have in place effective processes, controls, and compliance measures with regard to the following four core topics:

- Human rights, including workers' rights
- Bribery/corruption
- Taxation
- Fair competition

The TRATON GROUP is guided by the implementation of its duty to ensure respect for human rights as required by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This is reflected in various Group-wide policies and our Code of Conduct. Additionally, the TRATON GROUP recognizes the International Bill of Human Rights and bases its approach to human rights issues on the UN Guiding Principles on Business and Human Rights and the ILO core conventions.

Regular risk analyses identify, assess, and take action to prevent, terminate, and mitigate negative impacts in our own business activities and within the supply chain. The effectiveness of the implementation of the underlying regulations is reviewed with the help of the internal control system (ICS). Regular Group-wide communication relating to compliance and integrity takes place across hierarchical levels and brands using various channels and promotes employee awareness of ethical behavior. In addition, TRATON has various whistleblower channels for reporting violations at any time, in all languages, and anonymously if desired. As a result, TRATON ensures that the minimum safeguard requirements are met.

4. Key performance indicators pursuant to the EU Taxonomy
The key performance indicators (KPIs) for fiscal year 2024 included the taxonomy-aligned turnover, capital expenditure (capex), and operating expenditure (opex) of the TRATON GROUP. Only transactions with third parties have been taken into account. Turnover, capital expenditure, and operating expenditure relate in full to the "climate change mitigation" environmental objective.

To determine the percentages, the taxonomy-eligible and taxonomy-aligned turnover, capital expenditure, and operating expenditure are each set in relation to total turnover, total capital expenditure, and total operating expenditure within the meaning of the EU Taxonomy. For the 2024 reporting period, however, TRATON does not report any taxonomy-aligned KPIs. For further details, see the **"Pollution prevention and control"** section.

The tables required by the EU Taxonomy are shown at the end of the chapter.

4.1 Turnover

	Turnover		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned turnover	
2024	**€ million**	**%[1]**	**€ million**	**%[1]**	**Yes/No**	**Yes/No**	**€ million**	**%[1]**
A. Taxonomy-eligible activities								
3.3 Manufacture of low-carbon technologies for transport	44,684	94%	631	1%	Y/N	Y	–	–
B. Taxonomy-non-eligible activities	**2,789**	**6%**						
Total (A+B)	**47,473**							

1 The percentage amount shown relates to the total turnover as defined by the EU Taxonomy.

Turnover was calculated on the basis of the sales revenue (denominator) reported in the income statement for the period from January 1 to December 31, 2024, in the Consolidated Financial Statements as of December 31, 2024, which amounted to €47.5 billion in fiscal year 2024.

Economic activity 3.3 accounted for €44.7 billion of this total, or 94% of the TRATON GROUP's sales revenue, which was classified as taxonomy-eligible turnover. This includes in particular revenue from the sale, lease, and financing of new and used vehicles manufactured internally, as well as revenue from genuine parts and workshop services. By contrast, revenue from the sale of vehicles that are not manufactured internally or revenue in connection with engines, powertrains, and parts deliveries is not included. Other taxonomy-non-eligible turnover is contained in the "Other sales revenue" item in the Consolidated Financial Statements as of December 31, 2024.

Overall, €631 million of TRATON's turnover made a significant contribution to climate change mitigation. €593 million of this amount is attributable to the sale of new battery electric vehicles. Because it was not possible to demonstrate full compliance with the DNSH criterion for pollution prevention and control for fiscal year 2024 due to the requirements governing the use of newly added substances, TRATON no longer reports any taxonomy-aligned turnover. Taxonomy-aligned turnover in the previous year had amounted to €439 million or 1%. For details, see the **"Pollution prevention and control"** section. The following table contains a breakdown of taxonomy-aligned turnover:

€ million	**2024**	**2023**
Taxonomy-aligned turnover from battery electric new vehicles	–	424
Other taxonomy-aligned turnover	–	15
Total	**–**	**439**

4.2 Capital expenditure

	Capital expenditure		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned capital expenditure	
2024	**€ million**	**%[1]**	**€ million**	**%[1]**	**Yes/No**	**Yes/No**	**€ million**	**%[1]**
A. Taxonomy-eligible activities								
3.3 Manufacture of low-carbon technologies for transport	4,514	98%	659	14%	Y/N	Y	–	–
B. Taxonomy-non-eligible activities	**91**	**2%**						
Total (A+B)	**4,606**							

1 The percentage amount shown relates to the total capital expenditure as defined by the EU Taxonomy.

Capital expenditure was determined on the basis of additions and additions from business combinations to intangible assets (see Note **"16. Intangible assets"**), property, plant, and equipment (see Note **"17. Property, plant, and equipment, right-of-use assets under IFRS 16, and lease liabilities"**), and assets leased out (see Note **"18. Assets leased out"**) contained in the Consolidated Financial Statements as of December 31, 2024, which amounted to €4.6 billion in fiscal year 2024. Additions to goodwill are not included in the denominator.

Economic activity 3.3 accounted for €4.5 billion of this total, or 98% of the TRATON GROUP's capital expenditure classified as taxonomy-eligible. This includes in particular capital expenditure related directly to taxonomy-eligible economic activities. Capital expenditure on administration or distribution primarily benefits taxonomy-eligible economic activities and has therefore been included. By contrast, capital expenditure incurred in connection with vehicles not manufactured internally or the business with engines, powertrains, and parts deliveries is taxonomy-non-eligible. Also excluded is capital expenditure on investment property, since it is not economically required by TRATON to manufacture low-carbon technologies for transport.

Overall, €659 million of TRATON's capital expenditure relates to sustainable technologies and thus makes a significant contribution to climate change mitigation. €351 million of the capital expenditure that makes a significant contribution to climate change mitigation relates to intangible assets and €258 million to property, plant, and equipment. TRATON does not report any taxonomy-aligned capital expenditure in 2024, whereas this amounted to €505 million or 11% in 2023. In the same way as for sales revenue, the change in taxonomy-aligned capital expenditure is attributable to the fact that evidence of the DNSH criterion for pollution prevention and control could no longer be provided to the full extent (details are contained in the section entitled **"Pollution prevention and control"**). The following table contains a breakdown of taxonomy-aligned capital expenditure:

€ million	**2024**	**2023**
Attributable to intangible assets	–	197
Attributable to property, plant, and equipment	–	221
Attributable to assets leased out	–	87
Taxonomy-aligned capital expenditure in the reporting period	**–**	**505**

4.3 Operating expenditure

	Operating expenditure		Substantial contribution to climate change mitigation		Compliance with DNSH criteria	Compliance with minimum safeguards	Taxonomy-aligned operating expenditure	
2024	**€ million**	**%[1]**	**€ million**	**%[1]**	**Yes/No**	**Yes/No**	**€ million**	**%[1]**
A. Taxonomy-eligible activities								
3.3 Manufacture of low-carbon technologies for transport	1,719	97%	260	15%	Y/N	Y	–	–
B. Taxonomy-non-eligible activities	**57**	**3%**						
Total (A+B)	**1,777**							

1 The percentage amount shown relates to the total operating expenditure as defined by the EU Taxonomy.

Operating expenditure is determined on the basis of noncapitalized research & development costs as reported in Note **"9. Functional expenses"** to the Consolidated Financial Statements as of December 31, 2024. These are calculated by subtracting capitalized development costs from primary R&D costs. The calculation of the denominator of the KPI includes the following:

- Maintenance expenses for owned or leased real estate and other assets
- Expenses attributable to short-term leases (up to twelve months) and not recognized as right-of-use assets in the balance sheet

The TRATON GROUP's total operating expenditure as defined by the EU Taxonomy amounted to €1.8 billion in the year under review.

Economic activity 3.3 accounted for €1.7 billion of this total, or 97% of the TRATON GROUP's operating expenditure, which was classified as taxonomy-eligible. This only included operating expenditure incurred in direct connection with taxonomy-eligible economic activities. Operating expenditure related to taxonomy-non-eligible economic activities, such as the business with engines, powertrains, and parts deliveries, has therefore not been included in the numerator.

Overall, €260 million of TRATON's operating expenditure relates to sustainable technologies and thus makes a significant contribution to climate change mitigation. €236 million of the operating expenditure that makes a significant contribution to climate change mitigation relates to noncapitalized research & development costs in connection with battery electric vehicles. TRATON does not report any taxonomy-aligned operating expenditure in 2024. It amounted to €236 million or 14% in the previous year. In the same way as for sales revenue and capital expenditure, the change in taxonomy-aligned operating expenditure is attributable to the fact that evidence of the DNSH criterion for pollution prevention and control could no longer be provided to the full extent (details are contained in the section entitled **"Pollution prevention and control"**). The following table contains a breakdown of taxonomy-aligned operating expenditure:

€ million	**2024**	**2023**
Taxonomy-aligned operating expenditure from noncapitalized research & development costs related to battery electric vehicles	–	221
Other taxonomy-aligned operating expenditure	–	15
Total	**–**	**236**

4.4 Disclosures on the capex plan

Under the EU Taxonomy, taxonomy-aligned capital expenditure in the reporting period is divided into a) capital expenditure relating to assets or processes already associated with environmentally sustainable economic activities and b) capital expenditure that is part of a plan to expand taxonomy-aligned economic activities, or to upgrade taxonomy-eligible economic activities to taxonomy-aligned economic activities (capex plan). The capex plan includes the aggregated capital and operating expenditure incurred and expected to be incurred during the reporting period and within the next five years to expand taxonomy-aligned economic activities or to upgrade taxonomy-eligible economic activities to taxonomy-aligned economic activities.

In the course of the previous allocation, all taxonomy-aligned additions to assets leased out (primarily vehicle leases) were entirely taken into account as capital expenditure that was already associated with environmentally sustainable economic activities because the underlying vehicles were already manufactured and taxonomy-aligned. These were therefore not included in the capex plan. By contrast, taxonomy-aligned additions to intangible assets and to property, plant, and equipment as well as noncapitalized research & development costs were previously allocated to the capex plan on a pro rata basis with the help of the allocation key. The allocation key compared the ratio of the production volume of taxonomy-aligned vehicles for the reporting period in question with the average taxonomy-aligned production volume under the five-year plan. The proportion over and above was previously allocated to the capex plan. As a result, €402 million of the taxonomy-aligned capital expenditure and €212 million of the taxonomy-aligned operating expenditure were allocated to the capex plan in the previous year. The total capital expenditure of the capex plan had been estimated at €6.7 billion in the previous year. Due to the far-reaching process-related and systemic changes that would be necessary to allow us to provide evidence of the DNSH criterion for pollution prevention and control to the full extent in the future, we are also not disclosing a capex plan as a precautionary measure, in addition to the taxonomy-aligned KPIs (details are contained in the section **"Pollution prevention and control"**).

4.5 Table overview according to the EU Taxonomy

Because there are no economic activities in the areas of nuclear energy and fossil gas, these topics are not shown in the table.

Turnover

Fiscal year 2024[1]		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circularity (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circularity (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	–	–%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	N	Y	Y	Y	1%	E	–
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**–**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**1%**	**–**	**–**
of which enabling activities		–	–%	–%	–%	–%	–%	–%	–%	Y	Y	Y	N	Y	Y	Y	1%	E	–
of which transitional activities		–	–%	–%						N	N	N	N	N	N	N	–%	–	–
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	44,684	94%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								93%	–	–
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**44,684**	**94%**	**94%**	**–%**	**–%**	**–%**	**–%**	**–%**								**93%**	**–**	**–**
A. Turnover of taxonomy-eligible activities (A.1 + A.2)		**44,684**	**94%**	**94%**	**–%**	**–%**	**–%**	**–%**	**–%**								**94%**		**–**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy-non-eligible activities		**2,789**	**6%**																
Total		**47,473**	**100%**																

1 Abbreviations used in the table: CCM: climate change mitigation; Y: yes; N: no; N/EL: not eligible; E: enabling activity; T: transitional activity; EL: eligible.

Capital expenditure

Fiscal year 2024			Year	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Capex (3)	Proportion of capex, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circularity (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circularity (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) capex, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	–	–%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	N	Y	Y	Y	11%	E	–
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**–**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**11%**		**–**
of which enabling activities		–	–%	–%	–%	–%	–%	–%	–%	Y	Y	Y	N	Y	Y	Y	11%	E	–
of which transitional activities		–	–%	–%						N	N	N	N	N	N	N	–%	–	–
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	4,514	98%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								86%	–	–
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**4,514**	**98%**	**98%**	**–%**	**–%**	**–%**	**–%**	**–%**								**86%**	**–**	**–**
A. Capex of taxonomy-eligible activities (A.1 + A.2)		**4,514**	**98%**	**98%**	**–%**	**–%**	**–%**	**–%**	**–%**								**98%**		**–**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of taxonomy-non-eligible activities		**91**	**2%**																
Total		**4,606**	**100%**																

Operating expenditure

Fiscal year 2024		Year		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code (2)	Opex (3)	Proportion of opex, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circularity (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circularity (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1) or taxonomy-eligible (A.2) opex, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	–	–%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	N	Y	Y	Y	14%	E	–
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**–**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	**–%**	**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**14%**	**–**	**–**
of which enabling activities		–	–%	–%	–%	–%	–%	–%	–%	Y	Y	Y	N	Y	Y	Y	14%	E	–
of which transitional activities		–	–%	–%						N	N	N	N	N	N	N	–%	–	–
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
3.3 Manufacture of low-carbon technologies for transport	CCM 3.3	1,719	97%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								81%	–	–
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**1,719**	**97%**	**97%**	**–%**	**–%**	**–%**	**–%**	**–%**								**81%**	**–**	**–**
A. Opex of taxonomy-eligible activities (A.1 + A.2)		**1,719**	**97%**	**97%**	**–%**	**–%**	**–%**	**–%**	**–%**								**95%**		**–**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of taxonomy-non-eligible activities		**57**	**3%**																
Total		**1,777**	**100%**																

Supplemental Information on Fiscal Year 2024

1. Corporate Governance Statement[1]

TRATON uses this Group Corporate Governance Statement in accordance with section 289f and section 315d of the *Handelsgesetzbuch* (German Commercial Code — HGB) to report on the corporate governance principles of TRATON SE and the Group, taking into account the recommendations of the German Corporate Governance Code (GCGC). Good corporate governance that complies with both national and international standards is of central importance for ensuring responsible management with a long-term focus and forms the basis for the responsible leadership and control of our Company as well as sustainable business performance. At the same time, good corporate governance fosters the confidence that the financial markets, investors, customers, business partners, and employees have in our Company, the Group, and in the work we do.

The topic of sustainability is an integral part of TRATON's corporate governance and strategy. For more information, please refer to the **"Sustainability Statement"**.

Corporate Governance at TRATON

As a European stock corporation (Societas Europaea, SE) whose registered office is in Germany, the Company is subject to the European and German SE rules as well as German stock corporation law. TRATON has a two-tier board system consisting of an Executive Board and a Supervisory Board. In accordance with section 161 of the AktG in conjunction with Article 9(1)(c)(ii) of the SE Regulation, the Executive Board and Supervisory Board are required to issue a Declaration of Conformity with the recommendations of the GCGC at least once a year.

Declaration of Conformity

The Executive Board and Supervisory Board of TRATON SE addressed the recommendations and suggestions of the GCGC in detail and issued their annual Declaration of Conformity in December 2024 as follows:

"The Executive Board and Supervisory Board of TRATON SE declare that the recommendations of the Government Commission on the German Corporate Governance Code as amended April 28, 2022 ("the GCGC"), published by the German Federal Ministry of Justice in the official section of the *Bundesanzeiger* (the Federal Gazette) on June 27, 2022, were complied with in the period since the publication of the last regular Declaration of Conformity respectively since the update of the Declaration of Conformity in April 2024 and continue to be complied with, except for the recommendations set out below, for the reasons and periods indicated below:

1. Pursuant to recommendation B.5 GCGC (age limit of members of the Executive Board), an age limit is to be specified for members of the Executive Board and disclosed in the Corporate Governance Statement. This was implemented. In March 2023, the Supervisory Board reappointed Mr. Antonio Roberto Cortes and thus in this exceptional case exceeded the specified age limit. The Supervisory Board, however, considers the reappointment of Mr. Cortes to be in the best interest of the Company. In particular, Mr. Cortes has had the leading responsibility for the South American market for a long time, which faces significant challenges in the coming years. The reappointment of Mr. Cortes ensures that the strategy for South America designed by him can be efficiently and effectively implemented. Mr. Cortes's term of office also continues in the current financial year. The Supervisory Board adheres to the age limit determined for the Executive Board in all other respects. However, it cannot be ruled out that deviating from a specific age limit only once can be regarded as deviation from recommendation B.5 GCGC. As a precautionary measure, such a deviation is therefore declared.
2. The recommendation in C.5 GCGC (Upper limit of offices for Board members) is not fulfilled to the extent that in addition to his seat on the Supervisory Board of TRATON SE, the Chairman of the Supervisory Board discharges one further mandate as Chairman of the Supervisory Board of Volkswagen AG, a listed company, as well as having seats on the Supervisory Board of Dr. Ing. h.c. F. Porsche Aktiengesellschaft, likewise a listed company, and Bertelsmann SE & Co. KGaA, and is also Chairman of the Board of Management of Porsche Automobil Holding SE. Volkswagen AG, Dr. Ing. h.c. F. Porsche Aktiengesellschaft and TRATON SE do not form a group with Porsche Automobil Holding SE within the meaning of the German Stock Corporation Act. Nonetheless, we are of the opinion that the Chairman of the Supervisory Board has sufficient time available to discharge his mandate.
3. With regard to the recommendation in C.13 GCGC (Disclosure in the event of election proposals), the guidelines in the GCGC are vague and the definitions unclear. A departure from the GCGC is therefore being declared as a precautionary measure. Notwithstanding this, the Supervisory Board will make every effort to comply with the requirements of the recommendation in C.13 GCGC.

1 The Corporate Governance Statement in accordance with sections 289f and 315d of the *Handelsgesetzbuch* (HGB — German Commercial Code) forms part of the combined management report and is not included in the audit.

4. According to recommendation G.7 GCGC (determination of performance criteria for variable remuneration components before the start of the financial year), the Supervisory Board shall "referring to the forthcoming financial year, establish the performance criteria for each member of the Executive Board covering all variable remuneration components". According to the prevailing view, the Supervisory Board shall therefore establish the performance criteria prior to the beginning of the financial year. Only the target values can also be set at the beginning of the financial year. One of the performance criteria (opinion index) previously established for the social subtarget was suspended and replaced by a different performance criterion (gender index[2]) in April of the current year and thus after the beginning of the financial year 2024. This means that, ultimately, the specific performance criteria that are to apply to the variable remuneration and thus are to incentivise the Executive Board members were not established prior to the beginning of the financial year 2024. For this reason, the Executive Board and Supervisory Board have declared a precautionary deviation from recommendation G.7 GCGC. Referring to the forthcoming financial year 2025, the Supervisory Board has already determined that the performance criteria gender index[2] is decisive for the social subtarget. Therefore, recommendation G.7 GCGC will be complied with again in the future.
5. According to recommendation G.8 GCGC (exclusion of subsequent changes to targets and comparison parameters for variable remuneration components), "subsequent changes to the targets or comparison parameters shall be excluded". Based on the remuneration system at the time, the Supervisory Board still took the opinion index as a basis within the scope of the targets for the current financial year 2024 and set specific targets for this. Suspending the opinion index for the current financial year 2024 in April and introducing the gender index[2] within the scope of the social subtarget meant a subsequent change to a target or comparison parameter. Therefore, the Executive Board and Supervisory Board have declared a deviation from recommendation G.8 GCGC. Referring to the forthcoming financial year 2025, the Supervisory Board will from the outset establish specific targets for the gender index[2] does not plan to change targets subsequently. Therefore, recommendation G.8 GCGC will be complied with again in the future.
6. The recommendation in G.13 sentence 1 GCGC (Severance cap) is not fulfilled. According to recommendation G.13 sentence 1 GCGC, payments made to a member of the Executive Board due to early termination of their Board activity shall not exceed twice the annual remuneration (severance cap) and shall not constitute remuneration for more than the remaining term of the employment contract. It is not clear to the Executive Board and the Supervisory Board of TRATON SE whether recommendation G.13 sentence 1 GCGC only refers to severance payments or also to payments made to a member who has left the Executive Board that result from a continuing employment contract. In July 2020, Mr. Joachim Drees, among others, left the Executive Board by mutual consent. The employment contract between Mr. Drees and TRATON SE, in agreement with Mr. Drees, continued following his departure and remained in force for more than two additional years following the departure of Mr. Drees. Although the employment contract of Mr. Drees expired at the beginning of 2024, not all of the contractual remuneration payments based on this employment contract have been fully processed and paid.

   Mr. Drees shall accordingly not receive a severance payment but may continue to receive his contractual remuneration for a period of more than two years following his departure. Components of this remuneration have also been paid out in the period since the submission of the last Declaration of Conformity. In light of the above, the Executive Board and Supervisory Board of TRATON SE declare a departure from recommendation G.13 sentence 1 GCGC as a precautionary measure."

The Declaration of Conformity is available on the Company's website at **https://ir.traton.com/en/corporate-governance**.

Swedish Corporate Governance Code

Furthermore, TRATON has published a statement regarding departures by TRATON's corporate governance system from the Swedish Corporate Governance Code. It is also available on the Company's website at **https://ir.traton.com/en/corporate-governance**.

The Swedish Corporate Governance Code states that companies that are listed in Sweden can decide whether to comply with the Swedish code or with the relevant local regulations in the countries where those companies are headquartered. TRATON has decided to comply with the GCGC and not with the Swedish Corporate Governance Code.

Executive Board

The Executive Board is responsible for managing the Company independently in the interests of the Company in accordance with the statutory provisions, the Articles of Association, and the Rules of Procedure for the Executive Board. Its responsibilities include in particular the strategic focus and management of the TRATON GROUP, and the establish-

2 The calculation and application of the gender index is subject to applicable local law.

ment and monitoring of an appropriate and effective risk management and internal control system. It is also responsible for preparation of the annual financial statements and interim statements, and ensures compliance with statutory provisions, official requirements, and internal policies.

How the Executive Board works

The Executive Board exercises its management function as a collegial body. The members of the Executive Board are jointly responsible for managing the Company. They decide collectively on all matters of material significance. Otherwise, each member of the Executive Board manages the area assigned to him independently. The various tasks of the Executive Board are allocated to the individual Executive Board departments in line with functional and regional aspects. All members of the Executive Board keep each other informed through reports from their own areas of responsibility. The List of Responsibilities forms part of the Rules of Procedure for the Executive Board.

The Executive Board holds regular meetings. The meetings are generally convened and chaired by the Chair of the Executive Board. In addition, any member of the Executive Board can require that an Executive Board meeting be convened without undue delay, notifying the subject to be discussed or an agenda item to be added. As a rule, the Executive Board makes its decisions at meetings. In urgent cases, after extensive preparatory work, or if no member of the Executive Board objects without undue delay, the Executive Board may also adopt resolutions through a conference call or video conference or by circulating written documents for approval, as directed by the Chair of the Executive Board. Resolutions of the Executive Board are adopted by a majority of the votes cast by the members of the Executive Board participating in the vote, unless other majorities are prescribed by law, the Articles of Association, or the Rules of Procedure. In the event of a tie, the Chair of the Executive Board has a casting vote.

Executive Board members must disclose any conflicts of interest to the Chair of the Supervisory Board and the Chair of the Executive Board without undue delay and inform the other Executive Board members. In accordance with the requirements of the *Aktiengesetz* (AktG — German Stock Corporation Act) and recommendation E.3 of the Code, members of the Executive Board may undertake secondary activities only with the Supervisory Board's consent.

Composition and diversity

In accordance with Article 8(1) of the Articles of Association, the Executive Board of TRATON SE must consist of at least two persons. The Supervisory Board determines the specific number of Executive Board members. The Company's Executive Board currently has seven members. In accordance with section 16 (2) of the *SE-Ausführungsgesetz* (SEAG — German SE Implementation Act), TRATON SE's Executive Board must include at least one woman and one man. TRATON SE complied with this requirement in the year under review. In fiscal year 2024, 16.67% of the members of the six-member Executive Board were female, while 83.33% were male.

For information on the Executive Board's composition, refer to Note **"46. Members of the Executive Board and their appointments"** to the Consolidated Financial Statements.

The Supervisory Board takes diversity into account in the composition of the Executive Board and has adopted the following diversity concept for the Executive Board:

- Appointments of members of the Executive Board should, as a rule, end when those members reach the age of 65, although an extension by a maximum of three more years is possible.
- Members of the Executive Board should have long-standing management experience and contribute as much experience as possible from a range of different activities.
- The Executive Board should collectively have leadership experience in an international context.
- The Executive Board should collectively possess long-standing experience in the fields of machinery/vehicle manufacturing, finance, and HR management.
- Both genders should be adequately represented on the Executive Board. The Company is subject to the statutory representation requirement that the Executive Board must include at least one man and at least one woman.

The diversity concept aims to encourage a good understanding of the organizational and business affairs of TRATON SE through diversity. The Supervisory Board decides which individual should be appointed to a specific Executive Board position in the interests of the Company, taking all the circumstances of the individual case into consideration. These requirements governing the composition of the Executive Board ensure that the Executive Board has relevant experience in the sectors, products, and geographic locations in which the TRATON GROUP operates. In the Supervisory Board's opinion, the current composition of the Executive Board substantially implements the diversity concept. The

members of the Executive Board have many years of management experience, including in an international context. This applies in particular to Ms. Modahl Nilsson, Mr. Levin, Mr. Vlaskamp, Mr. Carlbaum, and Mr. Cortes. The members of the Executive Board also contribute experience from a range of different activities. In other respects, the Executive Board collectively possesses long-standing experience in the fields of machinery/vehicle manufacturing, finance, and HR management. By extending the appointment of Mr. Antonio Roberto Cortes to the Executive Board, the Supervisory Board has, exceptionally, exceeded the age limit defined for the Executive Board. The reasons for this and the precautionary departure from recommendation B.5 of the Code are set out in section 1. of the Declaration of Conformity above.

All six members of the Executive Board in office in fiscal year 2024 have relevant sustainability expertise, as they are responsible for developing and shaping the topic of sustainability in their strategies in their roles as CEOs of the brands, CFO/CHRO, and as the member of the Executive Board responsible for Group Product Management. This expertise also includes the assessment of TRATON's material impacts, risks, and opportunities (IROs) that were identified in accordance with the European Sustainability Reporting Standards (ESRS). These IROs were confirmed by the TRATON Sustainability Board and will continue to be managed and monitored by it.

Cooperation with the Supervisory Board

The Executive Board and Supervisory Board work together in a trust-based relationship for the benefit of the Company. Dialog between the two bodies is the basis for efficient corporate governance. The Executive Board reports to the Supervisory Board regularly, promptly, and comprehensively in both written and oral form on all issues of relevance for the Company with regard to strategy, planning, and the position of the Company, the business performance, the risk position, risk management, and compliance. The Supervisory Board supervises monitors the Executive Board and advises it on the management and conduct of the Company. Monitoring and advising the Executive Board also includes in particular sustainability issues. The Supervisory Board is directly involved in decisions of fundamental importance through its rights of veto.

The Supervisory Board Chair is also in regular contact with the Executive Board outside meetings. They are informed without undue delay by the Chair of the Executive Board about important events that are of material significance for assessing the situation and ongoing development of the Company and its Group companies, as well as for its management.

Supervisory Board

In TRATON SE's two-tier governance structure, the Supervisory Board is the oversight body. The Supervisory Board performs the duties assigned to it by law, by the Articles of Association, and by the Supervisory Board's Rules of Procedure. In particular, the Supervisory Board has responsibility for Human Resources matters relating to the Executive Board. It appoints the members of the Executive Board and decides on all matters concerning the members of the Executive Board. In particular, the Supervisory Board, based on a proposal by the Presiding Committee, adopts a clear and comprehensible system for the remuneration of the members of the Executive Board and submits it to the Annual General Meeting for approval in the event of any significant amendment, but at a minimum every four years.

Please refer to the **"Report of the Supervisory Board"** for additional information on the performance of duties, in particular the number of meetings and the focus topics, the work of the committees described below, and cooperation with the Executive Board.

How the Supervisory Board works

The Supervisory Board has issued Rules of Procedure for its work, which can be downloaded at **https://traton.com/en/company/supervisory-board.html**.

The Chair of the Supervisory Board coordinates work in the Supervisory Board, chairs its meetings, and represents the concerns of the Supervisory Board externally. The Supervisory Board holds at least two meetings each calendar half-year. It also meets regularly without the Executive Board. The Supervisory Board has a quorum if at least half of the members of which it is required to consist take part in the adoption of the resolution. Notwithstanding any other statutory provisions to the contrary, resolutions are adopted by a simple majority of the votes cast. The Supervisory Board Chair has the casting vote in the event of a tie.

Each member of the Supervisory Board must disclose any conflicts of interest to the Chair of the Supervisory Board, in particular those that may arise from an advisory or governance role at customers, suppliers, lenders, or other business partners.

Supervisory Board Committees

The Supervisory Board has formed two committees, the **Presiding Committee** and the **Audit Committee**, on which shareholders and employees are represented equally, with three representatives in each case. The **Nomination Committee**, which consists solely of shareholder representatives, was also formed.

The Presiding Committee prepares the Supervisory Board meetings and the resolutions of the Supervisory Board, including the resolutions of the Supervisory Board relating to Executive Board matters. It supports and advises the Chair of the Supervisory Board and, together with the Chair of the Executive Board, prepares the long-term succession planning for the Executive Board. In addition, among other things the Presiding Committee is assigned responsibility for deciding on transactions or measures requiring approval up to a certain value limit, in place of the Supervisory Board. The Presiding Committee also acts as a "Remuneration Committee" and prepares the decisions of the Supervisory Board on matters relating to Executive Board remuneration.

The Audit Committee deals in particular with preparing the decision by the Supervisory Board regarding the adoption of the annual financial statements and the approval of the consolidated financial statements, monitoring and the integrity of the financial reporting process, monitoring financial reporting, the effectiveness of the internal control system, of the risk management system, and of the internal audit system, and with financial statements audit and compliance. Furthermore, the Audit Committee submits a reasoned recommendation for the choice of external auditor to the Supervisory Board, obtains a statement regarding the auditor's independence, deals with the additional services provided by the auditor, drafts the resolution on issuing the audit engagement letter, and also deals with determining the areas of emphasis of the audit and agreeing the auditor's fees with the auditor.

The Nomination Committee identifies candidates for Supervisory Board positions and recommends suitable candidates to the Supervisory Board for the latter's proposals for election to the Annual General Meeting.

Details about the composition of the Supervisory Board and the committees can be obtained from Notes **"47. Members of the Supervisory Board and their appointments"** and **"48. Supervisory Board Committees"** to the Consolidated Financial Statements.

Self-assessment of the Supervisory Board

In line with recommendation D.12 GCGC, the Supervisory Board assesses, at regular intervals, how effectively it as a whole and its committees fulfill their tasks. As part of the self-assessment, the members of the Supervisory Board receive in advance a detailed questionnaire that enables them to submit their appraisal of the procedures of the Supervisory Board and its committees, and make proposals for improvements. The results are discussed in a following meeting of the Supervisory Board and, if necessary, in further individual conversations. The results are used to derive measures for improving the work of the Supervisory Board. The most recent self-assessment of the Supervisory Board took place in fiscal year 2023.

Long-term succession planning for the Executive Board

The Supervisory Board's Presiding Committee works with the Chairman of the Executive Board to ensure long-term succession planning for the Executive Board. The topics discussed include the terms of the contracts and renewal options for current Executive Board members, as well as potential internal and external candidates. In particular, the Supervisory Board discusses the knowledge, experience, and professional and personal skills that should be represented on the Executive Board with regard to the corporate strategy and current challenges, and the extent to which the current composition of the Executive Board already reflects these requirements. In addition to the statutory requirements, the requirements of the GCGC, and the Rules of Procedure of the Supervisory Board, long-term succession planning is based on the corporate strategy and culture and takes in account the criteria laid down in the diversity concept resolved by the Supervisory Board for the composition of the Executive Board.

After additionally considering the specific qualification requirements, the Presiding Committee prepares a requirements profile in specific individual instances, on the basis of which it then selects the most suitable candidates. After interviewing the candidates, the Presiding Committee makes a proposal to the Supervisory Board for resolution. If necessary, the Supervisory Board and Presiding Committee are supported by external consultants when developing requirements profiles and selecting candidates.

Composition and diversity

In line with the Articles of Association, the Company's Supervisory Board comprises 20 members, with equal numbers of shareholder and employee representatives. In accordance with section 17 (2) of the *SE-Ausführungsgesetz* (SEAG — German SE Implementation Act), women and men must each account for at least 30% of the Supervisory Board of TRATON SE. As of December 31, 2024, 30% of the members of the Supervisory Board of TRATON SE on the shareholder side were women: Ödgärd Andersson, Dr. Julia Kuhn-Piëch, and Nina Macpherson, and 70% were men. On the employee side, 40% women were represented on the Supervisory Board: Daniela Cavallo, Mari Carlquist, Lisa Lorentzon, and Karina Schnur, and 60% men on this date. The statutory quotas were therefore met by both the shareholder and the employee representatives on the Supervisory Board.

TRATON SE's Supervisory Board aims, in light of the purpose and size of the Company and the proportion of its international business activities, to take the following factors into account for its composition:

- At least three members of the Supervisory Board should be persons who embody the criterion of internationality to a particularly high degree.
- At least two Supervisory Board positions on the shareholder side are reserved for persons with no potential conflicts of interest, and who are independent within the meaning of the GCGC.
- Any person that sits on a governing body or is involved in an advisory capacity at one of the Company's major competitors should not be a member of the Supervisory Board.
- In addition, proposals for election should not, as a rule, include any persons who have reached the age of 75 at the time of the election or who have been a member of the Company's Supervisory Board for more than 15 years.

In the opinion of the Supervisory Board, all criteria have been met or taken into consideration. Furthermore, the Supervisory Board of TRATON SE should collectively possess the following skills and expertise:

- Knowledge and experience of the Company itself
- Leadership or oversight experience in other medium-sized or large companies
- Experience in industries that are of importance to the TRATON GROUP, such as the engineering, automotive, and information technology sectors
- Knowledge of capital markets
- Human resources expertise (particularly the search for and selection of members of the Executive Board, and the succession process) and knowledge of incentive and remuneration systems for the Executive Board
- Expertise in the areas of financial reporting/auditing
- Expertise in the areas of law and compliance
- Expertise in the sustainability issues important for the Company

The targets defined by the Supervisory Board for its composition and the skills and expertise profile of the Supervisory Board also describe the concept with which the Supervisory Board strives to achieve a diverse composition. The diversity concept aims to encourage a good understanding of the organizational and business affairs of TRATON SE through diversity. This diversity is intended to enable the members of the Supervisory Board to constructively question the decisions of the Executive Board and to be open to innovative ideas. All aims have been fulfilled or taken into consideration, respectively. These requirements governing the composition of the Supervisory Board ensure that the body as a whole has relevant experience in the sectors, products, and geographic locations in which the TRATON GROUP operates.

The diversity concept for the Supervisory Board comprises the following elements:

- The defined goals for the composition of the Supervisory Board
- The skills and expertise profile for the Supervisory Board
- The gender quota of 30% for the composition of TRATON SE's Supervisory Board that is already imposed by law and must therefore be complied with in accordance with section 17 (2) of the SEAG

The proposals to the Annual General Meeting for electing members of the Supervisory Board take into account the requirements of the diversity concept, the specific targets for the composition of the Supervisory Board, and the skills and expertise profile. The Supervisory Board also recommends that employee representatives and trade unions, who have the right to make proposals in employee elections, take into account the diversity concept, the composition targets, and the skills and expertise profile. The same applies to persons who have the right to make proposals in the context of any necessary court-ordered replacement appointments.

In the opinion of the shareholder representatives on the Supervisory Board regarding the appropriate number of independent shareholder representatives within the meaning of recommendation C.6 of the GCGC, the Supervisory Board should have at least two shareholder representatives who are independent overall, i.e., independent both of the Company and of the Executive Board in accordance with recommendations C.7 and C.8 of the GCGC, and of a controlling shareholder in accordance with recommendation C.9 of the GCGC. In the opinion of the shareholder representatives on the Supervisory Board, five shareholder representatives can currently be considered to be independent in this respect. These are Ms. Andersson and Ms. Macpherson, as well as Dr. Kirchmann, Dr. Schmid, and Mr. Witter.

To ensure knowledge of current developments in the field of ESG reporting, the Supervisory Board completed ESG training courses in 2023 and 2024, which focused in particular on the regulatory requirements in the area of sustainability. The Executive Board received the training documents but did not participate in the training. In addition, members of both the Supervisory Board and the Executive Board attended further ESG-related training sessions that covered the topics business conduct and human rights, among other things.

The current implementation status of the skills and expertise profile is shown in the following qualification matrix:

Requirement Skills and expertise profile / **Members of the Supervisory Board**	Pötsch	Lyngsie	Andersson	Bechstädt	Carlquist	Cavallo	Dr. Döss	Kerner	Kilian	Dr. Kirchmann	Dr. Kuhn-Piëch	Lorentzon	Luthin	Macpherson	Dr. Dr. Porsche	Dr. Schmid	Schnur	Sedlmaier	Wansch	Witter
Knowledge and experience of the Company itself	X	X			X			X	X	X	X	X	X		X		X	X	X	
Leadership or oversight experience in other medium-sized or large companies	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X		X	X
Experience in industries that are of importance to the TRATON GROUP, such as the engineering, automotive, and information technology sectors	X	X	X		X					X		X	X			X		X	X	
Knowledge of capital markets	X		X	X		X	X	X	X	X				X		X				X
Human resources expertise (particularly the search for and selection of members of the Executive Board, and the succession process) and knowledge of incentive and remuneration systems for the Executive Board	X		X	X		X	X	X	X	X							X			X
Expertise in the areas of financial reporting/auditing	X			X		X				X						X	X			X
Expertise in the areas of law and compliance	X			X		X	X	X	X	X	X			X						X
Expertise in the sustainability issues important for the Company	X	X	X	X		X	X	X	X	X	X						X	X		X

In line with the requirements of the AktG and the recommendation of the Code, Mr. Witter (Chairman of the Audit Committee) and Mr. Bechstädt (Deputy Chairman of the Audit Committee) in particular have expertise in the areas of financial reporting (including internal control and risk management systems) and auditing. Mr. Witter has extensive experience in the areas of financial reporting and auditing of the financial statements, including sustainability reporting and audits, in particular by virtue of his many years of experience as CFO of various Volkswagen Group companies and from his time as Chief Financial Officer of Volkswagen AG (2015 to 2021). Mr. Bechstädt has extensive experience in the areas of financial reporting and auditing of the financial statements due to his many years of work in the Group Finance department of Volkswagen AG, and as a member of the Examination Committee for Accountants of the Hannover Chamber of Commerce and Industry. This also includes experience in sustainability reporting/auditing. Of the members of the Audit Committee, Ms. Schnur also has experience in the fields of financial reporting and auditing of the financial statements, including sustainability reporting and their audit, by virtue of her membership of the Audit Committee.

All aims have been fulfilled or taken into consideration, respectively. The resumes of the members of the Supervisory Board, updated each year, can be viewed at **https://traton.com/en/company/Supervisory-Board.html**.

Remuneration of the Executive Board and Supervisory Board

The current remuneration system in accordance with section 87a (1) and (2) sentence 1 of the AktG, the last resolution on remuneration in accordance with section 113 (3) of the AktG, the remuneration report for the past fiscal year, and the audit opinion in accordance with section 162 of the AktG can be found on our website at **https://ir.traton.com/en/corporate-governance**.

Relevant disclosures on corporate governance practices

Compliance/risk management

The Governance, Risk & Compliance (GRC) function is managed by the Head of GRC/Chief Compliance Officer of the Group, who reports directly to the Chief Executive Officer of TRATON SE. GRC is comprised by the Corporate GRC Office at TRATON SE and the decentralized GRC functions at the brands. The Corporate GRC Office of TRATON SE and the decentralized GRC functions are jointly responsible for compliance and risk management throughout the entire TRATON GROUP.

The Corporate GRC Office plays a central control and support role in respect of the Group's risk management and compliance activities. This includes defining the GRC principles and uniform minimum standards for the entire Group. At the same time, the brands are given the flexibility they need to implement specific GRC measures that are appropriate for their particular organization and environment. On the one hand, the processes for whistleblowing and internal investigations are strictly standardized, with a central Investigation Office in place at TRATON SE. By contrast, GRC communication is primarily embedded at brand level. The Corporate GRC Office also coordinates IT support systems and takes action to monitor and continuously improve the Group's GRC activities in terms of effectiveness and efficiency.

The Head of GRC/Chief Compliance Officer reports regularly, at least every quarter, to the Executive Board of the TRATON GROUP on the Group's risk exposure as well as on the current situation and on the GRC function's main activities. The Governance & Risk Board (GRB) as well as the Compliance Board (CB) have also been set up at TRATON level. These enable top-level executives from the entire Group to discuss relevant GRC issues regularly and in detail.

The GRC functions at brand level are responsible for implementing the compliance management and risk management systems at each brand. Each brand maintains a GRC organization, i.e., employees fully assigned to the GRC function. This organization is supported by a network of employees in the brands' subsidiaries, who are responsible for certain GRC activities, in particular risk reports, internal control systems, and compliance.

For a detailed description of TRATON's risk management system as well as its risk and opportunity position, refer to the **"Report on opportunities and risks"** contained in the Combined Management Report.

The TRATON GROUP GRC functions' (including the GRC functions within the brands) main duties include:

- Supporting a risk management process that makes the Group's key business risks transparent and ensures a clear line of responsibility for risks and for implementing risk-reducing measures
- Providing a system for monitoring the effectiveness of internal controls and for taking the appropriate remedial action where necessary

- Providing and continuously improving a compliance program covering anti-corruption activities, antitrust law, the prevention of money laundering, and respect for human rights, based on a comprehensive compliance-related risk assessment
- Coordinating policy management throughout the TRATON GROUP
- Developing policies for relevant GRC issues, such as how to manage gifts, hospitality, and invitations to events, how to manage conflicts of interest, preventing money laundering and terrorist financing, and implementing internal investigations
- Tool-based integrity checks for business partners. This relates primarily, albeit not exclusively, to business partners with sales support functions.
- Providing various training courses to foster awareness and knowledge of GRC-relevant topics
- A range of different communication activities to strengthen compliance and integrity in accordance with each of the codes of conduct of the TRATON GROUP and the individual brands
- Providing compliance-related advice to all employees at central and local levels (Compliance Helpdesk)
- Providing a whistleblower system, including examining and investigating the tip-offs received, so that any violations are identified, clarified, and remedied internally at an early stage. Potential violations include violations that cause reputational damage or have financial consequences, or violations of corporate values and human rights. An investigation is launched after a careful examination of the tip-off and if there are concrete indications of a violation. Matters are investigated accordingly and, if necessary, appropriate measures are taken to mitigate or eliminate violations and/or risks.

Further explanations about selected GRC activities, especially in respect of human rights, are contained in the **"Sustainability Statement"**.

Transparency and communication

The **https://ir.traton.com/en/** page provides shareholders with access to the Company's Articles of Association, consolidated financial statements for the TRATON GROUP, the financial calendar with all the relevant dates, and information about upcoming events.

The Company's ad hoc releases can also be accessed on TRATON SE's website at **https://ir.traton.com/en/financial-news/** immediately after they have been published in compliance with the law.

Notifications of voting rights pursuant to section 33ff. of the *Wertpapierhandelsgesetz* (WpHG — German Securities Trading Act) can be found on the same page, and disclosures of managers' transactions in accordance with Article 19 of the European Market Abuse Directive at **https://ir.traton.com/en/corporate-governance**. Information on the Executive Board and Supervisory Board of TRATON SE is available on the Company's website at **https://traton.com/en/company.html**.

The above-mentioned information and documents are available in both German and English.

Financial reporting

The year-end consolidated financial statements of the TRATON GROUP are prepared by the Executive Board on the basis of the International Financial Reporting Standards (IFRSs), while the single-entity financial statements of TRATON SE are prepared in accordance with German GAAP. The Executive Board discusses the half-year financial report with the Audit Committee prior to its publication.

The publication deadlines set out in recommendation F.2 of the Code are complied with.

Other corporate governance practices

TRATON has a Code of Conduct, which is the mandatory guideline on acting with integrity at TRATON and applies equally to all employees — from the Executive Board and managers down to each individual employee. The Code of Conduct focuses on integrity and the responsibility that each individual has — responsibility as a member of society, as a business partner, and in the workplace. With the aid of practical examples, it also explains how each individual can live up to this responsibility and behave with integrity, especially in conflict situations.

Furthermore, TRATON also expects its suppliers and business partners as well as their employees to act responsibly, comply with applicable laws everywhere and at all times, and respect core ethical values. TRATON has therefore issued its own Code of Conduct for Suppliers and Business Partners, which details minimum ethical standards to be met by TRATON's suppliers and business partners.

The Code of Conduct as well as the Code of Conduct for Suppliers and Business Partners are available at **https://traton.com/en/governance-risk-compliance/compliance-integrity-program.html**.

Sustainability is an integral component of TRATON's strategy and is a firmly established concept within the TRATON GROUP brands. For the Group and its brands sustainability means understanding and proactively addressing global challenges and recognizing the opportunities and risks of sustainable development. TRATON takes the expectations of its customers, of politicians, and of society on board and provides specific answers to the various challenges posed by sustainable mobility. Wherever TRATON operates in the world, it aims to follow the highest standards and work together with companies that are leaders in sustainability.

For more information on sustainability, refer to the Company's website at **https://traton.com/en/sustainability.html**.

Target for proportion of women

The Executive Board has defined the following targets for the proportion of women in the two management levels of TRATON SE in Germany below the Executive Board for the period from January 1, 2024, to December 31, 2028:

- 30% for females in the first management level of TRATON SE in Germany below the Executive Board
- 30% for females in the second management level of TRATON SE in Germany below the Executive Board

As of December 31, 2024, this target for the proportion of women at the first management level of TRATON SE in Germany below the Executive Board had been exceeded at 33%. At 29%, the target for the percentage of women in the second management level of TRATON SE in Germany below the Executive Board set for year-end 2028 had not yet been reached. The is because of the early internal transfer of a male manager to TRATON SE. The initiatives to promote diversity in management remain a high priority. TRATON is therefore confident that we will be able to achieve the targets set for the proportion of women at both management levels of TRATON SE in Germany below the Executive Board by December 31, 2028.

For the corresponding disclosures by TRATON SE subsidiaries, which are required by law to set target percentages, refer to the MAN Truck & Bus SE website (**https://www.man.eu/corporate/en/about-man/management/management.html**).

2. Dependent Company Report

The Executive Board of TRATON SE prepared a report on relationships with affiliated companies (Dependent Company Report) in accordance with section 312 of the *Aktiengesetz* (AktG — German Stock Corporation Act), which concluded with the following declaration: "We declare that TRATON SE received appropriate consideration for every legal transaction, or that any disadvantages have been compensated, and that it was not disadvantaged as a result of taking any measures listed in this report on relationships with affiliated companies in fiscal year 2024 in accordance with the circumstances known to us at the time the legal transactions were conducted or the measures taken. There were no measures we refrained from taking in the reporting period."

3. Takeover-related disclosures in accordance with sections 289a and 315a of the HGB

Composition of subscribed capital

The subscribed capital (share capital) of TRATON SE amounts to €500,000,000 and is composed of 500,000,000 no-par value bearer shares with a notional value of €1.00 each. All shares convey the same rights. Information on the composition of subscribed capital can be found in the corresponding sections on equity in the annual and consolidated financial statements.

Significant shareholdings in TRATON SE

The largest single shareholder of TRATON SE is Volkswagen International Luxemburg S.A., Strassen, Luxembourg, a Volkswagen Group company, which held 89.72% of the share capital as of the December 31, 2024, reporting date. Disclosures on indirect interests in the capital of TRATON SE that are over the threshold of 10% of voting rights attributed in accordance with sections 34f of the *Wertpapierhandelsgesetz* (WpHG — German Securities Trading Act) are explained in the overview below:

Porsche Piech Holding GmbH, Salzburg, Austria	Dr. Hans-Michel Piëch, born 01/10/1942	Mag. Josef Ahorner, born 03/26/1960	– Dr. Wolfgang Porsche, born 05/10/1943; – Dr. Dr. Christian Porsche, born 03/21/1974; – Dipl.-Design. Stephanie Porsche-Schröder, born 02/11/1978; – Ferdinand Rudolf Wolfgang Porsche, born 04/14/1993; – Felix Alexander Porsche, born 02/15/1996; – Gerhard Anton Porsche, born 06/05/1938; – Dr. Ferdinand Oliver Porsche, born 03/13/1961; – Mag. Mark Philipp Porsche, born 09/17/1977; – Kai Alexander Porsche, born 12/14/1964; – Dr. Geraldine Porsche, born 07/22/1980; – Peter Daniell Porsche, born 09/17/1973; – Diana Porsche, born 03/03/1996	– Dr. Wolfgang Porsche, born 05/10/1943; – Dr. Dr. Christian Porsche, born 03/21/1974; – Dipl.-Design. Stephanie Porsche-Schröder, born 02/11/1978; – Ferdinand Rudolf Wolfgang Porsche, born 04/14/1993; – Felix Alexander Porsche, born 02/15/1996
			Ferdinand Porsche Familien-Privatstiftung	Familie WP Holding GmbH
			Ferdinand Porsche Familien-Holding GmbH	
Porsche Gesellschaft m.b.H.	Dr. Hans-Michel Piëch GmbH	Ahorner Holding GmbH	Ferdinand Alexander Porsche GmbH	
Porsche Gesellschaft mit beschränkter Haftung	HMP Vermögensverwaltung GmbH	Ahorner GmbH	Familie Porsche Beteiligung GmbH	
Porsche Automobil Holding SE				
Volkswagen AG				
Volkswagen Finance Luxemburg S.A.				
Volkswagen International Luxemburg S.A.[1]				

1 Direct shareholder of TRATON SE

TRATON SE has not been notified of, nor is it aware of, further existing direct or indirect interests in the capital of the Company that exceed the relevant threshold of 10% or the relevant thresholds of the WpHG. Current notifications of voting rights can be downloaded at **https://ir.traton.com/en/financial-news/**. The free float was 10.28% as of the December 31, 2024, reporting date.

Restrictions on voting rights

Each TRATON share conveys one vote at the Annual General Meeting and is relevant for determining the shareholders' interest in the earnings of the Company. This does not apply to treasury shares held by the Company, which do not convey any rights for the Company. In cases of section 136 of the *Aktiengesetz* (AktG — German Stock Corporation Act), voting rights from the affected shares are excluded by law.

Statutory provisions and provisions of the Articles of Association governing the appointment and dismissal of the Executive Board and amendments to the Articles of Association

The appointment and dismissal of members of the Company's Executive Board is governed by Articles 39 (2) and 46 of the SE Regulation in conjunction with sections 84 and 85 of the AktG and Article 8 of the Company's Articles of Association. These state that the Executive Board must consist of at least two persons. In other respects, the Supervisory Board determines the number of members of the Executive Board. The members of the Executive Board are appointed for a period of up to five years. If the Executive Board consists of more than three persons, it must include at least one woman and at least one man (section 16 (2) of the *SE-Ausführungsgesetz* (SEAG — German SE Implementation Act)). Members of the Executive Board may be reappointed. The Supervisory Board is

entitled to revoke the appointment of a member of the Executive Board for cause (Article 39 (2) of the SE Regulation, section 84 of the AktG).

Amendments to the Company's Articles of Association are resolved by the Annual General Meeting and are governed by Article 59 of the SE Regulation, section 51 of the SEAG, sections 179ff. of the AktG, and the Articles of Association. Unless otherwise required by law, amendments to the Articles of Association require a majority of two-thirds of the valid votes cast or, if at least half of the share capital is represented, a simple majority of the valid votes cast (Article 59(1), (2) of the SE Regulation in conjunction with section 51 of the SEAG, Article 21 (1) of the Articles of Association). If the law prescribes a capital majority in addition to a majority of votes for resolutions of the Annual General Meeting, a simple majority of the share capital represented at the time the resolution is adopted is sufficient, to the extent permitted by law. The majority requirement set out in section 103 (1) sentence 2 of the AktG remains unaffected.

In accordance with Article 13 (4) of the Company's Articles of Association, the Supervisory Board may pass resolutions to amend the Articles of Association that alter only its wording. Additionally, in accordance with Article 5 (3) of the Company's Articles of Association, the Supervisory Board is authorized to amend the wording of Article 5 of the Articles of Association following the complete or partial implementation of the capital increase from Authorized Capital 2023 or after the expiration of the authorization period, in line with the scope of the capital increase.

Powers of the Executive Board, in particular to issue new shares and repurchase shares

The powers of the Executive Board are governed by Article 39 of the SE Regulation in conjunction with sections 77ff. of the AktG and Article 9 of the Articles of Association of the Company. These provisions require the Executive Board to manage the Company independently and to represent the Company both in court and otherwise.

In accordance with Article 5 (3) of the Articles of Association, the Executive Board is authorized to increase the Company's share capital on one or several occasions by a total of up to €200,000,000 by issuing up to 200,000,000 no-par value bearer shares on a cash and/or noncash basis on or before May 31, 2028, subject to the Supervisory Board's approval (Authorized Capital 2023). The dividend entitlement of new shares can be determined contrary to the provisions of section 60 (2) of the AktG. Shareholders must be granted preemptive rights unless the Executive Board makes use of one of the following authorizations to disapply preemptive rights, with the consent of the Supervisory Board. The new shares may also be underwritten by a credit institution or an entity operating pursuant to section 53 (1) sentence 1 of the *Kreditwesengesetz* (KWG — German Banking Act) or section 53b (1) sentence 1 or (7) of the KWG (financial institution) to be designated by the Executive Board, or by a consortium of such credit or financial institutions, with the obligation to offer them for sale to shareholders of the Company. The Executive Board is authorized, with the consent of the Supervisory Board, to disapply shareholders' preemptive rights in the following cases:

a) To settle fractions resulting from a capital increase
b) To the extent necessary to grant holders or creditors of convertible loan agreements or bonds with warrants, as well as convertible profit participation rights, issued by the Company and/or its direct or indirect majority investees a preemptive right to new shares in the amount to which they would be entitled following the exercise of their options or conversion rights or after meeting their exercise of option or conversion obligations
c) If the new shares are issued against cash contributions and the issue price of the new shares is not materially lower than the quoted market price of existing listed shares of the Company at the date when the issue price is finally determined, which should be as close as possible to the placement of the shares. However, this authorization to disapply preemptive rights applies only to the extent that the notional amount of the share capital attributable to the shares issued with preemptive rights disapplied in accordance with section 186 (3) sentence 4 of the AktG does not exceed a total of 10% of the share capital, meaning neither the share capital existing when this authorization takes effect, nor the share capital existing at the date when this authorization is exercised. Shares that (i) are sold or issued, with preemptive rights disapplied, during the term of this authorization up to the date of its exercise on the basis of other authorizations in direct application, or application with the necessary modifications, of section 186 (3) sentence 4 of the AktG, or (ii) shares that were issued or will be issued, with preemptive rights disapplied, to settle bonds or profit participation rights with conversion or exercise rights or obligations will be counted toward this limit, to the extent that the bonds or profit participation rights were issued during the term of this authorization up to the date of its exercise, in application, with the necessary modifications, of section 186 (3) sentence 4 of the AktG.
d) To the extent that the capital increase is implemented to grant shares against noncash contributions, in particular for the purposes of acquiring companies, parts of companies, or investments in companies, or other assets

The Executive Board is also authorized to define further details of the capital increase and its implementation, with the consent of the Supervisory Board. The Supervisory Board is authorized to amend the wording of Article 5 of the Articles of Association following the complete or partial implementation of the capital increase from Authorized Capital 2023 or after the expiration of the authorization period, in line with the scope of the capital increase.

Additionally, under Article 5 (4) of the Company's Articles of Association, the Company's share capital may also be increased by up to €50,000,000 on a contingent basis through the issue of up to 50,000,000 bearer shares (no-par value shares) (Contingent Capital 2023). The sole purpose of Contingent Capital 2023 is to issue new shares to the holders/creditors of bonds which are issued by the Company or by other companies in which the Company directly or indirectly holds a majority interest up to May 31, 2028, in accordance with a resolution passed by the shareholders under item 10.2 of the agenda for the meeting of June 1, 2023, in the event that conversion and/or option rights are exercised or conversion or option exercise obligations are settled or the Company makes use of its right to grant shares in the Company, either in full or in part, in lieu of payment of the respective cash amount. The shares are issued at the conversion or option price to be determined in accordance with the aforementioned resolution. The contingent capital increase will only be implemented to the extent that conversion rights or options are exercised or conversion or option exercise obligations are settled, or the Company exercises its right to grant shares of the Company, either in full or in part, in lieu of payment of the cash amount due, and to the extent that other instruments are not used to settle the conversion rights or options.

The new shares carry dividend rights from the beginning of the fiscal year in which they are issued. To the extent permitted by law, the Executive Board may, with the consent of the Supervisory Board, determine the dividend rights in derogation of the above and of section 60 (2) of the AktG, including for a fiscal year that has already closed. The Executive Board is authorized to define further details of the implementation of the contingent capital increase, with the consent of the Supervisory Board.

In addition, by virtue of the resolution of the Annual General Meeting on June 1, 2023, the Executive Board may, in the period up to May 31, 2028, acquire treasury shares up to a total of 10% of the share capital existing at the time of the resolution or, if this value is lower, of the share capital existing at the time this authorization is exercised. The acquired shares, together with other treasury shares held by TRATON SE or attributable to it in accordance with sections 71a ff. of the AktG, may at no time account for more than 10% of the share capital. The treasury shares acquired on the basis of the authorization resolved by the Annual General Meeting on June 1, 2023, or an earlier authorization may be used for any permissible purpose, in particular the purposes specified in the authorization of the Annual General Meeting, with the approval of the Supervisory Board and with preemptive rights disapplied. In addition, treasury shares may be acquired through the use of derivatives in the period up to May 31, 2028, on the basis of the further authorization resolved at the Annual General Meeting on June 1, 2023. Acquisitions of shares using derivatives are limited to a maximum of 5% of the share capital existing at the time of the resolution by the Annual General Meeting or, if this value is lower, at the time the authorization is exercised. The acquired shares also count toward the aforementioned 10% limit of the authorization to acquire treasury shares resolved by the Annual General Meeting. For the relevant details of the authorization to acquire treasury shares, please refer to the resolutions proposed by the Executive Board and Supervisory Board on agenda items 11 and 12 of our Annual General Meeting on June 1, 2023, that were published in the *Bundesanzeiger* (the Federal Gazette) on April 17, 2023.

Material agreements of TRATON SE that are subject to a change of control as a result of a takeover bid

As of December 31, 2024, TRATON SE had taken out bilateral loan agreements in the amount of €2.0 billion. The agreements grant the lenders in question the right to terminate the contract in line with standard market practice in the event of a change of control. A change of control is considered to have occurred if Volkswagen AG no longer holds more than 50% of the shares or voting rights in TRATON SE, either directly or indirectly. A syndicated multi-currency revolving credit facility agreement with a banking consortium with a credit line of €4.5 billion and *Schuldscheindarlehen* agreements with a total volume of €350 million are also in place. Both of these grant the lenders the right to terminate the agreements in the event that Volkswagen AG ceases to be a controlling company of TRATON SE within the meaning of section 17 of the *Aktiengesetz* (AktG — German Stock Corporation Act).

Under the EMTN program, TRATON Finance Luxembourg S.A. has issued bonds in various currencies, including euro, Swedish kronor, sterling, and Swiss francs, since 2021. As of December 31, 2024, the volume of bonds outstanding under the EMTN program totaled a nominal amount equivalent to approximately €10.8 billion. All bonds are guaranteed by TRATON SE. In the event of a change of control (defined as obtaining any form of direct or indirect legal or beneficial ownership or any form of direct or indirect legal or beneficial power of disposition (as described in section 34 of the *Wertpapierhandelsgesetz* (WpHG — German Securities Trading Act) for a total of more than 50% of the shares of TRATON SE that carry voting rights) and the subsequent deterioration of TRATON SE's credit rating within 120 days of the change of control taking effect, creditors of the bonds outstanding under the EMTN program have the right to demand that TRATON Finance Luxembourg S.A. buy them back. More detailed information on the bonds and their terms can be found on the Company's website at **https://ir.traton.com/en/bonds/**.

In addition, there is a revolving credit facility agreement, among others, in the overall amount of €4.0 billion in place with Volkswagen AG. Although the agreement does not contain a contractual provision for the event of a change of control over TRATON SE, Volkswagen AG is authorized to terminate the revolving credit facility agreement at any time and without cause. In the event that Volkswagen AG ceases to be a direct or indirect controlling company of TRATON SE, it cannot be ruled out that Volkswagen AG exercises this termination right. Moreover, there are further agreements in place, in particular guaranteed credit lines with banks. While these also do not contain a contractual provision for the event of a change of control over TRATON SE, it cannot be ruled out that the contractual party in question terminates the agreement in due form and/or requests additional collateral in the event of a change of control.

In addition, there is a brand license agreement with Volkswagen AG as licensor and TRATON SE as licensee that features for a standard termination right in the event that TRATON SE is no longer majority-owned by the Volkswagen Group. In the event that the agreement is terminated, TRATON GROUP would no longer be able to produce and distribute under the VW brand on the basis of this brand license agreement.

Other takeover-related disclosures, in particular compensation agreements of the Company

Employees who hold shares in TRATON SE exercise the rights associated with these shares in the same way as other shareholders in accordance with the statutory provisions and the provisions of the Articles of Association. The Company has not entered into any compensation agreements with members of the Executive Board or employees in the event of a takeover bid.

CONSOLIDATED FINANCIAL STATEMENTS

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as of December 31, 2024



Chicago, USA

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CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

Income Statement

of the TRATON GROUP for the period from January 1 to December 31

		TRATON GROUP	
€ million	**Note**	**2024**	**2023**
Sales revenue	[8]	**47,473**	**46,872**
Cost of sales	[9]	–37,373	–37,632
Gross profit		**10,100**	**9,240**
Distribution expenses	[9]	–3,813	–3,604
Administrative expenses	[9]	–1,710	–1,518
Net impairment losses on financial assets	[34/35]	–132	–89
Other operating income	[10]	1,678	1,712
Other operating expenses	[10]	–1,915	–1,978
Operating result		**4,209**	**3,763**
Share of earnings of equity-method investments	[19]	238	124
Interest income	[11]	387	341
Interest expense	[11]	–878	–888
Other financial result	[12]	–387	–89
Financial result		**–639**	**–511**
Earnings before tax		**3,569**	**3,253**
Income taxes	[13]	–766	–802
current		–978	–890
deferred		212	89
Earnings after tax		**2,803**	**2,451**
of which attributable to shareholders of TRATON SE		2,804	2,451
of which attributable to noncontrolling interests		–1	0
Earnings per share in € (diluted/basic)	[14]	5.61	4.90

Statement of Comprehensive Income

of the TRATON GROUP for the period from January 1 to December 31

€ million	Note	2024	2023
Earnings after tax		**2,803**	**2,451**
Pension plan remeasurements recognized in other comprehensive income			
Pension plan remeasurements recognized in other comprehensive income, before tax	[31]	32	–95
Deferred taxes relating to pension plan remeasurements recognized in other comprehensive income		–12	22
Pension plan remeasurements recognized in other comprehensive income, net of tax		20	–72
Fair value measurement of other equity investments			
Fair value measurement of other equity investments, before tax	[34]	–132	19
Deferred taxes relating to the fair value measurement of other equity investments		18	–6
Fair value measurement of other equity investments, net of tax		–114	13
Share of other comprehensive income of equity-method investments that will not be reclassified subsequently to profit or loss, net of tax	[19]	1	3
Items that will not be reclassified subsequently to profit or loss		**–92**	**–56**
Currency translation differences			
Unrealized currency translation gains/losses		–388	–15
Transferred to profit or loss		0	102
Currency translation differences, before tax		–388	87
Deferred taxes relating to currency translation differences		1	–3
Currency translation differences, net of tax		–387	84
Cash flow hedges			
Fair value changes recognized in other comprehensive income	[34]	–84	9
Transferred to profit or loss	[34]	24	–29
Cash flow hedges, before tax		–60	–20
Deferred taxes relating to cash flow hedges		21	6
Cash flow hedges, net of tax		–40	–14

€ million	Note	2024	2023
Cost of hedging			
Cost of hedging recognized in other comprehensive income	[34]	–1	–4
Transferred to profit or loss	[34]	–3	10
Cost of hedging, before tax		–4	6
Deferred taxes relating to cost of hedging		2	–2
Cost of hedging, net of tax		–3	4
Share of other comprehensive income of equity-method investments that will be reclassified subsequently to profit or loss, net of tax	[19]	6	–3
Items that will be reclassified subsequently to profit or loss		**–424**	**70**
Other comprehensive income, before tax		–545	–4
Deferred taxes relating to other comprehensive income		29	18
Other comprehensive income, net of tax		**–516**	**14**
Total comprehensive income		**2,288**	**2,465**
of which attributable to shareholders of TRATON SE		2,288	2,465
of which attributable to noncontrolling interests		–1	0

Balance Sheet

Assets of the TRATON GROUP as of December 31, 2024, and December 31, 2023

		TRATON GROUP	
€ million	**Note**	**12/31/2024**	**12/31/2023**
Noncurrent assets			
Goodwill	[15]	6,154	6,083
Intangible assets	[16]	7,389	7,114
Property, plant, and equipment	[17]	9,646	8,964
Assets leased out	[18]	5,168	5,658
Equity-method investments	[19]	1,641	1,482
Other equity investments	[20]	139	235
Noncurrent income tax receivables		130	109
Deferred tax assets	[13]	2,604	2,366
Noncurrent financial services receivables	[21]	9,090	7,767
Other noncurrent financial assets	[22]	516	469
Other noncurrent receivables	[23]	266	350
		42,744	**40,598**
Current assets			
Inventories	[24]	7,532	7,447
Trade receivables	[25]	3,096	3,894
Current income tax receivables		293	172
Current financial services receivables	[21]	6,894	5,554
Other current financial assets	[22]	825	918
Other current receivables	[23]	1,576	1,334
Marketable securities and investment deposits		46	53
Cash and cash equivalents	[26]	2,542	1,730
		22,804	**21,101**
Total assets		**65,547**	**61,699**

Equity and liabilities of the TRATON GROUP as of December 31, 2024, and December 31, 2023

		TRATON GROUP	
€ million	**Note**	**12/31/2024**	**12/31/2023**
Equity	[27]		
Subscribed capital		500	500
Capital reserves		12,495	13,295
Retained earnings		8,135	5,464
Accumulated other comprehensive income		–3,293	–2,777
Equity attributable to shareholders of TRATON SE		**17,838**	**16,482**
Noncontrolling interests		6	6
		17,844	**16,488**
Noncurrent liabilities			
Noncurrent financial liabilities	[28]	15,759	14,044
Provisions for pensions and other post-employment benefits	[31]	1,909	1,847
Deferred tax liabilities	[13]	672	681
Noncurrent income tax provisions		136	264
Other noncurrent provisions	[32]	1,727	1,534
Other noncurrent financial liabilities	[29]	1,970	2,172
Other noncurrent liabilities	[30]	2,271	2,299
		24,444	**22,842**
Current liabilities			
Current financial liabilities	[28]	8,517	7,660
Trade payables		5,349	5,791
Current income tax payables		304	226
Current income tax provisions		107	16
Other current provisions	[32]	2,108	1,993
Other current financial liabilities	[29]	2,121	2,115
Other current liabilities	[30]	4,753	4,567
		23,260	**22,369**
Total equity and liabilities		**65,547**	**61,699**

Statement of Changes in Equity[1]

of the TRATON GROUP for the period from January 1 to December 31

				Accumulated other comprehensive income		
				Items that will be reclassified subsequently to profit or loss		
€ million	**Subscribed capital**	**Capital reserves**	**Retained earnings**	**Currency translation**	**Cash flow hedges**	**Equity-method investments**
Balance as of 01/01/2023	**500**	**13,695**	**2,964**	**–2,180**	**23**	**8**
Earnings after tax	–	–	2,451	–	–	–
Other comprehensive income, net of tax	–	–	–	84	–10	–3
Total comprehensive income	–	–	2,451	84	–10	–3
Dividend payout	–	–	–350	–	–	–
Release of distributable capital reserves	–	–400	400	–	–	–
Other changes	–	–	–	0	–	0
Balance as of 12/31/2023	**500**	**13,295**	**5,464**	**–2,096**	**13**	**5**
Balance as of 01/01/2024	**500**	**13,295**	**5,464**	**–2,096**	**13**	**5**
Earnings after tax	–	–	2,804	–	–	–
Other comprehensive income, net of tax	–	–	–	–387	–42	6
Total comprehensive income	–	–	2,804	–387	–42	6
Dividend payout	–	–	–750	–	–	–
Release of distributable capital reserves	–	–800	800	–	–	–
Effect from business combinations under common control[2]	–	–	–164	–	–	–
Other changes	–	–	–20	1	0	0
Balance as of 12/31/2024	**500**	**12,495**	**8,135**	**–2,482**	**–29**	**11**

1 See Note **"27. Equity"** for more information

2 See Note **"6. Acquisitions"** for more information

	Accumulated other comprehensive income					
	Items that will not be reclassified subsequently to profit or loss					
€ million	**Remeasurements of pension plans**	**Equity-method investments**	**Other equity investments**	**Equity attributable to shareholders of TRATON SE**	**Noncontrolling interests**	**Total**
Balance as of 01/01/2023	**–90**	**–6**	**–547**	**14,368**	**6**	**14,374**
Earnings after tax	–	–	–	2,451	0	2,451
Other comprehensive income, net of tax	–72	3	13	14	0	14
Total comprehensive income	–72	3	13	2,465	0	2,465
Dividend payout	–	–	–	–350	–	–350
Release of distributable capital reserves	–	–	–	–	–	–
Other changes	–	–	–	0	0	0
Balance as of 12/31/2023	**–162**	**–3**	**–534**	**16,482**	**6**	**16,488**
Balance as of 01/01/2024	**–162**	**–3**	**–534**	**16,482**	**6**	**16,488**
Earnings after tax	–	–	–	2,804	–1	2,803
Other comprehensive income, net of tax	20	1	–114	–516	0	–516
Total comprehensive income	20	1	–114	2,288	–1	2,288
Dividend payout	–	–	–	–750	0	–750
Release of distributable capital reserves	–	–	–	–	–	–
Effect from business combinations under common control[2]	–	–	–	–164	–	–164
Other changes		0	0	–20	1	–20
Balance as of 12/31/2024	**–142**	**–1**	**–648**	**17,838**	**6**	**17,844**

1 See Note **"27. Equity"** for more information

2 See Note **"6. Acquisitions"** for more information

Statement of Cash Flows[1]

of the TRATON GROUP for the period from January 1 to December 31

	TRATON GROUP	
€ million	**2024**	**2023**
Cash and cash equivalents as of 01/01 (reported in the balance sheet)	**1,730**	**1,439**
Cash and cash equivalents reported separately at the beginning of the year (assets held for sale)	–	304
Cash and cash equivalents as of 01/01	**1,730**	**1,743**
Gross cash flow		
Earnings before tax	3,569	3,253
Income taxes paid	–1,068	–904
Depreciation and amortization of, and impairment losses on, intangible assets, property, plant, and equipment, and investment property[2]	1,434	1,362
Amortization of, and impairment losses on, capitalized development costs[2]	530	423
Impairment losses on equity investments[2]	1	2
Depreciation of and impairment losses on products leased out[2]	1,012	1,078
Change in pension obligations	7	6
Earnings on disposal of noncurrent assets and equity investments	–4	91
Share of earnings of equity-method investments	–79	–97
Other noncash income/expense	252	52
Change in working capital		
Change in inventories	–214	–885
Change in receivables (excluding financial services)	401	–534
Change in liabilities (excluding financial liabilities)	–375	714
Change in provisions	345	255
Change in products leased out	–518	–584
Change in financial services receivables	–2,953	–1,647
Net cash provided by in operating activities	**2,340**	**2,583**
Investments in intangible assets (excluding capitalized development costs), in property, plant, and equipment and in investment property	–1,763	–1,522
Additions to capitalized development costs	–978	–687

	TRATON GROUP	
€ million	**2024**	**2023**
Investments to acquire subsidiaries and other businesses	–69	–309
Investments to acquire other investees	–74	–74
Proceeds from the disposal of subsidiaries	31	128
Proceeds from the disposal of other investees	10	–
Proceeds from the disposal of intangible assets, property, plant, and equipment, and investment property	61	79
Change in marketable securities and investment deposits	39	18
Change in loans	–69	0
Net cash used in investing activities	**–2,811**	**–2,368**
Dividend payouts	–750	–350
Proceeds from the issuance of bonds	5,448	3,757
Repayment of bonds	–2,555	–2,358
Repayment of the *Schuldscheindarlehen*	–350	–
Loans extended by Volkswagen companies[3]	1,309	669
Loan repayment to Volkswagen companies[4]	–428	–1,720
Change in miscellaneous financial liabilities	–1,006	137
Repayment of lease liabilities	–276	–263
Net cash provided by/used in financing activities	**1,392**	**–128**
Effect of exchange rate changes on cash and cash equivalents	–109	–100
Change in cash and cash equivalents	812	–13
Cash and cash equivalents as of 12/31	**2,542**	**1,730**

1 See Note "33. Statement of cash flows" for more information

2 Net of impairment reversals

3 Volkswagen AG, Volkswagen International Finance, Volkswagen Group of America Finance

4 Volkswagen AG, Volkswagen Financial Services AG, Volkswagen Group of America Finance, Volkswagen International Luxemburg

Notes to the Consolidated Financial Statements

1. Basis of preparation

Information about the Company and basis of reporting

TRATON SE, Munich, Germany ("the Company," "TRATON") is the parent company of the TRATON GROUP. TRATON is a European stock corporation (Societas Europaea) whose registered office is in Munich, Germany. It is registered in the commercial register of the Munich Local Court under the register number HRB 246068, under the address Hanauer Strasse 26, 80992 Munich.

With its Scania, MAN, International (formerly: Navistar), and Volkswagen Truck & Bus (VWTB) brands, the TRATON GROUP is one of the world's leading manufacturers of commercial vehicles. The Group's portfolio consists of trucks, buses, and light-duty commercial vehicles, as well as the sale of spare parts and customer services. The TRATON GROUP also offers a broad range of financial services to its commercial vehicle customers.

As of the reporting date of December 31, 2024, TRATON SE was an 89.72%-owned direct subsidiary of Volkswagen International Luxemburg S.A., Strassen, Luxembourg (Volkswagen International Luxemburg), which in turn is a wholly owned subsidiary of Volkswagen Finance Luxemburg S.A., Strassen, Luxembourg (Volkswagen Finance Luxemburg). All of the shares of Volkswagen Finance Luxemburg are held in turn by Volkswagen Aktiengesellschaft, Wolfsburg (Volkswagen AG). In two steps, over the course of the year, Volkswagen Finance Luxemburg transferred its 89.72% interest in the share capital of TRATON SE to Volkswagen International Luxemburg S.A. The financial statements of Volkswagen International Luxemburg are published in the Luxembourg Trade and Company Register. TRATON SE and its subsidiaries are included in the consolidated financial statements of Volkswagen AG, which are published in the company register.

The accompanying Consolidated Financial Statements of TRATON SE for the fiscal year ended December 31, 2024, were prepared in accordance with section 315e (1) of the *Handelsgesetzbuch* (HGB — German Commercial Code) and in compliance with the International Financial Reporting Standards (IFRSs), as adopted in the European Union.

The fiscal year corresponds to the calendar year. All figures shown are rounded, so minor discrepancies may arise from addition of these amounts. Comparable prior-year figures are presented in brackets in the text alongside the figures for the fiscal year under review.

The accompanying Consolidated Financial Statements were audited by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Munich (EY). The Consolidated Financial Statements were prepared on February 12, 2025, and approved for submission to the Supervisory Board by means of an Executive Board resolution. The period in which adjusting events after the reporting period are recognized ended on that date.

Accounting policies

With the exception of certain items, such as financial instruments measured at fair value through profit or loss or provisions for pensions and other post-employment benefits, items are measured in the TRATON GROUP on the basis of the historical cost convention. The significant accounting policies for the individual items in the financial statements are explained at the beginning of the relevant sections in the notes.

New accounting pronouncements applied

TRATON has applied all accounting pronouncements adopted by the EU and required to be applied for periods beginning on or after January 1, 2024. The changes in accounting pronouncements do not materially affect the TRATON GROUP's net assets, financial position, or results of operations.

Amendments to IAS 1 *Presentation of Financial Statements*, which revise the classification of liabilities as current or noncurrent, are to be applied from January 1, 2024. This affects in particular liabilities whose maturity date is tied to certain financial covenants. The deciding factor for classification is whether there is a contractual option at the reporting date to defer settlement for at least 12 months. The amendments also introduce additional disclosure requirements for noncurrent liabilities with covenants. These disclosures are meant to enable investors to assess the risk that a liability classified as noncurrent could become repayable within 12 months. For further information, refer to Note **"35. Nature and extent of risks arising from financial instruments"**.

In addition, amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* have been effective since January 1, 2024, requiring additional disclosures on supplier finance arrangements. These amendments are designed to increase the transparency of the supply chain financing business and its impact on an entity's liabilities, cash flows, and liquidity risk. In this first reporting period in 2024, no disclosures on previous years need to be made or restated. Nor was such information required to be included in the interim reports during the year, with the result that it is being provided

to the required extent for the first time as of December 31, 2024. For further information, refer to Note **"35. Nature and extent of risks arising from financial instruments"**.

The TRATON GROUP also takes into account the amendments to IFRS 16 *Leases* that clarify how seller-lessee should carry out the subsequent valuation of sale-and-leaseback transactions that are accounted for as a sale in accordance with IFRS 15. These amendments are not relevant for the TRATON GROUP's consolidated financial statements.

New or amended IFRSs not applied

In its 2024 Consolidated Financial Statements, TRATON did not apply the accounting pronouncements that have already been adopted by the IASB, but were not yet required to be applied for the fiscal year.

The IASB published amendments to IFRS 7 *Financial Instruments*: *Disclosures* and IFRS 9 *Financial Instruments* on May 30, 2024, that are effective for the first time starting on January 1, 2026. The amendments relate to the derecognition of financial liabilities settled by electronic transfer and the classification of financial instruments. The amendments also require additional disclosures on other equity investments that are recognized at fair value through other comprehensive income (without recycling) and on financial instruments with contractual terms that could change the timing or amount of the contractual cash flows (e.g., ESG targets). The effects of the amendments are currently being analyzed, but are not expected to be material.

The IASB published the new standard IFRS 18 *Presentation and Disclosure in Financial Statements* on April 9, 2024. The new standard replaces IAS 1 and is effective for fiscal years beginning on or after January 1, 2027. IFRS 18 amends the structure of the income statement by introducing new categories and requiring clearly defined subtotals. IFRS 18 will expand the notes in the future to include information on management-defined performance measures (MPMs) and corresponding reconciliations of individual MPMs to the most directly comparable IFRS subtotals. In addition, IFRS 18 introduces new principle-based aggregation and disaggregation requirements for presenting information in the primary financial statements and in the notes to provide users of financial statements with relevant and comparable information. In the statement of cash flows, IFRS 18 eliminates options regarding the presentation of dividends and interest received and paid. The initial application of IFRS 18 in fiscal year 2027 is expected to have an impact, the specific extent of which is currently being analyzed. There are no plans for early adoption at this time.

The other financial reporting standards issued by the IASB but not yet effective are not expected to materially affect the TRATON GROUP's consolidated financial statements.

Prior-period information

To improve comparability, certain prior-period information was adjusted to reflect the current presentation. Additionally, certain prior-period data was revised. If material, the details of such information are contained in the relevant sections.

Currency translation

The consolidated financial statements have been prepared in the presentation currency euros (€), TRATON SE's functional currency. The financial statements of subsidiaries and associates from countries outside the eurozone are translated into euros in line with the functional currency concept. For the subsidiaries, the functional currency is based on their primary economic environment and almost always corresponds to the relevant national currency. For individual subsidiaries, the functional currency differs from the local currency and is the euro or US dollar, among others.

Foreign currency transactions in the single-entity financial statements of TRATON SE and the subsidiaries included in the basis of consolidation are translated at the exchange rates prevailing at the transaction dates. Foreign currency monetary items are recognized at the closing date in the balance sheet. The resulting currency translation differences are recognized in operating result or in financial result, in accordance with their substance.

Financial statements of foreign entities are translated from their functional currency into euros using the modified closing rate method, under which balance sheet items (with the exception of equity) are translated at the closing rate, and income statement items are translated at weighted average exchange rates for the year. With the exception of income and expenses recognized in equity, equity is translated at historical exchange rates. The resulting currency translation differences are recognized as a separate item in equity until the disposal of the subsidiary.

TRATON uses exchange rates provided by an external market data provider for all currency translation. All exchange rates are based on the corresponding euro exchange rates, from which all non-euro exchange rate combinations are derived. For an overview of the exchange rates on which currency translation was based and which had a material impact on the consolidated financial statements, see the **"Report on Economic Position — 2. Exchange rates"** section of the Combined Management Report.

2. Basis of consolidation

Accounting policies: basis of consolidation

In addition to TRATON SE, the consolidated financial statements comprise all significant subsidiaries, including structured entities, that are controlled directly or indirectly by TRATON SE. The consolidated structured entities largely serve to implement asset-backed securities transactions to refinance the financial services business and to securitize receivables.

Material entities whose financial and operating policies TRATON SE can significantly influence indirectly or directly (associates), or over which TRATON SE shares control indirectly or directly (joint ventures), are measured using the equity method. Joint ventures also include entities in which the TRATON GROUP holds a majority of the voting rights, but whose shareholder agreements stipulate that important decisions may only be resolved unanimously.

Subsidiaries whose business activities have been suspended or whose business volume is minimal and that are insignificant individually and in the aggregate for the presentation of a true and fair view of the TRATON GROUP's net assets, financial position, and results of operations are not consolidated. They are generally recognized at cost, net of any impairment losses required to be recognized, plus any reversals of impairment losses required to be recognized. The same applies to insignificant associates and joint ventures.

All other investees are financial investments.

The changes in the basis of consolidation relating to subsidiaries primarily involve the acquisition of MAN Financial Services GesmbH, Eugendorf, Austria. See Note **"6. Acquisitions"** for more information.

The list of the TRATON GROUP's shareholdings within the meaning of section 313 (2) of the *Handelsgesetzbuch* (HGB — German Commercial Code) is presented in Note **"49. List of shareholdings"**.

The following affiliated German companies included in the consolidated financial statements of TRATON SE have met the criteria set out in section 264 (3) of the HGB or section 264b of the HGB and have as far as possible exercised the option not to publish annual financial statements:

- MAN Grundstücksgesellschaft mbH & Co. Epsilon KG, Munich
- MAN Truck & Bus SE, Munich
- MAN Truck & Bus Deutschland GmbH, Munich
- TORINU Verwaltung GmbH & Co. Beta KG, Pullach i. Isartal
- TARONA Verwaltung GmbH & Co. Alpha KG, Pullach i. Isartal
- M A N Verwaltungs-Gesellschaft mbH, Munich
- MAN Service und Support GmbH, Munich
- KOSIGA GmbH & Co. KG, Pullach i. Isartal
- MAN GHH Immobilien GmbH, Oberhausen
- TB Digital Services GmbH, Munich
- MAN Marken GmbH, Munich
- MAN Brand GmbH & Co. KG, Grünwald
- Scania CV Deutschland Holding GmbH, Koblenz
- SCANIA DEUTSCHLAND GmbH, Koblenz
- SCANIA Vertrieb und Service GmbH, Koblenz
- SCANIA Real Estate Deutschland GmbH, Koblenz

3. Effects of climate change

In light of climate change and the associated tightening of emissions regulations, the commercial vehicle industry is continuing its transition to electric mobility. The Executive Board gives additional emphasis to this transition with the Company's TRATON Way Forward strategy. Circularity will play a key role alongside the focus area of decarbonization. The electrification of our product portfolio is the primary contributor to decarbonization. Increasing resource efficiency — particularly by extending life cycles and recycling raw materials — will play an important role for the circular economy.

The financial effect of the transition to a circular economy is currently reflected above all in the sale of new and remanufactured genuine parts (see Note **"8. Sales revenue"**), which means longer life cycles for our vehicles. In terms of decarbonization, the potential impact of future regulatory requirements in connection with electric mobility plays a particularly crucial role, especially in the five-year planning and hence in the derivation of future cash flows for impairment tests. In mid of 2024, for example, the European Union set new ambitious targets for manufacturers of heavy-duty commercial vehicles like the TRATON GROUP to reduce CO_2 emissions in Europe in the course of this and the next decade in the new Regulation (EU) 2024/1610 (CO_2 regulation). The existing target set for 2025 of reducing CO_2 emissions from heavy-duty commercial vehicles with more than 16 tons by 15% was confirmed. However, the EU increased the reduction target from 30% to 45% by 2030 and set it to 65% by 2035 and 90% by 2040 for these vehicles, based on a benchmark from the period from July 2019 to June 2020. In addition, these targets will be extended to other commercial vehicle sub-groups. This concerns medium and heavy commercial vehicles > 5t, including interurban buses and coaches, although some special vehicles will continue to be exempt. To stimulate faster deployment of zero-emission city buses, the EU has further decided that all new city buses must be zero-emission starting in 2035, with an interim target of 90% in 2030. If these emissions targets are not met, there are to be penalties of €4,250 for every gram of CO_2 emitted per ton-kilometer (tkm) that exceeds the limits starting in 2025. The new Euro 7 emissions standards to limit harmful pollutants such as nitrous oxide (NOx) or particulate matter from vehicle exhaust gases have been agreed in the EU and the law was published in May 2024. The final text is still very challenging in terms of both limit values and testing methods. Many technical details remain to be set in so-called secondary legislation. In addition to the regulatory requirements in Europe, TRATON is also being impacted by tighter emissions regulations in North America and China.

We have set ourselves the target of around half of our annual new sales in the relevant regions (EU27+3 region, USA, and Canada) to be zero-emission vehicles by 2030. This target is subject to the conditions needed to achieve it, such as the expansion of the corresponding charging infrastructure and the various grid connections, as well as a supportive regulatory environment, being in place. The BEV unit sales ratio (excluding MAN TGE vans) across all regions was still 0.5% (previous year: 0.6%) in 2024. However, TRATON is preparing to ramp up production by focusing its development activities on battery electric vehicles. TRATON is also safeguarding supplies of bought-in components for battery electric vehicles through long-term orders.

We are contributing to the expansion of the charging infrastructure in particular through Commercial Vehicle Charging Europe B.V, Amsterdam, Netherlands (Milence) a joint venture with Daimler Truck and Volvo Group. TRATON had committed an investment volume of €167 million for Milence when it was established in 2021. €38 million (previous year: €39 million) was invested in Milence in this context in the reporting period (see Note **"39. Other financial obligations"**).

It is technically challenging and costly to adapt commercial vehicles to new emissions standards. Investments in electric mobility of more than €2,100 million are planned for the years from 2025 to 2029. The focus here is on rolling out BEV vehicles. These includes the development of the necessary components, vehicle integration, and batteries. By contrast, development expenditures on the further development of combustion engine technology will be scaled back. The restructuring of the product portfolio continues to involve capital expenditures on production facilities. No impact on the useful lives of capitalized development costs or items of property, plant, and equipment was identified in light of the observation period of regulatory requirements and as a result of the parallel production of battery electric vehicles and vehicles with combustion engines in the next few years. Liabilities resulting from emission limits being exceeded do not currently play a major role. However, the increased development activity in the field of electric mobility resulted in a corresponding increase in capitalized (intangible assets) and non-capitalized (cost of sales) development costs. There are also long-term purchase obligations to procure batteries (see Note **"39. Other financial obligations"** and Note **"40. Related party disclosures"**).

4. Estimates and management's judgment

Preparation of consolidated financial statements in accordance with IFRSs requires assumptions to be made with regard to certain items that affect the carrying amounts in the balance sheet or income statement and the related other disclosures. All estimates and assumptions represent the best of management's knowledge and belief in order to convey a true and fair view of the Group's net assets, financial position, and results of operations. TRATON applies parameters that were available when the consolidated financial statements were prepared. Nevertheless, actual developments may differ significantly from expected developments due to uncertainties over which the Group does not have complete control. This may result in the carrying amounts of the assets and liabilities concerned having to be adjusted accordingly in subsequent periods. Estimates and management's judgment relate primarily to the following matters:

Accounting matter	Note	Assumptions/Sources of estimation uncertainty
Income taxes	13	Measurement of tax provisions: uncertainty resulting from possible changes in tax legislation, jurisdiction, and how these are interpreted by the financial authorities
Goodwill	15	Recoverability of cash-generating units: estimates of expected cash flows and discount rate
Intangible assets	16	Amortization of intangible assets: estimates of useful lives
Property, plant, and equipment	17	Depreciation of property, plant, and equipment: estimates of useful lives
Leases	17, 18, 21	TRATON as lessee — measurement of right-of-use assets: estimates of contractual term in the event of extension and termination TRATON as lessor — measurement of assets leased out/financial services receivables: estimates of residual value at the end of contractual term
Financial services receivables	21	Measurement: estimates of expected credit losses
Provision for pensions and other post-employment benefits	31	Measurement: estimates of actuarial assumptions
Other provisions	32	Recognition and measurement of provisions: estimates of the amount and probability of occurrence of the obligation as well as of the discount rate

5. Segment reporting

Accounting policies: segment reporting

The TRATON GROUP's production and marketing activities are divided into the Scania Vehicles & Services, MAN Truck & Bus, International Motors (formerly: Navistar Sales & Services), and Volkswagen Truck & Bus segments. The classification corresponds to the internal organizational and reporting structure. In order to make decisions about the allocation of resources and the assessment of performance, the results of the units are regularly reviewed by the Executive Board of TRATON SE in its role as chief operating decision maker. As an additional reference, we include the TRATON Operations business area in the reporting, which corresponds to the consolidated value of the four vehicle segments allocated to it.

The TRATON GROUP offers financing solutions for the purchase of commercial vehicles in the TRATON Financial Services segment.

The Reconciliation column shows the activities and services of TRATON Holding (TRATON SE and other investees not allocated to segments), consolidation between the segments and with TRATON Holding, and the earnings effects of purchase price allocations in the event of the acquisition of an individual segment.

In the TRATON GROUP, segment result is calculated on the basis of operating result (adjusted). Operating result (adjusted) is calculated to ensure the greatest possible transparency of our business performance by making adjustments to our operating result. These adjustments concern certain items in the financial statements that, in the opinion of the Executive Board, can be presented separately to enable a more appropriate assessment of financial performance. They include, in particular, costs of restructurings and structural measures as well as one-time events with a material impact on the TRATON GROUP's earnings.

Segment financial information is generally presented in accordance with the disclosure and measurement policies applied in the preparation of the consolidated financial statements. As a departure from IFRS 16 *Leases*, subleasing of buyback vehicles in the Financial Services segment is always accounted for as an operating lease.

Sales revenue between the segments is transacted on an arm's length basis. Depreciation, amortization, and impairment losses relate to intangible assets, property, plant, and equipment, and assets leased out allocated to the individual divisions. They also include the depreciation of and impairment losses on right-of-use assets under IFRS 16. Investments in intangible assets, property, plant, and equipment, and investment property are reported exclusive of additions to right-of-use assets under IFRS 16.

Allocation of sales revenue to the regions follows the destination principle. Sales revenue from hedging transactions is allocated to "Other regions."

The four vehicle segments develop, produce, and distribute trucks and buses, and offer related services and spare parts.

With its Scania brand, **Scania Vehicles & Services** is a leader in premium transport solutions, specializing in heavy-duty trucks and offering an array of tailored services and applications. With a global footprint, Scania serves markets across Europe, North and South America, Asia, Africa, and Oceania.

With the MAN brand, **MAN Truck & Bus** offers an extensive range of transport solutions, from light commercial options to durable construction vehicles and heavy-duty trucks. MAN is a strong German heritage brand, operating internationally across Europe, Asia, the Middle East, Africa, and South America.

With the International brand, **International Motors** offers comprehensive mobility solutions for North and South America through its vast dealer network.

Volkswagen Truck & Bus solutions focus on value for money — efficient, robust, and reliable vehicles tailored to meet the unique conditions of emerging growth markets and the specialized applications required there. Volkswagen Truck & Bus has a strong presence in South America, Mexico, Africa and Asia.

With its own financial brands, the **TRATON Financial Services** segment offers financing, leasing, insurance, and modular solutions in 67 countries worldwide, and supports vehicle sales in close cooperation with all brands of the TRATON GROUP. Until the end of 2023, Volkswagen Financial Services AG and Volkswagen Financial Services Overseas AG, both

located in Braunschweig, and their subsidiaries (Volkswagen Financial Services), provided similar financing solutions outside the TRATON GROUP for customers of MAN and Volkswagen Truck & Bus. At present, key aspects of this financing business are being integrated into the TRATON GROUP, for which a framework agreement for the gradual acquisition of these aspects had been entered into (see Note **"6. Acquisitions"**) in 2023. As a result of the integration, financing solutions from the TRATON Financial Services segment will also be successively offered to customers of MAN and Volkswagen Truck & Bus.

2024 Reporting segments

€ million	Scania Vehicles & Services	MAN Truck & Bus	International Motors[1]	Volkswagen Truck & Bus	TRATON Financial Services	Total segments	Reconciliation	TRATON GROUP	of which TRATON Operations
Total sales revenue	**18,907**	**13,732**	**11,116**	**2,918**	**1,932**	**48,605**	**–1,133**	**47,473**	**46,182**
Intragroup sales revenue	–513	–626	–32	–3	–170	–1,343	1,343		–674
External sales revenue	18,394	13,106	11,084	2,916	1,762	47,262	210	47,473	45,508
Cost of sales	–14,693	–10,630	–9,287	–2,352	–1,315	–38,277	904	–37,373	–36,499
Depreciation and amortization	–1,058	–1,150	–376	–74	–440	–3,098	128	–2,970	–2,658
Impairment losses	–14	0	–3	–1	–3	–20	0	–20	–17
Operating result (adjusted)	**2,666**	**985**	**791**	**349**	**205**	**4,995**	**–611**	**4,384**	**4,776**
Financial result	–284	–91	–301	–102	7	–769	130	–639	–777
of which share of earnings of equity-method investments	–6	61			2	57	180	238	56
Investments[2]	**1,487**	**631**	**571**	**92**	**68**	**2,848**	**36**	**2,884**	**2,780**
Equity-method investments	172	216	0	0	6	394	1,247	1,641	387

1 The International Motors segment corresponds to the segment previously reported as "Navistar Sales & Services".

2 The aggregate addition to noncurrent assets (including right-of-use assets under IFRS 16) amounting to €3,187 million was distributed as follows in fiscal year 2024: Scania Vehicles & Services: €1,654 million; MAN Truck & Bus: €726 million; International Motors: €604 million; Volkswagen Truck & Bus: €95 million; TRATON Financial Services: €72 million, reconciliation: €36 million.

2023 Reporting segments

€ million	Scania Vehicles & Services	MAN Truck & Bus	International Motors[1]	Volkswagen Truck & Bus	TRATON Financial Services	Total segments	Reconciliation	TRATON GROUP	of which TRATON Operations
Total sales revenue	**17,878**	**14,811**	**11,042**	**2,477**	**1,589**	**47,797**	**–924**	**46,872**	**45,736**
Intragroup sales revenue	–471	–270	16	–7	–139	–871	871	–	–313
External sales revenue	17,407	14,541	11,059	2,469	1,450	46,926	–54	46,872	45,423
Cost of sales[2]	–14,256	–11,729	–9,325	–2,042	–1,060	–38,412	780	–37,632	–36,900
Depreciation and amortization	–1,047	–1,083	–286	–81	–397	–2,895	85	–2,810	–2,496
Impairment losses	–55	–	–	–2	–2	–58	–	–58	–57
Operating result (adjusted)	**2,266**	**1,075**	**734**	**217**	**269**	**4,561**	**–527**	**4,034**	**4,272**
Financial result	934	–28	–113	–167	3	630	–1,140	–511	626
of which share of earnings of equity-method investments	1	39	–	–	1	41	84	124	40
Investments[3]	**1,127**	**564**	**488**	**91**	**415**	**2,685**	**–93**	**2,592**	**2,270**
Equity-method investments	112	174	–	–	4	290	1,192	1,482	286

1 The International Motors segment corresponds to the segment previously reported as "Navistar Sales & Services".

2 From fiscal year 2024, the cost of sales is shown separately. The previous year has been adjusted accordingly.

3 The aggregate addition to noncurrent assets (including right-of-use assets under IFRS 16) amounting to €2,867 million was distributed as follows in fiscal year 2023: Scania Vehicles & Services: €1,239 million; MAN Truck & Bus: €637 million; International Motors: €570 million; Volkswagen Truck & Bus: €94 million; TRATON Financial Services: €420 million, reconciliation: €–93 million.

The reconciliation of the segment amounts to the corresponding Group amounts is shown in the following tables:

Reconciliation to the TRATON GROUP's sales revenue

€ million	2024	2023
Total sales revenue, total segments	**48,605**	**47,797**
External sales revenue of the TRATON Holding	27	15
Effects from purchase price allocation not allocated to the segments	–6	–11
Consolidation	–1,154	–929
Sales revenue of the TRATON GROUP	**47,473**	**46,872**

Reconciliation to the TRATON GROUP's cost of sales

€ million	2024	2023
Total cost of sales, total segments	**38,277**	**38,412**
Cost of sales, TRATON Holding	25	19
Effects from purchase price allocation not allocated to the segments	21	24
Consolidation	–950	–824
Cost of sales, TRATON GROUP	**37,373**	**37,632**

Reconciliation to the TRATON GROUP's earnings before tax

€ million	2024	2023
Operating result (adjusted), total segments	**4,995**	**4,561**
Adjustments in connection with the war in Ukraine	–	–102
Adjustments related to legal proceedings and related measures	–162	–89
Adjustments related to restructurings	–14	–80
Operating result of the TRATON Holding	–157	–135
Earnings effects from purchase price allocation not allocated to the segments	–280	–290
Consolidation	–174	–102
Operating result of the TRATON GROUP	**4,209**	**3,763**
Financial result	–639	–511
Earnings before tax of the TRATON GROUP	**3,569**	**3,253**

Segment reporting by regions

€ million	Germany	EU27+3 (excluding Germany)	USA	North America (excluding USA)	Brazil	South America (excluding Brazil)	Other regions	Total
2024								
Noncurrent assets (excluding financial instruments, equity investments, and deferred taxes) as of 12/31/2024	4,883	12,535	7,734	847	1,549	244	1,186	28,980
Sales revenue	5,647	17,557	8,831	3,274	5,571	1,413	5,181	47,473
2023								
Noncurrent assets (excluding financial instruments, equity investments, and deferred taxes) as of 12/31/2023	5,006	12,420	7,266	809	1,805	170	801	28,278
Sales revenue	5,995	18,035	9,578	2,435	4,173	1,333	5,323	46,872

6. Acquisitions

Accounting policies: business combinations

Business combinations are accounted for using the acquisition method of accounting. In the course of initial consolidation, assets and liabilities are recognized at their acquisition-date fair values. The carrying amounts are adjusted in the subsequent periods. Goodwill arises if the consideration paid for the acquisition exceeds the fair value of the identified assets less liabilities. If the economic consideration paid for the acquisition is less than the identified net assets, the difference is recognized in profit or loss in the year of acquisition. Unless otherwise stated, the share of equity directly attributable to noncontrolling interests at the acquisition date is measured at the fair value of the net assets (excluding goodwill) attributable to such noncontrolling interests. Any difference arising due to the acquisition of additional shares of a subsidiary that has already been consolidated is charged directly to equity.

Business combinations involving entities under common control are accounted for using the book-value method of accounting. In applying the book-value method of accounting, the assets acquired and liabilities assumed are carried at the existing Group carrying amounts from the perspective of Volkswagen AG at the acquisition date. Any difference between the consideration and the acquired net assets at their carrying amounts at the acquisition date is recognized in equity.

On July 12, 2023, companies of the TRATON GROUP and companies of the Volkswagen Group signed a framework agreement on the acquisition of key aspects of the global financial services business of MAN and Volkswagen Truck & Bus (VWTB) with the aim of expanding the TRATON Financial Services segment into a global captive financial services unit. The TRATON Financial Services segment gradually acquires the rights to the future financial services business for MAN and VWTB customers in 14 countries that was most recently managed by Volkswagen Financial Services. The existing portfolio will remain with Volkswagen Financial Services. The transfer of these activities is expected to be completed by mid-fiscal year 2025. On July 19, 2023, TRATON Financial Services AB, Södertälje, Sweden, paid €275 million into an account at Volkswagen Bank GmbH, Braunschweig (VW Bank) for the acquisition, which was reported in net cash provided by/used in investing activities in 2023. Effective August 1, 2023, 50% of the shares in the joint venture MAN Financial Services (SA) (RF) (Pty) Ltd., Johannesburg, South Africa, were acquired for a purchase price of €4 million. The rights to MAN's future financial services business were acquired in several countries in fiscal year 2024, primarily in Germany effective June 1, 2024, in South Korea effective July 1, 2024, and in the United Kingdom effective November 1, 2024. Additionally, in Austria, 100% of the shares of MAN Financial Services GesmbH, Eugendorf, Austria were acquired as of July 1, 2024.

Also effective November 1, 2024, and in the context of the expansion of its financial services business, the TRATON GROUP acquired the business operations of EURO-Leasing GmbH, Sittensen, in France (EURO-Leasing France).

The consideration transferred in these transactions amounts to €254 million and breaks down as follows:

€ million	Transferred Consideration
Germany	100
United Kingdom	48
Austria	30
South Korea	24
EURO-Leasing France	21
Other countries	31
Total consideration	**254**

An amount of €199 million was used for this from the account at VW Bank and a further €58 million was settled with cash and cash equivalents. Accordingly, there was a net cash outflow of €54 million after the acquisition of the Austrian company's cash and cash equivalents of €4 million. The transferred consideration takes into account minor, subsequent purchase price adjustments that were recognized in other financial assets and other financial liabilities and which will be settled in 2025. In November, consideration of €32 million was paid in advance from the account at VW Bank to acquire the rights in Brazil, which is planned for 2025.

Transfer of the business operations and shares in Austria is accounted for as a business combination under common control using the book-value method. The following material assets and liabilities were acquired at their carrying amounts at the acquisition date:

€ million	Amortized carrying amounts on the acquisition date
Noncurrent financial services receivables	124
Current financial services receivables	73
Other assets	11
Total assets	**208**
Noncurrent financial liabilities	161
Current financial liabilities	85
Other liabilities	21
Total liabilities	**267**

In addition, liabilities of €101 million that existed in the TRATON GROUP prior to the transaction were settled as a result of the acquisition. These mainly relate to buy-back transactions and are attributable to other financial liabilities and other liabilities. The assets acquired and liabilities assumed relate primarily to the acquisition in Austria and, to a small extent, to the acquisitions in the other countries.

The difference between the consideration transferred and the acquired net assets at their carrying amounts acquired at the acquisition dates amounts to €213 million and is recognized in equity, net of deferred taxes of €49 million, as "Effect from business combinations under common control" under retained earnings. The transfers in the remaining countries had not yet been completed as of the reporting date.

7. Noncurrent assets and disposal groups held for sale

Accounting policies: noncurrent assets and disposal groups held for sale

Noncurrent assets held for sale include both individual noncurrent assets and groups of assets, together with liabilities directly associated with those assets (disposal groups), if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell and are no longer depreciated or amortized. Amounts of accumulated other comprehensive income allocated to the disposal group attributable to items that will be reclassified subsequently to profit or loss and primarily relate to currency translation differences, cash flow hedges, or cost of hedging, are only recognized in profit or loss upon disposal.

Disposals completed in the previous year

Negative accumulated other comprehensive income of €102 million relating to currency translation effects had been reclassified to other operating expenses in fiscal year 2023 for the sale of 100% of the interest in Scania Finance LLC, Scania Insurance LLC, and Scania Leasing LLC, all with registered offices in the Russian Federation (collectively "Scania Finance Russia"), to companies in the Volkswagen Group for a sale price of €400 million to companies in the Volkswagen Group, which was completed in fiscal year 2023. The sale resulted in a net inflow of cash amounting to €96 million in 2023, which was reported in the "Proceeds from the disposal of subsidiaries" item in the statement of cash flows. For further information about the disposal, refer to the TRATON GROUP's Consolidated Financial Statements as of December 31, 2023.

8. Sales revenue

Accounting policies: sales revenue

As a rule, sales revenue is only recognized after performance of the work, i.e., on delivery to and acceptance by the customer, or when the customer has obtained control over the goods or services. In the case of long-term contracts for services and service guarantees, sales revenue is recognized on a straight-line basis over the term of the contract or, if services are not rendered on a straight-line basis, based on the expected expense trend using the cost-to-cost method. In the case of prepayments received for these services, the allocated transaction price is recognized as a prepayments received on customer contracts at the date of the original sale transaction and recognized as sales revenue over the period of the service. If payments are made for contracts for services to satisfy the performance obligations, the sales revenue recognized corresponds to the payments.

If a contract contains multiple performance obligations, the transaction price is allocated to the relevant performance obligations. In the case of contracts in which service elements are insignificant compared with the sales revenue from the sale of the vehicle, the residual approach is used to allocate the transaction price. This does not result in any material differences compared with sales revenue based on relative standalone selling prices. In other cases, the transaction price is allocated based on the relative standalone selling prices.

Furthermore, certain parts are repurchased at a later date for reconditioning at TRATON. These result in the recognition of a right-of-return obligation to the customer, which is calculated using the expected value method, and of a receivable under "Other receivables" for the underlying part. Sales revenue is not recognized in this case.

A range of measures such as residual value guarantees are offered to third-party finance providers and end customers in order to support sales. Residual value guarantees result in a refund liability and are normally calculated on the basis of the most likely amount.

Discounts, customer rebates, and other sales allowances reduce the transaction price. Variable consideration is only included in the transaction price to the extent that it is extremely probable that a subsequent reversal of the sales revenue can be ruled out.

TRATON uses the practical expedient of accounting for a financing component only if it is material and if a period of more than one year is expected between the transfer of the product or service to the customer and the customer payment. No financing components are accounted for because of the application of this practical expedient.

If the TRATON GROUP retains control in addition to the risks and rewards, vehicles sold with a buyback obligation are accounted for as operating leases. The sale price obtained on sale of the vehicle is recognized ratably in profit or loss over the term of the lease, net of the present value of the buyback price. Sales transactions for which a buyback obligation is not agreed from the outset, with the customer alone deciding whether to sell the vehicle back at a pre-arranged price, are also accounted for as operating leases. Based on contractual arrangements and our experience with such sales, we assume that customers will always make use of their put option.

By contrast, if the significant risks and rewards are transferred to the lessee, the transaction is accounted for as a finance lease. The vehicle is derecognized from the TRATON GROUP's assets leased out and recognized in cost of sales. Additionally, a receivable is recognized in the amount of the net investment in the lease, which results in sales revenue being recognized in the amount of the discounted lease payments. Further information on accounting for operating leases is contained in Note **"18. Assets leased out"**. Further information on accounting for finance leases can be found in Note **"21. Financial services receivables"**.

Income from customer or dealer finance is recognized over the term of the agreement using the effective interest rate method and reported in sales revenue. When interest-free or low-interest vehicle finance is awarded, sales revenue is reduced by the interest savings granted.

Structure of sales revenue

Reporting period from January 1 to December 31, 2024

	2024								2023							
€ million	Scania Vehicles & Services	MAN Truck & Bus	International Motors	Volkswagen Truck & Bus	TRATON Financial Services	Reconciliation	Total	of which TRATON Operations	Scania Vehicles & Services	MAN Truck & Bus	International Motors	Volkswagen Truck & Bus	TRATON Financial Services	Reconciliation	Total	of which TRATON Operations
New vehicles	**12,883**	**8,383**	**8,263**	**2,698**	**–**	**–76**	**32,151**	**32,202**	**11,672**	**9,527**	**7,859**	**2,258**	**–**	**–30**	**31,286**	**31,224**
Vehicle Services Business	**3,839**	**2,902**	**1,860**	**179**	**–**	**–32**	**8,747**	**8,751**	**3,701**	**2,808**	**2,045**	**165**	**–**	**–28**	**8,691**	**8,693**
thereof genuine parts	2,770	2,033	1,860	161	–	–31	6,793	6,795	2,703	1,984	2,045	148	–	–27	6,853	6,854
thereof workshop services	1,069	868	–	18	–	–1	1,954	1,955	998	824	–	17	–	–1	1,838	1,839
Other sales revenue	**2,185**	**2,447**	**994**	**42**	**1,932**	**–1,025**	**6,574**	**5,230**	**2,505**	**2,476**	**1,138**	**53**	**1,589**	**–865**	**6,896**	**5,819**
thereof used vehicles and third-party products	911	707	638	1	30	–9	2,277	2,256	1,051	682	823	3	25	–1	2,583	2,560
thereof engines, powertrains, and parts deliveries	441	787	–	–	–	–300	929	929	447	835	–	–	–	–272	1,010	1,010
thereof rental and leasing business	603	784	42	–	503	–402	1,529	1,428	678	842	55	–	473	–364	1,684	1,575
thereof interest and similar income	0	–	0	–	1,399	–168	1,231	0	0	–	–	–	1,092	–137	956	0
thereof other sales revenue	230	170	314	41	–	–146	608	617	328	117	260	50	–	–92	664	674
	18,907	**13,732**	**11,116**	**2,918**	**1,932**	**–1,133**	**47,473**	**46,182**	**17,878**	**14,811**	**11,042**	**2,477**	**1,589**	**–924**	**46,872**	**45,736**

Information about the Group's performance obligations

The Group's performance obligations primarily comprise sales of trucks, heavy-duty special-purpose vehicles, buses, light commercial vehicles, and related spare parts, as well as the provision of repair and maintenance services. In addition to standard statutory warranties, the TRATON GROUP also offers service guarantees.

In line with standard business practice, payment terms are 30 days, although a payment term of up to 140 days is granted in certain markets. Customers can decide to purchase a vehicle by means of financing solutions from the TRATON Financial Services segment or Volkswagen Financial Services. If a third party outside the TRATON GROUP is used, TRATON normally receives the payment from that party shortly after the customer has received the vehicle.

Other sales revenue includes revenue from product-related royalties. The reconciliation contains the TRATON Holding, the effects of purchase price allocations in the event of the acquisition of an individual segment, and the consolidation adjustments between the reporting segments and the TRATON Holding.

Sales revenue recognized in the reporting period that was included in prepayments received on customer contracts at the beginning of the reporting period (see Note "30. Other liabilities") amounted to €1,339 million (previous year: €1,338 million). Sales revenue includes €14 million (previous year: €22 million) relating to the satisfaction of performance obligations in previous years.

Order backlog

€ million	2024	2023
Expected timing of revenue recognition		
Within one year	15,671	21,517
1 to 5 years	2,559	2,382
More than 5 years	229	216
	18,459	**24,115**

The order backlog under IFRS 15 *Revenue from Contracts with Customers* resulting in revenue recognition within one year relates primarily to the delivery of vehicles. Revenue recognition expected after more than one year relates primarily to long-term service agreements and extended warranties. Due to a decline in truck orders in North America and the EU27+3 region, the order backlog decreased compared to the previous year.

9. Functional expenses

Accounting policies: operating expenses

Operating expenses are recognized when the underlying products or services are used. Costs of advertising and other distribution expenses are recognized as incurred.

The production cost incurred to generate sales revenue and the purchase costs of merchandise are recognized in cost of sales. This item also includes the cost of additions to warranty provisions for statutory or contractual guarantee obligations that are recognized when products are sold. Cost of sales includes nonstaff overheads and personnel costs, as well as depreciation and amortization applicable to production. Research & development costs not eligible for capitalization and amortization of capitalized development costs are also reported in cost of sales.

Corresponding to the presentation of interest and commission income in sales revenue, interest and commission expenses attributable to the financial services business are presented in cost of sales.

Distribution expenses relate primarily to nonstaff overheads and personnel expenses, as well as depreciation and amortization applicable to distribution. Administrative expenses primarily contain nonstaff overheads and personnel expenses, as well as depreciation and amortization applicable to administration.

Cost of sales

Cost of sales of €37,373 million (previous year: €37,632 million) was incurred in the fiscal year ended December 31, 2024. This includes expenses of €1,315 million (previous year: €1,060 million) attributable to the TRATON Financial Services segment.

Research & development costs contained in cost of sales are broken down as follows:

€ million	2024	2023
Primary R&D costs	2,471	2,184
of which capitalized development costs	978	687
Capitalization ratio (in %)	40%	31%
Amortization of, and impairment losses on, capitalized development costs	530	423
Research & development costs recognized in the income statement	**2,022**	**1,921**

Human Resources

The personnel expenses contained in the functional expenses rose by €503 million year-on-year. This is due primarily to the increase in the number of employees and higher wages and salaries.

Personnel expenses

€ million	2024	2023
Wages and salaries	5,924	5,555
Social security, post-employment, and other benefit costs	1,569	1,435
Personnel expenses	**7,493**	**6,990**

Post-employment benefit costs amounted to €361 million (previous year: €312 million).

Average annual number of employees

	2024	2023
Performance-related wage-earners	49,321	49,036
Salaried staff	56,558	53,584
Total number of employees	**105,879**	**102,620**
of which in the passive phase of partial retirement	797	661
Vocational trainees	3,216	3,054
Total workforce	**109,095**	**105,674**

The increase is primarily attributable to the higher number of employees at Scania and International.

10. Other operating income and expenses

	2024			2023		
€ million	Other operating income	Other operating expenses	Net income (+)/ net expense (–)	Other operating income	Other operating expenses	Net income (+)/ net expense (–)
Effects from exchange rate movements	1,225	–1,151	73	1,268	–1,318	–51
Income from reversal of provisions and accruals	60	–	60	100	–	100
Effects from derivatives not included in hedge accounting	61	–154	–93	100	–93	7
Rental and lease income	17	–	17	19	–	19
Effects from disposal of noncurrent assets	28	–11	17	25	–10	15
Expenses for litigation and legal risks	–	–308	–308	–	–230	–230
Miscellaneous income and expenses	287	–290	–3	200	–326	–126
	1,678	**–1,915**	**–237**	**1,712**	**–1,978**	**–266**

Foreign exchange gains mainly comprise gains from exchange rate movements between the dates of recognition and payment of receivables and liabilities denominated in foreign currencies, as well as exchange rate gains resulting from measurement at the closing rate. Exchange rate losses from these items are included in other operating expenses.

The effects of changes in exchange rates largely canceled each other out within other operating income and expense.

Litigation and legal risks include expenses of €162 million (previous year: €89 million) attributable to civil lawsuits against Scania Vehicles & Services and MAN Truck & Bus in connection with the EU truck cases in individual countries.

Gains or losses from derivatives not included in hedge accounting are primarily comprised of exchange rate gains or losses from the fair value measurement of foreign currency derivatives not included in hedge accounting.

Miscellaneous income includes claims for damages amounting to €100 million (€54 million), particularly warranty costs from external suppliers.

In the previous year, miscellaneous expenses included €102 million in connection with the disposal of Scania Finance Russia (see Note **"7. Noncurrent assets and disposal groups held for sale"**).

11. Net interest income/net interest expense

Reporting period from January 1 to December 31

€ million	2024	2023
Interest and similar income	387	341
Interest and similar expenses	–666	–703
Interest expenses for lease liabilities	–44	–42
Net interest on the net liability for pensions and other post-employment benefits	–80	–87
Unwinding of discount and effect of change in discount rate on liabilities and other provisions	–87	–55
	–490	**–546**

Interest income for the current fiscal year includes interest income from tax refunds, which accounts for a significant proportion of the increase.

The decline in interest and similar expenses is primarily attributable to the decrease in general interest rates, which exceeds the increase in interest and similar expenses due to the higher financing volume.

Interest income and expenses contain realized income and expenses from interest rate derivatives on net liquidity positions.

12. Other financial result

Reporting period from January 1 to December 31

€ million	2024	2023
Other income from equity investments	2	4
Other expenses from equity investments	–1	–2
Income and expenses from profit and loss transfer agreements	2	2
Realized income and expenses from loan receivables and payables in foreign currency	356	–85
Income and expenses from remeasurement of primary financial instruments	–524	–86
Income and expenses from changes in the fair value of derivatives not included in hedge accounting	–120	89
Income and expenses from changes in the fair value of derivatives included in hedge accounting	–5	–10
Expenses related to arbitration proceedings for the MAN SE merger squeeze-out	–96	–
	–387	**–89**

The fair value changes from derivatives not included in hedge accounting offset the currency translation effects of realization and measurement on net financial debt. There was a residual expense in fiscal year 2024 that is mainly due to the appreciation of the euro against the Brazilian real. In the previous year, the residual expense was primarily attributable to the devaluation of Argentinian currency.

13. Income taxes

Accounting policies: income taxes

Tax provisions contain obligations under current taxes. A liability is recognized for other provisions resulting from supplementary tax payments that are due in this context.

Deferred tax assets for tax loss carryforwards are usually measured on the basis of future taxable income over a planning period of five fiscal years. Deferred tax assets that are unlikely to be realized within a clearly predictable period are reduced by valuation allowances.

The exception introduced in May 2023 by the amendments to IAS 12 and applied for the first time in fiscal year 2023 means that deferred taxes in connection with income taxes resulting from enacted or announced tax law provisions to implement the Model Rules on Global Minimum Taxation (Pillar 2) published by the OECD are neither recognized nor reported in the TRATON GROUP.

Estimates and management's judgment: income taxes

TRATON SE and its subsidiaries operate all over the world and are continuously audited by the local financial authorities. Changes in tax legislation, jurisdiction, and how these are interpreted by the financial authorities in the different countries may result in tax payments that differ from the estimates made in these financial statements. The measurement of the tax provision is based on the most probable estimate that this risk materializes. Depending on the individual case, whether tax-related uncertainties are recognized individually or as part of a group at TRATON depends on which presentation is better suited to forecasting whether the tax-related risk materializes. In the case of contracts entailing cross-border goods and services supplied within the Group, determining the price of the individual products and services is particularly complex because no market prices are available for the Company's own products in many cases or because using the market prices of similar products entails a degree of uncertainty due to lack of comparability. In these cases, the products and services are priced using recognized standard valuation methods, including for tax purposes.

Components of tax income and expense

€ million	2024	2023
Current tax expense (+)/income (–), Germany	–65	54
Current tax expense (+)/income (–), outside Germany	1,043	836
Current income taxes	**978**	**890**
of which prior-period expense (+)/income (–)	–97	–15
Deferred tax expense (+)/income (–), Germany	121	210
Deferred tax expense (+)/income (–), outside Germany	–333	–298
Deferred tax expense (+)/income (–)	**–212**	**–89**

The statutory corporate income tax rate in Germany for the 2024 assessment period was 15%. Including trade tax and the solidarity surcharge, this produces an aggregate tax rate of 31.9% (previous year: 31.9%).

The measurement of deferred taxes in the German consolidated tax group as of December 31, 2024, was based on a tax rate of 31.9% (previous year: 31.9%).

The local income tax rates applied to foreign companies vary between 0 and 45% (0 and 46%). In cases of split tax rates, the tax rate applicable to undistributed profits was applied. The deferred tax expense/income resulting from changes in tax rates amounted to €7 million (previous year: €–4 million) at Group level in 2024.

The realization of tax loss carryforwards from previous years reduced current income taxes in 2024 by €165 million (previous year: €363 million).

The actual income tax expense in the reporting period decreased by €1 million (previous year: €35 million) due to the utilization of previously unrecognized tax losses and tax credits from previous periods. Previously unrecognized tax losses and tax credits contributed to a €29 million (previous year: €164 million) reduction in deferred tax expense in 2024.

Deferred taxes are recognized for interest carryforwards to the extent that it is probable that the interest carryforward can be used in the future. Unused interest carryforwards amount to €718 million (previous year: €574 million). Interest carryforwards of €528 million (previous year: €409 million) can be used for an indefinite period, while €191 million (previous year: €165 million) must be used within the next ten years.

Tax loss carryforwards

€ million	12/31/2024	12/31/2023
Available for an indefinite period	1,622	1,789
Limit on utilization within the next 10 years	1,347	666
Limit on utilization between 11 and 20 years	1,119	1,885
Total currently unused tax loss carryforwards	**4,088**	**4,341**
Indefinite tax loss carryforwards	237	291
Expire within the next 10 years	128	95
Expire between 11 and 20 years	252	196
Total unusable tax loss carryforwards	**617**	**581**

Write-downs of deferred tax assets

€ million	12/31/2024	12/31/2023
Deferred tax expense resulting from the write-down of a deferred tax asset	8	22
Deferred tax income resulting from the reversal of a write-down of a deferred tax asset	–2	–45

Tax credits granted by various countries amounted to €177 million (previous year: €155 million) as of December 31, 2024.

Nonrecognition of deferred tax assets

€ million	12/31/2024	12/31/2023
for deductible temporary differences	–	–
for tax credits that would expire in the next 20 years	84	103
for tax credits that will not expire	0	0

No deferred taxes were recognized for the retained earnings of €39,494 million (previous year: €37,228 million) at foreign subsidiaries because these profits are largely expected to be reinvested in the operations of the companies concerned. As a general rule, distribution would lead to additional income tax expense.

For companies that incurred a loss in the current or prior period, the TRATON GROUP recognized deferred tax assets as of December 31, 2024, that exceeded the deferred tax liabilities by €284 million (previous year: €527 million). Of this amount, €275 million is attributable to companies in the TRATON SE consolidated tax group, and the amounts mainly include deductible temporary differences and loss carryforwards. In Germany, recognition is based on the availability of sufficient taxable profits in the following fiscal years, among other things. These are substantiated by the business plans.

The overall analysis concludes that the companies in question will generate sufficient taxable income that can be used to offset the previously unused tax losses and deductible temporary differences.

In fiscal year 2024, total deferred taxes of €–40 million (previous year: €–11 million) were recognized directly in other comprehensive income. Changes in deferred taxes classified by balance sheet item are presented in the statement of comprehensive income.

Global minimum taxation

The introduction of the global minimum tax (Pillar 2) does not result in any substantial burdens for the TRATON GROUP. The current tax expense in connection with Pillar 2 income taxes amounts to €2 million.

Deferred taxes classified by balance sheet item

The following recognized deferred tax assets and liabilities were attributable to recognition and measurement differences in the individual balance sheet items and to tax loss carryforwards:

Deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
€ million	**2024**	**2023**	**2024**	**2023**
Intangible assets	213	139	1,731	1,682
Property, plant, and equipment, and assets leased out	109	102	1,570	1,697
Noncurrent financial assets	2	1	10	6
Inventories	61	53	77	55
Receivables and other assets (including financial services receivables)	324	313	415	271
Pensions and other post-employment benefits	542	521	2	–
Liabilities and other provisions	3,204	2,573	554	153
Loss allowances on deferred tax assets from temporary differences	–	–2	–	–
Temporary differences, net of loss allowances	4,456	3,700	4,358	3,864
Tax loss/interest carryforwards, net of loss allowances	1,084	1,118	–	–
Tax credits, net of loss allowances	92	53	–	–
Value before consolidation and offset	**5,633**	**4,871**	**4,358**	**3,864**
of which attributable to noncurrent assets and liabilities	4,271	3,822	3,846	3,540
Offset	–3,781	–3,300	–3,781	–3,300
Consolidation	752	796	94	116
Amount recognized	**2,604**	**2,366**	**672**	**681**

Reconciliation of expected to effective income tax expense

€ million	**2024**	**2023**
Earnings before income tax	3,569	3,253
Expected income tax expense (+)/income (–) (tax rate: 31.9%; previous year: 31.9%)	**1,138**	**1,037**
Reconciliation:		
Effect of different tax rates outside Germany	–239	–143
Proportion of taxation relating to:		
tax-exempt income	–285	–93
expenses not deductible for tax purposes	214	255
effects of loss carryforwards and tax credits	–84	–233
Prior-period tax expense and tax risks	–42	–22
Effect of tax rate changes	7	–4
Other taxation changes	57	5
Effective income tax expense (+)/income (–)	**766**	**802**
Effective tax rate (in %)	**21**	**25**

14. Earnings per share

Accounting policies: earnings per share

Earnings per share are calculated by dividing consolidated earnings after tax attributable to TRATON SE shareholders by the average number of shares outstanding. The computation of diluted earnings per share is identical to that of basic earnings per share because TRATON SE has not issued any financial instruments that could result in dilutive effects. Dilution may arise in the future if TRATON SE's contingent capital is exercised.

€ million	2024	2023
Earnings after tax (attributable to shareholders of TRATON SE)	2,804	2,451
Number of shares outstanding	500,000,000	500,000,000
Earnings per share (€)	**5.61**	**4.90**

TRATON SE's share capital amounts to €500 million and is composed of 500 million (previous year: 500 million) no-par value bearer shares.

15. Goodwill and impairment losses on assets

Accounting policies: goodwill and impairment losses on assets

Goodwill from business combinations is tested for impairment at least once a year. The goodwill impairment test is usually conducted at segment level on the basis of value in use. The same applies to indefinite-lived intangible assets (especially brand names) and intangible assets not yet available for use (in particular capitalized development costs prior to the start of series production).

In the case of other intangible assets and property, plant, and equipment, an impairment test is performed if there are indications of impairment at the reporting date.

As a rule, value in use is the present value of the expected future cash flows from the asset concerned. If no recoverable amount can be measured for an individual asset, the recoverable amount is determined for the smallest identifiable group of assets that generate cash flows (cash-generating unit) to which the asset belongs. If the recoverable amount is less than the carrying amount, an impairment loss is recognized in profit or loss for the period.

Estimates and management's judgment: recoverability of cash-generating units

The impairment testing of nonfinancial assets — especially goodwill, brand names, capitalized development costs, other intangible assets, and property, plant, and equipment — and equity-method investments, or investments accounted at cost, require assumptions to be made about future market trends, the future cash flows to be derived on that basis, and the discount rate to be applied.

To derive cash flows, management inputs its mid-range expectations into the planning on the basis of estimates of changes in the development of the economic environment, market volume, market share, and cost and price trends. Assumptions about macroeconomic trends (currency, interest rate, and commodity price developments) and historical developments are considered. The planning period is generally five years.

The cash flows are derived from the detailed sales and revenue planning for commercial vehicles, profitability (gross margin) projections for products, and trends in the service business. They also reflect the transition to electric mobility and the associated regulatory timetables (see also Note **"3. Effects of climate change"**). Estimated cash flows after the end of the five-year planning period are based on an annual growth rate of 1% (previous year: 1%) per annum, which also reflects the switch toward electric mobility.

Our planning is based on the assumption that global economic output will grow overall in 2025 at a similar pace to 2024. The declining inflation in major economic regions and the resulting monetary easing should positively impact consumer spending. We continue to believe that risks will arise from the growing fragmentation of the global economy, protectionist tendencies, turbulence in the financial markets, and structural deficits in individual countries. Growth prospects are also being adversely affected by ongoing geopolitical tensions and conflicts; risks arise in particular from the Russia-Ukraine conflict, the hostilities in the Middle East, as well as uncertainties surrounding the political direction of the USA. We assume that both the advanced economies and the emerging markets will show similar momentum to the reporting period on average. We also expect the global economy to continue growing at stable rates of change in the period to 2029.

This macroeconomic environment also results in an increased level of uncertainty affecting the calculation of values in use. Inflation continued to normalize over the course of fiscal year 2024, prompting central banks to cut key interest rates again. For fiscal years from 2025, we believe that the increases in material and personnel costs will return to levels normally seen in the past, depending on the region. Increases in sales revenue were also projected because of the rise in costs. The current

geopolitical risks and their impact on the macroeconomic situation could mean additional challenges for the development of the commercial vehicle markets.

In the commercial vehicle markets relevant to the TRATON GROUP, the Executive Board is anticipating a slight overall market decline in the period from 2025 to 2029, with varying regional trends. We are anticipating a stable commercial vehicle market in the EU27+3 region at the level of the previous years, whereas a slight decline is expected in North America. Market volatility is likely to occur in the years before and after the introduction of new emissions standards in the EU27+3 region and in North America. Following noticeable market growth in South America in 2024, we are expecting a slight increase in the planning period. More details on expected industry developments and the forecast for fiscal year 2025 can be found in the **"Report on expected developments"** in the Combined Management Report.

Based on volume and price effects, we are projecting an increase in sales revenue over the planning period. An expansion in electric mobility is also projected in all segments in the five-year planning (see also Note **"3. Effects of climate change"**). The costs from the transition to electric mobility were included in the cash flows.

At Scania Vehicles & Services, increasing unit sales volumes and a higher average selling price for electric vehicles, as well as the expansion of the Vehicle Services business, will also have a positive impact on projected cash flows.

At MAN Truck & Bus, the higher unit sales volume, the transition to electric mobility, and the realignment program launched in 2021 are positively impacting cash flow.

Another goal is to guide International Motors to new strength. The measures for doing this range from using the powerful component and technology setup within the TRATON GROUP and expanding the financial services business, all the way to further leveraging one of the largest independent dealer and service networks in the North American market, to which International Motors already has access.

We are also expecting Volkswagen Truck & Bus to strengthen its market position in Brazil as well as enter new markets by expanding its global footprint.

Overall, these assumptions led to an expected improvement in operating return on sales (adjusted) up to 2029 across all cash-generating units to which goodwill is allocated.

The planning assumptions are adjusted to reflect the current state of knowledge.

When determining the value in use for the impairment test, the following pretax weighted average cost of capital (WACC) rates are used, modified if necessary to reflect country-specific risks:

WACC	2024	2023
Scania Vehicles & Services	10.4%	12.1%
MAN Truck & Bus	10.4%	12.1%
International Motors	11.2%	12.6%
Volkswagen Truck & Bus	14.6%	17.5%

The WACC rates are calculated based on the interest rate for risk-free investments, the market risk premium, and the cost of debt. Additionally, specific peer group information on beta factors and the cost of debt are considered. The composition of the peer groups used to determine beta factors is continuously reviewed and adjusted if necessary.

Changes in goodwill

€ million	2024	2023
Cost		
Balance as of 01/01	**6,154**	**6,254**
Currency translation differences	71	–102
Additions from business combinations	0	3
Balance as of 12/31	**6,225**	**6,154**
Depreciation and amortization		
Balance as of 01/01	**70**	**70**
Other changes	0	1
Balance as of 12/31	**70**	**70**
Carrying amount as of 12/31	**6,154**	**6,083**

The allocation of goodwill to the segments is shown in the following table:

€ million	12/31/2024	12/31/2023
Goodwill by segment		
Scania Vehicles & Services	2,478	2,560
MAN Truck & Bus	222	222
International Motors	3,181	2,989
Volkswagen Truck & Bus	273	312
	6,154	**6,083**

It was not necessary to charge impairment losses on our goodwill. Goodwill and brand names are not impaired even if the growth forecast for the perpetuity or the discount rate varies by –/+ 1.0 percentage points. As a result of the transition of the commercial vehicle industry to electric mobility and the associated uncertainty, the projected cash flows were also tested for sensitivity in light of the changes considered possible, and their recoverability was established.

16. Intangible assets

Accounting policies: intangible assets

Purchased intangible assets are recognized at cost. The cost of capitalized development projects consists of all direct and overhead costs that are directly attributable to the development process. They are amortized using the straight-line method from the start of use (e.g., start of production) over the expected life of the models or technologies developed.

The amortization periods for intangible assets are broken down as follows:

Expected useful lives	
Software and licenses	3–5 years
Capitalized development costs	3–15 years
Customer relationships	5–20 years
Brand names	indefinite

The indefinite useful life of brand names acquired under business combinations generally arises from the continued use and maintenance of a brand. Brand names from business combinations and intangible assets that are not yet available for use (in particular capitalized development costs prior to the start of series production) are also tested for impairment at least once a year in accordance with the principles of goodwill impairment testing (for further information, refer also to Note **"15. Goodwill and impairment losses on assets"**).

Amortization charges and impairment losses in a reporting period are allocated to the corresponding functions in the income statement and are included in particular in cost of sales and distribution expenses.

Estimates and management's judgment: useful life of intangible assets

Estimates of the useful life of finite-lived intangible assets are based on experience and reviewed regularly. Where estimates are modified, the residual useful life is adjusted and an impairment loss is recognized, if necessary.

For further information, see Note **"15. Goodwill and impairment losses on assets"**.

Changes in intangible assets in the period from January 1 to December 31, 2024

	2024					2023				
€ million	Brand names	Customer relationships	Capitalized development costs	Other intangible assets	Total	Brand names	Customer relationships	Capitalized development costs	Other intangible assets	Total
Cost										
Balance as of 01/01	**1,705**	**2,918**	**6,937**	**734**	**12,293**	**1,732**	**2,994**	**6,249**	**676**	**11,651**
Currency translation differences	15	99	–125	–24	–35	–27	–76	1	2	–101
Additions	–	2	978	32	1,012	–	–	687	29	717
Transfers	–	–	–	68	68	–	–	0	37	37
Disposals	–	–	0	–9	–9	0	–	0	–10	–10
Balance as of 12/31	**1,720**	**3,020**	**7,789**	**801**	**13,329**	**1,705**	**2,918**	**6,937**	**734**	**12,293**
Amortization and impairment										
Balance as of 01/01	**43**	**1,101**	**3,564**	**471**	**5,179**	**41**	**859**	**3,138**	**418**	**4,456**
Currency translation differences	–7	5	–68	–17	–87	3	–11	3	3	–2
Additions to cumulative amortization	–	252	527	71	850	0	253	393	58	703
Additions to cumulative impairment losses	–	1	3	3	6	–	–	31	1	32
Reversal of impairments	–	–	–	–1	–1	–	–	–	–	–
Disposals	–	–	0	–7	–7	0	–	0	–9	–9
Changes in basis of consolidation	–	–	–	0	0	–	–	–	–1	–1
Balance as of 12/31	**36**	**1,359**	**4,026**	**519**	**5,940**	**43**	**1,101**	**3,564**	**471**	**5,179**
Carrying amount as of 12/31	**1,684**	**1,661**	**3,763**	**281**	**7,389**	**1,661**	**1,817**	**3,373**	**263**	**7,114**

Impairment losses on capitalized development costs of €31 million had been recognized in cost of sales in the previous year in connection with the realignment of the bus business and the discontinuation of body production for Scania bus chassis at the plant in Słupsk, Poland. These had been attributable to Scania Vehicles & Services.

The allocation of the brand names to the segments is shown in the following table:

€ million	12/31/2024	12/31/2023
Brand names by segment	**1,684**	**1,661**
Scania Vehicles & Services	850	878
International Motors	809	760
TRATON Financial Services	25	24

17. Property, plant, and equipment, right-of-use assets under IFRS 16, and lease liabilities

Accounting policies: property, plant, and equipment, right-of-use assets under IFRS 16, and lease liabilities

Items of property, plant, and equipment are measured at cost and reduced by depreciation and, if necessary, impairment losses (for further information, refer also to Note "15. Goodwill and impairment losses on assets").

Items of property, plant, and equipment are depreciated using the straight-line method ratably over their estimated useful lives. The useful lives of items of property, plant, and equipment are periodically reassessed and adjusted if necessary. Depreciation and amortization is based primarily on the following useful lives:

Useful lives in years	
Buildings	10–50 years
Land improvements	5–33 years
Technical equipment and machinery	3–12 years
Other equipment, operating and office equipment, including special equipment	3–15 years

The right-of-use assets from contracts in which the TRATON GROUP is a lessee are reported under "Property, plant, and equipment" in the balance sheet and generally depreciated over the term of the lease using the straight-line method.

The lease liability is measured by reference to the outstanding lease payments, discounted using the lessee's incremental borrowing rate. The lease liability is subsequently measured using the effective interest rate method reflecting the lease payments made. Interest expenses from unwinding the discount on lease liabilities are presented in interest expense in the income statement and in net cash provided by/used in operating activities in the statement of cash flows. In addition, the TRATON GROUP exercises the options under IFRS 16 not to recognize leases for intangible assets and low-value assets, as well as short-term leases, as leases and instead to recognize the corresponding lease payments as expenses in the income statement.

Estimates and management's judgment: useful lives of noncurrent assets and measurement of right-of-use assets and lease liabilities

Estimates of the useful life of items of property, plant, and equipment are based on experience and are reviewed regularly. Where estimates are modified, the residual useful life is adjusted and an impairment loss is recognized, if necessary.

Measurement of right-of-use assets from leases and the associated lease liabilities is based on a best estimate of the exercise of extension and termination options. This estimate is updated in the event of material changes in the operating environment or the contract.

Changes in property, plant, and equipment in the period from January 1 to December 31

€ million	2024 Land, land rights, and buildings, including buildings on third-party land	2024 Technical equipment and machinery	2024 Other equipment, operating and office equipment	2024 Payments on account and assets under construction	2024 Total	2023 Land, land rights, and buildings, including buildings on third-party land	2023 Technical equipment and machinery	2023 Other equipment, operating and office equipment	2023 Payments on account and assets under construction	2023 Total
Cost										
Balance as of 01/01	**6,438**	**4,554**	**4,570**	**1,391**	**16,953**	**5,936**	**5,099**	**3,276**	**1,311**	**15,623**
Currency translation differences	–43	–131	–114	9	–279	–23	2	9	6	–6
Additions	284	175	308	1,265	2,032	268	137	377	984	1,766
Transfers	157	358	180	–763	–68	317	–565	1,108	–897	–37
Disposals	–103	–96	–164	–19	–382	–113	–119	–200	–13	–445
Changes in basis of consolidation[1]	0	–4	1	0	–3	53	1	–1	0	53
Balance as of 12/31	**6,733**	**4,858**	**4,781**	**1,882**	**18,254**	**6,438**	**4,554**	**4,570**	**1,391**	**16,953**
Depreciation and impairment										
Balance as of 01/01	**2,275**	**2,551**	**3,159**	**4**	**7,989**	**2,009**	**3,180**	**2,077**	**4**	**7,269**
Currency translation differences	–17	–86	–84	–1	–188	–3	4	11	0	13
Additions to cumulative depreciation	340	366	401	–	1,107	325	329	372	–	1,027
Additions to cumulative impairment losses	2	–	8	1	11	8	10	5	2	25
Transfers	0	4	–4	–	0	–3	–866	868	–	0
Disposals	–77	–85	–135	–	–296	–60	–106	–173	–	–339
Reversals of impairment losses	–6	–4	–1	–2	–12	0	–1	–	–2	–3
Changes in basis of consolidation[1]	0	–4	0	–	–3	–1	–	–1	–	–2
Balance as of 12/31	**2,518**	**2,743**	**3,345**	**2**	**8,608**	**2,275**	**2,551**	**3,159**	**4**	**7,989**
Carrying amount as of 12/31	**4,215**	**2,115**	**1,436**	**1,880**	**9,646**	**4,162**	**2,004**	**1,411**	**1,387**	**8,964**

1 Changes in basis of consolidation include additions from business combinations. The prior-year period was adjusted to reflect the current presentation.

Property, plant, and equipment with a carrying amount of €466 million (previous year: –) serves as collateral for loan liabilities.

Additional Impairment losses on property, plant, and equipment amounting to €2 million (previous year: €22 million) were recognized in cost of sales in fiscal year 2024 in connection with the realignment of the bus business and the discontinuation of body production for Scania bus chassis at the plant in Słupsk, Poland. These were attributable to Scania Vehicles & Services.

Right-of-use assets from leases reported in property, plant, and equipment changed as follows:

	2024			2023		
€ million	**Right-of-use assets contained in land, land rights, and buildings, including buildings on third-party land**	**Right-of-use assets contained in technical equipment and machinery, other equipment, operating and office equipment**	**Total right-of-use assets**	**Right-of-use assets contained in land, land rights, and buildings, including buildings on third-party land**	**Right-of-use assets contained in technical equipment and machinery, other equipment, operating and office equipment**	**Total right-of-use assets**
Cost						
Balance as of 01/01	**1,601**	**305**	**1,906**	**1,530**	**291**	**1,822**
Currency translation differences	–5	–2	–8	–11	–2	–14
Changes in basis of consolidation	0	0	1	18	0	18
Additions	205	98	303	165	110	274
Disposals	–76	–70	–146	–100	–94	–194
Balance as of 12/31	**1,725**	**331**	**2,056**	**1,601**	**305**	**1,906**
Depreciation and impairment						
Balance as of 01/01	**619**	**145**	**764**	**491**	**147**	**638**
Currency translation differences	–2	–1	–4	–4	–1	–6
Changes in basis of consolidation	0	0	1	–1	–	–1
Additions to cumulative depreciation	195	89	283	188	85	273
Disposals	–62	–64	–126	–55	–86	–141
Balance as of 12/31	**750**	**169**	**919**	**619**	**145**	**764**
Carrying amount as of 12/31	**975**	**162**	**1,137**	**982**	**160**	**1,142**

On a gross basis (before discounting), the maturity structure of the lease liabilities reported in financial liabilities is as follows:

€ million	12/31/2024	12/31/2023
Within one year	292	279
In two to five years	821	789
In more than five years	245	311
	1,359	1,380

Overall, there was a cash outflow of €389 million (previous year: €359 million) from lessee relationships in the fiscal year, of which €276 million (previous year: €263 million) was attributable to the repayment of lease liabilities within net cash used in financing activities and €113 million (previous year: €96 million) to net cash used in operating activities. This includes leasing expenses for low-value assets and short-term leases, expenses for variable lease payments not included in the measurement of lease liabilities, and interest expenses from unwinding discounted lease liabilities.

The following table shows an overview of potential future cash outflows that were not included in the measurement of lease liabilities:

€ million	12/31/2024	12/31/2023
Potential future cash outflows due to		
extension options	682	661
leases not yet commenced (contractual obligation)	10	7
variable lease payments	5	–

18. Assets leased out

Accounting policies: assets leased out

The "Assets leased out" line item reports assets for which the TRATON GROUP is the lessor. These include in particular vehicles and real estate marketed in the context of short-term rentals or operating leases, as well as vehicles that continue to be attributable to the TRATON GROUP as a result of buyback agreements. The underlying asset is measured at amortized cost, recognized in the TRATON GROUP's assets leased out, and depreciated to the calculated residual value over the estimated useful life using the straight-line method. The useful lives underlying depreciation generally correspond to those of items of property, plant, and equipment used by the entity. Changes to the calculated residual value are taken into account by adjusting the future depreciation rates. Impairment losses identified as a result of an impairment test in accordance with IAS 36 *Impairment of Assets* are recognized. The lease payments received in the period are recognized as income in the income statement on a straight-line or other systematic basis. Depreciation and impairment losses are included in functional expenses. Further information on accounting for operating leases is contained in Note **"8. Sales revenue"**.

As a general rule, the fair value of investment property is calculated using an income capitalization approach based on internal data, using internal calculations, or by external experts (Level 3 of the fair value hierarchy).

Estimates and management's judgment: recoverability of assets leased out

The recoverability of the Group's assets leased out depends in particular on the residual value of vehicles leased out after the end of the lease term, since this constitutes a significant portion of the expected cash flows, as well as on the current market situation, which is continuously monitored. Forecasting residual values requires management to make assumptions about the future supply of and demand for vehicles, as well as vehicle price trends. These assumptions are based either on qualified estimates or on information published by expert third parties. Where available, qualified estimates are based on external data and also reflect additional information available internally, such as values derived from past experience and current sales data.

Changes in assets leased out in the period from January 1 to December 31

	2024				2023			
€ million	Vehicles leased out	Investment property	Other assets leased out	Total	Vehicles leased out	Investment property	Other assets leased out	Total
Cost								
Balance as of 01/01	**8,405**	**100**	**40**	**8,545**	**9,139**	**99**	**41**	**9,279**
Currency translation differences	20	1	–1	20	–17	0	0	–18
Additions	1,564	0	0	1,565	1,875	1	0	1,877
Disposals	–2,293	–5	0	–2,298	–2,592	0	0	–2,593
Balance as of 12/31	**7,696**	**97**	**39**	**7,831**	**8,405**	**100**	**40**	**8,545**
Depreciation and impairment								
Balance as of 01/01	**2,812**	**38**	**36**	**2,887**	**3,045**	**37**	**36**	**3,117**
Currency translation differences	14	0	–1	14	–9	0	0	–9
Additions to cumulative depreciation	1,011	2	0	1,013	1,078	2	0	1,080
Additions to cumulative impairment losses	3	–	–	3	2	–	–	2
Disposals	–1,248	–3	0	–1,251	–1,301	0	0	–1,301
Reversals of impairment losses	–2	–	–	–2	–2	–	–	–2
Balance as of 12/31	**2,590**	**38**	**35**	**2,663**	**2,812**	**38**	**36**	**2,887**
Carrying amount as of 12/31	**5,106**	**59**	**4**	**5,168**	**5,593**	**61**	**4**	**5,658**

Since new business cannot compensate for expiring contracts, a year-on-year decline was recorded in vehicles leased out. This reflects the reduced share of business with buyback agreements in total unit sales.

The "Investment property" item contains land and buildings held for rental or capital appreciation with a fair value of €96 million (previous year: €100 million). Lease income from investment property amounted to €4 million (previous year: €5 million) in the reporting period.

Additional information on operating leases

The following payments are expected in the years shown from outstanding undiscounted lease payments arising from operating leases:

€ million	12/31/2024	12/31/2023
Within one year	449	417
In one to two years	310	269
In two to three years	236	194
In three to four years	150	118
In four to five years	75	72
In more than five years	23	35
Total lease payments	**1,243**	**1,104**

Income from operating leases came to €1,550 million (previous year: €1,683 million).

19. Equity-method investments

Accounting policies: equity-method investments

Equity-method investments include associates and joint ventures. Associates and joint ventures are initially measured at cost. In subsequent periods, the TRATON GROUP's share of earnings generated after acquisition is recognized in the income statement. Effects from the increase in the share of the equity (for example capital increases) of entities in which the TRATON GROUP does not participate, or only has a disproportionately low participation, are also recognized in the share of earnings of equity-method investments in the income statement. If an additional interest is acquired in an investment already accounted for using the equity method, and if this does not change the significant influence, the additional interest is measured at cost; the interest already held is not remeasured. Other changes in the equity of associates and joint ventures, such as currency translation differences, are recognized in other comprehensive income.

Intercompany profits or losses from transactions by Group companies with associates and joint ventures are eliminated ratably in the profit or loss of the Group companies. If there are indications that the carrying amount may be impaired, equity-method investments are tested for impairment; any impairment loss is recognized in the income statement (see Note **"15. Goodwill and impairment losses on assets"**). If the reason for impairment ceases to exist at a later date, the impairment loss is reversed to the carrying amount that would have been determined had no impairment loss been recognized.

Goodwill arising from the acquisition of an associate or a joint venture is included in the carrying amounts of investments in associates or joint ventures.

Sinotruk

The associate, Sinotruk (Hong Kong) Limited, Hong Kong, China (Sinotruk) is one of the largest truck manufacturers in the Chinese market. Sinotruk's principal place of business is in Hong Kong, China. Due to the application of the equity method, taking into account local capital market regulations relating to the disclosure of financial information for the investee, a reporting period that differs from the TRATON GROUP's fiscal year is used to account for Sinotruk.

The market price of the Sinotruk shares held by TRATON was €1,947 million (previous year: €1,222 million) as of December 31, 2024.

Summarized financial information for Sinotruk (on a 100% basis and thus not adjusted for the equity interest held by TRATON) and a reconciliation to the carrying amounts are presented in the following tables:

Statement of Comprehensive Income

€ million	2024[1]	2023[1]
Sales revenue	11,893	9,836
Earnings after tax from continuing operations	874	425
Other comprehensive income	–4	–2
Total comprehensive income	**870**	**423**
Dividend received[2]	138	25

1 Amounts shown relate to the period from July 1 of the previous year to June 30 of the year in question.

2 Dividends net of withholding tax

Balance Sheet

€ million	12/31/2024[1]	12/31/2023[1]
Noncurrent assets	4,922	4,072
Current assets	12,144	10,165
Noncurrent liabilities and provisions	174	154
Current liabilities and provisions	10,708	8,414
Net assets	**6,183**	**5,669**
Reconciliation of the financial information to the carrying amount of the equity-accounted investments		
Net assets	6,183	5,669
Noncontrolling interests	990	920
Net assets attributable to shareholders	5,193	4,749
Interest held by TRATON (in %)	25	25
Net assets attributable to the TRATON GROUP	**1,311**	**1,187**
Goodwill, effects of purchase price allocation, currency translation differences, and other changes	–119	–30
Carrying amount as of 12/31	**1,192**	**1,158**

1 Amounts shown relate to the reporting period ended June 30 of the year in question.

Rheinmetall MAN Military Vehicles GmbH (RMMV)

The associate, Rheinmetall MAN Military Vehicles GmbH (RMMV), headquartered in Munich, develops, manufactures, and sells logistics wheeled vehicles for military use. The TRATON GROUP holds a 49% equity interest, which is reported in the MAN Truck & Bus segment. Due to the application of the equity method, taking into account local capital market regulations relating to the disclosure of financial information, a reporting period that differs from the TRATON GROUP's fiscal year by three months is used to account for this company.

Summarized financial information for RMMV (on a 100% basis and thus not adjusted for the equity interest held by TRATON) and a reconciliation to the carrying amounts are presented in the following tables:

Statement of Comprehensive Income

€ million	2024[1]	2023[1]
Sales revenue	1,405	918
Earnings after tax from continuing operations	126	78
Other comprehensive income	1	2
Total comprehensive income	**127**	**80**
Dividend received	13	–

1 Amounts shown relate to the period from October 1 of the previous year to September 30 of the year in question.

Balance Sheet

€ million	12/31/2024[1]	12/31/2023[1]
Noncurrent assets	134	126
Current assets	856	744
Noncurrent liabilities and provisions	72	70
Current liabilities and provisions	506	474
Net assets	**412**	**326**
Reconciliation of the financial information to the carrying amount of the equity-accounted investments		
Net assets	412	326
Net assets attributable to shareholders	412	326
Interest held by TRATON (in %)	49	49
Net assets attributable to the TRATON GROUP	**202**	**160**
Goodwill	10	10
Carrying amount as of 12/31	**212**	**170**

1 Amounts shown relate to the reporting period ended September 30 of the year in question.

Summarized financial information on individually immaterial associates of the TRATON GROUP based on its proportionate interest

The carrying amounts of other associates amounted to €96 million (previous year: €42 million) as of December 31, 2024. The following table contains summarized financial information on the other associates; the disclosures relate to the Group's share of the associates in all cases:

€ million	2024	2023
Earnings after tax from continuing operations	–5	–13
Total comprehensive income	**–5**	**–13**

Summarized financial information on individually immaterial joint ventures of the TRATON GROUP based on its proportionate interest

The carrying amounts of the joint ventures were €141 million (previous year: €114 million) as of December 31, 2024. The following table contains summarized financial information on the joint ventures; the disclosures relate to the Group's share of the joint ventures in all cases:

€ million	2024	2023
Earnings after tax from continuing operations	–16	–5
Total comprehensive income	**–16**	**–5**

20. Other equity investments

Accounting policies: other equity investments

Other equity investments include shares in unconsolidated immaterial subsidiaries, associates and joint ventures not accounted for using the equity method due to insignificance, and financial investments. The TRATON GROUP has exercised the option under IFRS 9 *Financial Instruments* to recognize investments in equity instruments that are not held for trading and are measured under IFRS 9 at fair value through other comprehensive income (no recycling) because recognition of gains and losses on these instruments at fair value through profit or loss would not provide any information about the entity's performance for the TRATON GROUP.

The following table contains financial information about other equity investments at fair value through other comprehensive income:

	Fair value	
€ million	**12/31/2024**	**12/31/2023**
Stegra AB[1]	15	15
OneH2, Inc.	13	12
vialytics GmbH	11	8
Northvolt AB	–	78
Other investees	33	27
	71	**140**

1 formerly H2GS AB

The Swedish company Northvolt AB, Stockholm, Sweden (Northvolt), in which the TRATON GROUP is invested, filed for creditor protection under US law in November 2024. This had been preceded by reports of financial difficulties at the company. As a result, the fair value of the TRATON GROUP's investment in Northvolt decreased by 100% compared to the previous year. For more information on the calculation of the fair value, see Note "**34. Significance of financial instruments for net assets, financial position, and results of operations,**" section "Recognition, derecognition, and classification of financial instruments."

21. Financial services receivables

Accounting policies: financial services receivables

The TRATON Financial Services segment offers a wide range of financing solutions, normally with maturities of between three and five years, in which the vehicles serve as collateral. The type of financing solution offered often depends on market conditions as well as civil and tax law rules in the country concerned.

Customer finance receivables primarily comprise loans granted to direct customers. These loans are collateralized by the underlying vehicles or other liens. Dealer finance receivables mainly include working capital loans to dealers. The loans are collateralized by the underlying vehicles or other liens.

Additionally, the TRATON Financial Services segment also acts as lessor in finance leases. The resulting finance lease receivables relate to leases of commercial vehicles. The receivables are recognized at the amount of the net investment in the lease. The lease payments received in the reporting period subsequently reduce the principal and the unearned finance income. Credit risk from lease receivables is accounted for in accordance with IFRS 9. Further information on accounting for finance leases can be found in Note **"8. Sales revenue"**.

Some companies in the TRATON GROUP sell revolving current trade receivables as well as contractually agreed cash flows from leases. Further sales are agreed in specific cases. Asset-backed securities transactions are also carried out in the TRATON Financial Services segment, in which future cash flows from financial services receivables are assigned to structured entities, which then securitize them. If substantially all the risks and rewards of ownership remain with the TRATON Financial Services segment, the financial asset is not derecognized. Instead, a financial liability is recognized in the case of asset-backed securities transactions. In all other cases, other financial liabilities are recognized in the amount of the consideration received.

For further information on the recognition and measurement principles applicable to financial services receivables and on accounting for credit risk from lease receivables, refer to Notes **"34. Significance of financial instruments for net assets, financial position, and results of operations"** and **"35. Nature and extent of risks arising from financial instruments"**.

Estimates and management's judgment: measurement of expected credit losses

The TRATON GROUP is exposed to risks from contractual payments. In all major respects, the Group has the right to recover the vehicles underlying the contracts as collateral. The Group has an exposure to loss if the fair value of the collateral does not fully cover the risk exposure to the customer and the customer is unable to fulfill its contractual payment obligations. If possible, the estimates of this loss exposure are derived from past experience, taking into account current market data and rating classes, as well as scoring information.

Financial services receivables

	Carrying amount			Carrying amount		
€ million	current	non-current	12/31/2024	current	non-current	12/31/2023
Receivables from the financing business						
Customer financing	2,481	4,807	7,288	2,162	4,322	6,484
Dealer financing	2,267	7	2,274	1,498	5	1,504
	4,747	**4,814**	**9,562**	**3,661**	**4,327**	**7,988**
Receivables from operating leases	23	–	23	23	–	23
Receivables from finance leases	2,123	4,276	6,400	1,870	3,440	5,310
	6,894	**9,090**	**15,984**	**5,554**	**7,767**	**13,321**

The increase in customer finance receivables resulted primarily from a significant year-on-year increase in the sales volume in Brazil on the back of the continued stable economic development in Brazil and the expansion of financing business at TRATON Financial Services for International in 2024. In addition, the TRATON GROUP acquired the rights to manage future financial services business for MAN in several countries in the reporting year (see Note "6. Acquisitions"), which also contributed to the increase in customer finance receivables. The year-on-year increase in dealer finance receivables is mainly due to an increase in deliveries in the second half of 2024 at International.

The increase in finance lease receivables is primarily attributable to the increased portfolio volume in many markets. In addition, MAN Financial Services commenced operations in several new markets, which led to a further increase in finance lease receivables by €385 million compared with the previous year.

Reconciliation of lease payments from finance leases

€ million	12/31/2024	12/31/2023
Undiscounted lease payments	**7,400**	**6,064**
Unearned interest income	–776	–618
Net investment in the lease	**6,623**	**5,447**
Loss allowance for lease receivables	–224	–137
Carrying amount	**6,400**	**5,310**

Interest income from the net investment in the leases amounted to €401 million (previous year: €303 million) and is reported in sales revenue. Finance leases resulted in a disposal gain of €544 million (previous year: €445 million) in the fiscal year under review. The increase is attributable to a higher volume and improved profitability of finance leases, among other things. In addition, MAN Financial Services started operating in several new markets during the fiscal year, which also led to an increase.

The following payments are expected in the years shown from expected outstanding undiscounted lease payments arising from finance leases:

€ million	12/31/2024	12/31/2023
Within one year	2,487	2,157
In one to two years	1,842	1,535
In two to three years	1,392	1,124
In three to four years	905	713
In four to five years	531	349
In more than five years	243	186
Total lease payments	**7,400**	**6,064**

As of the reporting date, asset-backed securities transactions implemented to refinance the TRATON Financial Services segment are included in receivables at a carrying amount of €2,418 million (previous year: €1,122 million). The carrying amount of corresponding financial liabilities is €1,813 million (previous year: €997 million). The expected payments were assigned to structured entities during the transaction, and collateral with a total amount of €2,418 million (previous year: €1,122 million) was provided. The asset-backed securities transactions did not result in the receivables being derecognized, as the TRATON GROUP retains nonpayment and late payment risks. In certain cases, it is also able to retransfer receivables from the asset-backed securities structure. The difference between the amount of financial services receivables and the associated liabilities is the result of different terms and conditions within the structures, including overcollateralization.

Under certain conditions, parts of the asset-backed securities transactions implemented may be repaid early (clean-up call). In cases where receivables from the asset-backed securities structure are transferred back to the TRATON Financial Services segment, the receivables can be assigned a second time or used as collateral in any other way. The claims by bondholders and financing banks are limited to the assigned receivables, and the cash inflows arising from these receivables are intended for the settlement of the corresponding liability. As of December 31, 2024, the fair value of the assigned receivables that continue to be recognized in the balance sheet was €2,418 million (previous year €1,122 million). The fair value of the associated liabilities amounted to €1,813 million (previous year: €1,000 million) as of that date. The resulting net position is €605 million (previous year: €122 million).

22. Other financial assets

€ million	12/31/2024	12/31/2023
Positive fair value of derivatives	415	337
Restricted cash	120	333
Receivables from loans (excluding interest)	182	85
Miscellaneous financial assets	624	633
	1,341	**1,387**

Other financial assets include positive fair values of derivative financial instruments, primarily for hedging interest rate and currency risks. The increase in positive fair values in the current year is mainly due to interest rate hedging transactions and, in this context, to falling interest rates in the eurozone. Further information on derivatives as a whole can be found in Notes **"34. Significance of financial instruments for net assets, financial position, and results of operations"** and **"35. Nature and extent of risks arising from financial instruments."**

Restricted cash included €41 million (previous year: €271 million) for the gradual acquisition of key aspects of the global financial services business of MAN and VWTB (see Note **"6. Acquisitions"**). Miscellaneous restricted cash is mainly used as collateral in asset-backed securities transactions.

The increase in receivables from loans was due, among other things, to a loan of €49 million granted to Northvolt.

Miscellaneous financial assets include receivables from customers who purchased parts from dealers using a credit card program, claims for refunds, receivables from insurance management, and warranty credits.

As of December 31, 2024, other financial assets contained related party receivables of €170 million (previous year: €396 million). Of this amount, €84 million (previous year: €84 million) is attributable to receivables from loans.

23. Other receivables

€ million	12/31/2024	12/31/2023
Recoverable taxes	1,025	1,044
Miscellaneous receivables	818	640
	1,842	**1,684**

Miscellaneous receivables include prepaid expenses in the amount of €471 million (previous year: €464 million). Sales with a right of return account for a further €66 million (€70 million), mainly from sold vehicles for which TRATON will repurchase certain parts at a later date for reconditioning. Moreover, miscellaneous receivables contain assets to finance pension obligations in the amount of €50 million (previous year: €36 million).

As of December 31, 2024, other receivables contained related party balances of €78 million (previous year: €24 million).

24. Inventories

Accounting policies: inventories

Inventories are measured at the lower of cost and net realizable value. Production cost comprises directly attributable production costs and proportionate fixed and variable production overheads. Overheads are allocated on the basis of normal capacity of the production facilities. Borrowing costs are not capitalized. Distribution expenses and general and administrative expenses are not included in production cost. As a general principle, similar items of inventories are measured using the weighted average method or the FIFO method.

€ million	12/31/2024	12/31/2023
Raw materials, consumables, and supplies	1,683	1,731
Work in progress	859	734
Finished goods and purchased merchandise	4,966	4,957
Prepayments	25	24
	7,532	**7,447**

In the year under review, inventories of €34,111 million (previous year: €34,653 million) were recognized in cost of sales at the same time as the sales revenue. Valuation allowances recognized as expenses in the fiscal year under review amounted to €124 million (previous year: €115 million).

25. Trade receivables

Accounting policies: trade receivables

Trade receivables are initially recognized at the transaction price.

Some companies in the TRATON GROUP sell revolving current trade receivables; for further information, refer to Note **"21. Financial services receivables"**. For information on the sale of receivables to companies in the Volkswagen Group (nonrecourse factoring), refer to Note **"40. Related party disclosures"**. For further information on the measurement principles applicable to trade receivables, refer to Note **"34. Significance of financial instruments for net assets, financial position, and results of operations"**.

Trade receivables

€ million	12/31/2024	12/31/2023
Trade receivables from		
third parties	2,973	3,635
related parties	123	258
	3,096	**3,894**

The decrease in trade receivables was primarily attributable to a lower business volume and increased factoring activities at MAN Truck & Bus.

26. Cash and cash equivalents

Accounting policies: cash and cash equivalents

Cash and cash equivalents include bank balances and highly liquid financial investments of a temporary nature that are exposed to no more than minor risks of fluctuation in value.

The TRATON GROUP's financial management manages cash pool structures at brand level, wherever legally and economically appropriate and feasible. The TRATON segments manage operational cash themselves. Excess cash in the TRATON segments is managed at TRATON SE level. Cash pool receivables from affiliated companies are reported in cash and cash equivalents.

The TRATON GROUP deposits a portion of its excess cash with Volkswagen AG under interest rates in keeping with standard market conditions. Demand deposits are reported in cash and cash equivalents. By contrast, deposits classified as investments are recognized as marketable securities and investment deposits (current) or as other financial assets (noncurrent). Correspondingly, loans and short-term borrowings from Volkswagen AG are recognized as financial liabilities. Deposits with globally positioned banks are also a standard practice.

For further information on the measurement principles, refer to Note **"34. Significance of financial instruments for net assets, financial position, and results of operations"**.

Cash and cash equivalents

€ million	12/31/2024	12/31/2023
Bank balances	2,129	1,441
Checks, bills, and cash	70	34
Cash pool receivables from unconsolidated affiliated companies	1	1
Receivables from affiliated companies of the Volkswagen Group	342	255
	2,542	**1,730**

27. Equity

Subscribed capital (share capital)

The subscribed capital (share capital) of TRATON SE amounts to €500,000,000 and is composed of 500,000,000 no-par value bearer shares with a notional value of €1.00 each.

All shares are fully paid up and have the same dividend rights. Under Article 6 (2) sentence 1 of the Articles of Association, shareholders may not claim delivery of physical share certificates.

Authorized capital

In accordance with Article 5 (3) of the Articles of Association, the Executive Board is authorized to increase the Company's share capital on one or several occasions by a total of up to €200,000,000 by issuing up to 200,000,000 no-par value bearer shares on a cash and/or noncash basis on or before May 31, 2028, subject to the Supervisory Board's approval (Authorized Capital 2023). The dividend entitlement of new shares can be determined contrary to the provisions of section 60 (2) of the AktG.

Shareholders must be granted preemptive rights unless the Executive Board makes use of one of the following authorizations to disapply preemptive rights, with the consent of the Supervisory Board. The new shares may also be underwritten by a credit institution or an entity operating pursuant to section 53 (1) sentence 1 of the *Kreditwesengesetz* (KWG — German Banking Act) or section 53b (1) sentence 1 or (7) of the KWG (financial institution) to be designated by the Executive Board, or by a consortium of such credit or financial institutions, with the obligation to offer them for sale to shareholders of the Company. The Executive Board is authorized, with the consent of the Supervisory Board, to disapply shareholders' preemptive rights in the following cases:

a) To settle fractions resulting from a capital increase
b) To the extent necessary to grant holders or creditors of convertible loan agreements or bonds with warrants, as well as convertible profit participation rights, issued by the Company and/or its direct or indirect majority investees a preemptive right to new shares in the amount to which they would be entitled following the exercise of their options or conversion rights or after meeting their exercise of option or conversion obligations
c) If the new shares are issued against cash contributions and the issue price of the new shares is not materially lower than the quoted market price of existing listed shares of the Company at the date when the issue price is finally determined, which should be as close as possible to the placement of the shares. However, this authorization to disapply preemptive rights applies only to the extent that the notional amount of the share capital attributable to the shares issued with preemptive rights disapplied in accordance with section 186 (3) sentence 4 of the AktG does not exceed a total of 10% of the share capital, meaning neither the share capital existing when this authorization takes effect, nor the share capital existing at the date when this authorization is exercised. Shares that (i) are sold or issued, with preemptive rights disapplied, during the term of this authorization up to the date of its exercise on the basis of other authorizations in direct application, or application with the necessary modifications, of section 186 (3) sentence 4 of the AktG, or (ii) shares that were issued or will be issued, with preemptive rights disapplied, to settle bonds or profit participation rights with conversion or exercise rights or obligations will be counted toward this limit, to the extent that the bonds or profit participation rights were issued during the term of this authorization up to the date of its exercise, in application, with the necessary modifications, of section 186 (3) sentence 4 of the AktG.
d) To the extent that the capital increase is implemented to grant shares against noncash contributions, in particular for the purposes of acquiring companies, parts of companies, or investments in companies, or other assets

The Executive Board is also authorized to define further details of the capital increase and its implementation, with the consent of the Supervisory Board. The Supervisory Board is authorized to amend the wording of Article 5 of the Articles of Association following the complete or partial implementation of the capital increase from Authorized Capital 2023 or after the expiration of the authorization period, in line with the scope of the capital increase.

Contingent capital

Additionally, under Article 5 (4) of the Company's Articles of Association, the Company's share capital may also be increased by up to €50,000,000 on a contingent basis through the issue of up to 50,000,000 bearer shares (no-par value shares) (Contingent Capital 2023). The sole purpose of Contingent Capital 2023 is to issue new shares to the holders/creditors of bonds which are issued by the Company or by other companies in which the Company directly or indirectly holds a majority interest up to May 31, 2028, in accordance with a resolution passed by the shareholders under item 10.2 of the agenda for the meeting of June 1, 2023, in the event that conversion and/or option rights are exercised or conversion or option exercise obligations are settled or the Company makes use of its right to grant shares in the Company, either in full or in part, in lieu of payment of the respective cash amount. The shares are issued at the conversion or option price to be determined in accordance with the aforementioned resolution. The contingent capital increase will only be implemented to the extent that conversion rights or options are exercised or conversion or option exercise obligations are settled, or the Company exercises its right to grant shares of the Company, either in full or in part, in lieu of payment of the cash amount due, and to the extent that other instruments are not used to settle the conversion rights or options.

The new shares carry dividend rights from the beginning of the fiscal year in which they are issued. To the extent permitted by law, the Executive Board may, with the consent of the Supervisory Board, determine the dividend rights in derogation of the above and of section 60 (2) of the AktG, including for a fiscal year that has already closed.

The Executive Board is authorized to define further details of the implementation of the contingent capital increase, with the consent of the Supervisory Board.

Capital reserves

TRATON SE's capital reserves of €12,495 million (previous year: €13,295 million) constitute the contributions by Volkswagen AG to TRATON SE, in particular from the contribution of MAN SE and Scania AB.

The entire capital reserves of €12,495 million are distributable capital reserves within the meaning of section 272 (2) no. 4 of the *Handelsgesetzbuch* (HGB — German Commercial Code). €800 million (previous year: €400 million) was released in the reporting period and transferred to retained earnings.

Retained earnings and accumulated other comprehensive income

The retained earnings of €8,135 million (previous year: €5,464 million) reported as of December 31, 2024, constitute amounts recognized as earnings after tax in prior periods. They also contain the difference between the value of MAN SE shares at the date of their contribution to TRATON SE and the recognized carrying amount of the corresponding assets and liabilities. In addition, the effects of business combinations under common control are recognized in retained earnings; for further information, see Note **"6. Acquisitions"**. TRATON SE paid its shareholders a dividend of €1.50 (previous year: €0.70) per share in 2024. This resulted in a total payout of €750 million (previous year: €350 million).

As of December 31, 2024, the accumulated other comprehensive income of €–3,293 million (previous year: €–2,777 million) contains the accumulated amounts of transactions recognized in other comprehensive income, in particular currency translation differences, differences from pension plan remeasurements, and the measurement of equity investments. Further information can be found in the **Statement of comprehensive income**.

For fiscal year 2024, TRATON SE's Executive and Supervisory Boards are proposing to the Annual General Meeting to be held on May 14, 2025, to pay a dividend of €1.70 (previous year: €1.50) per share. This proposal corresponds to a total payout of €850 million (previous year: €750 million).

28. Financial liabilities

The details of noncurrent and current financial liabilities are presented in the following table:

€ million	12/31/2024	12/31/2023
Bonds[1]	13,024	10,710
Bonds from asset-backed securities transactions[1]	1,639	972
Liabilities to banks	5,441	5,920
Lease liabilities	1,171	1,181
Loans and short-term borrowings from Volkswagen AG	943	797
Loans from Volkswagen International Finance	691	–
Loans and short-term borrowings from Volkswagen Group of America Finance	478	359
Schuldscheindarlehen	350	700
Commercial paper program[1]	246	1,014
Loans from Volkswagen Financial Services AG	201	–
Loans and miscellaneous liabilities	93	50
	24,277	**21,704**

1 Prior-period amounts adjusted to reflect the current presentation

Financial liabilities from bonds mainly relate to European Medium Term Notes (EMTNs).

TRATON has a €12,000 million European Medium Term Notes program (EMTN program) in place. TRATON Finance Luxembourg S.A., Strassen, Luxembourg (TRATON Finance) is using the issuance program to raise capital for general corporate purposes, and the capital raised will be used as needed within the TRATON GROUP. Under the program, TRATON Finance issued bonds totaling €3,973 million (previous year: €3,235 million) in 2024 and made repayments of €1,499 million (previous year: €614 million). Liabilities with a carrying amount of €10,686 million (previous year: €8,131 million) were reported under this EMTN program as of December 31, 2024. These were partly hedged using interest rate derivatives.

Scania has a €5,000 million EMTN program in place. Liabilities with a carrying amount of €1,574 million (previous year: €2,326 million) were reported under this program as of December 31, 2024. In contrast to issuances of €134 million in the previous year, no bonds were issued and €692 million (previous year: €1,658 million) was repaid in the reporting period.

TRATON had launched a €2,500 million commercial paper program on September 12, 2023, of which liabilities with a carrying amount of €188 million (previous year: €990 million) were disclosed as of the reporting date. These were therefore repaid in the amount of €801 million in the reporting period, whereas €990 million had been issued in the previous year.

A long-term loan of €691 million (previous year: €– million) was taken out from Volkswagen International Finance N.V., Amsterdam, Netherlands, in the reporting period. Financial liabilities to Volkswagen Group of America Finance, LLC, Herndon, Virginia, USA (Volkswagen Group of America Finance) increased due to a long-term loan of €383 million (previous year: €– million) and, conversely, a short-term credit line was partially repaid in the amount of €263 million, whereas €359 million had been drawn down in the previous year. In addition, a long-term loan of €250 million was taken out from Volkswagen AG, whereas €1,220 million was repaid in the previous year and, conversely, current financial liabilities to Volkswagen AG decreased by €104 million, whereas they had increased by €297 million in the previous year.

The acquisition of key aspects of MAN's financial services business included the assumption by the TRATON Financial Services segment of a loan from Volkswagen Financial Services AG with a volume of €201 million (previous year: €– million) as of December 31, 2024.

TRATON SE repaid liabilities from *Schuldscheindarlehen* in the amount of €350 million (previous year: €– million).

For information on the measurement principles, refer to Note **"34. Significance of financial instruments for net assets, financial position, and results of operations"**. The item "Bonds from asset-backed securities transactions" includes both new and existing ABS bond transactions. In addition to the bonds, ABS liabilities are also included in the line item "Liabilities to banks." For information on the derecognition of financial assets, refer to Note **"21. Financial services receivables"**.

29. Other financial liabilities

€ million	12/31/2024	12/31/2023
Liabilities from buyback obligations	2,168	2,672
Negative fair value of derivatives	683	579
Interest rate liabilities	252	172
Liabilities of arbitration proceedings on the MAN SE merger squeeze-out	98	–
Factoring liabilities	64	86
Security deposits/financial services	54	43
Miscellaneous financial liabilities	772	735
	4,091	**4,288**

The liabilities from buyback obligations originate from sales of commercial vehicles accounted for as operating leases because of a buyback agreement. For further information on the accounting policies, see Note **"18. Assets leased out"**.

Other financial liabilities include negative fair values of derivative financial instruments for hedging interest rate and currency risks. These instruments, which are mainly used to hedge currency risk in customer orders and net liquidity, are matched by offsetting gains and losses of the underlyings. Further information on derivatives as a whole can be found in Notes **"34. Significance of financial instruments for net assets, financial position, and results of operations"** and **"35. Nature and extent of risks arising from financial instruments"**.

In some cases, the contractual rights to cash flows from leases are transferred to an external bank. The carrying amount of the lease assets that have been transferred but not derecognized was €50 million (previous year: €83 million) as of the reporting date. The assets did not qualify for derecognition due to a general recourse clause. The corresponding other financial liability had a carrying amount of €64 million (previous year: €86 million) as of the reporting date. The difference between the amount of assets and liabilities is mainly the result of the asset capturing only the portion currently resulting from operating leases, whereas the liability includes the discounted present value of all future cash flows that have been transferred. As of the reporting date, the fair value of the transferred

but not derecognized assets amounted to €50 million (previous year: €80 million), the fair value of the corresponding liability amounted to €64 million (previous year: €85 million), and the net position thus equaled €–14 million (previous year: €–5 million). For information on the accounting policies in connection with derecognition of financial assets, refer to Note **"21. Financial services receivables"**.

Miscellaneous financial liabilities contain deferrals for outstanding supplier invoices, among other items.

30. Other liabilities

€ million	12/31/2024	12/31/2023
Contract liabilities	2,569	2,195
Deferred purchase price payments for assets leased out	2,021	2,250
Payroll liabilities	1,188	1,107
Miscellaneous tax payables	512	587
Liabilities related to social security contributions	342	325
Miscellaneous other liabilities	391	401
	7,024	**6,866**

Deferred purchase price payments for assets leased out relate to liabilities from buyback transactions.

The following table explains the change in contract liabilities in the reporting period:

€ million	2024	2023
Contract liabilities as of 01/01	**2,195**	**1,985**
Additions and disposals	377	214
Currency translation adjustments	–3	–4
Contract liabilities as of 12/31	**2,569**	**2,195**

31. Provisions for pensions and other post-employment benefits

Accounting policies: provisions for pensions and other post-employment benefits

Obligations for post-employment benefits under defined benefit plans are determined by independent actuaries using the projected unit credit method in accordance with IAS 19 *Employee Benefits*. Under this method, the future obligations ("defined benefit obligation") are measured on the basis of the proportionate benefit entitlements acquired as of the balance-sheet date, discounted to their present value, and reduced by the fair value of the plan assets available to cover the pension obligations. Measurement takes into account both the pensions and vested benefits known at the balance sheet date and actuarial assumptions for discount rates, salary and pension trends, staff turnover rates, life expectancy, and increases in healthcare costs, which are calculated for the Group companies depending on their economic environment.

The service cost, which represents the entitlements of active employees accruing in the fiscal year in accordance with the plan, is reported in functional expenses. Net interest income and expenses are reported in interest expense and calculated by multiplying the net asset or liability by the discount rate.

Remeasurements of the net asset or liability comprise actuarial gains and losses resulting from differences between the actuarial assumptions made and what has actually occurred, and changes in actuarial assumptions, as well as the return on plan assets, excluding amounts included in net interest income or expenses. Remeasurements are recognized in other comprehensive income, net of deferred taxes, in the period in which they arise. The remeasurements from pension plans recognized in other comprehensive income also include the relevant currency translation differences.

Estimates and management's judgment: provisions for pensions and other post-employment benefits

Measurement of the pension provisions was based on the following actuarial assumptions:

	Germany		USA		Sweden		Other countries	
In %	2024	2023	2024	2023	2024	2023	2024	2023
Discount rate as of 12/31	3.4	3.3	5.5	5.0	3.5	3.3	5.2	4.8
Payroll trend	3.2	3.2	0.5	0.5	2.5	2.3	1.8	1.5
Pension trend	2.0	2.2	–	–	1.8	1.5	0.8	0.8
Staff turnover rate	2.5	2.5	3.5	3.7	4.8	4.8	3.1	2.8

These amounts are averages that were weighted using the present value of the defined benefit obligation. With regard to life expectancy, the most recent mortality tables in each country are used. For Germany, the 2005 G mortality tables developed by Professor Klaus Heubeck were adapted, most recently in 2017, to MAN-specific experience for the MAN Truck & Bus companies and the TRATON Holding, and thus describe mortality in the TRATON GROUP better than the RT2018G mortality tables. For the US retirement plans, the mortality rates from standard mortality tables published by the Society of Actuaries are used and adjusted for plan experience if necessary. A study is conducted every five years to determine the best estimate of current mortality levels. In Sweden, the DUS2023 standard mortality tables are applied. As a general principle, the discount rates are defined to reflect the yields on highly-rated (AA) corporate bonds with matching maturities and currencies. The payroll trends cover expected wage and salary trends, which also include increases due to career development. The pension trends either reflect the contractually defined guaranteed pension adjustments or are based on the rules for pension adjustments in force in each country. The staff turnover rates are based on past experience and future expectations.

Depending on the situation in specific countries, the TRATON GROUP grants its employees pension benefits in the form of defined benefit or defined contribution pension plans.

Defined contribution plans in the TRATON GROUP

Under defined contribution plans, contributions are paid to public or private pension providers on the basis of legislative or contractual requirements. There are no benefit obligations over and above the payment of contributions. Current contribution payments are recognized as an expense in the period in which they are incurred; in the TRATON GROUP, they amounted to a total of €451 million (previous year: €407 million) in 2024. €127 million (previous year: €119 million) was paid for contributions to the statutory pension insurance system in Germany. Additionally, these primarily relate to defined contribution pension plans in Sweden and the USA and to defined benefit multi-employer pension plans that are accounted for as defined contribution pension plans.

Multi-employer plans in the TRATON GROUP

In the TRATON GROUP, there are multi-employer pension plans in the United Kingdom, Sweden, and the Netherlands (see the **"Scania's plans in Sweden"** and **"Plans in other countries"** sections). The majority of these plans are defined benefit plans. A small proportion of these multi-employer pension plans are accounted for as defined contribution plans because the TRATON GROUP is unable to obtain the information required to account for them as defined benefit plans. Under the terms of the multi-employer plans, the TRATON GROUP only has a very limited liability for the obligations of the other employers.

Defined benefit plans in the TRATON GROUP

Most of the pension entitlements in the TRATON GROUP are classified as defined benefit plans under IAS 19, which are funded by external plan assets to a considerable extent.

Due to their similarity to pensions, the obligations in particular of the US, Canadian, and Brazilian Group companies for their employees' post-retirement healthcare benefits are also reported in provisions for pensions and other post-employment benefits. The expected long-term trend in healthcare costs is taken into account for these post-employment benefits. The associated present value of the obligation amounted to €535 million (previous year: €377 million) as of December 31, 2024. The increase is mainly due to a rise in forecast costs related to the OPEB plans in the USA on account of higher insurance premiums resulting from a forecast of lower government funding.

The significant pension plans are described in the following.

Scania's plans in Sweden

Scania's employees in Sweden are covered through post-employment benefit plans that offer benefits in the form of retirement pensions, early retirement pensions, surviving dependents' pensions, and severance payments.

Employees born before 1979 are covered by the joint defined benefit ITP2 pension plan, which is funded by recognized provisions and, since 2019, also partly by plan assets, and is secured by credit insurance taken out with Försäkringsbolaget PRI Pensionsgaranti, a mutual insurance company that also administers the plan. External funding of plan assets uses a foundation (*Pensionsstiftelsen*). The fair value of plan assets was €331 million (previous year: €300 million) as of December 31, 2024. Another part of ITP2 is secured by contributions to Alecta, a pensions insurer, and is accounted for as a defined contribution plan (see the **"Multi-employer plans in the TRATON GROUP"** section).

In addition to these obligations, there is also a defined benefit obligation for employees entitled to early retirement who have reached the age of 62 and were employed by the company for 30 years, or who have reached the age of 63 and were employed by the company for 25 years, as well as for a limited number of former executives.

For obligations that are funded entirely by recognized provisions, the company bears the risks associated with lifelong pension benefits.

International's plans in the USA

International offers employees in the USA a range of defined benefit pension plans that provide retirement benefits in the form of life annuities. The benefits of the pension plan for salaried employees are generally based on salary and length of service, while benefits under the two pension plans for wage-earning staff are generally based on a negotiated amount for each year of service.

The pension plans for wage-earning staff and salaried employees have been closed to new entrants since 2008 and 1996, respectively, and, with the exception of one of the plans for wage-earning staff, are also closed to the accrual of further benefit entitlements.

Effective September 13, 2023, the obligations for around 2,500 participants were transferred to a qualified insurer.

These plans are funded pension plans subject to the US Employee Retirement Income Security Act (ERISA) and are eligible for tax benefits as qualified pension plans under US law. Under internal guidelines, the minimum required contribution pursuant to ERISA and the Internal Revenue Code is funded in each case, and additional discretionary contributions are paid in from time to time.

The pension plans are exposed to interest rate, market, and longevity risks, which are regularly monitored and assessed.

The plan assets are invested as part of a diversified strategy by experienced fund managers in equities, real estate, hedge funds, credit products, and assets in order to hedge liabilities, and diversified by an external investment advisor to avoid concentrations in type, sector, issuer, market, or country. Each pension plan has an investment policy that, among other things, defines strategic asset allocation depending on the funding level. As the funding level increases, investments are reallocated to asset classes that reduce interest rate risk at the expense of higher-yielding asset classes that are also more volatile. No derivative products are currently used to hedge longevity or interest rate risk.

For executives, US law provides for nonqualified defined benefit plans that are not subject to the ERISA and provide retirement benefits in the form of a life annuity, a lump sum, or installments. These are financed solely by provisions.

In addition, other post-employment benefits (OPEBs) in the form of medical benefits, prescription drugs, and life insurance, some of which are funded, are provided to a closed group of participants for life in the USA.

The funded plan benefits in place at the time of the acquisition of International resulted from a 1993 Settlement Agreement between International, International's employees, pensioners, and collective bargaining organizations, and stipulated cost sharing between the company and the participants in the form of premiums, copayments, and deductibles. As part of this agreement, plan assets (a "Base Program Trust") were established to fund part of the healthcare and life insurance obligations. International was required to make annual contributions. In addition, the cost of the benefits was shared between International, the beneficiaries, and the plan assets.

Effective January 1, 2022, the funded OPEB plan was adjusted with regard to the contributions that participants are required to pay for pensioner healthcare under the terms of the plan. This saw pensioner contributions being reduced by the government subsidies from the employer group waiver plan agreement. In June 2022, the competent court approved the final agreement to adjust the plan.

TRATON Holding and MAN's plans in Germany

Once their active working life is over, the German companies of MAN Truck & Bus and the TRATON Holding grant their employees in Germany benefits provided by an occupational pension system that constitutes one of the key elements of their remuneration policy. Occupational pensions provide additional retirement benefits as well as risk protection in the event of invalidity or death.

Under the current pension plans, all active employees receive employer contributions that are tied to their remuneration and can also make additional provisions through deferred compensation — which is employer-subsidized for staff subject to collective bargaining agreements. The employer- and employee-funded contributions plus returns on capital market investments allow staff to accumulate plan assets during their active employment that are paid out as a lump sum or in installments on retirement, or that can be annuitized in certain cases. The risk of the investments is gradually reduced as employees get older (life cycle concept). The performance of the plan assets is based on the return on capital investments. The total amount of contributions paid in for the employee is paid out as a minimum when the employee retires.

Former employees, pensioners, or employees with vested benefits who have left also have benefit entitlements from discontinued pension plans, which are designed to provide lifelong pension payments. These commitments are exposed to the standard longevity and inflation risks, which are regularly monitored and assessed.

German pension assets are managed by MAN Pension Trust e.V. and WTW Pensionsfonds AG. These assets are irrevocably protected from recourse by the Group companies and may only be used to fund current pension benefit payments or to settle claims by employees in the event of insolvency. Proper management and utilization of the trust assets is supervised by independent trustees. Additionally, WTW Pensionsfonds AG is regulated by the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin — German Federal Financial Supervisory Authority).

The pension assets are invested by professional investment managers in accordance with investment rules laid down by TRATON SE's Investment Committee. Strategic allocation of the pension assets is based on regular asset/liability management studies.

The acquisition of securities issued by Volkswagen Group companies and investments in owner-occupied real estate are generally not permitted.

Plans in other countries

Employees in the United Kingdom, Switzerland, Canada, and Brazil receive pension benefits under defined benefit funded pension and healthcare plans.

The pension plans granting lifelong pensions in the United Kingdom have been closed to new entrants, and existing members cannot acquire additional entitlements. Trustee boards, which have appointed professional administrators and advisors, are responsible for administering the pension plans, including investing the assets. Regular asset/liability management studies form the basis of investment and risk management. The investment risk at MAN Truck & Bus is being gradually reduced as part of a defined derisking strategy as funding ratios improve.

Employees in Switzerland accrue entitlements through employer and employee contributions to multi-employer (MAN Truck & Bus) or occupational (Scania) pension providers that are converted into a lifelong pension at retirement at the terms in force at that time. The pension institutions are managed conservatively on the basis of standards imposed by the government. If the plan assets are insufficient to meet the pension entitlements because of adverse market developments, the member employers and their employees may be required to make "stabilization contributions."

In Canada, there are two registered and funded defined benefit pension plans, one for wage-earning staff and one for salaried employees, as well as an Other Post-Employment Benefits (OPEB) plan. The pension plans provide lifetime annuities and are closed to new entrants. The pension plan for salaried employees (the defined benefit component) is also closed for the acquisition of additional entitlements. The Canadian OPEB plan provides health, dental, and life insurance benefits to eligible pensioners.

Employees in Brazil are entitled to benefits under defined benefit pension plans funded largely by plan assets and have entitlements under healthcare plans funded by provisions.

Furthermore, other countries have pension plans with a low level of benefits or grant mandatory post-employment benefits. Some of these benefits are funded by plan assets, either in full (the Netherlands) or in part (Belgium, France, India), or are only funded by provisions (Austria, Türkiye, Poland, Italy).

The following amounts were recognized in the balance sheet for defined benefit plans:

€ million	12/31/2024	12/31/2023
Present value of funded obligations	4,831	4,654
Fair value of plan assets	3,627	3,500
Funded status (net)	1,204	1,154
Present value of unfunded obligations	639	637
Amount not recognized as an asset because of the ceiling in IAS 19	17	20
Net liabilities recognized in the balance sheet	**1,859**	**1,811**
of which provisions for pensions and other post-employment benefits	1,909	1,847
of which other receivables	50	36

The following table shows changes in the net defined benefit liability recognized in the balance sheet:

€ million	2024	2023
Net liabilities recognized in the balance sheet as of 01/01	**1,811**	**1,760**
Current service cost[1]	84	75
Net interest expense[1]	79	87
Actuarial gains (–)/losses (+) arising from changes in demographic assumptions	–1	10
Actuarial gains (–)/losses (+) arising from changes in financial assumptions	55	102
Actuarial gains (–)/losses (+) arising from experience adjustments	58	91
Income/expenses from plan assets not included in interest income	–90	–111
Change in amount not recognized as an asset because of the ceiling in IAS 19	–4	–18
Employer contributions to plan assets	–66	–59
Employee contributions to plan assets	5	17
Pension payments from company assets	–87	–106
Past service cost (including plan curtailments)[1]	8	6
Gains (–)/losses (+) arising from plan settlements[1]	–5	–13
Changes in basis of consolidation	9	–
Other changes	–3	–3
Currency translation differences from foreign plans	5	–25
Net liabilities recognized in the balance sheet as of 12/31	**1,859**	**1,811**

1 Amounts recognized in the income statement

The change in the present value of the defined benefit obligation is attributable to the following factors:

€ million	2024	2023
Present value of obligations as of 01/01	**5,291**	**5,402**
Current service cost	84	75
Interest expense	212	236
Actuarial gains (–)/losses (+) arising from changes in demographic assumptions	–1	10
Actuarial gains (–)/losses (+) arising from changes in financial assumptions	55	102
Actuarial gains (–)/losses (+) arising from experience adjustments	58	91
Employee contributions to plan assets	8	20
Pension payments from company assets	–87	–106
Pension payments from plan assets	–231	–297
Past service cost (including plan curtailments)	8	6
Disposals arising from plan settlements	–21	–177
Changes in basis of consolidation	9	–
Other changes	2	–3
Currency translation differences from foreign plans	85	–67
Present value of obligations as of 12/31	**5,469**	**5,291**

At the reporting date, €2,188 million (previous year: €2,060 million) of the defined benefit obligation is attributable to the International plans in the USA, €1,577 million (previous year: €1,548 million) to the plans of the TRATON Holding and the German MAN Truck & Bus companies, and a further €1,001 million (previous year: €988 million) to Scania's plans in Sweden.

At International in the USA, the obligations for about 2,500 participants in the pension plan for salaried employees amounting to €179 million were transferred to a qualified insurer effective September 13, 2023. In 2023, this had resulted in the disposal of plan assets in the amount of €167 million and thus to a plan settlement gain of €12 million, which is contained in the personnel expenses of the functions.

Changes in the relevant actuarial assumptions would have the following effects on the defined benefit obligation:

		12/31/2024		12/31/2023	
Present value of defined benefit obligation if		**€ million**	**Change in %**	**€ million**	**Change in %**
Discount rate	is 0.5 percentage points higher	5,199	–5.0	5,022	–5.1
	is 0.5 percentage points lower	5,768	5.5	5,588	5.6
Pension trend	is 0.5 percentage points higher	5,591	2.2	5,410	2.3
	is 0.5 percentage points lower	5,357	–2.1	5,182	–2.1
Payroll trend	is 0.5 percentage points higher	5,530	1.1	5,349	1.1
	is 0.5 percentage points lower	5,413	–1.0	5,238	–1.0
Life expectancy	increases by one year	5,666	3.6	5,482	3.6

The sensitivity analyses shown above consider the change in one assumption at a time, leaving the other assumptions unchanged versus the original calculation, i.e., any correlation effects between the individual assumptions are ignored. To examine the sensitivity of the present value of the defined benefit obligation to a change in assumed life expectancy, the age of the beneficiaries was reduced by one year as part of a comparative calculation. The average duration of the defined benefit obligation weighted by the present value of the defined benefit obligation (Macaulay duration) is ten years (previous year: ten years).

The present value of the defined benefit obligation is spread across the members of the plan as follows:

€ million	12/31/2024	12/31/2023
Active members with entitlements from defined benefits	1,813	1,752
Members who have left the company with vested entitlements	657	638
Pensioners	2,999	2,901
	5,469	**5,291**

The maturity profile of payments attributable to the defined benefit obligation is presented in the following table by classifying the present value of the obligations by the maturity of the underlying payments:

€ million	12/31/2024	12/31/2023
Payments due within the next fiscal year	314	303
Payments due in two to five years	1,314	1,193
Payments due in more than five years	3,841	3,794
	5,469	**5,291**

Changes in plan assets are shown in the following table:

€ million	2024	2023
Fair value of plan assets as of 01/01	**3,500**	**3,678**
Interest income from plan assets determined using the discount rate	133	150
Income/expenses from plan assets not included in interest income	90	111
Employer contributions to plan assets	66	59
Employee contributions to plan assets	3	3
Pension payments from plan assets	–231	–297
Disposals arising from plan settlements	–16	–164
Currency translation differences from foreign plans	80	–41
Other changes	2	–
Fair value of plan assets as of 12/31	**3,627**	**3,500**

As of the reporting date, €1,378 million (previous year: €1,369 million) of the fair value of plan assets was attributable to the International plans in the USA, €1,438 million (previous year: €1,364 million) to the plans of the TRATON Holding and the German MAN Truck & Bus companies, and a further €331 million (previous year: €300 million) to Scania's plans in Sweden.

In the next fiscal year, employer contributions to plan assets are expected to amount to €123 million (previous year: €123 million).

The investment of plan assets to cover future pension obligations resulted in total comprehensive income of €223 million (previous year: €261 million).

Plan assets are invested in the following asset classes:

	12/31/2024			12/31/2023		
€ million	Quoted prices in active markets	No quoted prices in active markets	Total	Quoted prices in active markets	No quoted prices in active markets	Total
Cash and cash equivalents	96	–	96	110	–	110
Equity instruments	175	–	175	151	–	151
Debt instruments	138	4	142	148	4	152
Direct investments in real estate	–	56	56	–	54	54
Equity funds	1,116	2	1,118	1,011	2	1,013
Bond funds	1,279	82	1,362	1,059	87	1,146
Real estate funds	217	23	240	242	24	266
Other instruments	4	207	211	18	184	202
Other	85	141	227	73	333	406
Fair value of plan assets	**3,111**	**516**	**3,627**	**2,811**	**689**	**3,500**

32. Other provisions

Accounting policies: other provisions

Under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, provisions are recognized for a present obligation to a third party arising from a past event that is likely to result in an outflow of resources and whose amount can be measured reliably. The amount of the provision is determined based on estimates of the amount of the loss and the probability of utilization.

Provisions that do not result in an outflow of resources within the year are recognized at the settlement amount discounted at the reporting date. Discounting uses market rates of interest. The settlement amount also reflects expected cost increases at the reporting date. Provisions are not offset against recourse rights.

Estimates and management's judgment: recognition and measurement of provisions

Recognition and measurement of provisions are based on estimates of the amount and probability of future events, and estimates of the discount rate. If possible, experience or external appraisals are used in these cases. Warranty claims arising from unit sales are determined on the basis of estimated future costs and ex gratia arrangements. In addition, assumptions must be made about the nature and extent of future guarantee and ex gratia claims. The measurement of restructuring provisions is based on estimates and assumptions regarding the amount of severance payments, the effects of onerous contracts, the timeline for the implementation of measures, and, consequently, the timing of the expected payments. Litigation and other court proceedings lead to complex legal issues and entail numerous uncertainties. The current status of negotiations and estimates by local management and TRATON SE's Executive Board as well as by external lawyers are taken into account for the measurement.

€ million	Obligations arising from unit sales	Obligations to employees	Litigation and legal risks	Restructuring	Miscellaneous provisions	Total
Balance as of 01/01/2024	**2,074**	**362**	**365**	**68**	**658**	**3,527**
Currency translation differences	–12	0	3	0	–29	–37
Utilization	–1,226	–84	–41	–43	–246	–1,640
Additions/ new provisions	1,535	130	208	5	277	2,155
Unwinding of discount/effect of change in discount rate	38	5	3	–	0	46
Reversals	–113	–12	–27	–3	–62	–217
Balance as of 12/31/2024	**2,297**	**402**	**512**	**27**	**597**	**3,835**
of which current	1,397	111	160	27	413	2,108
of which noncurrent	900	291	352	–	184	1,727

Obligations arising from unit sales contain provisions that cover all risks attributable to the sale of vehicles and spare parts. These primarily relate to provisions for warranties and statutory or contractual guarantee obligations. They also include provisions for discounts, bonuses, and similar allowances incurred after the reporting date, but for which there is a legal or constructive obligation attributable to sales revenue before the reporting date.

Provisions for obligations to employees are recognized for long-service awards, partial retirement arrangements, severance payments, and similar obligations, among other things.

As of December 31, 2024, there were provisions for civil lawsuits against Scania Vehicles & Services and MAN Truck & Bus in connection with the EU antitrust proceedings. The provisions for litigation and legal risks also contain amounts related to a large number of legal disputes and official proceedings in which TRATON GROUP companies become involved in Germany and internationally in the course of their operating activities. In particular, such legal disputes and other proceedings may occur in relation to suppliers, dealers, customers, and employees. Refer to Note **"38. Litigation/legal proceedings"** for a discussion of the legal risks.

Miscellaneous provisions relate to a large number of identifiable specific risks and uncertain obligations arising from operating activities that are measured at the expected settlement amount. Miscellaneous provisions also contain provisions for litigation in connection with indirect and other taxes.

33. Statement of cash flows

Accounting policies: statement of cash flows

The cash and cash equivalents presented in the statement of cash flows correspond to the "Cash and cash equivalents" balance sheet item (see Note **"26. Cash and cash equivalents"**). Current account overdraft facilities are not presented as a component of cash and cash equivalents in the statement of cash flows, but are reported in net cash used in/provided by financing activities if they are used.

In 2024, net cash provided by/used in operating activities contained interest received of €1,484 million (previous year: €1,213 million) and interest paid of €1,510 million (previous year: €1,300 million). Net cash provided by/used in operating activities in 2024 also contained dividends received from joint ventures and associates amounting to €159 million (previous year: €27 million) and dividends received from other equity investments of €1 million (previous year: €4 million). Other noncash income and expenses result primarily from measurement effects relating to financial instruments denominated in foreign currencies and fair value changes relating to derivatives.

We report the acquisition and disposal of subsidiaries in investing activities. Payments from the disposal of subsidiaries are reported net of cash and cash equivalents disposed at the date of disposal. Payments of €1 million (previous year: €400 million) were offset against cash and cash equivalents disposed of €1 million (previous year: €304 million) in 2024. A further €31 million (previous year: €31 million) was received in the reporting period in the context of purchase price adjustments from the disposal of MWM in 2022. When subsidiaries are acquired, cash and cash equivalents acquired are deducted from the purchase price paid. In the year under review, €4 million (previous year: €5 million) of cash and cash equivalents acquired was therefore deducted from the purchase prices paid in the total amount of €73 million (previous year: €43 million). In the reporting period, this includes a purchase price payment of €58 million, less €4 million in cash and cash equivalents received, for the expansion and acquisition of rights to MAN's financial services business. The "Investments to acquire subsidiaries and other businesses" line item had contained €271 million in 2023 that was paid into an account at VW Bank under the terms of the framework agreement to gradually acquire key aspects of the global MAN and VWTB financial services business. For further information on this transaction, see Note **"6. Acquisitions"**.

The following reconciliation shows the changes in financial liabilities, classified by changes affecting cash flows and noncash changes.

			Noncash changes						Noncash changes			
€ million	01/01/2024	Changes affecting cash flows	Foreign exchange differences	Changes in basis of consolidation	Other changes	12/31/2024	01/01/2023	Changes affecting cash flows	Foreign exchange differences	Changes in basis of consolidation	Other changes	12/31/2023
Bonds[1]	11,682	2,893	75	–	13	14,663	10,236	1,399	47	–	–	11,682
Schuldscheindarlehen	700	–350	–	–	–	350	700	0	–	–	–	700
Other third-party borrowings[1]	8,141	–43	–238	246	–13	8,092	8,986	–823	–42	27	–7	8,141
Lease liabilities[2]	1,181	–276	–5	0	272	1,171	1,209	–263	–7	18	223	1,181
Total third-party borrowings	**21,704**	**2,224**	**–169**	**246**	**272**	**24,277**	**21,131**	**314**	**–2**	**45**	**215**	**21,704**
Derivatives in connection with financing activities[3]	115	–82	–4	–	–52	–23	203	–92	–109	–	112	115
Financial assets and liabilities in financing activities	**21,818**	**2,142**	**–173**	**246**	**219**	**24,253**	**21,334**	**222**	**–111**	**45**	**328**	**21,818**

1 Prior-period amounts adjusted to reflect the current presentation

2 Other changes in lease liabilities largely contain noncash additions to lease liabilities.

3 Other changes in foreign exchange derivatives in connection with financing activities result from changes in fair value.

34. Significance of financial instruments for net assets, financial position, and results of operations

Recognition, derecognition, and classification of financial instruments

Accounting policies: recognition, derecognition, and classification of financial instruments

Primary financial instruments are accounted for at the settlement date in the case of regular way purchases or sales — that is, the date on which the asset is delivered. Financial instruments are recognized at the time when TRATON becomes a party to the contract. A financial asset is derecognized if the rights to receive cash flows have expired or have been transferred, and TRATON has transferred substantially all the risks and rewards of ownership, in particular the bad debt and payment date risk. A financial liability is derecognized when the obligations specified in the contract are fulfilled or canceled.

Classification of financial assets depends on the contractual cash flow characteristics and TRATON's business model for managing financial assets. Since generally all cash flows from primary financial instruments of the TRATON GROUP, with the exception of other equity investments, consist exclusively of payments of principal and interest on the principal amount outstanding, and since TRATON's intention is to collect these contractual cash flows, financial assets in the form of a debt instrument are exclusively allocated to the "at amortized cost" measurement category. If, in individual cases, the cash flows from primary financial instruments do not consist exclusively of principal and interest payments on the principal amount outstanding, these financial assets are assigned to the "at fair value" measurement category.

In the case of derivatives and other equity investments, the cash flows do not consist exclusively of payments of principal and interest on the principal amount outstanding. They are therefore allocated to the "at fair value" measurement category. For further information on derivative financial instruments included in hedge accounting, see the **"Derivatives and hedge accounting"** section in this chapter.

With the exception of derivatives, all financial liabilities are allocated to the "at amortized cost" measurement category.

Investments in associates and joint ventures as well as lease receivables and liabilities are allocated to "no measurement category". Financial instruments that form part of a disposal group continue to be allocated to their original IFRS 9 measurement category.

Reconciliation of balance sheet items to classes of financial instruments

The following table shows the reconciliation of the balance sheet items to the relevant classes of financial instruments, broken down by the carrying amount and fair value of the financial instruments. For reasons of materiality, the fair value of current balance sheet items is generally considered to be their carrying amount.

Reconciliation of balance sheet items to classes of financial instruments

		Measured at fair value		Measured at amortized cost		Derivative financial instruments within hedge accounting	Not allocated to any measurement category	Balance sheet item as of 12/31/2024	Measured at fair value		Measured at amortized cost		Derivative financial instruments within hedge accounting	Not allocated to any measurement category	Balance sheet item as of 12/31/2023
€ million	Note	Through other comprehensive income	Through profit or loss	Carrying amount	Fair value	Carrying amount	Carrying amount		Through other comprehensive income	Through profit or loss	Carrying amount	Fair value	Carrying amount	Carrying amount	
Noncurrent assets															
Other equity investments	[20]	71	–	–	–	–	68	139	140	–	–	–	–	95	235
Financial services receivables	[21]	–	–	4,814	4,740	–	4,276	9,090	–	–	4,327	4,331	–	3,440	7,767
Other financial assets	[22]	–	294	219	218	3	–	516	–	287	165	165	17	–	469
Current assets															
Trade receivables	[25]	–	–	3,096	3,096	–	–	3,096	–	–	3,894	3,894	–	–	3,894
Financial services receivables	[21]	–	–	4,747	4,747	–	2,146	6,894	–	–	3,661	3,661	–	1,893	5,554
Income tax receivables[1]		–	–	34	34	–	–	34	–	–	5	5	–	–	5
Other financial assets	[22]	–	119	691	691	15	–	825	–	83	813	813	22	–	918
Marketable securities and investment deposits		–	–	46	46	–	–	46	–	–	53	53	–	–	53
Cash and cash equivalents	[26]	–	–	2,542	2,542	–	–	2,542	–	–	1,730	1,730	–	–	1,730
Noncurrent liabilities															
Financial liabilities	[28]	–	–	14,842	14,991	–	917	15,759	–	–	13,102	13,045	–	942	14,044
Other financial liabilities	[29]	–	252	1,599	1,599	119	–	1,970	–	275	1,733	1,687	164	–	2,172

Reconciliation of balance sheet items to classes of financial instruments

		Measured at fair value		Measured at amortized cost		Derivative financial instruments within hedge accounting	Not allocated to any measurement category	Balance sheet item as of 12/31/2024	Measured at fair value		Measured at amortized cost		Derivative financial instruments within hedge accounting	Not allocated to any measurement category	Balance sheet item as of 12/31/2023
€ million	Note	Through other comprehensive income	Through profit or loss	Carrying amount	Fair value	Carrying amount	Carrying amount		Through other comprehensive income	Through profit or loss	Carrying amount	Fair value	Carrying amount	Carrying amount	
Current liabilities															
Financial liabilities	[28]	–	–	8,263	8,263	–	254	8,517	–	–	7,421	7,421	–	239	7,660
Trade payables		–	–	5,349	5,349	–	–	5,349	–	–	5,791	5,791	–	–	5,791
Other financial liabilities	[29]	–	273	1,809	1,809	38	–	2,121	–	124	1,975	1,975	16	–	2,115
Income tax payables[1]		–	–	5	5	–	–	5	–	–	8	8	–	–	8

1 Income tax receivables/liabilities as a result of tax allocation to Volkswagen Group companies

The "Financial liabilities" item contains liabilities from bonds with a carrying amount of €2,571 million (previous year: €2,147 million) and a fair value of €2,527 million (previous year: €2,137 million) that are included in hedge accounting as a fair value hedge. They were allocated to the "at amortized cost" measurement category.

Carrying amount of financial instruments by measurement categories

€ million	12/31/2024	12/31/2023
Assets measured at amortized cost	16,188	14,646
Other equity investments measured at fair value through other comprehensive income	71	140
Assets measured at fair value through profit or loss	413	371
Total financial assets	**16,673**	**15,157**
Liabilities measured at amortized cost	31,868	30,030
Liabilities measured at fair value through profit or loss	525	399
Total financial liabilities	**32,393**	**30,429**

Financial assets and liabilities measured at fair value

Accounting policies: financial assets and liabilities measured at fair value

As a rule, fair value corresponds to the market or stock exchange price. If no active market exists, fair value is determined using observable inputs as far as possible. If no observable inputs are available, fair value is determined using valuation techniques.

Measurement and presentation of the fair value of financial instruments are based on a fair value hierarchy that reflects the significance of the inputs used for measurement and is categorized as follows:

Level 1 inputs: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 inputs: Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of Level 2 financial instruments is determined on the basis of the conditions prevailing at the end of the reporting period, such as interest rates or exchange rates, and using recognized models, such as discounted cash flow or option pricing models.

Level 3 inputs: Level 3 inputs are inputs for the asset or liability that are not based on observable market data (unobservable inputs). The fair value of these assets and liabilities is determined on the basis of previous transactions, option pricing models, or discounted cash flow models.

The financial instruments that are categorized within fair value Level 2 primarily comprise derivative financial instruments.

The other equity investments measured at fair value are categorized within Level 3 of the fair value hierarchy. These equity investments largely comprise shares in unlisted companies for which there is no active market. Due to the small carrying amount of these investments, a change in unobservable inputs would not result in a significantly lower or higher fair value of the instruments. These include shares of TuSimple Holdings Inc., San Diego, USA, which were delisted in February 2024. As market prices are no longer available, the shares with a value of €13 million were reclassified from Level 1 of the fair value hierarchy into Level 3. In the current fiscal year, the value change of €–13 million (€–11 million) is recognized in other comprehensive income in the "Fair value measurement of other equity investments", with the shares at Level 3 of the fair value hierarchy accounting for €–13 million (€0 million).

The "Other financial assets" item includes a receivable relating to contingent consideration from the disposal of MWM. The receivable is measured at fair value through profit or loss and categorized within Level 3 of the fair value hierarchy, since it was measured using probability and usage assumptions. In addition, the "Other financial assets" item also includes receivables from associates arising from convertible loan agreements. The receivables are measured at fair value through profit or loss and categorized within Level 3 of the fair value hierarchy, as assumptions are made regarding the various conversion scenarios and their probability of occurrence. The loan was converted into shares in December 2024. This transaction was accounted for as a non-cash transaction and had no impact on cash and cash equivalents. Any change in the unobservable inputs would not result in any significant change in the fair value of any of the instruments.

The following table shows changes in other equity investments and other financial assets measured at fair value and categorized within Level 3:

Changes in balance sheet items measured at fair value based on Level 3

	2024		2023	
€ million	Other equity investments categorized within Level 3	Other financial assets categorized within Level 3	Other equity investments categorized within Level 3	Other financial assets categorized within Level 3
Balance as of 01/01	**127**	**73**	**110**	**14**
Fair value changes in "Fair value measurement of other equity investments" recognized in other comprehensive income	–88	–	6	–
Fair value changes in "Other financial result" recognized in profit or loss	–	9	–	11
Additions/acquisitions	14	0	11	47
Reclassification from Level 1	13	–	–	–
Currency translation differences	–3	–5	0	1
Changes in basis of consolidation	7	–	–	–
Sales and settlements	–	–61	–	–
Balance as of 12/31	**71**	**16**	**127**	**73**

The major part of the fair value changes in "Fair value measurement of other equity investments" recognized in other comprehensive income relates to the decrease in fair value of the other equity investment in Northvolt AB due to the filing for creditor protection under US law in November 2024. The decline in fair value was calculated using unobservable inputs and based on the best information available.

Reclassifications between the levels of the fair value hierarchy are accounted for at the relevant reporting dates. The reclassification from Level 1 into Level 3 in 2024 relates to the investment in TuSimple, for which no market price data is available due to the delisting in February 2024. There were no reclassifications between levels of the fair value hierarchy in 2023.

Net gains and losses on financial instruments measured at fair value

€ millions	2024	2023
Net gains and losses:		
Financial instruments measured at fair value through profit or loss	–410	–9

Net gains and losses on financial assets and liabilities measured at fair value through profit or loss mainly comprise derivatives not included in hedge accounting.

Financial assets and liabilities measured at amortized cost

Accounting policies: financial assets and liabilities measured at amortized cost

As a rule, primary financial assets and liabilities are initially recognized at cost, plus or minus transaction costs. Primary financial assets and liabilities are subsequently measured at amortized cost. Amortized cost is the amount at which financial assets or liabilities are measured at initial recognition, minus any principal repayments, plus or minus the cumulative amortization of any difference between the original amount and the amount repayable at maturity, amortized using the effective interest method. In the case of financial assets, the amount is adjusted for any loss allowances.

If fair value is disclosed for financial instruments measured at amortized cost, it is calculated by discounting, using a market rate of interest for a similar risk and matching maturity.

In all cases, the TRATON GROUP recognizes lifetime expected credit losses (ECLs) for trade receivables and lease receivables (referred to in the following as the "simplified approach"). For trade receivables, expected credit losses are estimated using a provision matrix unless there is objective evidence of individual impairment. The provision matrix is based on the Group's historical loss experience, adjusted for debtor-specific factors, general economic factors, and an estimate of both current

and expected changes in variables as of the reporting date, including the time value of money. The provision rates depend on the number of days a receivable is past due:

- Not impaired and not past due: 1.0% of the receivable
- Up to 30 days past due: 1.5% of the receivable
- 31 to 90 days past due: 2.0% of the receivable
- More than 91 days past due: 3.0% of the receivable

For other financial instruments, the TRATON GROUP recognizes lifetime ECLs if there has been a significant increase in credit risk since initial recognition (referred to in the following as the "general approach"). By contrast, if the credit risk of the financial instrument has not increased significantly since initial recognition, a loss allowance is measured for that financial instrument at an amount equal to 12-month ECLs. To the extent that the internal risk management and control systems do not indicate a significant increase in credit risk at an earlier point in time, there is generally a rebuttable presumption in the TRATON GROUP that a significant increase in credit risk has arisen if payments are more than one day past due.

Financial instruments are allocated to one of four loss stages:

Stage 1: financial instruments at initial recognition and whose credit risk has not increased significantly
Stage 2: financial instruments with a significant increase in credit risk since recognition of the instrument, based on expected credit losses over the lifetime of the underlying contract
Stage 3: credit-impaired financial instruments
Stage 4: purchased or originated credit-impaired financial instruments

Allocation to a stage is reviewed in each reporting period. A financial asset is credit-impaired if one or more events have occurred that negatively impact future expected cash flows. These events include delayed payment over a certain period, the institution of enforcement measures, the threat of insolvency or overindebtedness, the application for or opening of bankruptcy proceedings, or the failure of reorganization measures. The amount of expected credit losses is based on the probability of default, the loss given default, and the exposure at default. The loss given default takes into account collateral received and other credit enhancements. For financial assets, expected credit losses are calculated as the present value of the difference between all contractual cash flows payable to the TRATON GROUP under the terms of the contract and all cash flows that the Group expects to receive. This difference is discounted using the original effective interest rate (or the credit-adjusted effective interest rate for Stage 4 financial instruments). If, based on the internal risk management and control systems, there are no grounds for assuming that there will be an increase in credit risk at an earlier point in time, there is a rebuttable presumption in the TRATON GROUP that default has occurred if payments are more than 90 days past due. Appropriate groupings are made when determining the expected credit losses. The financial asset is always derecognized if there are no longer any reasonable expectations that it is collectible.

The loss allowance for the subsequent measurement of Stage 4 financial instruments is measured as the cumulative change in lifetime expected credit loss. These instruments are not reclassified from Stage 4.

The following tables contain an overview of the financial assets and liabilities measured at amortized cost by level:

Fair values of financial assets and liabilities measured at amortized cost by level

€ million	Level 1	Level 2	Level 3	12/31/2024	Level 1	Level 2	Level 3	12/31/2023
Financial services receivables	–	–	9,488	9,488	–	–	7,992	7,992
Trade receivables	–	3,096	–	3,096	–	3,894	–	3,894
Income tax receivables	–	34	–	34	–	5	–	5
Other financial assets	0	860	49	909	1	976	0	977
Marketable securities and investment deposits	–	46	–	46	–	53	–	53
Cash and cash equivalents	2,542	–	–	2,542	1,730	–	–	1,730
Fair values of financial assets measured at amortized cost	**2,542**	**4,035**	**9,537**	**16,114**	**1,731**	**4,928**	**7,992**	**14,650**
Trade payables	–	5,349	–	5,349	–	5,791	–	5,791
Financial liabilities	9,418	13,837	–	23,255	6,075	14,390	–	20,465
Other financial liabilities	18	3,389	0	3,408	19	3,643	0	3,662
Income tax payables	–	5	–	5	–	8	–	8
Fair values of financial liabilities measured at amortized cost	**9,436**	**22,581**	**0**	**32,017**	**6,094**	**23,832**	**0**	**29,926**

The lease receivables have a carrying amount of €6,423 million (previous year: €5,333 million) and a fair value (Level 3 of the fair value hierarchy) of €6,414 million (previous year: €5,295 million).

Total interest income and expenses from financial instruments measured at amortized cost

€ million	2024	2023
Interest income	901	707
Interest expenses	–1,178	–961

Net gains and losses on financial instruments measured at amortized cost

€ million	2024	2023
Net gains and losses:		
Financial assets measured at amortized cost	–491	418
Financial liabilities measured at amortized cost	–1,989	–980

Net gains and losses on financial assets and liabilities measured at amortized cost comprise interest income and expenses measured using the effective interest method under IFRS 9, including currency translation effects. In addition, net gains and losses on financial assets include impairment losses as well as related reversals.

For further information on credit risk, refer to Note **"35. Nature and extent of risks arising from financial instruments"**.

Derivatives and hedge accounting

Accounting policies: derivatives and hedge accounting

Derivatives are initially recognized and accounted for at each subsequent reporting date at their fair value. They are generally recognized at the trade date.

The recognition of gains and losses from fair value measurement depends on the designation of the derivative. Derivatives that do not meet the IFRS 9 hedge accounting criteria are measured at fair value through profit or loss (also referred to in the following as "derivatives or hedging instruments not included in hedge accounting"). These gains and losses from measurement and realization are recognized in other operating income/expense (for example, foreign currency derivatives for customer orders) or in financial result (for example, foreign currency hedges for net liquidity items), depending on the underlying risk.

A condition for applying hedge accounting is that the hedging relationship between the hedged item and the hedging instrument is clearly documented and that there is an economic relationship between the hedged item and the hedging instrument that is not dominated by the effect of the credit risk. The hedging instruments are selected so that they are essentially affected by the same risk as the underlying transactions, namely foreign exchange risk or interest rate risk.

In the case of cash flow hedges, gains or losses from the remeasurement of the effective designated portion of the derivative are recognized in the cash flow hedge reserve in other comprehensive income. If the forward element and the cross-currency basis spread are not designated, the resulting gains and losses are recognized in the reserve for cost of hedging. The amounts recognized in other comprehensive income are reclassified to the income statement as soon as the hedged future cash flows are recognized in profit or loss. The reclassification of both the cash flow hedge reserve and the reserve for cost of hedging is recognized in the item to which the hedged item is allocated. If a cash flow hedge subsequently results in the recognition of a nonfinancial asset, the cash flow hedge reserve and the reserve for cost of hedging are included in the initial cost of the nonfinancial asset; this does not constitute any reclassification adjustment. The ineffective portion of a cash flow hedge is recognized in profit or loss for the period.

When hedging against the risk of changes in the value of balance sheet items (fair value hedges), both the hedging instrument and the hedged effective risk portion of the underlying transaction are measured at fair value. Changes in the fair value of hedging instruments and hedged items are recognized in profit or loss. The hedged items in the TRATON GROUP relate to bonds that are measured at amortized cost. Changes in amortized cost because of hedging gains and losses are amortized at the latest when hedge accounting is discontinued.

For further information on the risk strategy, refer to Note **"35. Nature and extent of risks arising from financial instruments"**.

The following table contains an overview of the TRATON GROUP's derivative financial instruments, broken down by whether or not they are included in hedge accounting and by the hedged risk.

Overview of the TRATON GROUP's derivative financial instruments

	2024					2023				
€ million	Derivative financial instruments	Derivative financial instruments not included in hedge accounting	Derivative financial instruments within hedge accounting	Of which: hedging of currency risk through hedge accounting	Of which: hedging of interest rate risk through hedge accounting	**Derivative financial instruments**	**Derivative financial instruments not included in hedge accounting**	**Derivative financial instruments within hedge accounting**	**Of which: hedging of currency risk through hedge accounting**	**Of which: hedging of interest rate risk through hedge accounting**
Noncurrent assets										
Other financial assets	290	287	3	0	3	244	227	17	15	2
Current assets										
Other financial assets	125	110	15	14	1	93	71	22	22	–
Noncurrent liabilities										
Other financial liabilities	371	252	119	27	92	439	275	164	1	163
Current liabilities										
Other financial liabilities	312	273	38	31	7	140	124	16	16	–

Hedging of currency risk through hedge accounting

The TRATON GROUP partly hedges currency risk arising from order backlog, receivables and liabilities, and planned unit sales. Companies that enter into hedging transactions choose the hedge ratio for expected sales revenue on the basis of past experience in order to avoid ineffectiveness. Nevertheless, ineffectiveness can result from changes in counterparty credit risk or if the spot component of a forward is not separated from the forward element. There are no fair value hedges relating to currency risk.

The following tables show details of derivatives included in hedge accounting in terms of the currency risk:

Amount, timing, and uncertainty of cash flows

	2024				2023			
	Maturity				Maturity			
€ million	<1 year	1–5 years	>5 years	Total nominal amount	<1 year	1–5 years	>5 years	Total nominal amount
Currency risk								
Currency forwards BRL/USD	178	199	–	377	119	120	–	239
Currency forwards EUR/GBP	232	–	–	232	454	–	–	454
Currency forwards EUR/CHF	82	5	–	87	135	–	–	135
Currency forwards EUR/ZAR	74	–	–	74	70	–	–	70
Currency forwards EUR/DKK	46	–	–	46	72	–	–	72
Currency forwards EUR/USD	24	18	–	42	37	1	–	37
Currency forwards EUR/CZK	20	4	–	25	–	–	–	–
Currency forwards EUR/NOK	23	–	–	23	31	–	–	31
Currency forwards — other currencies	42	5	–	47	81	–	–	81
	722	**231**	**–**	**953**	**999**	**121**	**–**	**1,120**

Currency risk was hedged by cash flow hedges at the following average hedging exchange rates for the major currency pairs: 6.06 BRL/USD; 0.85 EUR/GBP; 0.93 EUR/CHF.

Information on hedging instruments included in hedge accounting

€ million	2024	2023
Currency risk		
Fair value change to determine hedge ineffectiveness	–50	11
Nominal value	953	1,120

Information on hedged items included in hedge accounting

€ million	2024	2023
Currency risk		
Fair value change to determine hedge ineffectiveness	50	–11
Reserve for active cash flow hedges	–50	11

Information about the effects of hedge accounting on the statement of comprehensive income

€ million	2024	2023
Currency risk		
Hedging instruments included in hedge accounting		
Unrealized gains and losses on hedging instruments	–58	6
Reclassification of realized gains and losses to profit or loss	15	–20
Cost of hedging		
Unrealized gains and losses relating to cost of hedging	1	–3
Reclassification of realized gains and losses to profit or loss	–3	7
Reclassified to profit or loss because future cash flows are no longer expected to materialize	1	–

Reconciliation of cash flow hedge reserve

€ million	2024	2023
Balance as of 01/01	**11**	**31**
Gains or losses from effective hedges	–87	9
Reclassification to profit or loss		
because the hedged future cash flows are no longer expected to materialize	2	–
due to recognition of hedged item in profit or loss	22	–29
Other changes (foreign exchange effects)	3	0
Balance as of 12/31	**–50**	**11**

Reconciliation of the reserve for cost of hedging

€ million	2024	2023
Balance as of 01/01	**10**	**3**
Gains or losses from effective hedges	2	–5
Reclassification to profit or loss		
because the hedged future cash flows are no longer expected to materialize	1	–
due to recognition of hedged item in profit or loss	–5	10
Other changes (foreign exchange effects)	–3	1
Balance as of 12/31	**5**	**10**

Hedging of interest rate risk through hedge accounting

Of the outstanding total amount of €10,819 million (previous year: €8,330 million) issued by TRATON Finance, €2,050 million (previous year: €2,050 million) is included in hedge accounting as of December 31, 2024; interest rate swaps are used to hedge against interest rate changes. In addition, the TRATON GROUP entered into interest rate swaps with a nominal value of €624 million (previous year: €271 million) to hedge the interest rate risk of International Financial's fixed-rate asset-backed securities debt. The interest rate swaps and the hedged items have the same material conditions, which is why an offsetting economic relationship can be assumed. Nevertheless, ineffectiveness arises mainly because of TRATON's nondesignated own credit risk, which is reflected in the measurement of the swaps. The hedging relationships are accounted for as a fair value hedge.

The following tables show details of the derivatives:

Amount, timing, and uncertainty of cash flows

	2024				2023			
	Maturity				Maturity			
€ million	<1 year	1–5 years	>5 years	Total	<1 year	1–5 years	>5 years	Total
Interest rate risk								
Interest rate swaps	42	105	–	147	102	143	8	253

The average rate for interest rate swaps used to hedge interest rate risk in fair value hedges was 1.72% (previous year: 0.54%).

Information on hedging instruments included in hedge accounting

€ million	2024	2023
Interest rate risk		
Accumulated fair value change to determine hedge ineffectiveness	–101	–168
Nominal amount	2,674	2,321

Information on hedged items included in hedge accounting

€ million	2024	2023
Interest rate risk		
Carrying amount of financial liabilities	2,572	2,147
Accumulated amount of hedge adjustments	–98	–172
Accumulated fair value change to determine hedge ineffectiveness	98	172
Ineffectiveness recognized in profit or loss and reported in other financial result	–5	–10

Offsetting financial assets and liabilities

Accounting policies: offsetting financial assets and liabilities

Financial assets and financial liabilities are generally reported at their gross carrying amounts. They are only offset if the TRATON GROUP currently has a legally enforceable right to offset the recognized amounts and intends to do so.

The following table presents information about the effects of offsetting on the consolidated balance sheet and the potential financial effects of offsetting in the case of instruments that are subject to a legally enforceable master netting arrangement or a similar agreement. With the exception of the offset amounts presented below, the gross amounts correspond to the net amounts because they were not offset in the consolidated balance sheet.

Offsetting financial assets and liabilities

				Amounts that are not offset in the balance sheet		
€ million	**Gross amount**	**Gross amount offset in the balance sheet**	**Net amount presented in the balance sheet**	**Financial instruments**	**Collateral pledged**	**Net amount as of 12/31**
2024						
Financial assets						
Derivative financial instruments	415	–	415	–217	–	198
Trade receivables	3,147	–51	3,096	–	–	3,096
Financial liabilities						
Derivative financial instruments	683	–	683	–217	–	465
Financial liabilities	24,277	–	24,277	–	–1,124	23,153
Trade payables	5,400	–51	5,349	–	–	5,349
2023						
Financial assets						
Derivative financial instruments	337	–	337	–260	–	77
Trade receivables	3,928	–35	3,894	–	–	3,894
Financial liabilities						
Derivative financial instruments	579	–	579	–260	–	320
Financial liabilities	21,704	–	21,704	–	–957	20,747
Trade payables	5,826	–35	5,791	–	–	5,791

The "Financial instruments" column shows the amounts that are subject to a master netting arrangement but that have not been offset in the consolidated balance sheet because they do not meet the offsetting criteria.

The "Collateral pledged" column contains financial receivables that were pledged as collateral for leases. Vehicles were also pledged as collateral in addition to these leases. It also contains payments for receivables that were pledged as collateral in order to obtain more favorable financing conditions.

35. Nature and extent of risks arising from financial instruments

Principles of financial risk management

Due to the TRATON GROUP's business activities and international focus, its assets, liabilities, and forecast transactions are exposed to credit, liquidity, currency, interest rate, and commodity price risk.

The Group's currency, interest rate, and commodity price risks are hedged with banks on the basis of internally defined limits. The TRATON GROUP uses suitable financial instruments such as derivatives to do this. Financial risks from balance sheet items, the order backlog, and other projected transactions are hedged. Such risks are not managed centrally, but directly by TRATON SE and each of its brands. The relevant requirements of each company are considered since different functional currencies and business environments apply.

Counterparty risk is diversified as much as possible and monitored centrally. Liquidity risk is minimized by diversifying the sources of funding and ensuring a balanced mix of funding with different maturities, currencies, and interest rate agreements.

The TRATON GROUP management is notified regularly about the financial risk position. Compliance with the applicable Group policies is reviewed by the internal Audit function.

Credit and default risk

The TRATON GROUP is exposed to credit risk through its business operations and financing activities. From the Group's perspective, credit risk entails the risk that a party to a financial instrument will fail to meet its contractual obligations and thus cause a financial loss for the Group. Credit risk comprises both the direct default risk and the risk of a deterioration in credit quality.

The maximum credit risk is reflected in the carrying amount of the financial assets recognized in the balance sheet. The TRATON GROUP holds collateral and other credit enhancements to further mitigate credit risk. Assets assigned as security, credit insurance, and guarantees are used as collateral. The risk from primary financial instruments is additionally accounted for by recognizing bad debt allowances.

The financial institutions and investment forms are carefully selected when investing cash funds, while a central limit system ensures diversification. Significant investments and derivatives are only entered into with national and international prime-rated banks. There are no material concentrations of credit risk in the TRATON GROUP.

Credit risk related to credit commitments to customers is managed decentrally, considering certain limits and using local credit quality assessments. Decisions on major credit commitments for the TRATON GROUP are made in subgroup credit committees. The maximum exposure to credit risk resulting from financial guarantees issued and irrevocable credit commitments is determined by the amount that the TRATON GROUP would have to pay in the event of claims under these guarantees.

Reconciliation of the loss allowance for financial assets measured at amortized cost

			General approach			
€ million	12-month expected credit losses (Stage 1)	Lifetime expected credit losses — not impaired (Stage 2)	Lifetime expected credit losses — impaired (Stage 3)	Purchased credit-impaired assets (Stage 4)	Simplified approach	Total
Loss allowance as of 01/01/2024	**38**	**11**	**34**	**3**	**179**	**264**
Change	3	6	15	–1	2	25
Loss allowance as of 12/31/2024	**40**	**17**	**49**	**1**	**182**	**289**
Loss allowance as of 01/01/2023	**25**	**11**	**32**	**5**	**143**	**215**
Change	13	0	2	–2	35	49
Loss allowance as of 12/31/2023	**38**	**11**	**34**	**3**	**179**	**264**

Changes in loss allowance for lease receivables

	2024	2023
€ million	Simplified approach	Simplified approach
Loss allowance as of 01/01	**141**	**338**
Change	88	–197
Loss allowance as of 12/31	**229**	**141**

The loss allowance relates mainly to credit risk from trade receivables and financial services receivables.

The gross carrying amounts of financial assets measured at amortized cost increased by €1,568 million to €16,478 million (previous year: €14,910 million) due in particular to new financial services receivables and an increase in cash and cash equivalents.

The TRATON GROUP uses collateral, among other things, to lower credit risk. For financial assets with objective indications of impairment at the reporting date, the collateral mitigates the risk by €159 million (previous year: €74 million), of which €49 million (previous year: €– million) is attributable to collateral furnished for the loan to Northvolt.

The carrying amounts of financial assets and the credit risk exposure of financial guarantees and credit commitments by credit risk rating grade are presented in the following. Credit risk rating grade 1 consists of financial instruments not exposed to any credit risk. Credit risk rating grade 2 consists of financial instruments that are subject to intensive credit management. Credit risk rating grade 3 consists of impaired financial instruments.

Gross carrying amounts of financial assets by rating grade

€ million	12-month expected credit losses (Stage 1)	Lifetime expected credit losses — not impaired (Stage 2)	Lifetime expected credit losses — impaired (Stage 3)	Purchased credit impaired assets (Stage 4)	Simplified approach	12/31/2024	12-month expected credit losses (Stage 1)	Lifetime expected credit losses — not impaired (Stage 2)	Lifetime expected credit losses — impaired (Stage 3)	Purchased credit impaired assets (Stage 4)	Simplified approach	12/31/2023
Rating grade												
Credit risk rating grade 1	11,896	–	–	13	9,754	21,663	10,479	–	–	7	8,667	19,153
Credit risk rating grade 2	0	356	–	49	685	1,091	–	245	–	1	622	868
Credit risk rating grade 3	–	–	170	2	288	460	–	–	104	2	257	363
	11,896	**356**	**170**	**64**	**10,727**	**23,213**	**10,479**	**245**	**104**	**10**	**9,546**	**20,384**

In the case of financial guarantee contracts and credit commitments, the bulk of the default risk exposure, accounting for €1,381 million (previous year: €1,651 million), relates to financial instruments for which the impairment loss is calculated on the basis of the expected 12-month credit loss (Stage 1), and is therefore allocated to credit risk rating grade 1.

Liquidity risk

Liquidity risk describes the risk that the TRATON GROUP will have difficulty in meeting its obligations associated with financial liabilities or that it can only procure liquidity at a higher price. To counter the liquidity risk, cash inflows and outflows and due dates are continuously monitored and managed. Cash requirements are primarily met by our operating business and by external financing arrangements. The TRATON GROUP's solvency and liquidity are assured at all times by rolling liquidity planning, a liquidity reserve in the form of cash, credit lines with financial institutions and companies of the Volkswagen Group, and the issuance of securities on international money and capital markets. Special issuance programs and financing lines have been established for companies in the TRATON Financial Services segment to cover their funding requirements. There were no material concentrations of liquidity risk in the past fiscal year.

Cash and cash equivalents amounted to €2,542 million (previous year: €1,730 million) as of December 31, 2024. Cash and cash equivalents in certain countries (e.g., Brazil, China, and Poland) in the amount of €834 million (previous year: €792 million) are subject to exchange controls and are not available to the Group for cross-border transactions without restriction. Such amounts are used locally to cover the financing needs of the operating business.

The TRATON GROUP's credit facilities include customary change-of-control clauses, allowing the counterparty to demand early repayment in case of significant changes in ownership.

Two loans to a subsidiary of the TRATON GROUP used to develop and construct production and assembly facilities in China include a financial covenant each that requires the ratio of the subsidiary's total liabilities to its total assets not to exceed 90%. As of December 31, 2024, these loans have a term of ten years and a volume of €400 million (previous year: €– million), of which €308 million (previous year: €– million) was drawn down as of December 31, 2024. The bank monitors compliance with these financial covenants annually on the basis of the audited single-entity financial statements of the subsidiary. As of December 31, 2024, the TRATON GROUP did not breach the financial covenants included in the loan agreements.

The TRATON GROUP also has an unused confirmed syndicated credit line of €4,500 million (previous year: €4,500 million) available as a liquidity reserve. As an additional liquidity reserve, the TRATON GROUP has revolving credit lines of €4,300 million (previous year: €4,300 million) at Volkswagen AG, of which €943 million (previous year: €797 million) was drawn down. In addition, the TRATON GROUP has unused unconfirmed credit lines from banks amounting to €562 million (previous year: €624 million) in order to enhance flexibility in financing decisions.

The following table shows how the cash flows relating to liabilities, derivatives, and financial guarantees affect the TRATON GROUP's liquidity position:

	2024			2023		
		Remaining contractual maturities			Remaining contractual maturities	
Maturity overview						
€ million	2025	2026–2029	>2029	2024	2025–2028	>2028
Financial liabilities[1]	9,435	15,375	2,351	8,014	12,170	2,662
Trade payables[1]	5,349	–	–	5,780	11	1
Other financial liabilities[1,2]	1,812	1,619	66	1,973	1,558	102
Derivatives	8,757	6,430	1,459	5,203	3,726	1,950
Financial guarantees	508	–	–	734	–	–
	25,860	**23,424**	**3,875**	**21,704**	**17,464**	**4,715**

1 The amounts were calculated as follows:
– If there is no agreement on contractual maturity, the liability refers to the earliest possible maturity date.
– In the case of variable interest rate agreements, interest reflects the conditions as of the reporting date.
– It is assumed that the cash outflows will not occur earlier than shown.

2 The undiscounted maximum cash outflows from buyback obligations are recognized as a financial liability.

Derivatives comprise both cash outflows from derivatives with negative fair values and cash outflows from derivatives with positive fair values for which gross settlement has been agreed. Derivatives entered into through offsetting transactions are also accounted for as cash outflows. The cash outflows from derivatives for which gross settlement has been agreed are matched by cash inflows that are not disclosed in the maturity analysis. If these cash inflows had also been recognized, the cash outflows presented would be significantly lower. This also applies in particular if hedges have been closed out through offsetting transactions.

The cash outflows from irrevocable credit commitments are presented in Note **"39. Other financial obligations"**, classified by contractual maturities.

In addition, individual companies of the TRATON GROUP use supplier finance arrangements in which a supplier sells its existing trade receivables to a bank or third-party provider. The arrangements are subject to the following terms and conditions:

– Traditional supplier finance arrangements (single source of financing)

  The supplier sends the invoice to the TRATON GROUP company after the goods have been delivered. The invoice is approved for payment by TRATON and the supplier offers the approved invoice for purchase to the designated bank. The bank accepts the offer, buys the invoice, and immediately pays a discounted invoice amount to the supplier. TRATON pays the full invoice amount to the bank when it is due.

– Platform-based supplier finance arrangements (multi-bank approach)

  The supplier sends the invoice to the TRATON GROUP company after the goods have been delivered. The invoice is approved for payment by TRATON. The supplier approves the invoices on the platform for early payment. One of the banks/third-party providers on the platform accepts the offer, buys the invoice, and immediately pays a discounted invoice amount to the supplier. TRATON pays the full invoice amount to the bank/third-party provider when it is due.

These continue to be presented in the balance sheet under trade payables because they meet the definition of a trade payable, and the contractual terms (e.g., payment terms) do not change or do not change materially. Collateral is not pledged in this context. Correspondingly, the cash outflow is reported in net cash provided by/used in operating activities. As of December 31, 2024, trade payables include €421 million (€559 million) attributable to supplier finance arrangements, for which the suppliers already received payments of €416 million. These do not result in any material liquidity risks or risks from risk concentrations, and there were no noncash transfers of trade payables to financial liabilities in the reporting period.

Currency risk

Currency risk describes the risk of negative effects on earnings, cash flow, and balance sheet items due to exchange rate movements. The TRATON GROUP's currency risk is a result of its investments, financing measures, and operating activities. Currency forwards, currency options, currency swaps, and cross-currency swaps are used to mitigate risks to future cash flows.

The inclusion of subsidiaries or other affiliated Group companies in countries outside the eurozone in the consolidated financial statements represents a risk as a result of currency translation. As a general rule, TRATON does not use derivatives to hedge these translation risks.

Assets in the TRATON Financial Services segment should generally be funded by liabilities in the same currency.

Hedging transactions entered into as part of foreign currency risk management were mainly in Brazilian reais, British pounds sterling, Swedish kronor, and US dollars.

There are no material concentrations of currency risk in the TRATON GROUP.

The primary and derivative financial instruments at the end of the reporting period were measured in a hypothetical scenario as part of a sensitivity analysis. The effects of a 10% increase/decrease in an exchange rate were as follows:

	12/31/2024				12/31/2023			
	Equity		Earnings for the period		Equity		Earnings for the period	
€ million	+10%	–10%	+10%	–10%	+10%	–10%	+10%	–10%
Currency pair								
EUR/SEK	–	–	–644	639	–	–	– 221	221
EUR/BRL	–	–	174	–174	–	–	– 181	181
EUR/USD	2	–3	–52	34	2	– 3	– 2	3
SEK/USD	–	–	39	–39	–	–	22	– 22
EUR/GBP	14	–17	10	–13	28	– 34	26	– 32
CNY/SEK	–	–	–22	22	–	–	– 7	7
USD/BRL	3	–3	–7	12	3	– 3	8	– 8
EUR/PLN	–	–	–13	13	–	–	– 2	2

Interest rate risk

Interest rate risk describes the risk of negative effects from movements in interest rates. Financial instruments that are sensitive to movements in interest rates are exposed to interest rate risk in the form of fair value risk or cash flow risk. Fair value risk is calculated using the sensitivity of the carrying amount of a recognized financial instrument to changes in market interest rates. Cash flow risk describes the exposure to variability in future interest payments in response to interest rate movements. Interest rate swaps and cross-currency swaps are used to implement the risk management strategy.

The TRATON GROUP is exposed to interest rate risk from interest rate-sensitive assets and liabilities. Intragroup financing arrangements are mainly funded at matching maturities. Departures from the Group's standards are subject to centrally defined limits and are monitored continuously.

Interest rate risk within the meaning of IFRS 7 is calculated for the companies using sensitivity analyses. Any earnings effects attributable to interest rate sensitivity would be recognized exclusively in earnings for the period. The Group's activities in the TRATON Financial Services segment are managed to largely match assets and liabilities in order to minimize interest rate mismatches. Appropriate risk methodologies are applied. There are no material concentrations of interest rate risk in the TRATON GROUP.

If market interest rates had been 100 basis points (bps) higher as of December 31, 2024, earnings after tax would have been €20 million lower (previous year: €51 million lower). If market interest rates had been 100 bps lower as of December 31, 2024, earnings after tax would have been €19 million higher (previous year: €51 million higher).

Commodity price risk

The TRATON GROUP is primarily exposed to commodity price risk from fluctuations in the price and availability of commodities. Commodity price risks are captured centrally at regular intervals for MAN Truck & Bus and International Motors and hedged externally based on defined risk limits, provided there are liquid markets. This approach also considers whether changes in commodity prices will be reflected in higher selling prices for the products. The Group enters into cash-settled commodity futures to mitigate these risks. There were no material concentrations of risk in the past fiscal year.

Cash-settled commodity futures had been entered into at the balance sheet date to hedge commodity price risks relating to purchase contracts with a fair value of €–2 million (previous year: €1 million). Hedge accounting is not used at present.

The maximum remaining maturity of hedges of future transactions at the end of fiscal year 2024 was 33 months (previous year: 30 months). Reflecting the sensitivity analysis of currency risk, a hypothetical 10% increase/decrease in the value of commodity prices did not have any significant effect on earnings after tax.

36. Capital management

The TRATON GROUP's capital management ensures that the goals and strategies can be achieved in the interests of its shareholders, employees, and other stakeholders. Management focuses in particular on the net financial debt/EBITDA (adjusted) ratio for the TRATON Operations business area, including Corporate Items, and on increasing the return on equity in the TRATON Financial Services segment. Corporate Items comprises TRATON Holding, consolidation effects between the business areas and with TRATON Holding, and the effects of purchase price allocation from the acquisition of individual segments. The return on investment, which was used up to and including fiscal year 2023 to determine the minimum return on invested capital in the TRATON Operations business area that is required by the capital markets, is no longer used for capital management purposes.

As a general rule, the capital structure of the TRATON Operations business area including Corporate Items should correspond to an implied solid investment-grade classification. The net financial debt/EBITDA (adjusted) ratio is a key performance indicator in this context. If justified by extraordinary financing requirements or special market circumstances, this target can be temporarily relaxed subject to certain conditions. TRATON SE has been awarded external credit ratings by Moody's and Standard & Poor's (S&P) since June 2020. Moody's is currently awarding a long-term rating of Baa2 (positive outlook), and S&P's rating is BBB (stable outlook). Both ratings are investment-grade.

The net financial debt to EBITDA (adjusted) ratio is calculated by dividing net liquidity/net financial debt by EBITDA (adjusted) for the past twelve months and is determined for the TRATON Operations business area, including Corporate Items (see **"Report on Economic Position — 5. Financial Position — Net Liquidity/Net Financial Debt"** in the Combined Management Report).

Net liquidity or net financial debt is calculated as gross liquidity, meaning cash and cash equivalents, marketable securities, investment deposits, and loans to affiliated companies (incl. restricted cash), less third-party borrowings (noncurrent and current financial liabilities). It reflects cash and cash equivalents, marketable securities, investment deposits, and loans to affiliated companies not financed by third-party borrowings. The net financial debt to EBITDA (adjusted) ratio for the TRATON Operations business area including Corporate Items includes the total net liquidity/net financial debt of the TRATON Operations business area and Corporate Items.

EBITDA (earnings before interest, taxes, depreciation, and amortization) (adjusted) reflects operating performance before interest, taxes, depreciation, and amortization, after accounting for the use of resources. Since depreciation and amortization may depend on the chosen accounting policies, the carrying amounts, the capital structure, and the way in which an asset was acquired, EBITDA (adjusted) is used as a key performance indicator for peer group comparisons, in particular. Adjustments to operating result are also taken into account in determining EBITDA (adjusted). The EBITDA (adjusted) for the

TRATON Operations business area including Corporate Items is used to calculate the net financial debt/EBITDA (adjusted) ratio for the TRATON Operations business area including Corporate Items.

The return on equity in the TRATON Financial Services segment is calculated as the ratio of earnings before tax to average equity. Average equity is calculated from the equity at the beginning and the end of the reporting period.

An additional goal is to satisfy the capital requirements of the banking regulator. To do so, a planning procedure integrated into internal reporting has been put in place, allowing the required equity to be continuously determined on the basis of actual and expected business performance. The external minimum capital requirements applicable to certain companies in the TRATON Financial Services segment were met.

The net financial debt/EBITDA (adjusted) ratio for the TRATON Operations business area including Corporate Items as well as the return on equity in the TRATON Financial Services segment are shown in the following table:

€ million	2024	2023
TRATON Operations including Corporate Items		
Net liquidity/net financial debt	4,903	5,777
EBITDA (adjusted)	5,974	5,522
Net financial debt/EBITDA (adjusted) ratio	**–0.8**	**–1.0**
TRATON Financial Services		
Earnings before tax	212	171
Average equity	1,968	2,030
Return on equity before tax (in %)	**10.8**	**8.4**

37. Contingent liabilities and commitments

Accounting policies: contingent liabilities and commitments

If the criteria for recognizing a provision are not met, but the outflow of financial resources is not improbable, or if the provision amount cannot be measured reliably, such obligations are disclosed in the form of the note shown below. Contingent liabilities are only recognized as a provision once the obligations are more certain, i.e., the outflow of financial resources has become probable, and their amount can be reliably estimated.

Contingent liabilities and commitments

€ million	12/31/2024	12/31/2023
Liabilities under buyback guarantees	2,639	2,926
Contingent liabilities under guarantees	547	777
Other contingent liabilities	1,431	1,133
	4,618	**4,835**

Customer liabilities to financial services companies of the Volkswagen Group, to joint ventures, and, to a small extent, to third parties are covered by standard industry buyback guarantees under which TRATON is obliged to buy back vehicles from the financial services company in the event of default. Liabilities under buyback guarantees at the end of the fiscal year amounted to €2,478 million (previous year: €2,781 million) owed to financing companies of the Volkswagen Group, €155 million (previous year: €134 million) owed to joint ventures, and €6 million (previous year: €11 million) owed to third parties. The year-on-year decline in buyback guarantees is due to the acquisition of key aspects of the global financial services business of Volkswagen Financial Services for MAN and VWTB by the TRATON Financial Services segment. The obligations under buyback guarantees correspond to the maximum expenses that may arise from obligations of this type. However, experience shows that the majority of these guarantees expire without being drawn upon.

As of December 31, 2024, contingent liabilities under guarantees include financial guarantees of €515 million (previous year: €742 million). These are mostly default guarantees by International in favor of banks.

The guarantees in favor of or for related party entities were insignificant at year-end.

Other contingent liabilities mainly contain contingent liabilities for potential tax risks, which primarily concern Volkswagen Truck & Bus. For further information, refer to Note **"38. Litigation/legal proceedings"**.

38. Litigation/legal proceedings

MAN and Scania/EU antitrust proceedings

In July 2016, the European Commission reached settlements (the "Settlement Decision") with MAN and four other European truck manufacturers (excluding Scania) finding collusive arrangements on pricing and the timing and the passing on of costs for emission technologies for medium- and heavy-duty trucks from January 17, 1997, to January 18, 2011 (for MAN: until September 20, 2010). MAN was granted immunity from fines since it had revealed these practices to the European Commission in September 2010. Scania decided not to apply for leniency and not to settle this antitrust case and, by decision of the European Commission dated September 27, 2017 (the "Scania Decision"), received a fine in the amount of approximately €880.5 million. Scania appealed the Scania Decision to the General Court of the European Union and asked for full annulment. On February 2, 2022, the General Court rendered its judgment, whereby Scania's appeal was dismissed in its entirety and the amount of fines set by the European Commission upheld. On April 8, 2022, Scania appealed against the judgment of the General Court of the European Union from February 2, 2022, to the European Court of Justice. The €880.5 million fine plus interest from the EU antitrust proceedings was paid on April 12, 2022, to avoid additional interest penalties. On February 1, 2024, the European Court of Justice decided to dismiss Scania's appeal.

Following the Settlement Decision, a significant number of (direct and indirect) truck customers in various jurisdictions have initiated or joined lawsuits against MAN and/or Scania. With the merger of MAN SE with TRATON SE taking effect, TRATON SE has — in most jurisdictions — automatically assumed the procedural role of MAN SE as legal successor in the respective proceedings (and is insofar covered by "MAN companies"). Even if such claims may have expired under the respective applicable local laws, it cannot be excluded that further lawsuits will be filed. The claims against MAN companies differ significantly in scope; while some truck customers only bought or leased a single truck, other cases concern a multitude of trucks. Furthermore, some truck customer damages claims have been combined in class actions or through claim aggregators to which the truck customers assigned their respective damages claims.

MAN takes the view that there are well-founded arguments against such claims and takes appropriate steps to defend itself.

However, it cannot be excluded that these claims result in substantial liabilities for MAN including significant costs for their defense, which may have a material adverse effect on MAN's financial results, cash flows and financial positions. Given the inherently complex nature of these claims and the different stages of the proceedings (with a number of cases still in a rather early stage), it is not possible to make a reliable estimate of the total liability that may arise from these claims. MAN is continuously monitoring the development and re-assesses the respective risks on a regular basis.

Direct and indirect customers in various jurisdictions have initiated or joined lawsuits against Scania. Further, Scania has received a number of third-party notices from other defendant commercial vehicle manufacturers. As is the case for MAN, the claims against Scania differ significantly in scope as some customers only bought or leased one truck while others operate a whole fleet of commercial vehicles. Furthermore, some customer damages claims in other jurisdictions have been combined in class actions or through claim aggregators. The exact number of commercial vehicles involved is, however, unknown.

As of December 31, 2024, no provisions were recognized for the majority of these cases as it is not assumed as of the reporting date that there will be a final and unappealable court ruling awarding damages. TRATON recognized a negative impact on its operating result in the amount of €162 million (previous year: €89 million) for cases in which, as a result of a reassessment of the risks, a final and unappealable ruling under which MAN or Scania would have to pay damages is more likely than unlikely at present. In accordance with IAS 37 *"Provisions, Contingent Liabilities and Contingent Assets"* (paragraph 92), no further information is disclosed so as not to prejudice TRATON's position.

VW Truck & Bus Ltda.

In the tax proceedings between Volkswagen Truck & Bus Indústria e Comércio de Veículos Ltda. (VW Truck & Bus Ltda.), formerly MAN Latin America Indústria e Comércio de Veículos Ltda. (MAN Latin America), and the Brazilian tax authorities, the Brazilian tax authorities took a different view of the tax implications of the acquisition structure chosen by MAN SE (now merged with TRATON SE) for the acquisition of VW Truck & Bus Ltda. in 2009. The tax proceedings have been divided into two auditing periods, covering the years 2009–2011 (Phase 1) and 2012–2014 (Phase 2). In December 2017, an adverse last instance judgment was rendered by the Brazilian Administrative Court (Phase 1), which was negative for VW Truck & Bus Ltda. VW Truck & Bus Ltda. appealed this judgment before a regular judicial court in 2018. This lawsuit was dismissed in 2019, and an appeal was filed against the dismissal. The appeal was then rejected in June 2023, and a petition for review was filed in July 2023. In the tax proceeding related to Phase 2, a partial success was achieved that partly reduced the penalties. An appeal against this decision was filed, which was rejected in September 2023, thus concluding the Administrative Court proceedings. As a result of a new law regarding the handling of casting vote decisions in September 2023, VW Truck & Bus Ltda. filed an objection to the determinations in October 2023. In May 2024, the amendment to the law already resulted in a significant reduction of the penalties in phase 2, and in November 2024, the complete repeal of the phase 2 penalties was finally achieved.

Due to the potential range of penalties plus interest which could apply under Brazilian law, the estimated size of the risk in the event that the tax authorities are able to prevail overall with their view is uncertain. This could result in a risk of about BRL 3,068 million (equivalent to €477 million as of December 31, 2024) for the contested period from 2009 onward. This assessment is based on the accumulated accounts at the reporting date for the claimed tax liability including the potential penalty surcharges, as well as accumulated interest, but excluding any future interest and without discounting any cash flows. Several insurers have issued bank guarantees for the benefit of VW Truck & Bus Ltda. as is customary in connection with such tax proceedings.

Update on the MAN SE merger squeeze-out

The merger of MAN SE with TRATON SE was entered in the commercial register of MAN SE and TRATON SE on August 31, 2021. With this, MAN SE ceased to exist as an independent legal entity, and all rights and obligations were transferred to TRATON SE. MAN SE shares were delisted at the same time.

Cash compensation in the amount of €70.68 per common and preferred share was paid out to MAN SE noncontrolling shareholders on September 3, 2021. This marked the conclusion of the MAN SE merger squeeze-out. The appropriateness of the cash compensation will be reviewed by a court-appointed auditor as part of the judicial award proceedings initiated by affected noncontrolling interest shareholders as applicants.

By way of a ruling dated December 20, 2024, which is not yet final, the Regional Court of Munich I increased the cash compensation to €79.71 per common and preferred share. Various applicants as well as TRATON SE appealed against this ruling in January 2025. An expense of €98 million was recognized in other financial result and interest expense in fiscal year 2024 for the transaction.

39. Other financial obligations

	2024				2023			
€ million	Due 2025	Due 2026–2029	Due from 2030	Total 12/31/2024	Due 2024	Due 2025–2028	Due from 2029	Total 12/31/2023
Purchase order commitments for								
property, plant, and equipment	495	286	–	782	590	344	0	934
intangible assets	25	29	–	55	21	24	1	46
Obligations from								
irrevocable credit and lease commitments to customers	823	53	4	879	824	91	8	923
long-term rental and lease contracts	46	39	6	91	40	29	5	73
Miscellaneous financial obligations[1]	114	57	–	170	57	161	0	219

1 Prior-year amount adjusted

In addition to the other financial obligations shown, there were long-term purchase obligations from battery procurement contracts between TRATON GROUP companies and Northvolt Group companies amounting to approximately €7,974 million (previous year: €7,218 million).

On December 15, 2021, the TRATON GROUP signed the contract to establish the Milence charging infrastructure joint venture together with Daimler Truck and the Volvo Group and undertook to invest a total amount of up to €167 million in this joint venture. In 2024, €38 million (previous year: €39 million) was paid into Milence's equity. The obligation amounts to €85 million (previous year: €123 million) as of December 31, 2024.

40. Related party disclosures

Accounting policies: related party disclosures

Related parties from the TRATON GROUP's perspective as of December 31, 2024, were:

- Volkswagen International Luxemburg as direct parent of TRATON SE
- Volkswagen AG and its subsidiaries, together with its significant investees outside the TRATON GROUP
- Porsche Automobil Holding SE, Stuttgart (Porsche Stuttgart), which has significant influence on the Volkswagen Group's operating policy decisions within the meaning of IAS 28 *Investments in Associates and Joint Ventures*, together with its affiliated companies and related parties
- The state of Lower Saxony and its related majority-owned interests
- Other individuals or entities that can be influenced by the TRATON GROUP or that can influence the TRATON GROUP, such as:
  - Members of TRATON SE's Executive and Supervisory Boards
  - Members of the Board of Management and Supervisory Board of Volkswagen International Luxemburg
  - Members of the Board of Management and Supervisory Board of Volkswagen Finance Luxemburg
  - Members of the Board of Management and Supervisory Board of Volkswagen AG
  - Associates and joint ventures
  - Unconsolidated subsidiaries

Some members of the Executive and Supervisory Boards of the TRATON GROUP are members of supervisory and executive boards or shareholders of other companies with which the TRATON GROUP has relations in the normal course of business.

On December 31, 2024, Volkswagen International Luxemburg S.A., an indirect subsidiary of Volkswagen AG, held 89.72% (previous year: Volkswagen Finance Luxemburg S.A. 89.72%) of TRATON SE's share capital. Additionally, Mr. Levin held 3,600 (previous year: 3,600) shares of TRATON SE on December 31, 2024.

The following tables present the amounts of supplies and services transacted, as well as outstanding receivables and obligations, between consolidated companies of the TRATON GROUP and its related parties, including Volkswagen AG. There were no significant transactions with Porsche Stuttgart, Volkswagen International Luxemburg, or the state of Lower Saxony in any of the reported periods presented.

Related parties

	Sales and services rendered		Purchases and services received	
€ million	2024	2023	2024	2023
Volkswagen AG	19	23	296	273
Other subsidiaries and equity investments of Volkswagen AG that are not part of the TRATON GROUP	1,690	2,032	1,297	1,118
Unconsolidated subsidiaries	9	26	12	11
Associates and their majority-owned interests	216	226	89	239
Joint ventures and their majority-owned interests	83	95	40	44

	Receivables from		Liabilities (including obligations) to	
€ million	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Volkswagen AG	11	10	1,046	971
Other subsidiaries and equity investments of Volkswagen AG that are not part of the TRATON GROUP	718	813	10,955	9,575
Unconsolidated subsidiaries	13	41	44	46
Associates and their majority-owned interests	12	51	7	17
Joint ventures and their majority-owned interests	8	3	85	123

Supplies and services rendered to other subsidiaries and investees of Volkswagen AG that are not part of the TRATON GROUP mainly relate to the sales financing business of MAN Truck & Bus, in which customer finance for vehicles is provided by Volkswagen Financial Services. Supplies and services received from other subsidiaries and investees of Volkswagen AG that are not part of the TRATON GROUP relate mainly to unfinished goods and products.

On July 12, 2023, companies of the TRATON GROUP and companies of the Volkswagen Group signed a framework agreement on the gradual acquisition of key aspects of the global MAN and VWTB financial services business. TRATON Financial Services AB, Södertälje, Sweden, paid €275 million into an account at VW Bank for the acquisition on July 19, 2023. The associated restricted cash decreased accordingly with the acquisitions in fiscal year 2024, amounting to €41 million (previous year: €271 million) as of December 31, 2024, and is recognized as a receivable from other subsidiaries and equity investments of Volkswagen AG that are not part of the TRATON GROUP. The rights to MAN's future financial services business were acquired in several countries in fiscal year 2024, mainly in Germany, South Korea, and the United Kingdom. Additionally, in Austria, 100% of the shares of MAN Financial Services GesmbH, Eugendorf, Austria, were acquired. TRATON GROUP also acquired the business operations of EURO-Leasing France. The other transfers in the remaining countries had not yet been completed as of the reporting date. See Note **"6. Acquisitions"** for more information.

Liabilities to Volkswagen AG include loans granted by Volkswagen AG in the amount of €750 million (previous year: €500 million) resulting from a €4,000 million (previous year: €4,000 million) credit line. The credit facility is subject to market interest rates. In addition, a further €193 million was borrowed from Volkswagen AG in 2024 under a €300 million credit line. In the previous year, a credit line in the amount of €297 million was borrowed from Volkswagen AG. Furthermore, as of December 31, 2024, Scania has a secured loan of €49 million to Northvolt, which was granted under a USD 100 million framework and is listed as a receivable from other subsidiaries and equity investments of Volkswagen AG that are not part of the TRATON GROUP.

The increase in liabilities (including obligations) to other subsidiaries and equity investments of Volkswagen AG that are not part of the TRATON GROUP is attributable to long-term purchase obligations under battery procurement contracts between TRATON GROUP companies and Northvolt Group companies in the amount of €7,974 million (previous year: €7,218 million). Among other things, this category includes loan liabilities of €478 million (previous year: €359 million) to Volkswagen Group of America Finance as well as the loan of €691 million (previous year: €– million) taken out with Volkswagen International Finance at standard market terms. In addition, the acquisition of MAN FS Austria by the TRATON Financial Services segment resulted in the assumption of a loan from Volkswagen Financial Services AG amounting to €201 million (previous year: €– million). There are also other liabilities to Volkswagen Financial Services companies.

The TRATON GROUP signed the agreement to establish the Milence charging infrastructure joint venture together with Daimler Truck and the Volvo Group on December 15, 2021. As a result, the TRATON GROUP made a capital contribution of €38 million (previous year: €39 million) as of December 31, 2024. The outstanding obligation as of year-end 2024 is €85 million (previous year: €123 million).

The sale of receivables to subsidiaries of Volkswagen AG that are not part of the TRATON GROUP amounted to €1,016 million (previous year: €1,361 million) in fiscal year 2024. See Note **"25. Trade receivables"** for more information. This relates to the volume of receivables that were transferred and derecognized in each reporting period. Customer liabilities to Volkswagen Financial Services are covered by standard industry buyback guarantees, see Note **"37. Contingent liabilities and commitments"**.

The remuneration system for the Executive Board comprises fixed and variable components. The variable remuneration consists of a performance-related profit bonus with a one-year assessment period and a long-term incentive (LTI) in the form of a performance share plan with a forward-looking four-year term (share-based payment). The remuneration system applies to all members of the Executive Board with new or extended employment contracts from the date of the 2024 Annual General Meeting. For the members of the Executive Board who were already in office prior to December 16, 2020, the remuneration system shall apply until their contract is renewed and with the proviso that the performance share plan will continue to have a performance period of three years. This no longer applied to any active members of the Executive Board in fiscal year 2024. A performance share plan with a four-year performance period has been in place for Mr. Levin and Mr. Cortes since fiscal year 2024.

Liabilities to the current members of the Executive Board and Supervisory Board comprise outstanding balances for the remuneration of the Supervisory Board, for the fair values of performance shares granted to members of the Executive Board, and for variable remuneration in the amount of €26 million (previous year: €15 million). The pension provisions for the members of the Executive Board in office amounted to €3 million (previous year: €2 million) as of December 31, 2024.

The following expenses were recognized in fiscal year 2024 for the benefits and remuneration granted to members of the Executive and Supervisory Boards of TRATON SE in the course of their activities as members of governing bodies.

€ million	2024	2023
Short-term benefits	18	15
Benefits based on performance shares	10	9
Post-employment benefits	3	2
Termination benefits	–	11
	31	**38**

The employee representatives on the Supervisory Board who are employed by TRATON SE or other TRATON GROUP companies also receive their regular salaries as specified in their employment contracts. If they are members of German works councils, this is based on the provisions of the *Betriebsverfassungsgesetz* (BetrVG — German Works Council Constitution Act).

Post-employment benefits relate to additions to pension provisions, expenses for defined contribution pension plans, and — depending on the social security system — contributions to the Swedish pension system for current members of the Executive Board.

In the previous year, the termination benefits had related to payments to Ms. Danielski and Mr. Osterloh in connection with their early departure from the Executive Board.

41. Benefits based on performance shares (share-based payment)

Accounting policies: share-based payment

The share-based payment for the Executive Board and senior management consists of performance shares. Share-based payment obligations are accounted for as cash-settled plans under IFRS 2 *Share-based Payment*. For these plans, obligations are measured at fair value during the term of the plan using a recognized option pricing model. The total remuneration expense to be recognized corresponds to the actual payout and is recognized over the vesting period.

The remuneration system for the Executive Board comprises fixed and variable components. The variable remuneration consists of a performance-related profit bonus with a one-year assessment period and a long-term incentive (LTI) in the form of a performance share plan with a forward-looking four-year performance period (share-based payment). The remuneration system applies to all members of the Executive Board with new or extended employment contracts from the date of the 2024 Annual General Meeting. For the members of the Executive Board who were already in office prior to December 16, 2020, the remuneration system shall apply until their contract is renewed and with the proviso that the performance share plan will continue to have a performance period of three years. This no longer applied to any active members of the Executive Board in fiscal year 2024. A performance share plan with a four-year performance period has been in place for Mr. Levin and Mr. Cortes since fiscal year 2024.

At the beginning of fiscal year 2022, the group of beneficiaries offered a performance share plan was expanded to include members of the brand Executive Boards who are not members of the Executive Board of TRATON SE under stock corporation law and, in 2023, to include members of International's management who are entitled to LTIs. The performance share plan for brand Executive Board members and members of International's management largely works in the same way as the performance share plan that applies to the members of the Executive Board of TRATON SE. The performance period is four years for the brand Executive Board members and three or four years for the members of International's management.

At the time the LTI is granted, the annual target amount under the LTI is converted into virtual performance shares on the basis of the initial reference price of TRATON SE shares. These performance shares are allocated to the individual beneficiary as a pure calculation value. At the end of the three- or four-year performance period, a final number of virtual performance shares is determined, based on the degree to which the earnings per share (EPS) performance criterion of the TRATON GROUP has been met. A cash settlement is made at the beginning of the fiscal year following the last fiscal year of the performance period; the issuance of shares of the Company is excluded. The payment amount corresponds to the number of specified performance shares multiplied by the closing reference price at the end of the three- or four-year performance period, plus a dividend equivalent for the relevant term. The payment amount under the performance share plan is limited to 250% of the target amount for the Executive Board of TRATON SE under stock corporation law and 200% of the target amount for the brand Executive Board members.

If the employment contract begins or ends during a year, the target amount is reduced pro rata temporis. At International, the performance shares lapse without replacement or compensation if the employment relationship ends before the end of the performance period.

Executive Board of TRATON SE, brand Executive Boards, and members of management at International

€ million	2024	2023
Total expense for the period	38	33
Total carrying amount of the obligation	78	45
Intrinsic value of the liabilities	14	5
Fair value at the time the shares were granted	26	22
Number of performance shares granted	4,073,618	3,141,926
of which number of shares granted in the reporting period	1,421,587	2,031,474

The increase in the liability and expenses compared with the prior-year figures is attributable to the expansion of the performance share plan, which was offered to members of management at International starting in 2023, and to the clearly positive performance of the TRATON share price.

Members of management and employees of the TRATON GROUP not covered by collective bargaining agreements (excluding International)

Since fiscal year 2022, members of management and employees of the TRATON GROUP not covered by collective bargaining agreements have received a retrospective long-term bonus whose performance period covers the fiscal year and the three preceding fiscal years. The length of the performance period will be increased gradually starting in fiscal year 2022. It only covers the fiscal year in question for fiscal year 2022, two years for fiscal year 2023, three years for fiscal year 2024, and four years for the first time starting in fiscal year 2025. Payment depends on the TRATON GROUP's average EPS performance and TRATON's share price performance (including dividends) over the performance period, and is limited to 200% of the target amount.

The payment amount for all beneficiaries is determined by multiplying the target amount by the degree of EPS target achievement and the ratio between the closing reference price at the end of the period, plus a dividend equivalent, and the opening reference price.

As of December 31, 2024, the total carrying amount of the obligation, which corresponded to the intrinsic value of the liabilities, amounted to €33 million (previous year: €24 million). A total expense of €34 million (previous year: €24 million) was recognized for these awards in the reporting period.

42. Remuneration of the Executive Board and the Supervisory Board in accordance with section 314 of the HGB

The total remuneration granted to the members of the Executive Board amounted to €20 million (previous year: €17 million).

Under the performance share plan, the members of the Executive Board were awarded a total of 352,597 (previous year: 409,869) performance shares for fiscal year 2024, whose value at the award date amounted to €6 million (previous year: €5 million).

In fiscal year 2024, a total of €– million (previous year: €1 million) of the advances paid to the members of the Executive Board for the 2020–2022 tranche of the Performance Share Plan was offset against claims of the relevant Executive Board member against the Company, or repayment was requested. In addition, a loan extended to a member of the Executive Board in 2021 was outstanding in the amount of €3 million (previous year: €3 million) as of December 31, 2024.

Former members of the Executive Board and their surviving dependents were paid €– million (previous year: €7 million) in fiscal year 2024. There were pension provisions of €12 million (previous year: €12 million) for this group of persons.

The total remuneration granted to the members of the Supervisory Board amounted to €3 million (previous year: €2 million).

43. Fees paid to the auditor of the consolidated financial statements

Of the total fees of €5 million (previous year: €4 million) charged in the year under review for the work performed by the auditor of the consolidated financial statements, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft in Germany, €4 million (previous year: €3 million) related to audit services. These comprised the audits of TRATON SE's consolidated financial statements and of the annual financial statements of the German Group companies as well as intraperiod reviews of the interim financial statements of TRATON SE and the German Group companies. €1 million (previous year: €1 million) related to other assurance services or other services.

44. German Corporate Governance Code

The Executive Board and Supervisory Board of TRATON SE issued their annual Declaration of Conformity in December 2024 in accordance with section 161 of the *Aktiengesetz* (AktG — German Stock Corporation Act), which is reproduced in the **Corporate Governance Statement** as a separate part of the Combined Management Report and published on TRATON SE's website at **https://ir.traton.com/corporate-governance**. Furthermore, TRATON has published a statement regarding departures by TRATON's corporate governance system from the Swedish Corporate Governance Code. This is also available at **https://ir.traton.com/corporate-governance**.

45. Events after December 31, 2024

Niklas Klingenberg has been a new member of the Executive Board responsible for Research & Development since January 1, 2025. He will continue to drive forward research & development in the Group.

In January 2025, the TRATON GROUP issued several bonds in euros and Swedish kronor with a total equivalent to €1,635 million under TRATON's €12,000 million EMTN program.

46. Members of the Executive Board and their appointments

Christian Levin
Lidingö, Sweden
Chairman of the Executive Board and Chief Executive Officer of TRATON SE
Chief Executive Officer of Scania AB/Scania CV AB

2 MAN Truck & Bus SE (Chairman)
3 Vattenfall AB, Sweden (since April 29, 2024)
4 Navistar International Corporation, USA
Scania Growth Capital AB, Sweden
Scania Growth Capital II AB, Sweden
TRATON Financial Services AB, Sweden (Chairman)
Volkswagen Truck & Bus Indústria e Comércio de Veículos Ltda., Brazil (Chairman)

Mathias Carlbaum
Hinsdale, USA
Member of the Executive Board of TRATON SE
Chief Executive Officer and President of Navistar International Corporations/ International Motors, LLC

4 TRATON Financial Services AB, Sweden

Antonio Roberto Cortes
São Paulo-Indianópolis, Brazil
Member of the Executive Board of TRATON SE
Chief Executive Officer of Volkswagen Truck & Bus

4 TRATON Financial Services AB, Sweden

Dr. Michael Jackstein
Braunschweig
Member of the Executive Board of TRATON SE,
responsible for Finance, Business Development, and Human Resources

2 MAN Truck & Bus SE
4 Navistar International Corporation, USA
Scania AB, Sweden (Chairman)
Scania CV AB, Sweden (Chairman)
TRATON Financial Services AB, Sweden
TRATON Sweden AB, Sweden (Chairman)
TRATON AB, Sweden
TRATON US, LLC, USA (since May 21, 2024)
Volkswagen Middle East QFZ LLC, Qatar
Volkswagen Truck & Bus Indústria e Comércio de Veículos Ltda., Brazil

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Niklas Klingenberg (since January 1, 2025)
Bromma, Sweden
Member of the Executive Board of TRATON SE,
responsible for Research & Development in the TRATON GROUP
Head of Group R&D at TRATON AB

3 Cummins Scania XPI Manufacturing Södertälje AB, Sweden

Catharina Modahl Nilsson
Stockholm, Sweden
Member of the Executive Board of TRATON SE,
responsible for Product Management in the TRATON GROUP

3 Chalmers University of Technology AB, Sweden
Knightec AB, Sweden
Knightec Group AB, Sweden (since December 12, 2024)
Modahlen Group AB, Sweden
Semcon AB, Sweden (until November 20, 2024)
4 TRATON AB, Sweden

Alexander Vlaskamp
Munich
Member of the Executive Board of TRATON SE
Chief Executive Officer of MAN Truck & Bus SE

2 MAN Truck & Bus Deutschland GmbH (Chairman)
3 Sinotruk (Hong Kong) Ltd., China (until August 21, 2024)
Rheinmetall MAN Military Vehicles GmbH
4 TRATON Financial Services AB, Sweden

As of December 31, 2024, unless otherwise stated
1 Membership of statutory German supervisory boards
2 Membership of statutory German supervisory boards, Volkswagen AG Group appointments
3 Membership of comparable German or foreign governing bodies
4 Membership of comparable German or foreign governing bodies, Volkswagen AG Group appointments

47. Members of the Supervisory Board and their appointments

Hans Dieter Pötsch
Wolfsburg
Chairman of the Executive Board of Porsche Automobil Holding SE
Chairman of the Supervisory Board of Volkswagen AG
Chairman of the Supervisory Board

1 Bertelsmann Management SE
Bertelsmann SE & Co. KGaA
Wolfsburg AG
2 AUDI AG
2, 5 Dr. Ing. h.c. F. Porsche AG
Volkswagen AG (Chairman)
4 Autostadt GmbH
Porsche Austria Gesellschaft m.b.H., Austria (Chairman)
Porsche Holding Gesellschaft m.b.H., Austria (Chairman)
Porsche Retail GmbH, Austria (Chairman)
VfL Wolfsburg-Fußball GmbH (Deputy Chairman)

Michael Lyngsie*
Gnesta, Sweden
Chair of IF Metall (labor union in Sweden) at Scania

4 Scania AB, Sweden
Scania CV AB, Sweden

Ödgärd Andersson
Gothenburg, Sweden
Chairwoman of the Executive Board of Zenseact AB, Sweden

Torsten Bechstädt*
Helmstedt
Head of Supervisory Board matters of the Chair of the Group Works Council of Volkswagen AG

2 Volkswagen Financial Services Overseas AG (since July 1, 2024)

Mari Carlquist*
Södertälje, Sweden
Representative of PTK (Privattjänstemannakartellen, Confederation of Labor Unions in Sweden) at Scania

4 Scania AB, Sweden
Scania CV AB, Sweden
TRATON Financial Services AB, Sweden

Daniela Cavallo*
Wolfsburg
Chairwoman of the General and Group Works Councils of Volkswagen AG

1 Wolfsburg AG
2, 5 Volkswagen AG
2 PowerCo SE (Deputy Chairwoman)
Volkswagen Financial Services AG (Deputy Chairwoman) (until June 30, 2024)
3 Brose Sitech Sp. z o.o., Poland
4 Autostadt GmbH
Porsche Holding Gesellschaft m.b.H., Austria
SEAT, S.A., Spain
Skoda Auto a.s., Czech Republic
VfL Wolfsburg-Fußball GmbH
Volkswagen Group Services GmbH

Dr. Manfred Döss
Wolfsburg
Member of the Executive Board of Porsche Automobil Holding SE (Legal Affairs and Compliance)
Member of the Board of Management of Volkswagen AG (Integrity and Legal Affairs)

2 AUDI AG (Chairman)
3 Grizzlys Wolfsburg GmbH

Jürgen Kerner*
Frankfurt
Second Chair of IG Metall

1 Airbus GmbH
1, 5 Siemens AG
Siemens Energy AG
Thyssenkrupp AG (Deputy Chairman)
2 MAN Truck & Bus SE (Deputy Chairman)

Gunnar Kilian
Lehre
Member of the Board of Management of Volkswagen AG (HR and Trucks)

1 Wolfsburg AG (Deputy Chairman)
2 AUDI AG
MAN Energy Solutions SE (Chairman)
MAN Truck & Bus SE
PowerCo SE
Volkswagen Group Services GmbH (Chairman)
3 FAW-Volkswagen Automotive Co., Ltd., China
4 Autostadt GmbH (Chairman)
Scania AB, Sweden
Scania CV AB, Sweden
VfL Wolfsburg-Fußball GmbH
Volkswagen (China) Investment Co., Ltd., China (from February 1, 2025)
Volkswagen Immobilien GmbH (Chairman)

Dr. Albert X. Kirchmann
Lindau, Bodolz
Independent industrial consultant

1 Stremler AG (Deputy Chairman)
2 MAN Truck & Bus SE
3, 5 Sumida Corporation, Japan (since April 1, 2024)

Dr. Julia Kuhn-Piëch
Salzburg, Austria
Real estate manager

2 AUDI AG
MAN Truck & Bus SE
4 Scania AB, Sweden
Scania CV AB, Sweden

Lisa Lorentzon*
Huddinge, Sweden
Chair of the Labor Unions for Graduate Employees at Scania

4 Scania AB, Sweden
Scania CV AB, Sweden
TRATON Financial Services AB, Sweden

Bo Luthin*
Södertälje, Sweden
Head of Occupational Health and Safety at Scania Södertälje and
Coordinator for IF Metall (labor union in Sweden)

Nina Macpherson
Stocksund, Sweden
Member of the Board of Directors of Scania AB and Scania CV AB

3 M&K Industrials AB, Sweden (Deputy Member)
Netel Holding AB, Sweden
Scandinavian Enviro Systems AB, Sweden
4 Scania AB, Sweden
Scania CV AB, Sweden

Dr. Dr. Christian Porsche
Salzburg, Austria
Specialist in Neurology

2 MAN Truck & Bus SE
4 Scania AB, Sweden
Scania CV AB, Sweden

Dr. Wolf-Michael Schmid
Helmstedt
Businessman (Managing Director of the Schmid Group)

1 BRW Finanz AG (Chairman)

Karina Schnur*
Reichertshofen
Chairwoman of the SE Works Council and
Chairwoman of the Group Works Council of TRATON SE
Chairwoman of the SE Works Council and the
General and Group Works Council of MAN Truck & Bus SE
Chairwoman of the Works Council of MAN Truck & Bus SE, Munich

2 MAN Truck & Bus SE
2, 5 Volkswagen AG
3 Rheinmetall MAN Military Vehicles GmbH

Josef Sedlmaier*
Weichs
Chairman of the Works Council of TRATON SE

Markus Wansch*
Schwabach
Deputy Chairman of the Group Works Council of TRATON SE and
Chairman of the Works Council of MAN Truck & Bus SE, Nuremberg plant

2 MAN Truck & Bus SE

Frank Witter
Braunschweig
Former member of the Board of Management of Volkswagen AG
Member of the Supervisory Board

1, 5 Deutsche Bank AG
3, 5 CGI Inc., Canada
4 VfL Wolfsburg-Fußball GmbH (Chairman) (until July 31, 2024)

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* Elected by the workforce

As of December 31, 2024, unless stated otherwise, or date of departure
1 Membership of statutory German supervisory boards
2 Membership of statutory German supervisory boards, Volkswagen AG Group appointments
3 Membership of comparable German or foreign governing bodies
4 Membership of comparable German or foreign governing bodies, Volkswagen AG Group appointments
5 Listed company

48. Supervisory Board Committees

(As of December 31, 2024)

Presiding Committee
Hans Dieter Pötsch (Chairman)
Jürgen Kerner (Deputy Chairman)
Michael Lyngsie
Gunnar Kilian
Dr. Dr. Christian Porsche
Karina Schnur

Audit Committee
Frank Witter (Chairman)
Torsten Bechstädt (Deputy Chairman)
Dr. Julia Kuhn-Piëch
Lisa Lorentzon
Nina Macpherson
Karina Schnur

Nomination Committee
Hans Dieter Pötsch
Gunnar Kilian
Dr. Dr. Christian Porsche

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49. List of shareholdings

List of shareholdings as of December 31, 2024

Name and domicile of the company	Currency	Exchange rate (1 euro =) 12/31/2024	Equity interest in %	Equity in thousands Local currency	Result in thousands Local currency	Footnote	Year
I. PARENT COMPANY							
TRATON SE, Munich							
II. SUBSIDIARIES							
A. Consolidated companies							
1. Germany							
KOSIGA GmbH & Co. KG, Pullach i. Isartal	EUR		94.00	39,609	1,025		2023
LOTS Germany GmbH, Koblenz	EUR		100.00	25	–		2023
M A N Verwaltungs-Gesellschaft mbH, Munich	EUR		100.00	1,039	–	1	2024
MAN Brand GmbH & Co. KG, Grünwald	EUR		100.00	25	50,663		2023
MAN Finance & Mobility Services GmbH, Munich	EUR		100.00	2,673	–		2023
MAN GHH Immobilien GmbH, Oberhausen	EUR		100.00	44,668	–	1	2024
MAN Grundstücksgesellschaft mbH & Co. Epsilon KG, Munich	EUR		100.00	1,032	33		2023
MAN Marken GmbH, Munich	EUR		100.00	27	–	1	2024
MAN Service und Support GmbH, Munich	EUR		100.00	25	–	1	2024
MAN Truck & Bus Deutschland GmbH, Munich	EUR		100.00	130,934	–	1	2024
MAN Truck & Bus SE, Munich	EUR		100.00	564,841	–	1	2024
Navistar Europe GmbH, Nuremberg	EUR		100.00	649	12		2023
Scania CV Deutschland Holding GmbH, Koblenz	EUR		100.00	66,295	–	1	2024
SCANIA DEUTSCHLAND GmbH, Koblenz	EUR		100.00	36,625	–	1	2024
Scania Finance Deutschland GmbH, Koblenz	EUR		100.00	62,913	–	1	2024
SCANIA Real Estate Deutschland GmbH, Koblenz	EUR		100.00	15,183	–	1	2024
Scania Versicherungsvermittlung GmbH, Koblenz	EUR		100.00	1,538	216		2023
SCANIA Vertrieb und Service GmbH, Koblenz	EUR		100.00	9,463	–	1	2024
TARONA Verwaltung GmbH & Co. Alpha KG, Pullach i. Isartal	EUR		100.00	5,124	1,893		2023
TB Digital Services GmbH, Munich	EUR		100.00	25	–	1	2024
TORINU Verwaltung GmbH & Co. Beta KG, Pullach i. Isartal	EUR		100.00	18,100	710		2023

List of shareholdings as of December 31, 2024

Name and domicile of the company	Currency	Exchange rate (1 euro =) 12/31/2024	Equity interest in %	Equity in thousands Local currency	Result in thousands Local currency	Footnote	Year
2. Other countries							
AB Dure, Södertälje	SEK	11.4501	100.00	1,440	–	2	2023
AB Folkvagn, Södertälje	SEK	11.4501	100.00	100	–	2	2023
AB Scania-Vabis, Södertälje	SEK	11.4501	100.00	100	–	2	2023
Ainax AB, Södertälje	SEK	11.4501	100.00	120	–	2	2023
Banco Volkswagen Truck & Bus S.A., São Paulo	BRL	6.4314	100.00	–	–	3	2023
Bilmetro Lastbilar i Hudiksvall AB, Gävle	SEK	11.4501	100.00	155	126		2023
Blue Diamond Parts LLC, Lisle, Illinois	USD	1.0410	100.00	56,839	14,436		2023
Centurion Truck & Bus (Pty) Ltd. t/a, Centurion	ZAR	19.6255	70.00	30,801	6,464		2023
Codema Comercial e Importadora Ltda., Guarulhos	BRL	6.4314	99.98	331,072	109,888		2023
Fastighetsaktiebolaget Flygmotorn, Södertälje	SEK	11.4501	100.00	18,793	75		2023
Fastighetsaktiebolaget Hjulnavet, Södertälje	SEK	11.4501	100.00	55,878	618		2023
Fastighetsaktiebolaget Vindbron, Södertälje	SEK	11.4501	100.00	45,216	1,070		2023
Fastighetsbolaget Bärgningsbilen 2 Örebro AB, Stockholm	SEK	11.4501	100.00	46,403	995		2023
Fastighetsbolaget Fluoret AB, Stockholm	SEK	11.4501	100.00	10,783	1,717		2023
Fastighetsbolaget Gilltuna Västerås AB, Stockholm	SEK	11.4501	100.00	26,205	1,022		2023
Ferruform AB, Luleå	SEK	11.4501	100.00	69,145	–11,124		2023
Griffin Automotive Ltd., Road Town	TWD	34.1011	100.00	733,448	454,207		2023
Griffin Lux S.à r.l., Luxembourg	EUR		–	–	–	4	2023
Harbour Assurance Company of Bermuda Ltd., Hamilton	USD	1.0410	100.00	11,561	2,386		2023
HTD I Oskarshamn AB, Oskarshamn	SEK	11.4501	100.00	553	–19		2023
IC Bus LLC, Lisle, Illinois	USD	1.0410	100.00	1,137,638	151,445		2023
IC Bus of Oklahoma, LLC, Tulsa, Oklahama	USD	1.0410	100.00	–	–	5	2023
International DealCor Operations, Ltd., George Town	USD	1.0410	100.00	69,570	1,151		2023
International Engine Intellectual Property Company, LLC, Lisle, Illinois	USD	1.0410	100.00	493,710	–9,320		2023
International Motors Canada, ULC, Hannon, Ontario	CAD	1.4972	100.00	370,651	232,915		2023
International Motors Mexico CV, SRL de CV, Mexico City	MXN	21.5892	100.00	6,509,490	1,893,296		2023
International Motors, LLC, Lisle, Illinois	USD	1.0410	100.00	–10,459,939	–3,444,092		2023

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International of Mexico Holding Corporation LLC, Lisle, Illinois	USD	1.0410	100.00	720,198	–130		2023
International Parts Distribution S. de R.L. de C.V., Miguel Hidalgo	MXN	21.5892	100.00	790,782	392,371		2023
International Truck and Engine Corporation Cayman Islands Holding Company, George Town	USD	1.0410	100.00	–75,153	56		2023
International Truck and Engine Overseas Corp., Lisle, Illinois	USD	1.0410	100.00	–15,820	–5,696		2023
International Truck Intellectual Property Company, LLC, Lisle, Illinois	USD	1.0410	100.00	1,012,949	3,727		2023
International Truck Leasing Corp., Lisle, Illinois	USD	1.0410	100.00	6,754	1,067		2023
Italscania S.p.A., Trento	EUR		100.00	86,847	56,001		2023
Kai Tak Holding AB, Södertälje	SEK	11.4501	100.00	120	–	2	2023
Laxå Specialvehicles AB, Laxå	SEK	11.4501	100.00	138,507	37		2023
LOTS Chile S.p.A., Santiago de Chile	CLP	1,034.6000	100.00	–5,461	–8,427	2	2023
LOTS Group AB, Södertälje	SEK	11.4501	100.00	317,966	–168,814		2023
LOTS Latin América Logística de Transportes Ltda., São Bernardo do Campo	BRL	6.4314	100.00	78,117	–72,704		2023
Lots Logistics (Guangxi) Co. Ltd., Beihai	CNY	7.5986	100.00	4,780	–	2	2023
LOTS SPV USA LLC, Wilmington, Delaware	USD	1.0410	70.00	2,387	–5,729		2023
LOTS Ventures Canada Inc., Vancouver, British Columbia	CAD	1.4972	80.00	6,039	–3,416		2023
LOTS Ventures USA Inc., Wilmington, Delaware	EUR		100.00	8,084	–		2023
Mälardalens Tekniska Gymnasium AB, Södertälje	SEK	11.4501	80.00	30,681	2,058		2023
MAN Automotive (South Africa) (Pty) Ltd., Johannesburg	ZAR	19.6255	100.00	1,139,789	67,620		2023
MAN Bus Sp. z o.o., Starachowice	PLN	4.2719	100.00	1,040,577	54,078		2023
MAN Components s.r.o., Bánovce nad Bebravou	EUR		100.00	14,944	3,161		2023
MAN Engines & Components Inc., Pompano Beach, Florida	USD	1.0410	100.00	48,644	14,738		2023
MAN Finance and Holding S.A., Strassen	EUR		100.00	3,841,780	124,006		2023
MAN Financial Services GesmbH, Eugendorf	EUR		100.00	11,194	1,553	10	2023
MAN Financial Services Polska Sp.z o.o, Wolica	PLN	4.2719	100.00	–	–	3	2023
MAN Financial Services UK Limited, Swindon	GBP	0.8302	100.00	–	–	3	2023
MAN Hellas Truck & Bus A.E., Aspropygros	EUR		100.00	2,661	261		2023
MAN Kamion és Busz Kereskedelmi Kft., Dunaharaszti	HUF	410.9350	100.00	8,167,026	1,247,536		2023
MAN Kamyon ve Otobüs Ticaret A.S., Ankara	TRY	36.8107	100.00	–1,194,121	–18,774		2023

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MAN Nutzfahrzeuge Immobilien GmbH, Vienna	EUR		100.00	37,807	4,979		2023
MAN Servicios Financieros Hispania S.A., Madrid	EUR		100.00	–	–	3, 6	2024
MAN Shared Services Center Sp. z o.o., Poznan	PLN	4.2719	100.00	16,194	612		2023
MAN Truck & Bus (Korea) Ltd., Yongin	KRW	1,534.3200	99.90	23,463,853	6,188,287		2023
MAN Truck & Bus (M) Sdn. Bhd., Rawang	MYR	4.6548	100.00	51,439	–2,804		2023
MAN Truck & Bus Czech Republic s.r.o., Cestlice	CZK	25.1505	100.00	1,483,487	54,857		2023
MAN Truck & Bus Danmark A/S, Greve	DKK	7.4576	100.00	173,954	21,499		2023
MAN Truck & Bus France S.A.S., Evry	EUR		100.00	101,835	12,307		2023
MAN Truck & Bus Iberia S.A., Coslada	EUR		100.00	138,990	8,331		2023
MAN Truck & Bus Italia S.p.A., Dossobuono di Villafranca	EUR		100.00	44,594	8,503		2023
MAN Truck & Bus Middle East FZE, Dubai	AED	3.8235	100.00	55,842	2,983		2023
MAN Truck & Bus N.V., Kobbegem	EUR		100.00	36,912	5,463		2023
MAN Truck & Bus Norge A/S, Lorenskog	NOK	11.7832	100.00	181,119	20,936		2023
MAN Truck & Bus Polska Sp. z o.o., Nadarzyn	PLN	4.2719	100.00	162,039	47,386		2023
MAN Truck & Bus Portugal S.U. Lda., Lisbon	EUR		100.00	10,205	940		2023
MAN Truck & Bus Schweiz AG, Otelfingen	CHF	0.9421	100.00	32,792	1,031		2023
MAN Truck & Bus Slovakia s.r.o., Bratislava	EUR		100.00	15,444	1,450		2023
MAN Truck & Bus Slovenija d.o.o., Ljubljana	EUR		100.00	15,962	1,397		2023
MAN Truck & Bus Trading (China) Co., Ltd., Beijing	CNY	7.5986	100.00	86,461	19,131		2023
MAN Truck & Bus UK Ltd., Swindon	GBP	0.8302	100.00	133,425	12,686		2023
MAN Truck & Bus Vertrieb Österreich GmbH, Vienna	EUR		100.00	277,611	12,626		2023
MAN Trucks Sp. z o.o., Niepolomice	PLN	4.2719	100.00	1,720,323	252,135		2023
MAN Türkiye A.S., Ankara	TRY	36.8107	99.99	7,436,148	930,747		2023
Metrobus AB, Gävle	SEK	11.4501	100.00	1,448	359		2023
MW-Hallen Restaurang AB, Södertälje	SEK	11.4501	100.00	1,968	19		2023
N.W.S. S.r.l., Trento	EUR		52.50	–	–	7	2023
Navistar (Shanghai) Trading Co., Ltd., Shanghai	CNY	7.5986	100.00	26,987	1,374		2023
Navistar Aftermarket Products, Inc., Lisle, Illinois	USD	1.0410	100.00	38,617	–159		2023
Navistar Auspac Pty. Ltd., Tullamarine	AUD	1.6761	100.00	1,480	–278		2023

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Navistar Big Bore Diesels, LLC, Huntsville, Alabama	USD	1.0410	100.00	–99,923	–40,908		2023
Navistar Comercial S.A. de C.V., Miguel Hidalgo	MXN	21.5892	100.00	633,557	325,828		2023
Navistar Diesel of Alabama, LLC, Lisle, Illinois	USD	1.0410	100.00	77,678	–12,378		2023
Navistar Financial Corporation, Lisle, Illinois	USD	1.0410	100.00	205,559	14,125		2023
Navistar Financial Dealer Note Master Owner Trust II, Wilmington, Delaware	USD	1.0410	–	–	–	4	2023
Navistar Financial Retail Receivables Corporation, Lisle, Illinois	USD	1.0410	100.00	–	–	3, 6	2024
Navistar Financial Securities Corp., Lisle, Illinois	USD	1.0410	100.00	82,256	14,660		2023
Navistar Financial Services North America Holding LLC, Herndon, Virginia	USD	1.0410	100.00	1,420	–		2023
Navistar Financial, S.A. de C.V. SOFOM E.R., Miguel Hidalgo	MXN	21.5892	100.00	4,025,113	963,965		2023
Navistar Hong Kong Holding Company Ltd., Hong Kong	HKD	8.0843	100.00	3,994	–116		2023
Navistar International B.V., Amsterdam	USD	1.0410	100.00	605,392	–139		2023
Navistar International Corporation, Lisle, Illinois	USD	1.0410	100.00	7,195,363	3,884,521		2023
Navistar International Employee Leasing Company, Lisle, Illinois	USD	1.0410	100.00	11,457	1,014		2023
Navistar International Mexico, S. de R.L. de C.V., Escobedo	MXN	21.5892	100.00	7,569,277	2,330,192		2023
Navistar International Pvt. Ltd., Pune	INR	89.1080	100.00	159,316	7,429	5	2023
Navistar International Southern Africa (Pty) Ltd., Johannesburg	ZAR	19.6255	100.00	–56,472	2,913		2023
Navistar Leasing Company, Lisle, Illinois	USD	1.0410	–	–	–	4	2023
Navistar Leasing Services Corp., Lisle, Illinois	USD	1.0410	100.00	40,133	162		2023
Navistar San Antonio Manufacturing LLC, Lisle, Illinois	USD	1.0410	100.00	–183,189	–93,376		2023
NC2 Global LLC, Lisle, Illinois	USD	1.0410	100.00	141,944	1,863		2023
NC2 Luxembourg S.a.r.l., Luxembourg	USD	1.0410	100.00	–134,076	–3,427	5	2023
Norsk Scania AS, Oslo	NOK	11.7832	100.00	304,795	699,744		2023
Norsk Scania Eiendom AS, Oslo	NOK	11.7832	100.00	130,671	10,007		2023
OCC Technologies, LLC, Lisle, Illinois	USD	1.0410	100.00	3,540	–11,603		2023
OOO Scania Peter, St. Petersburg	RUB	112.4384	100.00	264,420	–136,756	7	2023
Parts and Service Ventures, Inc., Lisle, Illinois	USD	1.0410	100.00	1,105	–615		2023
Power Vehicle Co. Ltd., Bangkok	THB	35.7428	49.00	34,332	30,369		2023
PT Scania Parts Indonesia, Balikpapan	USD	1.0410	100.00	396	–4,623		2023
Reliable Vehicles Ltd., Milton Keynes	GBP	0.8302	100.00	2,500	–	2	2023

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Sågverket 6 AB, Södertälje	SEK	11.4501	100.00	172	–949		2023
Scan Siam Service Co. Ltd., Bangkok	THB	35.7428	49.00	61,344	31,976		2023
Scania (Hong Kong) Ltd., Hong Kong	HKD	8.0843	100.00	58,272	19,962		2023
Scania (Malaysia) Sdn. Bhd., Shah Alam	MYR	4.6548	100.00	64,509	19,881		2023
Scania AB, Södertälje	SEK	11.4501	100.00	16,793,268	6,190,596		2023
Scania Administradora de Consórcios Ltda., Cotia	BRL	6.4314	100.00	243,358	72,169		2023
Scania Americas S.A., Montevideo	USD	1.0410	100.00	73,346	798		2023
Scania Argentina S.A., Buenos Aires	ARS	1,073.2711	100.00	203,834,324	45,218,560		2023
Scania Australia Pty. Ltd., Melbourne	AUD	1.6761	100.00	92,031	38,241		2023
Scania Banco S.A., São Bernardo do Campo	BRL	6.4314	100.00	1,163,788	148,282	8	2023
Scania Belgium N.V., Neder-Over-Heembeek	EUR		100.00	3,113	11,374		2023
Scania BH d.o.o., Sarajevo	BAM	1.9558	100.00	4,303	1,494		2023
Scania Botswana (Pty) Ltd., Gaborone	BWP	14.5391	100.00	38,744	7,215		2023
Scania Bulgaria EOOD, Sofia	BGN	1.9557	100.00	21,617	16,725		2023
Scania Bus & Coach UK Ltd., Milton Keynes	GBP	0.8302	100.00	1,029	–	2	2023
Scania Bus Financing AB, Södertälje	SEK	11.4501	100.00	100	–		2023
Scania Central Asia LLP, Almaty	KZT	546.1650	100.00	1,971,396	1,380,648		2023
Scania Chile S.A., Santiago de Chile	CLP	1,034.6000	100.00	22,265,556	–1,353,105		2023
Scania China Holding AB, Södertälje	SEK	11.4501	100.00	25	–		2023
Scania Colombia S.A.S., Bogotá	COP	4,585.5200	100.00	161,943,084	4,703,105		2023
Scania Comercial, S.A. de C.V., Querétaro	MXN	21.5892	100.00	700,081	394,337		2023
Scania Commercial Vehicles India Pvt. Ltd., Bengaluru	INR	89.1080	100.00	–2,237,984	11,843		2023
Scania Commercial Vehicles Renting S.A., San Fernando de Henares	EUR		100.00	45,191	2,924		2023
Scania Commerciale S.p.A., Trento	EUR		100.00	15,747	3,230		2023
Scania Corretora de Seguros Ltda., São Bernardo do Campo	BRL	6.4314	100.00	10,541	4,411		2023
Scania Credit (Malaysia) Sdn. Bhd., Shah Alam	MYR	4.6548	100.00	10,446	5,450		2023
Scania Credit AB, Södertälje	EUR		100.00	13,406	6,725		2023
Scania Credit Argentina S.A.U., Buenos Aires	ARS	1,073.2711	100.00	3,143,849	1,442,278		2023
Scania Credit Hrvatska d.o.o., Lucko (Zagreb)	EUR		100.00	4,034	–44		2023

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Scania Credit Romania IFN S.A., Ciorogârla	RON	4.9744	100.00	65,382	7,471		2023
Scania Credit Singapore Pte. Ltd., Singapore	SGD	1.4189	100.00	427	172		2023
Scania Credit Solutions (T) Ltd., Dar es Salaam	TZS	2,524.4300	100.00	10,729,705	341,807		2023
Scania Credit Solutions Pty Ltd., Aeroton	ZAR	19.6255	100.00	–29,645	–33,284		2023
Scania Credit Taiwan Ltd., New Taipei City	TWD	34.1011	100.00	21,954	9,227		2023
Scania Crna Gora d.o.o., Danilovgrad	EUR		100.00	316	76		2023
Scania CV AB, Södertälje	SEK	11.4501	100.00	55,685,422	22,740,233		2023
Scania Czech Republic s.r.o., Prague	CZK	25.1505	100.00	1,107,513	711,316		2023
Scania Danmark A/S, Ishöj	DKK	7.4576	100.00	426,746	199,968		2023
Scania Danmark Ejendom ApS, Ishöj	DKK	7.4576	100.00	111,275	802		2023
Scania DCS AB, Stockholm	SEK	11.4501	100.00	–	–	3	2023
Scania del Perú S.A., Lima	PEN	3.9114	100.00	75,845	38,808		2023
Scania Delivery Center AB, Södertälje	SEK	11.4501	100.00	398,770	53,360		2023
Scania East Africa Ltd., Nairobi	KES	134.6550	100.00	–917,395	–767,173		2023
Scania Eesti AS, Tallinn	EUR		100.00	15,752	6,381		2023
Scania Finance Australia Pty. Ltd., Melbourne	AUD	1.6761	100.00	27,687	906		2023
Scania Finance Belgium N.V., Neder-Over-Heembeek	EUR		100.00	21,059	872		2023
Scania Finance Bulgaria EOOD, Sofia	BGN	1.9557	100.00	22,650	4,154		2022
Scania Finance Chile S.A., Santiago de Chile	CLP	1,034.6000	100.00	34,347,281	4,689,512	9	2023
Scania Finance Colombia S.A.S., Bogotá	COP	4,585.5200	100.00	30,438,715	4,404,425		2023
Scania Finance Czech Republic spol. S r.o., Prague	CZK	25.1505	100.00	740,021	–133,701		2023
Scania Finance Great Britain Ltd., London	GBP	0.8302	100.00	140,411	2,867		2023
Scania Finance Hispania EFC S.A., San Fernando de Henares	EUR		100.00	53,613	3,368		2023
Scania Finance Ireland Ltd., Dublin	EUR		100.00	16,066	952		2023
Scania Finance Italy S.p.A., Milan	EUR		100.00	75,932	7,785		2023
Scania Finance Luxembourg S.A., Munsbach	EUR		100.00	5,570	156		2022
Scania Finance Magyarország Zrt., Biatorbágy	HUF	410.9350	100.00	3,399,492	222,917		2023
Scania Finance Maroc S.A., Casablanca	MAD	10.5161	100.00	–	–	3	2023
Scania Finance Mexico, S.A. de C.V. SOFOM, E.N.R., El Marqués	MXN	21.5892	100.00	215,698	27,057		2023

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Scania Finance Nederland B.V., Breda	EUR		100.00	46,923	3,540	9	2023
Scania Finance New Zealand Ltd., Auckland	NZD	1.8525	100.00	5,996	29		2023
Scania Finance Polska Sp. Z o.o., Nadarzyn	PLN	4.2719	100.00	306,449	55,300		2023
Scania Finance Schweiz AG, Kloten	CHF	0.9421	100.00	8,967	250		2023
Scania Finance Slovak Republic s.r.o., Senec	EUR		100.00	13,648	615		2023
Scania Finance Southern Africa (Pty) Ltd., Aeroton	ZAR	19.6255	100.00	1,097,252	210,693		2023
Scania Financial Leasing (China) Co., Ltd., Shanghai	CNY	7.5986	100.00	151,490	1,111		2023
Scania Finans AB, Södertälje	SEK	11.4501	100.00	2,780,728	–15,325		2023
Scania France S.A.S., Angers	EUR		100.00	114,408	68,968		2023
Scania Great Britain Ltd., Milton Keynes	GBP	0.8302	100.00	149,971	88,978		2023
Scania Griffin Sales & Services AB, Södertälje	SEK	11.4501	100.00	100	–	2	2023
Scania Group (Thailand) Co., Ltd., Bangkok	THB	35.7428	100.00	32,394	–	7	2023
Scania Growth Capital AB, Södertälje	SEK	11.4501	90.10	399,925	–		2023
Scania Growth Capital II AB, Södertälje	SEK	11.4501	90.10	480,269	–		2023
Scania Hispania S.A., San Fernando de Henares	EUR		100.00	51,430	79,952		2023
Scania Holding France S.A.S., Angers	EUR		100.00	121,907	62,734		2023
Scania Holding Inc., Columbus, Indiana	USD	1.0410	100.00	–977	–1,609		2023
Scania Hrvatska d.o.o., Lucko (Zagreb)	EUR		100.00	9,130	3,966		2023
Scania Hungaria Kft., Biatorbágy	HUF	410.9350	100.00	6,962,978	5,636,299		2023
Scania Industrial Maintenance AB, Södertälje	SEK	11.4501	100.00	27,044	–233		2023
Scania Insurance Nederland B.V., Middelharnis	EUR		100.00	3,836	471	8	2023
Scania Insurance Polska Sp. Z o.o., Nadarzyn	PLN	4.2719	100.00	4,355	4,271		2023
Scania Invest AB, Södertälje	SEK	11.4501	100.00	–	–	3	2023
Scania Investimentos Imobiliários S.A., Vialonga	EUR		100.00	493	–200		2023
Scania IT France S.A.S., Angers	EUR		100.00	191	83		2023
Scania IT Nederland B.V., Zwolle	EUR		100.00	505	303		2023
Scania Japan Ltd., Tokyo	JPY	163.2300	100.00	–397,466	35,969		2023
Scania Korea Group Ltd., Seoul	KRW	1,534.3200	100.00	73,035,461	45,387,536		2023
Scania Latin America Ltda., São Bernardo do Campo	BRL	6.4314	100.00	5,263,275	2,496,772		2023

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Scania Latvia SIA, Riga	EUR		100.00	12,592	5,246		2023
Scania Leasing BH d.o.o., Sarajevo	BAM	1.9558	100.00	3,067	–995		2023
Scania Leasing d.o.o., Ljubljana	EUR		100.00	9,159	948		2023
Scania Leasing Ltd., Dublin	EUR		100.00	100	–	2	2023
Scania Leasing Österreich GmbH, Brunn am Gebirge	EUR		100.00	15,411	–403		2023
Scania Leasing RS d.o.o., Krnješevci	RSD	117.0700	100.00	232,212	54,317		2023
Scania Lízing Kft., Biatorbágy	HUF	410.9350	100.00	632,547	355,055		2023
Scania Locacao Ltda., São Bernardo do Campo	BRL	6.4314	100.00	–1,957	–2,457		2023
Scania Location S.A.S., Angers	EUR		100.00	10,503	6,132		2023
Scania Logistics Netherlands B.V., Zwolle	EUR		100.00	6,744	2,733		2023
Scania Luxembourg S.A., Munsbach	EUR		100.00	–	841		2019
Scania Makedonija d.o.o.e.l., Ilinden	MKD	61.5500	100.00	24,133	12,346		2023
Scania Manufacturing (Thailand) Co., Ltd., Bangkok	THB	35.7428	100.00	105,289	–	7	2023
Scania Maroc S.A., Casablanca	MAD	10.5161	100.00	141,179	34,219		2023
Scania Middle East FZE, Dubai	AED	3.8235	100.00	35,587	26,141		2023
Scania Milano S.p.A., Lainate	EUR		100.00	12,417	3,021		2023
Scania Moçambique, S.A., Beira	MZN	66.5250	100.00	–4,500	–7,109		2022
Scania Namibia (Pty) Ltd., Windhoek	NAD	19.6274	100.00	58,414	34,129		2023
Scania Nederland B.V., Breda	EUR		100.00	102,135	43,497		2023
Scania New Zealand Ltd., Wellington	NZD	1.8525	100.00	43,049	8,381		2023
Scania Omni AB, Södertälje	SEK	11.4501	100.00	2,400	–	2	2023
Scania Österreich Ges.m.b.H., Brunn am Gebirge	EUR		100.00	43,243	30,590		2023
Scania Österreich Holding GmbH, Brunn am Gebirge	EUR		100.00	18,573	–6		2023
Scania Overseas AB, Södertälje	SEK	11.4501	100.00	71,635	–		2023
Scania Polska S.A., Nadarzyn	PLN	4.2719	100.00	464,459	355,865		2023
Scania Portugal, Unipessoal Lda., Santa Iria de Azóia	EUR		100.00	17,989	10,378		2023
Scania Production (China) Co., Ltd., Rugao	CNY	7.5986	100.00	629,524	–292,004		2023
Scania Production Angers S.A.S., Angers	EUR		100.00	28,122	2,722		2023

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Scania Production Meppel B.V., Meppel	EUR		100.00	31,789	3,097		2023
Scania Production Slupsk S.A., Slupsk	PLN	4.2719	100.00	57,468	8,894		2023
Scania Production Zwolle B.V., Zwolle	EUR		100.00	58,568	9,490		2023
Scania Properties Ltd., Milton Keynes	GBP	0.8302	100.00	501	–	2	2023
Scania Real Estate (UK) Ltd., Milton Keynes	GBP	0.8302	100.00	9,445	540		2023
Scania Real Estate Belgium N.V., Neder-Over-Heembeek	EUR		100.00	4,716	260		2023
Scania Real Estate Bulgaria EOOD, Sofia	BGN	1.9557	100.00	128	–39		2023
Scania Real Estate Czech Republic s.r.o., Prague	CZK	25.1505	100.00	120,427	15,930		2023
Scania Real Estate Finland Oy, Helsinki	EUR		100.00	18,937	568		2023
Scania Real Estate France S.A.S., Angers	EUR		100.00	5,437	3		2023
Scania Real Estate Hispania S.L., San Fernando de Henares	EUR		100.00	1,687	82		2023
Scania Real Estate Holding Luxembourg S.àr.l., Munsbach	EUR		100.00	5,724	–13		2023
Scania Real Estate Holding Oy, Helsinki	EUR		100.00	5,571	–3		2023
Scania Real Estate Hungaria Kft., Biatorbágy	HUF	410.9350	100.00	976,410	19,819		2023
Scania Real Estate Kenya Ltd., Nairobi	KES	134.6550	100.00	–	–		2021
Scania Real Estate Lund AB, Södertälje	SEK	11.4501	100.00	190	86		2023
Scania Real Estate New Zealand Limited, Auckland	NZD	1.8525	100.00	–	–	3	2023
Scania Real Estate Österreich GmbH, Brunn am Gebirge	EUR		100.00	8,837	1,025		2023
Scania Real Estate Polska Sp. z o.o., Nadarzyn	PLN	4.2719	100.00	91,882	10,757		2023
Scania Real Estate Romania S.R.L., Ciorogârla	RON	4.9744	100.00	10,006	1,380		2023
Scania Real Estate Schweiz AG, Kloten	CHF	0.9421	100.00	5,390	1,927		2023
Scania Real Estate Services AB, Södertälje	SEK	11.4501	100.00	1,208,581	25,148		2023
Scania Real Estate Slovakia s.r.o., Senec	EUR		100.00	12,946	333		2023
Scania Real Estate The Netherlands B.V., Breda	EUR		100.00	8,085	1,215		2023
Scania Rent Romania S.R.L., Ciorogârla	RON	4.9744	100.00	27,522	6,014		2023
Scania Research & Development (Jiangsu) Co., Ltd., Rugao	CNY	7.5986	100.00	–	–	3, 6	2024
Scania Romania S.R.L., Ciorogârla	RON	4.9744	100.00	98,563	58,320		2023
Scania Sales (China) Co., Ltd., Beijing	CNY	7.5986	100.00	115,518	–5,915		2023

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Scania Sales and Service (Guangzhou) Co., Ltd., Guangzhou	CNY	7.5986	100.00	–47,468	–5,024		2023
Scania Sales and Services AB, Södertälje	SEK	11.4501	100.00	19,152,818	4,763,345		2023
Scania Schweiz AG, Kloten	CHF	0.9421	100.00	31,420	27,842		2023
Scania Senegal S.U.A.R.L., Dakar	XOF	655.9570	100.00	83,297	–3,490		2023
Scania Services del Perú S.A., Lima	PEN	3.9114	100.00	89,130	27,618		2023
Scania Servicii Asigurari S.R.L., Ciorogârla	RON	4.9744	100.00	2,368	–17		2023
Scania Servicios, S.A. de C.V., El Marqués	MXN	21.5892	100.00	110	–		2023
Scania Siam Co. Ltd., Bangkok	THB	35.7428	99.99	507,098	34,746		2023
Scania Siam Leasing Co. Ltd., Bangkok	THB	35.7428	100.00	477,623	65,608		2023
Scania Singapore Pte. Ltd., Singapore	SGD	1.4189	100.00	6,382	2,762		2023
Scania Slovakia s.r.o., Senec	EUR		100.00	38,740	10,021		2023
Scania Slovenija d.o.o., Ljubljana	EUR		100.00	12,930	8,567		2023
Scania South Africa (Pty) Ltd., Aeroton	ZAR	19.6255	100.00	1,031,215	506,175		2023
Scania Srbija d.o.o., Krnješevci	RSD	117.0700	100.00	776,927	384,662		2023
Scania Sumistradora de Flota Tres SpA, Santiago de Chile	CLP	1,034.6000	100.00	–	–	6, 8	2023
Scania Sumistradora de Flota Uno SpA, Santiago de Chile	CLP	1,034.6000	100.00	–	–	6, 8	2023
Scania Suomi Oy, Helsinki	EUR		100.00	33,931	20,433		2023
Scania Sverige AB, Södertälje	SEK	11.4501	100.00	81,720	–239,609		2023
Scania Sverige Bussar AB, Södertälje	SEK	11.4501	100.00	42,966	–	2	2023
Scania Tanzania Ltd., Dar es Salaam	TZS	2,524.4300	100.00	14,990,000	986,216		2023
Scania Thailand Co. Ltd., Bangkok	THB	35.7428	99.99	140,942	31,087		2023
Scania Transportlaboratorium AB, Södertälje	SEK	11.4501	100.00	3,213	20		2023
Scania Treasury AB, Södertälje	SEK	11.4501	100.00	82,060,456	3,978,042		2023
Scania Trucks & Buses AB, Södertälje	SEK	11.4501	100.00	83,045	2,324		2023
Scania USA Inc., San Antonio, Texas	USD	1.0410	100.00	16,976	5,806		2023
Scania West Africa Ltd., Accra	GHS	15.3027	100.00	–9,381	–5,925		2022
Scania-Kringlan AB, Södertälje	SEK	11.4501	100.00	6,000	–	2	2023
Scania-Vabis 118 AB, Värnamo	SEK	11.4501	100.00	5,106	–		2023

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Scanlink Ltd., Milton Keynes	GBP	0.8302	100.00	1,956	–	2	2023
Scanrent - Alguer de Viaturas sem Condutor, S.A., Santa Iria de Azóia	EUR		100.00	15,182	1,087		2023
Scantruck Ltd., Milton Keynes	GBP	0.8302	100.00	1,671	–	2	2023
Shanghai Tedatong Heavy Duty Truck Sales Co., Ltd, Shanghai	CNY	7.5986	100.00	–	–	3, 6	2024
SLA Treasury Spain S.L., Barcelona	BRL	6.4314	100.00	–	–		2023
Södertälje Bilkredit AB, Södertälje	SEK	11.4501	100.00	100	–	2	2023
Southway Scania Ltd., Milton Keynes	GBP	0.8302	100.00	1,170	–	2	2023
SST Sustainable Transport Solutions India Pvt. Ltd., Nagpur	INR	89.1080	99.99	24,629	–695		2023
Stop 134 AB, Stockholm	SEK	11.4501	100.00	8,367	1,452		2023
Tachy Experts S.A.S., Angers	EUR		100.00	354	125		2023
TFS Brasil Holding Ltda., São Paulo	BRL	6.4314	100.00	233,673	–463		2023
TOV Donbas-Scan-Service, Makiivka	UAH	43.7814	100.00	12,364	800		2023
TOV Kyiv-Scan, Kyiv	UAH	43.7814	100.00	12,566	–34		2023
TOV MAN Truck & Bus Ukraine, Kyiv	UAH	43.7814	100.00	551,630	172,719		2023
TOV Scania Credit Ukraine, Kyiv	UAH	43.7814	100.00	426,763	128,261		2023
TOV Scania Ukraine, Kyiv	UAH	43.7814	100.00	541,844	263,361		2023
TOV Scania-Lviv, Lviv	UAH	43.7814	100.00	33,023	254		2023
Transproteccion Agente de Seguros S.A. de C.V., Miguel Hidalgo	MXN	21.5892	100.00	124,394	32,995		2023
TRATON AB, Södertälje	SEK	11.4501	100.00	26,191	–13,498		2023
TRATON Finance & Services AS, Tallinn	EUR		100.00	–788,449	–21,316		2023
TRATON Finance Luxembourg S.A., Strassen	EUR		100.00	8,506	9,485		2023
TRATON Financial Services Aktiebolag, Södertälje	SEK	11.4501	100.00	5,752,816	202,727		2023
Traton Financial Services France S.A.S., Angers	EUR		100.00	65,496	1,744		2023
Traton Financial Services Korea Co., Ltd., Chung-Ang	KRW	1,534.3200	100.00	76,058,932	5,442,070		2023
TRATON International S.A., Strassen	EUR		100.00	18,858,179	127,292		2023
TRATON Sweden AB, Södertälje	SEK	11.4501	100.00	12,541,304	1,242,586		2023
TRATON Treasury AB, Södertälje	SEK	11.4501	100.00	500	–	3	2023
TRATON US, LLC, Pompano Beach, Florida	EUR		100.00	1,420,856	16,766		2023

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UAB Scania Lietuva, Vilnius	EUR		100.00	19,623	10,587		2023
Union Trucks Ltd., Milton Keynes	GBP	0.8302	100.00	573	–	2	2023
Uppsala Danmark-Säby 8:1 AB, Gävle	SEK	11.4501	100.00	180	–854		2023
UTP Holdings, LLC, Lisle, Illinois	USD	1.0410	100.00	–	–	5	2023
Vabis Bilverkstad AB, Södertälje	SEK	11.4501	100.00	101	–	2	2023
Vabis Försäkringsaktiebolag, Södertälje	SEK	11.4501	100.00	198,195	–526	5	2023
Vindbron Arendal AB, Södertälje	SEK	11.4501	100.00	13,548	84		2023
Vita Gjuteriets Fastighetsbolag AB, Stockholm	SEK	11.4501	100.00	440	276		2023
Volkswagen Truck & Bus Indústria e Comércio de Veículos Ltda., São Paulo	BRL	6.4314	100.00	2,766,995	375,192		2023
Volkswagen Truck & Bus México S.A. de C.V., El Marqués	MXN	21.5892	100.00	456,908	79,112		2023
Westrucks Ltd., Milton Keynes	GBP	0.8302	100.00	336	–	2	2023
Workhorse International Holding Company, Lisle, Illinois	USD	1.0410	100.00	–111,959	–110,827		2023
B. Unconsolidated companies							
1. Germany							
Erinion GmbH, Düsseldorf	EUR		100.00	–	–	3, 6	2024
LoadFox GmbH, Munich	EUR		100.00	3,614	–65	7	2023
LoadFox Transport Solutions GmbH, Munich	EUR		100.00	296	–	1	2024
MAN Brand Management GmbH, Grünwald	EUR		100.00	25	–	1	2024
MAN Catering & Personal Services GmbH, Munich	EUR		100.00	25	–	1	2024
MAN Grundstücksgesellschaft mbH & Co. Gamma KG, Munich	EUR		100.00	1,647	118		2023
MAN HR Services GmbH, Munich	EUR		100.00	1,109	–	1	2024
MAN-Unterstützungskasse GmbH, Munich	EUR		100.00	342	–21		2023
Ortan Verwaltung GmbH & Co. Objekt Karlsfeld KG, Pullach i. Isartal	EUR		100.00	1,530	543		2023
TRATON Beteiligungsverwaltungs GmbH, Munich	EUR		100.00	25	–	1	2024
TRATON Financial Services Group Management Gmbh, Munich	EUR		100.00	–	–	3, 6	2024
TRATON R&D Germany GmbH, Munich	EUR		100.00	–	–	10	2024
Unterstützungseinrichtung VGW GmbH, Munich	EUR		100.00	183	27		2023

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2. Other countries							
Bellwether Forest Products, LLC, Camden, South Carolina	USD	1.0410	100.00	–	–		2023
ERF Ltd., Swindon	GBP	0.8302	100.00	–	–	2	2023
Erinion AS, Oslo	NOK	11.7832	100.00	–	–	3, 6	2024
Erinion B.V., Amsterdam	EUR		100.00	–	–	3, 6	2024
Erinion Ltd, Milton Keynes	GBP	0.8302	100.00	–	–	3, 6	2024
HRVS Group Ltd., Belper	GBP	0.8302	100.00	–	–	2, 7	2023
Lauken S.A., Montevideo	UYU	45.4660	100.00	–	–	2, 7	2023
MAN Bus & Coach (Pty) Ltd., Olifantsfontein	ZAR	19.6255	100.00	–	–	2, 7	2023
MAN Financial Services Administrators (S.A.) (Pty) Ltd., Isando	ZAR	19.6255	100.00	–	–	2, 7	2023
MAN Truck & Bus (S.A.) (Pty) Ltd., Isando	ZAR	19.6255	100.00	–	–	2, 7	2023
MAN Truck & Bus Asia Pacific Co. Ltd., Bangkok	THB	35.7428	99.99	3,592	–24,258		2023
MAN Truck & Bus India Pvt. Ltd., Pune	INR	89.1080	99.99	1,353,950	187,240		2023
MAN Truck and Bus Hong Kong Ltd., Hong Kong	HKD	8.0843	100.00	8,500	5,287		2023
OOO MAN Truck & Bus Production RUS, St. Petersburg	RUB	112.4384	100.00	351,961	–232,841		2023
Qingdao Sinoform Auto Parts Co., Ltd, Qingdao	CNY	7.5986	74.00	–	–	3, 6	2024
Rio Soluções Digitais Ltda., São Paulo	BRL	6.4314	100.00	–	–		2023
Scani VT Wuxi Auto Parts Co., Ltd, Wuxi	CNY	7.5986	51.00	–	–	3, 6	2024
Scania Cote D'Ivoire SA, Abidjan	XOF	655.9570	100.00	–	–	3, 6	2024
Scania de Venezuela S.A., Valencia	VES	54.0925	100.00	–5,892,535	–7,243,176		2022
Scania-MAN Administration ApS, Copenhagen	DKK	7.4576	100.00	310	21		2022
TFS Servicos Brasil Ltda, São Paulo	BRL	6.4314	100.00	–	–	3, 6	2024
TRATON Charging Solutions AB, Södertälje	EUR		100.00	1,251	44		2023
TRATON R&D US, LLC, Lisle, Illinois	USD	1.0410	100.00	–	–	3, 6	2024
Volkswagen Caminhões e Ônibus Comércio e Serviços Ltda., Limeira	BRL	6.4314	100.00	19,199	–2,833		2023

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III. JOINT VENTURES							
A. Equity-accounted companies							
1. Germany							
2. Other countries							
Commercial Vehicle Charging Europe B.V, Amsterdam	EUR		33.33	1,251	44		2023
Cummins-Scania XPI Manufacturing, LLC, Columbus, Indiana	USD	1.0410	50.00	–	–		2023
MAN Financial Services (SA) (RF) (Pty) Ltd., Johannesburg	ZAR	19.6255	50.00	271,132	67,508	11	2022
Oppland Tungbilservice A/S, Fagernes	NOK	11.7832	50.00	5,701	1,864		2023
Tynset Diesel A/S, Tynset	NOK	11.7832	50.00	7,053	1,534		2023
B. Companies accounted for at cost							
1. Germany							
HINO & TRATON Global Procurement GmbH, Munich	EUR		51.00	498	11	7	2023
2. Other countries							
AMEXCI AB, Karlskoga	SEK	11.4501	13.56	273,707	–31,782		2023
IV. ASSOCIATES							
A. Equity-accounted associates							
1. Germany							
CO3 Technologies GmbH, Berlin	EUR		46.73	2,806	87		2023
Rheinmetall MAN Military Vehicles GmbH, Munich	EUR		49.00	78,704	9,770		2023
Scantinel Photonics GmbH, Ulm	EUR		49.19	5,223	–7,192		2023
sennder Technologies GmbH, Berlin	EUR		13.69	286,645	–36,213		2023
2. Other countries							
BITS DATA i Södertälje AB, Södertälje	SEK	11.4501	33.00	18,232	–539		2023
ScaValencia, S.A., Ribarroja del Turia	EUR		26.00	15,298	2,710		2023
Sinotruk (Hong Kong) Ltd., Hong Kong	CNY	7.5986	25.25	40,272,161	5,826,851	9, 11	2023
UZ Truck and Bus Motors, LLC, Samarkand	UZS	13,434.0050	32.89	221,950,000	–25,059,000		2022

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B. Associates accounted for at cost							
1. Germany							
bex technologies GmbH, Stuttgart	EUR		46.24	3,429	2,217		2023
Juna Technologies GmbH, Berlin	EUR		49.00	–	–	3	2023
2. Other countries							
Corebon AB, Arlöv	SEK	11.4501	35.50	69,828	–25,517		2023
Innokraft AB, Sundsvall	SEK	11.4501	46.00	4,508	–		2023
Magnum Power Products, LLC, Franklin, Indiana	USD	1.0410	30.00	44,004	5,228		2023
Maudlin International Parts and Services of Palm Bay, LLC, Lisle, Illinois	USD	1.0410	49.00	2	–68		2023
Parcelly Limited, London	GBP	0.8302	33.40	2,217	–1,289		2023
Roboyo Group Limited, London	GBP	0.8302	13.05	30,558	–30,098		2023
SIB Solutions AB, Lund	SEK	11.4501	20.70	29,801	–44,445		2023
Södertälje Science Park AB, Södertälje	SEK	11.4501	25.00	561	–2,068		2023
V. EQUITY INVESTMENTS							
1. Germany							
Black Semiconductor GmbH, Aachen	EUR		5.48	–	–	10	2024
Car2Car Communication Consortium GbR, Braunschweig	EUR		7.40	521	122		2022
Cycle Mobility Holding GmbH, Berlin	EUR		17.65	–	–		2023
FFK Fahrzeugservice Förtsch GmbH Kronach, Kronach	EUR		30.00	1,597	139		2023
Grundstücksgesellschaft Schlossplatz 1 mbH & Co. KG, Berlin	EUR		8.16	1,120	826		2023
Roland Holding GmbH, Munich	EUR		22.83	3,857	–138		2023
Verwaltungsgesellschaft Wasseralfingen mbH, Aalen	EUR		50.00	14,501	354		2023
vialytics GmbH, Stuttgart	EUR		19.43	12,241	–6,779		2023
2. Other countries							
Car IQ Inc., Oakland, California	USD	1.0410	0.20	8,242	–15,342		2023
Combient AB, Stockholm	SEK	11.4501	4.65	125,432	82,983		2023
CreateAI Holdings Inc., San Diego, California	USD	1.0410	7.41	719,587	–277,877		2023

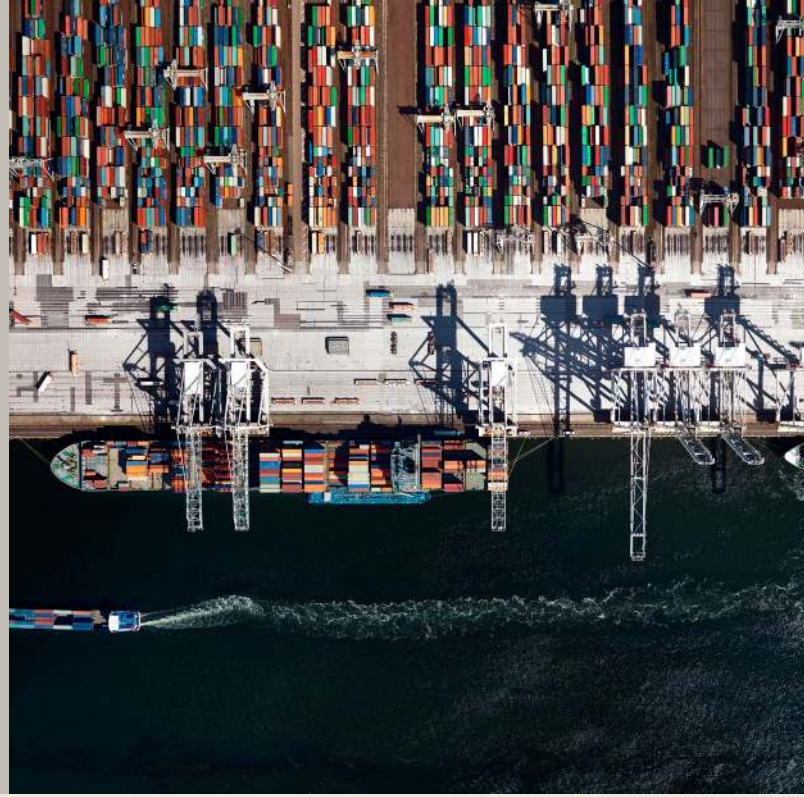
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Doral Tech SI, Limited Partnership, Ramat-Gan	ILS	3.7953	100.00	–	–	10	2024
Lindholmen Science Park Aktiebolag, Gothenburg	SEK	11.4501	8.98	11,033	–9,374		2023
Maghreb Truck Industry S.p.A., Sidi M'Hamed	DZD	141.0837	10.00	129,936	–1,008		2023
Neutreeno Limited, Cambridge	GBP	0.8302	2.23	–	–	10	2024
Northvolt AB, Stockholm	SEK	11.4501	0.94	32,754,748	–4,348,756		2023
OneH2, Inc., Hickory, North Carolina	USD	1.0410	5.13	83,772	337		2023
Shenzhen Haylion Technologies Co. Ltd., Shenzhen	CNY	7.5986	2.00	104,123	11,450		2023
SI Orion Limited Partnership, Jerusalem	ILS	3.7953	100.00	–	–	3, 6	2024
Stegra AB, Stockholm	SEK	11.4501	2.02	12,087,383	–380,784	9	2023
Waabi Innovation Inc., Toronto, Ontario	CAD	1.4972	0.13	–	–	10	2024

1 Profit and loss transfer agreement
2 Currently not trading
3 Short fiscal year
4 Structured company in accordance with IFRS 10 and IFRS 12
5 Different fiscal year
6 Newly established company/spin-off
7 In liquidation
8 Figures included in the consolidated financial statements of the parent company
9 Consolidated financial statements
10 Newly acquired company
11 Figures in accordance with IFRS

RESPONSIBILITY STATEMENT AND INDEPENDENT AUDITOR'S REPORTS

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RESPONSIBILITY STATEMENT AND INDEPENDENT AUDITOR'S REPORTS

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the TRATON GROUP, together with a description of the material opportunities and risks associated with the expected development of the TRATON GROUP.

Munich, February 12, 2025

TRATON SE

The Executive Board

Christian Levin

Dr. Michael Jackstein

Catharina Modahl Nilsson

Niklas Klingenberg

Alexander Vlaskamp

Mathias Carlbaum

Antonio Roberto Cortes

Independent Auditor's Report

To TRATON SE

Report on the audit of the consolidated financial statements and of the group management report

Opinions

We have audited the consolidated financial statements of TRATON SE, Munich, and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the fiscal year from 1 January to 31 December 2024 and the consolidated balance sheet as at 31 December 2024, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of TRATON SE, which is combined with the Company's management report ("group management report"), for the fiscal year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the parts of the group management report listed in the appendix to the auditor's report and the company information stated therein that is provided outside of the annual report and is referenced in the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) and adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the fiscal year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the content of the parts of the group management report listed in the appendix to the auditor's report.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

Recoverability of goodwill

Reasons why the matter was determined to be a key audit matter

The result of the impairment testing of goodwill is highly dependent on the executive directors' estimate of future cash flows and which discount rates they use. The recoverable amount of the cash-generating units is calculated on the basis of their value in use, applying discounted cash flow models.

The ongoing transformation of the core business toward electromobility and digitalization as well as growing environmental regulation lead to uncertainties that have to be factored into the estimation of market shares and margins for electric vehicles and the long-term growth rates. There is also currently a delay in the rollout of electromobility. These estimates by the executive directors are subject to risk and may be revised in response to changes in environmental regulation and market conditions.

In addition, the executive directors have scope for judgment in determining the cash-generating units for impairment testing, in determining the discount rates used and the long-term growth rates assumed.

In view of the foregoing, the materiality of goodwill in relation to total assets, the complexity of its valuation and the judgment exercised during valuation, the impairment testing of goodwill was a key audit matter.

Auditor's response

As part of our audit procedures, we discussed with management and assessed the identification of cash-generating units and the allocation of assets and liabilities to the respective cash-generating units on the basis of the internal reporting structure. We analyzed the planning process established in the TRATON GROUP and tested the operating effectiveness of the controls implemented in each process. We assessed the underlying valuation models for the determination of values in use calculated using the discounted cash flow model in terms of methodology and reperformed the calculations with the assistance of internal valuation specialists. We discussed the operative planning prepared by the executive directors in connection with the development of sales markets, production costs, margins and growth rates applied with the employees responsible for planning and compared it with external information, particularly with market studies. In doing so, we considered in particular the effects of possible shortages in the supply of important bought-in components, inflation expectations and increases in the cost of materials and personnel expenses. Furthermore, we discussed and assessed the planning assumptions regarding the effects of climate change and the associated expansion of electromobility, particularly the existing uncertainties related to the estimation of market shares for electric vehicles and margins as well as long-term growth rates used for the planning. We assessed the derivation of the capitalization rates, in particular by evaluating the composition of the peer groups used to determine the beta factors and comparing the country-specific parameters used by the TRATON GROUP on the current development of interest rates and market risk premiums. We assessed the sensitivity analyses performed by the Company and performed our own in order to estimate any impairment risk associated with a reasonably possible change in one of the significant assumptions.

Our audit procedures did not lead to any reservations relating to the assessment of impairment testing of goodwill.

Reference to related disclosures

The Company's disclosures regarding the relevant accounting principles for the recognition and measurement of goodwill are contained in sections "4. Estimates and management's judgment" and "15. Goodwill and impairment losses on assets" of the notes to the consolidated financial statements.

Capitalization and recoverability of development costs

Reasons why the matter was determined to be a key audit matter

Key criteria for capitalizing development costs are the ability to implement the development projects (including their technical feasibility, the intention to complete them and the ability to use them) as well as the realization of an expected future economic benefit. The complexity of research & development projects is mounting in view of the technological transformation of the TRATON GROUP and the resulting new development areas (including high investments in electromobility and autonomous driving). Assessments of project feasibility are playing an ever greater role in this connection and entail the use of considerable judgment.

Where capitalized development costs are not yet subject to amortization, they must be tested for impairment as part of the related cash-generating unit at least annually at the level of the brands defined as cash-generating units. The assumption of realizing future economic benefits and the result of testing the recoverability of capitalized development costs during the analyses and impairment tests performed are highly dependent on the executive directors' estimate of future cash flows and which discount rates they use. The recoverable amount of the cash-generating units is calculated on the basis of their value in use, applying discounted cash flow models.

The ongoing transformation of the core business toward electromobility and digitalization as well as growing environmental regulation lead to uncertainties that have to be factored into the estimation of market shares and margins for electric vehicles and the long-term growth rates. Growth expectations of the executive directors are subject to risk and may be revised in response to changes in environmental regulation and market conditions.

In addition, the executive directors have scope for judgment in determining the cash-generating units for impairment testing, in determining the discount rates used and the long-term growth rates assumed.

In light of the foregoing, the materiality of the capitalized development costs in relation to total assets, the total amount of research & development costs and the judgment exercised in the assessment of eligibility for capitalization and the valuation process, the capitalization of development costs and the impairment test were a key audit matter.

Auditor's response

During our audit, we examined the process for identifying the research & development costs, particularly with reference to the criteria for capitalization. In this connection, we carried out analytical audit procedures such as comparisons of project budgets and capitalization rates, inspected documentation on project feasibility and tested the capitalized costs on a sample basis. We also assessed the future economic benefit criterion for capitalization based on the assumptions regarding the cash inflows of the cash-generating unit to which the capitalized development work is allocated. We also obtained an understanding of the executive directors' estimate regarding changes in the useful lives applied and indicators for changes in value of individual projects.

Moreover, we involved valuation specialists to assess among other things the methodology used to determine the relevant cash-generating units and perform the impairment tests in light of the provisions of IAS 36. We also checked the arithmetical accuracy of the valuation models used.

We analyzed the planning process established in the TRATON GROUP and tested the operating effectiveness of the controls implemented therein. As a starting point, we compared the five-year operational plan of the TRATON GROUP and of the cash-generating units prepared by the executive directors and acknowledged by the Supervisory Board with the forecast figures in the underlying impairment tests. We discussed the key planning assumptions with the executive directors and compared them with past earnings and cash inflows to assess the planning accuracy. We based plausibility testing of the inputs for the impairment tests among other things on a comparison with general and

industry-specific market expectations underlying the expected cash inflows. We also investigated the expectations regarding the development of market shares for battery electric vehicles, the effects on the planned investments and their indirect effects on the long-term cash inflows expected by the executive directors. With respect to the rollforward from the medium-term plan to the long-term forecast, we assessed the plausibility of the assumed growth rates by comparing them with observable data.

To assess the discount rates and growth rates applied, we analyzed the inputs used to determine them on the basis of publicly available information and obtained an understanding of the methods used with regard to the relevant requirements of IAS 36.

We also assessed the sensitivity analyses performed by the executive directors and performed our own sensitivity analyses in order to estimate any potential impairment risk associated with a reasonably possible change in one of the significant assumptions used in the valuation.

Our procedures did not lead to any reservations relating to the recognition and recoverability of the capitalized development costs.

Reference to related disclosures

The Company's disclosures regarding the relevant accounting principles for the recognition and measurement of development costs are contained in sections "4. Estimates and management's judgment" and "16. Intangible assets" of the notes to the consolidated financial statements.

Completeness and measurement of provisions for warranty obligations

Reasons why the matter was determined to be a key audit matter

Obligations for warranty claims are calculated on the basis of estimated warranty costs and remediation expenditure. Where unusual individual technical risks are anticipated, an individual assessment is made whether and, if so, to what extent measures are required to remediate them and provisions need to be recognized.

In light of the amount of the provisions and the judgment exercised during valuation, the completeness and measurement of provisions for warranty obligations was a key audit matter.

Auditor's response

With regard to the accounting for the provisions for warranty obligations, we examined the underlying processes for recording previous claims, calculating and valuing the estimated future warranty costs and recognizing the provisions, and tested controls in some areas.

In light of the uncertainty in relation to the estimated future warranty costs, we assessed the underlying valuation assumptions, especially the expected claim rate per vehicle and the cost thereof, using analyses of historical data. Where there was a lack of past experience, we obtained an understanding of the assumptions made by the executive directors and tested their plausibility using historical data for comparable items. Using the calculation bases derived from these historical data, we checked the estimated costs for expected claims per vehicle. To assess the completeness of the provisions, we also reconciled the number of sold vehicles used to recognize the provision with the sales volumes. We obtained an understanding of the method used for calculating the provisions, including the discounting, and reperformed the calculations.

For significant individual technical risks, we assessed the expected incidence of technical faults and the calculation of expected costs per claim/vehicle using documentation on previous claims, inspecting resolutions passed by technical committees and holding discussions with the departments responsible.

Our audit procedures did not lead to any reservations relating to the completeness and valuation of provisions for warranty obligations.

Reference to related disclosures

The Company's disclosures regarding the recognition and measurement of provisions for warranty obligations are contained in section "32. Other provisions" of the notes to the consolidated financial statements.

Accounting treatment of risks in connection with the EU antitrust proceedings

Reasons why the matter was determined to be a key audit matter

In 2011, the European Commission initiated fine proceedings on suspicion of breaches of European antitrust law in the European truck sector. By decision dated 19 July 2016, the fine proceedings against MAN and four other European truck manufacturers (with the exception of Scania) were concluded in a final and unappealable settlement. While the other four truck manufacturers were fined, MAN's fine was waived under the leniency program. Scania was fined approximately EUR 880.5 m in a decision by the European Commission on 27 September 2017. The fine was paid in full fiscal year 2022.

Following the fine decision, a significant number of customers in various jurisdictions initiated or joined lawsuits against MAN and/or Scania, claiming damages for potentially excessive prices. The claims differ significantly in scope. Furthermore, some truck customer damages claims have been combined in class actions or through claim aggregators to which the truck customers assigned their respective damages claims.

As part of our audit, we determined this to be a key audit matter because the risk assessment and the amount of the provision to cover the aforementioned risks from civil proceedings are subject to a high level of uncertainty and are influenced by estimates and assumptions made by the executive directors with regard to the outcome of the proceedings.

Auditor's response

As part of our audit procedures, we obtained an understanding of the process installed by the Group to deal with the facts of the civil lawsuits. We discussed with the executive directors and the Company's legal department the estimates and assumptions made by the executive directors and the Company's internal lawyers in connection with the current development and the reasons underlying these estimates and assumptions, and assessed them with the involvement of internal experts for antitrust law.

We also discussed the development in the various countries arising from new judgments or additional claims with the executive directors and internal and external lawyers. In addition, we obtained quarterly confirmations from external lawyers and addressed the significant topics and developments in discussions with the external lawyers. The significant results of various economic reports (party reports, court reports) were also explained to us in this context. For the discussions with the Company and the external lawyers, we also consulted relevant publications in the specialist literature and other sources such as databases.

Where provisions were recognized and contingent liabilities disclosed for individual cases or in some countries, we reperformed the calculations and checked the underlying assumptions against the confirmations from external lawyers and the corresponding settlement agreements.

Our audit procedures did not lead to any reservations relating to the accounting treatment of the provision for civil law risks from EU antitrust proceedings.

Reference to related disclosures

The Company's disclosures regarding the accounting treatment of risks in connection with the EU antitrust proceedings are contained in sections "33. Other provisions" and "38. Litigation/legal proceedings" of the notes to the consolidated financial statements.

Other information

The Supervisory Board is responsible for the Report of the Supervisory Board in the 2024 Annual Report. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the Corporate Governance Statement. In all other respects, the executive directors are responsible for the other information. The other information comprises the parts of the annual report listed in the appendix.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control and of such arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the work performed for the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file TRATON_SE_KA_ZLB_ESEF-2024-12-31 and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January to 31 December 2024 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.
- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation
We were elected as group auditor by the Annual General Meeting on 13 June 2024. We were engaged by the Supervisory Board on 12 July 2024. We have been the group auditor of TRATON SE since fiscal year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to Group entities the following services that are not disclosed individually in the consolidated financial statements or in the group management report:

- Issuance of comfort letters for TRATON SE in connection with the EUR 12 b European Medium Term Notes (EMTN) Program
- Audit of the remuneration report in accordance with Sec. 162 AktG
- Global Business Services feasibility study for MAN Truck & Bus
- Voluntary audits or reviews of annual financial statements

Other matter – use of the auditor's report
Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the *Unternehmensregister* [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor responsible for the engagement
The German Public Auditor responsible for the engagement is Heiko Hummel.

Appendix to the auditor's report:
1. Parts of the group management report whose content is unaudited
We have not audited the content of the following parts of the group management report:

- The Corporate Governance Statement contained in the section "Supplemental Information on Fiscal Year 2024" of the group management report
- The Nonfinancial Group Statement contained in the group management report

Furthermore, we have not audited the content of the following disclosures extraneous to management reports. Disclosures extraneous to management reports are such disclosures that are not required pursuant to Secs. 315, 315a HGB or Secs. 315b to 315d HGB.

- The section "Appropriateness and effectiveness of risk management" contained in the section "Report on Expected Developments, Opportunities, and Risks, 2. Report on opportunities and risks" of the group management report.

2. Further other information
The other information also comprises other parts to be included in the annual report, of which we obtained a copy prior to issuing this auditor's report, in particular the sections:

- Section 1 To Our Shareholders
- Section 4 Responsibility Statement
- Section 5 Sustainability Report
- Section 6 Further Information

but not the consolidated financial statements, not the group management report disclosures whose content is audited and not our auditor's report thereon.

3. Company information outside of the annual report referenced in the group management report

The management report contains cross-references to webpages of the Group and the Group companies. We have not audited the content of the information to which these cross-references refer.

Stuttgart, 17 February 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Meyer	Hummel
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement

To TRATON SE

Assurance conclusion

We have conducted a limited assurance engagement on the disclosures in section EU-Taxonomy disclosures of the Combined Management Report of TRATON SE to fulfill the requirements of Art. 8 of Regulation (EU) 2020/852 ("non-financial disclosures") for the fiscal year from 1 January 2024 to 31 December 2024.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying non-financial disclosures for the fiscal year from 1 January 2024 to 31 December 2024 are not prepared, in all material respects, in accordance with the requirements of Art. 8 of Regulation (EU) 2020/852.

Basis for the assurance conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German public auditor's responsibilities for the assurance engagement on the non-financial disclosures."

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the executive directors and the supervisory board for the non-financial disclosures

The executive directors are responsible for the preparation of the non-financial disclosures in accordance with the applicable German legal and European requirements and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of non-financial disclosures in accordance with these requirements that are free from material misstatement, whether due to fraud (i.e., fraudulent non-financial reporting) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the non-financial disclosures, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the non-financial disclosures.

Inherent limitations in preparing the non-financial disclosures

The applicable German legal and European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the non-financial disclosures.

German public auditor's responsibilities for the assurance engagement on the non-financial disclosures

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the non-financial disclosures have not been prepared, in all material respects, in accordance with the applicable German legal and European requirements, and to issue an assurance report that includes our assurance conclusion on the non-financial disclosures.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- Obtain an understanding of the process for identifying the taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the non-financial-disclosures and of the internal controls relating to this process.
- Identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the procedures performed by the German public auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we

- Evaluated the suitability of the criteria as a whole presented by the executive directors in the non-financial disclosures.
- Inquired of the executive directors and relevant employees involved in the preparation of the non-financial disclosures about the preparation process and about the internal controls relating to this process.
- Evaluated the reporting policies used by the executive directors to prepare the non-financial disclosures.
- Performed analytical procedures and made inquiries about the disclosures on the taxonomy-eligible and taxonomy-aligned economic activities.
- Performed selective testing and obtained evidence relating to the collection and reporting of the disclosures on taxonomy-eligible and taxonomy-aligned economic activities.
- Considered the implementation of key management requirements, processes and data collection requirements through site visits to the selected locations.
- Reconciled selected disclosures with the corresponding disclosures in the consolidated financial statements and the group management report.
- Considered the presentation of the information in the non-financial disclosures.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2024, which are attached to this report, are applicable to this engagement and also govern our relations with third parties in the context of this engagement (ey-idw-aab-en-2024.pdf).

In addition, please refer to the liability provisions contained therein no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the assurance report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

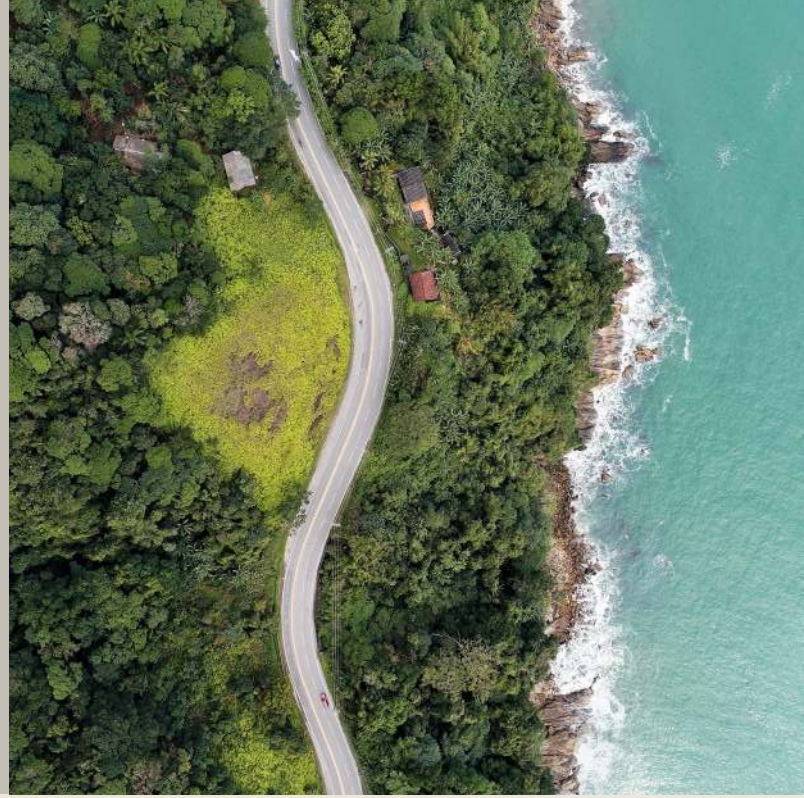
Stuttgart, 17 February 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Hummel	Hinderer
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

SUSTAINABILITY STATEMENT

5



Camburi Beach, São Sebastião – São Paulo, Brazil

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SUSTAINABILITY STATEMENT

1. General information

1.1. Basis for preparation of the sustainability statement

The TRATON GROUP is, with its Scania, MAN, International, and Volkswagen Truck & Bus (VWTB) brands, as well as TRATON Financial Services, one of the world's leading commercial vehicle manufacturers. Unless otherwise stated, the terms "TRATON," "Group," and "Company" used in this sustainability statement refer to the TRATON GROUP.

The Corporate Sustainability Reporting Directive (CSRD) was not transposed into national law in Germany in 2024. Nevertheless, TRATON has voluntarily prepared a sustainability report on a consolidated basis for the 2024 financial year. This report is not part of the combined management report and is therefore not audited and not fully ESRS-compliant. However, in our opinion, it largely fulfils the requirements of reporting in accordance with the European Sustainability Reporting Standards (ESRS). The reference table (see section **"Reference table"**) provides an overview of where disclosure requirements can be found in the report.

The scope of consolidation corresponds to that of the consolidated financial statements and was determined based on the criteria of financial reporting, impact materiality and activities with operational control. TRATON reports key metrics to the Volkswagen Group, which are reviewed by a financial auditor in context of the preparation of their non-financial statement.

In line with the ESRS, material impacts, risks and opportunities (IROs) have been identified through a double materiality assessment (DMA). If an IRO and thereby its overall sustainability matter has been identified as material, the corresponding section of the sustainability statement will detail the management of the sustainability matter and its IROs specifically. This includes reporting on related policies, actions, and targets, along with any relevant metrics where applicable. For the preparation of this sustainability statement, both the upstream and downstream value chain were considered when assessing the impacts, risks and opportunities beyond the Company's own business area.

The following information is incorporated by reference to parts of the combined management report:

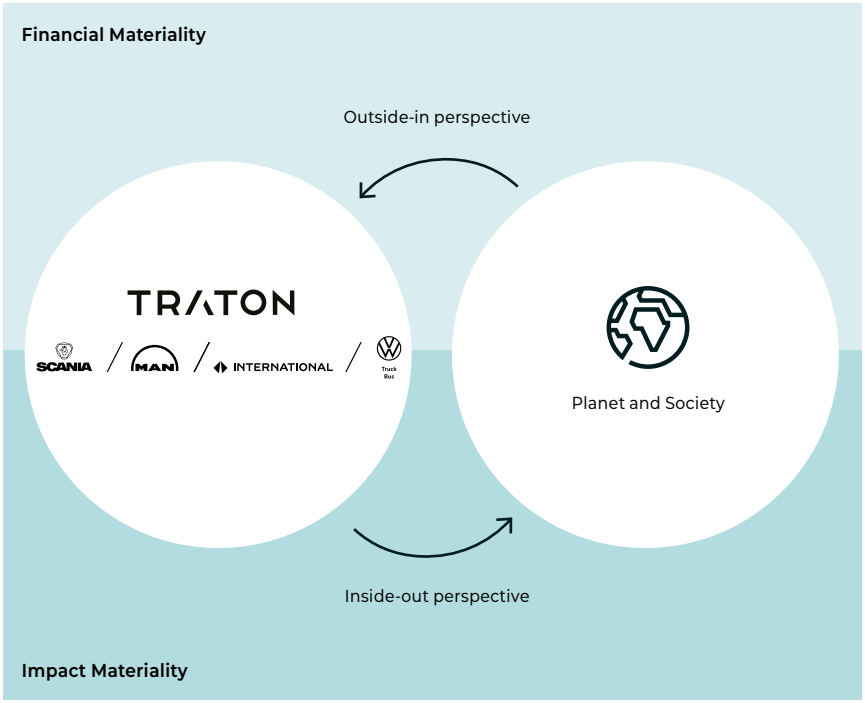
- ESRS 2 GOV-3: **"Remuneration Report"**
- ESRS 2 GOV-5: **"Report on Expected Developments, Opportunities, and Risks"**
- ESRS 2 GOV-1.21, ESRS 2 GOV-1.23 and G1.5b: **"Corporate Governance Statement"**

1.2. Double materiality assessment

1.2.1. Processes to identify and assess material impacts, risks and opportunities

To evaluate the impacts, risks and opportunities in accordance with the ESRS, the TRATON GROUP conducted its first double materiality assessment in 2024. This approach aims to identify and assess the materiality of sustainability matters in two dimensions: Impact materiality reflects the Group's inside-out perspective and considers all positive and negative, potential, and actual impacts that the TRATON GROUP has on people and the environment. Financial materiality, on the other hand, reflects the outside-in perspective and considers all sustainability-related opportunities and risks that can influence the TRATON GROUP's financial performance. A sustainability matter must be disclosed in the sustainability statement if it is material in at least one of the two dimensions.

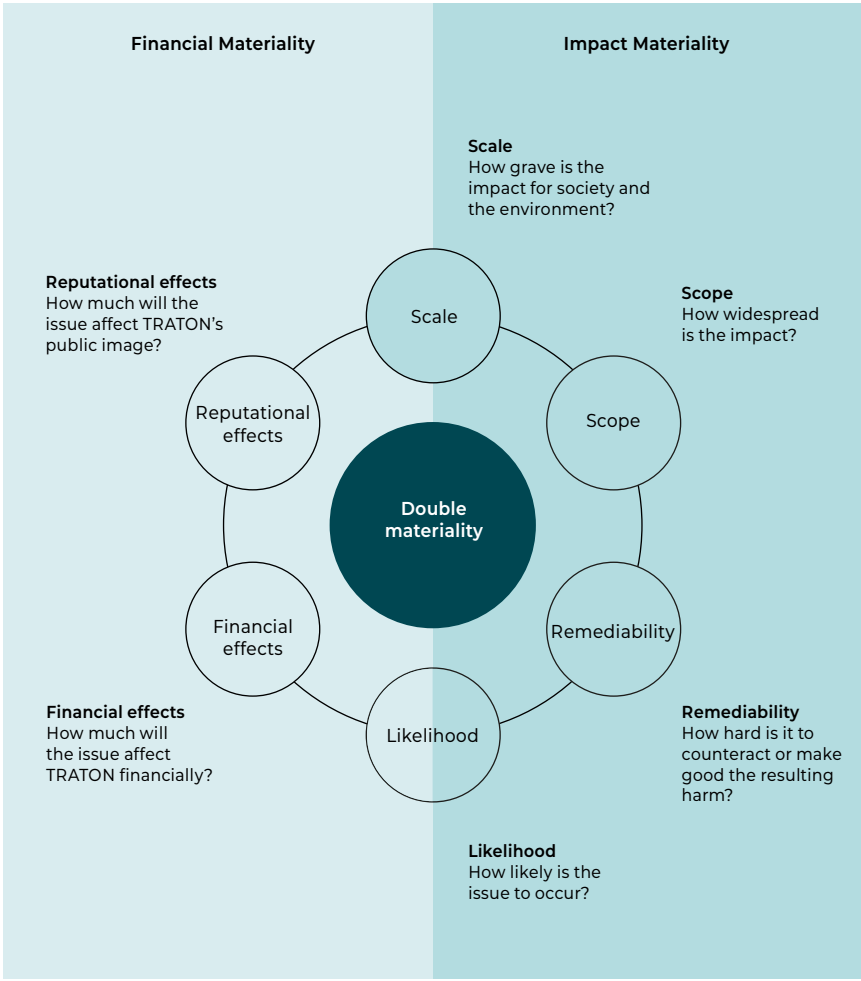
Double Materiality



General approach to the double materiality assessment

The process for identifying and assessing IROs is applied consistently across all ESRS standards, ensuring a coherent approach to materiality assessment. It was carried out at Group-level and in close collaboration with all brands, iterating between Group and brand materiality to come to an aligned result.

Methodology



The TRATON GROUP's own business activities and the upstream and downstream value chain were analyzed. Each IRO contains an indication of which part of the value chain is affected. The data gathering stage was the first step to gain a thorough understanding of all sustainability issues and ensure sufficient and adequate identification of actual and potential IROs. It comprised extensive desktop research, such as analyzing both external and internal reports and articles to include the perspectives of affected stakeholders. Some activities in the value chain (e.g., raw material mining) and geographies (e.g., conflict and high-risk areas) led to more significant impacts, which were carefully considered as part of the materiality assessment. Further, workshops with internal stakeholders, for instance, from the Decarbonization core team, the Sustainability and the Governance, Risk and Compliance (GRC) team took place to represent their voices. These teams, comprised of experts from all over the TRATON GROUP, were able to draw on insights from previous project work, which enabled a focused evaluation of each sustainability matter. Depending on the subject area, different topical experts were involved. Throughout the entire stakeholder engagement process, input was gathered from external and internal sources. In addition, input from Scania, MAN, International, and VWTB was gathered through a variety of channels, including interviews, consultations, outreach surveys, as well as an online questionnaire that received over 1,500 responses.

To assess the materiality of potential and actual impacts, an impact risk score was calculated based on likelihood and severity. The likelihood of each impact was rated from 2–10, with 2 being unlikely and 10 being a very likely or actual impact. The severity resulted from the average value of scale, scope, and in the case of negative effects remediability. The severity assessment levels were 0, 2, 3, 5, and 10, with 10 being the most severe factor (i.e., very high scale, global/total scope, and not remediable/reversible). Overall, an impact was material if the multiplication of severity and likelihood resulted in a risk score of 20 or more. In the event of a potential negative human rights impact, even if the likelihood was low, the impact has been reviewed and may be made material if deemed necessary.

To determine financial materiality of potential risks and opportunities for the TRATON GROUP, the likelihood factor described above, as well as the magnitude – amount of the potential loss from a risk or gain from an opportunity – of the financial impact and the severity of the reputational effect were assessed. Magnitude and reputation effect were assessed in combination, whereby the magnitude had five (0, 1, 3, 5, and 10) and the reputation effect had four evaluation levels (0, 1, 5, and 10). However, with a weighting of 75%, the magnitude was significantly more decisive for the assessment of materiality than the reputation effect. The sum of the two factors was multiplied by the likelihood factor and the result ultimately determined the materiality. Overall financial materiality is established when the analysis results in a risk score of 20 or higher. In general, areas with a greater positive and negative impact on the environment and people are also more likely to represent higher financial risks and opportunities for the TRATON GROUP. Following the evaluation of which scores require further input through the confidence score, impact and financial materiality scores were compared.

Impact, Risk and Opportunities Evaluation Methodology

Impact Materiality

Evaluation of positive and negative impacts

Severity Factor	X	Likelihood Factor	=	Impact Score
Severity of each impact is calculated based on the average of scale, scope and remediability.		The likelihood factor for each impact is assessed from unlikely to very likely.		The impact is material if the total score is above the materiality threshold.

Financial Materiality

Evaluation of risks and opportunities

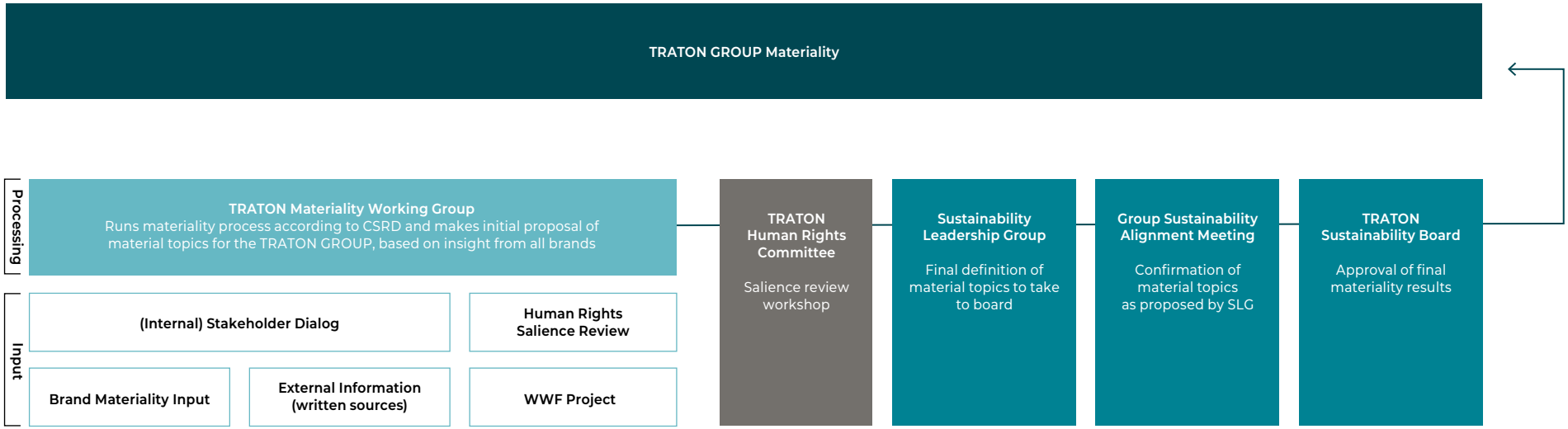
Financial Effect & Reputation	X	Likelihood Factor	=	Financial Materiality Score
The magnitude of the financial impact and the potential effect on TRATON's reputation is considered.		The likelihood factor for each risk and opportunity is assessed from unlikely to very likely.		The risk or opportunity is material if the total score is above the materiality threshold.

To ensure the accuracy and reliability of the materiality assessments, several controls were implemented. The assessment was documented and stored. Access is limited to selected people and the document's history is available to enable traceability. Plausibility checks were done, in particular the results of the assessment were compared to the previous materiality assessment of the TRATON GROUP and other automotive industry players. The DMA was approved in accordance with the TRATON sustainability governance, ensuring review and verification through the hierarchy. Following the approval by the Sustainability Leadership Group in a workshop, it was presented to the Group Sustainability Alignment meeting before its approval by the TRATON Sustainability Board. The results were thoroughly discussed, and internal experts and external documentation used to ensure the reliability of the results.

Interfaces between DMA and Enterprise Risk Management (ERM) have been defined for alignment. The IROs identified in the DMA are used as input for the ERM process, and the results of the ERM process are considered when updating the DMA.

First completed in 2024, the DMA is scheduled for review in 2025.

Project Workflows



Additional considerations to the double materiality assessment

Beyond the general DMA process for identifying and assessing IROs, for some ESRS standards additional aspects were considered, which are outlined in the following sections.

Climate-related scenario analysis

In relation to physical risks, the TRATON GROUP has carried out an analysis to determine which production sites could be affected by physical climate risks. For these risks, the analysis covered the 22 of the Group's 25 own production sites as well as major research and development sites. The focus of the analysis was on the relationship of these sites to battery electric vehicle (BEV) production. It should be noted that other locations, as well as the upstream and downstream supply chain, were not explicitly considered in this analysis. Going forward, the risk analysis will be expanded. No specific types of risk were excluded from the analysis.

The analysis of physical risks was based on the Shared-Socioeconomic-Pathway 5 (SSP5) 8.5 of the 6th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) up to the year 2050 and thus assumes the highest assumed CO_2 concentration according to the IPCC. In this scenario the global economy grows rapidly, the population increases moderately, and technological development advances quickly, but with a strong reliance on fossil fuels. This, in turn, leads to high energy demand and high greenhouse gas emissions in the long term if no climate protection measures are taken. SSP5-8.5 thus corresponds to the path with the highest greenhouse gas emissions compared to the representative concentration pathways overall.

For the quantitative analysis, the TRATON GROUP considered a period until 2050 and formed statistical mean values of the SSP5-8.5 scenario for the countries examined, which indicate the probability of occurrence for various climate events. Specific climate hazards refer to multiple subordinated parameters, e.g., changing temperature refers to air, freshwater, and marine water. For each hazard, an individual science-based threshold was determined to assess whether the climate risk is potentially material to make a well-founded assessment of the vulnerability of the TRATON GROUP's global production sites to possible climate events. In a first step, the potential material risk on the economic activity or asset was assessed. To include the vulnerability, existing historical damage data as well as asset-specific characteristics and circumstances were considered, such as water consumption patterns or the structure of the building, including materials and stocks. In addition, risk-specific analyses were conducted with additional data sources based on the exact locations. All sites could be affected by potential material physical climate risks.

A market model was developed that provides a comprehensive modeling tool for the analysis of all aspects of future development, especially market penetration of various alternative drivetrains. It has been used to compare the expected ramp-up to different climate scenarios, including 1.5, 1.7, and 2.0 degrees Celsius, yielding confidence levels of hitting the respective "fair share" of emissions – prior to or including industry-specific changes to targets.

Also, for its qualitative scenario analysis, the TRATON GROUP looked at the period up to 2050 to evaluate pathways toward climate neutrality and net-zero CO_2 emissions. The analysis aligns with the goals of the United Nations Paris Agreement, as TRATON is committed to significantly reduce greenhouse gas emissions from commercial vehicles to support global climate ambitions.

In addition, the TRATON GROUP was able to differentiate the risk exposure to potential physical climate risks according to the nature and type of event. The relevance of the identified threats was assessed for the local environment and, if necessary, risk mitigation measures were developed.

Regarding transition risks, the scenario analysis includes own operations and the value chain. Regarding production-related emissions, the analysis showed that a significant reduction in emissions is necessary to achieve the United Nations climate targets, particularly by means of increasing BEV sales figures. Regarding the truck industry, the analysis has shown that electrification and the development of BEV will become paramount. These results are necessary to make an informed decision for sales planning and production. They are incorporated into the TRATON GROUP's decarbonization scenarios. In addition, requirements and restrictions are derived for the TRATON GROUP to adjust the internal forecast and planning. In the reporting year, the information obtained was used to evaluate decarbonization ambitions. The market and product-related outcomes substantiate and fortify the TRATON GROUP's strategic commitment to substantial investments in electromobility and the enhancement of combustion engine efficiency. However, TRATON's brands may vary in their development, timing, production and scaling of BEVs. All own assets, business activities, and key suppliers as well as business partners were evaluated for acute and chronic climate-related hazards. No assets or business activities that are incompatible with the transition to a climate-neutral economy have been identified.The findings of the scenario analysis informed the DMA on climate-related risks and opportunities and were used to improve the resilience strategy of the Group.

Do no significant harm assessment

For the identification of IROs related to pollution as well as biodiversity and ecosystems, TRATON refers in addition to the general process to the results of the Do no significant harm (DNSH) assessment for the EU Taxonomy (see the section on **"EU Taxonomy disclosures"**).

Beyond the general process for identifying and assessing IROs, the TRATON GROUP has not conducted a structured and complete screening of its assets, sites, and business activities to identify IROs related to pollution, water and marine resources, resource use, or the circular economy across its own operations and its upstream and downstream value chain.

WWF study on nature risks

For the identification of IROs and dependencies related to water and marine resources, as well as biodiversity and ecosystems, the TRATON GROUP used input from the study conducted by WWF Sweden (World Wildlife Fund). The study is titled *"The Current and Future Nature Risks of the Commercial Vehicles Industry"*. Systemic risks have not been considered at this time. Beyond the information provided by the project, the TRATON GROUP has not conducted further consultations with affected communities regarding biodiversity, ecosystem impacts, or sustainability assessments of shared biological resources and ecosystems. There are no activities related to sites negatively affecting biodiversity-sensitive areas. For sites located in or near biodiversity-sensitive areas, please refer to the section **"Management of biodiversity and ecosystems"**.

Human rights salience assessment

In 2023, the TRATON GROUP conducted a comprehensive human rights salience assessment to assess its impact on human rights across the entire value chain, focusing on the workforce, workers within its value chain, and affected communities. The process, finalized in 2024, identified key human rights impacts resulting from TRATON's activities or business relationships. For more information, please refer to the section **"Material impacts, risks and opportunities and their interaction with strategy and business model"**. Beyond the general process for identifying and assessing IROs, the TRATON GROUP has not conducted a structured and complete screening of its assets, sites, and business activities to identify IROs related to pollution, water and marine resources, resource use, or the circular economy across its own operations and its upstream and downstream value chain.

1.2.2. Results of the double materiality assessment

	Sustainability matter	Type	Time Horizon	Scope	IRO
E1	**Climate change mitigation**	Actual negative impact	Short-term	Upstream, own operations and downstream	Significant contribution to climate change through the use phase of our products
		Actual positive impact	Short-term	Upstream, own operations and downstream	Implementing fuel efficiency measures and developing BEVs and alternative fuels reduces emissions
		Risk	Short-term	Upstream, own operations and downstream	Challenges of BEV adoption due to lack of infrastructure, sufficient regulations, and incentives
		Opportunity	Medium-term	Upstream, own operations and downstream	Unlocking market potential by transitioning to a low carbon economy
	Climate change adaptation	Risk	Long-term	Upstream and own operations	Damage to assets and supply chain disruptions due to extreme weather conditions and inadequate adaptation
	Energy	Actual negative impact	Long-term	Upstream, own operations and downstream	Reliance on fossil fuels contributing to climate change
		Risk	Medium-term	Upstream, own operations and downstream	Insufficient infrastructure and high green energy costs. Energy price volatility and carbon pricing also add financial strain, and limited electricity access risks supply shortages
E2	**Pollution of air**	Actual negative impact	Medium- and long-term	Upstream, own operations and downstream	Emissions from transportation and manufacturing release pollutants (e.g., particulates, nitrogen oxides) that degrade air quality and pose health risks
		Potential positive impact	Medium-term	Upstream, own operations and downstream	Reduction of air pollution by adopting cleaner technologies and systems to control emissions
	Pollution of water	Potential negative impact	Short-term	Own operations and downstream	Potential release of pollutants into water bodies
	Substances of very high concern	Potential negative impact	Short, medium and long-term	Own operations	Use of substances of high-concern can harm the environment, workers and customers
	Microplastics	Potential negative impact	Short-term	Downstream	Microplastic release through tire and vehicle wear
E3	**Water**	Potential negative impact	Short-term	Upstream and own operations	High water consumption in manufacturing and raw materials production

	Sustainability matter	Type	Time Horizon	Scope	IRO
E4	**Direct impact drivers of biodiversity loss**	Potential negative impact	Long-term	Upstream and downstream	Promotion and contribution to adverse land use changes
E5	**Resources inflows, including resource use**	Actual negative impact	Short-term	Upstream	High and non-renewable resource consumption
		Risk	Short-term	Upstream	Rising resource costs and reliance on non-renewable resources pose financial and supply chain risks
	Resource outflows related to products and services	Potential negative impact	Short-term	Downstream	The improper disposal or recycling of vehicles can contribute to landfill waste, increased resource outflows, and the loss of valuable resources.
		Risk	Medium-term	Downstream	Higher costs from circular design and energy-efficient technologies could impact profitability and market share.
		Opportunity	Long-term	Own operations	Cost savings and enhanced reputation through circular product design and energy-efficient technologies
	Waste	Potential negative impact	Short-term	Own operations	Landfill waste and contribution to resource depletion due to significant waste generation
S1	**Working conditions**	Potential negative impact	Short-term	Own operations	Damage on own workers' well-being from adverse working conditions, discrimination, and poor safety practices
		Risk	Long-term	Own operations	Staff turnover, productivity loss, and safety issues in own workforce resulting from adverse working conditions
	Equal treatment and opportunities for all	Potential negative impact	Short-term	Own operations	Negative effects from discrimination in employment like unequal training, promotion opportunities, pay, and benefits
	Other work-related rights	Potential negative impact	Short-term	Own operations	Privacy risks from excessive data access, lack of consent, and data leaks
S2	**Working conditions**	Potential negative impact	Short-term	Upstream	Impact of adverse working conditions, occupational health and safety issues, and denial of freedom of association on workers in the value chain.
	Other work-related rights	Potential negative impact	Short-term	Upstream	Potential employment of underage workers and the use of forced labor within the value chain
		Risk	Long-term	Upstream	Reputational damage, legal risks, and operational disruptions can arise from involvement in child and forced labor cases

	Sustainability matter	Type	Time Horizon	Scope	IRO
S3	**Communities' economic, social and cultural rights**	Potential negative impact	Short-term	Upstream, own operations and downstream	Harm due to inadequate protection of communities' rights and vehicle misuse
		Risk	Long-term	Upstream, own operations and downstream	Legal and reputational risks and operational disruptions from implication in human rights violations
	Road Safety & Privacy (Entity specific)	Potential negative impact	Short-term	Downstream	Data privacy violations from information gathered in vehicles. Safety risks from product defects or quality issues.
		Potential positive impact	Short-term	Downstream	Increasing data security and road safety encourages privacy-conscious and safe driving behaviours.
G1	**Corporate culture**	Potential negative impact	Short-term	Own operations	Disengagement of employees, lack of employee empowerment and motivation, potential unethical behaviour from weak corporate culture.
		Potential positive impact	Short-term	Own operations	Aligning corporate culture with values and purpose inspires employees, promotes ethical conduct, and builds trust and reputation.
		Risk	Short-term	Own operations and downstream	Reduced productivity, decreased efficiency, and higher employee turnover fostered by a negative corporate culture.
		Opportunity	Short-term	Own operations and downstream	Increased productivity and competitiveness and reduced turnover costs from a positive corporate culture.
	Corruption and bribery	Potential negative impact	Short-term	Upstream, own operations and downstream	Corruption can weaken governance, harm environmental initiatives, and foster unfair competition.
	Management of relationships with suppliers including payment practices	Potential positive impact	Short-term	Upstream and own operations	Fair payments build supplier trust, improving loyalty, collaboration, and innovation.
	Political engagement	Potential negative impact	Long-term	Downstream	Threat to democracy and informed decision-making from opaque political involvement.
	Protection of whistleblowers	Potential negative impact	Short-term	Upstream and own operations	Lack of accessible grievance mechanisms may prevent stakeholders from voicing concerns or reporting rights infringements.
		Potential positive impact	Short-term	Upstream and own operations	Implementing robust speak-up channels promotes trust and a transparent culture.

1.3. Governance at TRATON

1.3.1. Composition, diversity, and expertise of governance bodies

Information on the composition, diversity, and expertise of the governance bodies of the TRATON GROUP is reported in the section **"Corporate Governance Statement"** of the **"Combined Management Report"**.

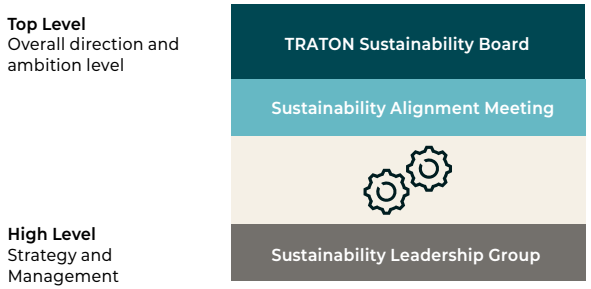
1.3.2. Sustainability management process

The governance of sustainability topics and IROs identified through the double materiality assessment is organized through various boards, working groups, and reporting streams to ensure full alignment and the involvement of all relevant parties. The central Sustainability function at TRATON reports directly to the Chief Executive Officer and the other Truck Board members via the TRATON Sustainability Board and is responsible for coordinating sustainability management at TRATON. Developing TRATON's sustainability strategy is a cross-functional task with responsibilities embedded in several central TRATON functions and at the level of the brands.

The core committees and processes for sustainability management are:

- The TRATON Sustainability Board (TSB) consists of the Truck Board, Heads of Sustainability at TRATON GROUP, and all brands and the Head of ESG. The TSB sets the overall direction and ambition level and approves commitments, group targets, and binding regulations. It also oversees the overall approach for managing impacts, risks and opportunities identified via the DMA. New programs and measures, commitments, and the DMA receive their final approval from the TSB and at the level of each brand. The TSB held four meetings in 2024 and approved in particular the material impact, risks and opportunities of the DMA. The outcomes of the TSB are documented through meeting minutes, signed by the CEO and the Chief Sustainability Officer.
- The Sustainability Leadership Group (SLG) consists of the Heads of Sustainability at TRATON GROUP and all brands. The SLG functions as the responsible interface to the brand sustainability functions. It aligns decisions with relevant Group, entity, and brand functions and can approve non-binding documents. Finally, the SLG is responsible for all materials developed for the TSB, informing the TSB, and implementing the decisions made by the TSB. Progress and deviations are tracked on a regular basis, both on Group and brand level. Each brand within the TRATON GROUP is solely responsible for the implementation of approved initiatives at the brand level.
- The Group Sustainability Alignment Meeting (GSAM) consists of the Heads of Sustainability at TRATON GROUP and all brands and several relevant representatives of TRATON functions. All commitments, action areas, targets, binding, and non-binding regulations are aligned in GSAM before being presented to the TSB. These decisions are then communicated during the TRATON Sustainability Network Meetings, which occur quarterly. These meetings serve as an instrument to share information to sustainability topics within the group. Further communication is shared through relevant channels such as the intranet.

Core committees and processes for sustainability management



Responsibility for sustainability matters lies also with the Executive Board. The Supervisory Board supervises these activities. Under German law the Supervisory Board and Executive Board are obliged to conduct a comprehensive evaluation of all relevant aspects including sustainability aspects when making business decisions. This ensures that all factors are taken into consideration and that decisions are made with the utmost care and diligence. Failure to do so may result in liability issues, as decisions made without proper evaluation may be deemed faulty. The Board is committed to upholding these rules and making informed decisions that benefit the Company and its stakeholders. Fundamental cornerstones of corporate governance, such as the Code of Conduct for employees and related procedures, are created and supervised with their involvement. Furthermore, the Head of ESG reports regularly to the Audit Committee of the Supervisory Board on the progress of the CSRD reporting. The Chairman of the Audit Committee then reports directly to the Supervisory Board based on the discussions and outcomes of these meetings.

In addition to the ESG reporting structure, the Governance, Risk and Compliance (GRC) organization plays a critical role in ensuring integrity across the TRATON GROUP. Managed by the Head of GRC/Chief Compliance Officer, the organization reports directly to the Chairman of the Executive Board and the Audit Committee of the Supervisory Board. The GRC organization oversees compliance, integrity, risk management, and data protection throughout the Group.

Overarching management policies and concepts for sustainability

The TRATON GROUP has overarching policies and concepts that provide a foundation for the overall management processes and apply comprehensively to all sustainability matters. These policies ensure a consistent and integrated approach to decision-making on material sustainability measures across the Group. The overarching policies and concepts are outlined in the following sections. Besides these overarching policies and concepts, the TRATON GROUP has additional policies in place that relate to specific sustainability matters. These policies are described in detail in the sections dedicated to the respective ESRS standards in this sustainability statement.

General management process for TRATON GROUP policies

TRATON has implemented a general process for developing, implementing, and monitoring policies on Group-level. This process applies to all Group policies described throughout the report, which are clearly labeled as such. Where policies other than Group policies are described, such as guidelines or frameworks, their individual management processes are described.

Group policies regulate substantial topics, thereby protecting employees and the organization, avoiding risks, but also securing TRATON's reputation and the Group's assets. Topics that do not relate to any of these categories may be managed through other types of policies or processes.

TRATON SE issues Group policies that set minimum standards and requirements for the TRATON brands and companies, but also apply directly to TRATON SE. TRATON brands can also issue further brand policies that apply to their affiliates in case of need. The Code of Conduct for employees serves as the superior governance regulation to which all policies must adhere. Once a new Group policy has been created and checked regarding applicable quality standards, it is submitted to the TRATON SE Executive Board for approval, which is, together with the policy owner, the most senior level accountable for the implementation of the policy. After approval, the policy coordinators ensure publication via TRATON's intranet. The policy coordinators submit the approved policy documents to their equivalents at brand or company level and request implementation within a time frame given. If needed for safeguarding the implementation or compliance, policy owners provide training and guidance for respective target groups of the policies. If applicable, the brands' policy coordinators publish equivalent policies on the respective topic, and quarterly report the implementation status to TRATON.

Policy owners must review their TRATON GROUP policies at least once a year to evaluate whether they need to be updated. Furthermore, they must assess the need for an amendment of existing regulations, or the introduction of new ones as soon as relevant parameters change. TRATON's corporate audit department conducts audits of topics or processes based on its assessments and planning. It utilizes applicable policies and related governing documents for such audits.

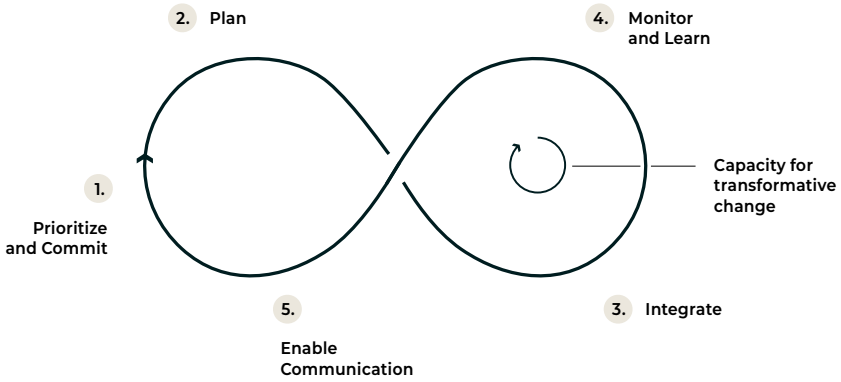
TRATON Sustainability Group policy

In 2024, the TRATON GROUP developed the TRATON sustainability Group policy, which is to be introduced in 2025. Its purpose is to enable TRATON GROUP to translate its sustainability purpose and ambitions into action and results. The policy will enable TRATON to set its own ambitions and priorities while also meeting stakeholder expectations and requirements. This policy defines the sustainability management model, the governance structure, and the roles and responsibilities for ensuring cross-brand collaboration at TRATON in terms of sustainability.

TRATON sustainability management guideline

This guideline clarifies TRATON's sustainability management approach. In five steps, the TRATON sustainability management approach connects the efforts to set Group commitments and targets to the integration of sustainability into brands and functions.

Model for Sustainability Management



1. **Prioritize and Commit**
   We always start by identifying where we have our biggest impacts and risks. We do this constantly and regularly, together with our whole ecosystem, to ensure that we focus on what matters most. Once we have done this, we prioritize and make a commitment to act on those impacts. Key processes in this step include stakeholder engagement and our materiality analysis.

2. **Plan**
   As the next step, we define the action we need to take. By defining an approach, setting requirements or targets, we will enable a better understanding of our impacts and drive action. This can be done on a brand or a Group level.

3. **Integrate**
   This is the key to reaching our sustainability ambitions, as we find the right ways to integrate commitments and targets into how we make decisions and operate. Here we rely on our whole organization and our partners to take decisive action towards fulfilling our commitments and targets.

4. **Monitor and Learn**
   We ensure that we monitor our progress and learn from our successes and mistakes. This is done within the existing governance structures of all functions, as well as through the TRATON Sustainability Board.

5. **Enable Communication**
   We communicate in a transparent way. We strongly believe transparency is key to credible sustainability management. We communicate both internally through various channels as well as externally, where our sustainability statement plays a key role.

Overall, this approach helps to drive forward sustainability action within the whole TRATON GROUP, integrating ambitions into daily business. TRATON does not currently track the effectiveness of this policy, though the guideline provides a foundation for actionable impact and integration.

Environmental compliance management system (Group policy)

The Environmental compliance management system (ECMS) is a Group-wide policy that covers all environmental sustainability matters and, therefore, relates to all environmental IROs. The ECMS framework directs all TRATON GROUP companies to address environmental management throughout all stages of their operations and the lifecycle of their products and services with the goal of minimizing the environmental impact. By integrating compliance aspects into environmental management, the TRATON GROUP ensures conformity with applicable regulations, uncovers possible misconduct, and prevents it in the future. The policy defines the minimum requirements for operating organizations to implement the ECMS, while providing the flexibility to tailor these requirements to the brands' specific business needs. It outlines what is necessary for effective environmental compliance management, without prescribing how it should be carried out. In this way, it empowers each operating organization, regardless of size, location, range of activities, or degree of regulation, to identify, assess, and manage environmental aspects and risks.

In line with the risk-based approach, this Group policy is divided into nine core premises: leadership and commitment; responsibility and accountability; compliance obligations; managing environmental aspects, risks, and opportunities; improving performance; awareness and competence; stakeholder dialog; evaluating performance; and managing non-compliance. These premises are aligned with internationally recognized standards, e.g., the ISO 14001:2015 and ISO 19011:2018, to enhance environmental compliance across the lifecycle of products and services. The effectiveness of the ECMS is tracked by evaluating risks, incidents, and audit findings from both internal and external audits conducted under ISO 14001:2015. These findings are reported annually by the brands to the Group and subsequently presented to the TRATON GROUP Truck Board as part of the annual management review.

1.3.3. Integration of sustainability-related performance in incentive schemes

The integration of sustainability-related performance in the overall incentive schemes of the TRATON SE Executive Board is described in the section **"Remuneration report"**.

1.3.4. Statement on due diligence

Core elements of due diligence

Core elements of due diligence	Reference to sections in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	1.3.2. Sustainability management process 1.4.3. Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	1.2.1. Processes to identify and assess material impacts, risks and opportunities 1.3.2. Sustainability management process 1.4.2. Stakeholder engagement 2. Environmental, specifically disclosures on policies 3. Social, specifically disclosures on policies 4. Business conduct, specifically disclosures on policies
c) Identifying and assessing adverse impacts	1.2.1. Processes to identify and assess material impacts, risks and opportunities 1.4.3. Material impacts, risks and opportunities and their interaction with strategy and business model
d) Taking actions to address those adverse impacts	2. Environmental, specifically disclosures on actions and targets 3. Social, specifically disclosures on actions and targets 4. Business conduct, specifically disclosures on actions and targets
e) Tracking the effectiveness of these efforts and communicating	2. Environmental, specifically disclosures on targets and metrics 3. Social, specifically disclosures on targets and metrics 4. Business conduct, specifically disclosures on targets and metrics

1.3.5. Risk management and internal controls over sustainability reporting

TRATON GROUP's approach for risk management and internal controls regarding sustainability reporting, as well as a description of the main risks identified, are reported alongside the Group's general risk management and internal controls processes in the section on **"Opportunities and Risks"** of the Combined Management Report.

1.4. TRATON's sustainability strategy

1.4.1. Strategy, business model, and value chain

At TRATON, our commitment to sustainability is reflected in our strategy and our corporate values. TRATON's purpose is: Transforming Transportation Together. For a sustainable world. This is a commitment to build a profitable business by developing transport solutions fit for a sustainable society.

TRATON Way Forward

The TRATON GROUP's strategy, the TRATON Way Forward, is based on a long-term vision that outlines how TRATON will address the challenges and the expected changes in the transportation and logistics industry. The TRATON Way Forward consists of three pillars, one of which is "Responsible Company". This pillar guides TRATON in its commitment to act in a sustainable and responsible manner. The TRATON GROUP is strongly focused on achieving its environmental ambitions and strengthening sustainable conduct towards people; employees, customers, suppliers, and strategic partners. Responsibility is paramount and should always guide our actions. Together with the brands, TRATON is intensively working on its purpose: "Transform Transportation Together. For a sustainable world". TRATONs objective is to generate benefit for our customers and society across the entire life cycle of our products.

"Responsible Company" also encompasses a corporate culture that prioritizes people and diversity. At TRATON, diversity extends beyond the traditional understanding, emphasizing the inclusion of individuals with varied experiences, educational backgrounds, and personalities. To uphold responsible conduct, the Company also adheres to ethical principles in corporate governance. The TRATON GROUP intends to become even more responsible as a Company in every respect. Our joint impact areas play a key role in this endeavor. By focusing on these areas, we aim to drive significant positive change and ensure that our actions align with our commitment to responsibility and sustainability.

TRATON's joint impact areas

The TRATON GROUP's sustainability management approach outlines how TRATON translates its sustainability purpose and ambitions into action and results in light of the significant societal and environmental challenges it faces. The significant impact of climate change on the natural world, human populations and society at large cannot be ignored. Biodiversity loss caused by various drivers such as unsustainable industry practices and agriculture further damages the resilience of societies. Further on, inequalities exacerbate the effects of climate change, causing disproportionate damage to the world's most vulnerable livelihoods.

The main challenges related to climate change are the high greenhouse gas (GHG) emissions from road freight, which need to be reduced immediately to align with the Paris Agreement. This requires the adoption and harmonization of stricter fuel economy standards and incentives and infrastructure for zero-emission vehicles. Additionally, a significant increase in renewable electricity supply and advancements in battery technology for truck electrification are necessary. A closely harmonised and coordinated approach and resources from large transportation companies and commercial vehicle manufacturers are crucial to drive decarbonization and foster industry collaboration.

Increased resource consumption further drives the triple planetary crisis of climate change, biodiversity loss, and pollution, and the transport sector is a significant contributor. The Earth's resources cannot sustain current consumption rates, leading to societal inequalities and higher costs. Urgent measures and regulatory frameworks are needed to curb resource exploitation. Transitioning to a circular economy, especially in wealthier countries, could reduce resource use, improve well-being, and stimulate economic growth.

TRATON adopts a transformative approach to sustainability. This implies fundamental changes to products and services all the way to the relationships with suppliers, customers, and partners, while ensuring relevance in the transition in the different parts of the world. The TRATON GROUP is active in shaping policies, practices, and collaborations to shoulder our responsibility for the systemic changes needed. However, these sustainability-related goals are not limited to any specific supplier, customer group, or geographical area, ensuring a broad and inclusive approach to driving transformation.

Joint Impact Areas



For TRATON GROUP to stay focused and use its resources in a manner that creates the most impact, three joint impact areas have been identified: decarbonization, circularity, and human rights. They allow TRATON to address these areas in an integrated and efficient way, based on the sustainability management model. The joint impact areas also have a commitment that indicates the long-term objective and ambition of TRATON:

Decarbonization: TRATON is committed to reducing greenhouse gas emissions across the entire value chain to support limiting the global temperature rise to 1.5 degrees Celsius above pre-industrial levels.

A substantial portion of global GHG originates from the transport sector. TRATON is committed to be part of the solution and aims to lead the decarbonization of the commercial vehicle sector. Recognizing that almost all of TRATON's value chain emissions stem from the use phase of its products, TRATON is focusing on electrification as the most impactful lever to decarbonization. The Group aims to offer high-performance BEVs and complementary services such as charging solutions and financing options. At the same time, TRATON keeps improving energy efficiency of vehicles using internal combustion engines. By forming partnerships and advocating for supportive regulations, the Group facilitate access to new technologies and infrastructure. Staying attuned to customer needs, TRATON strives for a low-carbon business model that provides a competitive advantage.

Circularity: TRATON is committed to decoupling resource use from business growth.

Circularity reduces reliance on finite natural resources, ensuring sustainable development throughout the vehicle life cycle. For TRATON, circularity is not just about doing less harm — it is about doing things differently and better. By adopting circular design , the Group aims to accelerate innovation, developing new products, services, and processes that are reducing and avoiding the virgin materials used, create more sustainable customer offer and aligned with future market demands. Electrification of vehicles not only lowers emissions but also reduces the resources used within the value chain. By forming partnerships and advocating for appropriate regulations, the TRATON GROUP wants to play its part in bringing about systemic change.

Human Rights: TRATON is committed to respecting human rights and ensuring a just transition.

The Group has taken steps to manage its own human rights impacts and is making great progress. Further work is aimed at understanding the impacts in its own operations and value chain, including the social dimension of the green transition. TRATON will place a strong focus on the supply chain and work closely with its own brands and partners to create a transparent, responsible and resilient value chain.

Business model

The business model of TRATON is centered on the development, production, and sale of commercial vehicles, including trucks, buses, and related services. It operates through a portfolio of well-known brands, including Scania, MAN, International, and VWTB. Each brand targets different market segments and regions, allowing TRATON to cater to a diverse customer base.

Offering a wide range of commercial vehicles, from light to heavy-duty trucks and buses, this extensive product range enables TRATON to meet various transportation needs across different industries. In line with the sustainability-related strategies and ambitions of TRATON, in the reporting period, the GROUP continued its efforts to systematically shift investments from diesel powertrains to alternative drive systems. The TRATON brands are continuing to expand their product and service portfolio and supporting their customers in switching to BEVs. The most significant customers groups in this context are logistics and transportation companies, public transport authorities, and retailers.

In a world driven by electrification, autonomous driving, and connectivity, the TRATON GROUP is committed to creating value through innovative business models, solutions, and partnerships. By expanding into logistics, customer solutions, and digital business models, the Group aims to maintain a competitive edge amid technological and market transformations. TRATON is even prepared to invest in charging infrastructure (see the section on **"Management of climate change"**). Additionally, the TRATON Financial Services segment provides comprehensive financing options for our customers to support new technologies and business models.

For further information on TRATON's business model and the brands' positioning, see section **"Key Information about the TRATON GROUP"** of the **"Combined Management Report"**.

Value chain

The TRATON GROUP is a commercial vehicle manufacturer and has a widely branched and complex value chain. Both upstream and downstream process steps of this value chain are integrated vertically into the Company's own operations, in addition to the core business.

Value Chain Infographics



Upstream
The upstream value chain includes the extraction of raw materials and the production of components and parts. TRATON maintains close relationships with a large number of suppliers who play a key role in the provision of raw materials and intermediate products.

Core business/own operations
TRATON operates its own production facilities and assembly plants in which essential components such as powertrains, transmissions, and chassis are produced, and complete vehicles are assembled. The core business includes the central activities of development, manufacturing, logistics, and sales of vehicles as well as related services.

- **Development**
  In the development phase, TRATON conducts research and development activities in advanced technologies and innovative designs.
- **Manufacturing**
  Production takes place in production facilities spread across key geographies.
- **Logistics**
  Efficient logistics processes ensure integration of all steps, from purchasing, production, to delivery.
- **Sales**
  Sales are carried out via a global dealer or distributor network. Parts of the TRATON dealer network are captive. Through TRATON Financial Services, customers can also benefit from financing solutions.

Product use & end of life
- **Product use**
  In the downstream value chain, the use phase and the associated services play a central role. The dealers and service partners offer comprehensive service and repair services, as well as digital services.
- **End of life**
  The focus here is on the end of life, which includes today's remanufacturing activities. In the future, battery recycling will likely play a role.

As depicted in the value chain description above, TRATON relies on various inputs such as raw materials, components, technology, skilled labor, and financial resources to produce high-quality vehicles. These inputs are secured through strategic supplier relationships, investments in research and development, talent acquisition, and robust financial management. Compliance with regulations and the promotion of innovation are also important aspects of the approach to achieving and maintaining competitive advantages in the respective markets.

The outputs of the TRATON GROUP, high-quality commercial vehicles and innovative technologies, offer significant benefits to various stakeholders. Customers enjoy reliable and cost-efficient vehicles that enhance their operations. Investors benefit from strong financial performance, market leadership, and growth driven by continuous innovation. Through TRATON's investment in low and zero emission technologies, stakeholders as well as wider society and environment benefit from reduced environmental impact through innovative technologies. The TRATON GROUP thereby further supports our customers in meeting their sustainability goals and regulatory compliance.

In 2024, TRATON did not generate any revenue from fossil fuels (coal, gas and oil) as defined by CSRD ESRS2 §40 d. Additionally, no revenue was generated from the manufacture of chemicals (pesticides and disinfectants), controversial weapons or the cultivation and production of tobacco.

In general, none of TRATON GROUP's products or services are banned in certain markets. They may be subject to current sanctions or embargos to which the Group adheres in line with applicable laws and regulations as well as internal policies (see also section **"Affected communities"**).

1.4.2. Stakeholder engagement
As a global organization, the activities of the TRATON GROUP impact many individuals. Engaging with stakeholders is essential to identify key areas for the Group strategy and anticipate evolving expectations. TRATON sees stakeholder engagement as its duty to systematically and continuously interact with various interest groups, actively listen to their perspectives, and incorporate their feedback into the own strategy and business model. The goal is to maintain an open, constructive dialog with all stakeholder groups.

To facilitate decision-making processes at TRATON GROUP, the following ten key stakeholder groups were identified as being of particular relevance in the context of sustainability: Customers, employees, society and media, investors, science and experts, competitors, business partners and suppliers, politics and associations, NGOs and NPOs, as well as residents and communities or local authorities.

Engagement with these stakeholder groups is designed to foster open dialog, build trust through a variety of processes such as feedback mechanisms, collaborative initiatives, and transparent communication channels. For example, employees are engaged through the TRATON GROUP Works Council, ensuring a continuous exchange of perspectives across different regions. Investors are kept informed and involved through the Annual General Meeting, Investor Calls and Capital Market Days, which provide transparency and an opportunity to align on strategic priorities. In general, surveys and partnerships are used to gather insights and share knowledge across stakeholder groups, while active participation in alliances and networks fosters the exchange of expertise and innovative solutions. By integrating stakeholder perspectives into decision-making and maintaining open, ongoing communication, TRATON ensures that its strategies are both inclusive and aligned with evolving societal and environmental priorities. The frequency of engagement with stakeholders depends on the stakeholder group and engagement format. Some formats are conducted regularly while others depend on specific political, societal, or economic events. The purpose of these actions is to maintain an exchange in both directions and generate insights on interests and views of stakeholder groups. These in return inform the strategy process and subsequently contribute to any changes made to continuous development of the TRATON business model through the responsible functions, working groups and committees. Thereby, ultimately also the highest-level management bodies of the Group are informed about crucial views and interests of stakeholders.

As the results of the DMA are incorporated into TRATON's sustainability strategy, so are the key stakeholders' views and interests, which were analyzed during this process. Thereby, the sustainability strategy and accompanying processes and guidelines are directly informed by stakeholders' interests of sustainability matters. For 2025, TRATON plans to further elaborate guidance and actions of sustainability management, which will be thoroughly informed by stakeholder engagement processes performed by the responsible function. The integration of stakeholders' interests into the DMA process is described in the section on **"Processes to identify and assess material impacts, risks and opportunities"**.

The **"human rights salience assessment"** provided key insights into the interests, views, and rights of TRATON's workforce, value chain workers, and affected communities. Beyond its contribution to material IRO evaluation, the assessment also indirectly shaped TRATON's sustainability strategy and business model.

1.4.3. Material impacts, risks and opportunities and their interaction with strategy and business model

In the reporting period 2024, TRATON has taken significant action and outlined plans to address material impacts, risks and opportunities. These efforts and their effects on business model, value chain, strategy, and decision-making of TRATON GROUP are comprehensively described in the sections **"Environmental"**, **"Social"**, and **"Business conduct"**. All the reported IROs are rooted in TRATON's core business model, which is outlined in section **"Strategy, business model, and value chain"**, and occur along the entire value chain.

The material impacts are intricately connected to TRATON's Way Forward strategy through the "Responsible Company" pillar. Additionally, they align with the joint impact areas: decarbonization, circularity, and human rights.

Using the TRATON sustainability management process (see the section on **"Sustainability management process"**), impacts, risks and opportunities are integrated into decision-making. Based on the commitments made to the three joint impact areas, these commitments are translated into action.

This can be done through:

- Group-level targets, which shall be considered in all relevant decision-making, including in brands and functions.
- Group-level binding policies and procedures (e.g. standards, minimum requirements), which shall apply in all relevant decision making in the specified area.
- Group-level non-binding guidance (e.g., recommendations, handbooks), which can be applied on a voluntary basis.

These are integrated into existing operations to drive action and ensure progress. The TRATON GROUP consists of a complex web of processes and decisions that make up the foundation from which we can take strategic and operational action. Integration is possible when Group-level commitments and targets become actionable by successfully implementing them into existing accountabilities and responsibilities of relevant brands and functions, ensuring they are considered during decision-making. All functions need to be aware of their impact on the Group targets and relation to Group requirements, ensure alignment to these, and request the information needed to act and reach the targets.

Current financial effects of TRATON's material risks and opportunities on its financial position are described in the section on **"Report on Expected Developments, Opportunities, and Risks"** of the **"Combined Management Report"**.

Resilience analysis

The resilience of the strategy and business model to climate change is contingent upon their ability to manage climate-related risks and leverage climate-related opportunities. This includes the capacity to respond to and adapt to transition risks and physical risks. Climate-related resilience is comprised of both strategic resilience and operational resilience to climate-related changes, developments, or uncertainties related to climate change. During the DMA, TRATON identified the following IRO regarding physical risks: Damage to assets and supply chain disruptions due to extreme weather conditions and inadequate adaptation. Furthermore, one IRO was identified regarding transition risks: Insufficient infrastructure and high green energy costs. Energy price volatility and carbon pricing also add financial strain, and limited electricity access risks supply shortages.

The resilience analysis was performed in 2023 with consideration of the climate scenario analysis. For further information on the scope of the analysis, see the section on **"Processes to identify and assess material impacts, risks and opportunities"**. The majority of production sites as well as some R&D sites were included in the resilience analysis due to an initial risk assessment. Other locations and the upstream and downstream supply chain were not explicitly taken into account. All evaluated sites could potentially be affected by material physical climate risks. Other material risks that occur at more sites include landslide, soil erosion, cold wave, heat stress, heat wave, permafrost thawing, drought, wildfire, heavy precipitation, flood, water stress, storm, and tornado. The identified threats were then checked for relevance in the local environment and, if necessary, measures to reduce the risk were developed. However, none were considered critical. The time horizons utilized for the scenarios in the resilience analysis align with the short-, medium-, and long-term time horizons defined for reporting purposes. The short-term period for this analysis was one year, the medium-term time horizon included an analysis of two to five years, and the long-term horizon was conducted for a period exceeding 5 years. To identify the relevant IROs, TRATON has investigated potential mitigation measures and adaptation strategies.

The implementation of the defined measures, as part of the decarbonization strategy, is still underway. As the measures will come into effect from 2025 onwards, the effect on negative impacts and risks is not yet measurable in the reporting year 2024. Nevertheless, the agreed measures should foster greater awareness within the Group, which will facilitate the effective implementation of the measures from 2025. In the medium term, TRATON plans to implement measures focusing on renewable energies and BEVs. Going forward, TRATON will closely monitor new developments in the field of sustainability and review our existing measures for potential improvement.

Own workforce

TRATON conducted a human rights salience assessment to capture all aspects of the interaction of human rights with its business model and strategy. Focusing on the areas that are affected by TRATON's business model, it highlights opportunities for mitigating the negatives as well as create value for people and society. This assessment also serves as a base to further develop the sustainability strategy and specifically the joint impact area of human rights, which ensures the reflection of views, interests, and rights of affected communities in the strategy.

Additionally, it has enabled TRATON to identify certain groups within its workforce who may be at greater risk of harm, with particular attention given to vulnerable groups.

The material risk of staff turnover, productivity loss, and safety issues in own workforce resulting from adverse working conditions relates to all employees, some groups in TRATON's workforce may be more vulnerable to these risks and opportunities due to economic, political, and social processes of exclusion and could be disproportionately affected by TRATON GROUP's operations and value chain.

The risk analysis of TRATON GROUP's own business areas has neither identified a risk of incidents of forced or compulsory labor nor a risk of incidents of child labor. Therefore, there are no specific types of operation, countries, or geographies considered at significant risk. Nevertheless, due to the global activities of TRATON, the Group operates in countries with significant social, political or economic instability, conflict regions, or high-risk areas, among others. Such an environment, despite all efforts, could complicate TRATON GROUP's commitment to complying with international standards around the world.

Workers in the value chain

The material IROs in the context of value chain workers are strongly connected to the "Responsible Company" pillar of the TRATON Way Forward strategy and the joint impact area of human rights. Based on the human rights salience assessment, TRATON developed an understanding of how particular value chain workers may be at greater risk of harm. TRATON's dependency on value chain workers led to the identification of two material IROs in the area of other work-related rights of value chain workers.

The negative impacts on value chain workers evaluated as material in the DMA are rather widespread and systemically rooted in raw materials supply chains, such as extraction and processing of critical minerals and metals, that TRATON depends on and do not relate to specific incidents. Additionally, vulnerable workers at dealerships face systemic risks, making them more prone to negative impacts. While the analysis considered both positive and negative impacts, no significant positive impacts related to value chain workers were identified during the assessment.

During the DMA and based on the results of the human rights salience assessment, only workers in the upstream value chain were identified to be potentially impacted materially, with workers in the raw materials supply chain at greater risk of being negatively impacted. In general, certain raw material mining in certain regions are more at risk of child and forced labor, particularly in cobalt mining sites in the Democratic Republic of the Congo.

For more details on the human rights salience assessment, please see the section on **"Management of working conditions and other work-related rights of workers in the value chain"**.

Affected communities

The human rights salience assessment was carried out for various groups of rightsholders, one of these groups being local communities surrounding TRATON's operations and supply chain, who may be impacted by activities such as production or mining of raw materials. The Group therefore identified a material legal and reputational risk of potential impacts on local communities caused by operations of TRATON. Affected communities in scope of this report are all communities affected by material IROs. The following were identified as affected communities in scope of disclosures of this report:

1. Rightsholders affected by crimes and illegal activities facilitated by TRATON's vehicles such as illegal logging, mining, robberies, terrorist attacks, kidnappings, or human trafficking may experience impacts on their health, living standards, personal security, and life. In conflict zones, misuse of TRATON GROUP's vehicles may exacerbate these impacts, while in authoritarian states, it could affect political expression and personal liberty.
2. Rightsholders in communities near operations of TRATON or along the supply chain may face impacts from activities like mining.
3. Primary users of TRATON's vehicles, such as drivers, may have their privacy impacted if smart systems collect data like location history or health information without consent. This also applies to connected devices and vehicle cameras.
4. Drivers and passengers of TRATON vehicles may experience impacts to their right to health, safety, and life if there are accidents associated with poor product or road safety. Other rightsholders that may be involved in accidents with TRATON vehicles, such as pedestrians or passengers in other vehicles, may also experience impacts to health, safety, and life.

The material negative impacts on affected communities identified in the DMA are widespread and do not pertain to specific incidents or business relationships. The identified risk of legal and reputational risks and operational disruptions from implication in human rights violations may arise from dependencies of TRATON GROUP on communities located near its operations or within its supply chain, potentially leading to disruptions that affect business continuity and local stakeholder relations. The material impacts in the area of product misuse are reflected in our recently introduced strategic work on conflict and high-risk areas, which is described in the section on **"Affected communities"**.

2. Environmental

2.1. Climate change

Our TRATON Way Forward strategy (see the section on **"TRATON Way Forward"**) emphasizes our commitment to sustainability. It serves as a catalyst for change within a global industrial and transportation ecosystem undergoing a critical transformation. This is reflected through the joint impact areas of decarbonization and circularity, through which TRATON aims to transform the business model and product design to reduce greenhouse gas (GHG) emissions[1] in line with the Paris Agreement. The TRATON GROUP is thereby striving to contribute to keeping the global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase even further to 1.5 degrees Celsius.

Aligned with this strategy and regulatory requirements, TRATON GROUP is committed to playing an active role in shaping the future of transportation by driving innovation in cleaner, sustainable mobility solutions. This includes not only reducing emissions but also setting new standards for efficiency, safety, and circularity in the transport sector. Achieving these goals requires close collaboration with governments, businesses, customers, and other stakeholders. Stringent regulations in the EU and US are already driving change, and TRATON is advocating for market conditions that support the decarbonization of global transportation.

1 The terms CO_2/CO_2-equivalents/GHG emissions are used interchangeably throughout this statement. They refer to the GHG listed under the Kyoto Protocol: CO_2, N_2O, CH_4, SF_6, Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs).

2.1.1. Management of climate change

During the double materiality assessment, the sustainability matters of climate change mitigation, climate change adaptation, and energy were identified as material for the TRATON GROUP.

Policies

Material impacts, risks and opportunities that specifically relate to change mitigation and energy are managed through the policies and concepts described below. At present, no Group policies relate to climate change adaptation, as we have not yet initiated a strategic approach to this sustainability matter.

The actual positive impact of reducing fossil fuel use through the development of battery electric vehicles (BEVs) and the adoption of alternative fuels to reduce emissions in our vehicles is related to the TRATON sustainability management guideline, in conjunction with the sustainability management process, which also relates to the challenges associated with BEV adoption due to lack of infrastructure, sufficient regulations, and incentives.

The TRATON sustainability management guideline, in conjunction with the sustainability management process, as well as the Code of Conduct for suppliers and business partners further relate to the actual negative impacts of the transport industry as a significant contributor to climate change through the use phase of TRATON's products and its heavy reliance on fossil fuels, as well as the opportunities to unlock market potential by transitioning to a low carbon economy through the adoption of low-emission and sustainable transport solutions. The guidelines for renewable and fossil-free electricity also relate to addressing the actual negative impact of reliance on fossil fuels, which is contributing to climate change.

Further information on the TRATON sustainability management guideline and the sustainability management process is available in section **"Sustainability management process"**. Additional details on TRATON's Code of Conduct for suppliers and business partners can be found below and in the section on **"Management of relationships with suppliers"**.

Concepts for climate change

In 2024, the following concepts related to climate change were implemented through the TRATON sustainability management guideline in conjunction with the sustainability management process.

To strengthen its decarbonization efforts, TRATON GROUP established key levers for decarbonization. Also, a net-zero feasibility project was initiated to build upon brand-specific decarbonization activities, examining the effects of different levers and sales forecasts on overall emissions. This study also provided recommendations for measures to support further progress in emissions reduction. Additionally, TRATON developed a GHG emissions forecast for its own operations (Scope 1 and 2) and for emissions associated with the use phase of its vehicles (Scope 3, Category 11). Potential decarbonization measures were examined for both operational emissions and vehicle use phase emissions, with the electrification of the product portfolio highlighted as a critical approach to reduce emissions. Lastly, principles for materials decarbonization in the supply chain were established, providing a structured approach to addressing emissions related to materials sourcing. The TRATON Sustainability Board played an active role in these efforts by defining sponsors for sustainability matters to ensure effective implementation and accountability.

Guidelines for renewable and fossil free electricity

The Guidelines for renewable and fossil free electricity outline the commitment of the TRATON GROUP to reduce GHG emissions by transitioning to renewable and fossil-free electricity sources throughout the value chain. Renewable electricity sources such as wind, solar, sustainable hydropower, certified biomass, geothermal, and marine energy are preferable. While nuclear power is considered as a fossil-free option, it is only acceptable when renewable options are unavailable due to business, infrastructural, or regulatory constraints. The policy prioritizes on-site electricity generation, followed by off-site generation through investments in renewable projects and contractual solutions for renewable energy procurement. Wherever possible, electricity from renewable sources should be sourced within the same interconnected grid, enhancing the local impact and reliability of renewable electricity use.

For monitoring purposes and to track the effectiveness of this policy, a uniform reporting system is planned for all sites across the brands and the entire TRATON GROUP. This policy applies globally to all TRATON brands, while allowing for regional and operational flexibility in relation to variations in geography, regulatory environments, and business needs. Exceptions are made only when renewable energy sources are inaccessible, in which case nuclear power may be temporarily used with prior consultation from the TRATON Energy department. The Chief Sustainability Officer of TRATON GROUP holds the highest level of accountability for this policy. This guideline is distributed to all TRATON brands and is scheduled for integration into TRATON's overarching sustainability documentation. The criteria for implementation are aligned with the Scope 2 Guidance of the GHG Protocol and the Technical Criteria of the Renewable Energy Initiative RE100. Compliance and transparency are ensured through third-party audits, which also prevent double counting of renewable energy attributes. To support implementation, particularly for regional operational units, the TRATON GROUP Sustainability department offers direct guidance on selecting and procuring renewable and fossil-free electricity.

Code of Conduct for suppliers and business partners (Group policy)

The Code of Conduct for suppliers and business partners requires that business partners take appropriate measures to reduce air emissions that pose risks to the environment and health, including greenhouse gas emissions. To improve the environmental performance of products and services, business partners provide for proactive reduction of greenhouse gas emissions along the entire value chain, for instance through increased use of fossil-free energy sources. Business partners who supply products to TRATON provide information to TRATON on request at product level in relation to the overall energy consumption in MWh and greenhouse gas emissions in tonnes of CO_2-equivalents (Scope 1, 2 and 3) This enables TRATON to improve the environmental performance indicators of its products. In addition, TRATON business partners are recommended to set science-based and emission reduction targets as well as targets for the use of renewable energy that are aligned with the Paris Agreement. Business partners are also encouraged to take action to drive decarbonisation throughout the value chain. Business partners are also encouraged to commit to the Paris Agreement of a carbon-neutral economy by 2050 at the latest.

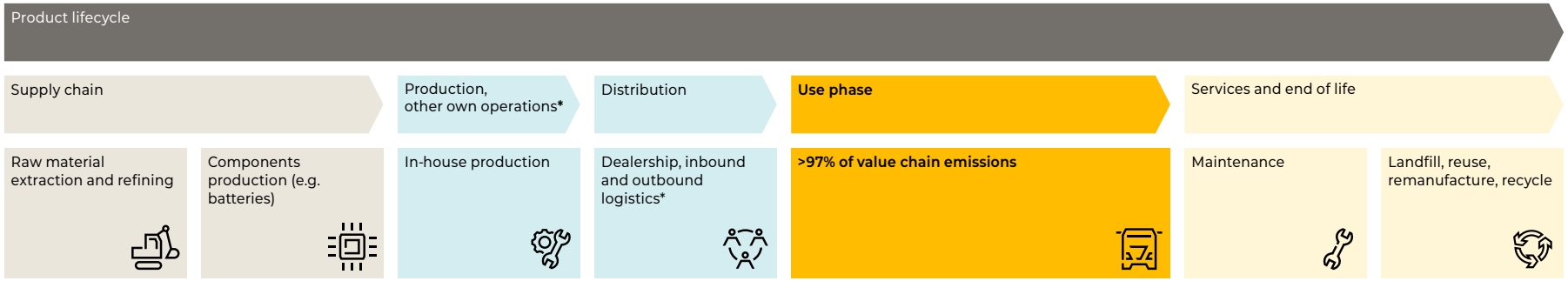
Further information on TRATON's Code of Conduct for suppliers and business partners is available in section **"Management of relationships with suppliers"**.

Actions and targets

As of the 2024 reporting period, the TRATON GROUP has not yet defined specific actions, targets or a comprehensive transition plan. The focus has been on identifying decarbonization levers, which are described in detail in this section as the foundation for climate change mitigation efforts. These levers serve as a preliminary stage. The aim is to develop these levers into specific actions and targets, with a focus on driving meaningful progress, while taking into account the potential development of a transition plan. The operational implementation of the respective measures is currently the responsibility of each brand individually, allowing them to manage decarbonization efforts tailored to their specific circumstances.

The main levers are divided into the own operations of TRATON GROUP, focusing on actions related to Scope 1 and Scope 2 emissions, and the use phase, addressing actions related to Scope 3 emissions in the context of climate change mitigation. Of the levers for use phase-related GHG emissions, the most prominent lever is the future production of battery electric vehicles, which is central to the decarbonization efforts. Additional levers include improving the energy efficiency of internal combustion engine vehicles, enabling use of renewable fuels, and creating partnerships for charging infrastructure. Key levers for own operations include renewable electricity, electrification, and renewable heat, as well as electrification and fuel switching for the company's own trucks and cars.

Decarbonization – Focusing on What Matters Most



* Scope 1 and 2: own production, own offices, own inbound and outbound logistics

Production of battery electric vehicles

The TRATON GROUP has been accelerating its investment in BEVs to reduce reliance on diesel engines. TRATON is introducing a large range of battery electric trucks and buses to the market, with a focus on long-haul electric solutions equipped with fast-charging capabilities. The company's own progress in this area is measured by the ratio of BEV and fuel cell electric vehicles sold to the total number of all vehicles sold, excluding the MAN TGE model (see the section on **"Financial management"**), as well as measuring the GHG emissions coming from the overall product portfolio.

TRATON GROUP further aims to lower the total cost of ownership (TCO) for electric trucks and buses. The brands offer consulting services to fleet operators, helping them evaluate the operational savings BEVs can deliver, including reductions in maintenance and fuel costs.

Improving energy efficiency of internal combustion engine vehicles

By enhancing the efficiency of internal combustion engines (ICEs), the TRATON GROUP reduces fuel consumption and GHG emissions as it transitions to full electrification. The TRATON GROUP is developing advanced combustion technologies to achieve better fuel consumption and lower emissions. Advanced engineering and leveraging digital solutions to monitor and adjust engine performance in real time, optimizing fuel use based on load and topography, results in more efficient energy use and minimized emissions. These innovations enable the TRATON GROUP to deliver immediate emission reductions through enhanced ICE efficiency while advancing toward a fully electric future.

Enabling use of renewable fuels

To enable the use of renewable fuels, TRATON GROUP is making its vehicles' engines compatible with renewable fuels, such as biodiesel and biogas, which can achieve lower CO_2 emissions compared to traditional diesel if sustainably sourced biofuels are used.

Partnerships for charging infrastructure

For the TRATON GROUP, the introduction of electric trucks, especially for long-haul and heavy-duty applications, would not be possible without a robust charging network. The TRATON GROUP's key initiatives in this area are TRATON Charging Solutions, strategic partnerships, direct investments and the development of new technologies.

TRATON Charging Solutions focuses on simplifying access to the charging infrastructure by providing reliable charging services for commercial vehicle operators. The network currently comprises around 150 locations and over 400 charging points across 19 European countries. The objective is to cover the entire EU by 2025 and support the increasing spread of battery-electric commercial vehicles with scalable, sustainable solutions. To further strengthen its charging network, TRATON Charging Solutions has partnered with Hubject, a leader in eRoaming technology. Since 2023, this collaboration has focused on aligning data model requirements for EU charging points, ensuring the network meets fleet operators' needs while paving the way for broader global opportunities.

Additionally, the TRATON GROUP, in partnership with Daimler Truck and Volvo Group, has launched a high-performance charging network across Europe through their joint venture, Milence. This initiative aims to establish an electric corridor for long-haul trucking by installing a significant number of high capacity charging points along key transport routes and near logistics hubs. Joint investments of €500 million have been allocated for the construction of at least 1,700 charging points for heavy trucks and coaches by 2027. The first charging site was inaugurated on December 7, 2023, in Venlo. In 2024, additional locations were added in Belgium, Germany, France, and Sweden. By the end of 2025, Milence plans to have over 70 sites operational. Despite progress in regulatory frameworks, infrastructure remains a critical barrier to the widespread adoption of BEVs. Through Milence, TRATON is addressing these challenges by focusing on the development of both public and depot charging solutions. This network is designed to accommodate heavy-duty trucks and provide fast-charging capabilities, thereby reducing downtime for fleet operators.

Renewable electricity
The majority of the TRATON GROUP's European production sites are already utilising electricity from renewable energy sources. The remaining sites are scheduled to transition to renewable energy sources in the coming years.

Electrification and renewable heat
When it comes to electrification and the supply of renewable heat, there are various considerations for replacing the existing fossil energy sources. Depending on local requirements, geothermal energy, biogas, or hydrogen are being considered. A timeframe by which all our locations will be converted to renewable energy sources for heat supply has yet to be defined.

Electrification and fuel switching
In addition, the electrification and transition to alternative fuels for the company's own fleet is being driven forward. For the company's own trucks and cars, a steady increase in the proportion of the battery and alternative fuel-powered fleet is planned over the next years.

Investments in decarbonization activities
TRATON has allocated significant resources toward reducing CO_2 emissions. In 2024, €645 million (2023: €611 million) were spent on decarbonization projects. Looking ahead, TRATON plans to invest a further €5.4 billion (2025–2029). A substantial portion of these investments is directed toward projects targeting the use-phase lever, particularly the production of BEVs, strengthening TRATON's commitment to advancing sustainable transportation solutions.

2.1.2. Metrics related to climate change

Energy consumption and mix
To track and manage energy consumption, environmental coordinators at each brand collect energy usage invoices and record them in their brand-specific environmental IT systems. These invoices detail the amount of energy consumed from fossil and renewable sources. The consumption of nuclear energy is estimated through multiplying the energy consumption from fossil sources with the, country specific, percentage of nuclear energy in the grid – provided from an external source. The data is then aggregated within the IT system, providing a comprehensive overview of energy use across all sites.

The table below provides an overview of the TRATON GROUP's total energy consumption for the 2024 reporting year, categorized by energy source.

Energy consumption and mix

	2024
Total energy consumption (MWh)	2,543,919
Total fossil energy consumption (MWh)[2]	1,464,379
Fuel consumption from coal and coal products (MWh)	584
Fuel consumption from crude oil and petroleum products (MWh)	531,528
Fuel consumption from natural gas (MWh)	512,571
Fuel consumption from other fossil sources (MWh)	3,165
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	413,475
Share of fossil sources in total energy consumption (%)	57.6
Consumption from nuclear sources (MWh)	**33,312**
Shares of consumption from nuclear sources in total energy consumption (%)	1.3
Total renewable energy consumption (MWh)	**1,045,633**
Fuel consumption from renewable sources (MWh)[3]	66,487
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	936,591
Consumption of self-generated non-fuel renewable energy (MWh)[4]	42,555
Share of renewable sources in total energy consumption (%)	41.1
Non-renewable energy production (MWh)[5]	188
Renewable energy production (MWh)[6]	44,478
Total energy consumption from activities in high climate impact sectors (MWh)	2,543,919

2 Further disaggregation specifies how much energy is used from coal and coal products, crude oil, and petroleum products, natural gas, other fossil sources or purchased or acquired electricity, heat, steam, or cooling from fossil sources.

3 The data on energy consumption from biomass (including industrial and municipal waste of biological origin), biofuels, biogas, and hydrogen from renewable sources is directly derived from the respective invoices.

4 The TRATON GROUP consumes only self-generated, non-fuel renewable solar energy. Meter readings specify the amount produced, consumed, and sold.

5 Energy production from combined heat and power plants driven by gas burning, and electricity production from diesel burning in test engines and diesel generators.

6 Energy production from renewable sources, primarily from solar panels for TRATON, and from biomass pellets, calculated using conversion factors based on invoices detailing the mass (kg) of pellets purchased or from meters in burning stations if mass data is unavailable.

The table below outlines energy intensity relative to net revenue in high climate impact sector. The high impact sector used to determine energy intensity is based on the NACE code 29.10: Manufacture of motor vehicles.

Energy intensity per net revenue and net revenue from activities in high climate impact sectors

Energy intensity per net revenue	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/€ million)	53.6
Net revenue from activities in high climate impact sectors used to calculate energy intensity (€ million)	47,473
Net revenue used to calculate GHG intensity (€ million)	47,473
Total net revenue according to financial statements (€ million)	47,473

GHG emissions

The TRATON GROUP annually calculates its GHG emissions using the Scope 1 to 3 inventory, in accordance with the guidelines of the internationally recognized GHG Protocol and the ESRS.

Scope 1 and 2: Methods, assumptions, and emission factors

Currently, Scope 1 and Scope 2 emissions are calculated by the individual brands and aggregated at Group-level.

For Scope 1 emissions, the following emission factors are used: Scania and VWTB apply the Intergovernmental Panel on Climate Change (IPCC) Guidelines. MAN relies on the German Association of the Automotive Industry (VDA) guidelines for facilities, as well as the Life Cycle Assessment (LCA) for Experts Software and the Joint Research Centre (JRC) — European Commission and its JEC Consortium for vehicles. International uses factors from the Climate Registry.

Scope 2 GHG emissions are calculated using both location-based and market-based approaches in alignment with the Scope 2 Guidance of the GHG Protocol. For US sites, Environmental Protection Agency (EPA) emission factors are applied. For non-US sites, emission factors provided by the International Energy Agency (IEA) are used. Regarding

the types of contractual instruments used for energy purchases tied to Scope 2 emissions, TRATON currently records Guarantee of Origin, International Renewable Energy Certificate (IREC), Tradable Instruments for Global Renewables (TIGR) and Non-Fungible Digital certificates (NFD). The percentage of contractual instruments in 2024 is 69.4%.

Scope 3: Methods, assumptions, and emission factors

For the reporting year 2024, emissions are covered for all 15 Scope 3 categories, with methodologies and assumptions detailed in an internally maintained handbook that is updated annually. However, emissions of some categories are reported together with other categories. Upstream leased assets, primarily vehicles and buildings, are accounted for under Scope 1 and Scope 2 emissions as TRATON has operational control over these assets. Downstream transportation and distribution are classified under upstream transportation and distribution (Scope 3 Category 4) as all TRATON brands, except VWTB, outsource these services. To maintain a standardized reporting framework, VWTB's separately calculated data is manually integrated into Scope 3 Category 4. Downstream leased assets are reported under Scope 3 Category 11 as CO_2-equivalent emissions for all vehicles during their use phase are calculated and included in this category, irrespective of whether the vehicles are sold or leased. The emission factors used for calculating Scope 3 emissions are specific to each brand and Scope 3 category.

Emissions from the use phase of sold products represent the largest component of TRATON's emissions balance sheet. The calculation of these emissions is divided into two methods based on the product category. The first method applies to the product category of trucks and buses, while the second method applies to the product category of power solutions and external engines. To calculate emissions for trucks and buses, variables such as the number of vehicles, energy consumption, a well-to-wheel GHG emission factor, and the driven distance are considered. Each brand applies the same general formula by multiplying the values, but due to deviations in product portfolios each brand calculates the total emissions in a customized manner with differently grouped vehicle classes.

Scania uses its production volume while MAN, International, and VWTB use sales volumes. Energy consumption values are derived by collecting operational data sent from vehicles and are extrapolated based on vehicle group average. The monitored truck fleet is assumed to be representative of all vehicles. Due to lack of operational data, VWTB uses engineering tests and estimations. Estimates are also used for vehicle groups with no or minimal real-world data available such as vans and BEVs. Scania, VWTB, and MAN derive values of driven distance based on operational data such as survival rates and yearly driven distance for vehicle classes. International sets a value based on the reliability and quality service data for an entire year. Scania, International, and VWTB apply well-to-wheel emission factors differentiated by energy carrier and geographic region. MAN weighs together different geographic groups by energy use share and translates it up once over 80% of total energy is accounted for. In the case of BEVs, the total energy is accounted for in its entirety. AdBlue, N_2O, and methane as well as charging losses for battery electric vehicles are also considered.

For power solutions and external engines, Scania and MAN estimate total fuel consumption based on input from engine experts and multiply it by a CO_2 emission factor. International and VWTB do not sell separate engines and therefore do not calculate emissions for this product category.

Primary data in scope 3 reporting

When primary data from value chain partners is unavailable for Scope 3 emissions, assumptions, average values, and estimations are used to approximate the emissions. Currently, individual brands within the TRATON GROUP calculate their Scope 3 emissions independently, and the results are subsequently aggregated on the Group-level. This decentralized approach results in variations in calculation methods across brands, contributing to a higher degree of measurement uncertainty in certain subcategories. TRATON acknowledges that applying industry-wide, average emission factors does not account for individual measures taken by specific suppliers, which further underscores the challenges of the current approach. There is currently no recognized or standardized method for indicating the share of primary data in Scope 3 as well as measuring the extent of scope 3 GHG emissions measured using inputs from specific activities within upstream or downstream value chain. Recognizing these limitations, TRATON is committed to improving data accuracy and consistency by aligning calculation methods across the Group. This initiative aims to reduce measurement uncertainty and enhance the reliability of reported emissions data in the future.

GHG emissions (in tCO_2-eq)

	2024
Scope 1 GHG emissions	
Gross Scope 1 greenhouse gas emissions (tCO_2-eq)	248,370
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)[7]	6.5
Scope 2 GHG emissions	
Gross location-based Scope 2 greenhouse gas emissions (tCO_2-eq)	354,674
Gross market-based Scope 2 greenhouse gas emissions (tCO_2-eq)[8]	158,344
Scope 1 & 2 GHG emissions	406,714
Significant scope 3 GHG emissions	
Total gross indirect (Scope 3) GHG emissions (tCO_2-eq)	354,590,885
Purchased goods and services (tCO_2-eq)[9]	8,437,991
Capital goods (tCO_2-eq)[10]	639,174
Fuel and energy-related activities (tCO_2-eq)[11]	143,118
Upstream transportation and distribution (tCO_2-eq)[12]	1,230,802
Waste generated in operations (tCO_2-eq)[13]	369,762
Business travel (tCO_2-eq)[14]	88,276
Employee commuting (tCO_2-eq)[15]	87,160
Upstream leased assets (tCO_2-eq)[16]	–
Downstream transportation (tCO_2-eq)[17]	–
Processing of sold products (tCO_2-eq)[18]	151,500
Use of sold products (tCO_2-eq)	342,519,213
End-of-life treatment of sold products (tCO_2-eq)[19]	622,842
Downstream leased assets (tCO_2-eq)[20]	–
Franchises (tCO_2-eq)[21]	292,358
Investments (tCO_2-eq)[22]	8,690
Total GHG emissions	
Total GHG emissions (location-based) (tCO_2-eq)	355,193,928
Total GHG emissions (market-based) (tCO_2-eq)	354,997,599

7 Percentage is calculated with an online tool from the German Emissions Trading Authority (DEHSt) at the Federal Environment Agency.

8 Location-based emission factors were used for individual sites for which no market-based emission factors are available.

9 Purchased goods = volume of vehicle and components * weight of vehicle and components * $kgCO_2eq$ per reference vehicle or components. Purchased services (IT, supplies, packaging, sales marketing) are scoped out due to their minimal impact (<1%). Scania groups similar products together into eight reference groups, using production volumes and an in-house Material Data System (SMDS) with external Life Cycle Assessment (LCA) data. MAN applies LCAs for vehicle categories using sales data, average weight calculations, and expert estimates. For International, ClimatePartner calculates this datapoint. VWTB calculates emissions from component volumes, applying ecoinvent emission factors based on engineering calculations.

10 Capital goods = monetary input * emission factor. Monetary input based on values from Financial Accounting and Cash Transaction System (FACTS). Emission factors are used from GHG protocols. Factors are converted into $kgCO_2/€$ based on world bank data and adjusted for inflation based on the German Federal Office for statistics.

11 Fuel and energy-related activities = Sum of (emission factor for fuel type * fuel consumption for fuel type). Emission factors are sourced from the DKI handbook (Volkswagen AG), some additional emission factors are used from the Sphera´s database LCA for Experts. VWTB uses the GHG Protocol Scope 3 Evaluator with emission factors from the World Resources Institute, while ClimatePartner calculates this datapoint for International. The amount of fuel is derived from fuel consumption data differentiated by fuel type.

12 Scania and VWTB apply an activity-based calculation method. MAN employs a cost-based approach. Scania and MAN rely on emission factors from the Global Logistics Emission Council (GLEC). VWTB uses emission factors from the Department for Environment, Food & Rural Affairs (DEFRA) and the Brazilian GHG Protocol Program (PBGHGP). ClimatePartner calculates this data point for International.

13 Waste generated in operations = Sum of (waste outflow * corresponding emission factor). Scania and MAN use emission factors from LCA for Experts. Due to the different type of waste operations in South America, VWTB uses emission factors from the IPCC. ClimatePartner are calculating this datapoint for International.

14 Flight, train, and car data is collected separately at brand level and multiplied with the respective emission factors. MAN gets its data from BCD Travel standard reports for flight emissions. Car rental providers report data on the total annual orders of rented cars. Emissions from train travel are set to zero as Deutsche Bahn reports zero CO_2 usage. Scania receives its emissions stemming from flight travel from BCD Travel reports. Rental cars are reported using data provided by the rental car companies. No emissions from train transportation are reported for Scania. VWTB calculates the emissions based on emission factors from DEFRA 2021 for flights and from PBGHGP for cars. No trains are used in VWTB. ClimatePartner calculates this datapoint for International.

15 Commuting emissions = ∑ number of employees per region * distances * modal split * emission factors. The number of employees is split into regions (Europe, North America, South America, Africa, Asia/Pacific, Australia) and direct (production)/indirect (non-production) sector. VWTB uses a calculation based on primary data since its employees' main method of commuting is the chartered bus fleet hired by the company.

16 Upstream leased assets, primarily consisting of vehicles and buildings, are reported under Scope 1 and Scope 2 emissions, as their operational emissions can be determined.

17 Reported under upstream transportation and distribution.

18 Only rigids are included in the processing calculation. The emissions are estimated by assuming the processing emissions per vehicle are the same as the production emissions per vehicle. Scope 1 and 2 emissions are divided by the total number of vehicles sold and then multiplied by the number of rigids sold. ClimatePartner calculates this datapoint for International.

19 End-of-life treatment of sold products = ∑ (Intensity factor (CO_2 per vehicle group) * product sales amount). Scania and MAN use a combined LCA model to estimate end-of-life CO_2 emissions per vehicle group, considering only dismantling and transport, without recycling or energy recovery credits. This method, also used by VWTB, is applied with sales volumes. ClimatePartner calculates this datapoint for International.

20 Reported under use of sold products.

21 Scania and MAN franchise emissions are calculated based on the average Scope 1 and Scope 2 emissions of a typical commercial site. ClimatePartner calculates this datapoint for International. VWTB does not have any commercial sites in scope for CSRD.

22 Scania calculate this datapoint in two steps. Investments are prioritized by importance, selecting the top ten for evaluation. Scope 1 and 2 emissions are then calculated based on Scania's equity share in these companies, using the formula: Emissions * Share. Emission data is obtained from the companies' environmental reports or, if not available, through questionnaires sent to the companies. MAN has fewer than ten investments and therefore includes all investments in its calculation. ClimatePartner calculates this datapoint for International. VWTB does not provide financial resources to external companies.

Biogenic carbon emissions

The biogenic CO_2 emissions resulting from combustion or biodegradation of biomass are displayed in the following table, categorized by their exclusion from Scope 1, Scope 2, and Scope 3 GHG emissions across the value chain. For 2024 reporting each brand will use different emission factors to calculate biogenic Scope 1 emissions: Scania and VWTB uses emission factors from the IPCC Guidelines, International uses the Climate Registry. MAN uses VDA emission factors for emissions from facilities and Sphera's LCA for Experts and JEC emission factors for vehicle emissions. The VDA emission factors utilized to calculate Scope 2 emissions for every brand provide detailed disclosures of the biomass percentage specific to each country. All brands use Sphera LCA for Experts emission factors for Scope 3 emissions.

Biogenic carbon emissions

	2024
Biogenic emissions of CO_2 from the combustion or biodegradation of biomass in Scope 1 GHG emission (tCO_2-eq)[23]	14,971
Biogenic emissions of CO_2 from the combustion or biodegradation of biomass in Scope 2 GHG emission (tCO_2-eq)[24]	22,214
Biogenic emissions of CO_2 from the combustion or biodegradation of biomass that occur in its upstream and downstream value chain in gross Scope 3 GHG emissions (tCO_2-eq)[25]	20,782,563

23 Emissions are calculated using fuel consumption from coal, crude oil, natural gas, and other fossil sources, following the same methodology as gross Scope 1 GHG emissions but applying specific emission factors instead of CO_2 factors. Scania and VWTB use IPCC Guidelines, International uses Climate Registry standards, and MAN applies VDA for facilities and LCA for Experts & JEC for vehicles.

24 TRATON brands use VDA emission factors for the biogenic content of fuels. For locations not covered by the VDA, an average "rest of the world" emission factor will be applied.

25 The upstream biogenic carbon component has a minimal impact and is currently omitted due to its low contribution. Plans are in place to include it in future assessments as capacity allows. For the downstream part, TRATON brands utilize emission factors based on LCA for Experts, which differentiate between the biogenic and non-biogenic carbon content of the energy carriers used. At VWTB, the distinctive approach lies in the use of emission factors from the Renovabio database, which aligns with their methodology.

GHG emissions intensity

The table below presents the total GHG emissions calculated using both the location-based and market-based methods, relative to net revenue. The net revenue of TRATON GROUP amounts to €47,473 million.

GHG intensity based on net revenue

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO_2-eq/€ million)	7,482
Total GHG emissions (market-based) per net revenue (tCO_2-eq/€ million)	7,478

Further information on GHG reporting

The calculations presented for gross Scopes 1, 2, 3, and Total GHG emissions metrics have not been independently validated by an external body beyond the use of recognized methodologies and tools provided by external organizations, such as ClimatePartner, the German Emissions Trading Authority (DEHSt), and other industry-standard references.

Currently, there are no active carbon removal or storage initiatives integrated in our business activities or supply chain. Additionally, no formalized internal carbon pricing schemes are currently in place within TRATON GROUP's business operations.

2.2. Pollution

2.2.1. Management of pollution

The TRATON GROUP understands that the transport industry can profoundly contribute to the pollution of the environment. During the double materiality assessment, four sustainability matters related to environmental pollution were classified as material: pollution of air, pollution of water, microplastics, and substances of very high concern.

Besides the ECMS policy (see the section on **"Sustainability management process"**) overseeing environmental topics at TRATON on a Group-level, there are currently no policies, actions or targets in place that specifically relate to sustainability matters of pollution in detail, as this responsibility lies with the individual brands. This includes measures for mitigating negative environmental impacts, minimizing the use of substances of concern, phasing out substances of very high concern, and the specific procedures for preventing and managing incidents and emergency situations.

2.2.2. Metrics related to pollution

Pollution of air

TRATON brands conducted a threshold analysis to see what pollutants are above the thresholds specified in E-PRTR at all production sites. Of the pollutants referred to in E-PRTR, TRATON has found five substances with emissions above the threshold: Hydrofluorocarbons (HFCs), Hydrochlorofluorocarbons (HCFCs), Non-methane volatile organic compounds (NMVOC), Nitrogen oxides (NOx/NO_2) and Benzene. TRATON brands use local emission factors to calculate the pollutants emitted to air.

Pollution of air

	2024
HFC (t)[26]	29.2
HCFC (t)	1.9
NMVOC (t)[27]	1,157.4
NOx/NO_2 (t)[28]	167.4
Benzene (t)[29]	5.5

26 Hydrofluorocarbons (HFCs) and Hydrochlorofluorocarbons (HCFCs) include gases leaked from cooling equipment. Usually, leaks occur when filling up the AC in the trucks and from cooling equipment leakages. It is documented when the coolant is filled up and how much is used. It is also documented when emptied and the difference is the leakage.

27 Volatile Organic Compounds (VOCs – from painting) are calculated from the material balance, with data provided from all production sites. The method analyses how many organic solvents are put into the production process, and this is compared with the outflows to air/water. Abatement incinerates the solvent, and, in these cases, it is measured to see how much is incinerated.

28 Nitrogen oxides (NOx/NO_2) are calculated at brand level using local emission factors. In combustion engine development emission factors have been determined from actual measurements of fuel used. The emission factors are calculated using the amount of fuel purchased, compared with the amount of fuel used and considering the type of engine.

29 Benzene is measured in process ventilation. A sample is taken from few hours of product-based on-air flow and ventilation and extrapolated to get an annual value.

Substances of very high concern

The IMDS substances of very high concern (SVHC) list of the European Automobile Manufacturers' Association (ACEA), which is derived from the ECHA candidate list, is used as the basis for recording SVHC.

If SVHC are used as such (substances) or in mixtures during vehicle production or become a component of the product 'vehicle' during the production process, they are checked, recorded and approved in advance by internal chemical management processes. A substance-related quantity analysis of SVHCs cannot currently be carried out in full at Group level.

The TRATON GROUP and the operators at the sites of the individual brands always act in accordance with the applicable legal requirements. Sites and plant technology are authorised by the authorities in accordance with these requirements. This applies in particular to environmentally relevant plants whose operation results in emissions to air and water, so that far-reaching operator obligations have been defined in their plant licences. As part of such ancillary provisions, recurring emission measurements are also carried out to ensure compliance with applicable limits. There is currently no limit value that covers the entire scope of all known substances of very high concern (SVHC). There is also no measurement method for recording the entire spectrum of all SVHC. It is therefore not possible to collect data on these emissions according to the current state of the art.

With regard to the use of SVHCs as part of TRATON's products, lead in the starter batteries accounts for 98% of the total amount of SVHCs and is by far the largest component of a typical truck. The total amount of lead in starter batteries sold by TRATON during 2024 amounts to 24,780 tonnes.

The data point "total amount of SVHCs leaving facilities as products" is not considered applicable for TRATON as only "vehicles sold" are considered according to the product definition.

2.3. Water

2.3.1. Management of water

Water is a vital resource, essential not only for human life, but also for the health of our ecosystems and the sustainability of our operations. TRATON recognizes the critical importance of responsible water management and the role the company plays in protecting this precious resource. As TRATON's double materiality assessment has revealed that marine resources are not material for the TRATON GROUP, this section focuses solely on water as a sustainability matter.

Besides the policy ECMS overseeing environmental topics at TRATON on a Group-level, there are currently no policies, actions, or targets in place that specifically relate to the sustainability matter of water in detail, as this responsibility lies with the individual brands. This includes the use, sourcing and treatment of water as well as the prevention of water pollution. Furthermore, on a Group-level, no water-related approaches for product design or commitments have been agreed on so far.

However, to ensure responsible water management across its operations, the TRATON GROUP conducted a risk analysis in 2024 to assess whether any of its facilities are situated in water risk areas. This analysis showed that ten of TRATON's production sites are located in water risk areas and areas with high water stress.

Those production sites are fully in compliance with local regulations.

2.3.2. Metrics related to water

Water consumption

The TRATON GROUP calculates its total water consumption using a systematic approach. For sites where water discharge data is available, the water consumption is determined by subtracting the water discharge from the water usage. Additionally, the percentage of water discharge relative to water usage is calculated for these sites. From these calculations, average percentage of water discharge are identified and used in the next steps.

For sites without water discharge data, water consumption is estimated based on the recorded water usage and the average percentage of water discharge derived from the sites with available data. The estimated water discharge is calculated by multiplying the water usage by the average percentage of water discharge. This estimated discharge is then subtracted from the water usage to calculate the estimated water consumption. The total water consumption is calculated by adding the sum of the calculated water consumption from sites with discharge data to the sum of the estimated water consumption from sites without discharge data.

For the calculation of total water consumption in areas with water risk, including areas of high water stress, the TRATON GROUP follows a specific procedure before applying the general water consumption calculation method. First, all sites of the TRATON brand are registered with their coordinates in WRI's Aqueduct Water Risk Atlas. An Excel sheet with the results is downloaded, and sites with an "overall water risk" greater than Medium-High are filtered. The water consumption is then calculated using the same method as outlined earlier, but only for these high-risk sites. It should be noted that the data used in these calculations carry a certain level of measurement uncertainty. There is limited data on discharged water, and the assumption that the average discharge rate accurately represents water discharge across both commercial and production sites may not fully account for variations at all locations. In total, 96% of the measurements for water performance were obtained using estimations.

Water consumption

	2024
Water consumption (m^3)	2,125,066
Water consumption in areas at material water risk including areas of high-water stress (m^3)	492,212
Water recycled and reused (m^3)[30]	207,444
Water stored (m^3)[31]	172,740
Water intensity ratio (m^3/million euro)[32]	44.8

30 Water recycling and reuse data is entered into the brand's environmental IT system based on meter readings. The data consolidator aggregates this information from all sites to compile a comprehensive overview within the system.

31 Water storage data is entered into the brand's environmental IT system based on meter readings. The data consolidator aggregates this information from all sites to generate a comprehensive overview within the system.

32 The estimated minimum and maximum water consumption is used as the numerator and divided by the TRATON net revenue in the denominator.

2.4. Biodiversity and ecosystems

2.4.1. Management of biodiversity and ecosystems

A comprehensive assessment was undertaken to evaluate whether TRATON GROUP's production sites are located in or near biodiversity-sensitive areas. The evaluation included 25 production sites involved in the manufacturing of vehicles, components, and assemblies. Details of these sites are provided in the section **"Annex"**.

As a commercial vehicle manufacturer, the company acknowledges that activities across our value chain can affect biodiversity and ecosystems. The TRATON GROUP has identified the sustainability matter of direct impact drivers of biodiversity loss as material. No material impacts, risks, or opportunities were identified for other biodiversity-related sustainability matters, and therefore these are not addressed further in this report. The TRATON GROUP has defined a radius of 4500 meters for the assessment of sites located near or in biodiversity-sensitive areas on the basis of the Technical Instruction on Air Pollution Control. This Radius equates to the height of the tallest chimney multiplied by 50. The corresponding protected areas were analyzed by a third party. The data was compared with the information provided by the NALA biodiversity measurement.

The analysis revealed that 19 production sites (a total of 1,451 ha) are situated within a 4.5 km radius of 34 protected areas. The status of over 500 protected areas was reviewed as part of this assessment. The evaluation also took into account protected habitats, species at risk, and those endangered or critically endangered. Within the radius of the 25 production sites assessed, endangered species were identified. TRATON identified material dependencies to water and material impacts in the upstream and downstream value chain related to GHG emissions; related to water pollution, non-GHG air emissions and soil pollution; and related to solid waste pollution as well as impacts related to land use change and noise pollution.

At TRATON GROUP level, there are currently no policies and targets in place that specifically relate to sustainability matter of direct drivers of biodiversity loss, such as the production, sourcing, or consumption of raw materials. However, the WWF study, described below, has highlighted the importance of this sustainability matter. Hence, the TRATON GROUP will take steps to address this topic in the future.

Actions

In 2024, the following key action was taken regarding biodiversity and ecosystems.

WWF study on nature risks

The TRATON GROUP provided some sector-specific data to WWF Sweden for a project that aimed to explore the interactions between the commercial vehicles sector and nature, focusing on its dependencies and impacts. The WWF Sweden-authored study, titled "The Current and Future Nature Risks of the Commercial Vehicles Industry", provides information to the Group to better understand key areas of impact on nature across the sector's operations and supply chain. The study analyzes how upcoming changes, such as electrification, will alter these interactions and assesses the associated impacts, risks and opportunities.

To obtain comprehensive insights, the whole value chain is considered. The study took place throughout 2024, and the report offering research-backed recommendations for the industry will be published at the beginning of 2025. This study will provide some crucial insights into the commercial vehicle industry's impact on nature, enabling TRATON to start developing an approach to manage and mitigate impacts and dependencies on nature. Potential stakeholder groups identified in the study include, but are not limited to, vehicle manufacturers, suppliers, logistics companies, end users, consumers, and communities impacted by the commercial vehicle sector's operations and environmental footprint.

The study identified a wide variety of activities across all stages of the commercial vehicles industry's value chain. Regarding the production stage, the analysis focused on activities such as metal cutting, pressing, grinding, welding as well as painting and polishing. The dependencies considered included water and soil quality and condition, while the impacts examined were land-use change, water pollution, GHG emissions, non-GHG air emissions, solid waste pollution, soil pollution, noise pollution and vibrations, invasive species, and diseases.

The TRATON GROUP has not incorporated local and indigenous knowledge or nature-based solutions for this specific action.

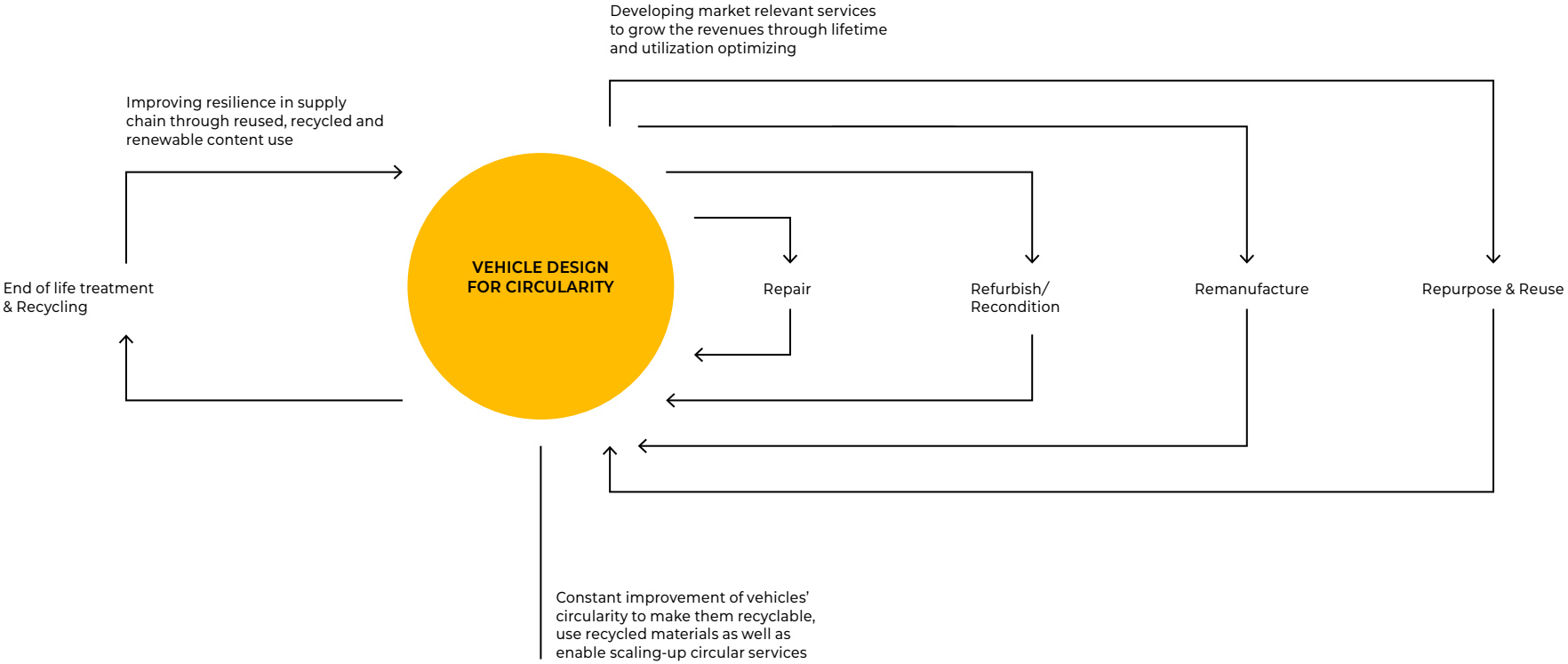
2.5. Resource use and circular economy

2.5.1. Management of resource use and circular economy

The TRATON GROUP is committed to decoupling resource use from business growth, considering the resource use across the vehicles' lifecycles.

A heavy-duty truck with an internal combustion engine typically consumes a substantial number of raw materials and fuel over its lifetime. LCAs suggest that heavy-duty vehicles can consume roughly 30–40 tons of raw materials throughout their production and maintenance phases, depending on design and specific use cases. Additionally, the use phase of these heavy-duty vehicles involves significant fuel consumption, estimated at approximately 400–500 tons of diesel fuel for long-haul operations over a typical lifespan. This high resource consumption makes the environmental impact of these vehicles substantial, in terms of resource depletion while it also highlights the sustainability advantages of electrification, which reduces overall resource intensity and supports circularity goals.

TRATON Circular Business Model



While vehicles' embodied materials range from steel, aluminum, plastics, and glass, BEVs additionally depend heavily on essential battery minerals such as lithium, cobalt, and nickel. Adopting circular principles in the product design is essential to mitigating negative environmental impacts and maximize value retention throughout the entire life cycle for customers and wider society. By maximizing the use of secondary materials, TRATON aims to reduce the demand for finite resources and minimize waste at a vehicle's end of life.

Policies

The regulation of resource use and circularity is a central component of the TRATON strategy. It focuses on the use of secondary materials, sustainable sourcing, and the adoption of renewable resources, underscoring the commitment of the TRATON GROUP to maximize resource efficiency. The TRATON sustainability management guideline, in conjunction with the sustainability management process, is related to opportunities for cost savings and enhanced reputation, exemplified by initiatives such as achieving circularity principles through product design and adopting energy-efficient technologies like BEV production. They are also related to the potential negative impact of landfill waste and contribution to resource depletion due to significant waste generation.

Also, the TRATON sustainability management guideline, in conjunction with the sustainability management process, and the Code of Conduct for suppliers and business partners are related to the actual negative impact of resource consumption, which is substantial in the transportation supply chain due to the reliance on non-renewable resources. These policies also address the risks of higher costs associated with circular design and energy-efficient technologies, which could impact profitability and market share, as well as the financial and supply chain risks linked to rising resource costs and reliance on non-renewable resources. Furthermore, the Code of Conduct for suppliers and business partners is related to the potential negative impact of improper disposal or recycling of vehicles can contribute to landfill waste, increased resource outflows, and the loss of valuable resources.

Concepts for resource use and circularity

In 2024, the following concepts related to resource use and circularity were implemented through the TRATON sustainability management guideline in conjunction with the sustainability management process. In response to challenges such as limited resources, stricter regulations on materials, and rising prices, the TRATON Sustainability Board has approved circularity as a TRATON joint impact area, and approved circularity commitment to decouple resource use from business growth. The main decisions taken by the TRATON Sustainability Board and other relevant forums within the TRATON governance structure included were defining four key levers related to resource use and the circular economy: reducing resource consumption and waste; reused, recycled and renewable content; optimizing the lifetime and utilization rate; and business model and partnerships development. Sponsors were appointed within the TRATON Sustainability Board to ensure the effective implementation of these sustainability matters.

Circularity principles were introduced as part of the framework guiding the development of vehicles. Additionally, a remanufacturing framework was developed to integrate remanufacturing into the design process, with an ongoing effort to develop an execution plan to scale up remanufacturing business across the TRATON GROUP.

Code of Conduct for suppliers and business partners (Group policy)

Resource efficiency is a fundamental aspect of the Code of Conduct for suppliers and business. Business partners take appropriate and adequate measures aimed at avoiding waste, re-using resources, recycling as well as the safe, environmentally friendly disposal of residual waste, chemicals and wastewater. Such measures can be applied in development activities, production, product service life, and subsequent end-of-life recycling as well as in other activities. Thereby, the business partners comply with international agreements on the cross-border transport of hazardous waste, in particular the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989, as well as with the corresponding, applicable implementation rules at national and supranational level.

Whenever technically possible and economically reasonable, business partners should use secondary materials within their processes. Business partners should know the percentage of recycled content in their products and make this information available to TRATON on request. Business partners should endeavor to pursue and promote circular systems in addition to following these principles. This can generally be achieved by closing the material loop, optimizing the lifetime of products and improving their utilization.

Further information on TRATON's Code of Conduct for suppliers and business partners is available in section **"Management of relationships with suppliers"**.

Actions and targets

In 2024, the four key levers described below guide the company's effort toward resource use and circularity, forming the foundation for a focused set of actions. The sustainability matter of waste aligns with the key lever of reducing resource consumption and waste. The three additional key levers are: reused, recycled, and renewable content; optimize the lifetime and utilization rate; and business model and partnerships development relate to sustainability matters of resource inflows, including resource use, and resource outflows associated with products and services.The specific actions associated with each lever are further detailed below, providing a comprehensive view of their implementation and impact. The levers are pursued on an ongoing basis, without an explicit time horizon, allowing for flexibility and continuous adaptation to evolving challenges and opportunities.

As of the 2024 reporting period, TRATON GROUP has not yet established specific targets related to the sustainability matters of resource use and circular economy. This is because the key levers and their respective set of actions were formalized only earlier in 2024. The Group is actively working on defining concrete targets and will provide updates in the future.

Reducing resource consumption and waste

TRATON's ambition is to use resources more efficiently, minimize waste generation, and ultimately reduce resource consumption across the entire value chain, with particular attention to the use phase of the vehicles produced by TRATON and to its own operations. At TRATON, elimination of waste is a corporate value, and our brands are continually identifying more efficient ways to design and produce vehicles. By optimizing these processes, we aim to not only make our operations more sustainable but also improve affordability for our customers. This action relates to and has been determined based on the TRATON sustainability management guideline and the sustainability management process.

The responsibility for waste reduction rests with each individual brand, and by 2025, TRATON plans to assess the possibility of setting Group-wide waste reduction targets, informed by the efforts of its brands.

In addition to efforts within own operations, the use phase of TRATON's vehicles plays a crucial role in reducing resource consumption. Electrification is key to this, as it helps to significantly lower GHG emissions and resource usage by reducing reliance on fossil fuels. Moreover, improving engine fuel efficiency remains a focus area, as it further reduces resource consumption and enhances sustainability across the vehicle lifecycle.

Reused, recycled, and renewable content

In this area of focus, TRATON GROUP is dedicated to sourcing materials with recycled and renewable content while integrating reused parts into its vehicles. We encourage our business partners to prioritize the use of recycled materials and share recycled content data with the TRATON GROUP upon request. Through collaboration, the Group aims to source more sustainable materials and increase the share of recycled and renewable content in TRATONs products. Achieving this requires strong cross-functional efforts to incorporate reused parts and higher recycled material content into vehicle designs. Additionally, TRATON is working to enhance the traceability of material composition, allowing a transparent communication of the product sustainability to customers. This approach is also closely linked to reducing supply chain emissions.

By using recycled and reused parts in vehicles, reference is made to the TRATON sustainability management guideline, in conjunction with the sustainability management process, and uphold the principles set forth in our Code of Conduct for suppliers and business partners.

Optimizing the lifetime and utilization rate

To advance lifetime and utilization rates, TRATON focuses on improving product longevity through enhanced durability and repairability; increasing reuse through reconditioning and repurposing parts; and expanding remanufacturing and refurbishing services to extend the life of components. These efforts primarily target the downstream part of the value chain of TRATON, aiming to reduce resource outflow by prolonging product life.

In 2024, TRATON launched a set of circular design principles to ensure that circularity is embedded in vehicle designs from the outset. These principles facilitate the use of recycled content and enhance recyclability, remanufacturability, durability, and repairability. Initial measurements for the first circular principles have been developed, with further integration planned for the coming years.

By implementing these principles, TRATON supports opportunities to increase profit pools and revenues while reducing costs for circular services such as remanufacturing, repair, refurbishment, and reuse. These efforts also strengthen TRATON's ability to align with upcoming regulatory demands such as circular design standards and requirements for end-of-life collection and dismantling. Furthermore, they contribute to building competencies essential for a circular economy, improving access to green financing for the transition to a circular economy, and increasing the use of recycled and renewable content in vehicles to enhance recyclability and sustainability.

A key aspect of TRATON's approach to circularity involves expanding circular services, including remanufacturing, repair, refurbishment, and reconditioning. To support these efforts, TRATON has prioritized scaling up remanufacturing services across brands through a dedicated cross-brand Remanufacturing Task Force.

The ongoing development of the common modular platform, the TRATON Modular System (TMS), plays a significant role in supporting TRATON's circularity agenda. TMS enables brands to share standardized components, systems, and technology platforms across models. While primarily designed to drive compatibility, operational flexibility, and scalability across regional markets, TMS also contributes to circularity by facilitating the reuse and refurbishment of standardized components such as engines, transmissions, and electronics. This alignment with circular principles enhances maintenance services, improves efficiency, and supports resource conservation. By considering circular design principles from the early stages of vehicle development and production and expanding remanufacturing options, TRATON integrates its circularity efforts with its broader sustainability objectives, relating to the TRATON sustainability management guideline and the sustainability management process.

Business model and partnerships development

Developing innovative business models and strengthening partnerships are key to TRATON GROUP's journey toward becoming a more circular company. To achieve its circularity ambitions, TRATON is committed to sourcing more renewable and recycled materials and scaling up circular services through essential collaborations, within the Group, along the value chain and beyond.

TRATON will work on developing further partnerships with suppliers, customers, governments and even competitors to create a more circular transport system. The company is committed to advocate for the changes required to build more circular economy and are exploring new business models, such as product as a service, in partnerships with others. One example is JUNA, a joint venture established in partnership between Scania and Sennder. It aims to drive forward the electrification and decarbonisation of European road logistics with the help of an innovative pay-per-use approach.

Currently, the TRATON GROUP and its brands collaborate with multiple recycling partners in Europe. One of the major tasks of these recyclers is the safe recovery of lithium through complex processes. These partnerships are crucial for advancing sustainable material recovery within TRATON operations.

External advocacy is a key part of our partnership approach. The TRATON GROUP is convinced that the transition to a circular economy is imperative.

By intensifying cooperation within the TRATON GROUP and strengthening relationships with external stakeholders, the company aims to further advance the development of a circular transport system. This approach relates to the TRATON sustainability management guideline and the sustainability management process and aligns with the principles of the Code of Conduct for suppliers and business partners.

2.5.2. Metrics related to resource use and circular economy

Resource inflows

Resource inflows of materials and products

With the continued transition toward e-mobility and the production of BEVs, demand for raw materials is expected to rise. To address this, TRATON remains committed to closely monitoring the sourcing of these materials, ensuring compliance with human rights standards and ethical practices throughout the supply chain. For more information, please refer to section **"Management of climate change"**.

Material composition and integration of recycled content

The total weight of vehicles produced by TRATON, including technical and biological materials, amounts to 2,473,853 tons in the reporting year 2024.[33] This figure is calculated based on either supplier-provided data on the weight of parts or by directly weighing the vehicles. The weight data is averaged for each product group and multiplied by the production volume to derive the total value. The percentage of biological materials that were sustainably sourced is 0%.[34]

The weight of recycled materials is 604,511 tons, which corresponds to a percentage of 24% of total material usage. The total weight of products is broken down into material groups, and the corresponding share of secondary materials is applied. While brands calculate this in slightly different ways due to data availability, the overall approach follows the same principle of material classification and reference vehicle analysis.[35] The secondary material share is expected to be an accurate representation. The figure is based on industry data and has been externally audited through the Volkswagen Group. Given the potential for a large range in the secondary material share of some materials, the lower percentage has been used to ensure a conservative approach. To enhance accuracy in the future, plans are in place to actively request and collect information from suppliers on secondary material rates when supplying a part to TRATON brands.

Resource outflows

Circular economy in products and materials

In alignment with circular economy principles, TRATON GROUP is focused on minimizing resource and energy consumption. Initial efforts have prioritized batteries, steel, aluminum, and plastics as critical materials for a circular approach. These initiatives lay the foundation for further advancing the Group's joint impact area circularity and exploring innovative business models.

End-of-life handling for heavy-duty vehicles is supported by TRATON brands through dismantling information, which includes guidelines for draining and removing hazardous waste, managing safety systems, and identifying key materials in vehicles. Additionally, TMS supports circularity by standardizing components across brands. This approach not only enhances operational efficiency but also simplifies maintenance and optimizes resource use throughout the vehicle lifecycle. As high-voltage batteries and other key components such as electric drive systems enter circulation due to legislative requirements, their raw materials play an increasingly vital role in climate protection. These materials are not only valuable but also critical for ensuring resource security. Maintaining these materials in circulation supports the decoupling of production from virgin raw material dependency while safeguarding access to essential resources. Furthermore, the extraction and use of these raw materials are associated with emissions and other environmental impacts. By reusing battery raw materials multiple times, TRATON GROUP can mitigate these effects, contributing to a reduction in the overall CO_2 footprint. The reduction potential is important, and underscores TRATON's commitment to resource efficiency and sustainability.

33 The same total vehicle weight (kg) is also used for calculating CO_2 emissions for purchased goods and services in Scope 3.

34 TRATON's materials are considered technical as there is insufficient information available regarding certified biological materials. Therefore, the percentage in this case is 0%.

35 Scania uses the International Material Data System (IMDS) to classify material weights per VDA 231-106 categories and calculate total material weight by applying reference vehicle production volumes. International and VWTB derive the weight of hotspot materials from purchasing data and supplier/engineering data, respectively, in alignment with VDA 231-106. MAN, without access to granular IMDS data, calculates material distribution based on LCA analyses of reference vehicles. Secondary material shares for Scania, VWTB, and International rely on association data for metals (VDA categories 1–3), with non-metals assumed to have 0% secondary materials due to limited data availability. MAN has developed expert estimations, with supplier input, for hotspot material groups.

Given the increasing complexity of supply chains and the geopolitical and material availability challenges of recent years, TRATON recognizes the need to develop an efficient, Group-wide strategy for material security. This is not yet an active strategy, but the plan is to establish a comprehensive raw material procurement process aimed at securing critical and strategic raw materials for key components. This strategy will focus on strategically relevant raw material groups to define, assess, and implement optimal security scenarios. These groups may include battery materials, rare earth elements (REEs), platinum group materials (PGMs), semiconductor materials, tin, tantalum, tungsten, and gold (3TGs), and mica (a silicate mineral widely used in electronics and industrial applications). Other critical resources such as magnesium, aluminum, plastics, and copper will also be considered. Once established, this process will help TRATON proactively address material risks and ensure long-term resource security for the group.

Durability

TRATON vehicles are designed and constructed to remain functional for extended periods, with their longevity further supported by regular servicing and the repair or replacement of broken parts. However, there is currently no industry-wide standard or average method for calculating the durability of heavy-duty vehicles. Additionally, the durability of such vehicles is influenced not only by their design and construction but also by factors such as intensity of use, geographic conditions, and the frequency of repairs and servicing. As a result, the TRATON GROUP is unable to provide a definitive durability figure for its products.

Repairability

TRATON GROUP's focus on high quality and low repair needs ensures the long durability of its vehicles during their usage phase, significantly contributing to resource efficiency and sustainability. If a part fails, customers benefit from established repair and maintenance services, which not only extend vehicle lifespan but also provide a key revenue stream for the Group.The exchange parts program is a cornerstone of this approach. It enables the return of "old parts" by importers and national subsidiaries for industrial processing, remanufacturing, or refurbishment, making these components suitable for reuse in other vehicles within the Group. Parts that cannot be remanufactured or refurbished are replaced with brand-new components. This program reduces waste and maximizes resource efficiency. During the vehicle design phase, TRATON evaluates repair activities for heavy-duty vehicles using a standardized rating scheme. This scheme objectively assesses repair-specific criteria to ensure repairs are quick and efficient, ultimately enhancing the customer experience and minimizing downtime.

Recyclability and recoverability of products

As part of its commitment to circularity, the TRATON GROUP evaluates its vehicles to ensure compliance with international standards and advance sustainability. A recyclability calculation conducted on two 12-meter Citywide urban buses, one ICEV and one BEV, using the guidelines set out in ISO 22628:2002, showed a recyclability rate of 91% for both vehicles.

Additionally, a study of TRATON's heavy-duty truck portfolio, including ICE models TGX, TGS, TGM, TGL, and the BEV truck model eTGS, revealed recyclability rates exceeding 85%.

Waste streams and material management

TRATON GROUP generates diverse waste streams across its production processes. A significant portion consists of scrap metal, metal filings, and metalworking fluids from machining operations. Paint waste is another major category, containing residues of organic solvents and other chemical components from vehicle painting. Additionally, casting sand from foundries and packaging materials such as cardboard, plastics, and wood are common waste types. The materials present in these waste streams include metals, oil, organic solvents, plastics, sand, cardboard, and wood. Each material requires tailored waste management strategies to minimize environmental impact and comply with regulations.

TRATON receives detailed reports from waste management companies outlining the quantity and type of waste generated. These reports categorize the waste as hazardous or non-hazardous and specify the recovery or disposal methods used, such as re-use, recycling, landfilling, incineration or other recovery/disposal operations. This data is then uploaded to the brands' environmental IT systems, where environmental coordinators consolidate and calculate total figures.

Waste streams and material management

	2024
Total waste generated [t]	**363,680**
Non hazardous	
Total amount diverted from disposal	
Preparation for reuse [t]	8,540
Recycling [t]	182,749
Other recovery operations [t]	32,579
The amount directed to disposal	
Incineration [t]	1,864
Landfill [t]	56,663
Other disposal operation [t]	6,553
Hazardous waste	
Total amount of hazardous waste [t]	75,053
Total amount diverted from disposal	
Preparation for reuse [t]	4,798
Recycling [t]	24,889
Other recovery operations [t]	21,181
The amount directed to disposal	
Incineration [t]	1,273
Landfill [t]	20,784
Other disposal operation [t]	1,880
Total amount of non-recycled waste [t]	142,446
Percentage of non-recycled waste [%]	39.2
Total amount of radioactive waste [t]	0

3. Social

3.1. Own workforce

The attractiveness and innovative strength of an organization is largely dependent on how well it recognizes and leverages the individual capabilities of its employees. Especially considering the ongoing structural change in our working world, diversity in our employees' job profiles and qualifications is becoming increasingly important. Providing the right skills is a key success factor for the TRATON GROUP. TRATON relies on qualified and motivated employees, and we want to offer our employees a safe and attractive working environment in which they can develop their full potential.

3.1.1. Process for engaging with own workers and workers' representatives

In the TRATON GROUP, we attach great importance to the participation of our employees and their representatives. Therefore, decisions and activities aimed at managing actual and potential impacts are informed by the perspectives of TRATON GROUP's workforce. This engagement occurs mainly with representatives.

Employee representation

The employee representatives are involved in various bodies at TRATON GROUP. One such is the TRATON Supervisory Board, which is made up of an equal number of shareholder and employee representatives and, hence, ensures an equal say of both groups in decision-making.

At Group-level, TRATON has two labor forums — the GROUP Works Council (KBR "Konzernbetriebsrat") and the SE Works Council — that are designed to ensure the multinational involvement of our employee representatives. As part of an additional agreement with the SE Works Council, the company enables participants to be invited from outside the European Union, so that employee representatives from locations around the world can take part in the meetings. We conduct at least five SE Works Council Meetings and four Group Works Council Meetings per year to ensure effective communication and collaboration across the organization. In addition, the Executive Board and the employee representatives established an economic committee held twice per year for information on economic matters at the level of the SE Works Council. Sub-committees held several meetings for matters related to our Group Industrial Functions, ensuring that the representatives are kept informed about the latest developments.

Frameworks for employee engagement

The rights of TRATON GROUP's employees are governed by the SE Participation Agreement as defined under section 2 para. (3) and para. (4) of the Act on the participation of the employees in a European community (SEBG), in member states of the European Union and the European Economic Area. In practice, the Chief Human Resources Officers (CHROs) and the Group Labor Relations department are responsible for ensuring employee engagement on an operational level. TRATON's Strategy on labor standards and working conditions (see the section on **"Management of working conditions"**) defines common principles and standards for our employees. Further internal agreements include the SE Participation Agreement and the Business and Human Rights Commitment. External commitments comprise e.g., the TRATON Modern Slavery and Human Trafficking Statement, and the commitment to the United Nations (UN) Global Compact. Each brand is responsible for ensuring execution and compliance of these standards and agreements and is autonomous in shaping their individual work environment and framework for execution in light of our global operation.

TRATON GROUP tracks compliance with labor standards through monitoring tools and reporting, such as the reporting for CSRD, for the SE Works Council meetings and dialog with the SE Works Council (e.g., country reports), the TRATON Speak up! whistleblower portal or brand- respective whistleblower initiatives, as well as surveys (e.g., our annual employee survey (StiBa[36])). These surveys as well as the SE Works Council meetings are used to assess the effectiveness of employee engagement.

At the GROUP Works Council level, TRATON has established over 20 works agreements that cover a range of topics, including the proper use of Group-wide IT systems and measures to protect our employees. At the international level, the Group has implemented several agreements that ensure the involvement of employee representatives in key decision-making processes. During SE Works Council meetings, a variety of local issues are directly adressed and directed to the appropriate individuals within our various brands.

TRATON GROUP has several initiatives in place to gain insight into perspectives of people in its own workforce who may be particularly vulnerable and/or marginalized and to improve inclusion. For instance, TRATON GROUP has a strategic initiative to improve the engagement of underrepresented groups of employees. In 2024, the initiative held a diversity and inclusion event with all brands of the TRATON GROUP. Also, the SE Works Council representatives for severely disabled employees met twice in the reporting year. The TRATON GROUP works together to find solutions for integrating people with disabilities into working life by offering them suitable jobs, work aids, or appropriate support measures. The design and application of these diversity and inclusion initiatives and programs are subject to applicable local law.

TRATON GROUP's grievance mechanism as well as policies regarding the protection against retaliation of individuals using grievance mechanism are described in section **"Management of TRATON's grievance mechanism"**. This also includes the description of assessments of how TRATON GROUP's workforce is aware of and trusts available structures and processes to raise their concerns and have them addressed.

3.1.2. Management of working conditions

General approach to people and culture management

TRATON's purpose is to transform transportation together. For a sustainable world. This requires a team of dedicated and passionate individuals working collaboratively across the entire TRATON GROUP towards a common objective. The TRATON GROUP employer value proposition (EVP), "be part of something bigger", reflects this sentiment.

The culture foundation of TRATON GROUP's corporate values and shared leadership principles (see the section on **"Management of corporate culture"**) provides the necessary support for this purpose and EVP. The Group firmly believes that our actions, behaviors, and decision-making processes have a direct impact on its results. Therefore, the culture TRATON fosters within the Group is crucial to the success and to promoting cooperation across the organization.

36 StiBa was paused in 2024. A newly revised employee survey will start in 2025. For more information see the section on **"Management of corporate culture"**.

Frameworks for human rights

The TRATON GROUP integrates human rights into its compliance management system and respects all applicable regulations in force to protect human rights as a fundamental and general requirement throughout the world. We stress this in our internal regulations and due diligence processes as described below, where we strive to involve relevant stakeholders along the way. We are committed to complying with applicable national and international human rights legislations and, hence, acknowledge the International Bill of Human Rights and have joined the UN Global Compact where we recognize our commitment to its principles regarding human rights and environmental protection. We further strive to operate in line with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and international labor standards such as the International Labour Organization ("ILO") Declaration on Fundamental Principles and Rights at Work. Furthermore, we acknowledge the following conventions:

- Minamata Convention on Mercury
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal
- Stockholm Convention on Persistent Organic Pollutants

We see these international conventions and declarations as the basis of our commitment and the way we want to conduct business.

As described in the Codes of Conduct (for employees, see the section on **"Management of corporate culture"**, for suppliers and business partners, see the section on **"Management of relationships with suppliers"**), TRATON GROUP rejects all kinds of forced or compulsory labor as well as modern slavery and human trafficking. This includes work carried out involuntarily due to intimidation, penalty, violence by security forces, or threat of being disadvantaged. Employment relationships are based on voluntary participation and can be terminated at any time by the employees of their own free will and within a reasonable period of notice. We thrive to protect our employees and ensure a safe and healthy working environment for everyone. Child labor is prohibited across the TRATON GROUP. The ILO determines the minimum age for employment, which must be adhered to.

The Group has defined clear responsibilities within the organization in the human rights risk management system. Moreover, the TRATON Human Rights Committee (HRC), is a multidisciplinary committee that monitors and tracks the implementation of human rights' due diligence obligations in the Group. The HRC meets regularly and reports directly to the board of management. Such reports include the results of our risk analysis, the effectiveness of our preventive and remedial measures, and relevant findings from our complaints procedure. Employees are trained on the Code of Conduct for employees in web-based and face-to-face training. Moreover, employees receive specific training on business and human rights to provide guidance and raise awareness of TRATON's corporate responsibility for this topic (see the section on **"Management of corporate culture"**). They can address questions on human rights, e.g., via the TRATON Compliance helpdesk and receive information on human rights through various communication formats. In addition to general preventive measures, TRATON continuously evaluates and implements measures addressing identified risks.

The TRATON human rights approach encompasses not only working conditions of the Group's own workforce but also of value chain workers as well as other material matters such as other work-related rights of TRATON's own workforce and workers in the value chain, equal treatment and opportunities for the Group's own workforce, and communities' economic, social and cultural rights.

Human rights risk management

A central element of our human rights management is our risk analysis. We conduct human rights risk assessment in our own operations on a regular basis, as well as ad-hoc when needed. Our entities are categorized into three levels of human rights risk exposure (high, medium, or low), considering the results of generic risk assessment questionnaires as well as the analysis of internal and external sources (e.g., audit reports and external studies). For the high-risk entities, we conduct workshops with local experts from different departments to identify more concrete human rights risks. Going forward, we are planning to validate and refine the risk assessment annually (for consistency, completeness, up-to-dateness) and identify specific areas for further analysis. The results of the risk assessment are analyzed in the context of our human rights management system and the implemented human rights measures, where potential gaps are being addressed by additional measures and controls, if needed.

Policies

The Policy statement on human rights and the policy TRATON strategy on working conditions and labor standards relate to the potential negative impact of damage to own workers' well-being from adverse working conditions, discrimination, and poor safety practices and the risk of staff turnover, productivity loss, and safety issues in own workforce resulting from adverse working conditions.

Currently, a Group-wide policy is under development relating to topics such as occupational health and safety and workplace accident prevention but has not yet been implemented.

Policy statement on human rights

All TRATON GROUP entities stand behind the Policy statement on human rights. The principles stated therein shall be incorporated and inherent in our systems and processes. The management in the TRATON GROUP entities is responsible for the implementation of the actions and requirements defined in this commitment in their entities. The TRATON approach to human rights is based on the UN Guiding Principles on Business and Human Rights and on the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The Policy statement on Human Rights covers the entire own workforce as well as the value chain of TRATON. The publicly available Policy statement on human rights contains the principles on how TRATON wants to live up to its commitment to human rights. The most senior level at TRATON GROUP that is accountable for the policy is the Executive Board of TRATON SE and the TRATON SE Works Council.

TRATON Strategy on working conditions and labor standards

This strategy aims to secure fair working conditions and labor standards and is based on the International Labour Standards as well as on the TRATON Policy statement on human rights and associated standards. It contains Group-wide minimum standards for our entire workforce considering wages and salaries, working hours and rest periods, employment contracts as well as social protection. Besides the minimum standards it also describes the roles of the Labour Relations Cross-Brand Team, the TRATON SE Works council and the TRATON CHRO-Team. The execution of the strategy is monitored not only through the Speak up! whistleblower platform and the brand-respective whistleblower initiatives but also in SE Works Council meetings and dialogs and through the outcomes of our employee survey (StiBa). The strategy applies to the whole TRATON GROUP and is implemented at brand level. The most senior level at TRATON GROUP that is accountable for the it is the CHRO-Team of TRATON and the brands. To consider the interests of key stakeholders, the strategy has been aligned with the SE Works Council, the TRATON CEO, HR board members of the brands, labor relations representatives, and trade unions. The policy is available to other relevant stakeholders so that they are aware of the minimum standards and processes.

Actions and targets

The TRATON GROUP conducts regular risk analyses to identify, assess, and address potential negative impacts within its business operations and supply chain. These analyses prioritize areas such as workers' well-being, workplace safety, and the prevention of discrimination and adverse working conditions. Through these efforts, the company ensures timely and effective mitigation measures to uphold ethical standards and support sustainable practices.

The EU Taxonomy minimum safeguards require the TRATON GROUP to have in place effective processes, controls, and compliance measures regarding the core topics of human rights, including workers' rights, bribery and corruption, taxation and fair competition. For more information regarding our EU Taxonomy disclosures, please refer to section **"EU Taxonomy disclosures"** of the combined management report. These safeguards are supported by mechanisms such as the Internal Control System (ICS), which enable continuous monitoring and the identification of necessary actions when safeguards are not met. For more information regarding ICS and the risk management system, please refer to section **"Risk management and internal controls over sustainability reporting"**.

The implementation of measures related to working conditions within the TRATON GROUP is overseen by the HR department. In 2024, the following key actions were taken regarding working conditions of our own workforce. They all intend to prevent the potential negative impact of damage on own workers' well-being from adverse working conditions, discrimination, and poor safety practices.

Regular Works Council meetings

The TRATON GROUP is committed to regular Works Council Meetings, which take place on a yearly basis. Together with the TRATON GROUP SE Works Council, alignments and monitoring of the "TRATON Strategy for working conditions and labor standards" is performed with the aim of improving working conditions for all employees of the TRATON GROUP. TRATON supports the employee representatives and the corresponding committees, including funding for events, translation, interpreters, material preparation, and other subsidies. In addition, the Group is committed to providing the necessary human resources to support the committees, goals, and plans of the employee representatives and collective bargaining agreements.

Group talent development programs

The TRATON GROUP is fully committed to continuously developing its employees, ensuring their motivation, necessary skills, and competencies, with a strong focus on daily learning. The goal is to enable self-driven and accessible learning throughout the TRATON GROUP, empowering the business in the present to be as successful as the future it envisions. In addition to brand-level learning initiatives, the Volkswagen Academy, and partnerships with external learning providers, the TRATON GROUP has offered talent development programs since 2017, covering each of the hierarchical levels. The Group talent development programs are held annually or bi-annually and are adjusted to meet the evolving needs of the organization or to reflect fundamental changes, such as the implementation of our corporate values. The goal is to facilitate cross-brand collaboration among top talents, ensure visibility of talent at Group-level, and develop key skills aligned with the Group strategy. To track and assess the effectiveness of these programs, evaluations are gathered from participants on the program content, presenters, and the practical application of new knowledge in daily business. This feedback helps ensure the programs are impactful and aligned with the ongoing needs of the organization.

Annual employee survey (Stimmungsbarometer)

TRATON GROUP made the decision to pause its annual employee survey "Stimmungsbarometer (StiBa)" (see the section on **"Management of corporate culture"**) in 2024 to prepare for implementing a new Group-wide employee survey and tool that will be introduced in 2025. This new survey will serve as a crucial method for capturing employee perspectives on workplace dynamics, team collaboration, and manager relationships. It provides an overall measure of employee engagement, offering insights from line managers up to the TRATON GROUP level on what is working well and areas that need further development. This process aims to enable continuous improvement at both the Group- and organizational levels. Aligned with TRATON corporate values, TRATON Shared leadership principles, which are described in detail in the section on **"Business conduct"**, and our TRATON GROUP diversity and inclusion commitment, the new survey will be closely tracked from 2025 onward. To facilitate the development and implementation of this new survey, we provided both financial and personnel support through our HR and IT departments. The tracking of this action and its effective implementation is carried out by TRATON and the brands, which will follow up on the action plans derived from survey results.

Establishment of Group health and safety department to centralize coordination

To strengthen our group-wide health and safety measures, we are centralizing coordination through the newly established Group Health, Safety and Security department, which came into effect in April 2024. This Group function leads our efforts to unify and enhance the topic health and safety across all brands. Our immediate focus included appointing a Senior Expert to spearhead this initiative and developing a comprehensive TRATON GROUP health and safety policy for implementation in 2025. We completed a consolidated overview of existing brand policies by the end of 2024. A Group-wide working group has been established. Additionally, a collaborative platform for the brands was finalized and accessible by the end of 2024, enabling regular meetings and streamlined collaboration. Additionally, we are reviewing current brand structures to align with centralized steering and reporting, and piloting a new review process at MAN Truck & Bus Ankara. This coordinated approach will ensure compliance with the German Supply Chain Due Diligence Act (LKSG) and the CSRD requirements and is designed to set a new standard for health and safety across the TRATON GROUP. To ensure the effectiveness of this approach, progress is reported regularly to TRATON's CHRO. This reporting ensures that any necessary adjustments can be made promptly, keeping our health and safety standards aligned with TRATON's strategy.

For targets related to working conditions, please refer to the sections on **"Management of equal treatment and opportunities for all"** and **"Management of corporate culture"**.

3.1.3. Metrics related to working conditions

Characteristics of the undertaking's employees

109,826 employees were employed by the TRATON GROUP at the end of the reporting year 2024.

In the reporting year, 10,271 employees left the TRATON GROUP. The turnover rate was 9.4%. It is calculated by relating the number of departures to the average number of employees in the reporting year 2024. The basis of the calculation is the data from December of the previous year to December of the fiscal year of the employees of the reportable entities of the TRATON GROUP. The reference basis is the average number of employees during this period. The following groups are considered in the departures: employees who left TRATON due to resignation, retirement, death, or at their own request. For Scania, MAN and TRATON Financial Services departures to other TRATON GROUP entities are also considered due to technical system challenges.

All individuals with an active employment agreement involved in the value-added process of the reporting entity are included. All metrics reported in headcount here, reflect the number of the respective group of employees as of December 31 of the reporting year.

Total number of employees by headcount, broken down by gender

Gender	As of December 31, 2024
Female	22,229
Male	87,564
Other	0
Not reported	33
Total	**109,826**

Number of employees by headcount, broken down by country

Country	As of December 31, 2024
Germany	21,239
Sweden	22,570
USA	15,378

Total number of full- and part-time employees and breakdowns by gender

	Female	Male	Other	Not disclosed	Total
	2024	2024	2024	2024	2024
Number of employees[37]	22,229	87,564	0	33	109,826
Number of permanent employees[38]	20,742	83,497	0	33	104,272
Number of temporary employees[39]	1,487	4,067	0	0	5,554
Number of non-guaranteed hours employees[40]	0	0	0	0	0

37 All persons with an active employment contract involved in the value-added process of TRATON are included, such as top management, those in the passive phase of partial early retirement (ATZ), and apprentices. Excluded are those on parental leave, marginal employment, and employees in academic training.

38 All those of the respective entity without an end date in their employment contract are counted as permanent employees.

39 All employees who do have a temporary contract that includes a time-limit are counted as temporary employees.

40 Non-guaranteed hours employees are employed without a guarantee of a minimum or fixed number of working hours.

Characteristics of non-employees in the undertaking's own workforce

As of December 31, 2024, there were a total of 5,127 non-employees in TRATON GROUP's own workforce. Non-employees are personnel engaged for a limited period of time to perform the same work as TRATON GROUP employees. These personnel are not paid directly by TRATON and is therefore not classified as employees.

Collective bargaining coverage and social dialog

TRATON assesses the availability of collective bargaining coverage and social dialog. Collective bargaining refers to negotiations between employers (or their organizations) and trade unions (or duly elected worker representatives) to determine working conditions, terms of employment, and regulate relations between employers and workers or their organizations. A collective bargaining agreement is a written agreement resulting from these negotiations, covering conditions of employment such as payment and working hours, and potentially addressing topics like health and safety. The overall percentage of employees covered by collective bargaining agreements is 69%[41].

Percentage of total employees in the EEA covered by collective bargaining agreements and workers' representatives

	Collective Bargaining Coverage[42]	Social Dialog[43]
Coverage Rate	Employees – EEA (for countries with > 50 empl. representing > 10% total empl.)	Workplace representation (EEA only) (for countries with > 50 empl. representing > 10% total empl.)
0–19%		
20–39%		
40–59%		
60–79%		
80–100%	Germany, Sweden	Germany, Sweden

Adequate wages

Not all employees received adequate wages in line with the applicable reference values during the reporting year. The table below accounts for the countries where some employees earn below the applicable adequate wage benchmark and the percentage of employees earning below this benchmark for each of those countries. In general, all employees are paid in line with local legal and, where applicable, existing collective bargaining requirements. In Brazil, one employee is affected and in Morocco, six.

Countries with employees earning below the applicable adequate wage benchmark and percentage of employees earning below the applicable benchmark

Country[44]	Share of employees per country earning below the applicable adequate wage benchmark
Brazil	0.01%
Morocco	4.51%

Health and safety metrics

85% of our employees[45] are covered by a company health and safety management system based on legal requirements and/or recognized standards or guidelines.

In the reporting year, there were zero fatalities in our own operations. Therefore, zero fatalities involved employees of the TRATON GROUP and zero fatalities involved other workers[46].

In the reporting year, there were 2,951 work-related accidents, resulting in a rate of 16.1 work-related accidents per 1,000,000 hours worked (TRIR).

41 Excluding International

42 Coverage includes all employees under a collective bargaining agreement, including those under voluntary extension (e.g., non-union members). An employee covered by multiple agreements is counted only once. In countries with trade unions, only employees covered by agreements between the employer and a trade union are considered.

43 Representatives of the workers duly elected and authorized are those freely elected by the workers, independent of employer control, in accordance with national laws or collective agreements. Their functions do not overlap with trade union prerogatives and do not undermine the position of trade unions or their representatives.

44 Within the EEA the ESRS-defined metric for an "adequate wage" is used, which is the minimum wage for the member state. If there is no minimum wage, the approximation prescribed by ESRS is applied. For Non-EEA countries, the living wage database by the WageIndicator Foundation is utilized, which provides a validated adequate wage for all countries outside the EEA.

45 Based on headcount as reported in table **"Total number of employees by headcount, broken down by gender" ("Metrics related to working conditions")**.

46 Other workers include workers in the value chain, if they work on TRATON sites.

3.1.4. Management of equal treatment and opportunities for all

TRATON has several policies in place related to the potential negative impact on TRATON GROUP's own workforce that would occur in case of discrimination in employment like unequal training, promotion opportunities, pay, and benefits. These policies are the TRATON GROUP diversity and inclusion commitment, the TRATON GROUP corporate values and the Policy statement on human rights. An action related to the representation of women in Group talent development programs has also been implemented to promote equal treatment and opportunities for all members of TRATON's own workforce. The application of these policies, commitments and programs, including the ones described in this section, is subject to applicable local law. Further actions that relate to equal treatment and opportunities are regular Works Council meetings and the annual employee survey, which are already described in the previous section on **"Management of working conditions"**.

Policies

TRATON GROUP diversity and inclusion commitment

Diversity and inclusion at TRATON GROUP is a long-term strategic approach to ensure future success by developing our corporate culture through capturing and supporting the diversity of skills, experience, knowledge, and the perspectives of our most valuable asset — TRATON's employees. TRATON does not tolerate discrimination on grounds of ethnic or national origin, sex, gender identity, religion, views, age, disability, sexual orientation, skin color, political views, social background, or any other characteristics protected by law. TRATON embraces diversity, actively encourage inclusion, and create an environment that fosters each employee's individuality in the interests of the Company. At TRATON GROUP, diversity and inclusion is viewed as central for success and crucial for reaching the goals as a company and as a responsible employer. The TRATON GROUP diversity and inclusion commitment is an essential component of the pillar "Responsible Company" of the TRATON Strategy and aligns with TRATON's corporate values. Commitments and actions are fundamentally anchored and effectively implemented through a set of strategies and measures across all our brands. To support this and ensure continuous best-practice sharing, TRATON established a Group diversity and inclusion Team with representatives from the management teams from each of the brands across the Group.

TRATON follows up on the success of our diversity and inclusion initiatives through relevant key performance indicators such as the representation of women in management and the representation of women in management development. Additionally, a diversity and inclusion-Index was measured as part of the annual employee survey (StiBa). At the highest level, the TRATON SE Executive Board and the TRATON SE Works Council are accountable for the policy. The policy is available on the **TRATON website** and via the intranet. In light of our global operations and different legal and regulatory requirements and expectations across the different jurisdictions in which we operate, the applicability and use of these policies, commitments and programs, including the use of the index, is subject to, and may differ depending on, applicable local law.

TRATON GROUP corporate values

Another policy related to the potential negative impact of discrimination in employment like unequal training, promotion opportunities, pay and benefits is the TRATON GROUP corporate values set. For further information, please refer to section **"Management of corporate culture"**.

Policy statement on human rights

The Policy statement on human rights is based on internationally recognized instruments and is further detailed in section **"Management of working conditions"**.

Actions and targets

In 2024, the following key action and targets were set regarding equal treatment and opportunities for all for our own workforce[47]. Together, they intend to prevent potential negative impacts effects from discrimination in employment like unequal training, promotion opportunities, pay, and benefits.

Representation of women in Group talent development programs

TRATON is committed to improving the representation of women in the Group talent development programs, with a particular focus on professionals, brand managers, brand executives, and Group executives, and has taken decisive action to achieve this goal. The groups efforts began in 2023 and continued throughout 2024, with a commitment to ongoing progress. To drive these improvements, we actively engage in communication and follow up with brand representatives to ensure a higher representation of women in these programs, subject to applicable local law.

47 Targets related to gender representation in management, as outlined in this report, do not apply to TRATON US's subsidiaries (e.g. International Motors, etc.). Statements in this report apply only if they do not violate the applicable law, including the laws and regulations of the United States of America. Our ability to achieve these and other goals, targets and aspirations described in this report, either at all or in a timely manner, is subject to a variety of factors, including evolving laws, regulations and other demands in the various jurisdictions in which we operate. We may update or rescind the goals, targets and commitments described in this report in the future as we deem necessary or appropriate.

For more details on the Group talent development programs, please refer to section **"Management of working conditions"**.

By increasing the representation of women in the Group talent development programs, TRATON encourages the brands to promote women to higher management positions. This is closely aligned with the TRATON GROUP diversity and inclusion commitment and applies to all employees of the TRATON GROUP. TRATON's targets for 2024 are to increase the share of women in the High Potential Challenge and Management Excellence Program to 50%, in the Leading the Future Program to 35% and in the Executive Elite Program to 30%. The target setting was informed by the actual data of previous years since 2017 and the women in management target set out below. Involved stakeholders include the CHROs who inform the brands via the CHRO meeting. TRATON has successfully met its targets for the HiPo, Management Excellence, and Leading the Future Programs for the cohorts starting in 2025, with the nomination process having taken place in 2024. As the Executive Elite Program follows a bi-annual cycle, there will be no cohort in 2025.

In the course of our commitment, TRATON GROUP has set the target of achieving a 30% female management workforce by 2029, with an interim target of 20% by 2024. In light of our global operations, the applicability of this target is subject to applicable local law. The target is aligned with the TRATON GROUP's diversity and inclusion commitment and applies to all employees of the TRATON GROUP. To define the target, TRATON relied on workforce data, discussions with internal experts, alignment with the Volkswagen Group, and involvement of the Group Works Council. Monitoring and reviewing the target is also a collaborative effort that involves TRATON and the Volkswagen Group.

3.1.5. Metrics related to equal treatment and opportunities for all

Diversity metrics

The metrics for addressing diversity include the gender distribution, both in number and percentage, at the top management level, as well as the distribution of employees by age group.

Distribution of employees by age group

Number of employees	2024
Under 30 years	25,149
Percentage of employees under 30 years	23%
Between 30 and 50 years	58,365
Percentage of employees between 30 and 50 years	53%
Over 50 years	26,312
Percentage of employees over 50 years	24%

Gender distribution in number and percentage at top management level

Number of employees at top management level[48]	2024
Female	7
% of total at top management level	16%
Male	37
% of total at top management level	84%
Other gender	0
% of total at top management level	0%
No data	0
% of total at top management level	0%
Total	44

48 Top management level is defined as the Volkswagen Group's "TMK Group" (Top-Management Kreis Group).

3.1.6. Management of other work-related rights

The policies Information governance, handling personal data and data protection organization, and TRATON's Guiding principles on trustworthy artificial intelligence (AI) relate to potential negative impacts on TRATON GROUP's employees in case of excessive data access, lack of consent, or data leaks. In the reporting year, TRATON took a set of concrete actions to support the implementation of information governance.

Policies

Information governance (Group policy)

The purpose of the policy Information governance is to establish standards, processes, roles, and requirements for information to meet global legal obligations, streamline information management, and promote secure, efficient collaboration across the TRATON GROUP. Data privacy and protection are key elements, and the policy outlines guiding questions to ensure compliance during data transfers when anonymization of personal data is not possible. The policy's effectiveness is monitored through regular meetings of an Information governance committee.

Handling personal data and data protection organization (Group policy)

This policy aims to enable the right use of personal data of natural persons, including employees, supply chain workers, business partners and affected communities, when processing it and thus support the digital transformation of the TRATON GROUP. It covers all processes in which personal data is collected, stored, organized, linked, transmitted, used, changed, read, destroyed, or otherwise processed. The policy sets principles for ethical and efficient personal data processing, focusing on legality, necessity, clarity, security, and deletion of data. Material negative impacts are addressed through a series of binding measures that include maintaining comprehensive data processing records, implementing breach detection systems, establishing data protection risk management, and enforcing deletion and access control protocols. To track the effectiveness of the policy, reporting to the Truck Board is conducted twice a year, and monitoring takes place within a TRATON GROUP Privacy Forum.

The TRATON data protection organization supports business activities by ensuring data protection practices are legally compliant and practically implemented. Internal audits support these efforts by incorporating audit proposals from the data protection team into its annual audit program. Data protection officers are appointed by the management board of every brand in the TRATON GROUP that has the legal obligation to do so and are responsible for advising on data protection issues, monitoring compliance with regulations, providing guidelines for the implementation of data protection and reporting on the Company's data protection activities to the TRATON Board of Management and the Brand Spokesperson Data Protection. In case of notifiable personal data breaches, these would be reported to the authorities in due form and time.

TRATON Guiding principles on trustworthy artificial intelligence

The TRATON Guiding principles on trustworthy artificial intelligence (AI) aim to ensure the responsible use of artificial intelligence in alignment with its commitment to sustainability and ethical business practices. Three key principles have been defined: respect for human rights and fairness; safety through technical robustness and risk management; and transparency about AI's usage in products and services. Monitoring of these principles' implementation is integrated with TRATON's broader policy management standards, and all other TRATON standards for example on quality, cybersecurity, and data protection requirements apply equally to AI systems to promote ongoing human oversight and accountability in AI systems.

The principles apply to the entire TRATON GROUP and are approved by the TRATON SE Executive Board. TRATON's understanding of AI systems is aligned with the definitions of the EU AI Act, as well as the OECD AI policy observatory. As AI is a highly complex and dynamic technology, TRATON monitors political, legal, and social developments related to it and adjusts its principles as needed to align with these changes.

Actions and targets

In 2024, the following key action was taken regarding other work-related rights of our own workforce. It intends to prevent the potential negative impact of privacy risks from excessive data access, lack of consent, and data leaks.

Implementation of the policy information governance (Group policy)

In mid-2024, the implementation of the Group policy Information governance started. The brands and our employees were supported in adapting the policy with a foundational framework to ensure clarity and consistency. While a guideline outlining key dos and don'ts was launched during the reporting year as part of this framework, this action will continue throughout 2025 with the development of additional guiding documents. To provide easy access to these materials, a dedicated website has been launched on the internal platform. The intended outcome is to ensure that the policies are fully implemented at the brand level, creating a consistent approach to information governance across the entire organization. The policy's effectiveness is monitored through regular meetings of an Information governance committee.

3.1.7. Metrics related to other work-related rights

Incidents, complaints, and severe human rights impacts

During the reporting year 2024, TRATON GROUP received 863 hints through the whistleblower channels. Of the cases that were categorized as potential violations, 19[49] cases were related to discrimination and harassment. 53[50] cases confirmed as violations were related to discrimination and harassment. 29 cases were categorized as potential violations concerned workforce issues outside of discrimination and harassment. 9 cases that were confirmed as violations related to workforce issues outside of discrimination and harassment. There have been no fines, sanctions, and compensation payments related to incidents and complaints about discrimination, including harassment. No[51] cases were submitted to the national contact points for multinational enterprises of the OECD in connection with workforce issues.

During the reporting period, there were no[52] serious incidents related to human rights in connection with the workforce were reported through the whistleblower channels. Therefore, no[53] cases were violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. The fines, sanctions, and compensation payments related to these incidents amount to €0.

Additionally, the same methodology as above is used to measure the total amount of fines, penalties, and compensation for damages resulting from complaints. The total amount of fines, penalties, and compensation for severe human rights incidents is also tracked. Furthermore, based on the available data, the company did not have significant fines, penalties, or compensation for damages in an amount that requires a separate disclosure of those numbers in the financial statement.

3.2. Workers in the value chain

3.2.1. Process to remediate negative impacts and channels for value chain workers to raise concerns

To mitigate negative impacts on workers in the value chain, (for an overview of IROs refer to **"Results of the double materiality assessment"**), violations of the Code of Conduct for suppliers and business partners can be identified in the case of direct or indirect suppliers through the Supply Chain Grievance Mechanism (SCGM) as part of the complaint's procedure and through on-side audits as part of the Sustainability Rating. If violations are found at direct suppliers, concrete measures should be defined to address these

49 The categorized cases are retrieved from the whistleblower system.

50 The confirmed cases are retrieved from the whistleblower system and sanctions reporting. The TRATON GROUP measures the total number of incidents of discrimination, including harassment and the number of complaints in its own workforce filed through channels to raise concerns, with the Group-wide reporting structure established by the Volkswagen Group in 2019. This structure requires each entity within the GROUP to document and report disciplinary measures and includes several clusters of causes and 4 categories of measures, with data points relevant for CSRD reporting (S1-17 103(a)). Notably, one cluster addresses discrimination, mobbing, and stalking, while another cluster focuses on sexual harassment.

51 TRATON uses the OECD database as data source. The update frequency of this database is uncertain, therefore a case reported at the end of December may not be published on the website immediately.

52 The methodology described is also used to measure the number of severe human rights incidents connected to the workforce.

53 The methodology described is also used to measure the cases of non-compliance with the UN Guiding Principles, ILO Declaration, or OECD Guidelines.

violations systematically and transparently. When selecting and designing measures, special care is taken to ensure that they are specifically defined and appropriate. The measures are defined by the SCGM experts and communicated to the affected suppliers. Measures implemented by the supplier can include, but are not limited to audits, policies, and certifications. The violations found during an on-site audit are mapped out in corrective action plans and must be dealt with by the suppliers.

TRATON empowers and upskills its suppliers in executing corrective actions, fostering a collaborative environment where both short- and long-term improvements are achieved to effectively address violations. Suppliers are actively involved in the development of these actions in dialogue with SCGM experts and/or auditors. This allows action to be taken to stop or minimize the breach. In particular, the selection and design of appropriate measures weights up the effort associated with the specific violation and the affected persons in the relevant local context. If necessary, an escalation process can be initiated, in which it is possible to block the suppliers.

The basic procedure for checking the effectiveness of the measures implemented by the supplier as a result of an on-site audit is carried out by the auditor or the responsible brand expert as a part of desktop review or by a further on-site audit. In cases where direct suppliers do not implement the defined measures or do not implement them completely, the supplier goes through the intended steps in a multi-stage escalation process. As part of the escalation process, if the measures are not implemented effectively within the specified period, a new on-site audit can be ordered or, if necessary, the business relationships can be temporarily suspended. This temporary suspension means that the supplier is blocked from re-awarding. If, upon re-examination of the action plan by the SCGM auditor or subject matter expert, it is determined that it does not lead to a termination of the breach, the supplier will remain barred from new business. Finally, the current and upcoming orders from the supplier can be verified based on the evidence.

TRATON values confidential, relevant tip-offs from business partners, customers, and other third parties. In the event of specific indications of potential misconduct by employees of TRATON, or of the business partner or its business partners in turn in the context of collaboration with TRATON, TRATON offers all stakeholders the option of reporting such misconduct to the TRATON whistleblowing system.

TRATON's general approach to addressing negative impacts via the whistleblower system as well as mechanisms in place to protect its users against retaliation is outlined in section **"Management of TRATON's grievance mechanism"**. As our complaint channels are available to the public, they are also accessible for all value chain workers as well as affected communities. To prevent and detect negative impacts on value chain workers specifically, TRATON requires its business partners to establish a grievance mechanism adequate to their business via the Code of Conduct for suppliers and business partners. The mechanism allows for concerns related to business ethics, human rights, or the environment to be raised by both their own employees as well as other potentially affected people anonymously, confidentially, and without fear of retaliation. TRATON's Code of Conduct for suppliers and business partners further demands business partners to provide their employees with unhindered access to the whistleblowing system implemented by TRATON and not perform any actions that obstruct, block or impede access. Business partners undertake contractually to pass on these obligations to their suppliers and to ensure, to the extent possible and reasonable, that the obligations are passed on in the supply chain. Detailed information on how issues raised are monitored and how the effectiveness of the whistleblower system is ensured are presented in the sections on **"Metrics related to other work-related rights"** and **"Management of TRATON's grievance mechanism"**.

As of now, TRATON has not adopted a general process to engage with workers in the value chain about impacts.

3.2.2. Management of working conditions and other work-related rights of workers in the value chain

Policies

Two of TRATON's Group policies – the Policy statement on human rights and the Code of Conduct for suppliers and business partners – relate to the potential negative impacts of adverse working conditions, occupational health and safety issues, and denial of freedom of association on workers in the value chain as well as the potential employment of underage workers and the use of forced labor within the value chain. Both policies are also relevant in the context of the risk of reputational damage, legal risks, and operational disruptions than can arise from involvement in child and forced labor cases.

TRATON GROUP's Policy statement on human rights is applicable to our own workforce as well as to workers in the value chain and is described in section **"Management of working conditions"**. TRATON's Code of Conduct for suppliers and business partners is further detailed in section **"Management of relationships with suppliers"** and essentially covers all material IROs related to the following topics: working hours, fair wages, work-life balance, health and safety measures, freedom of association, and collective bargaining.

Actions and targets

The Responsible Supply Chain System (ReSC System) provides Group-wide applicable standard actions to mitigate significant potential negative impacts and manage any significant risks that arise in relation to workers in the value chain. These negative impacts are specifically potential negative impacts of adverse working conditions, occupational health and safety issues, and denial of freedom of association on workers in the value chain as well as potential employment of underage workers and the use of forced labor within the value chain. The corresponding material risks include reputational damage, legal risks, and operational disruptions can arise from involvement in child and forced labor cases.

Sustainability Rating

The Sustainability Rating (S-Rating) is used to check suppliers' sustainability performance and identify opportunities for continuous improvement. By tying sustainability performance directly to eligibility for being awarded contracts of a certain volume and higher, together with the Volkswagen Group we are aiming to send a signal to our suppliers and partners to encourage collaboration to allow sustainability aspects to permeate the supply chain. The primary objective is not to exclude suppliers from the supply chain, but rather to empower suppliers whose performance is not yet satisfactory to achieve the rating.

The S-Rating is an established process in the brands of the TRATON GROUP, which started as early as 2019 at MAN, Scania and VWTB. The tool is used to review the sustainability performance of suppliers with a high sustainability risk in the areas of environment, social affairs, and integrity and to mitigate risks. The review as part of the S-Rating is carried out on a risk-based and event-driven basis before a new contract is awarded using a multi-stage process. In an initial step, a risk exposure is determined from a combination of a country risk and the supplier's corporate processes and guidelines. In addition, the companies with insufficient sustainability performance can be subjected to audits. TRATON draws on data from a specialized service provider to determine the country risk. The Group uses a standardized self-assessment questionnaire to review the requirements for corporate processes and supplier guidelines. Since 2022, the S-Rating has been mandatory as a minimum requirement for supplier locations in the scope with ten or more employees. The result of the S-Rating is divided into three rating categories: Suppliers with an A or B rating fulfill our requirements to a sufficient extent and are therefore eligible to be awarded contracts. A and B ratings are considered positive ratings. If a supplier does not meet the requirements for compliance with sustainability standards (C rating), it is generally not eligible to be awarded a contract. This provides a direct incentive for suppliers to improve their sustainability performance.

By the end of the reporting year 2024, 3,135 S-Ratings were available for suppliers. Of these suppliers, 1,774 have an A rating. Six suppliers have a C rating and are therefore currently not eligible to be awarded contracts. Suppliers who do not meet our requirements for compliance with our sustainability standards are also ineligible.

In addition, the sustainability performance of suppliers is assessed on a risk basis and at times with the help of audits. If suppliers pass this audit with a score of less than 100%, they receive improvement measures. If the score is below 80%, these measures are recorded in a plan. Their implementation is agreed with the supplier and followed up on. Depending on the measure, the supplier must implement the plan within six months at the latest. If the supplier receives an audit result of less than 60%, a new audit is carried out following the implementation of the action plan. The audit result affects the S-Rating category and can consequently lead to a C rating. With a C rating, a supplier is generally no longer eligible to be awarded. Following Volkswagen's Group-wide target, the TRATON brands' goal is that over 95% of our direct suppliers have a positive S-Rating (meaning a rating of A or B) based on turnover by 2040. As part of the strategy development process, the goal was formulated by a cross-divisional working group at Volkswagen Group, for which part of the TRATON GROUP brands were consulted. Workers in the value chain were not involved either directly or indirectly through representatives. S-Rating coordination is handled by procurement sustainability.

This goal of continuously improving the sustainability performance of suppliers is aimed at reducing both the negative impacts TRATON has identified as material and the associated material risk. As an interim goal, TRATON GROUP has, together with the Volkswagen Group, the target of achieving a positive S-Rating for 85% of our direct suppliers by 2025, based on turnover. The achievement of the target and the analysis of significant changes at suppliers are tracked independently by the brands. Since the target was set, no changes have been made to the target itself or to the methodology on which the target is based.

Sustainability training for employees in procurement

Sustainability is an integral part of the skills profile for employees in procurement. Systematic training of our employees is essential for improving sustainability in the supply chain. In 2024, training courses on sustainability for procurement were performed by the brands and attended more than 363 times worldwide.

Sustainability training for suppliers

To enable continuous supplier development, the TRATON GROUP brands in collaboration with Volkswagen Group conduct topic-specific sustainability training and workshops with suppliers at selected locations or online and offer web-based trainings. In the reporting period, 733 suppliers were trained accordingly. In-depth human rights training has also been available for suppliers since 2023. The training includes legally required aspects such as training on child labor, forced labor, and discrimination. Since 2023, the training has been systematically rolled out to suppliers with a high sustainability risk. Corresponding activities were continued in 2024. In addition to the training courses, through TRATON provides current suppliers with an e-learning module on sustainability in eight languages.

Due diligence checks for suppliers

TRATON continuously conducts due diligence checks for suppliers, also throughout the reporting period. Through the brands, the company reserves the right to verify compliance of suppliers with sustainability requirements of the Code of Conduct for suppliers and business partners regularly, randomly, or for specific events.

This can be done, for example, by means of a risk assessment of the relevant supplier's area of responsibility, a self-assessment by the supplier and when necessary, by deploying experts locally for an on-site assessment. An on-site assessment of this nature is only carried out in the presence of representatives of the business partner during regular working hours and in accordance with applicable laws, in particular regarding data protection. The supplier takes measures that give the TRATON GROUP, through the brands, the right to carry out similar assessments of their business partners if this is necessary for the fulfilment of legal obligations.

If sustainability risks are identified during pre-contractual assessments, the resulting measures, if any, shall be included in a corrective action plan that will be followed up during the supplier onboarding process. In this case, the supplier is obliged upon entering into the contract to assess any determined or imminent violation of the sustainability requirements in its own business area or in its supply chain within a reasonable period and to address any such non-compliance at no additional cost to TRATON. The results of pre-contractual sustainability compliance assessments are a key factor in contract awarding.

Should a violation of the sustainability requirements by the supplier occur or be imminent, the TRATON GROUP is entitled to take prompt measures to prevent or minimize the extent of such violation. In such instances, the supplier is obligated to take measures to prevent, stop, or minimize the extent of such violation. The supplier can be required to participate in one or more training formats of Volkswagen Group, if participation in the training may lead to the termination or minimization of the violation. If the nature of the violation is such that it cannot be terminated in the foreseeable future, the business partner prepares and implements a plan (including a specific schedule) to stop or minimize the violation without undue delay. If required by law, the TRATON GROUP shall be involved in the preparation of the plan.

Raw Materials Due Diligence Management System

Regarding the responsible sourcing of raw materials, TRATON in collaboration with Volkswagen Group follows the approach on the five steps of the OECD Due Diligence Guidance for Responsible Business Conduct and the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Since 2020, TRATON brands have been represented in the Volkswagen Group management system. The brands that have assessed the potential, have implemented a raw materials due diligence management system based on the OECD. It serves to identify, assess, and mitigate actual and potential human rights risks in our upstream raw materials supply chains. In the reporting year 2024, a new review and assessment of the 18 raw materials identified as particularly risky was carried out by Volkswagen Group. The TRATON GROUP brands were represented during the assessment. These include the battery raw materials cobalt, lithium, nickel, and natural graphite, the conflict minerals tin, tungsten, tantalum, and gold (3TG) as well as aluminum, copper, leather, mica, steel, natural rubber, platinum group metals, rare earth elements, cotton, and magnesium.

With this risk-based approach, the company prioritizes its activities based on the severity and likelihood of the infringement and the Company's ability to influence it. TRATON also systematically uses the Volkswagen Group structure to develop and implement specific preventive and mitigative measures, the effectiveness of which the Company reviews. As part of the management system, new reporting structures and toolkits were developed and existing instruments such as the Supply Chain Grievance Mechanism were integrated into the brands of the TRATON GROUP. In partnership with Volkswagen Group, the TRATON GROUP brands continuously adapt and enhance new measures based on the outcomes of the due diligence process.

In addition to the actions described above as part of the ReSC System, TRATON performed the following action.

Human rights salience assessment

To understand the TRATON GROUP's human rights and social risk profile and increase the readiness and ability of the key decision-makers to consider human rights in the Company's sustainability and business strategy, TRATON GROUP commissioned an external consultancy to conduct a human rights salience assessment in 2024. The salience assessment identifies and prioritizes human rights risks from the perspective of rights-holders prior to any company's management effort. It covers the TRATON GROUP's full value chain across its brands including the Company's own operations, supply chain, distribution, and sales networks, as well as customers and end-users. The salience assessment methodology on negative impacts is aligned with the United Nations Guiding Principles on Business and Human Rights considering the four criteria of scope, scale, remediability, and likelihood. In total, 18 salient human rights risks and impacts were identified, which can be split in the three categories labor and workforce; product, customer and end-users; and cross cutting and emerging themes.

The human rights salience assessment served as a basis for the DMA and will inform further actions around managing IROs related to value chain workers. As a next step, in 2025, the TRATON GROUP will start a new human rights program.

3.3. Affected communities

3.3.1. Processes for engaging with affected communities

TRATON's general approach to addressing negative impacts via the grievance mechanism as well as our mechanisms in place to protect its users against retaliation is laid out in the section on **"Management of TRATON's grievance mechanism"**.

Besides the grievance mechanism, which is accessible to everyone, the TRATON GROUP has not adopted a general process to engage with affected communities as of now. However, this will be covered by a newly introduced human rights program, which is based on the human rights salience assessment conducted in 2024.

TRATON respects the human rights of affected communities in the same manner as TRATON respects the human rights of its own workforce and value chain workers. Therefore, the Group's risk analysis addresses negative impacts to local communities and indigenous people that may be caused by the own business operations or the suppliers of TRATON. Similarly, cases of regulatory violations with negative impact on local communities and indigenous people that are caused by misconduct of employees or suppliers of the Group can be addressed in the relevant channels of the TRATON complaints procedure. An approach to address impact on local communities and indigenous people that is not attributed to either suppliers or employees' misconduct is currently under development. During 2024, to best knowledge, no confirmed cases were reported of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises nor cases of severe human rights issues and incidents connected to affected communities.

Further aspects of the management of impacts and risks related to affected communities are described in section **"TRATON's grievance mechanism"**. The processes described in section **"Management of working conditions"** for identifying appropriate action for negative impacts are implemented across TRATON GROUP's operations and supply chain.

3.3.2. Management of health and safety of affected communities

Protecting the health and safety of communities is especially important for communities near TRATON's operations or supply chain and communities affected by crimes and illegal activities potentially facilitated by TRATON's vehicles. Alongside the Code of Conduct for suppliers and business partners (see the section on **"Management of relationships with suppliers"**) and the accompanying actions, TRATON has an export control policy in place. Together, these put into practice the commitment of the TRATON GROUP to adhere to all applicable export control laws and regulations across the jurisdictions and regimes where it operates.

The Code of Conduct for suppliers and business partners also relates to the legal and reputational risks and operational disruptions from implication in human rights violations, which is also partially addressed by the CAHRA project, as described below. The Policy statement on human rights (see the section on **"Management of working conditions"**) also relates to this risk. Additionally, the Code of Conduct for suppliers and business partners requires suppliers and business partners to respect the rights of local communities to decent living conditions, including their rights to land, access to water, and other natural resources, as well as their right to practice their culture. The Policy Statement on human rights sets out further principles that TRATON adheres to in the context of human rights contributing to mitigating potential negative impacts in this context.

Policies

Export control (Group policy)

The policy describes export control, a top-down process that regulates trade and payment flows related to individuals, organizations, funds, items, services, and technical support, as well as sanctioned countries and critical end-uses. Each local brand company involved in exports must appoint an Export Control Officer in line with the governance structure provided by the Central Brand Export Control function. Additionally, all TRATON GROUP companies nominate a member of the management board or board of directors to be chief export control officer and responsible for foreign trade and export control matters. The policy defines the framework for each Group company to implement an Internal Compliance Program (ICP) including export control self-assessments as described below.

The TRATON GROUP Export Control department supports companies to ensure the effectiveness of the policy requirements, as well as national, EU, and US regulations, and informs the Volkswagen Export Control department annually. Where needed, qualified external parties may be considered to conduct reviews and audits. Corrective actions to adopt the export control operations or the ICP according to the findings of the review will be jointly defined and monitored by the respective brand and/or TRATON GROUP company. All TRATON GROUP companies and their employees must comply with this policy. In cases where country-specific laws are stricter, those laws are prioritized.

Actions and targets

In 2024, the following key actions were set in this topic.

Internal Compliance Program and export control self-assessment

The TRATON Export control policy defines a framework and requires TRATON brands and companies to establish an ICP, thereby ensuring compliance with international legal requirements arising from international trade regulations such as US Export Administration Regulation (EAR), the EC Dual-Use Regulation, and other national export control laws. The ICP is an inhouse manual detailing the organization of the export controls and description of internal procedures put in place to deal with export controls and comply with trade restrictions. The scope and extent of the ICP need tailoring to the commercial activities of the specific company and depend on various factors including the size, structure, scope of business, and customer portfolio. Further, to identify export control requirements and as part of the ICP, Group companies are required to conduct continuous export control self-assessments to identify and mitigate risks. These assessments help evaluate the effectiveness of procedures and internal controls in place, ensuring improvement and alignment with evolving legal requirements (e.g., in the field of sanctions). Where needed, qualified external parties may be considered to conduct reviews and audits. Corrective actions to adopt the export control operations according to the findings of the review are monitored by the respective brand and/or TRATON GROUP company.

The self-assessment must be continuously repeated to re-evaluate the implemented measures, changes in the legal situation, and risk factors. The repetition of self-assessments is based on identified risk profiles. The ICP, the self-assessment, together with other export control documentation, form the basis for the reviews and audits that ensure the effectiveness of the Export Control policy and accompanying actions. All brands and companies in scope have implemented and are continuously developing training to ensure that stakeholders across various departments clearly understand their role and how they are expected to contribute to the export control process.

Project to conflict-affected and high-risk areas (CAHRA)

To address negative impacts on affected communities in conflict-affected and high-risk areas (CAHRA) caused by our own operations and those of our business partners, TRATON is currently developing a heightened human rights due diligence approach (CAHRA project). This project will start in 2025 and aims to focus on sales and end-use related risks. It will not only facilitate risk mapping for sales and end-use risks, but also develop a due diligence process for CAHRAs. Additionally, this action aligns with our identified risks and material topics related to upholding International Standards in CAHRA. The scope of this action extends to business partners in our downstream value chain that are located in or sell to CAHRAs. In this context, input from this project could help to better understand the adverse impact of a certain complaint, should it not reach the complaints procedure.

The implementation of measures related to affected communities is overseen by the Sustainability department. Through their personnel and financial resources, these departments continuously address the key impacts and contribute to achieving the established goals. No targets related to the sustainability matter of the health and safety of affected communities were determined for the reporting period as this topic only became material for TRATON in 2024.

3.3.3. Management of road safety and privacy

During the DMA, TRATON identified a potential negative and a positive impact related to road safety and privacy. The product safety and conformity policy and accompanying monitoring actions relate to the potential negative impacts on the health and safety of users, passenger and pedestrians that may result from product defects, or quality issues and data privacy violations from information gathered in vehicles. They also relate to the potential positive impact of enhanced data security and road safety, which can encourage privacy-conscious and safe driving behaviours.

The policies Information governance, Handling personal data and data protection organization and the TRATON Guiding principles on trustworthy artificial intelligence, as outlined in section **"Management of other work-related rights"** alongside relevant related actions, also relate to both of these impacts by providing comprehensive guidelines for handling personal data.

Policies

Product safety and conformity (Group policy)

As a leading commercial vehicles manufacturer, the TRATON GROUP strives to manufacture products of the highest possible quality. However, sustained success is possible only if integrity — in other words, activities conforming to statutory requirements and driven by a commitment to values – forms the basis for day-to-day activities. For this reason, the TRATON GROUP is not only required by law to observe duties but is also committed to complying with the statutory and administrative rules and regulations as well as other legally binding standards applicable to its products. It further maintains a system for active and passive product surveillance monitoring for the products that it releases on the market. Finally, TRATON aims to avert hazards and danger to life and limb arising from such products as far as it is reasonably able to do so.

The policy product safety and conformity established uniform standards for the TRATON GROUP by closely aligning with the Volkswagen Group's policy. It stipulates that TRATON entities bringing products to market adhere to the organizational and procedural frameworks and aims to ensure that in the field identified risks against safety and/or conformity are detected, assessed, and appropriately mitigated. Additionally, the policy specifies multi-brand collaboration among the TRATON brands. It sets consistent, Group-wide standards in accordance with the TRATON GROUP's module and component strategy, facilitating the coordination of necessary measures across the companies within the TRATON GROUP.

Actions and targets

The following key action are taken regarding road safety. Regular internal audits are conducted to ensure that all actions required by the product safety and conformity policy are complied with and effective. To this end, at least 5% of the new cases of suspicion of non-conformity or lack of safety added since the last audit should be audited in each calendar year.

Monitoring and management of product safety and conformity

The brands of the TRATON GROUP placing products on the market are committed to maintaining robust systems for both active and passive surveillance of products released on the market to prevent potential hazards. As soon as indications of potentially safety and/or conformity-relevant deviations are identified, this information must be immediately subjected to a more detailed technical analysis and, if necessary, a risk assessment to introduce any necessary measures. For managing such procedures, designated committees are installed within the brands. No specific measurable targets with respect to the defined affected communities have been established yet due to the need for further internal evaluations.

4. Business conduct

Business conduct is a decisive factor for the long-term success of the TRATON GROUP. It significantly influences relationships with customers, employees, suppliers, and other stakeholders. Ethical and responsible business conduct is therefore essential to strengthen the trust of various parties and build a positive reputation for TRATON in the industry. The TRATON GROUP's ongoing membership and active participation in initiatives, such as Transparency International Deutschland e.V., UN Global Compact, German Institute for Compliance (Deutsches Institut für Compliance), and Alliance for Integrity (Allianz für Integrität) demonstrate its unwavering commitment to conducting business with integrity, ethics, and compliance. The matters that were identified as material for the TRATON GROUP in the context of business conduct are: corporate culture, corruption and bribery, management of relationships with suppliers including payment practices, political engagement, and protection of whistleblowers. For the topic of animal welfare, no material impacts, risks or opportunities were identified, hence the topic is not addressed further in this report.

4.1. Corporate culture

4.1.1. Management of corporate culture

Policies

To maintain a responsible business conduct and implement TRATON's sustainability strategies in line with its corporate values, several Group policies guide the Group's effort. They relate to the potential negative impact of disengagement of employees, lack of employee empowerment and motivation, potential unethical behavior from weak corporate culture, the risk of reduced productivity, decreased efficiency and higher employee turnover, the potential positive impact on employees by cultivating a corporate culture that aligns with the Group's values and purpose, and the material opportunity to improve productivity and competitiveness and reduced turnover costs.

Code of Conduct for employees (Group policy)

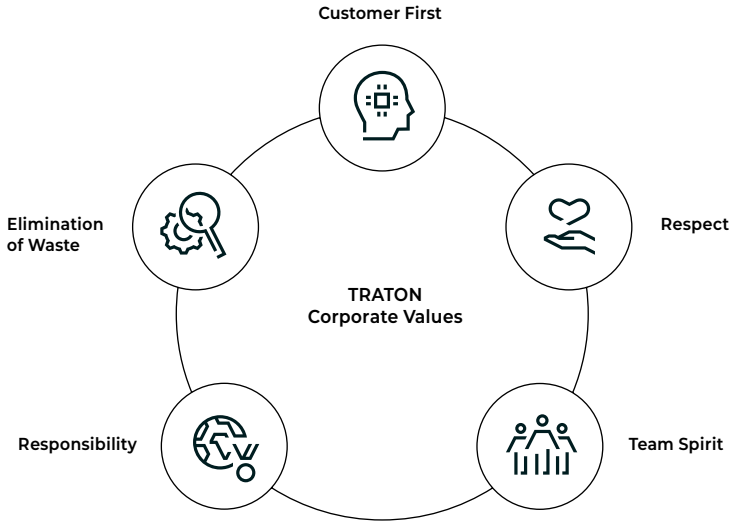
The TRATON GROUP Code of Conduct for employees is the ethical and value-based central guideline for acting with integrity and in compliance with the rules in our Group. It serves as a binding framework for all employees of all functions in all TRATON GROUP companies — all over the world. The Code of Conduct for employees covers a wide range of topics, including ethical leadership, human rights, occupational health and safety, prohibition of corruption, product compliance, IT security, and environmental protection. All topics of the section Business conduct are also governed by the Code of Conduct for employees. The decisions taken in all areas of work and in all roles must be in accordance with the corporate values and comply with applicable national and international laws, regulations, and internal voluntary commitments.

TRATON corporate culture frameworks

Three frameworks further shape the corporate culture of TRATON: TRATON GROUP corporate values, TRATON GROUP thinking model, and TRATON GROUP shared leadership principles. Together they form a system at TRATON in which all components rely on each other. They apply to the entire TRATON GROUP and are accessible for all affected stakeholder, our employees, via the intranet. The most senior level at the TRATON GROUP that is accountable for these policies is the Executive Board. The policies are reviewed and updated if necessary. They do not align with relevant internationally recognized instruments.

TRATON GROUP corporate values

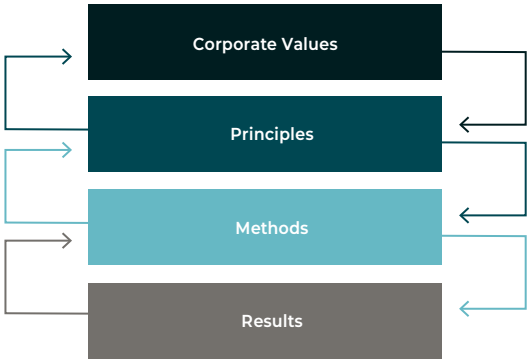
The TRATON GROUP corporate values provide the frame for how business is conducted in the Group. This is based on the firm conviction that there is a close connection between the results and the way in which all employees, managers and the Executive Board behave, think and make decisions. That is why the TRATON GROUP commits to five corporate values: Customer first, Respect, Team Spirit, Responsibility, and Elimination of Waste. These values are applicable to the whole Group and underline its purpose: Transforming Transportation Together. For a sustainable world. Although the TRATON GROUP finds its strength in the different perspectives within the Group, it is crucial that the full business potential is used and the Group exploits its advantages to create value for clients and society. Hence, the TRATON GROUP has stepped up collaboration between its brands through workstreams to successfully implement its strategy and realize common projects. As there are many overlaps between the corporate values and the corresponding stakeholders, the interests of the stakeholders were not only considered but fundamental when developing the policy.



TRATON GROUP thinking model

The TRATON GROUP thinking model is a framework that describes how everyone involved learns, adapts, and evolves. It connects the TRATON GROUP corporate values with the Group's results — and back again — to create a real-time and relevant organizational learning system. This ensures that everyone involved in the development of methods has the same vision, even if they are not in direct contact with each other. The TRATON GROUP thinking model not only links corporate values and results, but also integrates principles and methods into the strategy. It describes how principles are translated into methods and how knowledge is learnt and preserve within the company. To foster the Group-wide implementation of the Group thinking model, a cross-brand human resources workstream has been established developing a shared training concept.

Thinking Model



TRATON GROUP shared leadership principles

The TRATON GROUP shared leadership principles capture how TRATON thinks about great leadership. Principles are rooted in TRATON's corporate values, because it matters how we achieve business results. Each leadership principle serves all TRATON GROUP corporate values and describes a core idea that shapes the methods. The shared leadership principles help to avoid misunderstandings and unnecessary conflicts by defining good leadership. By adhering to the shared leadership principles, employees follow certain standards and methods that strengthen TRATON's external image. TRATON pursues three leadership principles : (1) own today, shape tomorrow, (2) start with trust, build together, and (3) dare to try, manage the risk. The shared leadership principles were developed this year and implemented through various communication measures as well as the Top 400 Leaders Workshop held in June 2024.

Actions and targets

In 2024, the following key actions and targets were set regarding corporate culture.

Corporate value roll-out

The TRATON GROUP is actively rolling out and strengthening its corporate values across all its brands, ensuring the seamless integration of these values throughout the entire organization. The implementation started in 2024 and will be continued beyond the reporting period. Each brand and Group function needs to set up a system with training, promotion schemes, recruitment processes, leadership principles, and similar, that ensures that the corporate values are lived throughout the organization. This is supported by a tool-based process, which consists of seven sessions taking approximately ten hours per employee to complete. The expected outcome is to support the development of the TRATON GROUP's culture and to create awareness of the TRATON GROUP corporate values among all employees. This will help shape actions and new behaviors that are aligned with the values, ultimately contributing to a positive work environment and a strong Group culture. In the reporting period, 12,672 employees of TRATON GROUP participated in the corporate value training.

Collaboration tools

Two tools are available to employees via TRATON's intranet: The collaboration toolbox and the culture kit. These tools serve as an implementation aid for corporate culture concepts and are promoted throughout talent development programs, training, and working groups. They were developed in 2022 and have been continuously updated. In the reporting year, for example, tools regarding diversity and inclusion were added.

Role Model Program

The Role Model Program, is based on our corporate values and supports the culture change within the entire TRATON GROUP by reinforcing an open and trustful culture, as well as reducing silo thinking. For 2024, we set the target of 75% implementation rate for the Role Model Program throughout the Group. We achieved this target with a 82% implementation rate for the year 2024. The targets are based on managers' completion of their individual target. Employees with a management function were required to set a good example by implementing at least two activities by the end of 2024 to reach 100%. Managers who made a status change in the second half of the year were only required to implement and document one activity in this timeframe. In total, 6,222 managers participated in the Role Model Program in 2024. Several functions of TRATON's Human Resources department were involved in setting the target to ensure it is aligned with relevant policies, programs, and other goals.

Talent development programs

Another action significantly strengthening the application of the TRATON corporate values and beliefs reflected in the Groups corporate culture are the talent development programs, which are described in the section on **"Management of working conditions"**.

Annual employee survey

In previous years, an annual employee survey called Stimmungsbarometer (StiBa) was conducted to obtain feedback on employees' experiences and review how the corporate culture is developing. This year, this process was paused as the TRATON GROUP is currently developing a new tool covering all brands that will be introduced in 2025. The annual employee survey will further support the evaluation of the success of Business Conduct implementation and serves as a guidance for actions in the area of governance (see the section on **"Management of working conditions"**).

Tone from the top statements

Regular tone from the top statements addressing TRATON's own workforce by members the Executive Board and of the management demonstrate the importance of compliance and commitment to ethical and compliant behavior. Such statements appear through various channels such as quotes in training and communication material and keynotes at compliance events. A clear tone from the corporate leadership encourages a compliance culture throughout the TRATON GROUP and demonstrates TRATON GROUP's commitment to internal and external stakeholders.

Code of Conduct training

In order to support employees in applying the Code of Conduct for employees, we offer Code of Conduct training for all employees of the TRATON GROUP. All indirect employees receive a mandatory web-based training. For this training, we aimed at a 100% completion rate throughout the reporting year. In the reporting period, 94% of the target group completed the web-based training.[54] The completion gap can be explained by regular fluctuation, that is, employees joining or leaving the Company during the training period.

4.2. Prevention and detection of corruption and bribery

4.2.1. Management of prevention and detection of corruption and bribery

The TRATON GROUP's general procedures to prevent, detect, and address allegations or incidents of corruption and bribery include, amongst others, the implementation of Group-wide policies (see section on **"Sustainability management process"**), conduct of due diligence checks (see section **"Management of relationships with suppliers"**), anti-corruption training and communications as described below, and the whistleblower system (see section **"TRATON's grievance mechanism"**). Furthermore, the TRATON GROUP Compliance department provides advice on compliance- and integrity-related questions, e.g., via the Compliance Helpdesk that employees can phone or e-mail. Internal control systems (ICSs) are integrated into the business processes to help ensure that the TRATON GROUP's financial and non-finacial data is reliable, operations are effective and efficient, and activities comply with applicable laws and regulations. Findings from detective measures are used to identify additional preventive compliance measures. Furthermore, independence is assured as investigations are conducted by independent investigation offices and investigation units. The Chief Compliance Officer (CCO) of TRATON SE reports topics to the Compliance Board three times a year and to the Truck Board once a year. Further, the CCO reports quarterly to the Audit Committee.

Policies

Several policies manage the prevention and detection of corruption and bribery and relate to the potential negative impact of corruption weakening governance, harming environmental initiatives, and fostering unfair competition. These policies are: Antitrust compliance, Business partner due diligence, Prevention of money laundering and terrorism financing, Donations and sponsoring, and Handling gifts, hospitality and invitations to events and conflicts of interest. Further, the Code of Conduct for employees (see the section on **"Management of corporate culture"**), Code of Conduct for suppliers and business partners (see the section on **"Management of relationships with suppliers"**) and Internal investigations (see the section on **"Management of TRATON's grievance mechanism"**) also relate to these IROs. These policies are communicated to our employees via an internal news channel on a regular basis, are available on the intranet, and are part of the compliance training programs.

Antitrust compliance (Group policy)

Antitrust laws protect free and fair competition, thus preventing anti-competitive practices to the detriment of customers and other market participants. Hence, the TRATON GROUP commits itself without restriction to free and fair competition and does not tolerate violations of antitrust regulations. For this reason, the Antitrust compliance policy has been developed. It provides guidelines on how to deal with areas that are relevant in terms of antitrust regulations, when dealing with competitors, customers, and suppliers and in cases when a company dominates the market. The Compliance department at TRATON is responsible for conducting trainings and other awareness measures, addressing questions related to the policy, and providing advice on potential antitrust infringements. In addition, the Legal department provides legal advice, particularly in the course of merger control proceedings.

54 Excluding Scania due to technical system challenges

Business partner due diligence (Group policy)
The TRATON GROUP strives to work with partners that follow the same high ethical principles of conduct to which we adhere. The Business partner due diligence policy relates to the risk of working with business partners lacking integrity by providing guidance on engaging with business partners, evaluating third parties using the business partner approval tool, concluding contracts, documenting, and archiving information, and establishing payment and remuneration frameworks. The policy governs the mandatory use of the Business Partner Approval Tool (BPA Tool), a web-based application that supports the assessment of the business partner's integrity and provides approval workflows. The effectiveness of the policy is reviewed via quality assessments of due diligence checks conducted in the BPA Tool. Additionally, internal controls check whether all business partner contracts have gone through the due diligence process. The policy applies to the engagement of business partners that have an intermediary and representative function. This includes importers, dealers, resellers, authorized service partners, bodybuilders, and many more. The same rules for checking the integrity of these business partners are valid for all TRATON GROUP entities. The business partner's integrity check utilizes the Corruption Perception Index (CPI), created by Transparency International.

Prevention of money laundering and terrorism financing (Group policy)
This Policy implements the German law on the tracing of profits from serious crimes (Money Laundering Act (GwG)) and also takes into account other money laundering laws that oblige companies in other countries to take measures to prevent money laundering and terrorist financing. It further defines roles and responsibilities, explains red flags and the prohibition of cash payments above a certain threshold as well as obligations in the event of any suspicion of money laundering or terrorism financing. In case a TRATON GROUP employee becomes aware of any potential or factual money laundering suspicion in connection with a transaction or business relationship, the employee must report this immediately to the responsible Compliance department. The Compliance department assesses the facts of the case, if necessary, with the support of the responsible TRATON GROUP employee, and decides whether there is indeed a money laundering suspicion. If required, the Compliance department assures that a suspicion notification to the relevant authorities is made and that the relevant stakeholders are informed accordingly. In addition, the TRATON GROUP employee is informed of the result of the analysis and advised on the next steps, if appropriate.

Donations and sponsoring (Group policy)
The TRATON SE and the brands support selected institutions and projects with donations and sponsoring measures. The Donations and sponsoring Group policy ensures that those donations and sponsoring measures are implemented in line with legal provisions and in compliance with the TRATON GROUP's integrity standards by stating admissible areas of support, (in)admissible donations and sponsoring measures as well as additional process rules and thresholds. To monitor compliance with and effectiveness of the policy, benefits in the form of donations and sponsoring measures must be documented and archived by the responsible donations or sponsorship manager of the brands. Any direct or indirect financial or in-kind political contributions are prohibited by this policy.

Handling gifts, hospitality and invitations to events and conflicts of interest (Group policy)
The TRATON Policy on handling gifts, hospitality, invitation to events and conflicts of interest lays down binding instructions on how to handle benefits granted to natural persons or legal entities, including criteria for determining the appropriateness of benefits to prevent corrupt behavior. Furthermore, this policy establishes rules for handling conflicts of interests, particularly in connection with the granting and acceptance of benefits. While the policy applies to TRATON employees, it affects several stakeholders in the value chain such as business partners, suppliers and customers.

Actions and targets
In 2024, the following key actions and targets were set regarding prevention and detection of corruption and bribery.

Anti-corruption training
All TRATON GROUP employees receive training on the Code of Conduct for employees, which includes education on anti-corruption (see the section on **"Management of corporate culture"**). In addition, employees who are exposed to higher corruption risks due to their role and responsibilities at the TRATON GROUP have to complete the web-based anti-corruption training, which also includes content on anti-bribery. These include, in particular, all managers and employees who are in contact with third parties and public officials. The training explains the term corruption in general and covers topics, such as dealing with public officials, gifts, hospitality and invitations, donations and sponsorships,

and conflicts of interest. Employees in the target group must complete the training every three years. TRATON GROUP aims at a 100% completion rate of the mandatory anti-corruption training. In the reporting period, 86%[55] of employees in the target group completed the anti-corruption training. The completion gap is mainly due to employee fluctuation.

Further, the Anti-money laundering and terrorism financing training is a web-based training for employees who are exposed to higher money laundering risks and could become aware of suspicious transactions. These are e.g. employees involved in payment services or with direct contact to third parties. In a three-year interval, they are trained on the respective policy, the risks of money laundering, red flags, and how to act when they suspect money laundering. TRATON GROUP aims at a 100% completion rate of the mandatory anti-money laundering training. In the reporting period, 52%[55] of employees in the target group completed the training on money laundering and terrorism financing. The completion gap is mainly due to the rollout of the updated web-based training in the fourth quarter at MAN and TRATON-Holding, which led to a low completion rate at the end of the financial year. Furthermore, International conducts its training on a campaign basis, with the new campaign launching in early 2025.

In addition to web-based training, the TRATON GROUP offers face-to-face compliance trainings on a risk-based approach. Participating in corruption training is mandatory for all levels. Board members and local gatekeepers participate in an additional Code of Conduct training since they act as role models and are exposed to higher risks due to their responsibilities. The format is a one-off, face-to-face training. Based on case studies, topics such as "fair and free competition", "gifts, hospitality and invitations", "conflicts of interest", "donations, sponsoring and charity", "human rights and environmental protection", and "product conformity and product safety" are discussed. The compliance training program including the anti-corruption trainings and related goals are developed in coordination with the TRATON SE Works Council.

55 The percentage of at-risk functions covered by training programs is calculated by dividing the number of training participants by the number of employees in the target group. Numbers from Scania are not included for 2024 reporting as they are currently updating their tracking system. This datapoint reveals the participation rate in training sessions focused on Anti-Money Laundering (AML) and Anti-Corruption (AC). According to ESRS, functions at risk are identified based on their specific tasks and responsibilities.

Compliance helpdesk

The Compliance helpdesk is a service accessible to all TRATON GROUP employees via phone and email, providing guidance on a variety of compliance-related inquiries, topics, and requests. These may pertain to questions or uncertainties regarding the Code of Conduct for employees, the Group policy on handling gifts, hospitality and invitations to events and conflicts of interest, the Group policy on internal investigations, the Group policy on antitrust compliance, and the Group policy on the prevention of money laundering and terrorism financing and other compliance topics. The Compliance helpdesk serves as a point of contact for two purposes: First, to address inquiries aimed at preventing policy violations, and second, to report potential misconduct by employees. In the latter scenario, the matter is referred to the TRATON Investigation Office.

4.2.2. Incidents of corruption or bribery

During the reporting period 2024, no criminal convictions were identified within the TRATON GROUP for breaches of anti-corruption and anti-bribery laws. Convictions for corruption and bribery include criminal convictions of a legal entity within the TRATON GROUP as well as criminal convictions concerning such legal entities' employees. Therefore, the TRATON GROUP incurred no fines as part of convictions for a violation of corruption and bribery laws including anti-money laundering in the year 2024.

To learn from identified breaches in procedures and standards of anti-corruption and anti-bribery, the TRATON GROUP perfoms a root cause analysis. A better understanding of the underlying cause of a problem helps to identify potential improvement measures that reduce the likelihood of the problem reoccurring.

4.3. TRATON's grievance mechanism

4.3.1. Management of TRATON's grievance mechanism

Integrity and compliant conduct in line with statutory regulations, internal policies, as well as the principles laid down in the Code of Conduct for employees and the Code of Conduct for suppliers and business partners are of the highest priority for the TRATON GROUP. To avoid or minimize the risk of potential violations by employees, suppliers, business partners, or other external parties related to TRATON, it is crucial to identify these at an early stage. They need to be clarified, stopped, and disciplinary measures need to be applied where necessary. That is why the TRATON GROUP is operating an independent, impartial, and confidential whistleblower system that provides various channels for employees, business partners, and external parties to report potential violations.

The potential negative impact resulting from stakeholders not having accessible channels to raise their concerns, as well as the potential positive impact that occurs when creating a speak-up culture within the Group relate to the internal investigations policy and the complaints procedure. They are implemented through two actions, in particular, the Speak up! whistleblower portal and regular internal and external compliance audits. The target of 100% completion rate of Code of Conduct training also relates to these IROs and the general sustainability matter of protection of whistleblowers.

Policies

Internal investigations (Group policy)

The internal investigations policy regulates how hints regarding potential violations are being handled. Violations are all intentional or negligent violations of regulations of applicable law (e.g., statutory laws, regulations) or internal company regulations (especially violations of the Code of Conduct for employees or employment contractual obligations) by employees committed in connection with, or based upon, their employment by the TRATON GROUP. It describes the TRATON GROUP's commitment and process to consequently follow up on potential violations, such as corrupt behavior. Standards are set such as general procedural rules for implementing and executing internal investigation processes in the TRATON GROUP and the competencies, responsibilities, and cooperation requirements to be established within the Group are defined.

Investigating units or the TRATON Investigation Office conduct the internal investigation. TRATON GROUP brands may implement a brand Investigation Office hub in accordance with the Group policy. The effectiveness of the policy is measured via the tracking of incoming hints, regular reporting, audits and through an IT-based case management system which documents and archives hints on violations and their processing including the results in compliance with relevant data protection regulations.

Complaints procedure

The TRATON GROUP's complaints procedure is an important part of safeguarding our corporate values and beliefs and serves to identify potential risks and violations to remedy them. It describes generally applicable principles for handling reports of potential risks or violations in the TRATON GROUP and across the associated supply chains. Anyone within the TRATON GROUP and along its supply chain can submit a report or complaint about potential risks or violations. The TRATON Investigation Office operates the internal and external reporting channels. The TRATON GROUP ensures that reports of potential violations by TRATON GROUP employees and business partners along the supply chain are handled properly.

The effectiveness of the complaints procedure is measured via the tracking of incoming hints, regular reporting, and audits.The complaints procedure is publicly available on TRATON's website. It aligns with internationally recognized instruments by complying with the legal requirements for a whistleblower system in accordance with the EU Whistleblower Protection Act. The Head of Investigations is responsible for the implementation of the policy at TRATON. In addition to the here described policies, the Code of Conduct for suppliers and business partners further regulates the protection of whistleblowers.

Actions and targets

In 2024, the following key actions and targets were set regarding TRATON's grievance mechanism.

Whistleblower portals

The TRATON GROUP whistleblower portals are accessible 24/7 in several languages for whistleblowers of the TRATON GROUP workforce to report any potential violations e.g. white-collar crime, corruption, antitrust law and data protection concerns. It also allows for reporting of violations and risks related to human rights and environmental obligations, as well as other internal and statutory regulations. Besides, the whistleblower portal can be used by both direct and indirect suppliers, to report violations of the Code of Conduct for suppliers and business partners as well as violations of environmental laws and human rights. Even if the reporters' preferred language is not offered in the reporting channel, whistleblowers can use any language to submit their report. Our whistleblowing portal is operated by a third-party, who hosts the portal on external, certified servers (located in Germany), allowing whistleblowers to address hints to us on an anonymous, non-traceable basis. Besides the electronic Speak up! whistleblower portal, internal or external reports of misconduct can be directed towards the contacts within the TRATON Investigation Office by post or e-mail, the 24/7 Volkswagen whistleblower hotline, and the ombudspersons of the Volkswagen Group.

Upon receiving a hint, the TRATON Investigation Office checks for substantiated information and categorizes the hint based on its severity and investigates if applicable. The Office is dedicated to investigating potentially serious violations that could significantly impact the interests of the TRATON GROUP, particularly in terms of reputation or financial interests, or that could significantly violate the ethical values of the TRATON GROUP or one of its brands. In the event of a confirmed serious violation, the TRATON Investigation Office will present the outcome, along with appropriate disciplinary measures, to a Disciplinary Committee consisting of several functions. The Disciplinary Committee is chaired by the Chief Compliance Officer of TRATON SE and further comprised of the Chief Human Resources Officer, the Chief Audit Executive, the HR Coordinator of TRATON SE for cases concerning employees of TRATON SE. For cases concerning employees of a TRATON GROUP brand, the respective members of the brand are included. Furthermore, the Head of the TRATON Investigation Office provides reports to the TRATON Chief Compliance Officer on selective cases on a regular basis and as needed.

The whistleblower system is designed to protect whistleblowers, the persons concerned, and equivalent individuals. Equivalent Individuals are all persons who confidentially support a whistleblower in reporting a hint in a work-related context. Discrimination against them is itself considered a serious violation. The investigation process is based on procedural principles, which include confidentiality, the need-to-know principle, and objectivity. The presumption of innocence applies to all persons concerned, as defined in the Internal Investigations Policy.

Information about the whistleblower system is available on both the TRATON GROUP website and intranet. Regular and engaging communication measures and initiatives are carried out to raise awareness. In addition, TRATON conducts training sessions — further mainly described in the section on **"Management of corporate culture"** — that are obligatory for all direct and indirect employees, including Board members, and cover information on the TRATON GROUP whistleblower system. For key contact points (KCPs) of the whistleblower system, specialized training is available. These KCPs are departments that potentially encounter the process of reporting, investigating, and sanctioning employee misconduct.

Regular internal and external compliance reports

To help ensure compliance with corporate governance, while also increasing corporate transparency and accountability across the TRATON GROUP, regular internal reporting related to GRC is provided to various boards and committees, including the Audit Committee, Truck Board, Compliance Board, Human Rights Committee, and Sustainability Board. External GRC-related reporting is also conducted, such as communication on TRATON's website, reports to relevant authorities and to the TRATON GROUP's investors. GRC-related reporting is submitted to Volkswagen through its digital compliance reporting tool.

4.4. Political engagement

4.4.1. Management of political engagement

The policies TRATON Code of Conduct for employees, Donations and sponsoring, Public affairs one-voice policy, state aid and grant register, as well as Handling gifts, hospitality and invitations to events and conflicts of interest, relate to the potential negative impact associated with opaque political involvement, which could threaten a vivid democracy and well-informed decision-making within the TRATON GROUP. There is no process in place for tracking these policies' effectiveness as violations of the policy would be handled in the regular compliance and investigation processes described throughout this section. Regarding the sustainability matter of political engagement, no relevant actions and targets are reported for 2024 as the potential negative impact is already well regulated by TRATON GROUP policies and procedures, as well as by the legislation to which the Group adheres strictly.

Policies

Public affairs one-voice-policy, state aid and grant register (Group policy)

This policy explains the fundamental procedure of the work process between the TRATON Public Affairs department, the brands, and companies. Regarding handling public affairs in the Group, the TRATON brands act independently and on their own responsibility but aligned with the TRATON Public Affairs department according to the policy. The key content of the policy includes a framework for lobbying, the one-voice-policy, the dotted line principle, an explanation of group relevance as well as principles and obligations the TRATON GROUP and its brands must follow. Additionally, the application and handling process of state-aid and grant register is addressed and explained.

TRATON Public Affairs directly reports to the Volkswagen Group Public Affairs department, which then prepares an annual report on the state aid and grant register applied for and received in the EU by the Volkswagen Group and its brands and companies. The necessary data is provided by state aid coordinators or financial responsible for installing adequate processes for the appropriate and proper application and handling of state aid and grant register. Furthermore, the Volkswagen Group Public Affairs department must be informed about the relevant activities of the brands and companies to support the implementation of suitable processes. To identify and track risks arising from the receipt of state aid and grant register, brands and companies are obliged to install processes to identify and avoid project-specific risks. In the event of imminent reputational damage or legal consequences for TRATON SE or the Volkswagen Group, coordination with the departments of Volkswagen Group Public Affairs and TRATON Public Affairs takes place at an early stage.

4.2.2. Political influence and lobbying activities

TRATON SE is registered in the German lobby register for the representation of interests vis-à-vis the German Parliament and the Federal Government under registration number R001565. The TRATON Public Affairs department is in direct (with politicians) and indirect (via associations, NGOs, other stakeholders) contact to decision-makers. The TRATON GROUP's responsibilities for monitoring lobbying activities are set out in the TRATON Code of Conduct for employees and other Group policies (Donations and sponsoring, Public affairs one-voice-policy, state aid and grant register as well as Handling gifts, hospitality and invitations to events and conflicts of interest). The TRATON SE Executive Board is responsible for approving these regulations.

The way of political engagement strictly pursues the goals of the TRATON Way Forward strategy. Main topics of the TRATON GROUP's lobbying activities include enabling conditions for the ramp-up of battery electric commercial vehicles and the development of a charging infrastructure. These topics directly interact with the IROs related to the sustainability matters climate change mitigation and energy. When electric transportation costs are comparable to fossil fuel transports and the necessary charging infrastructure is in place, choosing to go electric becomes straightforward for the customers of TRATON GROUP. Further topics of our lobbying activities encompass labor regulations, international trade, energy policies, digitalization, public finance, taxes and duties, urban development, climate and resource protection, transportation policies, science, research, and technology.

4.5. Supplier relationships and payment practices

4.5.1. Management of relationships with suppliers

TRATON's management of supplier relationships fundamentally builds on the Code of Conduct for suppliers and business partners. Besides a variety of other sustainability matters highlighted throughout this report, it also relates to the potential positive impact of fair payments, which builds suppliers, improving loyalty, collaboration, and innovation. The TRATON GROUP currently does not have Group-wide policies or initiatives specifically addressing late payments. The brands continue to manage their payment practices independently.

Policies

Code of Conduct for suppliers and business partners (Group policy)

As the TRATON GROUP's suppliers and business partners play a significant role in the Group's business success, TRATON expects them to act responsibly, particularly in the areas of human rights, health and safety at work, tax and trade compliance, environmental protection, and anti-corruption. In the Code of Conduct for suppliers and business partners, the TRATON GROUP has defined its expectations as well as requirements regarding the attitude and conduct of suppliers and business partners in their corporate activities. The policy is considered the basis for successful execution of business relations between the TRATON GROUP and its partners. Moreover, the Code of Conduct for suppliers and business partners applies to all suppliers (i.e., all contracting parties that supply the TRATON GROUP with goods, materials, or services) as well as to sales and service partners and other B2B partners who do business with the TRATON GROUP.

Our sustainability requirements are based on various international standards, including the UN Global Compact, OECD Guidelines, ILO conventions, and the Guiding Principles of the Drive Sustainability Initiative. TRATON GROUP also adheres to internationally agreed standards such as the Universal Declaration of Human Rights. As such, the Code of Conduct for suppliers and business partners addresses the safety of workers, human trafficking, the use of forced labor, or child labor. Precarious work (i.e., use of workers on short-term or limited hours contracts, workers employed via third parties, sub-contracting to third parties, or use of informal workers) is not explicitly addressed.

To monitor effectiveness of the policy, the TRATON GROUP brands reserve the right to verify compliance with sustainability requirements regularly, randomly, or for specific events and using appropriate and adequate means before awarding a new contract and throughout the business relationship. The related actions are described below.

The Code of Conduct for suppliers and business partners is publicly available on the TRATON GROUP website.

Actions and targets

In 2024, the following key action and targets were set regarding relationships with suppliers.

Responsible supply chain system

The TRATON approach to managing supplier relationships largely relies on the Responsible Supply Chain System (ReSC System), applicable to the whole Volkswagen Group, which provides standard actions and targets to mitigate significant potential negative impacts and manage any significant risks that arise in relation to workers in the value chain. Additionally, TRATON assesses compliance of suppliers with sustainability requirements of the Code of Conduct for suppliers and business partners through regular due diligence checks. A detailed description of these actions is provided in section **"Management of working conditions of workers in the value chain"**.

4.5.2. Payment practices

On average, the TRATON GROUP takes 44 days to pay invoices (from the start date of the contractual or statutory payment term). This figure was calculated for the TRATON GROUP using the following definition of Days Payable Outstanding (DPO):

$$\frac{\text{Payables at 31.12.}}{\text{Annual turnover}} \times 365$$

The standard payment terms vary between each brand from 30 up to 120 days. The conditions of the brands and companies in the markets and regions relevant to the TRATON GROUP show different payment terms, each in compliance with national legal requirements as well as voluntary commitments. The standard payment terms generally apply to all suppliers, but individual deviations as part of a negotiated supplier contract are possible. There is no standard deviation for a specific group of suppliers. The brands within the TRATON GROUP offer supply chain financing programs for suppliers.

As of December 31, 2024, the TRATON GROUP in Germany has an insignificant number of pending court dunning procedures due to payment delays, against which no objections have been raised yet. In the exceptional case that legal proceedings arise due to payment delays, these cases are handled by the Legal departments of TRATON and its brands.

5. Annex

Reference Table

ESRS Disclosure Requirement		Reference
ESRS 2 BP-1	General basis for preparation of the sustainability statement	1.1.Basis for preparation of the sustainability statement
ESRS 2 BP-2	Disclosures in relation to specific circumstances	1.1. Basis for preparation of the sustainability statement
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	1.3.2. Sustainability management process **"Corporate Governance Statement"**
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.3.2. Sustainability management process
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	1.3.3. Integration of sustainability-related performance in incentive schemes **"Remuneration report"**
ESRS 2 GOV-4	Statement on due diligence	1.3.4. Statement on due diligence
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	1.3.5. Risk management and internal controls over sustainability reporting **"Report on Expected Developments, Opportunities, and Risks"**
ESRS 2 SBM-1[56]	Strategy, business model and value chain	1.4.1. Strategy, business model, and value chain
ESRS 2 SBM-2	Interests and views of stakeholders	1.4.2. Stakeholder engagement
ESRS 2 SBM-3[56]	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.3. Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	1.2.1. Processes to identify and assess material impacts, risks and opportunities 1.2.2. Results of the double materiality assessment
ESRS 2 IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	5. Annex
ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	1.3.2. Sustainability management process – Overarching management policies and concepts for sustainability
ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets	1.3.2. Sustainability management process – Overarching management policies and concepts for sustainability
E1 ESRS2 GOV-3	Integration of sustainability-related performance in incentive schemes	1.3.3. Integration of sustainability-related performance in incentive schemes **"Remuneration report"**
E1 ESRS 2 IRO-1[56]	Description of the processes to identify and assess material impacts, risks and opportunities	1.2.1. Processes to identify and assess material impacts, risks and opportunities – Climate-related scenario analysis
E1-1	Transition plan for climate change mitigation	2.1.1. Management of climate change – Actions and targets
E1 ESRS 2 SBM-3[56]	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.3. Material impacts, risks and opportunities and their interaction with strategy and business model – Resilience analysis
E1-2	Policies related to climate change mitigation and adaptation	2.1.1. Management of climate change – Policies
E1 ESRS 2 MDR-P[56]	Policies adopted to manage material sustainability matters	2.1.1. Management of climate change – Policies

56 Disclosure requirement incomplete

Reference Table

ESRS Disclosure Requirement		Reference
E1-3	Actions and resources in relation to climate change policies	2.1.1. Management of climate change – Actions and targets
E1 ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	2.1.1. Management of climate change – Actions and targets
E1-4	Targets related to climate change mitigation and adaptation	2.1.1. Management of climate change – Actions and targets
E1 ESRS 2 MDR-T[56]	Tracking effectiveness of policies and actions through targets	2.1.1. Management of climate change
E1-5	Energy consumption and mix	2.1.2. Metrics related to climate change – Energy consumption and mix
E1-6[56]	Gross Scopes 1, 2, 3 and Total GHG emissions	2.1.2. Metrics related to climate change – GHG emissions
E1 ESRS 2 MDR-M	Metrics in relation to material sustainability matters	2.1.2. Metrics related to climate change
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	2.1.2. Metrics related to climate change – GHG emissions
E1-8	Internal carbon pricing	2.1.2. Metrics related to climate change – GHG emissions
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	*TRATON uses the option to phase-in this disclosure requirement in line with ESRS 1 Appendix C*
E2 ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.2.1. Processes to identify and assess material impacts, risks and opportunities
E2-1	Policies related to pollution	2.2.1. Management of pollution
E2 ESRS 2 MDR-P[56]	Policies adopted to manage material sustainability matters	2.2.1. Management of pollution
E2-2	Actions and resources related to pollution	2.2.1. Management of pollution
E2 ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	2.2.1. Management of pollution
E2-3	Targets related to pollution	2.2.1. Management of pollution
E2 ESRS 2 MDR-T[56]	Tracking effectiveness of policies and actions through targets	2.2.1. Management of pollution
E2-4	Pollution of air, water and soil	2.2.2. Metrics related to pollution – Pollution of air
E2-5	Substances of concern and substances of very high concern	2.2.2. Metrics related to pollution – Substances of very high concern
E2 ESRS 2 MDR-M	Metrics in relation to material sustainability matters	2.2.2. Metrics related to pollution
E2-6	Anticipated financial effects from material pollution-related risks and opportunities	*TRATON uses the option to phase-in this disclosure requirement in line with ESRS 1 Appendix C*
E3 ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.2.1. Processes to identify and assess material impacts, risks and opportunities
E3-1	Policies related to water and marine resources	2.3.1. Management of water
E3 ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	2.3.1. Management of water

56 Disclosure requirement incomplete

Reference Table

ESRS Disclosure Requirement		Reference
E3-2	Actions and resources related to water and marine resources	2.3.1. Management of water
E3 ESRS 2 MDR-A[56]	Actions and resources in relation to material sustainability matters	2.3.1. Management of water
E3-3	Targets related to water and marine resources	2.3.1. Management of water
E3 ESRS 2 MDR-T[56]	Tracking effectiveness of policies and actions through targets	2.3.1. Management of water
E3-4	Water consumption	2.3.2. Metrics related to water – Water consumption
E3 ESRS 2 MDR-M	Metrics in relation to material sustainability matters	2.3.2. Metrics related to water
E3-5	Anticipated financial effects from material water and marine resources-related risks and opportunities	*TRATON uses the option to phase-in this disclosure requirement in line with ESRS 1 Appendix C*
E4-1[56]	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	1.4.3. Material impacts, risks and opportunities and their interaction with strategy and business model – Resilience analysis
E4 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.4.1. Management of biodiversity and ecosystems
E4 ESRS 2 IRO-1[56]	Description of the processes to identify and assess material impacts, risks and opportunities	1.2.1. Processes to identify and assess material impacts, risks and opportunities
E4-2	Policies related to biodiversity and ecosystems	2.4.1. Management of biodiversity and ecosystems
E4 ESRS 2 MDR-P[56]	Policies adopted to manage material sustainability matters	2.4.1. Management of biodiversity and ecosystems
E4-3[56]	Actions and resources related to biodiversity and ecosystems	2.4.1. Management of biodiversity and ecosystems – Actions
E4 ESRS 2 MDR-A[56]	Actions and resources in relation to material sustainability matters	2.4.1. Management of biodiversity and ecosystems – Actions
E4-4	Targets related to biodiversity and ecosystems	2.4.1. Management of biodiversity and ecosystems
E4 ESRS 2 MDR-T[56]	Tracking effectiveness of policies and actions through targets	2.4.1. Management of biodiversity and ecosystems
E4-5	Impact metrics related to biodiversity and ecosystems change	2.4.1. Management of biodiversity and ecosystems
E4 ESRS 2 MDR-M	Metrics in relation to material sustainability matters	2.4.1. Management of biodiversity and ecosystems
E4-6	Financial effects from material biodiversity and ecosystem-related risks and opportunities	*TRATON uses the option to phase-in this disclosure requirement in line with ESRS 1 Appendix C*
E5 ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.2.1. Processes to identify and assess material impacts, risks and opportunities
E5-1	Policies related to resource use and circular economy	2.5.1. Management of resource use and circular economy – Policies
E5 ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	2.5.1. Management of resource use and circular economy – Policies

56 Disclosure requirement incomplete

Reference Table

ESRS Disclosure Requirement		Reference
E5-2	Actions and resources related to resource use and circular economy	2.5.1. Management of resource use and circular economy – Actions and targets
E5 ESRS 2 MDR-A[56]	Actions and resources in relation to material sustainability matters	2.5.1. Management of resource use and circular economy – Actions and targets
E5-3	Targets related to resource use and circular economy	2.5.1. Management of resource use and circular economy – Actions and targets
E5 ESRS 2 MDR-T[56]	Tracking effectiveness of policies and actions through targets	2.5.1. Management of resource use and circular economy
E5-4	Resource inflows	2.5.2. Metrics related to resource use and circular economy – Resource inflows
E5-5	Resource outflows	2.5.2. Metrics related to resource use and circular economy – Resource ouflows
E5 ESRS 2 MDR-M	Metrics in relation to material sustainability matters	2.5.2. Metrics related to resource use and circular economy
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	*TRATON uses the option to phase-in this disclosure requirement in line with ESRS 1 Appendix C*
S1 ESRS 2 SBM-2	Interests and views of stakeholders	1.4.2. Stakeholder engagement
S1 ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.3. Material impacts, risks and opportunities and their interaction with strategy and business model – Own workforce
S1-1	Policies related to own workforce	3.1.1. Process for engaging with own workers and workers' representatives 3.1.2. Management of working conditions 3.1.4. Management of equal treatment and opportunities for all 3.1.6. Management of other work-related rights 4.1.1. Management of corporate culture 4.3.1. Management of TRATON's grievance mechanism
S1 ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	3.1.2. Management of working conditions 3.1.4. Management of equal treatment and opportunities for all 3.1.6. Management of other work-related rights
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	3.1.1. Process for engaging with own workers and workers' representatives 3.1.2. Management of working conditions – Policies
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	3.1.1. Process for engaging with own workers and workers' representatives
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1.2. Management of working conditions – Actions and targets 3.1.4. Management of equal treatment and opportunities for all – Actions and targets 3.1.6. Management of other work-related rights – Actions and targets
S1 ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	3.1.2. Management of working conditions – Actions and targets 3.1.4. Management of equal treatment and opportunities for all – Actions and targets 3.1.6. Management of other work-related rights – Actions and targets
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1.2. Management of working conditions – Actions and targets 3.1.4. Management of equal treatment and opportunities for all – Actions and targets 3.1.6. Management of other work-related rights – Actions and targets

56 Disclosure requirement incomplete

Reference Table

ESRS Disclosure Requirement		Reference
S1 ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets	3.1.2. Management of working conditions 3.1.4. Management of equal treatment and opportunities for all 3.1.6. Management of other work-related rights
S1-6	Characteristics of the undertaking's employees	3.1.3. Metrics related to working conditions – Characteristics of the undertaking's employees
S1-7[56]	Characteristics of non-employees in the undertaking's own workforce	3.1.3. Metrics related to working conditions – Characteristics of non-employees in the undertaking's own workforce
S1-8[56]	Collective bargaining coverage and social dialogue	3.1.3. Metrics related to working conditions – Collective bargaining coverage and social dialog
S1-9	Diversity metrics	3.1.5. Metrics related to equal treatment and opportunities for all – Diversity metrics
S1-10	Adequate wages	3.1.3. Metrics related to working conditions – Adequate wages
S1-11	Social protection	*TRATON uses the option to phase-in this disclosure requirement in line with ESRS 1 Appendix C*
S1-12	Persons with disabilities	*TRATON uses the option to phase-in this disclosure requirement in line with ESRS 1 Appendix C*
S1-13	Training and skills development metrics	*TRATON uses the option to phase-in this disclosure requirement in line with ESRS 1 Appendix C*
S1-14	Health and safety metrics	3.1.5. Metrics related to working conditions – Health and safety metrics
S1-15	Work-life balance metrics	*TRATON uses the option to phase-in this disclosure requirement in line with ESRS 1 Appendix C*
S1-16[56]	Remuneration metrics (pay gap and total remuneration)	-
S1-17[56]	Incidents, complaints and severe human rights impacts	3.1.7. Metrics related to other work-related rights – Incidents, complaints and severe human rights impacts
S1 ESRS 2 MDR-M	Metrics in relation to material sustainability matters	3.1.3. Metrics related to working conditions 3.1.5. Metrics related to equal treatment and opportunities for all 3.1.7. Metrics related to other work-related rights
S2 ESRS 2 SBM-2	Interests and views of stakeholders	1.4.2. Stakeholder engagement
S2 ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.3. Material impacts, risks and opportunities and their interaction with strategy and business model – Workers in the value chain
S2-1	Policies related to value chain workers	3.1.2. Management of working conditions – Actions and targets 3.2.1. Process to remediate negative impacts and channels for value chain workers to raise concerns 3.2.2. Management of working conditions and other work-related rights of workers in the value chain – Policies
S2 ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	3.2.2. Management of working conditions and other work-related rights of workers in the value chain – Policies
S2-2	Processes for engaging with value chain workers about impacts	3.2.1. Process to remediate negative impacts and channels for value chain workers to raise concerns

56 Disclosure requirement incomplete

Reference Table

ESRS Disclosure Requirement		Reference
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.1.1. Process for engaging with own workers and workers' representatives 3.2.1. Process to remediate negative impacts and channels for value chain workers to raise concerns
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2.2. Management of working conditions and other work-related rights of workers in the value chain – Actions and targets
S2 ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	3.2.2. Management of working conditions and other work-related rights of workers in the value chain – Actions and targets
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2.2. Management of working conditions and other work-related rights of workers in the value chain – Actions and targets
S2 ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets	3.2.2. Management of working conditions and other work-related rights of workers in the value chain
S3 ESRS 2 SBM-2	Interests and views of stakeholders	1.4.2. Stakeholder engagement
S3 ESRS SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.3. Material impacts, risks and opportunities and their interaction with strategy and business model – Affected communities
S3-1	Policies related to affected communities	3.1.2. Management of working conditions – Actions and targets 3.3.1. Processes for engaging with affected communities 3.3.2. Management of health and safety of affected communities 3.3.3. Management of road safety and privacy
S3 ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	3.3.2. Management of health and safety of affected communities – Policies 3.3.3. Management of road safety and privacy – Policies
S3-2[56]	Processes for engaging with affected communities about impacts	3.3.1. Processes for engaging with affected communities
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	3.1.1. Process for engaging with own workers and workers' representatives 3.3.1. Processes for engaging with affected communities 4.1.1. Management of corporate culture
S3-4[56]	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	3.3.1. Processes for engaging with affected communities 3.3.2. Management of health and safety of affected communities 3.3.3. Management of road safety and privacy
S3 ESRS 2 MDR-A[56]	Actions and resources in relation to material sustainability matters	3.3.2. Management of health and safety of affected communities – Actions and targets 3.3.3. Management of road safety and privacy – Actions and targets
S3-5[56]	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3.2. Management of health and safety of affected communities 3.3.3. Management of road safety and privacy

56 Disclosure requirement incomplete

Reference Table

ESRS Disclosure Requirement		Reference
S3 ESRS 2 MDR-T[56]	Tracking effectiveness of policies and actions through targets	3.3.2. Management of health and safety of affected communities 3.3.2. Management of road safety and privacy
G1 ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	1.3.2. Sustainability management process **"Corporate Governance Statement"**
G1 ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.2.1. Processes to identify and assess material impacts, risks and opportunities
G1-1	Business conduct policies and corporate culture	4.1.1. Management of corporate culture 4.3.1. Management of TRATON's grievance mechanism – Actions and targets
G1-2	Management of relationships with suppliers	3.2.2. Management of working conditions and other work-related rights of workers in the value chain – Actions and targets 4.5.1. Management of relationships with suppliers
G1-3	Prevention and detection of corruption and bribery	4.2.1. Management of prevention and detection of corruption and bribery
G1-4	Incidents of corruption or bribery	4.2.2. Incidents of corruption or bribery
G1-5	Political influence and lobbying activities	4.4.2. Political influence and lobbying activities
G1-6	Payment practices	4.5.2. Payment practices
G1 ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	4.1.1. Management of corporate culture – Policies 4.2.1. Management of prevention and detection of corruption and bribery – Policies 4.3.1. Management of TRATON's grievance mechanism – Policies 4.4.1. Management of political engagement 4.5.1. Management of relationships with suppliers – Policies
G1 ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	4.1.1. Management of corporate culture – Actions and targets 4.2.1. Management of prevention and detection of corruption and bribery – Actions and targets 4.3.1. Management of TRATON's grievance mechanism – Actions and targets 4.4.1. Management of political engagement 4.5.1. Management of relationships with suppliers – Actions and targets
G1 ESRS 2 MDR-T[56]	Tracking effectiveness of policies and actions through targets	4.1.1. Management of corporate culture 4.2.1. Management of prevention and detection of corruption and bribery 4.3.1. Management of TRATON's grievance mechanism 4.4.1. Management of political engagement 4.5.1. Management of relationships with suppliers
G1 ESRS 2 MDR-M	Metrics in relation to material sustainability matters	4.2.2. Incidents of corruption or bribery

56 Disclosure requirement incomplete

Disclosure of significant sites and biodiversity-sensitive areas

Brand	Country	Location/city	Sitename	Location/SiteCode
Scania	France	Angers	Basses vallées angevines, aval de la rivière Mayenne et prairies de la Baumette	FR5200630
Scania	Sweden	Lulea	Gammelstadsviken	SE0820042
Scania	Netherlands	Meppel	Olde Maten & Veerslootlanden	NL2003063
			De Wieden	NL3009004
Scania	Brazil	Sao Paulo	Área De Proteção Ambiental Haras São Bernardo	555682085
Scania	Poland	Slupsk	Dolina Słupi	PLH220052
Scania	Sweden	Södertällje	Brosjön	SE0110115
			Lina	SE0110164
Scania	Netherlands	Zwolle	Uiterwaarden Zwarte Water en Vecht	NL9902003
			Rijntakken	NL2014038
MAN Truck & Bus	Poland	Krakow	Puszcza Niepołomicka	PLB120002
MAN Truck & Bus	Germany	München	Gräben und Niedermoorreste im Dachauer Moos	DE7734301
			Allacher Forst und Angerlohe	DE7734302
MAN Truck & Bus	Germany	Nürnberg	Tiergarten Nürnberg mit Schmausenbuck	DE6532372
			Rednitztal in Nürnberg	DE6632371
			Nürnberger Reichswald	DE6533471
MAN Truck & Bus	South Africa	Pinetown	Krantzkloof Nature Reserve	26031
			New Germany Nature Reserve	555571042
			Marion Wood Nature Reserve	555571041
MAN Truck & Bus	Germany	Salzgitter	Heerter See	DE3828401
			Uroczyska Lasów Starachowickich	PLH260038
			Ostoja Sieradowicka	PLH260031
MAN Truck & Bus	Slovakia	Banovce	Rokoš	SKUEV0128
MAN Truck & Bus	Slovakia	Banovce	Strážovské vrchy	SKCHVU028
Volkswagen Truck and Bus	Brazil	Resende	Refúgio De Vida Silvestre Estadual Da Lagoa Da Turfeira	555682323
INTERNATIONAL	United States	Huntsville	Dallas W. Fanning Nature Preserve	258 Old Jim Williams Rd SW, Huntsville, AL 35824
			Wheeler National Wildlife Refuge	34.627877, -86.753455
INTERNATIONAL	United States	San Antonio	Mitchell Lake	29.280676, -98.490558
			Cassin Lake	29.301112, -98.458457
			Medina River	29.265685, -98.486560
			San Antonio Missions National Historical Park	29.305421, -98.451557
INTERNATIONAL	United States	Springfield	Mad River	40.015899, -83.822472
			Cedar Bog Nature Preserve	Cedar Bog Nature Preserve, 980 Woodburn Rd, Urbana, OH 43078
INTERNATIONAL	United States	Tulsa	Oxley Nature Center	6700 Mohawk Blvd, Tulsa, OK 74115

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FURTHER INFORMATION

Remuneration Report

Section 162 of the *Aktiengesetz* (AktG — German Stock Corporation Act) requires the Executive Board and Supervisory Board of TRATON SE to prepare a clear, readily understandable report on the remuneration of members of the Executive Board and the Supervisory Board. In this report, we explain the principles of the remuneration system for the Executive Board and Supervisory Board. The Remuneration Report also presents the individual remuneration broken down by component for current and former members of the Executive Board and Supervisory Board of TRATON SE.

Executive Board remuneration

Business performance in the year under review

The TRATON GROUP had a successful fiscal year 2024. The performance of the TRATON GROUP's most important truck and bus markets varied greatly in fiscal year 2024 and was slightly down overall. Despite a slight year-on-year decline in unit sales, the TRATON GROUP reported a slight year-on-year increase in sales revenue to approximately €47.5 billion in fiscal year 2024. Among other things, this increase in sales revenue was due to a favorable market and product mix as well as better unit price enforcement. Sales revenue even grew significantly year-on-year in the TRATON Financial Services segment. Overall, business performance in fiscal year 2024 was largely in line with or slightly exceeded the ranges forecast for the fiscal year.

Principles of Executive Board remuneration

The remuneration of the members of the Executive Board is based on the revised remuneration system for the Executive Board ("remuneration system") adopted by the Supervisory Board effective from January 1, 2024, which largely corresponds to the remuneration system already adopted on December 16, 2020, and effective from January 1, 2021, and most recently approved by the Annual General Meeting on June 9, 2022. The Annual General Meeting approved the remuneration system on June 13, 2024, with 97.98% of the votes cast. The remuneration system implements the requirements of the AktG in the version as amended by ARUG II and takes account of the recommendations of the German Corporate Governance Code (the Code) as amended on April 28, 2022 (entered into force on June 27, 2022). The Supervisory Board reviews the remuneration system at its reasonable discretion at regular intervals, but at least every four years.

In the course of revising the remuneration system, the Supervisory Board decided to replace the financial performance target of return on investment (ROI) by the financial performance target of net cash flow of the TRATON Operations business area (NCF) in order to better reflect the interests of the capital markets. Net cash flow is a core performance indicator that is used to measure earnings power, the ability to make investments, and to pay dividends, and is therefore highly relevant for the capital markets. TRATON SE reports the net cash flow of the TRATON Operations business area in the condensed statement of cash flows in the Combined Management Report. In addition, the Supervisory Board adjusted the profit bonus cap from 180% to 200%. The ESG factor generally considers the opinion index ESG factor for the Social subtarget. The Supervisory Board was given the option to suspend the opinion index ESG factor in fiscal years 2024 and 2025, as the underlying measurement methodologies are being optimized and recalibrated. Instead, the new gender index[1], which is linked to the development of the proportion of women in management positions in TRATON GROUP companies and contributes to the advancement of women in the TRATON GROUP, will be used for fiscal years 2024 and 2025. In the performance share plan, the maximum target achievement for the earnings per share (EPS) target was increased from 150% to 175%, and the cap on the payment amount under the performance share plan was increased from the current 200% to 250% to reflect the development of the share price. The remuneration of the members of the Executive Board is also capped under the revised remuneration system. To reflect current market conditions, the maximum remuneration for all regular members of the Executive Board will in future be a standard amount of €5,000 thousand gross, and €8,500 thousand gross for the Chair of the Executive Board. The Supervisory Board also decided that the Chair of the Executive Board may in future be granted fringe benefits in the form of an annual flat-rate fringe benefit allowance.

The remuneration system applies to all members of the Executive Board with new or extended employment contracts from the date of the 2024 Annual General Meeting. For the members of the Executive Board who were already in office prior to December 16, 2020, the remuneration system applied until their contract was renewed and with the proviso that the performance share plan would continue to have a performance period of three years. This no longer applied to any active members of the Executive Board in fiscal year 2024. A performance share plan with a four-year performance period has also been in place for Mr. Levin and Mr. Cortes since fiscal year 2024.

1 The calculation and application of the gender index is subject to applicable local law.

The level of the Executive Board remuneration should be appropriate and attractive in the context of the Company's national and international peer group. Criteria include the tasks of the individual Executive Board member, their personal performance, the economic situation, and the performance of and outlook for the Company, as well as how customary the remuneration is when measured against the peer group. In this context, comparative studies on remuneration are conducted on a regular basis. The Supervisory Board increased the remuneration of the members of the Executive Board appropriately as of January 1, 2024. When revising the remuneration system, adjusting the remuneration amounts and defining the targets, the Supervisory Board was supported by a leading independent external remuneration consultant.

The Executive Board and Supervisory Board reported in detail on the remuneration of the Executive Board and Supervisory Board in fiscal year 2023 in the 2023 Remuneration Report. The Annual General Meeting approved the 2023 Remuneration Report on June 13, 2024, with 99.36% of the votes cast. Comments from investors were taken into consideration when preparing the Remuneration Report for fiscal year 2024, for example, the tables showing remuneration granted and owed more clearly presented the minimum and maximum achievable amounts for the short-term and long-term variable remuneration of the members of the Executive Board.

The following provides an overview of the remuneration system for the Executive Board that was applicable in fiscal year 2024 before discussing the remuneration components in the same reporting period.

Overview of the remuneration components

The following table provides an overview of the components of the remuneration system applicable to the members of the Executive Board for fiscal year 2024. It also provides an overview of the composition of the individual remuneration components and explains the targets, especially in respect of how the remuneration is intended to foster the Company's long-term development.

2024 Executive Board remuneration system

Component	Composition	Target
Fixed remuneration components		
Base salary	Twelve equal installments payable at month-end	The base remuneration and fringe benefits are intended to reflect the tasks and responsibility of the Executive Board members, provide a basic income, and prevent them from taking inappropriate risks.
Fringe benefits	In particular: – Private use of the first company car; second and third company cars with fuel cards in return for payment of a monthly flat fee; private use of the driver pool to an appropriate extent – Allowance toward health and long-term care insurance and retirement provision – Accident insurance – Installation and private use of security measures – Medical check-up for managers – Inclusion in D&O and criminal legal expenses insurance – Benefits in the event of death – Possible payment of tax consulting costs Modified fringe benefits for Executive Board members who are also members of the Executive Board of a foreign subsidiary: – Executive Board members who are also members of the Executive Board of a foreign subsidiary do not receive their fringe benefits from TRATON SE but from the respective foreign subsidiary. – These Executive Board members are only entitled to modified fringe benefits from TRATON SE, i.e., they are included in the D&O and criminal legal expenses insurance, they are entitled to benefits in the event of death, and, under certain circumstances, to the payment of tax consulting costs. The Chair of the Executive Board receives an annual flat-rate fringe benefit allowance from which the benefits used by TRATON SE or a foreign subsidiary are deducted. Any residual amount is paid out to the Chair of the Executive Board.	
Occupational retirement provision	– Retirement, disability, and surviving dependents' benefits – In principle, upon reaching the age of 65 (earlier claims are possible) – Defined contribution system dependent on the performance of certain fund indices – Annual contribution of 40% of the contractually agreed annual base salary – Executive Board members who are also members of the Executive Board of a foreign subsidiary do not currently receive occupational retirement provision from TRATON SE but from the respective foreign subsidiary.	The occupational retirement provision is intended to provide Executive Board members with an adequate pension when they retire.

2024 Executive Board remuneration system

Component	Composition	Target
Variable remuneration components		
Profit bonus	– Plan type: target bonus – Minimum payment amount: €0 – Cap: 200% of the target amount – Assessment period: profit bonus fiscal year (year for which the bonus is granted) – Performance criteria: o **Financial subtargets:** · **Operating return on sales** (50%) and **net cash flow** (50%) o Operating return on sales is the ratio of operating result in the TRATON GROUP before tax and excluding adjustments to the corresponding sales revenue. o Net cash flow comprises net cash provided by/used in operating activities and net cash provided by/used in investing activities attributable to operating activities in the TRATON Operations business area and indicates the excess funds from operating activities in the reporting period. · The Supervisory Board defines threshold, target, and maximum values for the financial subtargets for the profit bonus fiscal year. The threshold corresponds to a subtarget achievement of 50% for the operating return on sales subtarget and of 0% for the net cash flow subtarget, the target value corresponds to a subtarget achievement of 100% in each case, and the maximum value corresponds to a subtarget achievement of 180% in each case; interim values are interpolated on a linear basis. · The profit bonus depends on target achievement in the profit bonus fiscal year. · Total financial target achievement = subtarget achievement operating return on sales x 50% + subtarget achievement net cash flow x 50% o **ESG targets** · **Environmental** subtarget (ratio of the number of battery electric vehicles and fuel cell electric vehicles sold to the total number of vehicles sold, excluding the MAN TGE model) weighted at 50% · The **Social** subtarget (generally the opinion index; the gender index[1] for fiscal years 2024 and 2025), weighted by 50% · **Governance factor** (compliance and integrity) of between 0.9 and 1.1 (normal value 1.0) · The Supervisory Board defines minimum, target, and maximum values for the Environmental and Social subtargets for each fiscal year. The minimum, target, and maximum values correspond to subtarget achievement of 0.7, 1.0, and 1.3, respectively. Interim values are interpolated on a linear basis. · Calculation of the ESG factor: [Environmental subtarget achievement x 50% + Social subtarget achievement x 50%] x Governance factor (0.9–1.1) – Profit bonus payment amount = individual target amount x financial target achievement x ESG factor – Payout: generally in cash in the month following approval of the consolidated financial statements for the profit bonus fiscal year	The profit bonus is intended to motivate the Executive Board members to pursue ambitious targets during the assessment period. The financial performance targets support the strategic target of achieving competitive earnings power. The integration of sustainability targets reflects the significance of the Environmental, Social, and Governance factors.

1 The calculation and application of the gender index is subject to applicable local law.

2024 Executive Board remuneration system

Component	Composition	Target
Long-term incentive (LTI)	– Plan type: performance share plan – Performance period: in principle, forward-looking four-year term – Minimum payment amount: €0 – Cap: 250% of the target amount – **Allocation of performance shares:** at the start of each fiscal year, the individually agreed target amount is divided by the arithmetic mean of the TRATON SE share price (German Securities Identification Number: TRAT0N) in the Xetra trading system of Deutsche Börse AG on the last 30 trading days prior to January 1 of the respective performance period (initial reference price). – **Target setting:** at the start of the performance period, the Supervisory Board defines minimum, target, and maximum values for earnings per share (EPS), the audited diluted earnings per TRATON share for continuing and discontinued operations. The minimum, target, and maximum EPS values correspond to target achievement of 50, 100, and 175%, respectively. – **Calculation of the payment amount:** the final number of performance shares is calculated by multiplying the number of performance shares conditionally allocated at the start of the performance period by the arithmetic mean of the annual EPS target achievement figures during the performance period. The final number of performance shares is then multiplied by the sum of the arithmetic mean of the closing prices on the last 30 trading days prior to the end of the performance period (closing reference price) and the dividends paid per share during the performance period (dividend equivalent). – Payout: generally in cash in the month following approval of the consolidated financial statements for the last fiscal year of the respective performance period – If the employment contract ends before the end of the performance period due to a bad leaver case (extraordinary termination for cause or revocation of appointment due to a gross breach of duties, resignation, termination without cause by the person concerned, a breach of a contractual or post-contractual restraint on competition), all performance shares will be forfeited.	The long-term incentive serves to align the remuneration of the Executive Board members to the Company's long-term performance. The financial performance target EPS in conjunction with share price performance and the dividends paid, measured over four years, ensures the long-term effect of the behavioral incentives and supports the strategic target of achieving competitive earnings power.
Other benefits		
Special payment	– If applicable, based on a separate agreement with the Executive Board member – The agreement is made in advance for the fiscal year and defines performance criteria for the special payment.	Special payments can reward outstanding performance and may only be granted if it is in the Company's interest to do so and generates a forward-looking benefit for the Company.
Benefits agreed with new Executive Board members for a defined period of time or for the entire term of their employment contracts	– Optional payments to compensate for declining variable remuneration or other financial disadvantages – Optional benefits in connection with relocation – Optional minimum remuneration guarantee	These (compensation) payments are intended to enable the Company to attract qualified candidates for the Executive Board.

2024 Executive Board remuneration system

Component	Composition	Target
Other remuneration provisions		
Penalty and clawback	– The possibility for the Supervisory Board to reduce profit bonuses and the performance share plan by up to 100% or to claw back the remuneration that has already been paid in the case of relevant misconduct during the respective relevant assessment period – Clawback is excluded if more than three years have passed since the variable remuneration component was paid out.	The aim is to motivate Executive Board members to maintain lawful and ethical conduct.
Maximum remuneration	– The relevant components are the base salary paid for the respective fiscal year, the service cost for occupational retirement provision, the fringe benefits granted, the profit bonus granted for the respective fiscal year and paid out in the following year, the performance share plan paid out in the respective fiscal year and for which the performance period ended immediately before the respective fiscal year, any special payment granted for the respective fiscal year, and any benefits granted to new Executive Board members. – Amounts to €8,500 thousand gross per fiscal year for the Chair of the Executive Board and generally €5,000 thousand gross per fiscal year for the members of the Executive Board. – The maximum remuneration for Executive Board members who are also members of the Executive Board of a foreign subsidiary consists of the total remuneration from TRATON SE together with that from the respective subsidiary. – If the maximum remuneration is exceeded, the variable remuneration components will be reduced on a pro rata basis.	The aim is to ensure that the remuneration of Executive Board members is not inappropriately high when measured against the peer group.

Remuneration of the Executive Board members appointed in fiscal year 2024

Members of the Executive Board in fiscal year 2024

On the one hand, the Executive Board of TRATON SE is made up of members who are also members of the Executive Board of a foreign subsidiary and receive their remuneration proportionately from TRATON SE and from the respective foreign subsidiary. On the other, it consists of members who are only members of the Executive Board of TRATON SE or also members of the Executive Board of a German subsidiary. These Executive Board members are remunerated entirely by TRATON SE; if they hold an additional Executive Board function at a German subsidiary, part of their remuneration will be reimbursed by way of intercompany charging. The members of the Executive Board generally receive no additional remuneration for discharging further mandates in the management bodies, supervisory boards, or comparable bodies of other Group companies in the course of their board activity. Should such remuneration be granted nonetheless, it will be offset against the remuneration for the activity as a member of the Executive Board of TRATON SE.

In fiscal year 2024, the Executive Board of TRATON SE had the following members:

Christian Levin: Mr. Levin has been a member of the Executive Board since the effective date of the change of legal form of TRATON AG to TRATON SE on the day this was entered in the commercial register in 2019, and has been the Chief Executive Officer and Chairman of the Executive Board since October 1, 2021. Mr. Levin has also been Chief Executive Officer of Scania AB and Scania CV AB since May 1, 2021. Since October 1, 2021, the remuneration has been divided between TRATON SE and Scania CV AB based on areas of responsibility. Since May 1, 2021, Mr. Levin has received fringe benefits and occupational retirement provision solely from Scania CV AB.

Mathias Carlbaum: Mr. Carlbaum has been a member of the Executive Board since October 1, 2021, and, in addition, Chief Executive Officer and President of International (formerly Navistar) from September 1, 2021, to September 30, 2024, on the basis of a secondment agreement between him, Scania CV AB, and International. The secondment ended on October 1, 2024, and since then Mr. Carlbaum has been employed directly by International in addition to his employment contract with TRATON SE. Since October 1, 2021, 20% of his fixed and variable remuneration has been borne by TRATON SE and 80% by International.

The fringe benefits for Mr. Carlbaum are borne by International. All pension expenses are borne by Scania CV AB, with which Mr. Carlbaum still has a dormant employment contract, and charged on to International.

Antonio Roberto Cortes: Mr. Cortes has been a member of the Executive Board since the effective date of the change of legal form of TRATON AG to TRATON SE on the day this was entered in the commercial register in 2019, and is also Chief Executive Officer of Volkswagen Truck & Bus Latin America Indústria e Comércio de Veículos Ltda. (Volkswagen Truck & Bus), formerly MAN Latin America Indústria e Comércio de Veículos Ltda. Mr. Cortes received 20% of his fixed and variable remuneration from TRATON SE and 80% from Volkswagen Truck & Bus. Mr. Cortes receives fringe benefits and occupational pension benefits solely from Volkswagen Truck & Bus.

Dr. Michael Jackstein: Dr. Jackstein has been a member of the Executive Board of TRATON SE since April 1, 2023.

Catharina Modahl Nilsson: Ms. Modahl Nilsson has been a member of the Executive Board of TRATON SE since April 1, 2023. Ms. Modahl Nilsson has also been the CTO of TRATON AB since April 1, 2023. Ms. Modahl Nilsson received 20% of her fixed and variable remuneration from TRATON SE and 80% from TRATON AB. Ms. Modahl Nilsson receives fringe benefits and occupational pension benefits solely from TRATON AB.

Alexander Vlaskamp: Mr. Vlaskamp has been a member of the Executive Board since November 25, 2021, and is also Chief Executive Officer of MAN Truck & Bus SE. Mr. Vlaskamp received no separate remuneration in fiscal year 2024 for his role at MAN Truck & Bus SE. The Supervisory Board of MAN Truck & Bus SE resolved to reimburse TRATON SE for 80% of the remuneration expenses by way of intercompany charging.

Remuneration granted and owed in fiscal year 2024

In accordance with section 162 (1) sentence 1 of the AktG, the remuneration report must detail the remuneration granted and owed to each individual member of the Executive Board in the past fiscal year.

Table overview

The following tables show the remuneration actually received by the members of the Executive Board in fiscal year 2024. The time of actual payment is not significant. Correspondingly, the remuneration granted in 2024 includes the base salary paid in fiscal year 2024, the fringe benefits, and the profit bonus for fiscal year 2024 paid in the month following approval of the Company's 2024 Consolidated Financial Statements. In fiscal year 2024, the LTI with the 2021–2023 performance period was also paid out and is reported as remuneration granted. As the companies were not in arrears with the payment of remuneration components, the tables do not show any remuneration owed.

The relative portions shown in the tables refer to the remuneration components "granted and owed" in the respective fiscal year in accordance with section 162 (1) sentence 1 of the AktG. They therefore include all benefits actually received by the members of the Executive Board in the respective fiscal year, irrespective of which fiscal year they were paid for. The relative portions shown here are therefore not comparable with the respective relative portions of the fixed and variable remuneration components in total remuneration as contained in the description of the remuneration system in accordance with section 87a (1) sentence 2 no. 3 of the AktG. The portions shown in the remuneration system refer to the respective target values granted for the respective fiscal year, irrespective of the time at which the remuneration component in question is paid out.

Pension expense is reported as service cost within the meaning of IAS 19. The service cost in accordance with IAS 19 does not constitute remuneration granted or owed within the meaning of section 162 (1) sentence 1 of the AktG as it is not actually received by the Executive Board member in the year under review. It also includes other pension benefits such as surviving dependents' benefits and the use of company cars, as well as defined contribution pension plans where these are provided for under foreign legislation.

The maximum remuneration is the maximum remuneration within the meaning of section 87a (1) sentence 2 no. 1 of the AktG in accordance with the remuneration system resolved by the Supervisory Board and approved by the Annual General Meeting.

In addition, the employment contracts of the Executive Board members contain a penalty and clawback provision in accordance with the approved remuneration system. TRATON SE did not make use of these regulations in fiscal year 2024.

To the extent that members of the Executive Board left during fiscal year 2024, only the portion of remuneration attributable to the period of their Executive Board appointment is shown in the following tables. If such Executive Board members receive remuneration for periods after the termination of their Executive Board appointment, e.g., in the case of an expiring employment contract, this is reported in the "Remuneration of former Executive Board members" section.

Further explanations about the individual tables can be found below the tables.

Christian Levin

			2024
Remuneration component		**€ thousand**[1]	**in %**
Fixed remuneration components			
Base salary	TRATON SE	1,220	36
	Scania	630	
Fringe benefits	TRATON SE	132	3
	Scania	47	
Total	**TRATON SE**	**1,352**	**39**
	Scania	**677**	
	Total	**2,029**	
Variable remuneration components			
– Profit bonus 2024 (target amount €1,600 thousand per annum; minimum €0; maximum €3,200 thousand per annum)	TRATON SE	1,253	45
	Scania	1,051	
– LTI 2021–2023 (performance share plan, three-year term; target amount €1,175 thousand per annum; minimum €0; maximum €2,350 thousand per annum)	TRATON SE	280	16
	TRATON AB	176	
	Scania	376	
Sum — remuneration granted and owed	**TRATON SE**	**2,885**	**100**
	Scania	**2,105**	
	TRATON AB	**176**	
	Total	**5,165**	
Pension expenses	TRATON SE	–	–
	Scania	1,069	
Total remuneration including pension expenses	**TRATON SE**	**2,885**	
	Scania	**3,174**	
	TRATON AB	**176**	
	Total	**6,234**	
Maximum remuneration	**Total**	**8,500**	

1 Contractually agreed exchange rate: SEK 11.61 = €1

Mathias Carlbaum

Remuneration component		2024 € thousand[2]	2024 in %
Fixed remuneration components			
Base salary	TRATON SE	170	33
	International	680	
Fringe benefits	TRATON SE	–	20
	International[1]	529	
Total	**TRATON SE**	**170**	**53**
	International	**1,209**	
	Total	**1,379**	
Variable remuneration components			
– Profit bonus 2024 (target amount €850 thousand per annum; minimum €0; maximum €1,700 thousand per annum)	TRATON SE	245	47
	International	979	
Sum — remuneration granted and owed	**TRATON SE**	**415**	**100**
	International	**2,188**	
	Total	**2,603**	
Pension expenses	TRATON SE	–	–
	International	402	
Total remuneration including pension expenses	**TRATON SE**	**415**	
	International	**2,590**	
	Total	**3,005**	
Maximum remuneration	**Total**	**5,000**	

1 The fringe benefits also include benefits due to Mr. Carlbaum's secondment to International and, from October 1, 2024, because of the employment contract between International and Mr. Carlbaum.

2 As of October 1, 2024, contractually agreed exchange rate: USD 1.08 = €1

Antonio Roberto Cortes

Remuneration component		2024 € thousand[1]	2024 in %
Fixed remuneration components			
Base salary	TRATON SE	140	40
	Volkswagen Truck & Bus	560	
Fringe benefits	TRATON SE	–	3
	Volkswagen Truck & Bus	46	
Total	**TRATON SE**	**140**	**43**
	Volkswagen Truck & Bus	**606**	
	Total	**746**	
Variable remuneration components			
– Profit bonus 2024 (target amount €550 thousand per annum; minimum €0; maximum €1,100 thousand per annum)	TRATON SE	158	45
	Volkswagen Truck & Bus	634	
– LTI 2021–2023 (performance share plan, three-year term; target amount €310 thousand per annum; minimum €0; maximum €620 thousand per annum)	TRATON SE	44	12
	Volkswagen Truck & Bus	176	
Sum — remuneration granted and owed	**TRATON SE**	**342**	**100**
	Volkswagen Truck & Bus	**1,415**	
	Total	**1,757**	
Pension expenses	TRATON SE	–	–
	Volkswagen Truck & Bus	256	
Total remuneration including pension expenses	**TRATON SE**	**342**	
	Volkswagen Truck & Bus	**1,671**	
	Total	**2,013**	
Maximum remuneration	**Total**	**5,000**	

1 Contractually agreed exchange rate: BRL 5.32 = €1

Dr. Michael Jackstein

Remuneration component	2024 € thousand	2024 in %
Fixed remuneration components		
Base salary	850	39
Fringe benefits	81	4
Total	**931**	**43**
Variable remuneration components		
– Profit bonus 2024 (target amount €850 thousand per annum; minimum €0; maximum €1,700 thousand per annum)	1,224	57
Sum — remuneration granted and owed	**2,155**	**100**
Pension expenses	289	–
Total remuneration including pension expenses	**2,444**	
Maximum remuneration	**5,000**	

Catharina Modahl Nilsson

Remuneration component		2024 € thousand[1]	2024 in %
Fixed remuneration components			
Base salary	TRATON SE	170	40
	TRATON AB	680	
Fringe benefits	TRATON SE	10	2
	TRATON AB	26	
Total	**TRATON SE**	**180**	**42**
	TRATON AB	**706**	
	Total	**887**	
Variable remuneration components			
– Profit bonus 2024 (target amount €850 thousand per annum; minimum €0; maximum €1,700 thousand per annum)	TRATON SE	245	58
	TRATON AB	979	
Sum — remuneration granted and owed	**TRATON SE**	**425**	**100**
	TRATON AB	**1,686**	
	Total	**2,111**	
Pension expenses	TRATON SE	–	–
	TRATON AB	446	
Total remuneration including pension expenses	**TRATON SE**	**425**	
	TRATON AB	**2,132**	
	Total	**2,557**	
Maximum remuneration	**Total**	**5,000**	

1 Contractually agreed exchange rate: SEK 11.61 = €1

Alexander Vlaskamp

Remuneration component	2024 € thousand	2024 in %
Fixed remuneration components		
Base salary	850	40
Fringe benefits	69	3
Total	**919**	**43**
Variable remuneration components		
– Profit bonus 2024 (target amount €850 thousand per annum; minimum €0; maximum €1,700 thousand per annum)	1,224	57
Sum — remuneration granted and owed	**2,143**	**100**
Pension expenses	265	–
Total remuneration including pension expenses	**2,408**	
Maximum remuneration	**5,000**	

Explanation

Additional contractual agreements with the members of the Executive Board

A contractual arrangement with **Mr. Cortes** specifies the payment of an amount to compensate for the higher tax burden in Germany.

Dr. Jackstein will be reimbursed for the costs of accommodation at his regular place of work and for weekly family trips home.

The Company pays the costs of a tax advisor for **Mr. Vlaskamp**.

These benefits for the individual members of the Executive Board are included in the amounts reported as fringe benefits.

Performance criteria for variable remuneration

Profit bonus performance criteria

Financial subtargets

The following overviews show the values defined by the Supervisory Board for the threshold, target, and maximum values for the financial subtargets, namely operating return on sales and net cash flow for fiscal year 2024, and the actual values or target achievement.

	2024
Operating return on sales	
Maximum value (180% target achievement)	11.0%
100% target level	7.0%
Threshold value (50% target achievement)	4.0%
Actual	8.9%
Target achievement (in %)	**137%**
Net cash flow	
Maximum value (180% target achievement)	€3.19 billion
100% target level	€2.2 billion
Threshold value (0% target achievement)	€1.54 billion
Actual	€2.83 billion
Target achievement (in %)	**151%**
Overall target achievement	**144%**

The indicator relevant for calculating operating return on sales is operating result in the TRATON GROUP. The TRATON GROUP's operating return on sales is the ratio of the TRATON GROUP's operating result to its sales revenue. The figures for the TRATON GROUP's operating result and sales revenue reported in the Company's annual report are applicable. Net cash flow comprises net cash provided by/used in operating activities and net cash provided by/used in investing activities attributable to operating activities in the TRATON Operations business area, and indicates the excess funds from operating activities in the reporting period. For the former members of the Executive Board Mr. Osterloh and Ms. Danielski, whose expiring employment contracts were not converted to the revised remuneration system, return on investment (ROI) for the TRATON Operations business area including Corporate Items, which is determined by calculating the ratio of operating

result after tax to annual average invested capital, continues to apply instead of net cash flow. The return on investment is based on an average tax rate of 30% and for 2024 on an average invested capital of €19,358 million. For the return on investment, the Supervisory Board has defined a threshold of 10.84%, corresponding to a subtarget achievement level of 50%, a target of 12.75%, corresponding to a subtarget achievement level of 100%, and a maximum of 18.49%, corresponding to a subtarget achievement level of 180%. For former Executive Board members Mr. Osterloh and Ms. Danielski, the operating return on sales is also based on the operating return on sales of the TRATON Operations business area including Corporate Items, for which, however, the same targets shown in the table were defined.

In justified exceptional cases, the Supervisory Board can adjust the degree of subtarget achievement actually achieved for the net cash flow subtarget in order to ensure an assessment for this subtarget that is tied to actual performance. Justified exceptions include acquisitions that have a significant impact on net cash flow. The Supervisory Board did not exercise this option for fiscal year 2024.

ESG targets

For the Social subtarget, the Supervisory Board can choose either the opinion index criterion or the gender index criterion, or a combination of the two. The opinion index criterion is based on a suitable methodology, to be selected by the Supervisory Board, for measuring the development of employee satisfaction, whereas the gender index criterion is based on a suitable methodology, to be selected by the Supervisory Board, for measuring the development of the proportion of women in management positions in the TRATON GROUP companies. For fiscal year 2024, the Supervisory Board resolved to suspend the opinion index as an ESG factor for the Social subtarget because the methodology for measuring the opinion index is currently being revised and the targets are being recalibrated. Instead of the opinion index ESG factor, the Social subtarget for fiscal year 2024 takes into account the gender index[1] ESG factor, which is linked to the development of the percentage of women in management positions in TRATON GROUP companies and contributes to the advancement of women in the TRATON GROUP. For former Executive Board members Mr. Osterloh and Ms. Danielski, however, the opinion index ESG factor continues to apply as a contractual requirement. Since this value can no longer be determined, the Supervisory Board has set the subtarget achievement at 1.28% at its reasonable discretion.

The Environmental subtarget is based on the decarbonization target. The decarbonization target is based on the ratio of the number of battery electric vehicles and fuel cell electric vehicles sold to the total number of vehicles sold, excluding the MAN TGE model. The minimum, target, and maximum values for the Environmental subtarget are defined by the Supervisory Board for each fiscal year and are based in particular on the business plan to achieve a consistently high proportion of battery electric and fuel cell electric vehicles.

The following overview shows the values defined by the Supervisory Board for the minimum, target, and maximum values for the Environmental subtarget and the Social subtarget for fiscal year 2024, and the actual values or target achievement in fiscal year 2024.

Environmental (decarbonization target)

in %	2024
Maximum value	1.46
100% target level	0.97
Minimum value	0.49
Actual	**0.53**
Subtarget achievement	**0.73**

Social (gender index[1])

in %	2024
Maximum value	23.3
100% target level	21.5
Minimum value	19.7
Actual	**23.2**
Subtarget achievement	**1.28**

1 The calculation and application of the gender index is subject to applicable local law

For fiscal year 2024, the Supervisory Board defined a normal value of 1.0 for the Governance factor, taking account of and assessing the performance of the Executive Board as a whole and the performance of the current individual members of the Executive Board. To determine the Governance factor, the Supervisory Board assesses the collective performance of the Executive Board in the first step. In the second step, the Supervisory Board assesses the performance of each individual Executive Board member in terms of integrity and compliance. The Supervisory Board can increase the Governance factor to 1.1 or reduce it to 0.9 on the basis of the collective and individual assessment. If there are no special circumstances in a fiscal year, the Governance factor is 1.0 (normal value).

The ESG factor for fiscal year 2024 is therefore 1.00, taking into account the achievement of the Environmental subtarget, the Social subtarget, and the Governance factor. The ESG factor for the former members of the Executive Board Mr. Osterloh and Ms. Danielski is 1.00.

LTI performance criteria

The four-year performance share plan has been in force since January 1, 2021, for all members of the Executive Board whose employment contracts have been newly entered into or extended since the Supervisory Board resolution on December 16, 2020. For members of the Executive Board already appointed at the time of the Supervisory Board resolution on December 16, 2020, a three-year performance period applied — until any contract extension. No active member of the Executive Board had a performance share plan with a three-year performance period in fiscal year 2024. For the description of the remuneration granted and owed from the performance share plan with the performance period 2021–2023, this means that no LTI payment amount is required to be disclosed for members of the Executive Board to whom a performance share plan with a four-year performance period already applied in 2021.

EPS target values

The following overviews show the minimum, target, and maximum values defined by the Supervisory Board at the beginning of the relevant 2021–2023, 2021–2024, 2022–2024, 2022–2025, 2023–2025, 2023–2026, 2024–2026, and 2024–2027 performance periods, and the actual values and target percentage achievement already achieved for individual years in the assessment period. The performance share plans for the 2021–2024, 2022–2024, 2022–2025, 2023–2025, 2023–2026, 2024–2026, and 2024–2027 performance periods were not yet due and were not paid out in fiscal year 2024. They therefore do not represent remuneration granted or owed in fiscal year 2024.

The performance share plan due for payment in fiscal year 2024 for the 2021–2023 performance period is based on the target achievement of the EPS of TRATON shares.

2021–2023 performance period
EPS TRATON shares

€	2023	2022	2021
Maximum value (150% target achievement)	4.32	4.32	4.32
100% target level	2.90	2.90	2.90
Minimum value (50% target achievement)	1.95	1.95	1.95
Actual	4.90	2.28	0.91
Target achievement (in %)	150.00	67.37	0

The total target achievement of the EPS in the 2021–2023 performance period is therefore 72.46%. The previous EPS target achievement for the past fiscal years of a performance period of performance share plans that were not yet due in fiscal year 2024 and were therefore not yet paid out can be seen in the following overview:

2021–2024 performance period
EPS TRATON shares

€	2024	2023	2022	2021
Maximum value (150% target achievement)	4.32	4.32	4.32	4.32
100% target level	2.90	2.90	2.90	2.90
Minimum value (50% target achievement)	1.95	1.95	1.95	1.95
Actual	5.61	4.90	2.28	0.91
Target achievement (in %)	150.00	150.00	67.37	0

2022–2024 performance period
EPS TRATON shares

€	2024	2023	2022
Maximum value (150% target achievement)	4.32	4.32	4.32
100% target level	2.90	2.90	2.90
Minimum value (50% target achievement)	1.95	1.95	1.95
Actual	5.61	4.90	2.28
Target achievement (in %)	150.00	150.00	67.37

2022–2025 performance period
EPS TRATON shares

€	2024	2023	2022
Maximum value (150% target achievement)	4.32	4.32	4.32
100% target level	2.90	2.90	2.90
Minimum value (50% target achievement)	1.95	1.95	1.95
Actual	5.61	4.90	2.28
Target achievement (in %)	150.00	150.00	67.37

2023–2025 performance period
EPS TRATON shares

€	2024	2023
Maximum value (150% target achievement)	4.32	4.32
100% target level	2.90	2.90
Minimum value (50% target achievement)	1.95	1.95
Actual	5.61	4.90
Target achievement (in %)	150.00	150.00

2023–2026 performance period
EPS TRATON shares

€	2024	2023
Maximum value (150% target achievement)	4.32	4.32
100% target level	2.90	2.90
Minimum value (50% target achievement)	1.95	1.95
Actual	5.61	4.90
Target achievement (in %)	150.00	150.00

2024–2026 performance period
EPS TRATON shares

€	2024
Maximum value (175% target achievement)	9.00
100% target level	5.00
Minimum value (50% target achievement)	3.00
Actual	5.61
Target achievement (in %)	111.44

2024–2027 performance period
EPS TRATON shares

€	2024
Maximum value (175% target achievement)[1]	9.00
100% target level	5.00
Minimum value (50% target achievement)	3.00
Actual	5.61
Target achievement (in %)	111.44

1 A maximum value of 150% applies contractually to former Executive Board members Ms. Danielski and Mr. Osterloh. The value defined for this maximum value is 7.67.

Reference prices/dividend equivalent for the performance period

The initial reference price, closing reference price, and dividend equivalent for TRATON shares for the 2021–2023 performance period are shown in the following overview.

€	2021–2023
Initial reference price	22.40
Closing reference price	20.42
Dividend equivalent	
2021	0.25
2022	0.50
2023	0.70

The reference prices and dividend equivalents for TRATON shares for the performance periods of the performance share plans not yet due and not yet paid out in fiscal year 2024 are shown in the following overview.

€	2024–2027	2024–2026	2023–2026	2023–2025	2022–2025	2022–2024	2021–2024
Initial reference price	20.42	20.42	14.69	14.69	21.70	21.70	22.40
Closing reference price[1]	–	–	–	–	–	29.15	29.15
Dividend equivalent							
2021	–	–	–	–	–	–	0.25
2022	–	–	–	–	0.50	0.50	0.50
2023	–	–	0.70	0.70	0.70	0.70	0.70
2024	1.50	1.50	1.50	1.50	1.50	1.50	1.50

1 Determined at the end of the performance period

Alignment with the remuneration system

The remuneration granted and owed to the members of the Executive Board in fiscal year 2024 complies with the requirements of the Executive Board remuneration system. There was no deviation from the valid remuneration system in fiscal year 2024. The profit bonus payments and the payments under the performance share plan for the 2021–2023 performance period were not reduced because the caps of 200% on the profit bonus target amount and 200% on the target amount for the performance share plan were not exceeded. Overall, the remuneration granted and owed to the members of the Executive Board in fiscal year 2024 did not exceed the maximum remuneration prescribed by the remuneration system.

Benefits and defined benefits in connection with termination

Benefits and defined benefits granted to members of the Executive Board in the event of early termination

The Executive Board remuneration system and employment contracts of the members of the Executive Board prescribe termination periods and severance payments in the event of revocation of the appointment of a member of the Executive Board and the mutual termination of the Executive Board function. If an appointment is revoked without cause within the meaning of section 626 of the *Bürgerliches Gesetzbuch* (BGB — German Civil Code), the employment contract will generally end after a period of twelve months. Other than in cases of cause justifying extraordinary termination of the employment contract by the Company, members of the Executive Board receive a severance payment in the amount of their gross remuneration for the remaining period of the employment contract, capped at twice the annual gross income. As a rule, the annual gross income used as the basis for calculating the severance payment consists of the base salary paid in the previous year plus the variable remuneration components defined for the previous year.

The severance payment is paid in twelve equal monthly gross installments from the end of the employment contract. Contractual remuneration paid by the Company for the time between termination of the appointment and the end of the employment contract is offset against the severance payment. If a member of the Executive Board takes up a new position after termination of the appointment, the severance payment will be reduced by the income from the new position. If a post-contractual restraint on competition has been agreed, the severance payment will be offset against the waiting allowance. No severance payment will be made if the member of the Executive Board continues to work for the Company or for another Volkswagen Group company in the context of an employment contract.

The members of the Executive Board are also generally entitled to retirement, disability, and surviving dependents' benefits in the event of early termination of their appointment without having entered retirement (cf. the following section for further information), although the minimum plan assets will only be maintained as ratably reduced plan assets pursuant to sections 2 (1) and 2a (1) of the *Gesetz zur Verbesserung der betrieblichen Altersversorgung* (BetrAVG — German Occupational Pensions Act). Pursuant to section 2a (2) item 2a) of the BetrAVG, the maintained portion of the minimum plan assets is adjusted by 1% per annum from the Board member's departure from the Company until the benefits fall due.

Defined benefits granted to members of the Executive Board in the event of regular termination of their role

TRATON SE generally grants retirement, disability, and surviving dependents' benefits to the members of the Executive Board. As a rule, the agreed retirement benefits are paid when the Executive Board member reaches the age of 65. However, Executive Board members who are also members of the Executive Board of a foreign subsidiary of TRATON SE do not receive retirement benefits from TRATON SE but from the respective foreign subsidiary. TRATON SE manages the occupational pension plans for Executive Board members Dr. Jackstein and Mr. Vlaskamp, as well as the former Executive Board members Ms. Danielski and Mr. Osterloh, who left in fiscal year 2023. The occupational pension plans for the other members of the Executive Board are maintained by Scania CV AB (Mr. Levin and Mr. Carlbaum), TRATON AB (Mr. Levin and Ms. Modahl Nilsson), and Volkswagen Truck & Bus (Mr. Cortes).

Entitlements to such benefits granted by TRATON SE are accumulated under a defined contribution system, the Capital Account Plan, with the value of benefits dependent upon the performance of certain fund indices. TRATON SE pays an annual contribution of 40% of the contractually agreed fixed remuneration in the calendar year. Executive Board members may elect to make contributions themselves out of their gross salary.

Contributions and interest are held in individual capital accounts. The performance of the capital account is directly linked to the capital markets and is determined by a basket of indices and other suitable parameters. The risk of the investments is gradually reduced as the beneficiaries get older (life cycle concept).

At retirement, the beneficiary may elect to receive the balance of the capital account, or at a minimum the total amount of the contributions, as a lump-sum payment, in installments, or as an annuity at an insurance rate valid as of the date of retirement.

In the event of disability or death, the beneficiary is paid the accumulated account balance, or a minimum of €2,000 thousand.

The following overview shows the individual pension entitlements of the members of the Executive Board and their cash value as of December 31, 2024, as well as the pension expenses incurred in fiscal year 2024, if applicable considering the special features of the applicable foreign legislation in each case. The measurement of post-employment benefits also includes other pension benefits such as surviving dependents' benefits and the use of company cars, as well as defined contribution plans provided for by foreign legislation where pension expenses are incurred in the year under review.

€ thousand	Cash value	Pension expenses in fiscal year 2024
Christian Levin (Scania)	626	1,069
Mathias Carlbaum (Scania)	325	402
Antonio Roberto Cortes (Volkswagen Truck & Bus)	–	256
Dr. Michael Jackstein (TRATON SE)	570	289
Catharina Modahl Nilsson (TRATON AB)	–	446
Alexander Vlaskamp (TRATON SE)	990	265

In the event of the regular termination of their function, the members of the Executive Board who previously had a company car provided to them by TRATON SE may be able to continue using their company car under certain circumstances. These include the respective Executive Board member having held the function for a total of at least ten years, or having worked for the Company for a total of at least 15 years, or the Supervisory Board considering the provision of a company car in retirement to be appropriate and in the Company's interest.

There were no changes to the commitments explained in this section in fiscal year 2024.

Benefits and defined benefits to members of the Executive Board who stepped down in fiscal year 2024

No members of the Executive Board of TRATON SE left the Executive Board in fiscal year 2024.

No clawback in fiscal year 2024

TRATON SE did not claw back any variable remuneration components in fiscal year 2024 on the basis of the penalty and clawback conditions agreed with the members of the Executive Board. None of the circumstances justifying such a clawback existed.

Remuneration of former Executive Board members

In accordance with section 162 (1) sentence 1 of the AktG, the remuneration report must also detail the remuneration granted and owed to former members of the Executive Board.

Remuneration granted and owed in fiscal year 2024 (individual)

In accordance with section 162 (5) sentence 2 of the AktG, the obligation to report individually on the remuneration granted and owed to former members of the Executive Board extends to the remuneration granted and owed until the end of ten years after the fiscal year in which the former Executive Board member ended their role as a member of the Executive or Supervisory Board of TRATON SE.

Table overview

The following tables show the individual remuneration granted and owed in fiscal year 2024 to former members of the Executive Board who stepped down after fiscal year 2014. The profit bonuses for fiscal year 2024 paid out at the start of 2025 as well as the performance share plan with the 2021–2023 tranche paid out in fiscal year 2024 are treated as remuneration granted in fiscal year 2024 for both active and former members of the Executive Board.

Annette Danielski

Member of the Executive Board of TRATON SE, CFO Left March 31, 2023	**2024**	
	€ thousand	**in %**
Pension payments	–	–
Base salary	525	43
Fringe benefits	24	2
Profit bonus 2024 (target amount €700 thousand per annum; minimum €0; maximum €1,260 thousand per annum)	683	55
Severance payments	–	–
Sum — remuneration granted and owed	**1,231**	**100**
Pension expenses	–	–

Joachim Drees

Member of the Executive Board of TRATON SE; CEO of MAN SE and MAN Truck & Bus SE Left July 15, 2020	**2024**	
	€ thousand	**in %**
Pension payments	–	–
Base salary	33	4
Fringe benefits	5	1
Profit bonus 2024 (target amount €700 thousand per annum; minimum €0; maximum €1,400 thousand per annum)	47	6
LTI 2021–2023 (performance share plan, three-year term; target amount €930 thousand per annum; minimum €0; maximum €1,860 thousand per annum)	658	89
Severance payments	–	–
Sum — remuneration granted and owed	**743**	**100**
Pension expenses	–	–

Matthias Gründler

Chief Executive Officer of TRATON SE Left September 30, 2021	2024 € thousand	2024 in %
Pension payments	–	–
Base salary	–	
Fringe benefits	–	
Profit bonus 2024	–	
LTI 2021–2023 (performance share plan, three-year term; target amount €1,800 thousand per annum; minimum €0; maximum €3,600 thousand per annum)	1,274	100
Severance payments	–	–
Sum — remuneration granted and owed	**1,274**	**100**
Pension expenses	–	–

Henrik Henriksson

Member of the Executive Board of TRATON SE; CEO of Scania CV AB and Scania AB Left April 30, 2021		2024 € thousand[1]	2024 in %
Pension payments	–	–	
Base salary	–	–	
Fringe benefits	–	–	
Profit bonus 2024	–	–	
LTI 2021–2023 (performance share plan, three-year term; target amount €996 thousand per annum; minimum €0; maximum €1,992 thousand per annum)	TRATON SE	47	100
	Scania	188	
Severance payments		–	–
Sum — remuneration granted and owed	**TRATON SE**	**47**	**100**
	Scania	**188**	
	Total	**235**	
Pension expenses		–	–

1 Contractually agreed exchange rate: SEK 10.30 = €1

Bernd Osterloh

Member of the Executive Board of TRATON SE Left March 31, 2023	2024 € thousand	2024 in %
Pension payments	–	–
Base salary	233	41
Fringe benefits	30	5
Profit bonus 2024 (target amount €700 thousand per annum; minimum €0; maximum €1,260 thousand per annum)	303	54
Severance payments	–	–
Sum — remuneration granted and owed	**566**	**100**
Pension expenses	–	–

Christian Schulz

Member of the Executive Board of TRATON SE, CFO Left September 30, 2021	2024 € thousand	2024 in %
Pension payments	–	–
Base salary	–	–
Fringe benefits	–	–
Profit bonus 2024	–	–
LTI 2021–2023 (performance share plan, three-year term; target amount €930 thousand per annum; minimum €0; maximum €1,860 thousand per annum)	658	100
Severance payments	–	–
Sum — remuneration granted and owed	**658**	**100**
Pension expenses	–	–

Dr. Ing. h.c. Andreas Tostmann

Member of the Executive Board of TRATON SE; CEO of MAN SE[1] and MAN Truck & Bus SE Left November 24, 2021	**2024**	
	€ thousand	**in %**
Pension payments	–	–
Base salary	–	–
Fringe benefits	–	–
Profit bonus 2024	–	–
LTI 2021–2023 (performance share plan, three-year term; target amount €930 thousand per annum; minimum €0; maximum €1,860 thousand per annum)	658	100
Severance payments	–	–
Sum — remuneration granted and owed	**658**	**100**
Pension expenses	–	–

1 Until August 31, 2021 (merger between MAN SE and TRATON SE)

Explanation

Ms. Danielski was a member of the Executive Board of TRATON SE until the end of March 31, 2023. Ms. Danielski's employment contract with TRATON SE ran until the end of its regular termination effective the end of September 30, 2024. Notwithstanding the revised remuneration system, the previous maximum remuneration of €3.7 million gross per year continued to apply for Ms. Danielski until the end of her regular term.

In addition to his activity as a member of the Executive Board of TRATON SE, Mr. Drees was a member of the Executive Boards of MAN SE and MAN Truck & Bus SE until his departure effective the end of July 15, 2020. The employment contract between Mr. Drees and TRATON SE continued until its planned end on January 17, 2024.

Mr. Henriksson was appointed as a member of the Executive Board of TRATON SE and as President and Chief Executive Officer of Scania CV AB and Scania AB until the end of April 30, 2021. Mr. Henriksson still has rights to payments under the performance share plans that he acquired during his term of office.

Mr. Schulz left the Executive Board of TRATON SE effective the end of September 30, 2021. He was originally appointed as a member of the Executive Board until January 17, 2024. The employment contract between Mr. Schulz and TRATON SE continued until December 31, 2022. Mr. Schulz still has rights to payments under the performance share plans that he acquired during his term of office.

Mr. Osterloh was a member of the Executive Board of TRATON SE until the end of March 31, 2023. Mr. Osterloh's employment contract with TRATON SE ran until the end of its regular termination effective the end of April 30, 2024. Notwithstanding the revised remuneration system, the previous maximum remuneration of €3.7 million gross per year continued to apply for Mr. Osterloh until the end of his regular term.

Mr. Gründler was a member of the Executive Board of TRATON SE until the end of September 30, 2021, and was appointed Chairman of the Executive Board. Mr. Gründler's employment contract with TRATON SE expired at the end of its regular term effective the end of July 15, 2023. Mr. Gründler still has rights to payments under the performance share plans that he acquired during his term of office.

Dr. Ing. h.c. Tostmann was appointed as a member of the Executive Board of TRATON SE until November 24, 2021, as Chairman of the Executive Board of MAN SE until August 31, 2021, and as Chairman of the Executive Board of MAN Truck & Bus SE until November 24, 2021. Dr. Ing. h.c. Tostmann's employment contract with TRATON SE expired at the end of its regular term effective the end of July 15, 2023. The Supervisory Board of MAN Truck & Bus SE has resolved that MAN Truck & Bus SE will reimburse TRATON SE for 80% of the expenses for Dr. Ing. h.c. Tostmann. Dr. Ing. h.c. Tostmann still has rights to payments under the performance share plans that he acquired during his term of office.

Comparative presentation

The following table shows a year-on-year comparison of the percentage change in remuneration for the members of the Executive Board with the earnings performance of TRATON SE and with the average remuneration for employees on a full-time equivalent (FTE) basis.

Earnings performance is calculated using the following earnings-related indicators of TRATON SE and the TRATON GROUP, which are published in TRATON SE's annual report: the earnings after tax of TRATON SE in accordance with German GAAP. The TRATON GROUP's operating return on sales corresponds to the ratio of the TRATON GROUP's operating result to the TRATON GROUP's sales revenue, as reported in TRATON SE's annual report.

The development of the average remuneration of employees is shown on the basis of two indicators. First, the average remuneration of employees is calculated by adjusting TRATON SE's personnel expenses as reported in the single-entity financial statements of TRATON SE to exclude the remuneration of the Group's Executive Board members. The adjusted personnel expenses are divided by the number of TRATON SE employees (349.91 employees) on FTE basis as of December 31, 2024, excluding the members of the Group's Executive Board (employees of TRATON SE). Second, the personnel expenses of the TRATON GROUP, as reported in the notes to the consolidated financial statements, adjusted to exclude the remuneration of the Group's Executive Board members, are divided by the number of employees of the TRATON GROUP (total workforce of 109,820 in accordance with internal reporting, i.e., including performance-related wage-earners, salaried staff, and vocational trainees) (employees of the TRATON GROUP).

Annual change in %	2024 compared with 2023[2]	2023 compared with 2022[2]	2022 compared with 2021[2]	2021 compared with 2020[2]
Executive Board remuneration[1]				
Carlbaum, Mathias[3]	17.8%	28.8%	431.3%	–
Cortes, Antonio Roberto	74.1%	–11.1%	27.3%	–10.6%
Danielski, Annette[3]	–31.9%	38.5%	597.2%	–
Drees, Joachim	–38.8%	–32.4%	19.5%	3.8%
Gründler, Matthias	–35.4%	–19.5%	68.8%	69.0%
Henriksson, Henrik	57.1%	–79.7%	176.3%	–85.0%
Jackstein, Dr. Michael[4]	55.6%	–	–	–
Levin, Christian	55.2%	–3.2%	96.1%	25.1%
Modahl Nilsson, Catharina[4]	57.2%	–	–	–
Osterloh, Bernd[3]	–69.3%	34.5%	152.2%	–
Schulz, Christian	–208.9%	–134.1%	16.2%	6.1%
Tostmann, Dr. Andreas	–36.2%	–22.1%	–22.5%	96.9%
Vlaskamp, Alexander[3]	16.8%	37.9%	1,542.7%	–
Earnings performance				
Earnings after tax of TRATON SE in accordance with German GAAP[5]	–	316.6%	–	–
Operating return on sales of the TRATON GROUP	+0.9 pp	+4.1 pp[7]	+2.6 pp	+0.9 pp
Development of employee remuneration[6]				
Employees of TRATON SE	7.8%	21.7%	–7.0%	7.5%
Employees of TRATON GROUP	5.3%	6.6%	0.5%	1.1%

1 Remuneration granted and owed within the meaning of section 162 (1) sentence 1 of the AktG

2 In accordance with the transitional provision of section 26j (2) sentence 2 of the EGAktG, only the average remuneration for the period from fiscal year 2020 and not the average remuneration for the past five fiscal years must be included in the comparison until the end of fiscal year 2025.

3 Joined in the course of fiscal year 2021

4 Joined as of April 1, 2023

5 Percentage change in earnings after tax of TRATON SE in accordance with German GAAP cannot be presented because there were negative earnings from fiscal year 2020 through fiscal year 2022.

6 Personnel expenses additionally adjusted for exceptional project profit sharing by selected managers in 2021

7 Correction after preparation of the 2023 Annual Report

Peer group

The remuneration amount, the maximum remuneration, and the targets agreed individually are regularly reviewed by the Supervisory Board and adjusted if necessary. As part of this process, the Supervisory Board carries out a vertical comparison with the remuneration and employment conditions of the Company's employees and a horizontal comparison with the remuneration and employment conditions of executive board members of other companies. In order to assess how customary the total remuneration of specific Executive Board members is compared to other companies, the Supervisory Board uses a peer group comparison method. This peer group is reviewed and adjusted on a regular basis, most recently in February 2024. The peer group currently comprises the following companies: Caterpillar Inc., Continental AG, Cummins Inc., Daimler Truck Holding AG, Deere & Company, Henkel AG & Co. KGaA, Komatsu Kabushiki kaisha, Magna International Inc., Mitsubishi Motors Corporation, Paccar Inc., Schaeffler AG, Tata Motors Ltd., Thyssenkrupp AG, Volvo AB.

The companies in the peer group were selected on the basis of their size, sector, and regional distribution, and reflect TRATON SE's strategic business areas and most relevant competitors. To adequately reflect TRATON SE's business model, competitors from the manufacturing industry and the mechanical and plant engineering sectors were selected in addition to companies from the automotive sector. The peer group comprises an appropriate mix of listed companies from Europe, America, and Asia. In the opinion of the Supervisory Board, this peer group represents the specific competitive environment of TRATON SE on the sales market as well as on the recruitment market for top executives.

Remuneration of the members of the Supervisory Board

Principles of Supervisory Board remuneration

The remuneration of the members of the Supervisory Board is regulated in Article 16 of the Articles of Association of TRATON SE. According to section 113 (3) of the AktG, the annual general meeting of a listed company must resolve on the remuneration of its supervisory board members at least every four years. Moreover, information must be provided about the remuneration system for supervisory board members. In preparing the resolution for the Annual General Meeting, the Executive Board and Supervisory Board review whether the remuneration, especially its amount and structure, is still in the interest of TRATON SE and whether it is commensurate with the tasks performed by the members of the Supervisory Board and with the position of TRATON SE. Based on this review, which was carried out under the supervision of a renowned, independent external remuneration consultant, the Supervisory and Executive Boards presented an adjusted remuneration system for the members of the Supervisory Board for approval at the Annual General Meeting on June 13, 2024. The remuneration was confirmed, and the adjusted remuneration system resolved on by 99.15% of the votes cast in the Annual General Meeting on June 13, 2024. The adjusted remuneration system came into force when the amendment to the Articles of Association was entered in the commercial register and is applicable retrospectively for the first time for fiscal year 2024.

Overview of the remuneration

Remuneration components

The remuneration of the members of the Supervisory Board consists of annual fixed remuneration and an attendance fee.

The fixed annual remuneration is €300 thousand for the Chairman of the Supervisory Board, €200 thousand for the Deputy Chairman of the Supervisory Board, and €100 thousand for each further member of the Supervisory Board.

For their work on committees, the members of the Supervisory Board receive additional fixed annual remuneration per committee provided the committee has met at least once per year for the performance of its duties. The fixed annual remuneration is €100 thousand for the chair of a committee, €75 thousand for the deputy chair of a committee, and €50 thousand for each further member of a committee. No remuneration will be paid for membership of the Nomination Committee or the Mediation Committee within the meaning of section 27 (3) of the *Mitbestimmungsgesetz* (MitbestG — German Codetermination Act), should such a committee be established in the future. If a member of the Supervisory Board is a member of several committees, remuneration will be paid only for the two committee functions with the highest fixed annual remuneration. The remuneration of the members of the Supervisory Board thus also complies with recommendation G.17 of the German Corporate Governance Code, which specifies that appropriate consideration be given to the greater investment of time required from the Chairman and Deputy Chairman of the Supervisory Board as well as from the chairs and members of the committees.

The Supervisory Board members each receive an attendance fee of €1 thousand for attending a meeting of the Supervisory Board or of a committee. The attendance fee is paid only once, even if several meetings are held in one day.

The fixed annual remuneration becomes due after the end of the Annual General Meeting that accepts or decides to approve the consolidated financial statements for the fiscal year for which the remuneration is paid. The fixed annual remuneration will be reduced pro rata temporis if a member of the Supervisory Board or of a committee is not a member for the full fiscal year or does not hold the office of Chairman or Deputy Chairman of the Supervisory Board or chair or deputy chair of the committee for the full fiscal year. TRATON SE will reimburse any value-added tax that may be payable on the remuneration and expenses of Supervisory Board members.

TRATON SE will also ensure that liability insurance with a deductible is taken out for the members of the Supervisory Board.

Former members of the Supervisory Board of TRATON SE do not receive any further remuneration for the period following the termination of office.

How the remuneration contributes to promoting the long-term development of TRATON SE

Both the structure and the amount of the remuneration received by the members of the Supervisory Board consider what is required of a member of the Supervisory Board of TRATON SE, especially the associated investment of time and the associated responsibility. The remuneration is in line with standard market practice in terms of its structure, and the amount is commensurate with the tasks of the members of the Supervisory Board and with the position of TRATON SE, also in comparison with the remuneration of the members of the supervisory boards of other listed companies of a similar size in Germany.

The remuneration makes it possible to attract suitable and qualified candidates as Supervisory Board members. Therefore, the remuneration of the members of the Supervisory Board contributes to enabling the Supervisory Board as a whole to exercise its governance role and advise the Executive Board appropriately and competently. The restriction to just one fixed remuneration is also in line with these Supervisory Board tasks. It is an incentive for the members of the Supervisory Board to ask appropriate questions when exercising their governance role and advising the Executive Board, without primarily focusing on the development of operational performance indicators. Together with the Executive Board, the Supervisory Board thus promotes the business strategy and long-term development of TRATON SE. Moreover, the restriction to just one fixed remuneration is in line with suggestion G.18 sentence 1 of the German Corporate Governance Code.

Remuneration of Supervisory Board members in fiscal year 2024

Remuneration granted and owed to the Supervisory Board members in office in fiscal year 2024

The following table shows the members of the Supervisory Board of TRATON SE in office in fiscal year 2024 and the remuneration granted and owed to the individual members of the Supervisory Board in fiscal year 2024. Remuneration "granted and owed" has the same meaning as described for members of the Executive Board. The remuneration shown in the table therefore represents the amounts actually received in fiscal year 2024, i.e., the remuneration paid to the members of the Supervisory Board for their roles on the Supervisory Board in fiscal year 2024, even if the remuneration is not owed until the year following the end of the Annual General Meeting.

	Fixed remuneration		Work in the committees		Attendance fees		Total	Remuneration from other Group appointments
	2024		2024		2024		2024	2024
	€ thousand	in %	€ thousand	in %	€ thousand	in %	€ thousand	€ thousand
Pötsch, Hans Dieter	300	73	100	24	12	3	412	0
Kerner, Jürgen[1, 4]	155	67	64	28	12	5	231	20
Andersson, Ödgärd	100	93	0	0	8	7	108	0
Bechstädt, Torsten[1]	100	54	75	40	12	6	187	0
Carlquist, Mari[2, 3]	0	0	0	0	0	0	0	0
Cavallo, Daniela[1]	100	95	0	0	5	5	105	0
Döss, Dr. Manfred[2]	0	0	0	0	0	0	0	0
Kilian, Gunnar[2]	0	0	0	0	0	0	0	0
Kirchmann, Dr. Albert X.	100	93	0	0	8	7	108	20
Kuhn-Piëch, Dr. Julia	100	62	50	31	12	7	162	69
Lorentzon, Lisa[2, 3]	0	0	0	0	0	0	0	0
Luthin, Bo[2, 3]	0	0	0	0	0	0	0	0
Lyngsie, Michael[2, 3, 5]	0	0	0	0	0	0	0	0
Macpherson, Nina	100	62	50	31	11	7	161	61
Porsche, Dr. Dr. Christian	100	62	50	31	12	7	162	69
Schmid, Dr. Wolf-Michael	100	92	0	0	9	8	109	0
Schnur, Karina[1]	100	47	100	47	14	6	214	20
Sedlmaier, Josef[1]	100	92	0	0	9	8	109	0
Wansch, Markus[1]	100	92	0	0	9	8	109	20
Witter, Frank	100	47	100	47	12	6	212	0

1 These employee representatives have stated that they will transfer their Supervisory Board remuneration to the Hans Böckler Foundation in accordance with the guidelines issued by the German Confederation of Trade Unions (DGB).

2 Remuneration for fiscal year 2024 was waived in full.

3 In view of the waivers, the Executive Board of TRATON SE decided that it will make a contribution of €597 thousand to "Scanias Personalstiftelse 1996" after the 2025 Annual General Meeting.

4 Deputy Chairman of the Supervisory Board since June 13, 2024

5 Deputy Chairman of the Supervisory Board until the end of the Annual General Meeting on June 13, 2024

Comparative presentation

The following table shows a year-on-year comparison of the percentage change in remuneration for the members of the Supervisory Board with the earnings performance of TRATON SE and with the average remuneration for employees on FTE basis.

Earnings performance is calculated using the following earnings-related indicators of TRATON SE and the TRATON GROUP, which are published in TRATON SE's annual report: the earnings after tax of TRATON SE in accordance with German GAAP. The TRATON GROUP's operating return on sales corresponds to the ratio of the TRATON GROUP's operating result to the TRATON GROUP's sales revenue, as reported in TRATON SE's annual report.

The development of the average remuneration of employees is shown on the basis of two indicators. First, the average remuneration of employees is calculated by adjusting TRATON SE's personnel expenses as reported in the single-entity financial statements of TRATON SE to exclude the remuneration of the Group's Executive Board members. The adjusted personnel expenses are divided by the number of TRATON SE employees (349.91 employees) on FTE basis as of December 31, 2024, excluding the members of the Group's Executive Board (employees of TRATON SE). Second, the personnel expenses of the TRATON GROUP, as reported in the notes to the consolidated financial statements, adjusted to exclude the remuneration of the Group's Executive Board members, are divided by the number of employees of the TRATON GROUP (total workforce of 109,820 in accordance with internal reporting, i.e., including performance-related wage-earners, salaried staff, and vocational trainees) (employees of the TRATON GROUP).

Annual change in %	2024 compared with 2023[2]	2023 compared with 2022[2]	2022 compared with 2021[2]	2021 compared with 2020
Supervisory Board remuneration[1]				
Pötsch, Hans Dieter	30.0%	1.6%	0.0%	0.3%
Kerner, Jürgen	72.3%	2.0%	–10.6%	–18.8%
Andersson, Ödgärd[3]	83.4%	–	–	–
Bechstädt, Torsten	29.0%	–0.7%	0.7%	–1.4%
Carlquist, Mari	0.0%	0.0%	0.0%	0.0%
Cavallo, Daniela[4]	17.1%	–25.3%	73.9%	–
Döss, Dr. Manfred	0.0%	0.0%	0.0%	0.0%
Kilian, Gunnar	0.0%	0.0%	0.0%	0.0%
Kirchmann, Dr. Albert X.	24.5%	–0.1%	4.0%	15.1%
Kuhn-Piëch, Dr. Julia	18.4%	1.5%	27.2%	–16.6%
Lorentzon, Lisa	0.0%	0.0%	0.0%	0.0%
Luthin, Bo	0.0%	0.0%	0.0%	0.0%
Lyngsie, Michael	0.0%	0.0%	0.0%	0.0%
Macpherson, Nina	17.0%	–0.6%	0.0%	–1.5%
Porsche, Dr. Dr. Christian	17.3%	4.6%	25.3%	17.2%
Schmid, Dr. Wolf-Michael	32.9%	0.0%	0.0%	–1.2%
Schnur, Karina	30.1%	24.3%	–16.2%	–16.0%
Sedlmaier, Josef[5]	34.6%	–	–	–
Wansch, Markus[4]	25.8%	0.9%	43.7%	–
Witter, Frank	28.5%	0.0%	103.7%	–

Annual change in %	2024 compared with 2023[2]	2023 compared with 2022[2]	2022 compared with 2021[2]	2021 compared with 2020
Earnings performance				
Earnings after tax of TRATON SE in accordance with German GAAP[6]	–	316.6%	–	–
Operating return on sales of the TRATON GROUP	+0.9 pp	+4.1 pp[8]	+2.6 pp	+0.9 pp
Development of employee remuneration[7]				
Employees of TRATON SE	7.8%	21.7%[8]	–7.0%	7.5%
Employees of TRATON GROUP	5.3%	6.6%	0.5%	1.1%

1 Remuneration granted and owed within the meaning of section 162 (1) sentence 1 of the AktG

2 In accordance with the transitional provision of section 26j (2) sentence 2 of the EGAktG, only the average remuneration for the period from fiscal year 2020 and not the average remuneration for the past five fiscal years must be included in the comparison until the end of fiscal year 2025.

3 Joined in fiscal year 2023

4 Joined in fiscal year 2021

5 Joined in fiscal year 2022

6 Percentage change in earnings after tax of TRATON SE in accordance with German GAAP cannot be presented because there were negative earnings from fiscal year 2020 through fiscal year 2022.

7 Personnel expenses additionally adjusted for exceptional project profit sharing by selected managers in 2021

8 Correction after preparation of the 2023 Annual Report

Independent Auditor's Report

To TRATON SE

We have audited the attached remuneration report of TRATON SE, Munich, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from January 1, 2024 to December 31, 2024 and the related disclosures.

Responsibilities of the executive directors and the supervisory board

The executive directors and supervisory board of TRATON SE are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

Auditor's responsibility

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from January 1, 2024 to December 31, 2024 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on 1 January 2024, which are attached to this report, are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement.

Munich, March 3, 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Meyer	Hummel
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Financial Calendar

April 28, 2025
3M 2025 Interim Statement

May 14, 2025
2025 Annual General Meeting

July 25, 2025
2025 Half-Year Financial Report

October 29, 2025
9M 2025 Interim Statement

The latest information and dates are available on TRATON SE's website at https://ir.traton.com/en/financial-dates-events/.

Glossary

Active workforce: Number of employees who have an active employment contract, excluding vocational trainees and employees in the passive phase of partial retirement.

BEV: Battery electric vehicles and fuel cell electric vehicles

Commercial paper program (CP program): A master agreement between companies and bond dealers that allows companies to place unsecured, short-term debt instruments on the international money market very quickly to obtain debt capital.

Committee of Sponsoring Organizations of the Treadway Commission (COSO): Internationally recognized framework for enterprise risk management and internal control (ICS).

Compliance: Adherence to statutory provisions, internal corporate policies, and ethical principles.

Corporate governance: A commonly used international term that denotes responsible corporate management and control geared toward long-term value added.

CSRD: Corporate Sustainability Reporting Directive of the European Union

Derivatives/derivative financial instruments: Financial instruments whose value is derived primarily from the price and price volatility/expectations of an underlying (e.g., stocks, foreign currency, interest-bearing securities).

Dividend yield: Dividend yield is defined as the ratio of the dividend for the reporting period to the closing price per share class on the final trading date of the reporting period and indicates the return per share. Dividend yield is used in particular for measuring and comparing shares.

ESG: Environmental, Social, Governance.

European Medium Term Notes program (EMTN program): A master agreement between companies and bond dealers that allows companies to place securities on the European capital markets very quickly to obtain debt capital.

Fair value: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing, and independent parties in an arm's length transaction.

Functional expenses: Functional expenses comprise the cost of sales, distribution expenses, and general and administrative expenses.

German Corporate Governance Code (the Code): Constitutes key statutory requirements for the management and supervision of listed German companies and contains internationally and nationally recognized standards of good, responsible corporate governance in the form of recommendations and suggestions.

Market share: TRATON's share of registrations of trucks and buses in the overall market.

Option: Agreement under which the purchaser is entitled, but not obligated, to acquire (call option) or sell (put option) the underlying asset at a future date for a predefined price. By contrast, the seller of the option is obligated to sell or purchase the asset and usually receives a premium for granting the option rights.

Other operating result comprises net impairment losses on financial assets, other operating income, and other operating expenses.

Payout ratio: The payout ratio means the proportion of the total amount of dividends attributable to common shares to earnings after tax attributable to TRATON SE shareholders. The payout ratio provides information about the allocation of earnings.

Price-earnings ratio: The price-earnings ratio is calculated by dividing the year-end closing price per share by earnings per share. It reflects the earnings power per share and provides information about its development compared over a number of years.

Registrations: Number of new vehicles registered for the first time in a country with the relevant registration authorities. The term "registrations" describes the size of the market for new vehicles and thus also the development of the market. Market share is also calculated from the registration data.

Swap: Agreement between two counterparties to swap cash payments over a certain period. Prime examples are currency swaps, under which principal amounts denominated in various currencies are exchanged, and interest rate swaps, which usually entail the exchange of fixed and variable interest payments in the same currency.

Weighted Average Cost of Capital (WACC): WACC is derived from the return required by capital providers.

Five-Year Overview

	2024	2023	2022	2021	2020
Trucks and buses (units)					
Incoming orders	263,575	264,798	334,583	359,975	216,251
of which trucks	208,519	210,617	274,299	305,745	182,402
of which buses	32,235	29,808	32,274	22,237	14,611
of which MAN TGE vans	22,821	24,373	28,010	31,993	19,238
Unit sales	334,215	338,183	305,485	271,608	190,180
of which trucks	278,130	281,290	254,300	230,549	156,371
of which buses	28,413	30,266	29,601	18,857	16,174
of which MAN TGE vans	27,672	26,627	21,584	22,202	17,635
BEV unit sales ratio (excluding MAN TGE vans, in %)[1]	0.5	0.6	–	–	–
TRATON GROUP					
Sales revenue (€ million)	47,473	46,872	40,335	30,620	22,580
Operating result (adjusted) (€ million)	4,384	4,034	2,071	1,599	135
Operating return on sales (adjusted) (in %)	9.2	8.6	5.1	5.2	0.6
Active workforce[2]	105,541	103,621	100,356	97,235	82,567
TRATON Operations					
Sales revenue (€ million)	46,182	45,736	39,554	30,103	22,152
Operating result (adjusted) (€ million)	4,776	4,272	2,257	1,883	230
Operating return on sales (adjusted) (in %)	10.3	9.3	5.7	6.3	1.0
Primary R&D costs (€ million)	2,458	2,170	1,892	1,462	1,154
Capex (€ million)	1,751	1,516	1,298	1,125	988
Net cash flow (€ million)	2,834	3,594	–625	938	979

	2024	2023	2022	2021	2020
Scania Vehicles & Services					
Incoming orders (units)	81,012	84,080	82,071	116,798	92,940
Sales (units)	102,069	96,727	85,232	90,366	72,085
Sales revenue (€ million)	18,907	17,878	15,316	13,927	11,521
Operating result (adjusted) (€ million)	2,666	2,266	1,315	1,412	802
Operating return on sales (adjusted) (in %)	14.1	12.7	8.6	10.1	7.0
MAN Truck & Bus					
Incoming orders (units)	77,108	86,783	109,717	143,531	84,921
Sales (units)	96,037	116,033	84,513	93,668	81,673
Sales revenue (€ million)	13,732	14,811	11,331	10,934	9,659
Operating result (adjusted) (€ million)	985	1,075	139	249	–553
Operating return on sales (adjusted) (in %)	7.2	7.3	1.2	2.3	–5.7
International Motors[3]					
Incoming orders (units)	56,616	60,932	86,019	42,588	–
Sales (units)	90,562	88,890	81,892	30,305	–
Sales revenue (€ million)	11,116	11,042	10,501	3,557	–
Operating result (adjusted) (€ million)	791	734	502	41.0	–
Operating return on sales (adjusted) (in %)	7.1	6.6	4.8	1.2	–

	2024	2023	2022	2021	2020
Volkswagen Truck & Bus					
Incoming orders (units)	48,865	33,739	57,042	57,241	38,805
Sales (units)	45,846	37,203	54,136	57,405	36,974
Sales revenue (€ million)	2,918	2,477	2,952	2,113	1,235
Operating result (adjusted) (€ million)	349	217	309	171	–15
Operating return on sales (adjusted) (in %)	12.0	8.8	10.5	8.1	–1.2
TRATON Financial Services					
Sales revenue (€ million)	1,932	1,589	1,294	964	820
Return on equity (in %)	10.8	8.4	4.0	18.6	11.1
TRATON shares					
Earnings per share (€)	5.61	4.90	2.28	0.91	–0.20
Dividend per share (€)[4]	1.70	1.50	0.70	0.50	0.25
Number of common shares as of 12/31	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Common shares, closing price (Xetra price in €)	27.95	21.32	14.13	22.14	22.61

1 The BEV unit sales ratio (excluding MAN TGE vans, in %) was calculated for the first time for 2023.

2 As of December 31

3 2021: July 1 to December 31

4 2024: proposed dividend, subject to approval by the 2025 Annual General Meeting

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International (p. 5: middle)
TRATON (p. 5: bottom left and right; p. 6: top right;
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