



## **Executive Board and General Works Council agree on Key Issues Paper to realign the Company**

Munich, 26.01.2021

- **Reorganization of the production and development network with a strong focus on future technologies**
- **Socially responsible reduction of about 3,500 jobs in Germany across all employment groups**
- **No layoffs for operational reasons at the German locations of MAN Truck & Bus SE**
- **Key Issues Paper supports a package of measures designed to improve earnings by up to €1.7 billion, will make a major contribution to securing the future viability of MAN Truck & Bus**
- **Fate of the Steyr site still under discussion**
- **The Executive Board still plans to close the Plauen site**

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**The Executive Board of MAN Truck & Bus SE has agreed with the General Works Council and the IG Metall trade union on a Key Issues Paper to enable the Company's rigorous and sustainable reorganization. It takes into account the necessary restructuring of the Company, as well as the interests of employees. The contents of this Key Issues Paper are to be implemented by a "Future Collective Bargaining Agreement" and in works agreements.**

Andreas Tostmann, CEO of MAN Truck & Bus SE, expressed his satisfaction with the results: "We're happy to have found common ground with this Key Issues Paper after our intense discussions. Now we can reorganize MAN to make it economically robust, innovative, and fit for the future. We'll rigorously implement MAN's realignment together and invest in the future fields of digitization, alternative drives, and automation and in qualifying our employees. That will be a long and hard road. But we'll tackle it boldly together and do all we can so that MAN returns to profitability and remains one of the leading providers of transportation solutions in the future."

MAN Truck & Bus is one of Europe's leading commercial vehicle manufacturers and transport solution providers, with an annual revenue of some 11 billion euros (2019). The company's product portfolio includes vans, trucks, buses/coaches and diesel and gas engines along with services related to passenger and cargo transport. MAN Truck & Bus is a company of TRATON SE and employs more than 37,000 people worldwide.

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MAN Truck & Bus first needs to improve its earning power significantly so as to be able to invest again in important technologies of the future in the medium term. It specifically aims to generate around €450 million through additional sales efforts, among other things. Material costs are to be cut by around €700 million as a result of innovative forms of cooperation with suppliers starting as early as the concept design phase for products. The company also aims to achieve an improvement in material overheads and personnel expenses by up to €550 million.

“Our mission is nothing less than to revolutionize goods and passenger transportation. MAN faces an enormous transformation: In five years’ time, half of our new buses will run on alternative drives. At least 60% of delivery trucks will be emission-free by 2030. That figure will be 40% for long-haul trucks. Automation and digitization will shake up our industry. All that will cost a lot of money – money we must first have if we want to invest in the company’s future,” said Tostmann.

The restructuring of the production and development network that will add a strong focus on technologies of the future will make an important contribution to cost efficiency:

The **Munich** site will still be the global headquarters of MAN Truck & Bus. It will also remain the main production plant for trucks equipped with driver’s cabs and for assembly, as well as the center for MAN’s development activities. Munich is home to the MAN Competence Center for overall truck development, software, electric/electronic systems, and electromobility. 7,500 permanent employees will work at the site by the end of 2022.

The **Nuremberg** site will become the MAN Competence Center for developing new drive technologies (such as e-mobility, hydrogen drive). It will also still be responsible for further development of conventional drives. Moreover, Nuremberg is the key plant for production of conventional and alternative drives. 3,100 permanent employees will work at the site by the end of 2022.

The **Salzgitter** site will remain the TRATON GROUP’s assembly site for non-driving axles in Europe. It is also the MAN site responsible for global logistics activities. 1,900 permanent employees will work at the site by the end of 2022.

**Wittlich** will be downscaled, but remain responsible for truck modification. 60 permanent employees will work at the site by the end of 2022.



The fate of **Plauen** and **Steyr** as MAN sites is still under discussion. The Executive Board is examining all options with regard to those sites, including a disposal and shutdowns.

All employees at the Plauen site have been offered employment at the Volkswagen plant in Zwickau.

The company and employee representatives have agreed on a reduction of about 3,500 jobs in Germany as part of the restructuring. This figure includes permanent employees, loaned workers, and employees with temporary employment contracts. The job cuts are to be implemented in a socially responsible manner by greater use of partial-retirement arrangements, allowing temporary employment relationships to end, a reduction in loaned workers, and offers of voluntary severance packages. The Company will also offer employees the chance to move to other companies in the Volkswagen Group.

The Key Issues Paper will form the basis of a future collective bargaining agreement that will ban layoffs for operational reasons.

Dr. Martin Rabe, Chief Human Resources Officer and Arbeitsdirektor at MAN Truck & Bus, noted: "The agreed upon Key Issues Paper is a valuable basis for the future collective bargaining agreement to be concluded. With the Key Issues Paper, we have reached an important milestone for MAN. With these socially responsible solutions, we hope to give our employees planning reliability.

Together, we will build on this in order to achieve the best solutions for the Company and the employees. Now we'll tackle our future with confidence, continuity, and dependability."