DAF TRUCKS

Sustainability Report 2024

A PACCAR COMPANY DRIVEN BY QUALITY

DAF TRUCKS N.V. SUSTAINABILITY REPORT 2024

INTRODUCTION

Driven by Continuous Improvement

At DAF, we are driven by Continuous Improvement. To further strengthen our position as the premier commercial vehicle manufacturer in Europe, we have to perform better today than we did yesterday. For the benefit of our customers, their business and indeed, also for contributing to a better world around us, to a more sustainable future.

Doing better tomorrow than today, is an exciting journey. DAF was the first European truck manufacturer to embrace the new EU Vehicle Masses and Dimensions Regulations, resulting in a series of vehicles that had 10% less CO_2 footprint than the previous, already highly economical trucks. In 2024, we introduced further innovations, making our industry-leading commercial vehicles even more efficient with even lower CO_2 emissions. It is just one example of how we go the extra mile to improve continuously.

In 2024, the first New Generation DAF Electric trucks were delivered to customers, a wonderful milestone on the road to many Battery Electric Vehicles (BEVs) which will be produced in our DAF Electric Vehicle Truck Assembly plant in Eindhoven.

In Operations we continue to increase quality and efficiency, while at the same time lowering our environmental footprint. Reducing emissions and increasing circularity are the cornerstones of our sustainability framework, next to caring for people and ensuring a responsible business. In all of these areas, many actions have been taken last year, which are bundled in this 2024 DAF Sustainability Report. It is even more comprehensive compared to our first 2023 edition. Continuous improvement, in every aspect of our business. No empty words as you can conclude.

Harald Seidel
President DAF Trucks N.V.

OUR MISSION

We are a global technology leader providing sustainable transport solutions that drive our customers' success.

OUR VISION

We create first class sustainable transport solutions to exceed customer expectations, inspire our employees and contribute to a better world.

OUR VALUES

- Customer First
- Quality
- Sustainability
- Care for People
- Passion & Pride

DAF TRUCKS

Company Profile

DAF Trucks is a technology company and a leading commercial vehicle manufacturer in Europe. DAF is a wholly owned subsidiary of PACCAR Inc, the global technology leader in the design and manufacture of premium quality light, medium and heavy-duty commercial vehicles. The company also designs and produces advanced diesel and electric powertrains, provides financial services and information technology, and distributes truck parts.

47,600
Production 2024

14.4 %
EU Heavy Duty Market Share 2024

8,721
Average Number of Employees 2024 (FTE)

DAF manufactures its industry-leading trucks in its facilities in Eindhoven (The Netherlands), Westerlo (Belgium), Leyland (United Kingdom) and Ponta Grossa (Brazil). DAF trucks are also assembled in Bayswater (Australia) and Taichung (Taiwan).

DAF's engine factory, component plant, press shop and final assembly line for CF, XD, XF, XG and XG+ heavy duty models are located in Eindhoven, as well as the new Electric Truck Assembly facility. Axles and cabs are produced in Westerlo. Leyland Trucks (UK) produces the company's XB series of light and medium duty trucks, as well as CF, XD, XF, XG and XG+ heavy duty vehicles. DAF products are sold and serviced by a network of 1,140 independent dealer locations throughout Europe, the Middle East, Africa, South America, Australia, New Zealand and Asia.

With a comprehensive range of trucks from 7.5 tonnes Gross Vehicle Weight (GVW) to 120 tonnes Gross Combination Weight (GCW), DAF consistently delivers superior quality and adaptability. By prioritizing customer feedback and driver experience first, DAF has developed an exciting portfolio of modern solutions designed to set industry benchmarks for operating efficiency, transport performance, fuel efficiency, safety, and driver comfort.

PACCAR Financial Europe (PFE), an affiliated company of DAF Trucks N.V., provides financing solutions for trucks manufactured by DAF, as well as related equipment. The company also finances DAF dealer inventories of new and used DAF vehicles. PFE is also responsible for the remarketing of used equipment returning from customers.

The scope of this sustainability report includes DAF Trucks (including Leyland Trucks and subsidiaries), PACCAR Parts and PACCAR Financial Europe, as well as their affiliates throughout Europe.

Production 2024

TRUCKS:
8,778 LF/XB
38,841 CF/XD/XF/XG/XG+

CABS:
38,947

ENGINES:
41,693

AXLES:
94,039

EU Market Share 2024

Medium Duty Segment:
9.5%

Heavy Duty Segment:
14.4%

HD Market Leadership
The Netherlands (28.9%)
United Kingdom (27.1%)


DAF

Sustainability is at our Core

At DAF we are committed to contributing to a better world. That's why you will find sustainability embedded in our mission, our vision and our values. We see it as a natural part of the way we conduct business - it's far more than just a corporate responsibility.

The United Nations Sustainable Development Goals (SDG) aim to make the world more sustainable by 2030. Building on our core strengths, we believe that for DAF five SDGs particularly can make the greatest impact for society and ecology. The following are embedded in our DAF Sustainability Framework:

8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

We believe in a balance between economic growth and social factors, to grow in a sustainable way and assure future work.

9: Build a resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

We are constantly enhancing the efficiency of our employees, processes and materials and adopting clean and environmentally sound technologies in our production processes.

11: Make cities and human settlements inclusive, safe, resilient and sustainable.

We are contributing to this goal by constantly improving our trucks' safety features and reducing air pollution by investing in innovative technologies.

12: Ensure responsible consumption and production patterns.

We are aware of the value of the materials needed to build a truck. We aim to minimize the volume of required material, increase recycled content and recyclability of our trucks, run a successful remanufacturing program and reduce the residual waste from our production sites.

13: Take urgent action to combat climate change and its impact.

We understand the importance of cutting CO_2 emissions and aim to reduce the CO_2 emissions per ton*km of our sold trucks (scope 3, category 11 as defined by GHG protocol - https://ghgprotocol.org/) by 43% in 2030, following the European VECTO legislation. 94% of our CO_2 impact is generated by vehicles on the road. Additionally, we aim to have reduced our combined Scope 1 and Scope 2 CO_2 emissions by 45% in 2030.

DAF Sustainability Framework

DAF Trucks reviews impacts, risks and opportunities within the Sustainability Framework, encompassing Emission Reduction, Circularity, Care for People and Responsible Business. Each pillar covers our value chain from our upstream direct supply chain, our own operations, to our downstream dealers and customers, as well as wider society. In addition, each pillar is linked to a United Nations Sustainable Development Goal.

Emission Reduction
Emission Reduction refers to the process of lowering the amount of greenhouse gas emissions released into the atmosphere. Emission Reduction involves implementing various strategies and practices to minimize or eliminate the release of these gases. At DAF this is achieved through:

1. Improving energy efficiency in our processes, buildings, and trucks which reduces the amount of energy consumed and the associated greenhouse gas emissions.

2. Shifting to renewable energy sources like solar power which helps to conserve fossil fuels and reduces emissions from electricity generation.

3. Promoting the latest series of fuel-efficient trucks, as well as electric vehicles and alternative fuels, as this can significantly reduce emissions from the transportation sector. This also includes promotion of fuel-efficient driving trainings and services supporting transport efficiency. This is not only important for DAF itself, but also for our stakeholders in the value chain.

	Environment	
Our Mission	**EMISSION REDUCTION**	**CIRCULARITY**
Our Supply Chain	Sustainable Sourcing	Circular Sourcing
DAF	Sustainable Production Facilities	Circular Processes
Our Customers & Dealers	Contribute to Sustainable road transport	Circular Products
The World we Live in	Sustainability Strategy	Circularity Strategy
UN SDG	13 CLIMATE ACTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Circularity
Circularity refers to our approach to minimize waste and maximize resource efficiency. It involves rethinking, reducing, reusing, repairing, remanufacturing, and recycling materials to create a more sustainable and regenerative system. Circular practices promote the continuous use and reuse of resources, contributing to environmental and economic benefits.

Care for People
Care for people means taking responsibility towards our employees, people in our value chain, and societies. It involves offering fair compensation, benefits, and working conditions for employees, as well as prioritizing their safety. It also includes promoting respect, inclusivity, equal opportunities and considering the impact of our business and products on the wider community. Care for People also relates to enhancing overall traffic safety and 'giving back' to society.

Responsible Business
Effective management requires strong governance, grounded in accountability, clear policies, and actionable plans that are effectively implemented, measured, and reported. Governance goes beyond compliance – it's about setting the standard for responsible business practices.

At DAF Trucks, we recognize that strong governance is vital for driving innovation and compliance with regulations. By actively engaging employees, value chain partners, and legislators, we aim to foster collaboration and transparency, leading the way towards more sustainable transport solutions that benefit both our business and the wider community.

Social & Governance

CARE FOR PEOPLE	RESPONSIBLE BUSINESS
Working Circumstances	Responsible Sourcing
Best Place to Work	Business Values & Conscious Control
Care for Customer & Dealer Employees	Best Products & Service for the Business
Giving Back to Society	Responsible Transport Solutions

Double Materiality Assessment

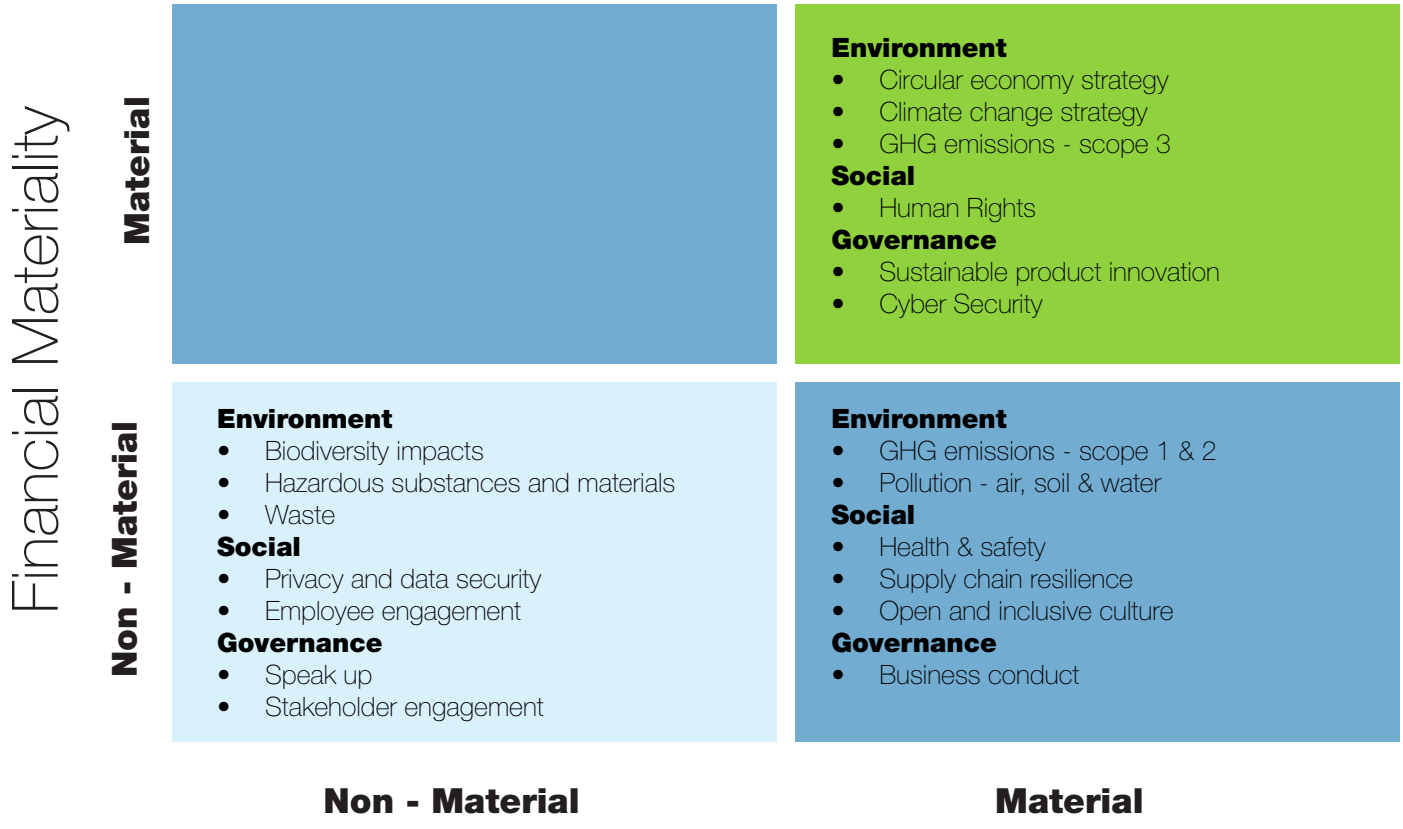
In 2023, DAF conducted the first comprehensive double materiality assessment (DMA) to assess our focus, aligned with the Corporate Sustainability Reporting Directive (CSRD). This allowed us to identify our most significant impacts on people and the environment, alongside key risks and opportunities for the business. Through a structured three-step approach, we defined our value chain and stakeholders, assessed material topics and impacts, and validated results with internal and external stakeholders.

Stakeholder engagement

Our journey thrives on active and meaningful stakeholder collaboration. In 2024, we engaged with key stakeholders to validate and refine our DMA. From ESG-focused supplier workshops through networking events to collaborative discussions with dealers. These engagements provide valuable insights. Internally, our regular DAF Sustainability events foster a dynamic exchange of ideas, ensuring continuous improvement and alignment towards our goals.

Enhancements in 2024

In 2024, we enhanced the DMA by integrating PACCAR Financial Europe and PACCAR Parts, ensuring a broader and more unified sustainability perspective. To sharpen our focus on the most significant Impacts, Risks, and Opportunities (IROs), we reviewed and refined our IRO identification and ESG topic scoring. As a result, some topics were consolidated into larger ESG categories, while others fell below the materiality threshold.



This matrix shows which topics DAF has prioritized in its efforts to improve sustainability performance. Other items are addressed too but those in the matrix are considered to be the areas where DAF can make the largest impact.

A longlist of over 100 sustainability topics was assessed, resulting in 19 topics to be included in the Double Materiality Matrix. These are:

- *Either Financial Material or Impact Material*
- *Both Financial Material and Impact Material*
- *Topics that are considered good business conduct but are not strategic focus areas. (Non - Material / Non - Material)*

Impacts, risks and opportunities (IROs)
The CSRD is accompanied by 12 ESRS (European Sustainability Reporting Standards). These standards provide a framework for companies to report on environmental, social, and governance (ESG) topics.
The material IROs we have identified are as follows:

- ESRS E1 Climate change: impact on climate change through the energy use and GHG emissions from our manufacturing and other operations activities (scope 1 and 2) and the GHG emissions from the use of our products (scope 3) by the end-user.
- ESRS E5 Resource use and circular economy: impact on nature and environment through the use of natural resources and other materials for our products and the waste generated throughout their life-span.
- ESRS S1 Own workforce: impact on employees by ensuring health and safety working conditions, good labor practices and a working environment allowing them to thrive and engaged with the company.
- ESRS S2 Workers in the value chain: impact on people in the value chain.
- ESRS G1 Business Conduct: impact on employees and value chain partners by fostering ethical behavior, enabling employees to make the right decisions and maintain the highest standard of ethics, integrity and respect.

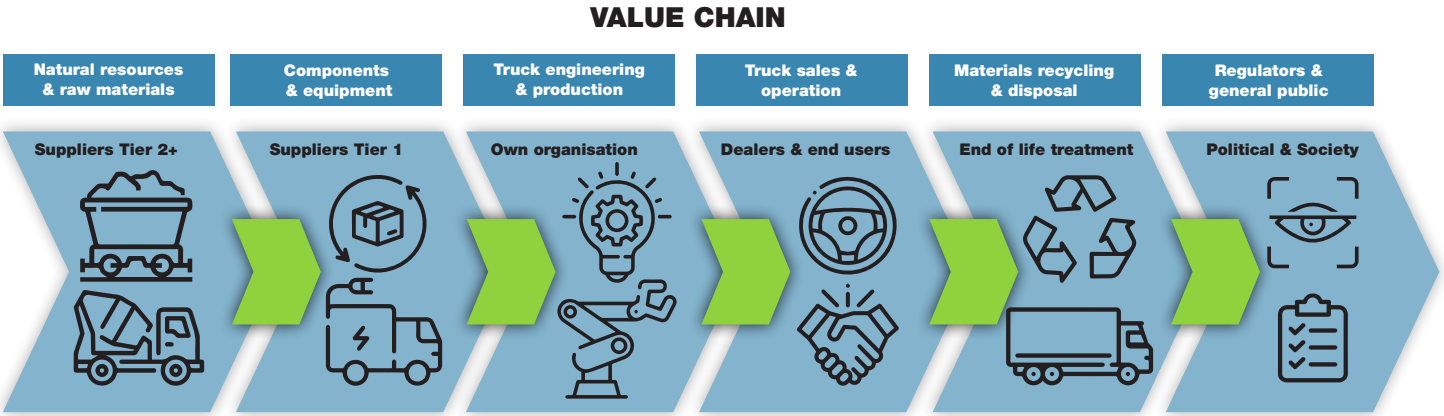
Material topics
We conducted a granular assessment of ESG subtopics in alignment with ESRS standards. This process identified 12 material subtopics (see overview page 10 – DMA) that form our sustainability framework, which is built on four key pillars:

1. Emission Reduction
2. Circularity
3. Care for People
4. Responsible Business

These pillars serve as the foundation of our ongoing engagement to sustainability, guiding our actions to create meaningful, long-term impact for our stakeholders and the planet.

Sustainability in the DAF Value Chain

DAF Trucks is part of a multi-layered value chain that ranges from the mines of natural raw materials to the truck-driver and the waste companies where our truck reach its end-of-life. The number of entities in our strongly interlinked ecosystem is broad, extending from our suppliers' suppliers to dealer employees, transport companies and society as a whole.



Setting the Standards

We design our vehicles to be more sustainable, we guide dealerships to handle waste responsibly, we work with suppliers to design parts for greater sustainability. These are just a few examples of how we actively engage with our suppliers, dealers and customers to improve their sustainability performance.

Around 94% of associated greenhouse gas (GHG) emissions is generated while our trucks are in operation at our customer's businesses (Scope 3, category 11 in the GHG protocol "Use of Sold Products"). Approximately 5% is emitted in our supply chain (Scope 3, category 1 in the GHG protocol "Purchased Goods") and less than 0.5% is released in the entire production process (Scope 1 and 2). Page 18-21 provides further details through a Life Cycle Assessment (LCA).

"We have the earth at our disposal temporarily, and we must leave it in good and tidy condition."

Ewout van Wijk
CEO
E van Wijk Logistics

ENVIRONMENT
Emission Reduction

INTRODUCTION & STRATEGY

Environment | Social & Governance

EMISSION REDUCTION | **CIRCULARITY** | **CARE FOR PEOPLE** | **RESPONSIBLE BUSINESS**

DAF's main impact on the environment is through the emission of greenhouse gases and their related impact on global warming. Resulting from the Double Materiality Assessment, 'climate change' and 'GHG emissions' are critical topics we need to address. Recognizing this, Emission Reduction stands as the first pillar of our Sustainability Framework.

This chapter explores the various actions we are implementing and our roadmap with ambitions ahead to reduce our carbon footprint to mitigate our environmental impacts. While greenhouse gases (GHG) are a main focus, we also address nitrogen oxides (NO_x) and Volatile Organic Compounds (VOCs), which can adversely affect air and water quality.

We aim to adopt innovative technologies and practices that promote cleaner operations and sustainable products. Through these actions, we aspire to contribute to a healthier environment and inspire others on this essential journey towards sustainability.

Take urgent action to combat climate change and its impact.

We understand the importance of reducing CO_2 emissions and aim to reduce the CO_2 emissions of the trucks we sell as well as the CO_2 emitted by our own facilities.

Targets:
2030: Reduce absolute Scope 1 and 2 CO_2 emissions by 45% in comparison to 2018 (where Scope 2 emission reduction is based on 'market based calculation')
2030: Reduce CO_2 emissions of product use (Scope 3, category 11) per ton*km by 43% in comparison to 2019

To achieve these CO_2 ambitions, enabling conditions are essential. While we are investing in the development of zero-emission vehicles, the ambitious targets follow current regulations but they require adequate support from society, technological developments, our business partners, the economy and policy makers. This requires a collaborative effort among stakeholders, including policy makers, to develop necessary infrastructure and demand-side measures. Only by working together decarbonization of road transport can be achieved.

Climate change scenario analysis

The transition to a low-carbon economy and the physical impacts of climate change pose significant challenges to the truck manufacturing industry. We conducted a scenario analysis exploring potential risks and opportunities under 1.5°C and 4°C global temperature rise scenarios. These scenarios, while not predictive, guide us in identifying risks and financial implications to ensure resilient decision-making.

Transition Risks

The shift to a low-carbon economy introduces changes in policy, technology, markets, and reputation. Key risks for our business include:

- Policy Risks: Penalties for failing to meet transportation industry climate targets.
- Technology Risks: Limited readiness of EV infrastructure could hinder the adoption of electric trucks.
- Market Risks: Low market appetite for EVs due to cost of ownership and perceived inefficiencies.

Physical Risks

Climate change introduces acute (event-driven) and chronic (long-term) risks:

- Operational Risks in Europe: Increased frequency of storms, heat, and floods pose moderate risks to key operations in Europe.
- Upstream Supply Chain Risks: Critical components sourced globally are vulnerable to droughts, floods, and earthquakes.

Transportation System Vulnerabilities

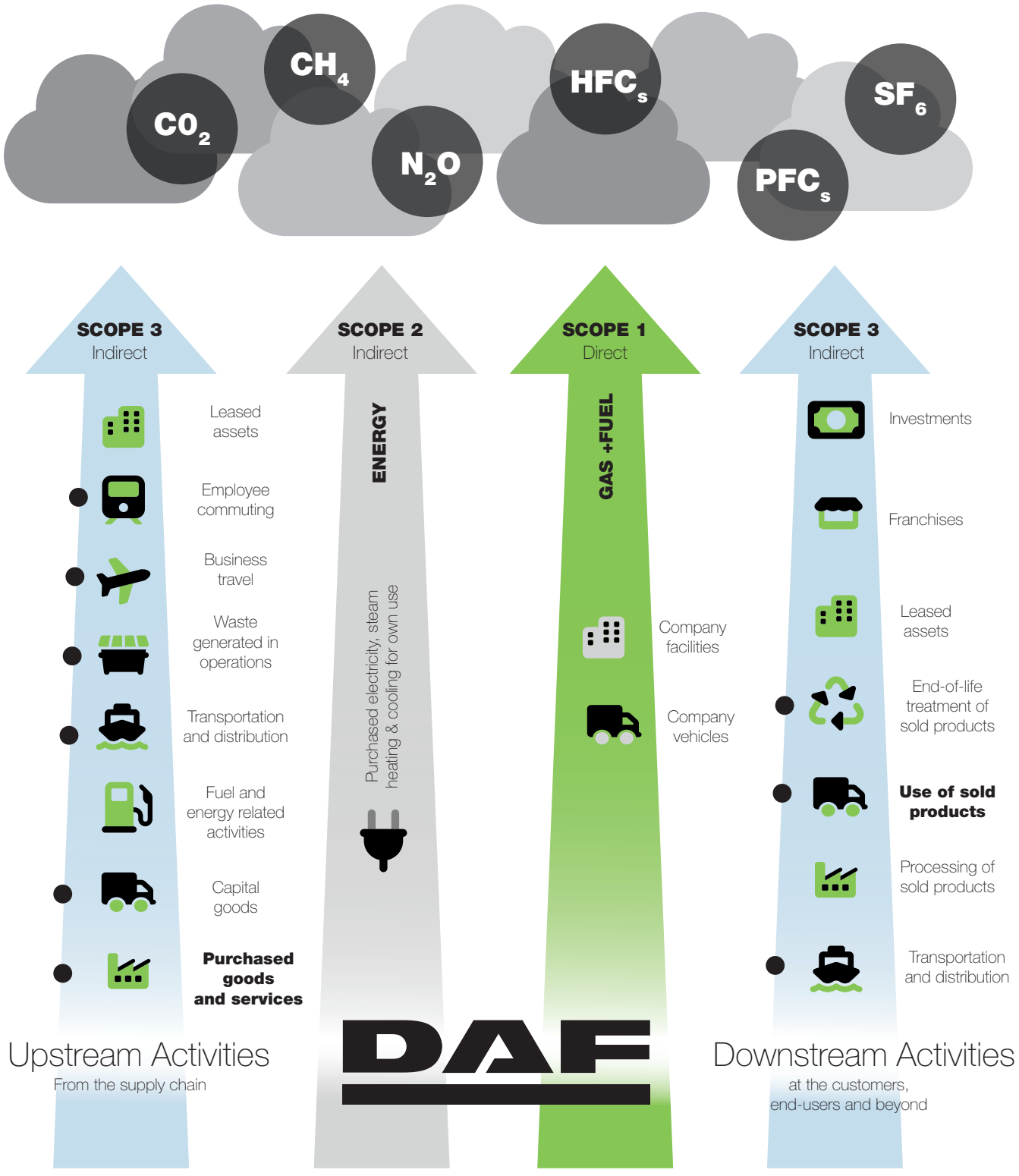
Heavy-duty trucks are vital to transporting high volumes of goods, particularly to areas inaccessible by other transport modalities. However, climate-related disruptions can impact transportation infrastructure:

- Flooding and Mudslides: Heavy rains may impact highways and bridges
- Sea Level Rise and Storms: Impact on road accessibility and causing congestion.

The truck manufacturing industry will contribute towards resilient, low carbon transportation solutions. By addressing risks proactively and leveraging opportunities, we aim to deliver innovations that sustain our business and contribute to sustainable road transport.

GHG protocol

The Greenhouse Gas (GHG) Protocol is a widely recognized framework for measuring and managing greenhouse gas emissions. It categorizes emissions into three scopes: Scope 1 includes direct emissions from owned or controlled sources, Scope 2 covers indirect emissions from the generation of purchased electricity, and Scope 3 encompasses all other indirect emissions in a company's value chain.



● Categories marked are applicable to DAF

Bold catagories are material to DAF

The above mentioned Green House Gasses CH_4, N_2O, HFC_s, PFC_s and SF_6 reference to a CO_2 equivalent

Life Cycle Assessment process

A Life Cycle Assessment (LCA) is a systematic method to evaluate the environmental impacts of a product or service throughout its entire life cycle. This includes every phase from raw material extraction, production, and usage to disposal or recycling. By analyzing these stages, it is easier to better understand the ecological footprint of our products and to make sound decisions to improve sustainability.

The LCA process of DAF complies with ISO Standards 14040 and 14044 and follows four main phases:

1. **Goal and Scope Definition:** This initial stage establishes the purpose of the assessment and outlines what will be included. It defines the functional unit, system boundaries, and the specific objectives of the study. For instance, in evaluating a DAF truck, the analys focuses on its environmental impact from “cradle to grave”, which encompasses all life cycle stages.

2. **Inventory Analysis:** During this phase, data collection occurs. This involves gathering quantitative information about the inputs and outputs of energy, materials, and emissions associated with each life cycle stage. DAF utilized various databases and internal resources to compile data on material composition, production processes, and resource use. Until now, industry averages were primarily used. We are in transition to more specific supplier data to be able to set targets on the Scope 3 upstream emissions and impacts.

3. **Impact Assessment:** This phase interprets the data gathered in the inventory analysis, evaluating the potential environmental impacts. Common indicators include global warming potential, resource depletion, and damage to ecosystems and human health. The ReCiPe 2016 method is used to convert emissions data into understandable impact scores.

4. **Interpretation:** Finally, the results are analyzed to draw conclusions and identify opportunities for further improvement. This phase defines the limitations of the study and suggests actionable steps based on the findings.

Through this comprehensive process, DAF aims to enhance transparency and sustainability, ultimately leading to more environmentally friendly products and practices.

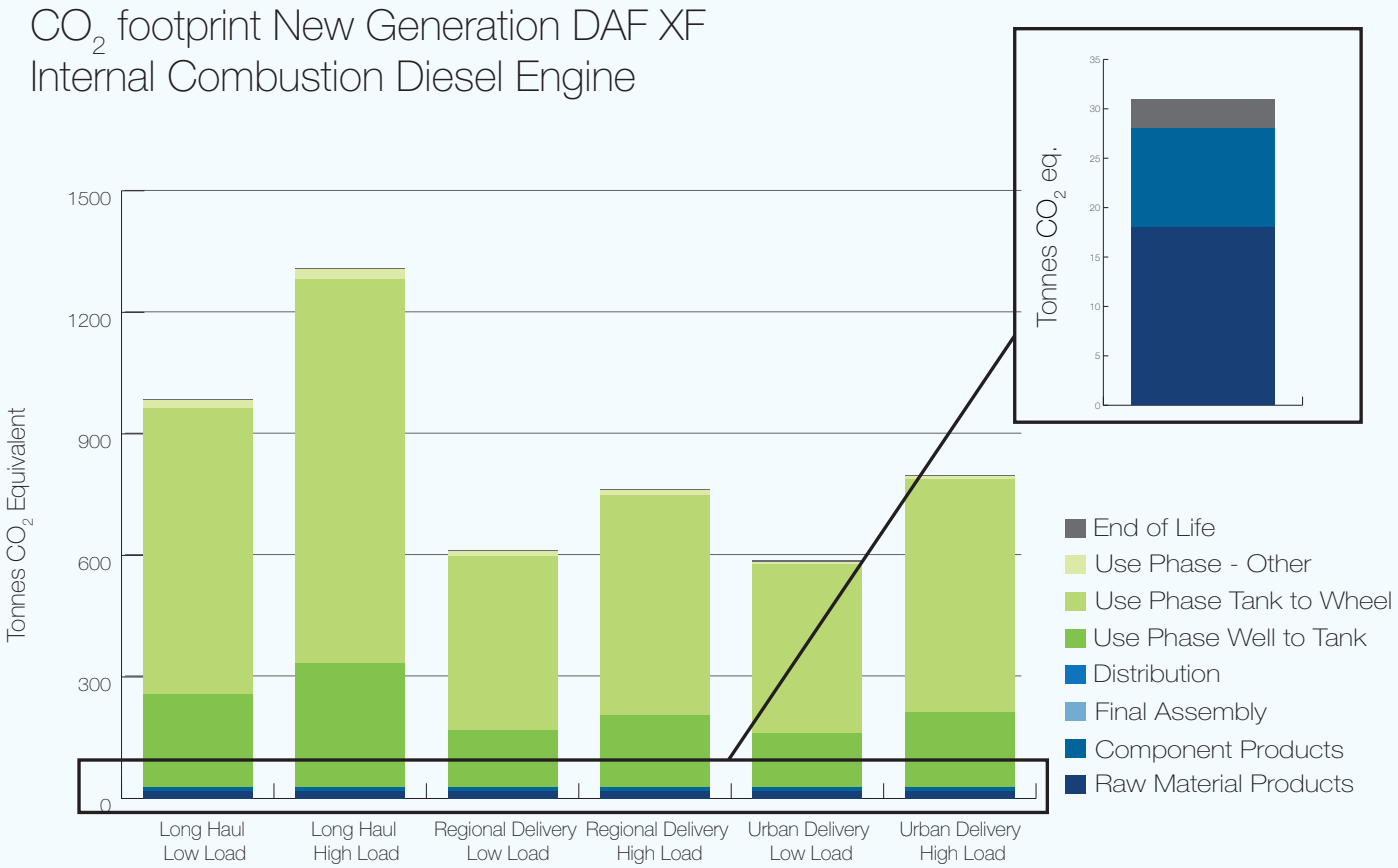
A more detailed description of the LCA process can be found at when scanning this QR code.

LCA results

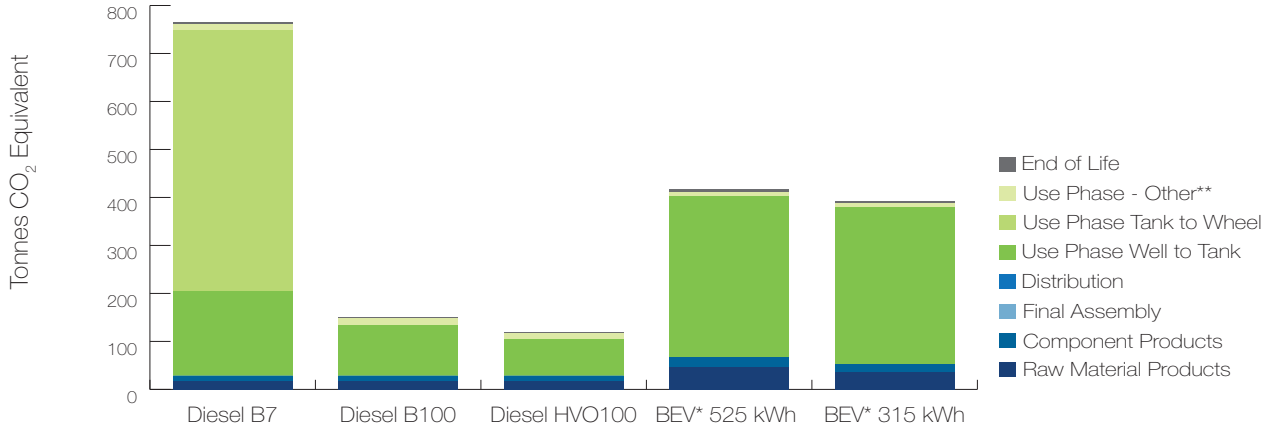
The LCA-graph shows the CO_2 footprint of a New Generation DAF XF with internal combustion engine (ICE) truck in its lifetime for six different use cases. The results show clearly that the main impact of this vehicle is dominated by the use phase.

The tank-to-wheel effect of the use phase has by far the largest GHG emission, followed by the use phase well-to-tank. The production of fuel (well to tank emission) has more environmental impact than the production of the truck and end-of-life processing combined (blue and grey categories).

Currently, there is no standard for Life Cycle Assessments (LCAs) at the vehicle level, resulting in non-comparable LCA results between OEMs because of many non-aligned variables.



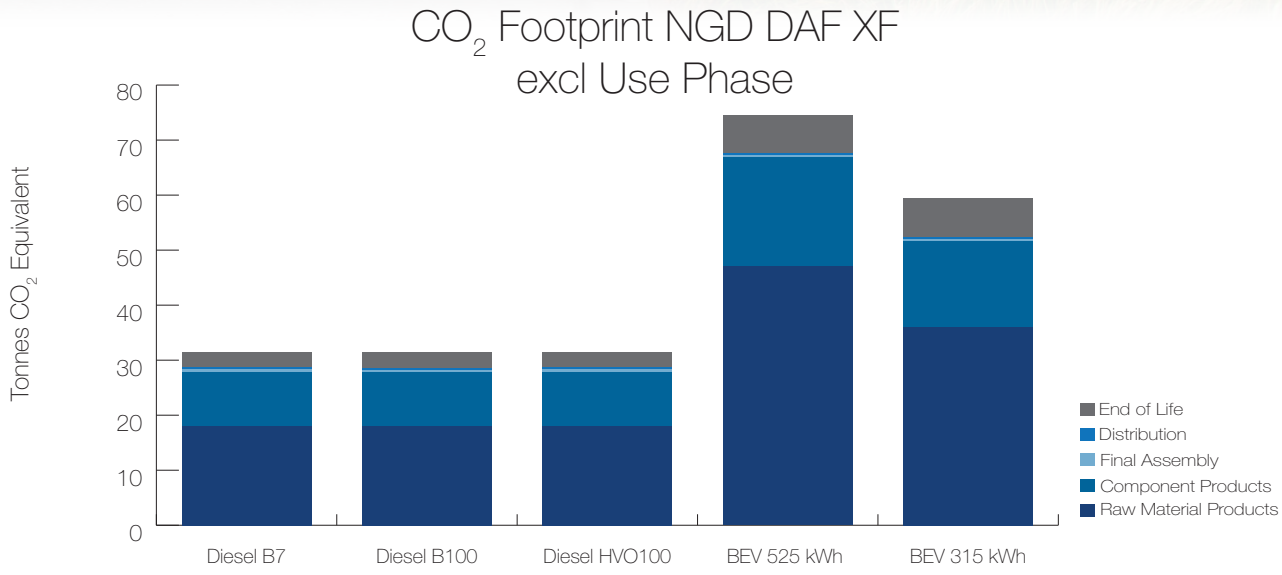
CO_2 footprint New Generation DAF XF regional delivery - high load scenario



* BEV based on EU grid mix 2021 = average GHG emission of electricity in Europe (most recent year of data availability is 2021)
** e.g. oils and lubricants

The graph above compares the CO_2 emissions of the New Generation XF ICE truck using 'traditional' B7 fuel and alternative B100 or HVO plant-based fuels, with the NGD XF Battery Electric Vehicle truck based on the 2021 EU grid mix for a national transport scenario.

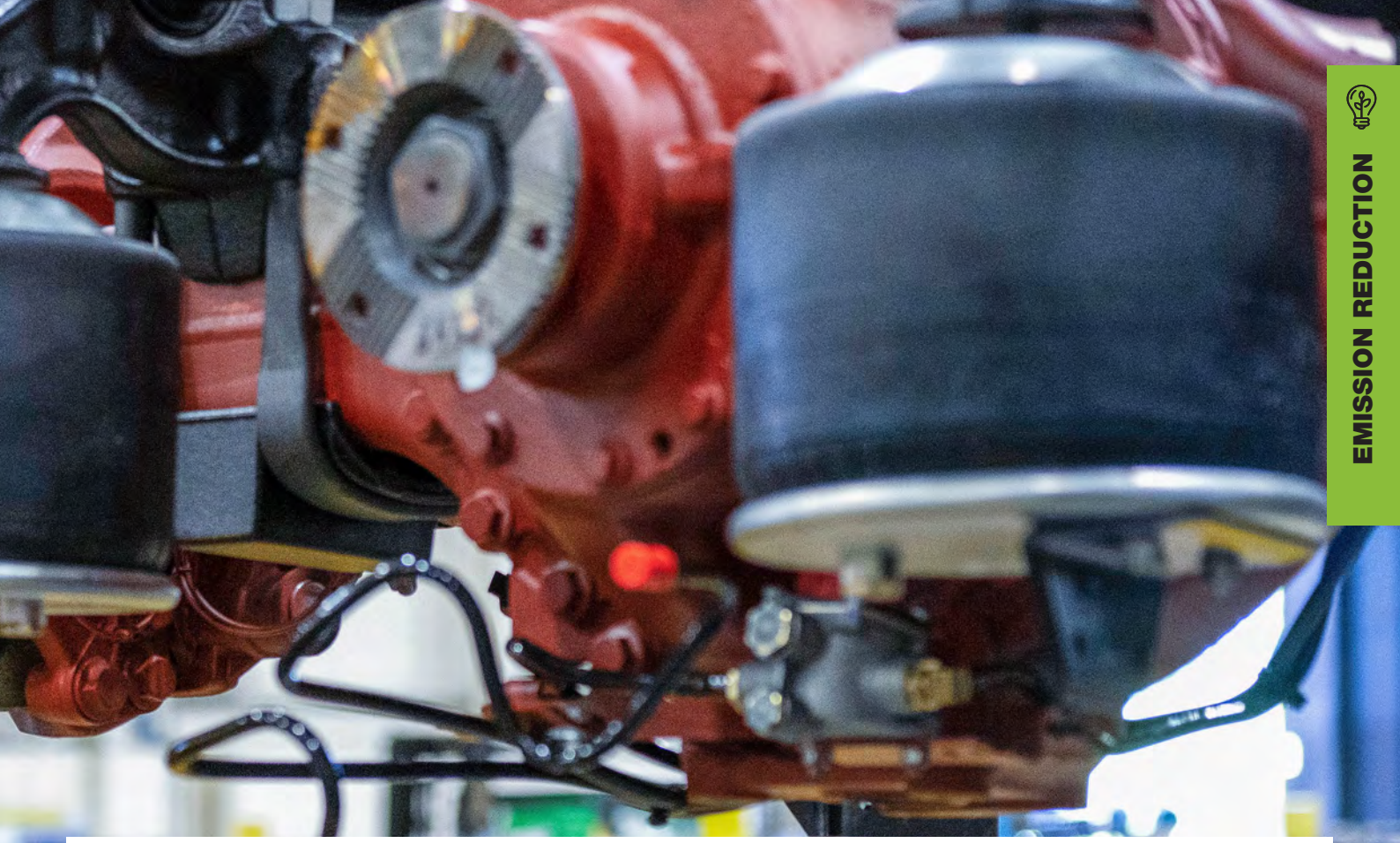
The results show that the NGD XF ICE truck's greatest impact comes from its use phase, primarily due to fuel consumption. In contrast, while the BEV's production impact is higher, its impact in the use phase is much lower, due to zero 'tank to wheel' emission.



Overall, the electric truck shows significantly lower CO_2 emissions than the truck with combustion engine. However, for the latter, huge CO_2 reductions can still be made by applying latest generations of bio-fuels (HVO or B100), reducing CO_2 emissions 'well-to-wheel' by over 90%.

While we consider the ecological impact of all life-cycle phases in our designs, we prioritize the use-phase since that delivers the greatest benefits, both for our customers, as well as for the environment.


LEYLAND TRUCKS
A PACCAR COMPANY
LEYLAND TRUCKS



Sustainable Sourcing

DAF has designed robust supply chains with a strong focus on continuous improvement, which is fully embedded in our sourcing decision making. This means we apply Six Sigma methodology to improve on all major performance indicators, including environmental aspects.

With over 2,500 suppliers for production and services, we emphasize supplier performance and management to ensure continuous improvement achievements in the areas of product development, operations and aftermarket support. This program uses a balanced scorecard to monitor supplier performance, among others, supply chain sustainability as one of its KPIs. We want our suppliers to care for the environment and have plans in place to continuously improve on lowering waste. The KPIs are measured by an annual sustainability questionnaire.

Realizing best solutions together

We challenge our suppliers to actively seek new ideas and suggestions for reducing energy and even more efficient and environmental-friendly production and supply processes where possible. To maximize each other's expertise and innovations, suppliers are involved early in our product development processes (simultaneous engineering) to jointly realize the best possible solutions. Beside delivering high-quality parts and products, DAF expects partners to also be socially responsible, with equal treatment of all of their employees, offering social security and providing a solid working environment: physically and in terms of mutual respect.

DAF emphasized the importance to sustainable sourcing among the supply base in various ways. Several supplier events organized in 2024 included a sustainability workshop.

In addition, DAF has further enhanced its supplier processes by publishing clear guidelines concerning sustainable sourcing. We will continue to focus on this every year and reinforce with our suppliers the social aspects at their suppliers and their value chain. In addition, suppliers are encouraged to manage their suppliers on all relevant ESG aspects, such as lowering emissions and enhancing social matters.

We will continue to explore opportunities for enhancing sustainable sourcing. We will collaborate with our suppliers to analyze the recycled content in their products, and identify potential steps to increase this.

Sustainable production facilities

DAF is pursuing multiple initiatives to meet its 2030 ambition of a 45% reduction in Scope 1 and 2 CO_2 emissions (compared the 2018 baseline year). This ambition is supported by a CO_2 reduction roadmap supplemented with clear action plans covering all the company's production sites.

Progress realized in all plants

In 2024, DAF Eindhoven, Westerlo and Leyland combined, implemented 21 initiatives to improve energy efficiency or to reduce gas usage, which collectively reduced CO_2 emissions by over 3,000 tonnes (see table). Key projects include the installation of heat pumps, the expansion of LED lighting in buildings, and installing additional solar panels.

Upgade Chassis Paint Booth

An example of CO_2 and energy reduction being realized is the upgrade to the Eindhoven chassis paint booth in the summer of 2024. Redesign of the air circulation system makes it possible to better manage temperature and airflow, resulting in a more comfortable working environment and reduced energy needs. Integration of a heat recovery system allows us to reuse warm air from the cooling tunnel, further decreasing the need to heat incoming air. This saves approximately 700 MWh of heat annually, cutting gas consumption by about 81,500 m^3.

Solar Panel Installation Plan

The project to enhance the sustainability of our central warehouse where truck components for production are stored, started in 2021 with the insulation of the roof. As a next step, the existing air handling units were replaced with a low-temperature system with waste heat recovery that utilizes less energy and operates more efficiently. In 2024, solar panels were installed on the roof as part of an extensive solar panel installation plan for Eindhoven and Westerlo.

In 2025, in the central warehouse, a system to feed the air handling units with waste heat from the Engine Test Center will be integrated. This will maximize energy efficiency and further reduce carbon emissions. We have started to upgrade the walls and roofs of the axle plant in Westerlo, Belgium. New insulation guarantees a comfortable working temperature for the employees, while reducing energy to heat the buildings. The expected saving is 800 MWh of natural gas per year.

Full suite of innovations in Westerlo

In Westerlo, in the axle paint booth, robots that had reached the end of their lifespan, were replaced with two new high-pressure paint robots. This has improved paint quality and has reduced overspray by approximately 50%. A new blow-off system ensures that axles are thoroughly dry before they enter the paint booth, eliminating the need for extra heating or cooling. A new dry filtration system resulted in enhanced air quality and reduced noise as well as chemical waste from the painting process (20 tons per year).

In 2024, high priority was given to solving leakages in the compressed air system. Mobile air leakage devices have been purchased for our facilities in Eindhoven and Westerlo, and in Leyland an Air Leak Survey was conducted by an external contractor. Significant progress was made in repairing air leaks for reduced noise levels in the factories and enhanced energy efficiency across our operations. DAF Westerlo alone saved over 6,000 kg CO_2 emissions by structurally solving air leakages.

SUMMARY	#projects	CO_2 emission (tonnes CO_2)
Lighting	6	406
Heat pump	3	381
Solar	2	685
Roofs	4	89
Other	4	783
Air handling units	2	722
TOTAL	**21**	**3,066**

ISO 14001

For over 25 years we deploy an environment management system to monitor our environmental impact. As one of the first large companies in Europe, DAF has been ISO 14001 certified since 1998. This ISO 14001 certification underlines our effort to addressing environmental impacts stemming from our operations, such as air pollution, water usage, waste treatment, resource use, climate change mitigation and adaptation. Internal audits are routinely conducted to ensure the effectiveness of the policies and procedures we have implemented at our production facilities, the engineering test track, and the European parts distribution centers, used-truck centers and sales subsidiaries. Each DAF department is responsible for seeking continuous improvements towards mitigating negative environmental impacts. We expect that all European DAF dealers have an ISO 14001 certificate or are in the process of obtaining this.

Energy Dashboard
We have introduced an energy dashboard that tracks energy consumption in all our manufacturing facilities. This tool allows engineers to analyze energy usage patterns and collaborate with production teams to identify areas for improvement. Where possible, machines are shut down when they are not in use and settings are adjusted to optimize energy efficiency.

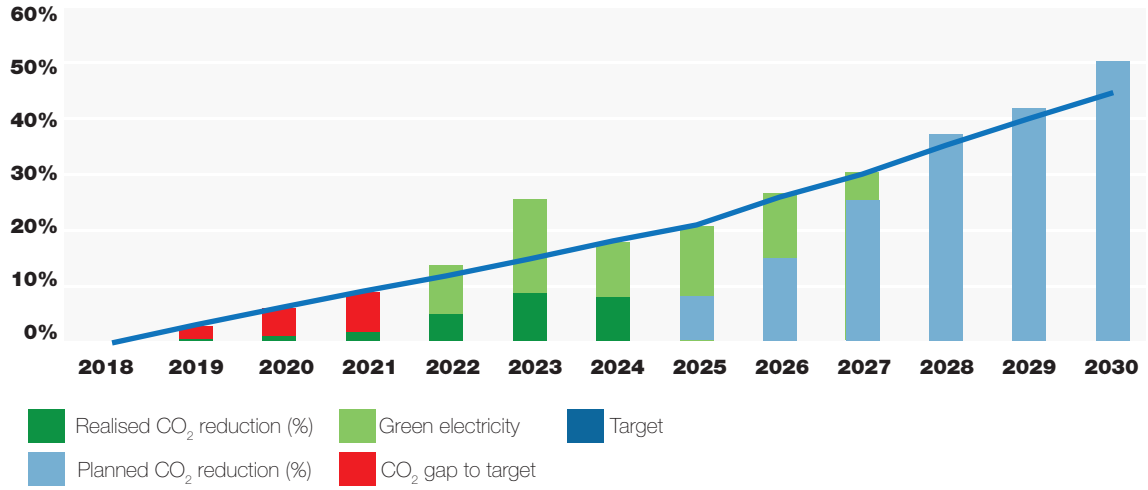
Climate campaign
At the Belgium manufacturing facility, a Climate Campaign promotes employees to identify energy waste and report it to supervisors and the environmental team, fostering a proactive approach to sustainability. Additionally, a competition invites team members to propose energy-saving solutions, with rewards for the best ideas. Together, we are not just reducing our environmental footprint; we are building a culture of sustainability at DAF.

PACCAR Distribution Centers (PDCs) focus on reducing emissions
In November 2024, PACCAR Parts opened an industry leading Parts Distribution Center (PDC) in the city of Massbach, Bavaria, Germany. It further strengthens the industry-leading parts supply for DAF dealers and customers across Germany, Switzerland, and the Eastern part of France. The new PDC also reaches high standards in sustainability.

The Massbach PACCAR Parts Distribution Center spans 25,000 m^2 and has the capacity to hold over 80,000 unique parts. This facility is net-zero; site electricity needs are generated by 4,000 lightweight solar panels, with any surplus energy directed to a battery storage system which can be used to charge electric trucks visiting the site. The office building has a green vegetation roof system to provide insulation and an eco system for nature whilst energy efficient heat pumps help maintain a constant temperature inside of the PDC all year round.

Other PACCAR Parts Distribution Centers made steps to lower emissions. Over the last two years, gas usage reduced by 40% in the PDC in Eindhoven, the Netherlands. This was achieved by lowering the temperature within the PDC by 1 degree, following a successful test where employees were still happy with the lower temperature. Dock shelters were installed to reduce the draught, opening and closure of sluice gates are now aligned to keep the cold outside, and LED Lighting was implemented, saving 303 MWh annually. In addition, the PDC's technical room has been prepared for solar panel installations.

Scope 1 & 2 CO_2 emission reduction plan DAF production facilities in Eindhoven (NL), Westerlo (BE) and Leyland (UK)



In 2024, PACCAR Parts opened its new PACCAR Parts Distribution Center (PDC) in Massbach, Germany. In line with PACCAR's commitment to care for the environment, the facility is net-zero.

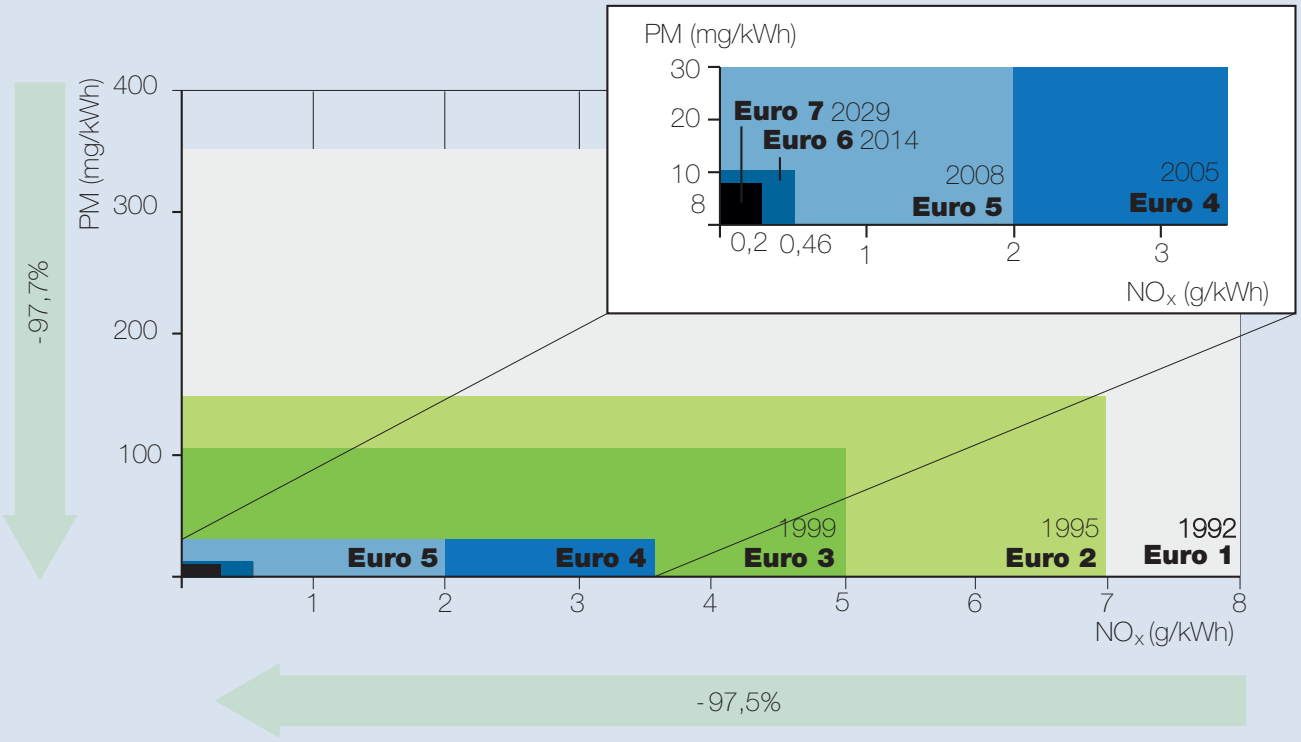
Sustainable Transport Solutions

In 2024, DAF introduced further innovations to its multiple award-winning range of trucks, setting high standards in fuel efficiency and low CO_2 emissions. DAF delivered the first 'zero-emission' XD and XF Electric vehicles with ranges of up to 500 kilometers on a single charge and launched a new global connected fleet management platform. PACCAR Parts introduced its PACCAR Power Solutions department to support transport operators in their energy transition.

The New Generation DAF trucks, launched in 2021 and the subsequent years, represent the largest design and development program in our 75-year truck production history. Thanks to their optimal aerodynamics, highly efficient combustion engines and advanced Driver Assistance Systems, these vehicles are leading the way in low fuel consumption (saving up to 10% compared to their predecessors, with an equal CO_2 emissions reduction). At Europe's largest truck and transport exhibition, the IAA in Hannover, DAF introduced various driveline innovations for an additional 3% higher fuel efficiency and lower CO_2 emissions, again setting a new industry benchmark.

DAF extended the specification of all New Generation truck models by adding the DAF Digital Vision Camera system (replacing the traditional mirrors), predictive cruise control, a full aero package and low rolling resistance tires to maximize vehicle efficiency. Moreover, all vehicles come with a 10-year PACCAR Connect subscription. This new online fleet management platform provides real-time information on the performance of the entire fleet, individual vehicles as well as drivers, thereby helping operators to optimize efficiency and returns per kilometer.

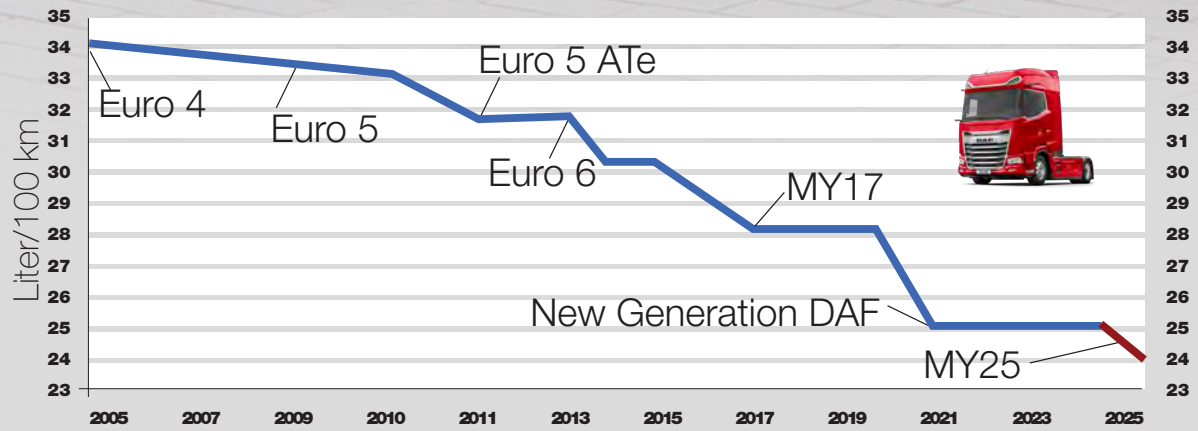
Tailpipe emissions - NO_x and PM Euro 7



A modern truck with a Euro 6 diesel engine emits around 95% less nitrogen oxide than a truck from 25 to 30 years ago. In essence: one Euro 1 truck from 1994 emits as much nitrogen oxide (NOx) as 20 trucks from the present day.

Similarly, emissions of soot particles have been reduced by 97% in the same period, meaning that in this respect one Euro 1 truck from 1994 can be compared to 35 modern-day trucks. DAF is currently preparing for the new Euro 7 emission regulations, coming into force in 2028 / 2029. The new regulation requires a further 20% and 56% reduction in NOx and Particle Matter emissions respectively, compared to the actual Euro 6 standard.

Fuel Efficiency Improvement Throughout the Years



Alternative Fuels and Drivelines
DAF supports the need for the transport industry to transition to green, non-fossil fuels. Attention is focused on fuel efficiency and thus CO_2 emissions across the fleet, working to the current regulatory EU target of a further 15% improvement on the 2019 baseline by 2025, and a target of 43% by 2030. Therefore, we continue to expand and refine our battery-electric offerings. As technology matures, we see potential for hydrogen engines for the further future, with hydrogen fuel cell technology also under review.

Battery Electric Vehicles
In 2024, DAF delivered the first New Generation DAF XD and XF Electric trucks to leading transport operators. The vehicles feature electric engines with a capacity of up to 350 kW/480 hp and come with a wide choice of battery packs (2 up to 5 strings) for zero-emission ranges of up to 500 kilometers. Customer experience is that – through the right charging planning – a range of 1,000 zero emission kilometers a day is achievable. This makes DAF Electric vehicles perfectly suited for inner city, regional and national applications as well as long haulage. All DAF trucks use LFP batteries (Lithium Ferro Phosphate) with a high energy density that are very advantageous in thermal safety, lifespan, critical material requirement, and the number of charging cycles.

We believe that there won't be a 'one size fits all solution' to cover every sustainable transport need. The optimal solution will always depend on the application, available infrastructure for refueling/recharging, cost parity, and the overall well-to-wheel emissions. DAF is calling on national and international governmental bodies to accelerate realization of an adequate green energy infrastructure, which is instrumental for achieving the Green Deal targets.

New Generations of Fuels
All DAF vehicles from the latest generation can run on 100% HVO – Hydrotreated Vegetable Oil – a high quality synthetic diesel made from waste products and oils from the food industry. It is currently the most sustainable fuel on the market for diesel trucks and can offer a reduction of over 90% in CO_2 emissions (well-to-wheel). Unlike previous generations of biofuels, HVO has no impact on food production. In 2025, engine versions will become available that can also operate on B100 FAME biodiesel, an organic diesel made from processed oils, which is available at lower cost than HVO and results in up to 60% CO_2 reduction compared to regular diesel.

Services
Transport efficiency is influenced by how we design and manufacture our products as well as by the services we offer to support our customers' efficient and sustainable operations.

- The DAF TOPEC Configurator is a 3D model helping select the best truck configuration for the vehicle's specific task, by choosing the most efficient chassis and driveline;
- To monitor trucks in service and help run them efficiently, PACCAR Connect provides owners with reliable insights into fleet performance via fuel reporting, real-time alerts and vehicle health updates;
- For maximum vehicle availability thus efficiency, DAF MultiSupport offers customized service plans that optimize a fleet's uptime by scheduling preventative maintenance;
- PACCAR Financial Europe (PFE) supports its customers in acquiring the latest and most economical DAF technologies through leasing and rental options;
- DAF requires all vehicle systems to be programmable by the DAVIE diagnostics tool for maximum efficiency for both dealers and customers.

For DAF customers 'going electric', detailed analysis of applications, routes, distances, and journey patterns are made, while dedicated trainings are available to teach drivers how to optimize their vehicles. Through PACCAR Parts, a full range of mobile and stationary chargers (AC or DC) are available as well as energy storage systems, allowing customers to make the energy transition as easy as possible.

The new PACCAR Power Solutions department can install comprehensive 'microgrids', featuring a Battery Energy Storage System (BESS) and advanced Energy Management Systems (EMS). PACCAR Power Solutions works in conjunction with customers to assess their energy requirements and together deliver an end-to-end solution, including on-site assessments, equipment sourcing, installation, software, and connection.

Outlook towards 2050

2025
First City Bans

2030 Widely City Bans Active

2050
Renewable & Circular

BEV REGIONAL / DISTRIBUTION
TODAY

PUBLIC CHARGING
2025

EURO VI
2028/ 2029

GREEN H_2
>2030

2030
H_2 Stations every 200 km

2030
350 kW Chargers every 120 km

Diesel
Bio-Fuels
E-Fuels
PHEV*

BEV**

H_2 ICE***

H_2 FCEV****

*Plug-in Hyrid Electric Vehicle
**Battery Electric Vehicle
***Hydrogen Internal Combustion Engine
****Hydrogen Fuel Cell Electric Vehicle

ENVIRONMENT
Circularity

INTRODUCTION & STATEGY

Environment | Social & Governance

DAF is embracing Circularity as a core principle of its business processes. Circularity focuses on extending the lifecycle of products and materials, ensuring that resources are used efficiently and responsibly. In our approach to circularity, DAF uses the R-ladder framework: Reduce, Reuse, Repair, Remanufacture, and Recycle.

At DAF, we aim to reduce waste by designing trucks that last for decades, maximizing service intervals and using returnable packaging for 95% of inbound parts. We promote the sale of used trucks, allowing trucks to serve multiple owners throughout their product lives. Our focus on recycling is evident as over 90% of our facilities' waste is recycled and the recycled content in our trucks is over 35% today. Additionally, we have a program for remanufacturing driveline components giving these major components a 'second life'.

DAF's circularity initiatives not only contribute to a sustainable future but also create customer value, reduce risks, and foster a circular economy.

Ensure sustainable consumption and production patterns.

We are aware of the value of the materials needed to build a truck. We aim to minimize the volume of required material, increase recycled content and recyclability of our trucks, run a successful remanufacturing program, and reduce the residual waste from our production sites.

Targets:
2030: Reduce residual waste to below 10% as part of the total waste generated
2030: Reduce virgin material used for packaging by 30% compared to 2022
2030: Increase the share of circular products in the PACCAR Parts portfolio from 4,2% (2024) to 7%

Circular Processes

Waste Management
DAF is continuously working to reduce the amount of packaging material that arrives with parts at the production facilities. In a 'war on waste' awareness campaign, the company's procurement team, and factory workers are encouraged to engage with suppliers to cut down on—or even refuse to accept—unnecessary packaging. For that reason, the focus is on reusable packaging. Components are loaded into a tailored DAF-designed return packaging at the supplier's premises.

For years, DAF has a policy of zero waste to landfill. Waste that cannot be recycled is incinerated to generate electricity. DAF has reduced residual waste from the office buildings by 75% over the past 2 years, thanks to the EcoSmart program launched in 2022. After the success of the pilot project, even more waste separation units are installed in 2024 and employees are now using re-usable coffee cups to reduce the amount of unsorted waste.

At our production sites, we have our own recycling stations that collect over 100 different types of materials from concrete and cardboard to plastics, wood and metal. Different waste collectors and treatment partners process and sell these materials for reuse or recycling.

In 2024 several improvements have been implemented to further reduce disposable waste:

- Process improvements in the engine plant have improved metal chip separation from coolant, which can now be retained and reused;
- Waste streams of water-oil mixtures were selected to be cleaned at the DAF site instead of sending them to an external company for treatment, reducing over 80 tons of chemical waste annually;
- A paperless system was introduced for the transports of axles and cabs from our facility in Belgium to the Netherlands. The electronic CMR (e-CMR) system allows (forklift) drivers to complete consignment notes digitally on their onboard computers, streamlining the process and reducing unnecessary movements. This innovation enhances safety and eliminates printing costs and paper usage. In the coming years e-CMRs will be expanded to more inbound and outbound transports;
- The Cab factory targeted the use of cardboard and single-use wooden materials used for packaging and protection during transportation. By changing the previous packaging of wiper mechanisms, corner wings and fenders to returnable packaging, a reduction of 5 kg single-used packaging material per produced cab has been realized, this has saved over 250 ton of cardboard in 2024;
- At DAF's water treatment facility in Belgium, the aeration system was replaced by a more efficient solution, reducing energy consumption by more than 50%. Through cleaning and redesigning the basin, as well as installing new blowers, water treatment efficiency was improved, and energy use lowered.

PACCAR Parts continues its packaging roadmap
During the development of new packaging to send spare parts to dealers, the key focus is always on sustainable solutions. Can we use less material, can we use recycled materials, is the material used easy to recycle?
PACCAR PARTS also pays full attention to improving the existing range of packaging. In 2024, multiple packaging improvements were implemented:

1. For several products a switch was made from wood to cardboard. Lighter packaging requires less energy and resources to produce and transport. Smaller packaging minimizes waste and optimizes space during shipping.
2. All the European PDCs now use 100% recycled filling paper. This improvement resulted in a drop of virgin paper used within PACCAR Parts Europe from 21% to 7% of the total paper weight.
3. A new design of the front window packaging allowed to create a sustainable solution fully made of cardboard, enabling easier and more adequate recycling. (See picture below) More cases of mono materials in the packaging process are to follow.
4. An initiative was started to collect pallets in the inbound area, and repurpose them in the outbound area, reducing waste volumes and the unnecessary purchasing of outbound pallets. In 2024, more than 10,000 pallets were reused, instead of disposed.

Circular Products

We are aware of the value and scarcity of the materials we use to build trucks. We aim to minimize the volume of materials required, select non-critical materials where possible, and increase the recycled content and recyclability of our trucks, parts, and components.

For DAF increasing Circularity means to:

1. Refuse unnecessary use of raw materials;
2. Reduce the raw materials used;
3. Reuse (remanufacture, repurpose) items at the end of their 'first life';
4. Recycle to recover material;
5. Only if reuse or recycling is not possible: waste disposal (possibly with energy recovery).

Eco-design

Next to Life Cycle Assessments, we use Eco-design in our product development process to integrate environmental considerations into the design and development of products.

Examples are in the development of our trucks' aerodynamics. By optimizing the shape of our vehicles, we can significantly reduce drag, leading to improved fuel efficiency and lower CO_2 emissions. When designing new products of components, our engineers are supported by the Eco-design tool, proposing and evaluating durable and sustainable options and materials with lowest environmental impact.

By collaborating with stakeholders, we aim to identify innovative solutions that enhance sustainability without compromising quality, performance, or total cost of ownership.

50 years of DAF Remanufacturing

In 2024, DAF celebrated 50 years of parts remanufacturing. By harvesting driveline, brake system and electronical components from the market, we bring them back to 'as-new' condition with same quality standard as buying brand-new parts. This offers customers a high quality, cost effective and foremost sustainable alternative.

In 2024, the DAF remanufacturing program achieved a return rate of over 85%, which translates in over 450,000 components. Studies are ongoing to investigate remanufacturing opportunities for electric driveline components, such as batteries and e-motors.

DAF Used Trucks

DAF's Used Trucks can be a perfect option for second, third or fourth owners. These vehicles are sold through our Used Truck Centers, strategically located across Europe or through the DAF dealer network. The refurbishment process for these trucks can include repairing, replacing, and upgrading parts to ensure the vehicles meet highest quality standards.

Product Life Cycle

Circularity through recycling and recovery is an important focus for DAF. This includes the use of renewable materials, such as remelted steel and glass, and the application of alternative, renewable fuels. Based on the LCA analysis (see page 18 - 21), on average, a DAF truck contains around 35% of recycled material—mainly driven by the metal types in the heavier parts. DAF is increasing its efforts to incorporate more and more recycled materials, such as metals, plastics, and textiles. Over 90% of the materials is recyclable after end of life; over 95% recoverable.

Future possibilities studied by DAF, include plastics derived from biological sources, and recycling plastics by using techniques such as pyrolysis to create new feedstocks.

PRODUCTION*

EMISSIONS INCLUDING PAINTS

MATERIALS:

Ferro Metal
Non Ferro Metals
Plastics
Elastomers
Others

WASTE:

Recycling
Incineration
(Physical/Chemical) Treatment
0% Landfill

USE

TRANSPORT EMISSIONS

CO_2 NO_x PM

DIESEL CONSUMPTION
UREA CONSUMPTION

MAINTENANCE:

Parts
Tyres
Liquids

DISPOSAL

Recyclability**: >90%

Recoverability**: >95%

Link to our sorting guides for plastics

The most important substance flows in the life cycle, based on the New Generation DAF trucks

Recyclability: Ability of component parts, materials or both that can be diverted from an end-of-life stream to be recycled.

Recycling: Reprocessing in a production process of the waste materials for the original purpose or for other purposes, excluding processing as a means of generating energy.

Recoverability: Ability of component parts, materials or both that can be diverted from an end-of-life stream to be recovered.

Recovery: Reprocessing in a production process of the waste materials for the original purpose or for other purposes, together with processing as a means of generating energy.

* Includes Product Development and Purchasing

**Definitions: see ISO 22628 “Road Vehicles - Recyclability and recoverability - Calculation Method” and Directive 2000/53/EG on end-of life vehicles

SOCIAL
Care for People

INTRODUCTION

Environment

Social & Governance

EMISSION REDUCTION

CIRCULARITY

CARE FOR PEOPLE

RESPONSIBLE BUSINESS

'Care for People', highlights our dedication to social sustainability. This encompasses our responsibility towards our employees, partners in our value chain, users of our products and services, as well as society.

Social sustainability means ensuring that our employees receive fair compensation, comprehensive benefits, and safe working conditions. We prioritize their health and well-being, fostering a workplace environment where everyone feels valued and respected and has equal access to development opportunities. Additionally, we promote inclusivity, recognizing the diverse backgrounds and perspectives of our employees that enrich our organization.

Our responsibility extends beyond our own employees to the wider community, as we consider the impact of our operations on society. By engaging with local communities and supporting initiatives that promote social welfare, we aim to give back to society.

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

We believe in a balance between economic growth and social factors to develop in a sustainable way and assure a future workforce to be available.

Make cities and human settlements inclusive, safe, resilient and sustainable.

We are contributing to this goal by constantly improving safety features of our trucks and reduce air pollution by investing in and applying innovative technologies.

Targets:
2030: Average score all employee survey at least equal to the excellent 2023 result
2030: Voluntary turnover DAF employees <4%
2030: Short absenteeism EHV & WLO <6.5%, LEY <4%

Social Impact Scenario

Care for People is one of our core values, a principle guiding our efforts to create positive social impacts within our company, value chain, and communities. We are developing a robust framework for human rights and social impact due diligence.

In 2024, we conducted a comprehensive Social Impact Assessment (SIA) to evaluate key human rights vulnerabilities and salient risks across our operations, supply chain, and dealer network. The SIA focuses on three critical areas:

1. Inherent Industry Risks
2. Vulnerable Groups and related Risks
3. Value Chain Impacts

This assessment establishes a solid foundation for social due diligence, aligning with the UN Guiding Principles (UNGP) and international standards such as the OECD Guidelines. It also supports compliance with CSRD requirements for social impact disclosures and human rights risk management, preparing DAF for future legislation like the CSDDD.

Key Human Rights

Our analysis identified attention points in areas such as discrimination and health & safety. By addressing these attention points, we advance our sustainability goals under Care for People and Responsible Business. This does not only enhance workplace well-being but also strengthens our reputation as a responsible company. This has our attention continuously so that people feel comfortable at work. We aim to make a meaningful difference for people — within our company, across our value chain, and in the communities we serve.

Best Place to Work

People are the cornerstone of our success, with teamwork serving as the foundation of everything we do. For good reasons, ‘Care for People’ is one of our five core values. At DAF, we foster a healthy work environment built on an open and inclusive culture. We strive to ensure everyone feels safe, valued, and empowered to share their ideas while finding fulfillment and enjoyment in their work.

‘Care for People’ extends beyond the active employment of our workforce. We believe that this core value should be ingrained from applicants to retirees, reflecting our aim to fostering a sense of belonging at every stage of the journey with DAF. For instance, we have an active association for retirees. The connection with DAF, fueled by pride in our company, is still strongly present among many former employees.

For our employees, we have several pillars on which the ‘best place to work’ is built; In addition to good employment conditions and benefits, there is a strong focus on the development of employees. Our development-oriented approach is aimed at optimal performance in the current role or enabling promotion and internal mobility, while also prioritizing sustainable long-term employability, so that employees can continue to work healthy.

In 2024, we renovated the staff restaurant.

Together We Are DAF

To further strengthen an open and inclusive culture, we have launched the initiative 'Together We Are DAF'. The ambition is to make everyone feel at home and to foster a work environment where individuals feel free to express their opinions and a space to learn from mistakes. This leads to an environment where everyone can bring out the best in themselves and contribute together with colleagues to DAF.

The Diversity Council plays a crucial role in fostering an inclusive workplace. The council meets on a regular basis to discuss relevant themes and proposes initiatives that champion diversity and inclusion among employees. Workshops and events are organized, focusing on cultural awareness, inclusion, and social safety. A notable employee recognition event on this topic includes a new award for 'diversity & inclusion' which is personally presented to teams and individuals by a DAF Board Member. Additionally, council members introduce new international employees to the DAF culture and to local habits and culture, ensuring a warm welcome to support a harmonious work environment.

DAF encourages development and promotion of talents to executive positions through internal career development. Ongoing actions to improve our workforce composition include mentorship programs, role models, employer branding, training programs, enhancement of an inclusive work environment, equal pay opportunities, management development programs, a diversity council and PACCAR Woman's Association activities.

Promoting Well-being
DAF takes a pro-active approach to creating a healthy work environment. The company has implemented strict, new ergonomic guidelines to reduce physical strain. Workstations and tasks are assessed for ergonomic risks using tools like the Automotive Assembly Worksheet (AAWS). The company's engineers are trained to make continuous improvements.

If necessary, programs are available to reduce stress and workload. These include training sessions and support from social workers, psychologists and company doctors, as well as preventive initiatives to address sources of work stress. Managers are trained to recognize and respond to stress signals. The company also provides support for personal issues like financial management and health problems, recognizing that these contribute to overall well-being. Where possible DAF supports employees in making their lifestyle healthier by providing a lifestyle coach, offering a bicycle plan and supporting programs to stop smoking and drinking.

Health & Safety
To improve safety of our employees, we have implemented a robust management system. This system emphasizes hazard identification, risk assessment, and thorough incident investigation to ensure a safe working environment. We provide comprehensive occupational health services and actively involve workers in consultations and communications regarding their health and safety. In 2024, 750 factory workers participated in a full day training on occupational health and safety. These training sessions equip our employees with the necessary knowledge to recognize and manage risks effectively.

Additionally, we promote overall worker health and take proactive measures to prevent and mitigate safety hazards. Our manufacturing sites are ISO 45001* certified; for these sites marketing, design, development, manufacturing, sales and after sales service are in scope of this certification.

50% of the injuries in our factories are related to hands and fingers. To reduce these injuries, a dedicated hand safety campaign ‘high five for hand safety’ was started in our plants in Eindhoven, Westerlo and Leyland in 2024. Hand and finger injury rate in Eindhoven and Westerlo dropped by 35% in 2024 compared to 2023.

DAF Trucks won the 2024 Innovation Award at the Brabant Bicycle-Friendly Employer Election. The widespread availability of bicycles is contributing to the growing number of cyclists on the DAF campus. Additionally, a new bicycle plan was launched for DAF in Eindhoven, which encourages colleagues to leave their cars at home for commuting and get on their bikes instead.

In 2024, Leyland Trucks displayed its Care for People through introducing free Prostate Cancer screening for all employees in the ‘at risk’ category. Through providing PSA testing, Leyland Trucks helps its employees detect potential cancer sooner and seek early intervention treatment.

***ISO 45001 is an international standard that shows that an organization maps out all occupational risks and consciously works healthily and safely in accordance with international laws and regulations for working conditions.**

FACTORY OF THE FUTURE

The factory in Westerlo has undergone a true transformation in recent years, and this has not gone unnoticed outside the company walls. After lots of the hard work it received the 'Factory of the Future' label organized by the Belgian technology federation Agoria.

Every year, Agoria awards the 'Factory of the Future' certificate to a select number of groundbreaking and sustainable production facilities in Belgium. This initiative stimulates innovation and strengthen the power of the Belgian industry.

Stijn Van Eyken, managing director of DAF Trucks Vlaanderen, commented: "This recognition is a true acknowledgment of the team. Together, we have designed and built an entirely new cab factory, which includes an environmentally friendly paint shop, a highly automated cab factory, and a brand-new ergonomic trimming line where the interior and exterior of the cab are finished."

DAF Trucks Vlaanderen has been named 'Factory of the Future'. The accolade was presented by the Flemish Prime Minister Jan Jambon (r) to Stijn Van Eyken, managing director DAF Trucks Vlaanderen (m) and Danny Pieters, plant manager Cab Factory (l).

Drivers, Dealers, Suppliers

Driver ergonomics and comfort
DAF Trucks prioritizes driver ergonomics and comfort in its New Generation models, ensuring an exceptional driving experience. The vehicle design features spacious cabins with large windows and low window belt lines, enhancing visibility and safety. The optimized driveline operates at lower engine revolutions, resulting in highest fuel efficiency, reduced noise levels and a superior ride, reducing fatigue during long hauls.

The PACCAR Connect platform enhances comfort by allowing for connected truck navigation, enabling drivers to receive route updates directly to their screens. Last and first mile routing options contribute to overall efficiency and convenience. Additionally, the DAF Drowsiness Detection system monitors driver alertness and issues timely reminders for breaks, promoting safety and well-being.

Dealer Working Conditions
Care for the dealers' employees is set out in the DAF Dealer Standards, encouraging clean and tidy premises, with lighting that enables security and safety. One person is designated responsible for the safety of technicians working on battery electric vehicles (BEV). The DAF Dealer Standards include the standard that all staff facilities have to be clean and well-maintained and that dealers should have a training room for staff, with internet, as well as a professionally designed retention program. Overall it is encouraged to create a workplace supporting the social, psychological and physical well-being of staff.

Supplier Working Conditions
As part of our aim to achieve ethical and sustainable business practices, DAF expects its suppliers to give priority to good working conditions.We expect suppliers to use the highest ethical business standards in conducting all aspects of their operations. This means suppliers are expected to:

1. Refrain from any form of discrimination within their company or with regard to their subcontractors;
2. Ensure the safety of their personnel and third parties;
3. Only engage employees in line with applicable laws and regulations;
4. Refrain from using child labor or any other form of forced or compulsory labor in accordance with the International Labor Organization's standards.

Training Drivers & Dealer Employees

The DAF Academy collaborates with partners across Europe to provide both online and in-person training for DAF dealers, both commercial and technical employees, and drivers. These training programs emphasize road safety and fuel-efficient driving techniques, which help minimize environmental impact. In addition to training drivers, the DAF Academy supports salespeople in configuring trucks to be more environmentally friendly and focusing on optimizing driver ergonomics. Moreover, we train vehicle handover specialists at dealerships to effectively introduce new trucks to drivers, highlighting the vehicle's features to optimally benefit from these.


DAF
SKYRADIO
101.6 MHz
Sky Radio
100% NL
Veronica Radio
SLAM!
Q-Music
AUTO

Road safety

Enhancing traffic safety
In our ongoing efforts to enhancing road safety, DAF has integrated a suite of advanced safety systems in our trucks. These innovative technologies come on top of our direct vision approach and aim to protect the driver as well as Vulnerable Road Users (VRUs), ensuring a safer driving environment for everyone.

One of the key features is the Drive-off Assist which detects VRUs close to the front and notifies the driver of their presence while standing still. The system provides a warning when the driver is driving-off and there is a risk for a collision. To further assist with maneuvering the vehicle, the DAF Turn Assist detects VRUs on the co-driver side when making turns. Complementing this is the Object Detection Rear system, which utilizes a rear-view camera to provide the driver with a clear view of the area behind the vehicle when reversing.

With regard to lane changes, our DAF Side Assist monitors the area alongside the truck and trailer and informs the driver if there are any objects, such as cars or motorcycles, in the adjacent lane. Additionally, the Lane Departure Warning System (LDWS) warns drivers if they unintentionally drift over lane markings.

For emergency situations, we have implemented the latest Autonomous Emergency Braking System (AEBS) that is now making use of a combination of a radar sensor and a forward-looking camera. This system can automatically engage the brakes to prevent potential collisions. Our Adaptive Cruise Control (ACC) is a further addition to safety by automatically adjusting the speed based on a speed dependent following time to the vehicle ahead as set by the driver.

To ensure that drivers remain alert, our DAF Drowsiness Detection system monitors steering movements and lane position, advising the driver to take a break if necessary. Other features include Speed Limit Recognition and High Beam Assist, which collectively enhance the driving experience while prioritizing safety.

The best possible direct vision
Top class safety is also realized through the best possible direct vision. With a panoramic windscreen, ultra-low dashboard and optional curb-view vision door, drivers are well-positioned to respond quickly, reducing the risk of accidents. Side mirrors have been optimized to reduce blind spots. The DAF Digital Vision System replaces mirrors by cameras, giving an even more accurate view and increasing direct vision due to absence of the mirrors.

Passive safety features built into the New Generation DAF trucks include energy-absorbing crash boxes, integrated crash zones and an impact-reducing cab suspension. These protect other road users as well as cab occupants.

With all these systems and technologies in place, together with the excellent direct and indirect vision for the driver, DAF Trucks is setting a new safety standard.

FRONT CAMERA & RADAR FUSION
- LDWS
- ACC
- AEBS
- Intelligent Speed Assist
- Drowsiness Detection
- High Beam Assist

REAR CAMERA
- Rear View Camera

DOUBLE SIDE RADAR
- DAF Turn Assist
- DAF Side Assist

SHORT RANGE RADAR
- Drive-off Assist

Giving Back to Society

As part of valuing social responsibility, DAF is keen to give back to society in many ways. This is illustrated by donations, sponsorships, and the DAF 'Helpende Handen' Foundation. Young people are offered the opportunity to do an internship within our companies to gain working experience and to be better prepared for their later job.

Ergon Cooperation

Giving back to society also means offering rewarding job opportunities for people with occupational disability. Around 350 colleagues are employed at the PACCAR Parts Distribution Center through DAF's cooperation with Ergon. The collaboration started small in 2001, with just 15 employees, and has grown each year making DAF the largest in social employment in the Eindhoven region by 2024.

In 2024, the Ergon DAF Academy was started in collaboration with the Municipality of Eindhoven and Ergon. In total, 28 people were offered the opportunity to learn the Dutch language, as well as advanced logistic skills with the goal to create a steppingstone towards a job at the DAF factories or in the PACCAR Parts Distribution Center. Beside these people, 40 refugees (with work permits) were offered the opportunity to learn the Dutch language, as well as advanced logistic skills. They can enter the Ergon DAF Academy direct after receiving their residence permit.

Sponsorships

To strengthen relations with the local community, DAF sponsorships include the annual Marathon Eindhoven and the Brabantse Dag Heeze (theater parade). In the area of music and culture, DAF is a founding member of the open-air stage 'Hub van Doorne Muziekkiosk' in Eindhoven, making performances accessible for all. DAF also sponsored the South Netherlands Philharmonic orchestra of the Netherlands. DAF supported the 'DAF Traffic Fund' (DAF Veilig Verkeer Fonds) for youth traffic education and is a founding member of the Ontdekfabriek, which allows young people to discover the wonderful world of technology. DAF is also a sponsor of 'De Jonge Onderzoekers Eindhoven' (The Young Researchers), solar and electric racing teams from the Delft and Eindhoven technical universities, and the e-racing team of the Hub van Doornecollege in Deurne.

Volunteering Work

DAF is a founding member of the foundation 'Samen voor Eindhoven' (Together for Eindhoven). This enables DAF employees to have the opportunity to do voluntary work at local charity organizations during working hours. In 2024, one activity per month as organized on average.

In 2023, the DAF 'Helpende Handen' (DAF Helping Hands) foundation was established, stimulating DAF employees to contribute to the Eindhoven region by supporting local charities. Employees can nominate charities and support them through voluntary work, project funding or goods. Donations were made to the Foundation '(z)onder dak' for the organization of a large Christmas dinner and four local charities received donations as well. The collection of deposit cans and bottles provides continuous income that DAF Helpende Handen uses for donations. DAF employees gave the elderly from the region a beautiful nostalgic afternoon and the annual collection of winter coats, sleeping bags and toys for local foundations was once again successful.

DAF HELPENDE HANDEN

Sponsorships Maraton Eindhoven


Jacket collectionHelpende Handen

Christmas dinner Helpende Handen

Donations
To support education, DAF donated to the University Funds of both Eindhoven and Delft. DAF national sales organizations are encouraged to send proposals for local donations in their countries too (over 20 of these were granted in 2024), varying from a contribution for the purchase of an AED device for a school in Belgium to a donation to a children's hospice in Austria. Hundreds end-of-life laptop and desktop computers were delivered to 'Close the Gap', an initiative that bridges the digital divide by providing high-quality, pre-owned IT devices donated by European companies to educational, medical and social projects in developing and emerging countries.

PACCAR Foundation
DAF is a PACCAR company. The PACCAR Foundation is a private foundation formed in 1951. The Foundation generally directs its grants to organizations in communities where PACCAR has a significant presence, such as a DAF factory or a major office. Grant recipients include universities, hospitals and programs for the arts and economic education.

Corporate Social Responsibility at Leyland Trucks
Also Leyland Trucks in the UK has significant focus on local community engagement in order to give back to society.

Employees at Leyland nominate various projects to be supported, including schools, sports teams, and providing disability equipment to aid those with complex needs. In addition, Leyland has a Volunteering Policy, which allows

Corporate Social Responsibility at Leyland Trucks

Student visit Westerlo

Leyland Trucks Helping Hand made a donation to the local St. Catherine's Hospice

employees to request up to two paid leave days annually to support a local charity or cause of personal significance.

Leyland Trucks achieved the Disability Confident status which confirms their aim to fostering an inclusive and supportive workplace for individuals with disabilities, striving to eliminate barriers and ensure equal opportunities for all.

By signing the Armed Forces Covenant and achieving bronze status, Leyland Trucks reaffirmed their support to the transition from military to civilian life and actively provide employment opportunities for service members, their partners, and spouses.

Leyland Trucks was a 2024 panel member at the Inclusion Summit, run by the Careers Hub. The focus of the Summit was to explore how employers can support those with disability or additional needs in the workplace.

Leyland Trucks Helping Hand is the employee led charity at the Leyland site in the UK. It has operated for 30 years and has donated over £1M to local good causes. Employees organize and participate along with friends, suppliers, and customers in a wide range of activities to raise money. The activities this year included walking, hiking, running, and cycling events, and witnessed the third year of the annual 'Truck Pull Competition'. Donations are requested by employees and are often causes that are close to their heart.

GOVERNANCE

INTRODUCTION & STRATEGY

Environment | Social & Governance

EMISSION REDUCTION | CIRCULARITY | CARE FOR PEOPLE | RESPONSIBLE BUSINESS

For a company to positively contribute to a better world, good governance is essential. Compliance with laws and regulations is a fundamental requirement for the company to operate legally and ethically. DAF's corporate governance policies and practices ensure that the Company is governed in accordance with the highest standards of integrity and in the best interests of its stakeholders.

The next parts of this chapter will outline our governance framework, highlight our ethical practices, and demonstrate how we actively engage with stakeholders to promote transparency and accountability.

Build a resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

We are increasing resource-use efficiency and adopting clean and environmentally sound technologies in our production processes.

Targets:
2026: ESG in dealer standards
2027: Update supplier management process
2027: Implement supplier due diligence program
2030: >95% participation rate for compliance trainings

Governance
The Foundation for Sustainability

Governance Structure
DAF Trucks operates under a two-tier board system, consisting of a Supervisory Board and a Board of Management. The Supervisory Board focuses on oversight, strategy, and long-term planning, while the Board of Management is tasked with operational leadership, strategy execution, and financial management. Key members of the Board of Management, including the President, are chaired in the ESG Steering Committee, which holds the responsibility for shaping and guiding DAF's ESG strategy. This committee ensures that sustainability is integrated into the company's overall objectives and priorities. The ESG steering Committee meets quarterly to discuss the progress of the sustainability pillars against the roadmap, (potential) bottlenecks and new insights from stakeholder engagements or industry trends.

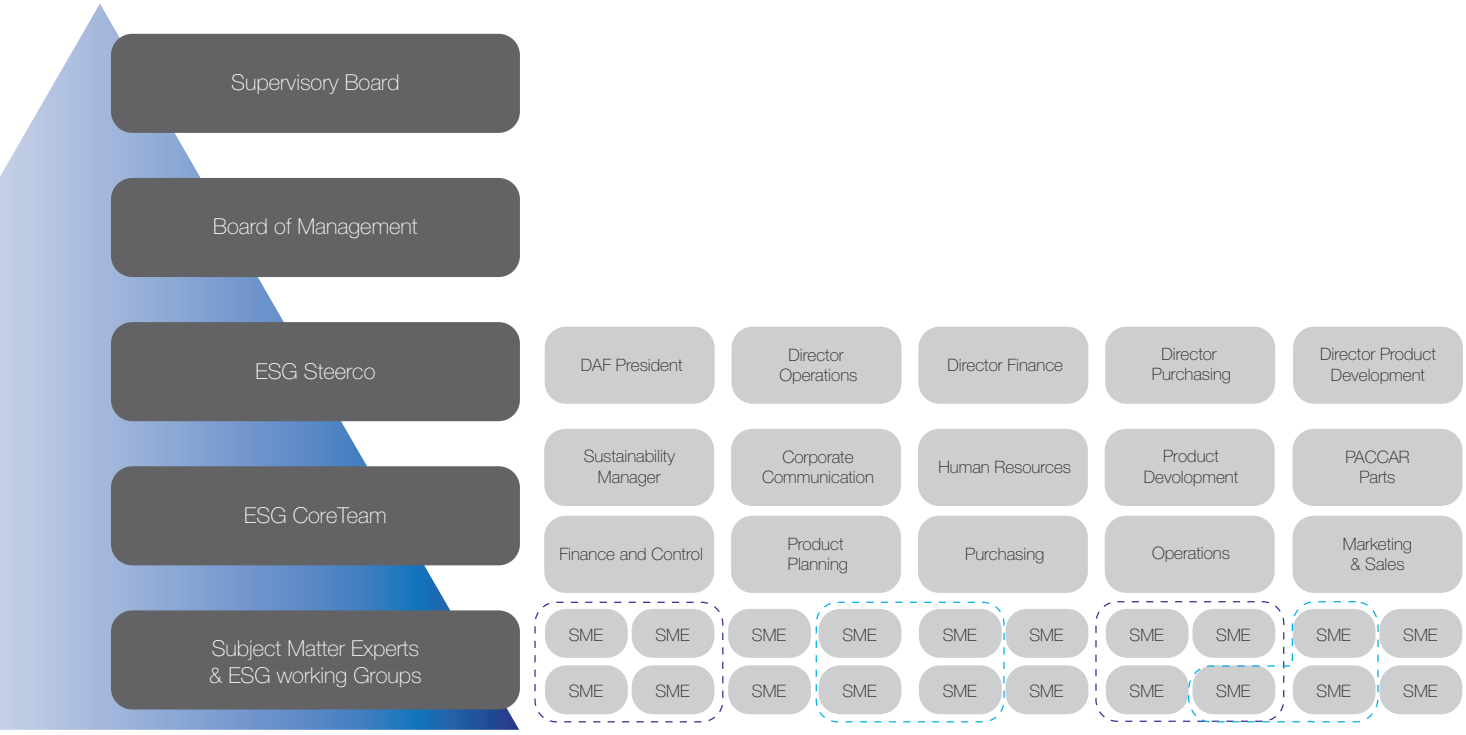
Supporting the ESG Steering Committee is the ESG core team, which consists of representatives from various departments within DAF on either board level or colleagues reporting to board members. This group is responsible for executing essential tasks such as conducting risk and opportunity assessments, performing scenario analyses, and planning sustainability initiatives. The Sustainability manager is the catalyst for the ESG core team, ensuring compliance with relevant sustainability legislations, industry best practices and oversight on the progress of all sustainability initiatives stemming from the Sustainability framework.

Subject Matter Experts (SMEs) are working with the ESG core team members in departmental Sustainability teams. Depending on the priority of the topics, the frequency of the departmental sustainability team meetings is defined, and the relevant business division manager and SME take seat in the meeting.

Code of Conduct
Employees and business partners including, suppliers and dealers, are expected to comply with the law and the highest standards of honest and ethical conduct. DAF expects its dealers to have their own compliance program, with audits in place.

Employees receive ongoing training on conducting business with integrity. Depending on the risks employees face in their jobs, these training focus on aspects like human rights, ethical business practice, financial integrity, global trade compliance, interaction with stakeholders, health and safety, and aim to reduce our impact on the environment. The PACCAR Code of Conduct also details how employees can anonymously report code violations through a hotline and clarifies PACCARs non-retaliation policy.

Sustainability Governance Structure



Speak up / Whistle Blower Policy
Our Speak Up and Non-Retaliation Policy encourages individuals to report any concerns or suspect of potential violations related to the PACCAR Code of Conduct, internal rules, or relevant legislation. When you raise a concern, you do not only protect yourself but also contribute to a safer and more ethical workplace.

To facilitate this, we have implemented a whistleblower procedure, allowing employees, temporary workers, suppliers, and business partners to report issues confidentially. Reports can be made directly to managers, HR, or through the PACCAR hotline. All reports are taken seriously and we conduct investigation to substantiate the concern or suspect of potential violation. If reports are substantiated DAF will conduct follow-up actions to fix it and (re)design procedures to prevent a recurring occurrence.

We uphold a strict non-retaliation policy, ensuring that individuals who speak up in good faith will not face negative consequences. By empowering everyone to speak up, DAF Trucks reinforces its ethical conduct and supportive work environment, where integrity is valued and protected.

Attention for and by our Supply Chain
Suppliers are selected based on many factors, including quality, innovation, cost, financial viability, and regulatory compliance. DAF's expectations for tier one suppliers and their sub-suppliers are clearly defined in the updated Supplier Code of Conduct, which addresses critical areas such as ethical business practices, labor and human rights, health and safety, responsible sourcing, environmental sustainability, data management, and protocols for feedback and reporting violations. DAF's long term supply management vision is focused on value sourcing and the strategic management of five key areas:

- **Quality:** suppliers' production processes must conform to PACCAR's quality requirements, drawn up in accordance with ISO and IATF standards.
- **Logistics:** to deliver new trucks (and aftermarket parts) on time to our customers, reliable shipments from suppliers are essential.
- **Know How:** to stay up to date with developments, we expect suppliers to share their technology and know-how of new products and future systems.
- **Competitive Position & Total Cost:** our suppliers are expected to submit ideas to improve products & processes that help optimize costs, quality, and functionality.
- **Continuous Improvement & Sustainability:** working with suppliers on continuous improvement helps us produce the best quality trucks in the most efficient, cost- effective way. This leads to optimal use of resources, contributing to sustainability.

Suppliers are, as all other stakeholders, expected to uphold the highest standards of integrity, avoid conflicts of interest, and ensure fair labor practices. This includes respecting human rights, providing safe working conditions, and prohibiting forced labor and human trafficking. Additionally, the Code expects compliance with environmental regulations and the sustainable management of resources, including responsible sourcing of materials. Suppliers are required to implement continuous improvement programs and maintain transparency throughout the supply chain.

In 2024 the Supplier Code of Conduct was updated in alignment with the DAF Sustainability framework.

Code of Conduct

Supplier Code of Conduct

EthicsPoint

You can access the PACCAR Code of Conduct, the Supplier Code of Coducut and the EthicsPoint by scanning this QR code.

METRICS

All 2024-metrics reported in this chapter include the production facilities in the Netherlands, Belgium and United Kingdom, as well as the European subsidiaries and European Parts Distribution Centers. If no comparative data is available, this is indicated by n/a in the tables.

The metrics presented in this Sustainability Report are based on data collected from various sources and reflect our current understanding and practices as of the date of publication. While every effort has been made to ensure the accuracy and reliability of the data, the data has not undergone formal assurance processes.

As such, the data presented may be subject to limitations, estimations and uncertainties. We encourage readers to consider this context when interpreting the presented metrics in this report.

We are continuously improving our data collection and reporting processes. Future reports may reflect changes in methodologies, data sources, or reporting practices as we strive to enhance the quality and integrity of our sustainability data.

Production Figures DAF Trucks N.V.

	2023	2024
Medium Duty: LF / XB Trucks	11,900	8,778
Heavy Duty: CF / XF / XG / XG+ Trucks	57,905	38,841

ESRS E1 - Climate change

Comparative data from 2023 includes the same scope as the 2024 data. Therefor this data is incomparable to the 2023 sustainability report, that only included the facilities in the Netherlands and Belgium.

GHG emission reduction action plans and targets

Unit: tonnes CO_2e	**2018**	**2025 target**	**2030 target**
GHG emissions			
Scope 1	46,327	-	-
Scope 2	61,430	-	-
Total	**107,757**	**85,128**	**59,266**

Action plans

Energy efficiency and consumption reduction	CO_2 reduction roadmap Scope 1
Downstream sold products	Product roadmap towards 2030, including alternative drivelines
Use of renewable energy	CO_2 reduction roadmap Scope 2

Breakdown of Scope 1 and 2 emissions by amount of energy consumption and mix

Energy consumption and mix (in MWh)	**2023**	**2024**
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	126,381	120,820
Fuel consumption from natural gas (MWh)	146,022	130,882
Fuel consumption from other non-renewable sources (MWh)	0	0
Consumption from nuclear products (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (MWh)	144,077	93,554
Total non-renewable energy consumption (MWh)	**416,480**	**345,256**
Share of non-renewable sources in total energy consumption (%)	**90%**	**91%**
Fuel consumption from renewable sources (including biomass, biogas, non-fossil fuel waste, renewable hydrogen, etc.) (MWh)	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	45,788	34,722
Consumption of self-generated non-fuel renewable energy (MWh)	0	116
Total renewable energy consumption (MWh)	**45,788**	**34,838**
Share of renewable sources in total energy consumption (%)	**10%**	**9 %**
Total energy consumption (MWh)	**462,268**	**380,094**

Gross Scope 1 emissions breakdown

Unit: tonnes CO_2e	**Global Warming Potential**	**2023**	**2024**
Carbon dioxide (CO_2)	1	40,431	36,982
Hydrofluorocarbon (HFC)	771	724	647
Other	-	53	38
Total Scope 1 (in CO_2e)		**41,208**	**37,666**

Gross Scope 2 emissions breakdown

Unit: tonnes CO_2e	**2023**	**2024**
Total steam / heating / cooling / other consumed from purchased non-renewable sources	48,933	43,923
Total electricity consumed from self-generated renewable sources	0	0
Total electricity consumed from purchased renewable sources	0	0
Total Scope 2 (in CO_2e)	**48,933**	**43,923**
Location-based	48,933	43,923
Market-based	23,573	23,355

Gross Scope 3 emissions breakdown

Unit: tonnes CO_2e	**2023**	**2024**
Cat. 1 – Purchased goods / services	n/a	1,387,989
Cat. 11 – Use of sold products	n/a	25,798,681

Emission Trading Scheme (ETS)

Unit: tonnes CO_2e	**2023**	**2024**
GHG emissions in (t CO_2eq) from ETS installations	16,479	15,082
Scope 1 GHG emissions (t CO_2eq)	41,208	37,666
Percentage Scope 1 in ETS	40%	40%

ESRS E2 - Pollution

Comparative data from 2023 is available as published in the 2023 sustainability report and only includes the facilities in the Netherlands and Belgium.

Breakdown of pollutants

Unit: tonnes	**2023**	**2024**
Emissions of air pollutants generated by the undertaking		
Nitrogen oxides (NO_x)	39	34
Non-methane volatile organic compounds (NMVOC)	202	188

ESRS E3 - Water usage

Comparative data from 2023 includes the same scope as the 2024 data. Therefor this data is incomparable to the 2023 sustainability report, that only included the facilities in the Netherlands and Belgium.

Water withdrawal and discharge by source and destination

Unit: 1,000 m3 liters	**2023**	**2024**
Water withdrawal by source		
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	918	878
Produced/Entrained water	643	432
Fresh groundwater	0	0
Total water withdrawal	**1,560**	**1,309**
Water discharge by destination		
Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted	1,337	1,273


DAF

ESRS E5 - Circularity

Comparative data from 2023 includes the same scope as the 2024 data. Therefor this data is incomparable to the 2023 sustainability report, that only included the facilities in the Netherlands and Belgium.

Resource inflow Production materials

Unit: tonnes	Description	2023	2024
Used Materials	Steel	217,162	148,142
	Cast Iron	120,493	82,197
	Aluminum	23,053	15,726
	Copper	8,787	5,994
	Stainless steel	12,577	8,579
	Other Metals	8,195	5,591
	Plastics	33,247	22,680
	Rubber (excl tires)	8,384	5,719
	Tires	22,918	15,634
	Glass	4,711	3,214
	Electronics	349	238
	Battery cells	9,075	6,190
	Other Materials	19,104	13,034
Total Production materials		**488,056**	**332,938**

Resource outflow – waste hierarchy

	2023		2024	
Unit: tonnes	**Non-hazardous**	**Hazardous**	**Non-hazardous**	**Hazardous**
Preparation for reuse	4	936	700	1,319
Recycling	46,460	1,228	4,2151	1,838
Other recovery operations	0	0	0	0
Total waste diverted from disposal	**46,464**	**2,164**	**42,851**	**3,157**
Total waste diverted from disposal as % of total waste generated	**93%**	**52%**	**92%**	**81%**
Incineration – with energy recovery	3,166	1,894	3,709	730
Incineration – without energy recovery	0	72	0	28
Landfill	0	1	0	0
Other disposal operations	120	0	0	0
Total waste directed to disposal	**3,286**	**1,968**	**3,709**	**758**
Total waste directed to disposal as % of total waste generated	**7%**	**48%**	**8 %**	**19%**
Total waste generated	**49,750**	**4,131**	**46,560**	**3,915**

Resource outflow – waste streams

	2023		2024	
Unit: tonnes	**By weigt**	**% of total**	**By weight**	**% of total**
Non-hazardous waste				
Building waste and rubble	1,545	3%	8,033	17%
E-waste	56	0%	39	0%
Glass	42	0%	22	0%
Metals	36,897	74%	29,271	63%
Organic/bio-waste	113	0%	144	0%
Other	2,396	5%	2,117	5%
Paper and cardboard	2,736	6%	2,102	5%
Plastics	662	1%	712	2%
Rubber	4	0%	17	0%
Sludges	1,332	3%	786	2%
Waste oils	261	1%	18	0%
Wood	3,706	7%	3,299	7%
Total Non-hazardous waste	**49,750**	**100%**	**46,560**	**100%**
Hazardous waste				
Batteries	11	0%	59	2%
Building waste and rubble	1	0%	460	12%
Chemicals	105	3%	1	0%
Lamps	1	0%	2	0%
Other	404	12%	383	10%
Packaging	71	2%	96	2%
Paint & solvents	800	24%	601	15%
Sludges	484	15%	434	11%
Waste oils	1,258	38%	793	20%
Waste Water	175	5%	1,085	28%
Total Hazardous waste	**3308**	**100%**	**3,914**	**100%**

ESRS S1 - Own workforce

Comparative data from 2023 includes the same scope as the 2024 data. Therefor this data is incomparable to the 2023 sustainability report, that only included the facilities in the Netherlands and Belgium.

Workforce characteristics

	2023			2024		
Unit: # headcount	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Employees by contract type						
Permanent employees	8,636	1,117	9,753	8,490	1,133	9,623
Temporary employees	381	98	479	93	30	123
Non-guaranteed hours employees	0	0	0	0	0	0
Employees by full-time or part-time						
Full-time employees	8,018	920	8,938	7,530	878	8,408
Part-time employees	999	295	1,294	1,053	285	1,338
Employees by age group						
< 30 years	1,192	205	1,397	914	163	1,077
30 – 50 years	4,596	668	5,264	4,434	660	5,094
> 50 years	3,204	332	3,536	3,226	334	3,560
Not given	25	10	35	9	6	15
Total employees	**9,017**	**1,215**	**10,232**	**8,583**	**1,163**	**9,746**

Workforce characteristics - country of employment

Unit: # headcount	**2023**	**2024**
Belgium	2,619	2,138
Czech Republic	100	117
France	145	167
Germany	203	225
Hungary	196	224
Italy	52	53
Poland	84	87
Spain	71	77
The Netherlands	5,467	5,396
United Kingdom	1,267	1,236
Other	28	26
Total employees	**10,232**	**9,746**

Non-employee workers in own workforce

Unit: # headcount	**2023**	**2024**
Contractors (self-employed)	662	572
Workers employed by third party	1,344	822
Value chain workers	1,131	1,039
Total employees	**3,137**	**2,433**

New hires (inflow)

	2023			2024		
Unit: # headcount	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Full-time employees	606	124	730	376	88	464
Part-time employees	13	18	31	13	11	24
Total new hires	**619**	**142**	**761**	**389**	**99**	**488**

Turnover (outflow)

	2023			2024		
Unit: # headcount	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Employee turnover	633	116	749	818	150	968

Gender diversity

	2023			2024		
Unit: # headcount	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Supervisory Board	6	1	7	6	1	7
Board of Management	12	2	14	12	2	14
Board of Management - 1 level	83	7	90	82	8	90
Total top management	95	9	104	94	10	104
Total non-top management	663	95	758	689	98	787
Total employees	**9,017**	**1,215**	**10,232**	**8,583**	**1163**	**9,746**

Age diversity

	2023	2024				
Unit: # headcount	**Total**	**<30 years**	**30 - 50 years**	**>50 years**	**Not disclosed**	**Total**
Supervisory Board	n/a	0	0	7	0	7
Board of Management	n/a	0	4	10	0	14
Board of Management - 1 level	n/a	0	44	46	0	90
Total top management	n/a	0	48	56	0	104
Total non-top management	n/a	18	456	307	6	787
Total employees	**10,232**	**1,077**	**5094**	**3560**	**15**	**9,746**

Health & safety

	2023	2024
Recordable incident rate	8.0*	5.87

**In the 2023 Sustainability report the recordable incident rate was based on 200.000 workable hours, while CSRD ESRS S1 prescribes 1.000.000 hours. As a result this matric is updated towards CSRD definition (value in 2023 sustainability report = 1.6).*


DAF
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DAF TRANSPORT EFFICIENCY


DAF
DAF.COM

DAF Trucks N.V.
Hugo van der Goeslaan 1
P.O. Box 90065
5600 PT Eindhoven
Nederland
Tel: +31 (0) 40 21 49 111
DAF.COM