DAF TRUCKS N.V.

Sustainability Report 2025

A PACCAR COMPANY DRIVEN BY QUALITY

DAF

CONTENT

DAF TRUCKS N.V. SUSTAINABILITY REPORT 2025

INTRODUCTION

Driven by Continuous Improvement

Care for planet and people as a priority.

More than ever before, we as a society are convinced of the importance of protecting the earth on which we live. Care for planet and people has rightfully become a priority, also for DAF Trucks.

DAF is demonstrating its commitment to contribute to a better world, already for decades. As an example, DAF has always been among the first to meet new European emission legislation, while we have always been leading the way in developing and offering alternative drivelines with low or even zero emissions. This leading position was confirmed by earning the 'International Truck of the year 2026' with the DAF XD and XF Electric Truck.

In 2018, DAF was the first truck manufacturer in the EU to market a battery electric truck and in 2025 we started series production of a completely new generation of battery electric trucks, offering ranges of over 500 kilometers on a single charge. At the same time, our latest vehicles with combustion engine feature no less than 13% lower CO_2 emissions compared to the trucks of 5 years ago.

Within Operations, we remain focused on enhancing quality and efficiency, while simultaneously minimizing our environmental footprint. The reduction of emissions and the promotion of circularity serve as fundamental pillars of our sustainability framework, alongside our commitment to people and responsible business conduct. Over the past year, significant progress has been made across all these areas. These initiatives are comprehensively captured in this 2025 DAF Sustainability Report.

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.

47,048
Production 2025

13.5%
EU Heavy Duty Market Share 2025

9,345
Headcount per 31-12-2025

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 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 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, Oceania 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, 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 Parts, ensures a first class supply of DAF Genuine Parts, DAF Genuine Exchange Parts en TRP Universal Parts throughout Europe and beyond. PACCAR Financial Europe (PFE) is an affiliated company of DAF Trucks. It 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. In addition, PFE is responsible for the remarketing of used trucks returning from customers.

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

Production 2025

TRUCKS:
9,450 XB
37,598 XD/XF/XG/XG+

CABS:
37,605

ENGINES:
38,901

AXLES:
90,955

EU Market Share 2025

Medium Duty Segment:
9,7%

Heavy Duty Segment:
13,5%

HD Market Leadership
The Netherlands 25,6%
United Kingdom 27.7%

Sustainability is at our Core

At DAF we are committed to providing transport solutions that drive the world to a better future. 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 busines; providing transport solutions that drive the world to a better future.

The United Nations Sustainable Development Goals (SDG) aim to make the world more sustainable by 2030. Building on our core strengths, we have selected five SDGs in particular where we focus on to contribute to the 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 organization, 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 to protect the climate and preserve the world. Whereas 94% of our CO_2 impact is generated by our heavy-duty vehicles on the road, our primary focus is to reduce the CO_2 emissions from the use of our total number of trucks delivered in 2030 (scope 3, category 11) by 43% (per ton x km) compared to 2019 (conform, European VECTO legislation). Additionally, we aim to have reduced our combined scope 1 and scope 2 CO_2 emissions from our operations by 45% in 2030 (conform European Grean Deal ambitions). For assumptions and dependencies related to these targets see page 11.

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.

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.

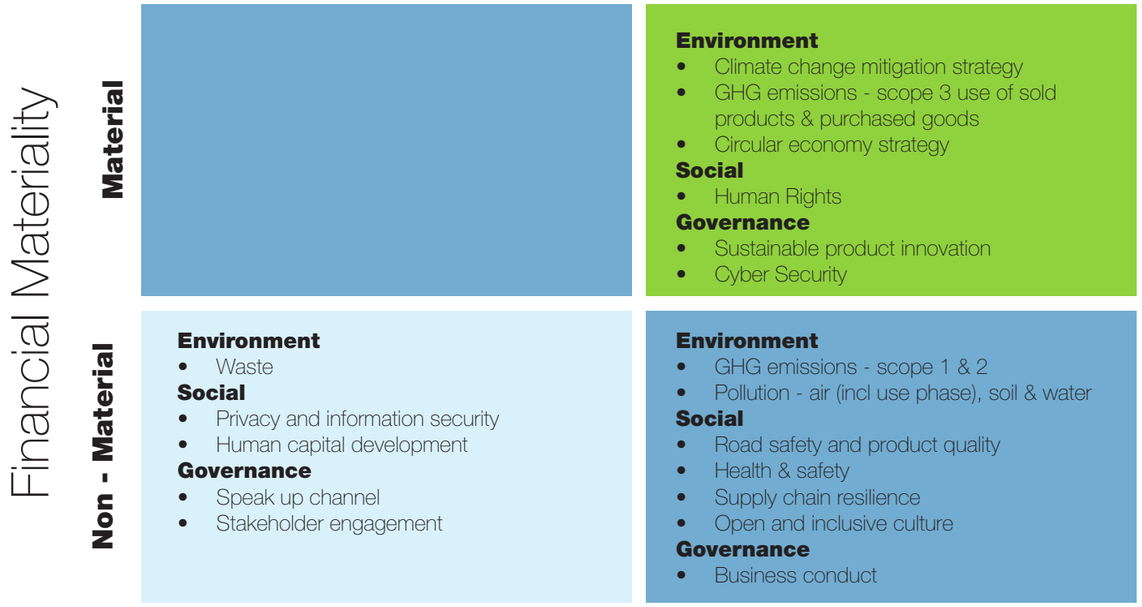
Responsible Business
Effective management requires strong governance, grounded in accountability, clear policies, and actionable plans that are effectively implemented, measured, and reported. Governance goes beyond compliance, it’s about setting the standard for responsible business practices.

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.

	Environment		Social & Governance	
Our Mission	EMISSION REDUCTION	CIRCULARITY	CARE FOR PEOPLE	RESPONSIBLE BUSINESS
Our Supply Chain	Sustainable Sourcing	Circular Sourcing	Working Conditions	Responsible Sourcing
DAF	Sustainable Production Facilities	Circular Processes	Best Place to Work	Business Values & Conscious Control
Our Customers & Dealers	Contribute to Sustainable road transport	Circular Products	Care for Customer & Dealer Employees	Best Products & Service for the Business
The World we Live in	Sustainability Strategy	Circularity Strategy	Giving Back to Society	Responsible Transport Solutions
UN SDG	13 CLIMATE ACTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	11 SUSTAINABLE CITIES AND COMMUNITIES; 8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Double Materiality Assessment

Material topics
A granular assessment of Sustainability subtopics was conducted in alignment with ESRS (European Sustainability Reporting Standards). This process led to the identification of 13 material subtopics (see overview below).



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 long list of over 150 sustainability topics was assessed, resulting in 13 material topics. These are:
- *Either Financial Material or Impact Material*
- *Both Financial Material and Impact Material*

Major topics that are considered good business conduct but are not-strategic focus areas (Non - Material / Non - Material), are included in the DMA as well.

Stakeholder engagement
In 2025, we continued engaging with key stakeholders to validate and refine our Double Materiality Assessment (DMA). Activities included, amongst others, sustainability-focused supplier workshops through networking events, collaborative discussions with dealers, benchmarking of our DMAs with available sustainability standards and investigating reports from peers in our industry. Our regular DAF Sustainability Events foster a dynamic exchange of ideas between various departments, ensuring continuous improvement and alignment towards our goals. These engagements provided valuable insights and increased awareness for the sustainability program.

European Commissions Omnibus
Following the first wave of CSRD reporting in 2025, the European Commission has proposed significant changes to reduce the reporting burden for companies. The Omnibus Directive introduces several simplification measures, including the postponement of first-time reporting for unlisted large companies by 2 years. In line with the Omnibus Directive, DAF will prepare for its first CSRD report over the 2027 reporting year.

Mapping material topics to the DAF Sustainability Framework pillars results in the following overview:

Emission reduction	Circularity	Care for people	Responsible business
• Climate change mitigation strategy • GHG emissions - scope 3 use of sold products & purchased goods • GHG emissions - scope 1 & 2 • Pollution - air (incl use phase), soil & water	• Circular economy strategy	• Human rights • Health & safety • Supply chain resilience • Open and inclusive culture • Road safety and product quality	• Sustainable product innovation • Cyber security • Business conduct

Dependencies

Emission reduction
DAF's CO_2 reduction targets depend on several external factors that influence both the pace and feasibility of its transition. A central dependency is the policy and regulatory environment, including future EU emission standards, national support schemes for zero or very low tailpipe emission trucks (ZEV), and developments in carbon pricing, all of which affect market demand and total cost of Ownership. Achieving the targets also relies on technological progress, such as improvements in battery energy density, charging speeds, hydrogen fuel cell performance, and related cost reductions.

A further dependency is the expansion of charging and hydrogen infrastructure, including sufficient grid capacity at depots and along transport corridors. Value chain readiness is equally important; suppliers must decarbonize materials and processes and provide reliable Scope 3 data. Additionally, market dynamics, customer adoption, financing availability and macroeconomic stability can accelerate or limit uptake of zero emission vehicles. Finally, DAF assumes physical climate risks will not significantly disrupt operations or supply chains, supporting a credible transition pathway.

Circularity
DAF's circularity targets depend on the availability of high quality recycling infrastructure, supplier capability to deliver recycled packaging and remanufactured parts, and customer acceptance of circular products and clear regulatory expectations and alignment of regulation in various levels supply chain. They also rely on technological improvements in recycling and material substitution, stable regulatory frameworks for waste and packaging, and viable markets for secondary materials. Achieving the targets assumes continued investment capacity, predictable material and energy prices, sufficient core returns for remanufacturing, and limited disruption from climate related physical risks.

Care for people
DAF's social targets depend on several external and internal factors. Key dependencies include the labor market, especially availability of skilled workers, competitive compensation levels, and broader industry trends affecting employee mobility. Achieving these targets relies on maintaining positive workplace conditions and a strong organizational culture. This includes sustaining high employee engagement, effective leadership and consistent communication across sites.

Further dependencies include health and well being infrastructure, such as access to occupational health services, preventive programs, and safe working conditions that help minimize absenteeism. Social targets also rely on macro economic stability, which influences turnover rates, employee stress levels, and retention. Additionally, maintaining strong survey results assumes continued commitment from managers to follow up on employee feedback and implement improvement actions.

Finally, DAF assumes that external disruptions, such as labor shortages, regulatory changes, or societal health trends will not materially impact workforce stability or attendance.

Responsible business
DAF's responsible business targets depend on clear regulatory expectations, dealer and supplier readiness to adopt ESG standards, and availability of reliable counterparty data. Successful implementation requires robust governance, capacity building, and collaboration across the value chain. Achieving high compliance training completion requires effective communication, accessible training systems, and sustained management commitment. External factors such as evolving due diligence legislation and supplier maturity also strongly influence progress.

Impacts, risks and opportunities

In assessing the materiality of each ESG topic, we examined areas within our value chain that have most significant positive or negative impacts (I), risks (R), and/or opportunities (O).
Below is an overview of material IROs we have identified:

ESRS E1 - Climate change:

Impact	Risks	Opportunities
Our impact on climate change stems from the energy use and GHG emissions from our manufacturing and other operational activities (scope 1 and 2) as well as the GHG emissions occurring from the use of our products (scope 3) by the end-user.	Further global warming, the main source for climate change, may pose a risk for our business continuity because it impacts availability of energy and water; it could cause production stops because of heat, and may impact the supply chain.	Alternative drivelines which are more energy efficient or don't emit CO_2 while in operation can reduce scope 3 downstream GHG emissions and also provide new business opportunities for DAF.

ESRS E5 - Circular economy:

Impact	Risks	Opportunities
We have an impact on nature and environment through the use of natural resources and other materials for our products as well as the waste generated throughout their lifespan.	Many critical raw materials, such as lithium and steel are required for the energy transition in general and truck production specifically. Unavailability or scarcity of some materials could hamper the transition and limit our ability to execute our product roadmap.	Over 95% of a truck can be recycled. By working closely together with suppliers and dismantlers we can increase recycling as well as recyclability and reduce our need for virgin materials.

ESRS S1 - Own workforce:

Impact	Risks	Opportunities
We have an impact on our employees by providing a stable income, opportunities for a meaningful contribution, appreciation, a community of colleagues and personal development. There can be an adverse impact in case of physical or mental health problems.	Based on the social impact assessment, risks for adverse social impacts at DAF could be health & safety, equal treatment opportunities and workload balancing. For DAF these risks could lead to difficulties in attracting and retaining sufficient skilled employees.	We can create positive impact on our employees by ensuring excellent healthy and safe working conditions, promoting good labor practices, ensuring a good work-life balance and fostering an inclusive working environment allowing them to thrive and being engaged with the company.

ESRS S2 - Workers in the value chain:

Impact	Risks	Opportunities
By purchasing materials, components and parts, we have an impact on workers in the entire supply chain. Our activities, guidelines, procedures and product design effect employees at the DAF dealers as well as our customers.	Human rights breaches within our supply chain are inconsistent with our Supplier Code of Conduct and the values we uphold as a company. Moreover, such practices could lead to reputational damage, legal risks and operational disruptions.	Gaining deeper insight into social conditions across the value chain enables DAF to strengthen supplier relationships, mitigate reputational risks, enhance compliance, reduce human rights breaches and unlock innovation potential, ultimately supporting more responsible sourcing and long-term value creation.

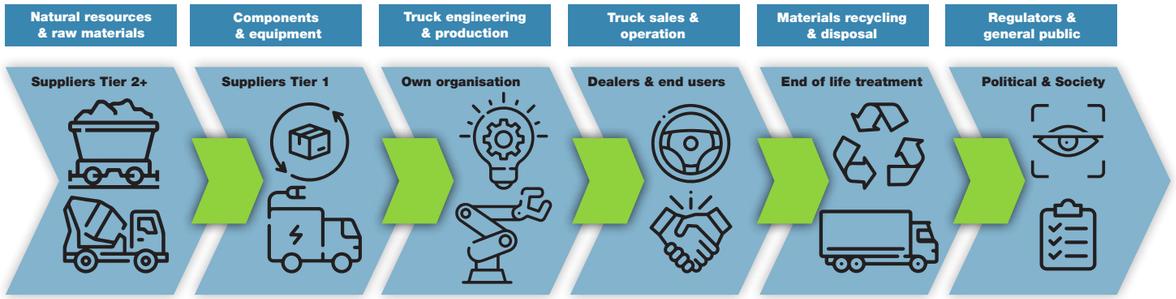
ESRS G1 - Business Conduct:

Impact	Risks	Opportunities
We have an 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.	Any non-compliance with regulatory legislation could lead to reputational damage, fines, legal risks and even closing our business.	Supporting value chain partners and other stakeholders in avoiding unethical behavior in their operations will also benefit DAF's business conduct in the full value chain.

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 reaches 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.

VALUE CHAIN



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.

Approximately 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 20-21 provides further details through a Life Cycle Assessment (LCA).

'Environmental awareness is becoming an increasingly important factor, we can't just carry on like we have always done.'

Gerlof Oegema
Technical Director
Oegema Transport

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. While greenhouse gases (GHG) are our main focus, we also address Nitrogen Oxides (NOx) and Volatile Organic Compounds (VOCs), which can adversely affect air 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 more sustainable environment and inspire others on this essential journey with us.

Take urgent action to combat climate change and its impact.

We understand the importance of reducing GHG emissions and aim to reduce the CO_2 emissions of the trucks we sell during its lifetime 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 the average CO_2 emissions of trucks in their use phase (scope 3, category 11) by 43% in comparison to 2019 on fleet level.

We support and contribute to the EU ambition to become climate-neutral in scope 1, 2 and 3 CO_2 emissions in 2050.

For dependencies related to these targets see page 11.
These targets are supporting the PACCAR SBTi (Science Based Targets initiative) approved targets to reduce 35% CO_2 emission in scope 1 and 2 (in comparison to base year 2018), and reduce 25% CO_2 emission in the use phase of the trucks (in comparison to base year 2019) for PACCAR's global organization, in alignment with the current regulatory targets.

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. In 2024, 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

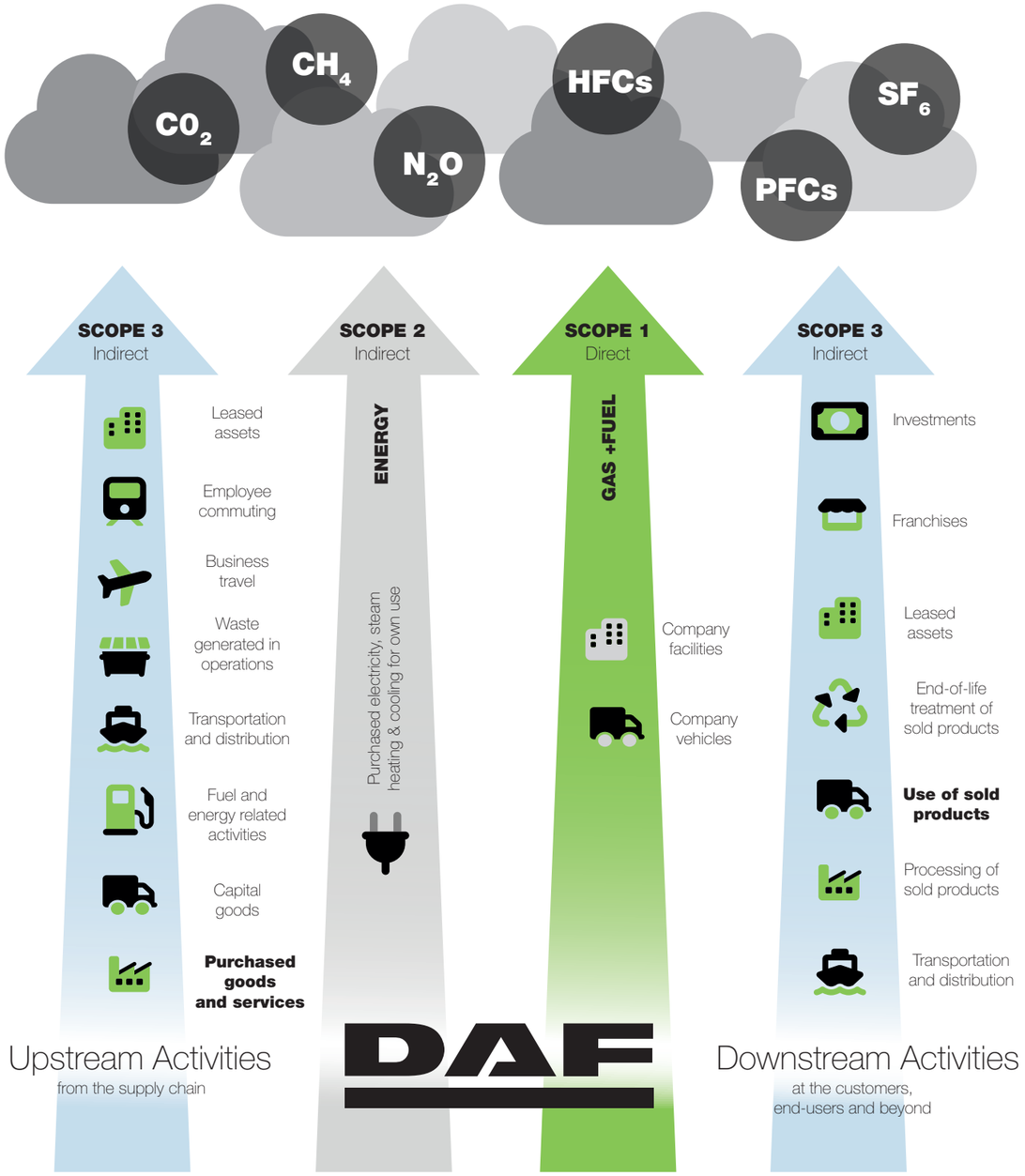
Heavy-duty trucks are vital to transporting high volumes of goods, particularly to areas inaccessible by other transport modalities. However, climate-related disruptions can impact transportation infrastructure:

- 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. DAF has adopted the GHG protocol categorization in its reporting of GHG emissions



Bold categories are material to DAF
The above mentioned Green House Gasses CH_4, N_2O, HFCs, PFCs and SF_6 reference to a CO_2 equivalent

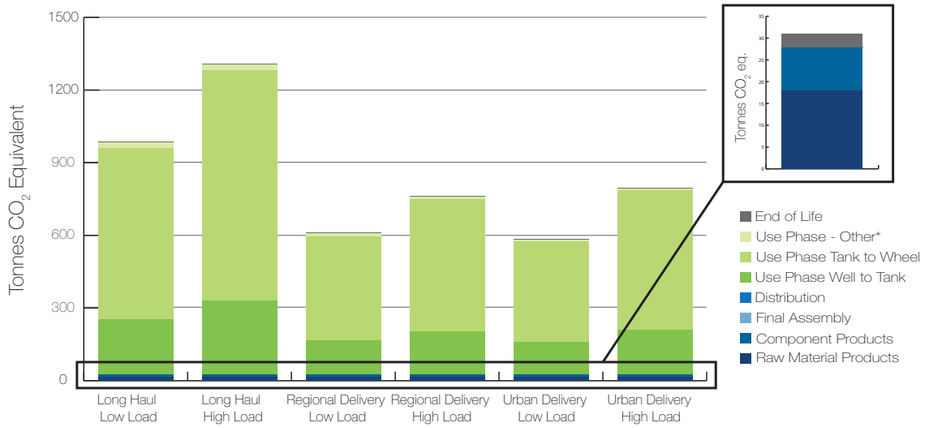
Life Cycle Assessment

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 understand the ecological footprint of our products and to make sound decisions to improve sustainability.

The LCA-graph illustrates the carbon footprint of a New Generation DAF XF truck with internal combustion engine (ICE) over its entire lifetime across six different use cases. The results show that the main impact of this vehicle is dominated by the use phase. Within this phase, tank-to-wheel emissions (the CO_2 released from burning fossil fuel during vehicle operation) represent the largest GHG emission, followed by the use phase well-to-tank emissions (the sourcing, production, and distribution of the fuel). In contrast, the earlier phases from material sourcing and component production to final assembly (blue categories) and the final phase of end-of-life processing (grey category), together account for about 5% of the total life-cycle emissions.

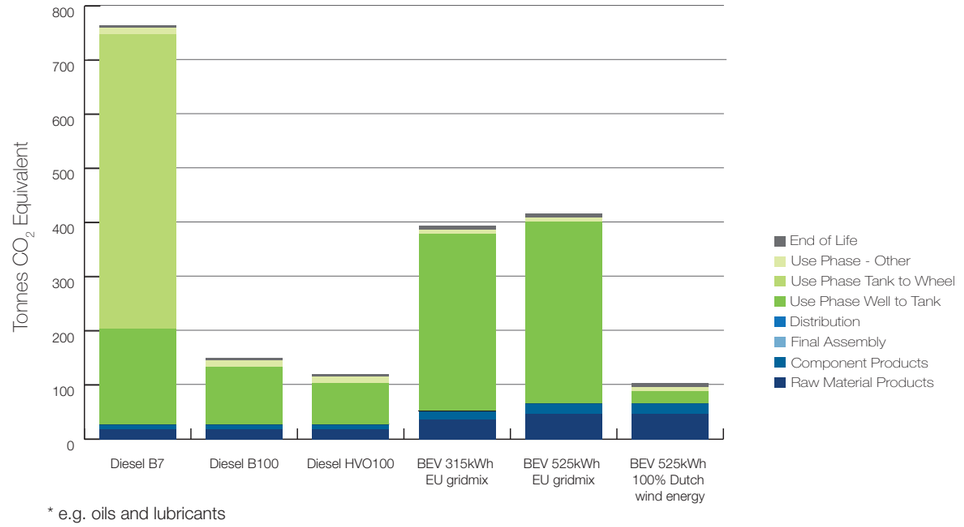
Currently, there is no industry wide standard for Life Cycle Assessments (LCAs) at vehicle level, resulting in non-comparable LCA results between OEMs because of many non-aligned variables.

CO_2 footprint New Generation DAF XF Internal Combustion Diesel Engine



* e.g. oils and lubricants

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



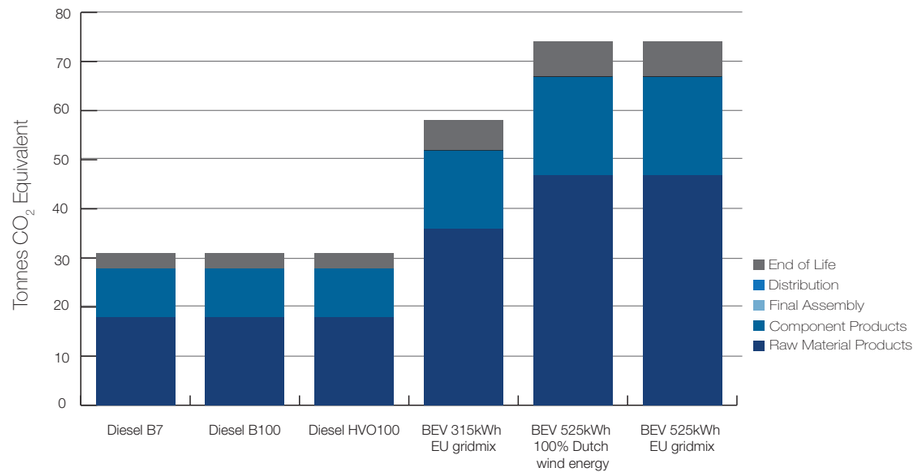
* e.g. oils and lubricants

The graph above compares the GHG emissions of the New Generation XF 2-axle ICE tractor using 'traditional' B7 fuel, alternative B100 or HVO plant-based fuels, with the 2-axle NGD XF Battery Electric Vehicle (BEV) tractor based on the 2021 EU grid mix or 100% Dutch wind power for a 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. In case a truck would be charged by 100% Dutch wind power, also the 'well to tank' emissions will drop drastically. This shows the potential for BEVs when the EU grid mix will become greener in the future.

Hydrotreated Vegetable Oil (HVO) performs very well in Life Cycle Assessments due to its production from residual plant-based oils. However, its availability is inherently limited by the finite supply of these waste oils, making it unsuitable as a long-term strategy for full fleet conversion. HVO should therefore be considered a transitional solution to reduce CO_2 emissions from internal combustion engine vehicles.

CO_2 Footprint New Generation DAF XF excl Use Phase



Overall, the electric truck shows significantly lower GHG emissions than the truck with combustion engine. However, for the latter, significant GHG reductions can still be made by applying latest generations of bio-fuels (HVO or B100), reducing GHG 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.

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 is one of its KPIs. We want our suppliers to care for the environment and have action plans in place to continuously reduce their GHG emissions and minimize waste. These 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 2025 included a sustainability workshop.

In addition, DAF has further enhanced its supplier management processes by having clear guidelines on sustainable sourcing. We focus on this area, reinforcing with our suppliers the importance of addressing social and environmental aspects throughout their own operations and value chains. In addition, suppliers are encouraged to manage their suppliers on all relevant ESG aspects, such as reducing emissions and enhancing social responsibilities.

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 for continuous improvement.

Supply Chain Sustainability Targets and Key Assumptions

Our supply chain sustainability strategy focuses on transparency and continuous improvement. In 2026, we aim for 75% of suppliers in the Supplier Performance Management program to have completed the Vendor Rating Sustainability Self-Assessment Questionnaire (VRS), increasing to 90% by 2030. Additionally, we aim for more than 90% of Original Equipment (OE) suppliers to maintain ISO 14001 certification annually.

These targets assume clear regulatory expectations, strong supplier engagement, clear communication of requirements, and integration of sustainability criteria into procurement processes. Dependencies include the priority of sustainability at our suppliers, our purchasing power, regulatory stability and market circumstances. Achieving these goals relies on collaboration across the supply chain and consistent monitoring to ensure compliance and progress.

Sustainable production facilities

DAF is pursuing multiple initiatives to meet its 2030 ambition of a 45% reduction in scope 1 and 2 GHG emissions (compared the 2018 baseline year), following the current regulation. This ambition is supported by a CO_2 reduction roadmap supplemented with clear action plans covering all the company's production sites. To achieve our renewable energy targets, we are partly dependent on the capacity of the local electricity infrastructure at our sites. In some locations, the maximum electricity capacity permitted by local authorities limits our ability to fully transition to renewable energy sources. While DAF remains committed to increasing the share of renewable electricity, progress is influenced by these infrastructure and regulatory constraints.

Progress realized in all plants

In 2025, DAF Eindhoven, Westerlo and Leyland combined, implemented 28 projects to improve energy efficiency or to reduce gas usage, which collectively reduced CO_2 emissions by almost 900 tonnes (see table), Key projects include insulation of roofs and installation of LED lights.

Solar Panel Installation and Heat Recovery

In 2024, we have installed two solar panel systems at our production location in Eindhoven and our PACCAR distribution center in Massbach. They consist of 7,500 solar panels in total and they produced over 2,500 MWh in 2025. In August 2025, two solar panel systems were installed at our production location in Westerlo which produced almost 400 MWh in 2025. The combined solar panel area now exceeds 10,000 panels.

Heat Recovery

In the engine development process, engines are tested in a stationary test cell at the Engine Test Center. A large part of the heat that occurs then, has already been used to heat the Engine Test Center office building for years. Since 2025, the remaining waste heat is captured and supports the boilers of the central warehouse to further reduce our local CO_2 emissions.

Full suite of innovations in Westerlo

In 2025, energy consumption in the cab paint shop was successfully reduced by optimizing the Air Supply Unit (ASU). By lowering the ASU temperature from 21°C to 18°C and decreasing airflow by 40%, we cut natural gas usage by approximately 86,000 m^3 annually. This initiative reduced CO_2 emissions by 200 tonnes, significantly lowering our carbon footprint while maintaining high-quality paint conditions.

In our cab paint shop, we also replaced traditional TL lamps with dimmable LED lighting that is automatically adjusted based on the color of the cab paint. This significantly reduces energy consumption, cutting annual electricity use by over 30 MWh. Beyond sustainability, the new LED system improves visibility of eventual paint defects, and enhances the work environment by providing comfortable lighting that reduces eye strain, promoting both employee well-being, quality and operational efficiency.

To further reduce energy consumption of the compressed air system, the system pressure has been reduced by 0.7 bars in 2025 and will be further reduced in 2026.

In the axle factory, we upgraded the process control system of our closed-loop cooling water installation. This improved usability and efficiency, enabling increased free-cooling and reducing reliance on energy-intensive chillers, significantly lowering electricity consumption.

B100 readiness

In 2025, DAF introduced a specific engine version for its XF, XG and XG+ models to operate on B100 biodiesel, also known as FAME (Fatty Acid Methyl Esters) or RME (Rapeseed Methyl Esters). The B100 biodiesel is produced entirely from renewable vegetable oils and fats and reduces well-to-wheel CO_2 emissions by up to 90% when compared with fossil fuel diesel. To support production of this engine specifically designed to drive on B100 biodiesel, the hot test process was expanded to handle biodiesel. The test cell software was upgraded and a dedicated fuel tank was added for biodiesel storage and supply. Adaptations were also made in the truck assembly plant, to fill trucks with MX-13 B100 engine with the biodiesel needed.

SUMMARY	#projects	CO_2 emission reduction (tonnes CO_2)
Lights	12	26
Other	3	146
Roofs	10	372
Insulation	1	2
Solar	2	310
Air handling unit	1	200
TOTAL	**29**	**1,056**

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. Via our dealer standards we require that all European DAF dealers have an ISO 14001 certificate or are in the process of obtaining this.

Cooling water
Since 2003, DAF has been using water from the Eindhoven Canal for industrial cooling, reducing the use of drinkable water for this purpose by up to 80%. This water is returned to the canal after cleaning through a filtration system. We continuously work on projects to further improve the waste water quality discharged to the sewer.

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.

Further energy efficiency projects
In 2025, in Eindhoven, extensive roof insulation projects were performed, enhancing the insulation value by an average of 70% across over 32,000 m^2 of roofs. More than 17,300 m^2 has been upgraded, with approximately 14,700 m^2 completed in the first months of 2026.

In the DAF engine plant, two washing machines using hot water supplied by the main gas-fired boiler for heating, have been replaced by electrically heated installations. This also goes for one of the tempering furnaces and an oven in the gear department, contributing to a further reduction of our scope 1 GHG emissions.

In the Parts Paint Shop in Eindhoven, process improvements have led to a significant reduction in paint waste, reducing VOC emission. By changing to high-solid paint, less solvents are used, also lowering VOC emissions. To ensure a reliable measurement of solvents used, new VOC meters have been installed.

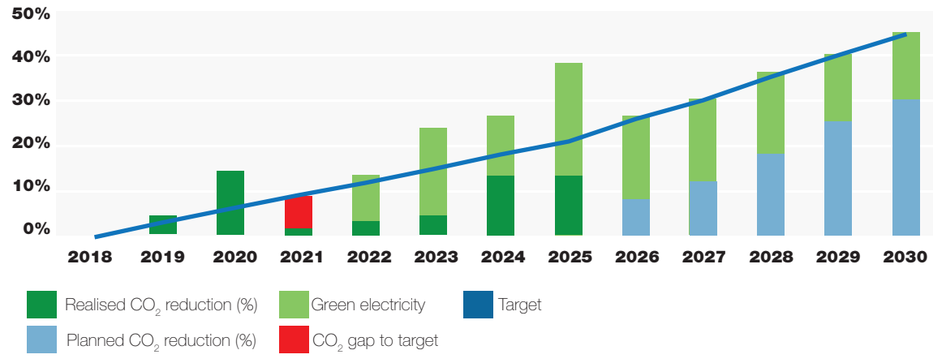
In the PACCAR Parts Distribution Center in Eindhoven, double lock doors were set that never open at the same time. New dock shelters protect against rain and draft.

Climate campaign
At the Belgium manufacturing facility in Westerlo 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 contest is held to invite team members to propose energy-saving solutions, with rewards for the best ideas. These activities increase the awareness within our company and in the workforce. As such, we are not just reducing our environmental footprint; we are building a culture of sustainability at DAF.

Employee commuting
We have started several initiatives to reduce emissions from employee commuting. For example, 50 electric vehicle charging stations have been installed across the Eindhoven site for both employees and visitors. We actively promote carpooling through a dedicated app that helps colleagues connect and offers financial incentives for shared rides. In 2025, almost 300 employees registered for this carpool app; they shared over 4,000 rides and saved over 11 tonnes CO_2 emission. Additionally, for over 50 years, we have been organizing bus transportation for production employees, further decreasing the number of individual car trips. These initiatives collectively help lower our carbon footprint and contribute to a more sustainable future.

To promote sustainable mobility on the DAF site, we introduced red bicycles for easy travel between buildings, encouraging employees to choose cycling over driving. Additionally, a bike plan offers staff the opportunity to purchase or lease new bikes or e-bikes at discounted rates, making eco-friendly commuting more accessible. We also upgraded the main bike parking facility, doubling capacity from 240 to 480 spaces, ensuring ample and secure storage. Surrounding this area, we enhanced green spaces to create a pleasant environment, supporting both sustainability and employee well-being. These initiatives contribute to reducing our carbon footprint and fostering a healthier workplace.

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



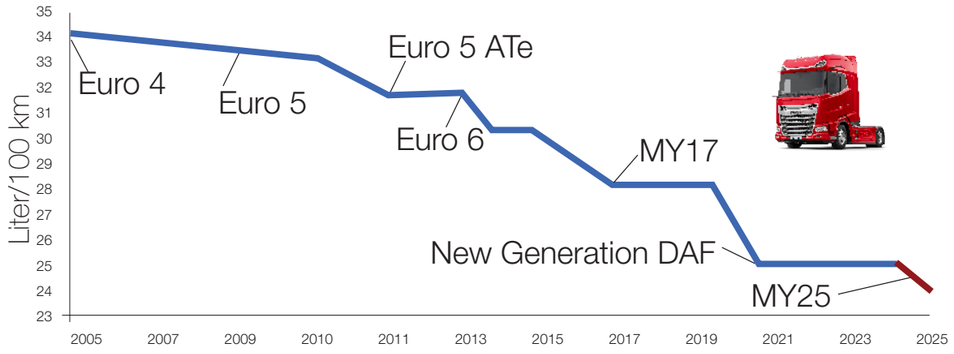
Sustainable Transport Solutions

In 2025, DAF started series production of a full range of XD and XF Electric vehicles with 'zero or very low tailpipe emission (ZEV)' ranges of up to 500 kilometers on a single charge. These have been awarded 'International Truck of the Year 2026' and are produced in DAF's dedicated Electric Truck Assembly plant in Eindhoven. DAF Components presented new, highly efficient PACCAR MX-11 and MX-13 engines for buses and coaches at Busworld 2025, the industry trade fair taking place in Brussels.

The New Generation DAF trucks, launched in 2021 and the subsequent years, represent the largest design and development program in our over 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 13% compared to their predecessors, with an equal GHG emissions reduction). Because of its industry leading fuel efficiency, the New Generation DAF was named 'Fleet Truck of the Year' at the prestigious Motor Transport Awards 2025 ceremony in London.

All New Generation DAF trucks come with a 5-year PACCAR Connect subscription. This 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.

Fuel Efficiency Improvement Throughout the Years



DAF Components

At BusWorld 2025 in Brussels, DAF Components presented updated PACCAR MX-11 and MX-13 engines for bus and coach applications. These feature a suite of innovations to enhance efficiency. DAF Components also delivered 5 PACCAR MX-13 engines to become part of a high-tech diesel-electric powertrain, installed in a 200-metre-long inland cargo vessel, operated by Rhenus Partnership. Compared with similar conventional powertrains, these engines support 30% lower fuel consumption and CO_2 emissions. And the fact that Rhenus has chosen HVO as their fuel will reduce their CO_2 emissions by a further 90%.

Alternative Fuels and Drivelines

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

Battery Electric Vehicles

In 2025, DAF started series production of New Generation DAF XD and XF Electric trucks. 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 – with 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 electric 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, we also introduced engine versions that can 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 90% CO_2 reduction compared to regular diesel.

Services
Transport efficiency is defined 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 and 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.

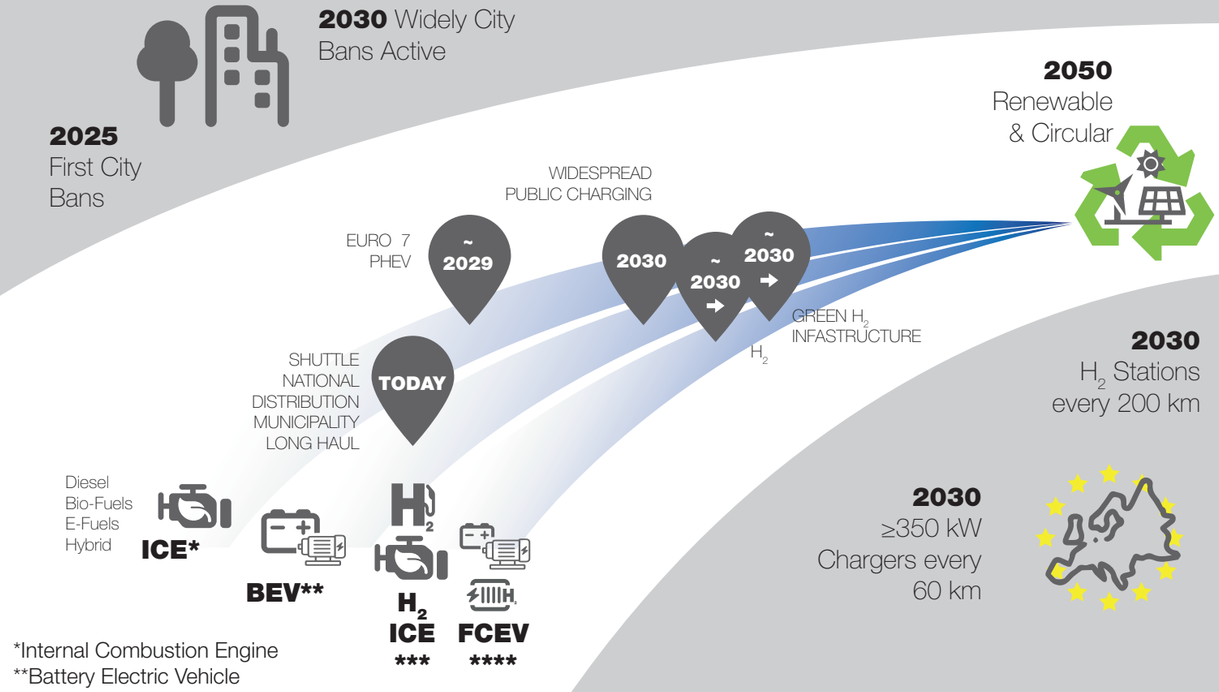
For DAF customers 'going electric', detailed analysis of applications, routes, distances, and journey patterns are made, while dedicated training is available to teach drivers how to optimize their vehicles. Through PACCAR Power Solutions, a full range of mobile and stationary chargers (AC or DC) are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

While DAF is working hard to achieve the regulatory 2030 goal of a 43% reduction in truck emissions compared to 2019 models, it is important to note that the pace of this progress depends on factors such as the market adoption of new-generation trucks, the availability of charging infrastructure for electric heavy-duty vehicles across Europe, and the ability to produce these vehicles at a competitive total cost of ownership.

Although, DAF designs and manufactures sustainable trucks, their ultimate impact depends on how quickly customers and markets will embrace these technologies, and support electric vehicle charging infrastructure developments.

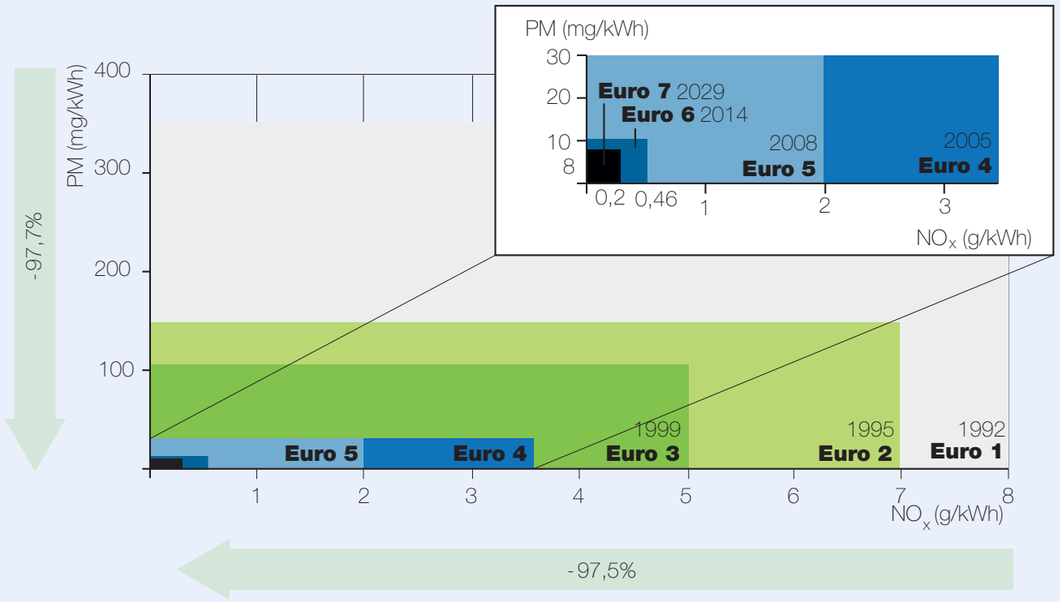
In 2025, PACCAR Parts introduced ultra-thin, flexible solar panels that can be installed on the roof of virtually any cab, trailer, or body. The cells continuously charge the battery with solar energy. The lightweight panels save fuel, reduce the truck's CO_2 emissions, and decrease wear on the alternator and battery.

Outlook towards 2050



*Internal Combustion Engine
**Battery Electric Vehicle
***Hydrogen Internal Combustion Engine
****Hydrogen Fuel Cell Electric Vehicle

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 current Euro 6 standard.

MAGPIE Project: Automated Driving and Hands-Free Charging for Electric Heavy-Duty Trucks
In 2025, DAF successfully participated at a technical demonstration under the MAGPIE project, which showcased the integration of automated driving and hands-free charging for electric heavy-duty trucks. Held at APM Terminals Maasvlakte II in Rotterdam, this milestone highlighted advancements in sustainable, efficient yard-automation.

MAGPIE, co-funded by the EU Horizon 2020 program, aims to decarbonize port transport through smart, green, and digital solutions. The event demonstrated full autonomous mission execution without manual input, supported by real-time monitoring and robust communication between vehicle and control systems. Building on these results, related initiatives like MODI are expanding applications to industrial zones and international transport corridors.

For the MAGPIE project, technologies were applied, developed by DAF and partners including Rocsys, Fraunhofer IVI, Eindhoven University of Technology, and TNO.

In summary, the MAGPIE project exemplifies how automation and robotic infrastructure integration can transform logistics towards safer, cleaner, and more efficient transport—driving Europe's transition to smart green ports and sustainable mobility.

ENVIRONMENT
Circularity

INTRODUCTION & STRATEGY

Environment

EMISSION REDUCTION

CIRCULARITY

Social & Governance

CARE FOR PEOPLE

RESPONSIBLE BUSINESS

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 around 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, we have achieved zero waste to landfill every single year since 2008 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.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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 unrecycled 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%
- Every year: Zero waste to landfill; we have achieved Zero waste to landfill annually since 2008.

For dependencies related to these targets see page 11.

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 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 to support zero waste to landfill. Residual waste that cannot be recycled is incinerated to generate electricity. 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.

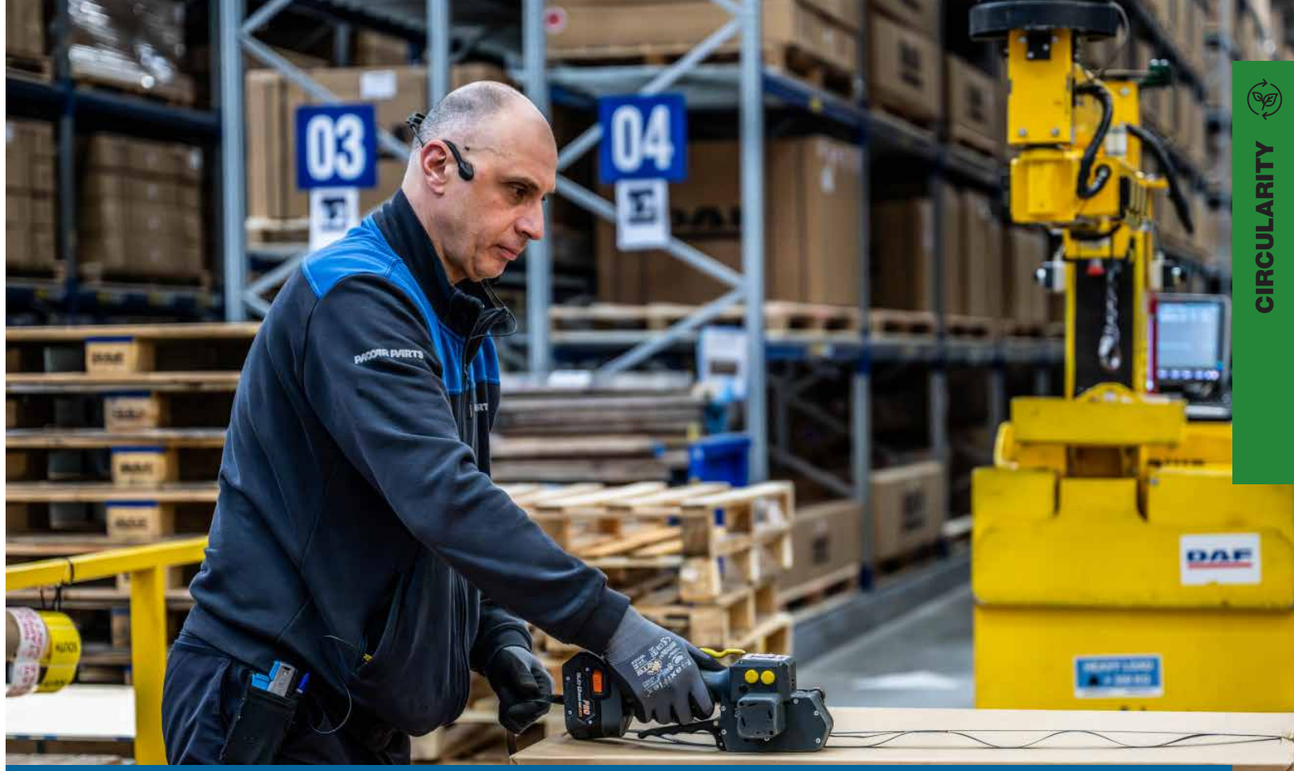
In 2025 several improvements have been implemented to further reduce disposable waste:

- In Westerlo, the cab plant for the prior vehicle generation was dismantled. A cascading system was applied to minimize waste and avoid sending usable material to general waste streams. Every machine, material, product, and installation was carefully inspected to identify possibilities for reuse, either in the new cab plant, or in other current or future projects. When reuse within the cab plant was not possible, other production sites such as Eindhoven, Leyland and even Brazil were invited to look for opportunities for reuse. Next, materials were offered for external reuse, such as being sold to partners or donated to schools and universities for training purposes. In case no new destination was available colleagues were given the opportunity to buy parts for private use, ensuring that nothing went to waste unnecessarily;

- In 2025 surplus engines, gearboxes, and axles were donated to local schools for hands-on learning, and surplus cabins to fire brigades for emergency training to support education and community safety while promoting circularity and reducing waste;

- Packaging material from incoming parts at the DAF Eindhoven production site is reused to protect large components during shipments to the assembly sites in Australia and Taiwan as well as European customers. Packaging materials such as plastic bags, cardboard sheets, foam blocks, wooden separators, one-way pallets and collars are now reused instead of recycled. Also, nearby customers return engine pallets so they can be reused in future shipments.

- To reduce packaging waste, around 95% of the inbound parts to our production plants are shipped in return packaging; after using the parts, the packaging is sent back to the supplier to be refilled. Many of these racks often face extreme conditions, leading to damage or wear. To address this, we have redesigned these racks by attaching wear parts, making them easy to remove and replace. This approach allows for quick repairs and part renewals, extending the lifespan of the packaging. Additionally, the rack can be reused for different products in the future. This innovation enhances durability, lowers costs, and promotes sustainable use of materials throughout our supply chain.



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? In line with these strategies, PACCAR Parts focused on multiple initiatives in 2025:

1. Switching materials. For several packaging, PACCAR Parts has moved from heavy wood-based solutions to more sustainable cardboard (recycled) alternatives. This shift reduces the overall weight of packaging, lowering transportation emissions, costs and (raw) material consumption while maintaining product protection.
2. Improving recyclability. PACCAR Parts redesigned their plastic bags by removing inked printing, which increases the recyclability of the bags and reduces contamination. Using single-material packaging and clear labeling further enhances recyclability and customer involvement.
3. Regulations. PACCAR Parts supports compliance with regulations on reducing the use of single-use plastics, increasing the use of recycled content, and meeting mandatory targets for waste reduction. Additionally, new labeling requirements with clear recycling instructions are being introduced. PACCAR Parts is fully committed to support all applicable regulations.

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 amount of (virgin) 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 is send to incineration (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 or components, our engineers are supported by the Eco-design tool, proposing and evaluating durable and sustainable options and materials with lowest environmental impact.

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.

50 years of DAF Remanufacturing

For over 50 years, DAF is remanufacturing components. 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 more sustainable alternative.

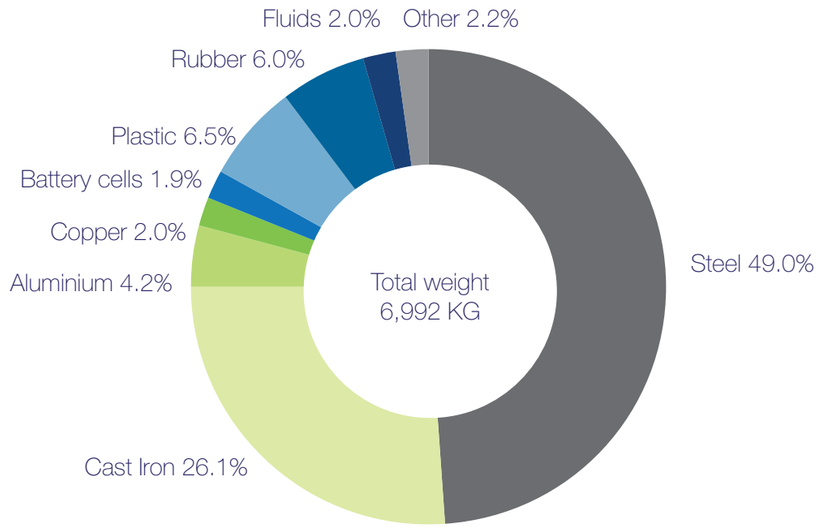
In 2025, refurbished engines were added to the remanufacturing portfolio; and over 100 refurbished engines were delivered to dealers via our PACCAR Parts network. In 2025, the DAF remanufacturing program achieved a return rate of over 85%, which translates in over 420.000 components. Studies are ongoing to investigate further remanufacturing opportunities.

Battery recycling / closed loop batteries

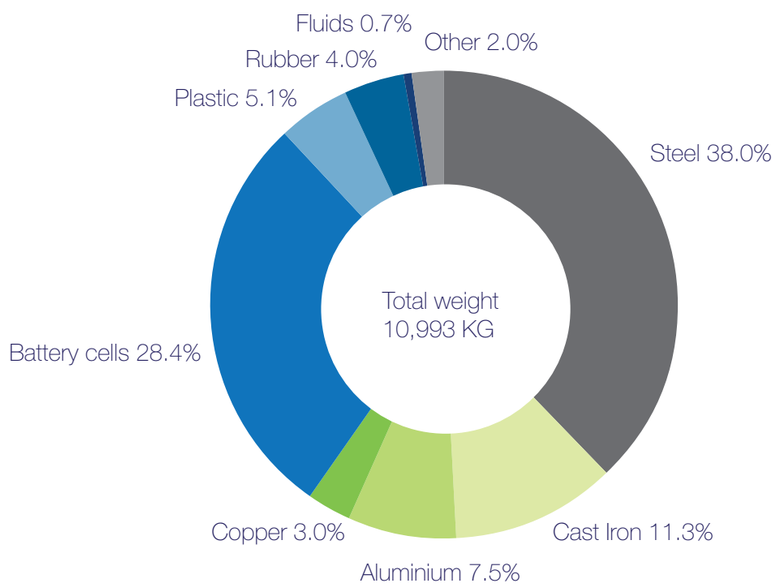
In line with the EU Battery Directive, DAF Trucks is actively committed to circular battery management for its electric trucks. Together with our battery supplier and a specialized recycling company, we have established a closed-loop recycling system for the LFP batteries in the battery electric truck where both lithium and iron phosphate will be reused in the battery value chain. Through our European network of dealers, end-of-life batteries are collected and transported by certified logistics partners.

This closed-loop approach enables responsible recycling and material recovery, reinforcing our commitment to a cleaner, more efficient future in zero emission transport.

Material Composition New Generation DAF XF Diesel



Material Composition New Generation DAF XF Battery Electric 525 kWh



Steel is the primary material used in Battery Electric Trucks, accounting for nearly 40% of a truck’s total weight, followed by battery cells, which represent around 30%. To help mitigate raw material scarcity and reduce environmental impact, DAF is exploring ways to limit the CO_2 impact of the supply chain and to increase the knowledge of end-of-life trucks for potential material recovery and reuse.

However, a key challenge lies in the traceability of vehicles throughout their lifecycle. As ownership changes multiple times during a truck’s operational life, data on vehicle location and ownership becomes fragmented, limiting the ability to recover vehicles and reclaim steel and other materials for reuse.

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 20-21), on average, a DAF truck contains around 35% of recycled material; mainly driven by the cast iron 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

EMISSION REDUCTION

CIRCULARITY

Social & Governance

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, and users of our products and services, as well as the wider society.

To us, social sustainability means ensuring that our employees receive fair compensation, comprehensive benefits, and a safe working place. 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: Absenteeism EHV & WLO <6.5%, LEY <4%

For dependencies related to these targets see page 11.

Social Impact Scenario

Our Care for People sustainability pillar guides our efforts to create positive social impacts within our company, value chain, and communities living around us. We are developing a robust framework for human rights and social impact due diligence.

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

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

The assessment established a solid foundation for social due diligence, aligning with the UN Guiding Principles (UNGP) and international standards such as the OECD (Organisation for Economic Co-operation and Development) Guidelines. It also supports compliance with CSRD (Corporate Sustainability Due Diligence Directive) requirements for social impact disclosures and human rights risk management, preparing DAF for future legislation like the CSDDD.

Stakeholder engagement
In 2025, DAF engaged key stakeholders - including employees, the Works Council, dealer managers, and suppliers - to validate the Social Impact Assessment. These sessions confirmed the relevance of earlier findings and added depth to our understanding of social risks. Insights from these workshops led to updates of our Supplier Sustainability Questionnaire and reinforced our internal focus on preventing discrimination, improving health & safety, and managing workload. Stakeholder input continues to shape our sustainability priorities and actions.

Potential adverse Social Impact DAF

SUPPLY CHAIN	DAF	DEALERS
Health & Safety	Equal treatment	Health & Safety
Working conditions	Health & Safety	Equal treatment
Equal treatment	Working conditions	Diversity & Inclusion

Where possible, we mitigate social risks identified in our impact assessment. For example; to raise awareness for equal treatment, we provide Harassment-Prevention-and-Non-Discrimination-trainings, and we promote equal pay compliance. Employees and others working for us, should feel comfortable to express their ideas and concerns. Speaking up freely is supported by our Code of Business Conduct, PACCAR ethics hotline, and the network of trusted confidential counselors.

Health and safety at our premises are a priority. Our Occupational Health and Safety management system is ISO 45001 certificated by external party. We continuously look for ergonomic improvements, and for opportunities to increase awareness on social safety. Fair working conditions are upheld by managing workload, overtime, and scheduling in line with labor laws, with oversight from board members. These standards extend throughout our supply chain via procurement contracts and our PACCAR Supplier Code of Conduct.

Best Place to Work

People are the cornerstone of our success, with teamwork serving as the foundation of everything we do. No wonder, ‘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 embedded from applicants to retirees, reflecting our aim to foster a sense of belonging at every stage of the journey with DAF. For instance, we have an active association for retirees, a ‘young DAF’ network and an active staff association organizing fun activities to get together with colleagues outside office hours. The connection with DAF, fueled by pride in our company and product, remains strong among many former employees.

In addition to good employment conditions and benefits, we have a strong focus on the development of employees. Our development-oriented approach aims for optimal performance in the current role while enabling promotion and internal mobility. It also prioritizes sustainable long-term employability, ensuring that employees can continue to work healthily until their retirement.

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 the award for ‘Diversity & Inclusion’ which is personally presented to teams and individuals by a DAF Board Member.

The Warm Welcome International team introduces new international employees to the DAF culture and to local national habits and culture, ensuring a warm welcome to support a smooth transition into the new work environment.

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

“Speed dating with the board” organized by Young DAF

Promoting Well-being

DAF takes a pro-active approach to creating a healthy work environment. The company has implemented strict, 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, and new processes are designed to be ergonomically ‘green’.

As part of the ‘Fit for the future’-program, solutions 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 influence 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.

In 2023 we noticed a slight decrease in absenteeism, but in 2024 absenteeism went up again: Especially in our plants in Eindhoven and Westerlo. To counter an upward trend, we developed a project for Operations Eindhoven. This included a training for all line managers and the introduction of a KPI for line managers on conducting conversations with individuals that are frequently absent. The increased attention for sick leave had a beneficial impact on the development of our absenteeism in Eindhoven and Westerlo. Absenteeism decreased to 6.5% at year-end 2025 as a weighted average for all the plants in Eindhoven, Westerlo and Leyland combined.

In 2025, 6 ARBO rooms are created within DAF Eindhoven, and 1 within DAF Leyland and DAF Westerlo. The ARBO rooms are designed to provide employees a private and comfortable area for medical rest and medication. These rooms also give young mothers the opportunity to breast-feed their babies after returning to their job when maternity leave ends.

Health & Safety
To improve safety of our employees, we have 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 2025, 360 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 continued in our plants in Eindhoven, Westerlo and Leyland in 2025. Hand and finger injury rate in Eindhoven and Westerlo dropped by 51% compared to 2023.

Working Conditions and ergonomics
In the new logistics building of the engine plant in Eindhoven, a separate receiving area with a large door and airlock system was installed, significantly improving air quality and comfort. The new design ensures safer, healthier working conditions by preventing harmful emissions from entering the workspace during unloading.

In the engine plant, a new hoisting system was installed which is more ergonomical to use and can position engines more accurately. This has made the work less physical and prevents damage to parts and machinery. We also reassessed safety in the battery string assembly line. Based on this assessment, we optimized entry checks and the production process, leading to reduced required heavy personal protective equipment, enhancing safety and working comfort.

At our Parts Distribution Center (PDC), we started to update our assessment of ergonomic risks, prioritizing the most critical workstations for improvement. In 2025, lifting trainings have been organized for each team, focusing on their specific physical tasks. We have successfully transformed the highest-risk processes from red to green status, by raising work heights, increasing space, and adding hoists to reduce lifting strain. Additionally, we have started implementation of automation on our mezzanine using a system where automated guided vehicles (AGVs) bring the materials to the employee instead of an employee walking through the warehouse. A pilot covering 10% of the mezzanine was launched by the end of 2025, with full implementation planned for 2027, boosting both productivity and ergonomics.

Collaboration and leadership
The PACCAR Production System (PPS) encompasses all processes and structures within DAF and is an important driver for Care for People and Continuous Improvement. The motto of PPS is ‘doing the right things well with motivated people’. In 2025, workshops were offered to all senior management teams on the theme of asking for and giving feedback. Managers are encouraged to provide valuable feedback to their employees and actively seek feedback themselves in order to continuously improve.

Living wages
We ensure that all employees are paid at least a living wage that reflects the true cost of living in their respective regions. A living wage is defined as the minimum income necessary for workers to meet their basic needs, including housing, food, healthcare, education, and transportation, allowing them to maintain a decent standard of living. To uphold this commitment, we pay according to Collective Labor Agreements (CLA) in countries where these are applicable, and conduct regular benchmarking exercises in other countries to ensure our wages remain competitive and fair. By doing so, we support the well-being and financial security of our workforce, promote economic stability within our communities, and uphold our responsibility to foster fair and inclusive growth.

***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.**

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 embedded in the DAF Dealer Standards, which promote a clean, tidy and well-lit premises to ensure both security and safety. Each dealer must also appoint a designated safety officer responsible for the safety of technicians working on battery electric vehicles (BEV). The DAF Dealer Standards include the standard that all staff facilities must be clean and well-maintained and dealers should have a training room for staff with internet. Dealers are also required to have implemented a professionally designed retention program to engage, recognize and retain their staff. Overall, the DAF Dealer Standards aim to create a workplace supporting the social, psychological and physical well-being of staff.

Supplier Working Conditions
As part of our commitment to ethical and sustainable business practices, DAF expects its suppliers to prioritize good working conditions and uphold the highest ethical business standards in conducting every aspects of their operations. This means that 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.

DAF works with its suppliers to address ESG topics that are relevant to the supply chain. This is done through ongoing dialogue, sustainability questionnaires, and the Supplier Performance Management Program. DAF's expectations on labor and other people-related matters are set out in the Supplier Code of Conduct. This supports transparency and a shared understanding of expectations, suppliers are expected to adhere to these standards.

Training Drivers & Dealer Employees
The DAF Academy collaborates with partners across Europe to offer a wide range of online and in-person training for DAF dealer employees - both commercial and technical - and drivers. These training programs emphasize road safety and fuel-efficient driving techniques, helping to reduce environmental impact and improve vehicle performance.

Beyond driver training, the DAF Academy supports sales teams in configuring trucks that are more environmentally friendly and focusing on optimizing driver ergonomics. Additionally, vehicle handover specialists at dealerships receive dedicated training to ensure that drivers are thoroughly introduced to their new trucks and can make the most of all the vehicle's features.

EuroNCAP is a non-profit organization that provides and publishes safety ratings to cars, vans and since 2024 also to trucks. EuroNCAP assesses and tests vehicles on different features and systems within the aspects of “Safe Driving”, “Collision Avoidance” and “Post Crash Safety. Next to that also specific City Safety labels are assigned to trucks that are particular safe for vulnerable road users (pedestrians and cyclists) in city areas.

Road safety

Enhancing traffic safety
In our ongoing efforts to enhancing road safety, DAF has integrated a suite of advanced safety systems in its 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, 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 supporting the standard for the aspect “Safe Driving” within the assessment of EuroNCAP. In November 2024 and September 2025, DAF has received the highest score of all rated trucks on the aspect of “Safe Driving” for the XF fleet tractor and rigid truck in the first ever EuroNCAP safety assessments for Heavy Duty vehicles. In addition the DAF XF also earned the NCAP’s CitySafe award.

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 prepared for their later job.

Ergon Cooperation
Giving back to society means offering rewarding job opportunities for all people in our society, including vulnerable groups such as those with occupational disabilities. More than 400 colleagues are employed at the PACCAR Parts Distribution Center through DAF's partnership with Ergon, a social enterprise dedicated to supporting people with disabilities in the labor market. The collaboration started small in 2001, with just 15 employees, and has grown each year making DAF the largest in social employment in the Netherlands in 2025.

In 2024, DAF launched the Ergon/DAF Academy in collaboration with the Municipality of Eindhoven and Ergon. Through this initiative, in 2025, 28 people were given the opportunity to learn the Dutch language and develop logistic skills with the goal to create a stepping stone towards employment at DAF's plants or in the PACCAR Parts Distribution Center. In addition, 54 refugees (with work permits) were offered the opportunity to learn Dutch to build language proficiency and advanced logistic skills. They have joined the Ergon DAF Academy directly after receiving their residence permit, supporting their integration into the labor market and wider community.

Sponsorships
To strengthen relations with the local community, DAF sponsorships include the annual Marathon Eindhoven. 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 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), the solar and electric racing teams from the Delft and Eindhoven technical universities, and the e-racing team of the Hub van Doornecollege in Deurne.

Donations
DAF national sales organizations are encouraged to send proposals for local donations in their countries too (some 15 of these were granted in 2025), varying from a contribution for the UK Transaid organization running road safety and healthcare projects in developing countries to donating Christmas packages to charity organizations in Belgium. 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.

DAF Westerlo hosted a Christmas market to raise funds for Samuni, a project by Thomas More University promoting inclusion for people with disabilities, disadvantaged groups, and students. Additionally, DAF Westerlo collaborates with Thomas More on the Wagenwinkel initiative, a pop-up store where young children with intellectual disabilities sell their handmade gifts and crafts to help bring them closer to society. This successful event, held for the second time, will definitely return next year to continue spreading the Christmas spirit.

DAF Eindhoven is founding member of the foundation 'Samen voor onze Regio' ('Together for our Region'). This enables DAF employees to have the opportunity to do voluntary work at local charity organizations during working hours. In 2025, on average, one activity per month was organized.

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.

A projector was donated to the Máxima Medisch Centrum (local hospital) to prepare children for an operation. Other donations were made to Speelcadeau, the animal shelter and 'Kansen voor Kinderen'. DAF employees accompanied a group of people with physical disabilities to a parc for birds of prey and the annual collection of winter coats, jeans, sleeping bags and toys for local foundations was once again very successful. The collection of deposit cans and bottles provides continuous income that DAF Helpende Handen uses for local donations.

DAF HELPENDE HANDEN

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 arts and economic education.

Corporate Social Responsibility at Leyland Trucks
Also Leyland Trucks (UK) focuses 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 employees to request up to two paid leave days annually to support a local charity or cause of personal significance.

Leyland Trucks is a Disability Confident employer which confirms their aim to foster an inclusive and supportive workplace for individuals with disabilities, striving to eliminate barriers and ensure equal opportunities for all.

Leyland Trucks was awarded the Armed Forces Covenant silver status in 2025. This reaffirmed their commitment to supporting the transition from military to civilian life and actively provide employment opportunities for service members, their partners, and spouses.

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 (€1.15M) to local good causes. Employees organize and participate along with friends, suppliers, and customers in a wide range of activities to raise money.

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 forms the foundation of operating both legally and ethically. At DAF, our corporate governance policies and practices ensure that the Company is managed with the highest standards of integrity and acting 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:

- 2027: Update supplier management process
- 2027: Implement supplier due diligence program
- Every year: >95% participation (and completion) rate for compliance trainings

For dependencies related to these targets see page 11

Governance
The Foundation for Sustainability

Governance Structure
DAF Trucks operates under a two-tier board structure, 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.

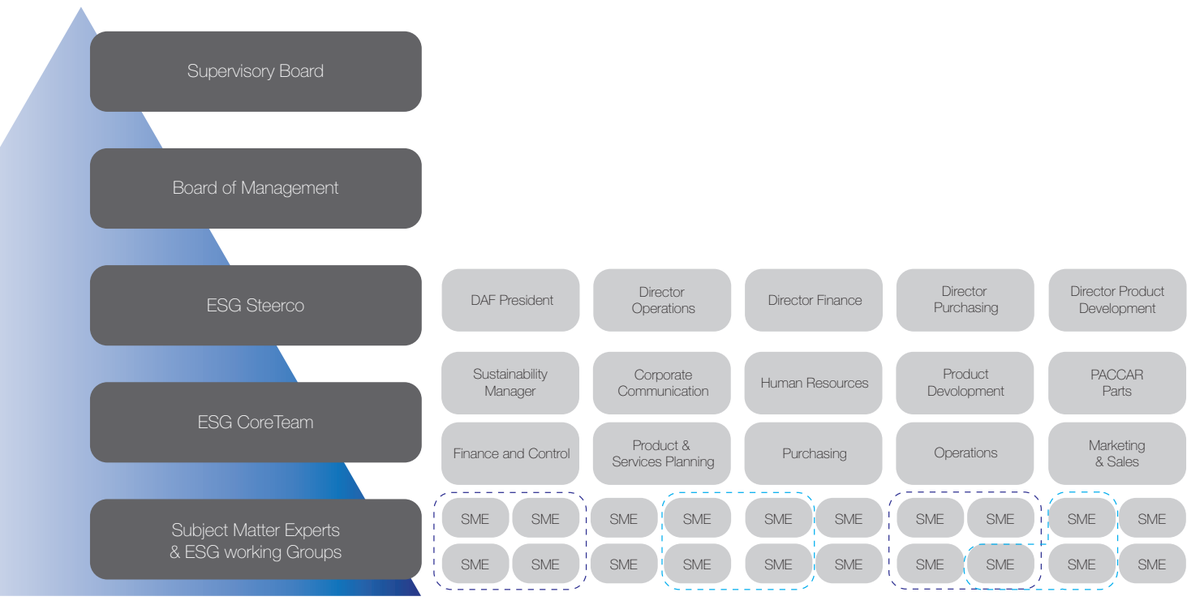
Supporting the ESG Steering Committee is the ESG core team, which consists of representatives from various departments within DAF on either board level or employees reporting to board members. This group is responsible for executing essential tasks such as conducting risk and opportunity assessments, 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 suppliers and dealers to have their own compliance program.

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



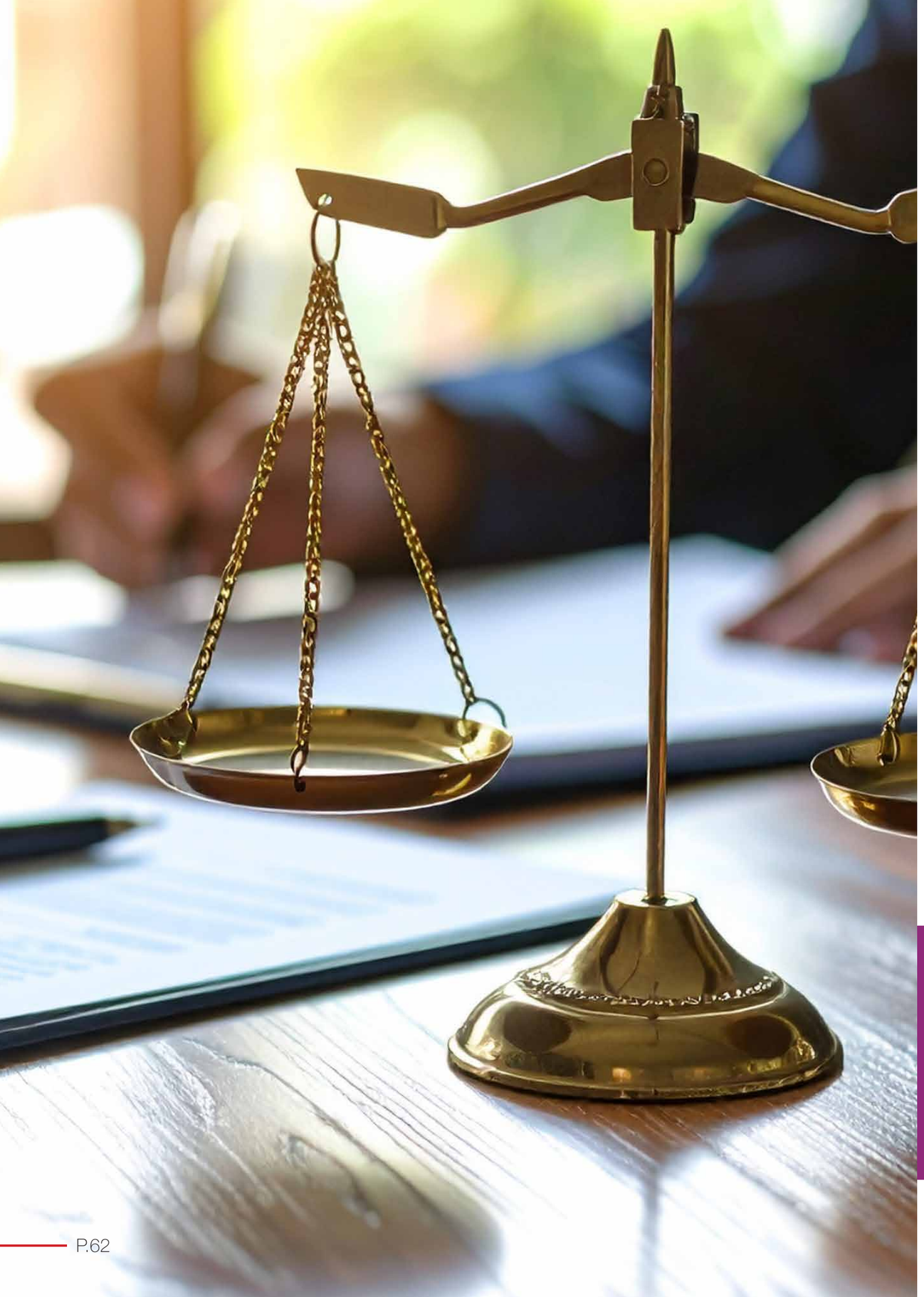
Anti-corruption and Bribery
At DAF, we are committed to the highest standards of ethical conduct and strictly prohibit all forms of bribery and corruption across our global operations. Our comprehensive Anti-Bribery Compliance Policy outlines clear guidelines to prevent improper payments or gifts, whether direct or indirect, to public officials or private entities. We have due diligence processes in place, enforce strict contractual provisions, and promote transparency in all transactions. Employees are encouraged to seek guidance from Compliance Officers and report any suspected violations. This robust framework ensures compliance with international anti-bribery laws and supports our commitment to integrity and sustainable business practices.

Cyber security
In today's interconnected world, cyber threats present significant risks, including financial loss, operational disruption, and reputational damage. By prioritizing cybersecurity, we not only ensure business continuity but also comply with legal and industry regulations while protecting our competitive edge. Investing in robust cybersecurity measures is essential to our company's long-term success and resilience.

n line with this commitment, DAF has obtained the UNECE R155/R156 certifications. These regulations, established by the United Nations Economic Commission for Europe (UNECE), set mandatory cybersecurity and software update requirements for vehicles throughout their entire lifecycle. UNECE R155 focuses on establishing a comprehensive cybersecurity management system to protect vehicles against cyber-attacks, while R156 mandates regular and secure over-the-air software updates. By complying with these standards, DAF ensures that its vehicles meet the highest international cybersecurity requirements, enhancing safety and trust for our customers.

In 2025, DAF also obtained the Trusted Information Security Assessment Exchange (TISAX) label, which further strengthens our information security framework. TISAX is a standardized assessment and exchange mechanism developed by the automotive industry under the umbrella of the ENX Association. It is specifically designed to evaluate and improve information security within the automotive supply chain. By achieving TISAX certification, DAF demonstrates that it meets stringent requirements for protecting sensitive data, including prototypes, intellectual property, and customer information. The TISAX label facilitates secure collaboration with partners and suppliers by ensuring a common level of cybersecurity maturity across the industry.

By applying industry best practice administrative and technical cybersecurity controls as required by TISAX, our vehicles adhere to the highest international cybersecurity standards throughout their lifecycle. Additionally, cyber and information security risks within the supply chain are addressed at our suppliers. We expect suppliers to proactively manage these risks, supported by awareness-raising workshops, and encourage the use of recognized frameworks such as TISAX or equivalent. All personnel receive comprehensive cybersecurity awareness training to proactively address emerging threats.



Speak up / Whistle Blower Policy
At DAF, we believe that an open and transparent culture is vital to maintaining trust and integrity. Our Speak Up and Non-Retaliation Policy encourages individuals to report any concerns or suspect of potential violations of the PACCAR Code of Conduct, internal policies, or applicable laws and legislation. By raising a concern, the reporter not only protects himself but also contributes to a safer and more ethical workplace.

To facilitate this, we have established a whistleblower procedure, allowing employees, temporary workers, suppliers, and business partners to report issues confidentially and anonymously if preferred. Concerns, issues or suspect of violations can be reported directly to managers, HR, Compliance Officers, Director Compliance, or through the PACCAR ethics hotline. Every report is 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 remediate 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 of their reporting. By empowering everyone to speak up, DAF Trucks reinforces its ethical conduct and supportive work environment, where integrity is valued and protected.

Supply Chain Management
Suppliers are selected based on multiple 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, like all our business partners, 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 Supplier Code of Conduct 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 2025 the Supplier Code of Conduct has been sent out to all suppliers.

Code of Conduct

Supplier Code of Conduct

Ethics Hotline

The PACCAR Code of Conduct, the Supplier Code of Conduct and the PACCAR ethics hotline can be accessed by scanning this QR code.

DAF Sustainability Strategy

Our sustainability strategy defines DAF's commitment to achieving the goals set out in the DAF Sustainability Framework. It translates our ambitions into concrete actions, supported by our Sustainability Policy, which embeds environmental, social, and governance (ESG) principles into our governance, strategy, operations, and reporting.

Sustainability is at the core of our business strategy, guiding our actions and ambitions to create lasting value for our customers, employees, suppliers, and the wider community we live in. The DAF Sustainability Framework is built on four fundamental pillars: Emission Reduction, Circular Economy, Care for People, and Responsible Business. These pillars form the foundation of our approach, capturing our key focus areas and directing our actions and decision-making across the organization. For each pillar, we have set targets for 2030 and 2050, contributing to Europe's transition towards climate neutrality, resource efficiency, and social equality. In addition, each pillar is linked to a United Nations Sustainable Development Goal (UN SDG).

Emission Reduction

Emission Reduction refers to the process of lowering the amount of greenhouse gas (GHG) emissions released into the atmosphere. We are dedicated to reducing GHG emissions across our entire value chain. By 2030, we aim to reduce absolute scope 1 and 2 GHG emissions by 45% (compared to the 2018 baseline) and reduce scope 3 GHG emissions from the use of our products by 43% (compared to the 2019 baseline), in alignment with the VECTO target.

To realize our scope 1 and 2 ambitions, we continue optimizing our production facilities to lower emissions and increase the share of green energy used. 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.

Regarding our scope 3 product emissions ambition (which account for over 95% of the total GHG emissions linked to DAF), we keep advancing the development of low-emission vehicles and facilitating the use of renewable fuels. We aim to achieve this through:

1. 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.
2. This also includes promotion of fuel-efficient driving training and services supporting transport efficiency.

Additionally, we collaborate with our key suppliers through defined measurement systems and reduction initiatives to encourage sustainability throughout our supply chain.

Circular Economy

Circularity refers to our approach to minimize waste and maximize resource efficiency. We are guided by the principles of a circular economy by rethinking how we design, manufacture, and reuse products. Our approach focuses on maximizing value through remanufacturing, repair, and recycling, while reducing our reliance on virgin materials. We aim to embed circular sourcing and manufacturing into our way of working.

Looking ahead to 2030, we plan to reduce virgin material use in packaging, expand the share of circular products in our PACCAR Parts portfolio, and minimize waste from our production sites and offices. For our products, we are developing strategies for battery return and end-of-life recycling of our trucks, gradually incorporating recycled material content into product development, and increasing the number of available Life Cycle Assessments (LCA) to better understand and manage our impact.

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 health and workplace safety.

People are central to DAF. Being an attractive place to work means fostering an inclusive, safe, and diverse culture where employees are respected, engaged, and encouraged to develop. By 2030, we aim to have even further improved our positive employee survey scores and to keep voluntary turnover at low levels. We also prioritize health and safety, targeting low absenteeism rates, supporting sustainable employability.

Furthermore, we extend our care to suppliers, customers, dealers, and local communities by enhancing vehicle safety and ergonomics, focusing on working conditions in the value chain, and supporting social initiatives through the PACCAR Foundation and DAF Helping Hands.

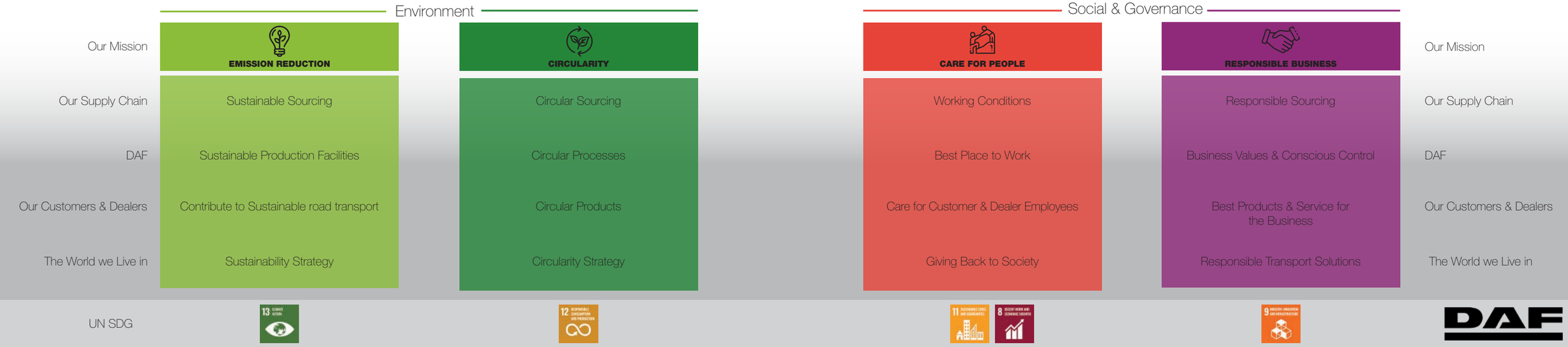
Responsible Business

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.

DAF upholds high standards of integrity, compliance, and transparency. We adhere to the Code of Conduct of our parent company, PACCAR Inc, and expect our partners to adopt similar standards. In our supply chain, we ensure responsible sourcing through rigorous management, supplier screening, due diligence programs, and adopting our Supplier Code of Conduct. Within our downstream dealer network, we also promote sustainability through dealer standards and continuously improve our sustainability reporting to meet legal and stakeholder expectations.

Through these four pillars, DAF is continuously progressing towards a more sustainable future, benefiting our customers, their businesses, and contributing to a better world.

DAF Sustainability Framework



DAF Human Rights Policy

DAF aims to uphold and respect Human Rights in all its facets. The provisions of this policy are informed by insights from the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Global Compact, and the principles specified in the OECD Guidelines for Multinational Enterprises. This Human Rights Policy is in conjunction with any relevant law, our PACCAR Global Code of Conduct and PACCAR Supplier Code of Conduct.

Scope
This Policy applies to and aims to protect the rights of employees, agency workers and contractors within DAF's own operations as well as other groups and individuals, such as employees in our supply chain. DAF expects its suppliers and business partners to participate in a common effort towards protecting human rights.

Human Rights Framework
To address human rights in its operations and contribute to these important principles, DAF has identified the below focus topics as particular relevant for its operations. The below human rights framework promotes and fosters an environment where human rights are promoted through best efforts by the company, its employees and relevant partners.

Safe work environment
DAF is dedicated to building a safe work environment for our employees and business partners where everyone feels valued and respected.

Non-discrimination
DAF does not tolerate any kind of discrimination. No form of discrimination based on race, color, age, sexual orientation, ethnicity, disability, religion or any other characteristics protected by law is allowed.

Harassment prohibition
DAF promotes a workplace that is free from any form of harassment. We do not tolerate any conduct that creates, encourages or permits an offensive, humiliating, intimidating, or retaliatory work environment.

Freedom of association
DAF respects, in accordance with local laws, the rights of employees to form and join trade unions and to bargain collectively.

Working hours, minimum wage and equal remuneration
DAF is committed to respecting the maximum working hours and the right to rest as set by local laws. DAF is committed to paying fair and equitable salaries and benefits. Wages must, at a minimum, comply, with all applicable wage laws.

Workplace health and safety
Workplace health and safety is an integral part of our daily work. We work to ensure we provide healthy working conditions for everyone on our premises by reducing safety risks. Training is an important way to prepare and inform our people about our safety rules and behavior.

Data protections & privacy
DAF values and respects the fundamental right of privacy and is committed to protecting the personal data of employees, customers, suppliers, and everyone whose personal data we process.

Freedom from forced and bonded labor
DAF prohibits the use of bonded or forced labor and is committed to addressing this topic across the operations and in its supply chain.

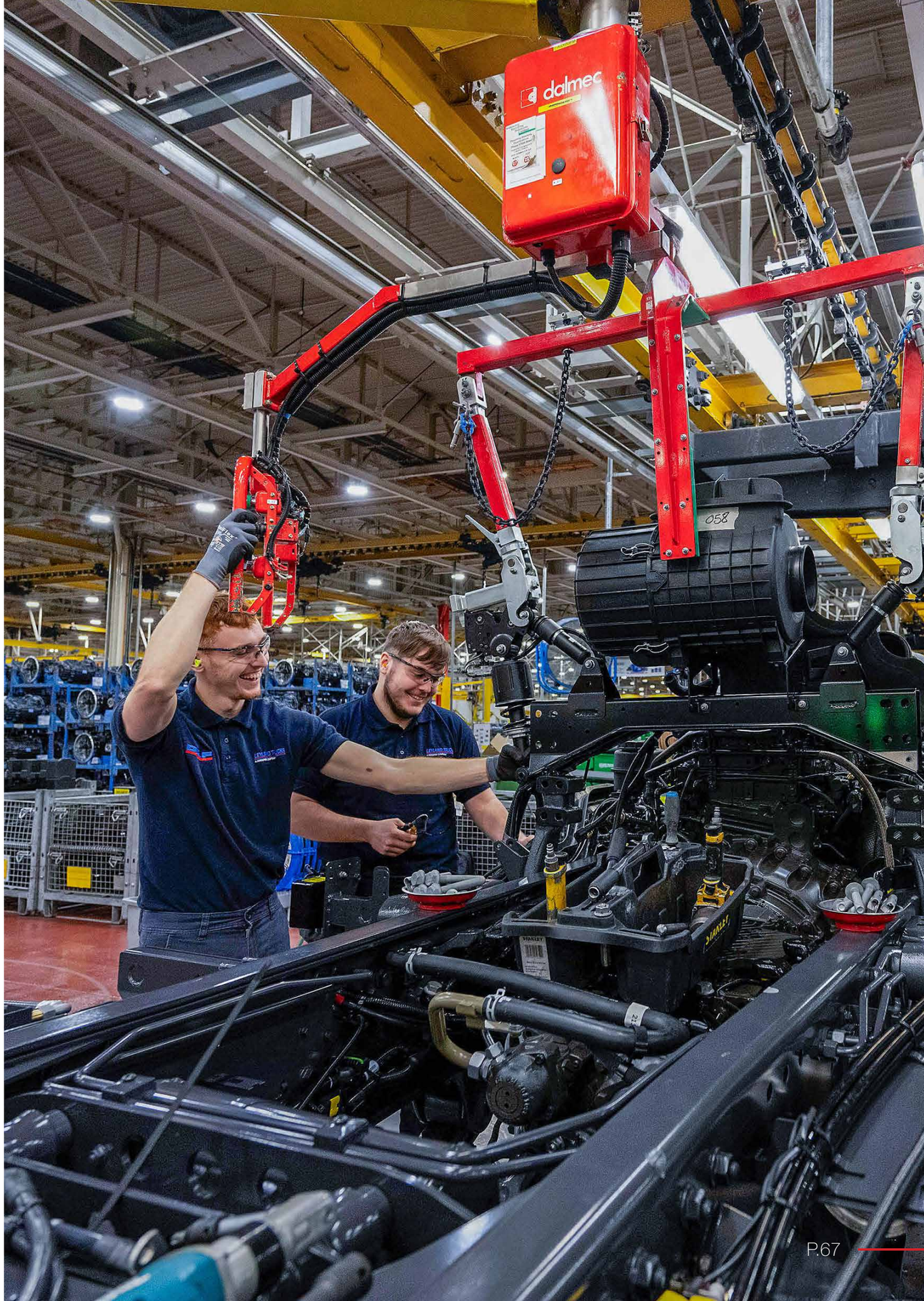
Child labor
DAF is committed to not using child labor and will always adhere to the legal age requirements in all countries in which it operates.

Communication and awareness
DAF provides communication and awareness trainings reinforcing DAF's values, principles, and policies that relate to human rights topics. These initiatives are intended to help employees understand and apply DAF's principles and values in their work environment.

Whistleblower Policy / PACCAR ethics hotline
Employees can raise questions and/or concerns regarding potential and actual adverse human rights impacts related to this policy with their manager, HR, confidential counselors, the local Compliance Officer or the Compliance Director or they can use the Whistleblower Policy or the PACCAR ethics hotline. The PACCAR ethics hotline is also available for business partners and external stakeholders via our website.

DAF does not tolerate any form of retaliation against those who speak up and report a concern in good faith.

Internal control / measures
We expect our employees and our business partners to always act in line with the PACCAR Global Code of Conduct and this policy, use common sense and, if needed, seek guidance or support. DAF strives to do what is practicable and reasonable and to use the leverage it may have proactively identifying and mitigating (potential) adverse human rights impacts in its operations and its supply chain. We continue to monitor regulatory developments, and aim to continuously improving our approach so that we can tailor it to the specific requirements of human rights due diligence and pending legislation. We expect the same commitment from our employees, suppliers and other stakeholders.



METRICS

The scope of the metrics reported in this chapter covers DAF Trucks NV, Leyland Trucks, PACCAR Parts (Europe) and PACCAR Financial Europe. This includes the production facilities in the Netherlands, Belgium and United Kingdom, as well as the European sales subsidiaries and European Parts Distribution Centers. However, in cases where data was unavailable, we have applied reasonable estimates to ensure completeness. For locations deemed immaterial to the overall impact, some metrics data has been excluded to maintain focus on material aspects. Where comparative data is not available, this is indicated by ‘n/a’ in the tables.

The sustainability information presented in this report has been prepared based on the European Sustainability Reporting Standards (ESRS) as applicable at the end of the reporting period. While we strive for accuracy and completeness, the information reflects our current understanding and practices as of the date of publication. While we have taken great care and measures to ensure the accuracy and reliability of the data, the data has not yet undergone external assurance. Certain disclosures are subject to inherent limitations, uncertainties, and assumptions due to the following factors

- **Data Collection Complexity:** Gathering ESG-related data across our operations and value chain involves multiple sources, including third-party providers. Data completeness and quality vary by geography, supplier, and reporting maturity.
- **Reliance on Estimates and Proxies:** Where actual data was unavailable or incomplete, we applied reasonable estimates, extrapolations, and industry-standard emission factors. This is particularly relevant for Scope 3 greenhouse gas emissions and other value chain metrics.
- **Third-Party Information:** Some metrics incorporate external data from vendors or partners. The data governance at these third party providers could be subject to external validation. We rely on accurate third party submissions. However these could contain inaccuracies.
- **Evolving Regulatory Framework:** As this report reflects early-stage implementation of CSRD and ESRS requirements, interpretation and application of standards may evolve. Consequently, methodologies, assumptions, and reported figures may be refined in future reporting periods.
- **Outcome Uncertainty:** Judgments and assumptions used in preparing certain disclosures inherently involve estimation uncertainty. These assumptions are based on currently available information and may change as more granular or verified data becomes accessible.

We continue to enhance our internal controls, data governance, and validation processes to improve the reliability of sustainability information over time. Future updates may include restatements or adjustments as best practices and regulatory guidance mature. We encourage readers to consider this context when interpreting the presented metrics in this report.

Life Cycle Assessment Process

Part of the metrics in scope 3 GHG emissions and other value chain metrics are based on our Life Cycle Assessment (LCA). The LCA process of DAF complies with ISO Standards 14040 and 14044 and follows four main phases:

1. **Goal and Scope Definition:** The LCA is a key tool that helps us measure and understand the environmental impact of the heavy-duty vehicles we design and manufacture. Our LCA takes a “cradle-to-grave” approach, covering every stage from the sourcing of raw materials to the end-of-life treatment of the vehicle. Currently we have LCA results for the vehicle models: New Generation DAF XF ICE and NGD DAF XF ICE & BEV By analyzing each phase of the product’s life cycle, the LCA provides valuable insights into the processes and materials that contribute most significantly to CO_2 emissions. This enables us to identify improvement opportunities and focus our efforts where they can make the greatest environmental impact.

2. **Inventory Analysis:** A reliable LCA requires detailed CO_2 emissions data for every component in the vehicle’s bill of materials, which can include thousands individual elements. To compile this data, DAF uses a combination of industry databases and internal resources covering material composition, production processes, and resource use. Where specific data is unavailable, we primarily rely on industry averages. However, we are continuously working to improve data accuracy. For example, by transitioning toward collecting primary data directly from our suppliers. This effort not only enhances the quality of our LCAs but also helps us in setting targets for upstream scope 3 emissions and impacts.

3. **Impact Assessment:** We apply the ReCiPe 2016 methodology (commonly used in Europe) to translate our collected CO_2 emissions data into environmental impact scores. These scores help us understand the main environmental effects across the vehicle’s life cycle, such as climate change (global warming potential), resource depletion, and impacts on ecosystems and human health.Our analysis shows that the use phase of the vehicle has the largest environmental impact, accounting for roughly 90-95% of the total LCA emissions. It is important to note that this calculation is based on an assumed vehicle lifetime of eight years, and therefore reflects emissions generated during that period.

4. **Next steps:** Although our Life Cycle Assessment (LCA) is conducted as comprehensively as possible, it does have certain limitations, such as the use of industry-average data, assumptions, and estimations. To further reduce environmental impact, we are actively working on several initiatives across the vehicle’s life cycle. In the manufacturing phase, we focus on making our production sites more energy-efficient. Within our supply chain, we explore opportunities to use green steel and other low-carbon materials. For the use phase, we continuously improve vehicle range energy efficiency across our portfolio to minimize emissions when the vehicle is in operation.

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

Production Figures DAF Trucks

	2024	2025
Medium Duty: LF / XB Trucks	8,778	9,450
Heavy Duty: CF / XF / XG / XG+ Trucks	38,841	37,598

ESRS E1 - Climate change

GHG emission reduction action plans and targets

Unit: tonnes CO_2e	**reference year***	**2026 target**	**2030 target**
GHG emissions			
Scope 1	46,327	-	-
Scope 2	61,430	-	-
Total	**107,757**	**79,859**	**59,196**

**reference year scope 1 and scope 2 = 2018, reference year scope 3 = 2019*

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)	**2024**	**2025**
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	48,164*	63,206**
Fuel consumption from natural gas (MWh)	130,882	138,651
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)	93,554	83,957
Total non-renewable energy consumption (MWh)	**272,600**	**285,815**
Share of non-renewable sources in total energy consumption (%)	**89%**	**81%**
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)	34,722	65,233
Consumption of self-generated non-fuel renewable energy (MWh)	116	2,054
Total renewable energy consumption (MWh)	**34,838**	**67,287**
Share of renewable sources in total energy consumption (%)	**11%**	**19%**
Total energy consumption (MWh)	**307,438**	**353,101**

** The 2024 figure was restated as a result of improvement in the metric calculation.*
*** Increased consumption of diesel is caused by increased number of tests in the Engine Test Center.*

Gross Scope 1 emissions breakdown

Unit: tonnes CO_2e	**2024**	**2025**
Total Scope 1	37,666	41,633

Gross Scope 2 emissions breakdown

Unit: tonnes CO_2e	**2024**	**2025**
Location-based	43,923	38,966
Market-based	23,355	15,245

Gross Scope 3 emissions breakdown*

Unit: tonnes CO_2e	**2024**	**2025**
Cat. 1 – Purchased goods / services	1,387,989	1,389,320**
Cat. 11 – Use of sold products	25,798,681	24,164,270
Cat. 12 – End of Life treatment of sold products	150,238	143,802
Total scope 3 (material categories only)	27,336,908	25,697,392

** Categories refer to the GHG protocol (https://ghgprotocol.org/), other categories are immaterial and therefore not published.*

*** the GHG impact of purchased goods has increased, even though the number of sold trucks has decreased. This is caused by the increase of Battery Electric Vehicles in the sales mix, whose supply chain impact is higher than a diesel engined truck (see also the results of the Life Cycle Assessment on page 20-21 for more details).*

Total GHG emissions*

Unit: tonnes CO_2e	**2024**	**2025**
Location-based	27,418,497	25,777,991
Market-based	27,397,929	25,754,270

** Scope 1 GHG emissions + scope 2 GHG emissions + scope 3 GHG emissions cat1 + scope 3 GHG emissions cat11)*

Emission Trading Scheme (ETS)

Unit: tonnes CO_2e	**2024**	**2025**
GHG emissions from ETS installations	15,082	15,696
Scope 1 GHG emissions	37,666	41,633
Percentage Scope 1 in ETS	40%	38%

ESRS E2 - Pollution

Breakdown of pollutants

Unit: tonnes	2024	2025
Emissions of air pollutants generated by the undertaking		
Nitrogen oxides (NOx)	34	39
Non-methane volatile organic compounds (NMVOC)	188	156*

** VOC reduction achieve by installation upgrade axleplant*

Emissions of air pollutants in truck use phase for total trucks sold

Nitrogen oxides (NOx) and Particle Matter:	Cannot be determined in quantitative metric yet Emissions in the use phase of a truck stem from fuel combustion in the engine and far exceed those generated during production. Because these emissions release nitrogen oxides and particulate matter directly into the environment, they have a direct impact on air quality, ecosystems, and public health. To better understand and ultimately reduce these effects, we are developing a model that quantifies realworld emissions across the vehicle's entire lifetime.
Microplastics:	Cannot be determined in quantitative metric yet Secondary microplastics from DAF Trucks originate from the gradual wear and tear of vehicle components, including for example tires, brake pads, and plastic exterior parts. These particles result from the breakdown of larger plastic materials through friction, aging, and environmental exposure. Given the broad definition of secondary microplastics; synthetic polymer particles smaller than 5 mm; estimating emissions at this moment is challenging, as virtually all parts can contribute over time.

Incidents of pollution 2020 until 2025*

Types of non-compliance pollution incident	Volume [Unit: tonnes]	Location	Fines [Unit: k€]	Description
Air pollution	N/A	N/A	0	No fines
Water pollution	N/A	N/A	0	No fines
Soil pollution	N/A	N/A	0	No fines
Substances of concern	N/A	N/A	0	No fines
Substances of very high concern	N/A	N/A	0	No fines

* Includes all confirmed incidents where fine is above 20k€

ESRS E3 - Water

Water withdrawal and discharge by source and destination

Unit: 1,000 m3 liters	2024	2025
Water withdrawal by source		
(1) Fresh surface water, including water from wetlands, rivers, and lakes	878	598**
(2) Rainwater fallen on DAF Eindhoven site	394	258
(3) Total municipal water supplies (or from other water utilities)	432	337
(4) Fresh groundwater	0	0
Total water withdrawal (1+3+4)	**1,310**	**935**
Water discharge by destination		
(5) Discharge: Water returned to the source of extraction at similar or higher quality as raw water extracted (including rain water) (1+2)*	1,273	856
Total water consumption (1+2+3+4-5)	432	337

** The water discharged to the Eindhoven canal is the sum of water withdrawn from the canal + rainwater from the DAF Eindhoven production site.*
*** By changing some of the cooling systems from water cooled to air cooled, the amount of canal water for cooling has been reduced significantly at the Eindhoven site.*

ESRS E5 - Circularity

Resource inflow Production materials*

Unit: tonnes	Description	2024	2025**
Used Materials	Steel	148,142	151,651
	Cast Iron	82,197	85,680
	Aluminum	15,726	13,923
	Copper	5,994	6,670
	Stainless steel	8,579	9,991
	Other Metals	5,591	771
	Plastics	22,680	21,420
	Rubber (excl tires)	5,719	5,293
	Tires	15,634	14,469
	Glass	3,214	2,880
	Electronics	238	256
	Battery cells	6,190	7,348
	Other Materials	13,034	10,187
Total Production materials		**332,938**	**330,539**

** Includes only materials listed in the Bill of Materials of the produced trucks*
*** In 2025, we updated the LCA with a more detailed breakdown of components, which led to categories like 'other metals' and 'other materials' shrinking as their volumes were reassigned to more specific material groups. The calculation also reflects a higher share of BEVs, in line with the shift in our sales mix.*

Resource outflow – waste hierarchy*

Unit: tonnes	2024 Non-hazardous	2024 Hazardous	2025 Non-hazardous	2025 Hazardous	2025 Total
Preparation for reuse	700	1,319	1,509	2,267	3,776
Recycling	42,151	1,838	37,070	570	37,640
Other recovery operations	0	0	0	0	0
Total waste diverted from disposal	**42,851**	**3,157**	**38,579**	**2,837**	**41,416**
Total waste diverted from disposal as % of total waste generated	**92%**	**81%**	**91%**	**84%**	**90%**
Incineration – with energy recovery	3,709	730	3,938	526	4,464
Incineration – without energy recovery	0	28	0	0	0
Landfill	0	0	0	0	0
Other disposal operations	0	0	0	2	2
Total waste directed to disposal	**3,709**	**758**	**3,938**	**528**	**4,466**
Total waste directed to disposal as % of total waste generated	**8 %**	**19%**	**9%**	**16%**	**10%**
Total waste generated	**46,560**	**3,915**	**42,517**	**3,365**	**45,882**

**Waste matrics include only waste from production sites. Office sites are considered to be non-material*

Resource outflow – waste streams*

Unit: tonnes	2024 By weight	2024 % of total	2025 By weight	2025 % of total
Non-hazardous waste				
Building waste and rubble	8,033	17%	1,005	2%
E-waste	39	0%	263	1%
Glass	22	0%	27	0%
Metals	29,271	63%	29,288	69%
Organic/bio-waste	144	0%	125	0%
Other	2,117	5%	4,049	10%
Paper and cardboard	2,102	5%	1,850	4%
Plastics	712	2%	922	2%
Rubber	17	0%	16	0%
Sludges	786	2%	478	1%
Waste oils and waters	18	0%	117	0%
Wood	3,299	7%	4,377	10%
Total Non-hazardous waste	**46,560**	**100%**	**42,517**	**100%**
Hazardous waste				
Batteries	59	2%	54	2%
Building waste and rubble	460	12%	465	14%
Chemicals	1	0%	5	0%
Other	385	10%	610	18%
Packaging	96	2%	90	3%
Paint & solvents	601	15%	461	14%
Sludges	434	11%	346	10%
Waste oils	793	20%	664	20%
Waste Water	1,085	28%	670	20%
Total Hazardous waste	**3,915**	**100%**	**3,365**	**100%**

**Waste matrics include only waste from production sites. Office sites are considered to be non-material*

ESRS S1 - Own workforce

All metrics related to own workforce are calculated in headcount on December 31, 2025.

Comparative data is based on headcount on December 31, 2024.

Other genders than male or female did not occur in 2025, therefor metrics per gender only show a male and female category for readability reasons.

Workforce characteristics

Unit: # headcount	2024 Male	2024 Female	2024 Total	2025 Male	2025 Female	2025 Total
Employees by contract type						
Permanent employees	8,490	1,133	9,623	8,161	1,091	9,252
Temporary employees	93	30	123	72	21	93
Non-guaranteed hours employees	0	0	0	0	0	0
Employees by full time / part time						
Full-time employees	7,530	878	8,408	7,113	825	7,938
Part-time employees	1,053	285	1,338	1,120	287	1,407
Employees by age groups						
< 30 years	914	163	1,077	748	137	885
30 – 50 years	4,434	660	5,094	4,305	631	4,936
> 50 years	3,226	334	3,560	3,180	344	3,524
Not given	9	6	15	0	0	0
Total employees	**8,583**	**1,163**	**9,746**	**8,233**	**1,112**	**9,345**

Workforce characteristics - country of employment

Unit: # headcount	2024	2025
Belgium	2,138	2,036
Czech Republic	117	106
France	167	154
Germany	225	205
Hungary	224	217
Italy	53	50
Poland	87	77
Spain	77	71
The Netherlands	5,396	5,238
United Kingdom	1,236	1,161
Other	26	30
Total employees	**9,746**	**9,345**

Non-employee workers in own workforce

Unit: # headcount	2024	2025
Contractors (self-employed)	0*	0
Workers employed by third party	1,394	1,065
Value chain workers	1,039	1,233
Total employees	**2,433**	**2,298**

** The 2024 figure has been restated based on new insights about classification*

New hires (inflow)

	2024			2025		
Unit: # headcount	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Full-time employees	376	88	464	209	28	237
Part-time employees	13	11	24	8	2	10
Total new hires	**389**	**99**	**488**	**217**	**30**	**247**

Turnover (outflow)

	2024			2025		
Unit: # headcount	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Employee turnover	818	150	968	584	87	671
Total turnover rate (in %)*				7.1%	7.8%	7.2%

**Total turnover rate calculation: (the aggregate of the number of employees who leave voluntarily or due to dismissal, retirement, or death in service) / (Number of employees in reporting year).*

Gender diversity

	2024			2025		
Unit: # headcount	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Supervisory Board*	6	1	7	6	1	7
Board of Management	12	2	14	13	1	14
Board of Management - 1 level	82	8	90	89	8	97
Total top management*	**94**	**10**	**104**	**102**	**9**	**111**
Total non-top management	689	98	787	657	100	757
Total employees	8,583	1,163	9,746	8,233	1,112	9,345

**Supervisory Board are no DAF employees, and therefor not included in total employees or in top management totals.*

Age diversity

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

			2025		
Unit: # headcount	**<30 years**	**30 - 50 years**	**>50 years**	**Not given**	**Total**
Supervisory Board*	0	0	7	0	7
Board of Management	0	4	10	0	14
Board of Management - 1 level	0	47	50	0	97
Total top management*	**0**	**51**	**60**	**0**	**111**
Total non-top management	14	441	302	0	757
Total employees	885	4,936	3,524	0	9,345

**Supervisory Board are no DAF employees, and therefor not included in total employees or in top management totals.*

Health & safety

Health & Safety Management System	**2024**	**2025**
Percentage of own workers covered by the health and safety management system	88%	88%
Health and safety management system standard or certification	ISO 45001	ISO 45001
Incident recording		
Recordable work-related incident rate*	5.9	5.1
Number of work-related recordable incidents	n/a	74
Number of fatalities	n/a	0
Number of days lost due to work-related injuries, recordable work-related accidents and work-related ill health	n/a	1,352

**Recordable work-related incident rate calculation: (Number of cases (fatalities, injuries and ill health) x1,000,000) / Total number of hours worked by own employees*

ESRS G1 - Business Conduct

Anti-bribery and corruption

	2030 target	2024 results	2025 results
E-learning participation rate	>95%	>99%	99,6%
Classroom training participation rate	>95%	>95%	98,3%

Training anti-corruption and bribery

Annual e-learnings were conducted and participation was reported, as required under DAFs Internal Control program (ICAP). Participation on compliance e-learning training can be found in the table above. The applicable e-learnings (by function) were assigned to the relevant employees based on their compliance risk profiles.

Next to these mandatory e-learning trainings, classroom sessions were held throughout the year. The compliance classroom sessions are a combination of the key compliance topics and continued to be highly valued by all participating PACCAR EU employees.

Data protection was addressed in separate classroom sessions.

GRI INDEX

Statement of use DAF has reported the information cited in this GRI content index for the period January 1st until December 31st, 2025, with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	PAGE
GRI 2: General Disclosures 2021	2-1 Organizational details	5
	2-2 Entities included in the organization's sustainability reporting	5
	2-6 Activities, value chain and other business relationships	10,11,14
	2-7 Employees	42-49,75-77
	2-8 Workers who are not employees	45, 50-57,75-77
	2-9 Governance structure and composition	60
	2-22 Statement on sustainable development strategy	28-31
	2-23 Policy commitments	60-63
	2-24 Embedding policy commitments	60-63
	2-25 Processes to remediate negative impacts	63
	2-26 Mechanisms for seeking advice and raising concerns	63
	2-27 Compliance with laws and regulations	60-63
GRI 3: Material Topics 2021	3-1 Process to determine material topics	10-11
	3-2 List of material topics	10-11
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	60-61
	205-2 Communication and training about anti-corruption policies and procedures	60-61
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	60-61
GRI 301: Materials 2016	301-1 Materials used by weight or volume	39, 73
GRI 302: Energy 2016	302-1 Energy consumption within the organization	70
	302-4 Reduction of energy consumption	27 ,70
	302-5 Reductions in energy requirements of products and services	28
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	27
	303-3 Water withdrawal	73
	303-4 Water discharge	73
	303-5 Water consumption	73
GRI 305: Emissions 2016	305-1 Direct (scope 1) GHG emissions	71
	305-2 Energy indirect (scope 2) GHG emissions	71
	305-3 Other indirect (scope 3) GHG emissions	71
	305-5 Reduction of GHG emissions	70
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	72
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	74
	306-2 Management of significant waste-related impacts	74
	306-3 Waste generated	74
	306-4 Waste diverted from disposal	76
	306-5 Waste directed to disposal	62-63
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	65
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	48-49
	403-2 Hazard identification, risk assessment, and incident investigation	45-49
	403-3 Occupational health services	48-49
	403-4 Worker participation, consultation, and communication on occupational health and safety	45-49
	403-5 Worker training on occupational health and safety	48-49
	403-6 Promotion of worker health	45-49
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45-49
	403-8 Workers covered by an occupational health and safety management system	48-49
	404-2 Programs for upgrading employee skills and transition assistance programs	46-47
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	76-77

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