SUSTAINABLE BUSINESS STRATEGY

Sustainability built into our strategy

SpurWechsel – we are changing lanes: We can and want to once again steer the history of mobility in a positive direction. We are the founders of the “good old days” of the automobile, but now it’s time to shape the “good new days” of sustainable mobility – through innovations rather than restrictions. At Daimler, sustainability means creating lasting economic value for our shareholders, employees, and partners, while always keeping in mind the environmental and societal impacts of our activities on our stakeholders along the entire value chain.
That is why we are forging ahead with electric mobility. That is why we are connecting our vehicles. That is why we are doing everything in our power to reconcile the growing need for mobility with climate protection and improving air quality, with resource conservation, livable cities, maximum traffic safety, systematic data responsibility, and the effective protection of human rights.

The transformation to self-determined and sustainable mobility is one of the biggest renewal projects of our time. But it is also one of the most important and most inspiring ones. This transformation goes far beyond our company, and even beyond the automotive industry. It requires new alliances between science, automakers, suppliers, the energy industry, politics, and society. It can be accomplished, however, and it must be done together, not in conflict with one another.
## Group profile 2019

### Daimler Group

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
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<tr>
<td><strong>Employees (December 31)</strong></td>
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<td><strong>Unit sales</strong></td>
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<td><strong>Financial key figures (in EUR millions)</strong></td>
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<tr>
<td>Revenue</td>
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<td>Research and development expenditure</td>
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<tr>
<td>Employee expenditure</td>
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<tr>
<td>Total dividend</td>
<td>3,477</td>
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Our brands

Daimler AG is one of the world’s most successful automotive companies. With its Mercedes-Benz Cars & Vans, Daimler Trucks & Buses and Daimler Mobility divisions, the Group is one of the leading global suppliers of premium cars and one of the world’s largest manufacturers of commercial vehicles. Daimler Mobility offers financing, leasing, fleet management, investments, credit card and insurance brokerage, as well as innovative mobility services.
Our strategy for the future

We firmly believe that individual mobility will likely be a basic human need in the coming decade as well. Demand for goods transport services remains a key pillar of the economy and our prosperity, and this demand can be expected to increase even further around the globe for years to come. The markets for financial services and the demand for fleet management services and digital mobility solutions are also likely to develop positively in the future. We are committed to the principles of sustainability and in particular of climate protection, and are therefore setting our course for CO₂-neutral mobility.

"Our strategy is helping us lay the groundwork for climate-neutral and sustainable mobility. The key to achieving this goal is innovation within the framework of a holistic approach along the entire value chain.

Ola Källenius
Chairman of the Board of Management of Daimler AG and Mercedes-Benz AG

The basis of our strategy is our purpose – the spirit and purpose that guide all of our decisions and actions. What is our DNA, what makes us who we are, why are we as a company active in the market? We have answered these questions for all of our divisions. Mercedes-Benz Cars’ motto is “First Move the World.” Daimler Trucks & Buses is there “For All Who Keep the World Moving,” and Daimler Mobility makes it clear that “We Move You.” Daimler itself is the connecting element that holds these businesses together, as symbolized by the word “move.”

For us this means striving to achieve more than just the obvious — and to go beyond our immediate concerns, with regard to sustainability as well.
Our six sustainability themes

We have derived specific goals from our aspiration. Sustainability issues thus form an integral part of our business strategy. We know that we can only remain successful over the long term if we conduct our business operations responsibly. In doing so, we generate added value for all our stakeholders — for our customers, employees, investors, business partners, and society as a whole.

In order to achieve this, we plan to:

— offer CO₂-neutral mobility over the next 20 years,
— decouple resource consumption from growth in our business volumes,
— provide mobility and traffic management solutions that make cities more livable,
— implement measures that increase safety on the road,
— continue to utilize data responsibly,
— assume responsibility for respecting human rights along the entire value chain.

With our central sustainability management we have set ambitious targets and ensure tracking them in our six strategic themes:
Utilizing the potential of sustainability

Achieving success in our areas of action requires a clear commitment to a culture of integrity, as well as future-oriented cooperation with our workforce and our partners in industry, government, and society at large.

Our success thus depends on the following enablers:

- Integrity
- People
- Partnerships

In order to make sure that sustainability-related activities have a substantial effect, they have to be regularly monitored and adapted in keeping with the latest developments. We therefore work together with our stakeholders on the formulation of key issues and targets. International frameworks such as the Sustainable Development Goals of the United Nations and the ten principles of the UN Global Compact provide a fundamental guide for our activities in this regard.

Renata Jungo Brüngger and Markus Schäfer
Co-Chairs of the Group Sustainability Board

Further information and key figures:

- Sustainable business strategy, AR 2019
- Additional details of our regions, AR 2019
- Key financial figures for 2019, AR 2019
- Key figures environment
- Key figures Human Resources
- Sustainability strategically integrated
On the road to CO₂-neutral mobility

Emission-free mobility – this is our vision and the basis of our commitment to climate protection and air quality. It is also a core element of our sustainable business strategy. Our aim here is for our new vehicle fleet to become CO₂-neutral by 2039 and to no longer have any relevant impact on air quality in inner cities. We address climate protection using a holistic approach, as our objectives relate to all stages of automotive value creation – from the supply chain to production, the vehicle use phase, and vehicle disposal and recycling.
OUR TARGETS

- CO₂-neutral vehicles* by 2039
- CO₂-neutral production**
  - Share of passenger car sales accounted for by plug-in hybrids or all-electric vehicles in 2030
- Reduction of the CO₂ emissions of the new passenger car fleet by 2030***

* New passenger cars throughout the entire vehicle life cycle worldwide, new trucks and buses in driving operation in key regions (Triad markets of Europe, Japan, and NAFTA)
** All production facilities in Europe
*** As compared to 2018, in the use phase (well-to-wheel), Science Based Targets Initiative target for Scope 3

EQC 400 4MATIC: Electric power consumption (combined, acc. to NEDC): 21.3-20.2 kWh/100 km; CO₂ emissions combined: 0g/km; see appendix: labeling
CO₂ neutrality at Mercedes-Benz Cars: We are flipping the switch

We plan to fundamentally transform our product portfolio over the next two decades. Our approach to achieving emission-free mobility involves electric vehicles powered by battery-electric and fuel cell drive systems, further improvements to efficiency through hybridization, and the further development of our vehicles with modern combustion engines.

"As we work to achieve our long-term goal of climate neutrality, we are focusing on both the systematic electrification of our product portfolio and on our supply chain: A portion of the battery cells used in the next generation of vehicles produced by our EQ product and technology brand will already be manufactured using electricity obtained exclusively from renewable sources.

Markus Schäfer
Member of the Board of Management of Daimler AG
Group Research & Mercedes-Benz Cars
Chief Operating Officer
Daimler Trucks & Buses:
Making CO₂-neutral transport a reality

As one of the world’s leading manufacturers of commercial vehicles, we have made a firm commitment to electric mobility in heavy-duty trucks. With our electric city buses and comprehensive “eBus” consulting services, we are already making a major contribution to locally emission-free public transport and the improvement of air quality in cities.

“Our ultimate goal is to achieve CO₂-neutral transport on the road by 2050. Along with battery-electric drives, we are also focusing on fuel cells, as the two technologies ideally complement each other. In order to achieve our goal, competitive conditions for CO₂-neutral transport must be established for our customers in terms of costs and infrastructure.”

Martin Daum
Member of the Board of Management of Daimler AG
Chairman of the Board of Management of Daimler Truck AG
Climate-neutral production

We aim to achieve CO₂-neutral production. Production at our Daimler plants in Europe will be CO₂-neutral as of 2022, when 100 percent of purchased electricity will come from renewable sources such as wind and hydroelectric power facilities. The rest will be generated by photovoltaic systems on the roofs of our production halls, or in our own highly efficient natural gas-fired combined heat and power (CHP) plants. From 2022 on, we will utilize suitable compensation projects to offset the resulting CO₂ emissions, as well as other CO₂ emissions produced by the use of fossil fuels. In order to continue lowering the remaining CO₂ emissions beyond the reductions from the compensation projects, we are aiming to achieve an absolute reduction of 50 percent of CO₂ emissions relative to 2018 in Mercedes-Benz Cars & Vans production operations worldwide by 2030.

We have been successful on our path, as already this year we were able to achieve our long-term reduction targets for the period from 1992/1994 to 2020.

On the road to CO₂-neutral production

Working together to protect the climate

Our holistic approach to climate protection also involves including our suppliers, as we plan to implement effective climate protection measures in cooperation with our partners in the supply chain. It all starts with transparency. To this end, we are working with organizations such as CDP to assess the environmental impact of our passenger car supply chain. We are cooperating closely with our most CO₂-intensive suppliers to also identify effective CO₂ reduction measures in this area. Our goal at Mercedes-Benz Cars is to establish CO₂ targets as a key criterion for selecting suppliers and concluding supplier agreements.

Climate protection in the supply chain

-50% absolute CO₂ emissions reductions from production operations by 2030

Our commitment to climate protection: scientifically verified

Mercedes-Benz Cars & Vans had its climate protection targets scientifically verified by the Science Based Targets Initiative (SBTI) in 2019. This makes it clear that our targets are aligned with the Paris Agreement and the latest findings of the scientific community.

Our SBTI-verified targets:

- Reduction of the greenhouse gas emissions of the new vehicle fleet at Mercedes-Benz Cars & Vans during the vehicle use phase (well-to-wheel) by more than 40 percent as compared to 2018 by 2030.
- 50 percent reduction as compared to 2018 of CO₂ emissions and energy purchases (Scope 1 & 2) at our Mercedes-Benz Cars & Vans plants worldwide by 2030.

Further details of our SBTI targets
Improving air quality

In addition to climate protection, the improvement of inner-city air quality plays an important role for us. Our objective here is to ensure that, beginning in 2025, our new fleet of cars will no longer have a significant impact on NO₂ pollution in urban areas. We are also increasing transparency with regard to particulate emissions and are working to further reduce such emissions.

For this reason, Mercedes-Benz has systematically adapted its product portfolio to a new generation of diesel engines over the last few years and has invested approximately €3 billion in development and production for this purpose. Vehicles equipped with the new engines also display low NO₂ emissions in real driving operation: On many journeys using the Real Driving Emissions (RDE) measuring process, they actually record values significantly lower than the current laboratory threshold limit of 80 milligrams per kilometer. Vehicles equipped with the latest generation of diesel engines achieve average NO₂ values of around 20 to 30 milligrams per kilometer in long-term operation over many thousands of kilometers under RDE conditions.

We are also striving to improve air quality at our plants and surrounding areas, and we aim to achieve best-in-class status with regard to production-related VOC (volatile organic compound) emissions.

Air quality: Targets and measures
SELECTED MEASURES

✔️ Our future is electric

We are developing electric model variants of all our vehicle models — from passenger cars and vans to trucks and buses. Thanks to our modular development approach, we are able to transfer technologies between our divisions quickly. Our development focus is battery-electric mobility. However, it is also important that we remain open to other technologies and pursue other solutions, such as those involving fuel cell drives or the use of so-called e-fuels.

Cars

EQC
The all-electric Mercedes-Benz EQC is the first model from our new EQ series. We delivered the first EQCs to customers in 2019. The intelligent operating strategy utilized for the EQC enables an electric range (acc. to NEDC) from 429-454 km.

GLC F-CELL
The GLC F-CELL combines innovative fuel-cell and battery technologies for the first time: Apart from electricity, it also runs on pure hydrogen. GLC F-Cell models are currently being used by the Hamburg police department and the Premier of the German state of Baden-Württemberg, Winfried Kretschmann, for example.

Plug-in hybrid family
Under the label EQ Power, we are consistently forging ahead with the development of our plug-in hybrid vehicles. Between now and 2020, we plan to expand our range of plug-in hybrid variants to well over 20 models.

Vans

eVito
The all-electric eVito has been available since the end of 2018. The eVito comes in two versions — as a panel van for goods transport and as a tourer model with up to nine seats for transporting passengers.

EQV
The EQV, which was unveiled in 2019, is one of the world’s first purely battery-electric full-size MPVs in the premium segment. The technical highlights include a range of 417 km (provisional figures) and rapid charging.

Trucks

eActros
We presented the first electric Mercedes-Benz truck already in 2016. With a range of 200 km, the eActros is ideal for use in urban traffic, where it can also help to lower exhaust gas and noise emissions. Series production of an upgraded version of the electric truck is scheduled to begin in 2021.

Buses

eCitaro
The all-electric Mercedes-Benz eCitaro offers cities and transport companies the possibility of converting their fleets to locally emission-free operation. The bus has a range of around 170 kilometers in typical city driving conditions without the need for recharging during operation.

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1 EQC 400 4MATIC: Electric power consumption (combined, acc. to NEDC): 21.3-20.2 kWh/100 km; CO2 emissions combined: 0 g/km, see appendix: labeling
2 GLC F-CELL: Weighted hydrogen consumption: 0.91 kg/100 km; combined CO2 emissions: 0 g/km; combined power consumption: 18.0 kWh/100 km, see appendix: labeling
3 eVito Panel Van: Combined power consumption: 24.9-20.5 kWh/100 km; combined CO2 emissions: 0 g/km, see appendix: labeling
4 eVito Tourer: Combined power consumption: 26.2 kWh/100 km; combined CO2 emissions: 0 g/km, see appendix: labeling
5 EQV 300: Combined power consumption: 26.4-26.3 kWh/100 km; combined CO2 emissions: 0 g/km, see appendix: labeling
6 The actual range is furthermore dependent upon the individual driving style, the road and traffic conditions, outside temperature, use of climate control/heating system, etc. and may differ accordingly.
Our new plants: Digital, flexible, environmentally friendly production

On the road to CO₂-neutral production

Battery plant in Kamenz

With its battery plant in Kamenz, Germany, Daimler now has one of the biggest and most modern automotive battery production facilities in the world. Series production of batteries for cars and commercial vehicles was launched in Kamenz in 2019. The new battery plant is designed as a CO₂-neutral facility. Here, energy is supplied to the production units by a geothermal energy system in conjunction with a combined heat and power plant and a photovoltaic system. Daimler is also building new battery plants in the United States and other European countries.

“Factory 56” in Sindelfingen

Our “Factory 56” is now being built at the Mercedes-Benz Sindelfingen plant in Germany. “Factory 56” will be one of the most modern automobile production systems in the world — and will use CO₂-neutral energy as soon as it is commissioned. A photovoltaic system installed on the roof will generate green electricity for the manufacturing hall below. Numerous measures to reduce energy consumption will also be implemented at the facility, and approximately 40 percent of the roof’s surface will be turned into a green roof.

Further details of our Factory 56
Easy charging — all over Europe

We are making it possible for our customers to take advantage of user-friendly electric mobility services, and we are also participating in the expansion of the battery-charging infrastructure. Mercedes me Charge, for example, offers drivers of Mercedes-Benz EQC and plug-in hybrid models equipped with the latest generation of the MBUX (Mercedes-Benz User Experience) infotainment system a special option that gives them access to one of the world’s largest charging networks, with more than 300 different operators of public charging stations in Europe alone (in cities, in parking lots, on highways, and in shopping centers).

Mercedes me Charge also allows customers to access the fast-charging stations operated by the pan-European IONITY network. The network’s short charging times make for a pleasant journey, especially over long distances. IONITY plans to build and operate around 400 fast-charging stations along the main traffic arteries in Europe by 2020.

The IONITY charging network is set to operate with 100 percent renewable energy in 24 European countries by the end of 2020. IONITY was established in November 2017 as a joint venture between the BMW Group, Mercedes-Benz AG, Ford Motor Company, and the Volkswagen Group (with Audi and Porsche).

Further details on charging on the go

New sustainability partnership

In September 2019, Mercedes-Benz established a sustainability partnership with Farasis Energy (Ganzhou) Co., Ltd., a Chinese company that develops and manufactures lithium-ion battery technologies. Among other things, the partnership involves the procurement of battery cells manufactured in CO₂-neutral production systems. To this end, Farasis Energy utilizes electricity from renewable sources such as hydro, wind, and solar energy.

Our cooperation with Farasis Energy

OUTLOOK

The progress we make in achieving our strategic climate targets is continually monitored and reviewed using our central sustainability management. This approach is designed to ensure that we achieve our self-defined targets within the stipulated time frame.

How we are managing the Group sustainably
Resource conservation, recycling, and reuse

Our goal is to transform our value chain into a value cycle. That’s because even as the global demand for mobility is increasing, the availability of resources is declining. We’re therefore taking on responsibility in terms of both products and production. More specifically, we are seeking to increasingly decouple resource consumption from production growth — for example by closing material cycles, making our processes even more efficient, and increasing the share of recyclates in our products.
Energy consumption per vehicle*

- Passenger cars: –43%
  Status as of 2019: –10%

- Vans: –25%
  Status as of 2019: –7%

Water consumption per vehicle*

- Passenger cars: –33%
  Status as of 2019: –7%

- Vans: –28%
  Status as of 2019: –12%

Waste for disposal per vehicle*

- Passenger cars: –43%
  Status as of 2019: –25%

- Vans: –33%
  Status as of 2019: –31%***

Primary raw material consumption for electric drive systems**

- Passenger cars: –40%

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* In production, as compared to the average for 2013/2014
** Per kWh, as compared to 2015
*** The reduction was 23 percent if a reclassification of waste for disposal (according to Daimler Group environmental guidelines) at one international location in 2017 is deducted.

Accordingly, the target for 2030 is currently being reevaluated and adjusted, if necessary.
Decoupling resource consumption from growth

Environmental challenges are increasing around the world. At Daimler, we are therefore working to close material cycles and further improve the efficiency of our processes in an effort to reduce overall resource consumption and promote the further development of a circular economy. We plan to increase transparency regarding the use of secondary raw materials in our products — at all business units and in all regions. This particularly applies to materials that we require in large amounts — i.e. steel, aluminum, and polymers, as well as the key raw materials used to manufacture batteries.

Lower materials consumption, lower impact

Our target is to make our vehicles lighter while continuing to reduce the environmental impact of materials used in their production. For this, we are employing new lightweight materials and components, and we also plan to gradually increase the share of renewable raw materials and recycled materials used in our vehicles. Since 2005, we have continually increased the share of plastic recyclates in our vehicles. Within the framework of our research and development activities, we also continue to work on ways to alter the chemical composition of our batteries, which influences their energy density. Such alterations could also lower total battery weight and thus reduce the raw material requirement for future batteries.

Identifying critical raw materials: The ESSENZ method

Several types of raw materials used in electric vehicles are associated with certain risks. In order to better assess these risks with regard to passenger cars, we conducted the ESSENZ research project together with partners from industry and science. The result has been a new holistic approach that our engineers are already using in the early phases of vehicle development. Their risk assessments in line with the ESSENZ approach show them how critical the use of a certain raw material is today or can become in the future. Along with the geological availability of a raw material, our engineers also examine socioeconomic factors and social and societal risks.
Resource-efficient: “Factory 56”

A characteristic feature of “Factory 56” is its modular building structures that stand out through their energy-efficient and eco-friendly design. The “Factory 56” production hall at the Sindelfingen plant will reduce water consumption and waste production significantly compared to a conventional facility. We have also implemented a range of measures that will ensure lower energy consumption for “Factory 56”. The fact that 40 percent of the roof’s surface is to be planted will not only offset the creation of impervious ground surfaces and ensure rainwater retention; it will also improve the interior climate in the hall.

Reduction of specific waste for disposal in our trucks & buses plants

This large reduction from 2013/2014 to the reporting year was, among other factors, achieved through a reclassification of foundry sands at our plant in Mannheim, which are since 2017 being used to seal landfills.
From a value chain to a value cycle

We aim to avoid waste and unnecessary resource and energy consumption wherever possible. Within the framework of our remanufacturing approach, we are employing an industrial process to recondition used Mercedes-Benz GenuineParts. These genuine replacement parts, which include engines and transmissions, are thus recycled and used in a second automotive life cycle. The process results in considerably lower energy consumption and CO₂ emissions than would be the case if a new component was to be produced. We are utilizing our remanufacturing approach for both traditional drivetrain components and the high-voltage batteries that are used in our electric and hybrid vehicles.

Further details on remanufacturing

The more we succeed in reusing components, the less energy and resources we will consume during the entire production process. Our priority is therefore a high remanufacturing quota. To achieve this, it is important for us to be involved in the early development phases of a vehicle so that our requirements concerning the parts are taken into account.

Andreas Jörg
Responsible for Remanufacturing and Value Parts & Services at Mercedes-Benz AG

New life for used parts

We also disassemble end-of-life vehicles at our Mercedes-Benz used parts center (Gebrauchtteile-Center – GTC) in Neuhausen, Germany and make sure that as many used parts as possible can be reused and sold. Parts and components that are not suitable for reuse are recycled. Our goal here is to recover as many valuable recyclable materials as possible — for example copper cables, aluminum and iron scrap, glass, plastics, and shock absorbers.

More about our Mercedes-Benz used parts center (GTC)

Approximately 5,000 end-of-life vehicles are professionally disassembled by our GTC employees each year.
Our plan for the long term is to transform our entire value chain into a closed-loop value cycle to the greatest extent possible. One of the ways to do this is to return our waste to the material cycle. The materials used in a battery are still very valuable at the end of the battery’s life cycle. The recycling and reuse of such materials are currently the focus of our strategic activities and will remain so in the future. Here it is important and necessary for us to incorporate our suppliers more extensively into our activities in this regard — for example through dialog and qualification measures. In addition, we are working in various initiatives that are designed to reduce resource consumption in key raw materials industries.
A better quality of life in cities

From ridesharing services to public transport and electric and automated vehicles – people who wish to move around in a city can already take advantage of a variety of options. Nevertheless, there remains a huge potential still to be tapped. What’s needed are services that are simultaneously comfortable, fast, environmentally friendly, and safe. Our vision at Daimler is to offer sustainable mobility and transport solutions that help to make cities desirable places to live.
More and more people around the world are moving to cities. There are many reasons for this, one being that there are more jobs to be found in cities. The growth of major metropolitan areas also has negative consequences, however, including higher traffic volumes, which lead to increased emissions and noise. In an effort to counter this development, Daimler is intensively engaging with urban mobility. Reducing emissions in cities, increasing safety, and making a broader range of mobility solutions available — these are our objectives for making livable cities.

We are focusing on three specific areas of action here.

- We offer private and business customers in metropolitan areas safe, low-emission products combined with accompanying services.
- We are supporting mobility that goes beyond privately owned cars by investing in new mobility services and platforms.
- We are helping to create smart cities by understanding cities’ needs, combining existing solutions from Daimler, and developing new services.
As we move ahead with the electrification of our vehicle fleet, we are focusing particularly on vehicles that operate in cities. With the all-electric Mercedes-Benz eCitaro, we are offering a locally emission-free city bus, thereby contributing to environmentally friendly local public transport in cities and metropolitan areas.

The Mercedes-Benz eCitaro received two awards at the Busworld Europe international bus show in Brussels in 2019: the “Sustainable Bus Award 2020” in the “Urban” category and the “Comfort Label 2019” award. The panel that voted on the awards determined that the Mercedes-Benz eCitaro currently offers the best combination of sustainability, comfort, and safety.

The number of orders received for the eCitaro has reached three digits, which demonstrates the high level of customer acceptance of this electric bus. Because of this high level of acceptance, Daimler Buses was able to obtain a large number of major orders for the Mercedes-Benz eCitaro in 2019, including orders for 56 units for Wiesbaden, 48 for Hanover, 27 for Aachen, and 25 for Hamburg. The first orders from European cities outside Germany for the battery-electric eCitaro were also received last year. Today eCitaro buses are already in regular service in cities including not only Berlin and Hamburg but also Oslo (Norway), Ystad (Sweden), and St. Gallen (Switzerland).

Nearly 100%

Beginning in 2022, the eCitaro will be equipped with a fuel cell range extender that will enable the bus to be used on virtually all local public transport routes.
We see the greatest requirements by far arising from the trend toward electric mobility. In Europe alone, the fleet of battery-electric buses is set to increase to over 2,500 units this year. For the future this means that various European cities will only buy low-emission or emission-free buses. We assume that in 2030 over 70 percent of all newly registered city buses will have an emission-free drive system.

Thomas Tonger
Product planner and manager at Daimler Buses

Read the full interview

Holistic electric mobility from Mercedes-Benz Vans

Mercedes-Benz Vans is systematically forging ahead with the electrification of its product portfolio with locally emission-free electric drive systems and thus helping to ensure more sustainable mobility for people and goods in cities. The first step in this direction was made with the eVito panel van, which was followed by the eVito Tourer. The eSprinter was then launched in 2019. In the same year, Mercedes-Benz Vans presented the world’s first purely battery-electric premium full-size multipurpose vehicle: the EQV (power consumption combined: 26.4-26.3 kWh/100 km; CO₂ emissions combined: 0 g/km)\(^1\). The vehicle offers a range of 417 km\(^2\) without compromising the usability of its interior space.

The eDrive@VANs strategy involves not only the electrification of the vehicle fleet but also the design of an overall system solution for each individual application scenario. This includes advice on vehicle selection, assistance with tools such as the eVAN Ready app, and a holistic approach to the total cost of ownership. Decisive for potential electric van users is the analysis of the organizational and technical circumstances at commercial customer sites. Finally, the integration of an intelligent charging infrastructure concept lays the foundation for conserving resources with a commercial fleet while remaining economically competitive.

More information on eDrive@VANs

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1 see appendix: labeling
2 The actual range is furthermore dependent upon the individual driving style, the road and traffic conditions, outside temperature, use of climate control/heating system, etc. and may differ accordingly.
Well connected: Making transport safer and more efficient

Along with personal mobility, the transport of goods also plays a key role in urban traffic. Mercedes-Benz Vans offers digital solutions in this area with Mercedes PRO connect, which provides fleet customers with data they can use to analyze the driving style of their drivers and its effect on fuel consumption or vehicle wear and tear, for example. Drivers can then receive training in line with the results of these analyses. Such training courses can help reduce fuel consumption and the risk of accidents. Mercedes PRO connect is currently available in 19 European countries and in the United States. The web-based service benefits fleet operators ranging from small businesses to major clients.
STRATEGY | LIVABLE CITIES

The vision of autonomous driving

How can more people and goods be transported with fewer vehicles on a virtually unchanged road infrastructure? For us, the answer is Vision URBANETIC — a vehicle that can transport both people and goods. Depending on the body structure used, the Vision URBANETIC can serve as a ridesharing vehicle for up to 12 passengers or as a cargo transport van that can hold as many as ten Euro pallets. It is based on an autonomously driving electrically powered chassis combined with a complex IT infrastructure that analyzes supply and demand in a defined area in real time while also evaluating local information about nearby events, for example.

Full networking capability and intelligent control enable the Vision URBANETIC to not only analyze information but also learn from it. As a result, the system can predict and respond to future needs. Thus processes can be optimized, for example in order to shorten waiting or delivery times and to avoid congestion. The idea here is that the concept vehicle should ease the traffic burden in inner cities over the long term and help improve the quality of life in the city.

Mercedes-Benz Vision URBANETIC on YouTube

Strong partner for cities

We have been expanding our Urban Mobility unit since April 2019. The unit is working closely with representatives from cities and Daimler’s business divisions to develop new solutions, products, and business models that help improve the quality of life in cities. We believe it is our responsibility to support cities in their efforts to make mobility safe, sustainable, and accessible through the use of innovative products. Our partnerships with cities therefore focus on, among other things, examining ways that the knowledge gained from the processing of vehicle data can help cities improve traffic planning and traffic management. In this way, we want to improve traffic flows and increase safety on city streets, for example. Other projects that we are involved in focus on concepts such as mobility hubs and mobility services for special target groups, for example people attending specific events. All of these concepts are designed to enable end users to access the best mobility option for their needs in a given situation. In some cases this might involve using a car, while in others the better option would be to use a ridesharing shuttle, public transport, or a rental bike.

More information on the Urban Mobility unit

OUTLOOK

With regard to local public transport, the eCitaro will be launched with next-generation batteries in 2021. Before then, solid-state batteries (lithium polymer batteries) are set to be introduced in the second half of 2020. We also plan to begin offering the battery-electric bus with a range extender (a hydrogen-based fuel cell that supplies the high-voltage battery with electricity) in 2022. Future battery technologies can lead to increased service coverage in regular operation — with the range extender enabling nearly all routes to be served.

We are also developing locally CO₂-neutral vehicles for urban distribution haulage and municipal applications. Additional plans call for the launch of the eActros in 2022. This electric series-production truck will boast locally CO₂-neutral operation and also help reduce noise emissions in cities. Beginning in 2022, the eEconic will make trash collection a quieter and locally emission-free process. We aim for selected customers to begin testing the electric truck in 2021.
Priority for more safety

We want to make car accidents a thing of the past. Accident-free driving — this vision is a firm component of our sustainable business strategy. In order to make this vision a reality, we are focusing on the further development of our driver assistance and automated driving systems in particular. Our extensive assistance and safety systems offer our customers a high level of safety and comfort and also reduce driver stress. Our innovations already make it possible today for driving assistance systems to support drivers on many types of streets and roads, facilitate lane changes on multi-lane roads, and park in and drive out of tight spaces in an automated driving mode with the driver monitoring the vehicle. Our assistance systems also reduce the danger of a collision in an increasing variety of situations. The societal and ethical implications of such systems are always taken into account.
Clear commitment to accident-free mobility

Accident-free driving: This is our ambitious vision for the future of mobility. We are pursuing this vision emphatically because we know that every accident is one too many. Our in-house accident research activities provide us with information on how accidents occur and which safety systems can be used to help prevent them. In this way we are laying the foundation for innovative safety technologies and ever more sophisticated systems based and oriented on actual accidents. We intend to continue on this path. Along with simulations and crash tests, information on actual accidents play a key role here. That’s why we have established our own stringent internal safety requirements, which in many cases go beyond what is mandated by law and beyond the requirements set by rating agencies. Our Accident Research unit is one of the oldest in the industry: For 50 years, our experts have been examining serious accidents involving current Mercedes-Benz vehicles. Our goal is to learn from these accidents and incorporate the knowledge we gain into the design of new models and measures that improve existing systems. Safety is and will remain our core brand value.

Among other things, we have committed ourselves to implementing the following measures:

— We aim to achieve the best possible crash safety results with the highest degree of occupant protection.
— We continue to take measures that increase public awareness of the importance of traffic safety through education programs and roadshows, for example, and we promote communication on issues related to safety technology and innovations.
— We are increasing the use of driving assistance systems in trucks.
— We are integrating societal and ethical considerations into conditionally automated and highly automated driving systems – for example with our “Ethics by design” concept.
— We support social and political dialog and the decision-making processes related to automated driving.

“Mercedes-Benz has been offering luxury vehicles with outstandingly high levels of quality and claim on safety for many decades. Our customers know that we design the cars with real accidents in mind and on the basis of standardized tests, but they also want to have this confirmed by the safety ratings.”

Axel Heix
Head of Development, Compact Class Vehicles, Mercedes-Benz AG

Verified safety

The fact that our vehicles display outstanding safety performance has been repeatedly confirmed by various safety ratings. One example is the Mercedes-Benz GLE. The GLE received the TOP SAFETY PICK+ rating from the Insurance Institute for Highway Safety (IIHS) in the United States for the 2019 and 2020 model years. The IIHS rating assesses both crash-safety features and accident-prevention systems, such as those for emergency braking. The GLE’s comprehensive safety concept assured it top marks in the rating.
In 2019, six Mercedes-Benz passenger car models received a top rating for crash tests and driver assistance systems from EURO NCAP (European New Car Assessment Programme — an association of European transport ministries, automobile clubs, and insurance associations): Mercedes-Benz GLB, EQC (EQC 400 4MATIC: Electric power consumption (combined, acc. to NEDC): 21.3-20.2 kWh/100 km; CO₂ emissions combined: 0g/km)¹, B-Class, GLE, and G-Class. In addition, the Mercedes-Benz CLA was named best in class in the segment “Small Family Cars.”

In January 2019, the partially automated (SAE Level 2) Freightliner Cascadia truck from Daimler Trucks North America received the prestigious Best Transportation Technology award at the Consumer Electronics Show. With the new Cascadia, we are looking to significantly reduce both accidents and fuel consumption through advancements in automation.

At the beginning of 2020, the Mercedes-Benz Actros was voted “Truck of the Year” by commercial vehicle trade journalists from 24 European countries in recognition of, among other things, our Active Drive Assist system for partially automated driving (SAE Level 2) and MirrorCam, which replaces conventional exterior mirrors and not only supports drivers during difficult maneuvers but also improves aerodynamic properties. The journalists were also impressed by the improved fifth generation of the Active Brake Assist system and the Sideguard Assist system, which were invented and further developed by Mercedes-Benz Trucks.

¹ see appendix: labeling
Innovation always requires safety

During the IAA International Motor Show in September 2019, Mercedes-Benz presented the ideas that are currently being explored by our passenger car safety experts. Among other things, the presentation featured the Experimental Safety Vehicle (ESF) 2019.

The ESF 2019, which is based on the new Mercedes-Benz GLE plug-in hybrid (fuel consumption combined: 1.3–1.1 l/100 km; electric power consumption combined: 28.7–25.4 kWh/100 km; CO₂ emissions combined: 34–29 g/km) includes safety concepts that can be used in a vehicle that can be driven both manually and in a conditionally automated mode (SAE Level 3). The ESF offers a preview of future mobility and boasts a large number of future safety technologies.
Safer streets and roads worldwide

According to the “Global Status Report on Road Safety 2018” from the World Health Organization (WHO), about 300,000 people were killed in traffic accidents in India alone in 2018. The report also says that many of these accidents could have been prevented. In 2015, in order to help make roads and streets safer, we launched the SAFE ROADS CSR initiative to increase traffic safety awareness in India. A special summit has since been held every two years (most recently in 2019) with representatives from transport agencies and various interest groups. We have also launched a SAFE ROADS program in China, and for 2020 we will be examining whether the initiative can be expanded to other countries.

Preventing accidents with ABA5

Since January 2020, the fifth generation of our Active Brake Assist (ABA5) system has been included as standard equipment in all new Mercedes-Benz Actros trucks in Europe. Our Sideguard Assist system is also now available as a retrofit solution for many common variants from the Mercedes-Benz Actros, Arocs, and Econic series from model year 2017 on. Such retrofitting measures are designed to ensure that existing systems can be incorporated into as many Mercedes-Benz trucks as possible in the shortest possible time, so that as many road accidents as possible can be prevented.

Finding answers to ethical questions

We would like automated driving systems to be accepted by a broad segment of society. If this is to happen, we need to take ethical questions into account as early as the product development stage and develop our own position with regard to new technologies. Our approach to the responsible development of automated vehicles is based on legal and internal provisions and policies such as our Internal Policy on Technical Compliance, ISO standards 26262 and 21448 for safety-relevant electrical/electronic systems in vehicles, the UN-ECE proposals for standardizing memory and Requirements for an Automated Lane Keeping System, the German government’s Ethics Commission’s 20 guidelines on automated and connected driving, and our four AI principles.

Mobility Day

Young people also need to be made more aware of the importance of safety if road traffic is to be made even safer in the future. We have therefore teamed up with MobileKids e. V. to plan a special event for schoolchildren from Stuttgart in which Daimler employees will serve as safety ambassadors.

OUTLOOK

The detailed analyses of accidents and how they occur is an important aspect of our efforts to prevent accidents more systematically in the future. Such analyses help us better understand the circumstances and nature of the accidents in which our vehicles are involved, so that we can determine where we need to take action in order to lower the risk of an accident occurring. We plan to expand this form of data collection in the future, in particular by combining it with predictive simulation techniques. For this reason, we are working with existing and new cooperation partners on developing accident research approaches that continually improve and expand the ways accident and traffic data are collected and analyzed.
DATA RESPONSIBILITY

Shaping future mobility with data

As digitalization increases, the right way to deal with data is becoming more important as a success factor. Our vision of mobility is one in which the privacy of individuals is protected. We therefore design our products and services with the needs of our customers in mind and make every effort to ensure that their data is managed responsibly.
**OUR TARGETS FOR 2020**

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<th>Effectiveness of our Data Compliance Management System*</th>
<th>Development of the Data Governance Organization</th>
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<td>DATA GOVERNANCE COMMITTEE</td>
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<td>EFFECTIVENESS 2021**</td>
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* Multi-stage assessment method for the continual improvement of: 1. Design — Is the system designed to ensure the achievement of the goals of the Compliance Management System? 2. Implementation — Has the system that has an effective design also been implemented as planned? 3. Effectiveness — Is the implemented system being used effectively? Assessment scale: green = completely fulfilled; yellow = partially fulfilled; red = not adequately fulfilled.

** The effectiveness of the Data Compliance Management System cannot be reliably determined until at least six months after it is successfully implemented. This component will therefore not be assessed until 2021.
Data responsibility — One of our most important concerns

We aim to continually increase customer satisfaction by offering products and services that meet customer requirements and expectations. In order to identify these requirements and expectations and take them into account when we refine our vehicles and services, we need to make sure that our customers trust us to handle their data responsibly. Here it is crucial that we ensure the security of customer data and that we respect and protect our customers’ privacy. Gaining customers’ trust in this manner is extremely important, especially if customers are to accept new technologies. We are the first automotive manufacturer to formulate its own four principles for the use of artificial intelligence, which are taken into account in handling this technology. They are responsible use, explainability, protection of privacy, and safety and reliability of the applications.

Our Data Compliance Management System supports our systematic and risk-based planning, implementation, and continuous monitoring of measures to ensure compliance with the data protection requirements. The Data Compliance Management System focuses on data protection law. For our corporate units in the EU and the processing of data from the EU, the GDPR and our internal Data Protection Policy EU are definitive; for our corporate units outside the EU, the respective local data protection laws and our internal Global Data and Information Policy apply. Data protection is a major consideration from the very beginning in the development of new products and services.

Renata Jungo Brüngger  
Member of the Board of Management of Daimler AG  
Integrity and Legal Affairs

"Data is the future — data makes it possible for us to offer innovative services and thus create added value for our customers. At the same time, we handle data responsibly at Daimler because we believe that data protection is a mark of quality. The trust that people have always placed in a Mercedes has to be carried over from the real highway to the data highway."

Responsible use of data
**Centralized control: The Data Governance Committee**

In January 2019, the Board of Management adopted a resolution establishing a Data Governance Committee at the Group level. The task of this committee is to define the policies on Group-wide core data management issues, information security, data protection, and data compliance, and to make all necessary decisions in these areas. The Data Governance Committee consists of the Data Governance Board, a governing body that meets on a quarterly basis, and the Data Governance Working Team, which generally meets once a month.

Data governance involves not only compliance with relevant laws and regulations; its building blocks also include our data vision, the establishment of a data culture, the associated organization, and the Data Compliance Management System. In addition, it involves the creation of infrastructural conditions that enable us to utilize data across various functions. In the spirit of good corporate governance, data governance ensures that data in the possession of the company is managed responsibly. The decisions made by the Data Governance Committee are binding for all data-related activities and data processing in general at the Daimler Group.

In 2019 the Data Governance Committee, among other things, adopted principles for the utilization of artificial intelligence and defined the structure of the future data governance landscape.

**The Data and Analytics Boards**

We are working to establish our data vision at all of our divisions as a framework for ensuring the responsible use of data at the Group. In order to promote the responsible use of data, we established Data and Analytics Boards at the business divisions Mercedes-Benz Cars, Mercedes-Benz Vans, and Daimler Mobility during the reporting year. In 2020 we will also set up a Data and Analytics Board at Truck & Bus that incorporates existing data governance activities. The Data and Analytics Boards are made up of cross-functional international teams of managers who perform data-related tasks. These teams meet regularly to promote the digital transformation at the divisions on the basis of measures prioritized by the Board of Management. The teams are also networked in a manner that ensures a standardized approach to data governance throughout the Daimler Group.

**OUTLOOK**

In view of the increasing connectivity and automation of our vehicles and the range of our digital services, we are also continually refining measures to protect the privacy of our customers and ensure the responsible management of their data. Our efforts here focus in particular on designing products and services in a manner that ensures effective data protection. We are also working to further expand our holistic Data Governance System.

Our compliance organization utilizes a centrally managed process to review our Data Compliance Management System once a year. This process evaluates the design, implementation, and effectiveness of the system and makes adjustments wherever necessary.
RESPECTING HUMAN RIGHTS

Respecting and upholding human rights

Advances in mobility should never be achieved at the expense of human rights. We therefore pursue a systematic approach along our automotive value chain to exclude the possibility of human rights violations to the greatest extent possible. Wherever appropriate, we work together with various associations, organizations, and competitors to promote the responsible procurement of raw materials.
Our objective with regard to our service supply chain is to complete our evaluations of new and existing suppliers by 2021.

Our objective is to review 70 percent of all high-risk production raw materials and define any necessary measures for these by 2025.

Our objective for 2028 is to define measures for addressing 100 percent of our production raw materials that harbor a higher risk of human rights violations.
Committed to upholding human rights

We aim to ensure that human rights are respected and upheld along our entire value chain. Daimler is therefore firmly committed to the UN Guiding Principles on Business and Human Rights and the German government’s National Action Plan for Business and Human Rights. These standards also serve as the basis for numerous measures that we have implemented in order to ensure that we meet our due diligence obligations with regard to human rights. We are currently working to further expand the Daimler Human Rights Respect System (HRRS) step by step at all Group companies of the Daimler AG and to integrate it into our Group-wide Compliance Management System. We also plan to introduce a separate due diligence approach for human rights in the supply chain. We actively incorporate external stakeholders into all of our activities in this area. For example, we regularly exchange information with NGOs on human rights risks or invite stakeholders to participate in our annual Daimler Sustainability Dialogue in Stuttgart, Germany.

Systematically addressing human rights

The Daimler HRRS employs a risk-based approach to systematically address human rights issues. Our newly established Social Compliance department works with specialist units and procurement units on measures to safeguard human rights. In our holistic Group-wide approach, each specialist unit is responsible for implementing and monitoring the measures that have been assigned to it. The distinguishing feature of the HRRS is that it focuses primarily on the risks faced by rights-holders, i.e. the affected individuals on the ground, rather than focusing solely on the risks to the company.

- Recognizing risks, taking targeted action
- Sustainable supply chain management

1,127
Daimler performed a total of 1,127 CSR audits at suppliers around the globe in 2019. These audits also focused on human rights issues.
SELECTED MEASURES

Promoting sustainability throughout the automotive industry

Daimler AG is a LEAD partner in the automotive industry’s “Drive Sustainability initiative” – a European working group coordinated by the CSR Europe corporate network that seeks to improve sustainability in the automotive supply chain. The initiative has developed an important tool in the form of a standardized sustainability questionnaire for suppliers. In addition, the initiative offers joint training courses and workshops for suppliers to help them improve their sustainability performance.

Transparent communication

We are striving to make our communication on human rights issues more transparent. To this end, we will report in the future in more detail on our website about our approaches, the progress we make, and our achievements in this area and we will also describe the complex challenges associated with the topic. In this manner we will actively address the expectations and information requirements of our customers, investors, rating agencies, NGOs, and the interested public. Our objective here is to increase the trust external stakeholders place in us with regard to human rights measures.

Raw materials initiatives

Responsible Minerals Initiative

Daimler has been a member of the Responsible Minerals Initiative (RMI) since 2018. The RMI uses an independent validation scheme for refineries and smelters to demonstrate that they have systems in place to ensure the responsible sourcing of minerals.

Aluminium Stewardship Initiative

Daimler joined the nonprofit Aluminium Stewardship Initiative in 2018 in order to support the implementation of an independent certification scheme for the entire aluminum value chain.

Responsible Steel Initiative

The Responsible Steel Initiative aims to increase transparency in the steel supply chain and to this end is developing a certification system for environmental and social standards. It also focuses on lowering CO₂ emissions in production. Daimler has been a member of the initiative since 2018.

OUTLOOK

We are systematically continuing our efforts to ensure that human rights are respected and upheld to the greatest extent possible at our Group companies and in our supply chains. To this end, we are also planning numerous additional measures worldwide that aim to increase transparency, increase awareness of human rights, and help us to assess the effectiveness of our activities in this area.

In order to increase the sustainability of our supply chains, we plan to improve transparency and traceability with regard to the raw materials we procure – for example in the supply chain for battery cell production. Here there are concerns that the raw materials needed to manufacture electric vehicles might possibly be obtained under conditions that are critical in terms of human rights. We are also closely examining the supply chains used by our service providers and continuing our dialog with all of our suppliers.
INTEGRITY

Values in daily business

Integrity plays a central role at Daimler and shapes how we perceive ourselves. We seek to maintain the trust of our stakeholders in the future as well. This is why it is important that we act responsibly and ethically. Our employees should feel responsible not only for our success but also for the economic, environmental, and social impact of our business activities. We encourage our employees to consistently stand up for our values and to speak openly.
Ethical behavior is the foundation

For Daimler, integrity means doing the right thing and living by our values. More specifically, this means that we comply with internal and external regulations, act in accordance with our corporate values, and listen to our inner ethical compass. Our Integrity Code defines guidelines for our everyday business conduct and helps us make the right decisions.

We have extensively incorporated integrity-related issues into the processes at our company — as part of non-financial remuneration components, in human resources processes, and within the framework of target group-specific training measures and preventive consulting measures.

For me personally, acting with integrity means I can look at myself in the mirror every morning. In other words, I know that I always need to act in line with my principles. Of course I need to consider whether these principles are adequate in real-life situations. It basically comes down to doing the right thing at the right moment and in the right context.

Renate Hornung-Draus
Member of the Daimler Advisory Board for Integrity and Corporate Responsibility, Managing Director of the Confederation of German Employers’ Associations (BDA), Head of the European Union and International Social Policy department

Our five corporate principles:
the foundation of all our actions

- We are profitable and are committed to people and the environment.
- We act responsibly and respect the rules.
- We speak openly about integrity-related issues and are firmly committed to transparency.
- Fairness and respect are the foundation of our collaboration.
- We put diversity into practice.
Integrity training

Our modular goal-oriented integrity training program is designed to prepare all Daimler employees for difficult situations related to integrity, compliance, and legal requirements. We continually refine our range of training courses and optimize our training processes. All employees, including managers, participate in a web-based integrity training program at regular intervals. In order to offer participants optimal support, the training program also contains a management module that is compulsory for all management staff.

19,002

A total of 19,002 employees completed the basic module of our web-based training program for integrity, compliance, and legal issues in 2019. The module offers basic information on integrity, corruption prevention, antitrust law, data protection, and our BPO whistleblower system.

New version of our Integrity Code

The Integrity Code defines a legal and ethical framework that is binding for all employees at Daimler AG and Group companies. In October 2019 we published a new version of the Integrity Code that takes current strategic issues into account. Like its predecessor, this new version offers employees guidance for dealing with various business situations — for example when selecting business partners or engaging with political interest groups and in the field of environmental protection.
STRATEGY | INTEGRITY

Current developments make it more imperative than ever that we ensure ethical behavior throughout the Group — and continually monitor our progress in this regard. We are therefore working systematically to adapt and refine our understanding of the concept of integrity in line with current and possible future circumstances.

Using our updated Integrity Code as a basis, we are currently revising the mandatory basic module of our web-based training program for integrity, compliance, and legal issues. We also plan to make our employees more aware of our Integrity Code in 2020 and specifically train more employees — e.g. in the production departments.

Questions related to integrity and compliance are also an important part of our Group-wide employee survey. The next survey is scheduled to be conducted in the fall of 2020.

Value-based recruiting and promotion process

Next Generation Integrity — this is the name of a company-wide international team of Daimler employees who worked on the further development of our integrity strategy in 2018. They not only formulated an appropriate definition of integrity and established new corporate principles but also developed additional concrete measures for promoting a culture of integrity throughout the Group.

In the 2019 financial year, the Board of Management decided on the basis of the team’s work to develop additional measures in order to ensure that all employees and managers share our values and put them into practice, especially when hiring and promoting staff. This too serves to promote a culture of integrity at the company.

Integrity survey for employees

The “Big Picture Integrity” — our worldwide employee survey on compliance and integrity — is an important element for strengthening and further developing our culture of integrity. The survey results reveal areas of action and help us formulate appropriate measures for addressing the associated issues. The results are also used to help define the non-financial goals relating to “Integrity” and “Diversity” for the management remuneration system.

A total of 26 dialog events on integrity were held in 2019. A total of 1,348 Daimler employees participated in these events.

OUTLOOK

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People at Daimler: digitally savvy and diverse

Our goal is to enable our employees to successfully address the challenges of a digital world. An open attitude regarding the digital transformation and digital skills, along with a diverse and inclusive corporate culture, form the basis for achieving this goal. That’s because only in a culture marked by trust and respect can all employees unlock their full potential and thus enable the company to undergo a successful and sustainable digital transformation.
## Our Targets

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<th>Attractiveness as an employer for digitally talented people*</th>
<th>Empowerment of employees for the digital transformation**</th>
<th>Agreement rate “diversity (fair treatment)” up to 2030**</th>
<th>Proportion of women in leading management positions until 2020</th>
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<td><strong>Top 5</strong></td>
<td>&gt;70%</td>
<td>&gt;75%</td>
<td>20%</td>
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* Rankings of goals until 2030 in the Trendence study of college graduates in the field of IT (Germany)
** Daimler employee survey, agreement rate up to 2030
Support and training

Our employees are the key to our Group’s success around the world. That’s why we invest extensively in their training and professional development and continually refine our human resources development programs. We want to support all of our employees in line with their needs and offer them effective training measures throughout their careers that enable them to develop further both professionally and personally. Our approach to professional training and human resources development focuses on requirements associated with the transformation of the automotive industry in terms of alternative drive system technologies and digitalization in particular. In 2019, for example, we offered training courses on new developments in the fields of electric mobility and robotics.

Other examples include the following initiatives:

A stage for digitalization

The fifth DigitalLife Day was held in July 2019. During the event we presented various innovations and internal best-practice examples of the digital transformation at Daimler to the more than 1,000 participants. The goal of the DigitalLife Day is to highlight the benefits and opportunities of digitalization and promote the introduction of digital systems in all corporate units.

Early start

Our STEM education initiative, “Genius”, is designed to get children and young people enthusiastic in various ways about technology and technology topics. STEM stands for science, technology, engineering, and mathematics. Genius also helps teachers make their classes varied and future-oriented by offering them practice-related instructional materials, digital education materials, and advanced training courses.

Learning for the future

We use state-of-the-art digital technologies at our training centers to teach our employees new production methods. We also stage Future Workshops at our production locations that allow employees to test new technologies such as 3D printing, virtual welding, and virtual painting processes.
Committed to a culture of appreciation and respect

In line with our corporate principles, we treat all of our employees with fairness and respect, regardless of their ethnic origin, gender, age, sexual orientation, and individual abilities. Collaboration at Daimler is shaped by team spirit, mutual trust, and respectful communication. This applies not only to collaboration within the Group but also to our cooperation with customers, business partners, and other stakeholders. We establish conditions that give our employees the opportunity to adapt their tasks and assignments to their individual circumstances. In this manner we help them do the best job they can and maintain a high level of performance.

Promoting diversity and equality

Some 300,000 men and women from more than 160 countries enrich Daimler with their various cultures, different points of view, and individual skills.

Almost 9,000 employees with disabilities work in Germany at Daimler AG, Mercedes-Benz AG, and Daimler Truck AG. Daimler AG has exceeded the legally mandated 5% quota for employees with disabilities for several years now.

Diversity firmly established

Daimler believes that a diverse workforce is a success factor. Diversity and inclusion management are therefore firm components of our corporate strategy. Here we focus in particular on the following areas of action and goals:

Best mix: Forming the best teams based on equal opportunities and anti-discrimination. This also includes increasing the share of women in executive management positions to at least 20 percent by the end of 2020.

Work culture: Creating a supportive and inclusive working environment. In order to ensure that we can do this, we conduct a worldwide employee survey every two years.

Customer access: Understanding, appreciating, and reaching customers in their individuality.

All over Germany, people from more than 160 nations work at Daimler – day by day, side by side. Respect, openness, and cooperativeness are the values that make us successful. That’s why we take a stand for these values instead of looking the other way.

Wilfried Porth
Member of the Daimler AG Board of Management
Human Resources Director of Labor Relations
Taking a stand for diversity

The Daimler Pride Tour publicly demonstrates our commitment to increased tolerance, diversity, and inclusion for everyone to see. Our employees take part in pride parades all over the world and in this manner send a clear message that discrimination and marginalization directed against members of the LGBTQ+ community have no place at our company. Our global Diversity Day, which is held once a year, also features numerous activities that draw attention to various forms of diversity throughout the Group.

2,000

About 2,000 employees participated in events associated with the Daimler Pride Tour in 15 cities all over the world in 2019.

For diversity, against racism

Daimler is a company that stands for diversity and opposes xenophobia and hate speech. In 2019 we launched a campaign for diversity and against racism. We have set up a special page on our Social Intranet that allows employees with a single click to show their support for diversity, tolerance, and respect. Employees can also take a further stand by attaching the diversity campaign logo to their Social Intranet profile and e-mail signature. We stage dialog events that promote openness and seek to eliminate possible resentments. We also continually offer other target group-specific training and communication formats designed to contribute to an inclusive corporate culture. These range from qualification measures to dialog sessions, events, and consulting services.

Strengthening the position of women

We have set ourselves the goal of supporting women at all levels of the company. To this end, we have introduced a range of measures — from supporting the education of girls and young women in school through recruitment and individual development. With programs such as Girls’ Day and the Genius education initiative, Daimler is pursuing the goal of getting girls in particular interested in technical professions and supporting female engineering students. We also offer special leadership workshops and mentoring programs that help prepare women for work in management positions. In addition, networks set up at Daimler especially for women by women facilitate the exchange.

OUTLOOK

We plan to continue supporting tolerance and diversity in the future and to help our employees individually. We are constantly refining our measures here, with employee feedback serving as the basis of our approach. The next employee survey will be conducted in fall of 2020.
PARTNERSHIPS

Strong partnerships

The challenges we currently face can only be successfully addressed if we work together. Daimler therefore contributes its expertise to the societal dialog and enters into close partnerships. We are guided by the vision of utilizing exemplary formats for political dialog that allow us to establish ourselves as a leading corporate citizen in the automotive industry. We seek to actively participate in the political and public opinion-shaping process as a trustworthy partner.
Commitment to clear and reliable communication

We consider it important to precisely understand the expectations of our stakeholders and establish a common foundation between their interests and the views of our company. We develop these positions in what we call a 360° process that takes internal and external expectations into account. Our lobbying activities are aligned with our most important positions as a company. We also place a high priority on reliable and fact-based communication with our stakeholders.

“Our goal is to promote the common good by bringing about the greatest possible alignment of the interests of Daimler with the concerns of government and society. We regard ourselves as honest advisors and partners, and we are doing our part to solve current problems and challenges.”

Eckart von Klaeden
Head of External Affairs

SELECTED MEASURES

A laboratory for societal exchange

An inspiring venue for the effective exchange of ideas with stakeholders — that’s the Daimler Mobility Lab in Berlin. The lab is scheduled to open in the second quarter of 2020. The Mobility Lab will offer us the opportunity to meet up and speak with stakeholder groups to which we previously had no direct access and could not reach using traditional formats. This direct engagement with a broader yet also well-informed and, most importantly, interested public is very important to us. In addition, the Mobility Lab will allow us to initiate discussions on topics that we believe need to be given greater attention.

International dialog

A systematic international political dialog in our worldwide markets is essential for the sustainability of our business operations.

Through our broadly based international network, we are safeguarding our systematic dialog with the political stakeholders. We are working together with our local stakeholders to launch new projects and expand our international locations, thus creating frameworks that are beneficial for both sides.

In addition, we welcome about 50 international political delegations at Daimler in Stuttgart every year for discussions of current issues.

External Affairs welcomes an average of 50 international delegations to Daimler locations each year.
Some 6,000 people have visited the “Mercedes-Benz meets Jawor” exhibition since it opened in March 2017.

The small town of Jawor in Lower Silesia is home to Mercedes-Benz’s first production location in Poland. We developed the permanent exhibition “Mercedes-Benz meets Jawor” to accompany the opening of our new engine plant there. The exhibition provides members of the local community with information about the new plant, our company, and its history.

Shaping urban mobility

The Urban Mobility Platform (PUM), which was established on the initiative of the German Association of the Automotive Industry, brings together nine German cities and nine automotive industry companies. The PUM partners regularly meet to develop concrete pilot projects that are designed to shape the future of mobility. Within the framework of the PUM, Daimler teamed up with Bosch, Porsche, and the city of Stuttgart to develop a “Park & Shuttle” concept that can be used by employees at all three companies. The idea here is to consolidate the flow of commuters from the participating companies and thus reduce traffic volume and improve air quality.

Up to 160,000 people in the Stuttgart area can take advantage of our “Park & Shuttle” concept and thus help us reduce traffic congestion on city streets.

OUTLOOK

We would like to address the expectations of our stakeholders in a more targeted manner in the future. To this end, we are expanding innovative new dialog formats that were designed especially with our stakeholders in mind. Our approach here includes a plan to launch our Mobility Lab on an international scale by opening Mobility Labs in Washington D.C., United States, or Brussels, Belgium, for example.