

DAIMLER

Sustainability Accounting Standards Board (SASB) Disclosure

For the year-ended December 31, 2020

SASB INDEX

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 and luxury cars and one of the world's largest manufacturer of commercial vehicles. Daimler Mobility offers financing, leasing, fleet management,

investments, insurance brokerage as well as innovative mobility services. The company is listed on the Frankfurt and Stuttgart stock exchanges (ticker symbol DAI). In 2020, the Group had a workforce of around 288,500 and sold 2.8 million vehicles. Group revenues amounted to €154.3 billion and Group EBIT to €6.6 billion.

Automobiles Sustainability Accounting Standard

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All data in this Sustainability Accounting Standards Board ("SASB") disclosure is as of, or for the year-ended December 31, 2020 unless otherwise noted.

Activity Metrics

TR-AU-000.A

Number of vehicles manufactured

Daimler Group: 2,794,730

Mercedes-Benz Cars & Vans: 2,423,724

Daimler Trucks & Buses: 371,006

TR-AU-000.B

Number of vehicles sold

Daimler Group: 2,840,402

Mercedes-Benz Cars & Vans: 2,461,884

Daimler Trucks & Buses: 378,518

Product Safety

TR-AU-250a.1

Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region

100% Mercedes-Benz new passenger cars in Europe are rated by consumer test organizations with the highest possible rating result. In 2020, the Euro NCAP issued ratings for driving assistance systems in various vehicle models for the first time. The current GLE with its driver assistance package received a rating of "very good."

In 2020, the 2020 Mercedes-Benz E-class received a 5-star rating for the sedan and the station wagon models by the National Highway Traffic Safety Administration (NHTSA).

TR-AU-250a.2

Number of safety-related defect complaints, percentage investigated

100% of safety-related defect complaints have been investigated by our own retail organization.

TR-AU-250a.3

Number of vehicles recalled

In 2020, approx. 3.5 mill. Mercedes-Benz passenger cars and vans worldwide were part of recalls due to safety reasons. Thereof, 850,000 passenger cars and vans were affected in Germany.*

* This information is based on issues officially claimed by the Kraftfahrt-Bundesamt (KBA) of the Federal State of Germany.

Labor Practices

TR-AU-310a.1

Percentage of active workforce covered under collective bargaining agreements

Collective bargaining agreements apply to a large proportion of our employees throughout the Group. In particular, at Daimler AG, Mercedes-Benz AG, Daimler Truck AG, and Daimler Mobility AG, these apply to all employees covered by collective bargaining agreements. Daimler is also committed to its social responsibility and to

the ten principles underlying the UN Global Compact (UNGC). As a participant in the UNGC, we undertake, among other things, to comply with key employee rights - from respect for equal opportunities to the right to equal pay for work of equal value.

TR-AU-310a.2

(1) Number of work stoppages and (2) total days idle

Number of strike days: 0 (Germany)

In 2020 there were no productions in Germany affected by strike.

Due to the worsening COVID-19 pandemic in 2020 Daimler had decided to interrupt a large part of production and selected administrative areas in Europe for about two weeks (March 23rd to April 3rd, 2020). Short-time work followed in Germany from April 6th, 2020.

With this, the company responded to the far-reaching effects of the corona virus and the increasingly difficult economic and social framework conditions resulting from it.

The percentage of employees, which were affected by short time work reached around 80% at peak times in Germany.

Fuel Economy & Use-phase Emissions

TR-AU-4 10a.1

Sales-weighted average passenger fleet fuel economy, by region

In the reporting year, the average CO₂ emissions of our total passenger car fleet in Europe (European Union, United Kingdom, Norway and Iceland) decreased to an estimated 104 g/km as measured on the basis of legal regulations (NEDC, including vans that are registered as passenger cars).

The GHG fleet figures for the CO₂ emissions of Daimler vehicles in the United States have improved over the last few years. For the 2020 model year, these figures are 256 g CO₂/mi for the passenger car fleet and 289 g CO₂/mi for light trucks (on the basis of the most recent forecast).

In China, domestic and imported cars are reported separately and according to fleet consumption values, unlike in Europe and the United States. This means the figures for the imported fleet are the relevant figures for our wholly owned subsidiary Mercedes-Benz China (MBCL). The target was 6.27 l/100 km; the figure that was actually achieved was 8.02 l/100 km (preliminary fleet consumption value – the final fleet consumption value might be better if off-cycle technologies are included).

TR-AU-4 10a.2

Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold

Alternative drive technologies Mercedes-Benz Cars & Vans

		Retail Cars (incl. V-Class and EQV)			
		2020		2019	
Worldwide	Hybrid	115.191	5,2%	29.907	1,2%
	Electric	47.672	2,2%	19.622	0,8%
	Alternative drive (total)	162.863	7,4%	49.529	2,0%
MBC sales (total)		2.202.579		2.456.347	
Europe	Hybrid	104.113	14,1%	16.091	1,7%
	Electric	42.711	5,8%	18.419	1,9%
	Alternative drive (total)	146.824	19,9%	34.510	3,6%
MBC sales (total)		738.957		954.912	

TR-AU-410a.3

Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities

Daimler's management is responsible for setting strategic goals, including targets for reducing our CO₂ emissions, and for monitoring the progress made in achieving these goals.

The Product Steering Board (PSB) is responsible for monitoring the development of the CO₂ emissions of the car fleet in markets in which such emissions are regulated. It is also responsible for providing forecasts. In its evaluations, the PSB takes into account the increasing degree of vehicle electrification and the changes that have been made to legal requirements, for example those related to the introduction of the new WLTP (Worldwide Harmonized Light Vehicles Test Procedure). The Board of Management then decides which measures need to be implemented. On the market side of the equation, price and volume control measures can also affect our ability to achieve our targets over the short term. For this reason, such measures are discussed with the Board of Management within

the framework of its regular reporting on the current state of CO₂ fleet compliance.

Responsibility for ensuring compliance with climate protection requirements is split between several units and Board of Management members. The development units of the vehicle divisions are responsible at the vehicle level. For cars and vans, these are the "Drive Systems Product Group" development unit, the product groups of the vehicles, and Mercedes-Benz Vans Development; for trucks and buses, they are the "Global Powertrain & Manufacturing Engineering Trucks" unit and the vehicle divisions. The various directorates of the drivetrain development units also play a special role here. The heads of production are responsible at the level of the production plants, and the Heads of Sales at the Daimler showrooms.

Materials Sourcing

TR-AU-440a.1

Description of the management of risks associated with the use of critical materials

At Daimler, the units that are mainly responsible for resource conservation are vehicle concepts, vehicle development, purchasing, production planning, and production. We make decisions concerning these areas in the specialist committees responsible for the respective model series. These committees consist of the respective subsection representatives and expert groups such as those dealing with specific groups of materials. Corporate management is always involved in fundamental decision-making regarding design concepts, manufacturing technologies, and the utilization of materials. When making such decisions, the management takes multiple factors into account. These include costs, resource-efficient technologies, the use of alternative materials such as secondary materials and renewable raw materials, and the potential for industrialization. During this process, management examines to what extent the results of development can be transferred to large-scale industrial production, for example with regard to the use of raw materials.

Our vehicles generally contain several thousand parts and components, and our supply chain is therefore complex. It comprises around 60,000 direct suppliers for production and non-production materials, with most of them based in Europe, North America, and Asia. These suppliers in turn have sub-suppliers, and sometimes a supply chain can contain up to seven or eight sub-levels, with additional sub-suppliers on each level. With every innovation and every market development, the supply chain dynamically develops further – and this also occurred during the reporting period.

We use a variety of measures and concepts in order to ensure the sustainable management of our supply chain. These include supplier screenings, audits, risk-based due diligence analyses, qualification modules for production material suppliers, and additional workshops with selected service providers. Our goal here is to ensure compliance with social standards and environmental regulations on the one hand and greater transparency in the supply chain on the other.

Several types of raw materials that are needed for the production of electric vehicles are associated with certain risks. In order to better assess how critical the use of a raw material is or can become, Daimler's car division teamed up with partners from industry and science in 2015 to conduct the ESSENZ research project. The result has been a holistic approach that our engineers are already following in the early phases of vehicle development. The use of the ESSENZ method is based on the life cycle assessment methodology, which makes it possible to systematically analyze the environmental effects of a vehicle along its entire life cycle. The ESSENZ approach not only examines the geological availability of a raw material but also takes socioeconomic factors and social and societal risks into account.

Materials Efficiency & Recycling

TR-AU-440b.1

Total amount of waste from manufacturing, percentage recycled

In 2020, Daimler AG (based on majority shareholdings) had a waste recycling rate of 97.6%.¹

Further details are available in our tool “Key figures environment” (available for reporting year 2020 by March 29, 2021).

TR-AU-440b.2

Weight of end-of-life material recovered, percentage recycled

All Mercedes-Benz car models are 85 percent recyclable in accordance with ISO 22 628. Moreover, the European End-of-Life Vehicles Directive 2000/53/EC specifies that 95 percent of the materials in passenger cars and vans with a gross vehicle weight of up to 3.5 tons have to be capable of being reused or recovered.

With the adoption of the European ELV Directive, requirements were also set for the establishment of free of charge take-back systems for end-of-life vehicles (ELVs) as well as used parts from repairs in Mercedes-Benz workshops. Dismantling information is published by the manufacturer in the IDIS (International Dismantling Information System) to ELV recyclers within six months of market launch.

At the ELV recycler’s premises, the fluids, battery, oil filter, tires, and catalytic converters are removed as part of the pretreatment process. The airbags are able to get triggered with a device that is standardized amongst all European car manufacturers.

During dismantling, the prescribed parts are first removed according to the European ELV Directive. To improve recycling, numerous components and assemblies are then removed and are sold directly as used spare parts or serve as a basis for the manufacturing of replacement parts. In addition to used parts, materials that can be recycled using economically appropriate procedures are selectively removed in the vehicle dismantling process. These include components of aluminum and copper as well as selected large plastic components.

In 1996 we set up the Mercedes-Benz Used Parts Center (MB GTC), a Group-owned specialist business that disassembles more than 5,000 vehicles per year. The sale of the parts that are disassembled there to repair shops and final customers means that we are reusing these parts to the greatest possible extent and guaranteeing a range of products for repairs that reflect the vehicle’s current value.

TR-AU-440b.3

Average recyclability of vehicles sold

All Mercedes-Benz car models are 85 percent recyclable in accordance with ISO 22 628. Moreover, the European End-of-Life Vehicles Directive 2000/53/EC specifies that 95 percent of the material in

passenger cars and vans with a gross vehicle weight of up to 3.5 tons has to be capable of being reused or recovered.

¹ including waste for energy recovery

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.