Daimler Sustainability report 2014.

Including in-depth content



http://sustainability.daimler.com

Daimler Sustainability report 2014 Index

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Daimler Sustainability report 2014 Editorial

Editorial







Dear Readers,

Have you ever heard of the book "The Imperative of Responsibility"? ¹ It was written by Hans Jonas and was the best-selling philosophy book of the 1980s. Its main message is as topical today as it was then: "Act so that the effects of your action are compatible with the permanence of genuine human life on earth." Simply put: Those who act according to the motto "after me the deluge" increase the probability of deluge. Instead, we must act in a way that we can justify to our children and grandchildren. This is exactly what we are doing at Daimler.

It is no accident that no other vehicle manufacturer can look back on a tradition as long as ours. This also has to do with the fact that we take responsibility – for the economy and the ecology, for employees and society. We are not writing this because it reads well in the editorial of a sustainability report, but because the "Responsibility Principle" is a guiding principle in our business activities.

Take our products: Of our total investments of around €5.7 billion, in research and development last year, almost half went into "green" technologies. With the B-Class Electric Drive and the Denza – the first electric car to be fully developed in China for China – we have brought two more E-vehicles onto the road.

For us, PLUG-IN hybrids are a key technology in the transition to fully electric driving: By 2017, we will have brought ten PLUG-IN models onto the market – one new vehicle every four months, on average. For us, responsible action also means that we must work to make road traffic even safer. Ninety percent of traffic accidents are caused by human error. It is clear: Every accident is one too many. We also see great potential in autonomous driving. In 2013, we presented the prototype of an autonomous S-Class, followed by the first autonomous truck last year: our Future Truck.

The "Responsibility Principle" also guides us in our relationships with our employees, customers, suppliers, shareholders, neighbors, and NGOs. Our guidepost in the last fifteen years has been the UN Global Compact – which addresses environmental protection and the protection of human and employee rights as well as the fight against corruption. We are convinced that only those who act

Daimler Sustainability report 2014 Editorial

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ethically are also economically successful. This is what we are striving for and what we want to continue to discuss with you, dear readers, in the future as well. Let us take responsibility together!

Best regards,

Dr Dieter Zetsche Dr Christine Hohmann-Dennhardt Prof Dr Thomas Weber Chairman of the Board of Management Member of the Board of Management of Member of the Board of Management of of Daimler AG, Daimler AG, Daimler AG, Head of Mercedes-Benz Cars Integrity and Legal Affairs, Group Research & Mercedes-Benz Cars Co-Chairman of the Daimler Development, Sustainability Board Co-Chairman the Daimler Sustainability Board

¹ Jonas, Hans: The Imperative of Responsibility, In Search of an Ethics for the Technological Age, Chicago, 1984.

Daimler Sustainability report 2014 Corporate profile

Corporate profile

Daimler - Facts and Figures 2014: → PDF file (1.1 MB)

Daimler Sustainability report 2014 Strategy and management

Strategy and management

Sustainability is a basic principle of our corporate strategy and a benchmark for our business success. To enable us to deal systematically with the fields of action that are also considered important from the view of our stakeholders, we are continuously developing our sustainability strategy, aimed at the implementation of our medium- to long-term "Sustainability Program 2020".

Our understanding of sustainability

In our mission statement we have formulated what sustainability means to us and how we wish to achieve the associated objectives in our daily working lives and in our business activity:

Our understanding of sustainability

At Daimler, we define sustainability as responsible corporate behavior that leads to long-term business success and is in harmony with society and the environment.

We are moving toward our goals by making sustainability a firmly integrated aspect of our operations and by requiring and promoting a strong sense of responsibility for sustainable operations among all of our managers and employees throughout the Group. We include our business partners in this process and participate in continuous dialogue on these issues with our stakeholders.

Our management structures, processes, and systems are also designed in accordance with this concept of sustainability. All of our behavior is based on legality and integrity. As one of the world's foremost automakers, Daimler strives to achieve a clear leading position in the area of sustainability.

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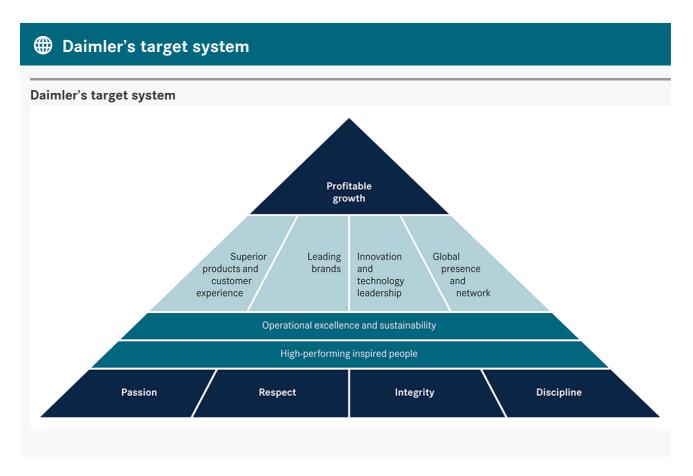
Strategic approach

As a globally operating automotive manufaturer, we deal with industry specific challenges in the implementation of our sustainability objectives, which arise from the social and ecological effects of our business activity as well as from the framework conditions under which we operate. Our approach to these challenges gives rise to opportunities for sustainable business success. At the same time, we are called upon to identify and address risks at an early stage:

- We are committed to legal and ethical standards and must ensure that they are observed worldwide as well as by our business partners and suppliers.
- Road traffic contributes to the generation of CO₂ and pollutant emissions. As an automotive
 manufacturer we strive to create sustainable mobility solutions and demonstrate our power of
 innovation in the areas of environmental protection, conservation of resources, and safety.
- Our operational processes, particularly in vehicle production, are associated with environmental effects, which we keep as low as possible through a system of consistent environmental management.
- As an employer, we bear responsibility for ensuring fair and attractive working conditions for almost 280,000 employees worldwide.
- As a good corporate citizen, we want to contribute to the common good beyond the scope of our business operations and in doing so make use of our special competencies.

To adequately meet these requirements and address our self-designated sustainability objectives on a systematic basis, we have developed a Group-wide sustainability strategy, which is integrated into our corporate strategy based on the fundamental corporate values of passion, discipline, respect, and integrity. Sustainability is anchored in this target system as a basic principle at the implementation level. That means: We can achieve sustainable profitability and social acceptance with a license to operate in our business activity only if we consider the environmental and social effects of all business processes, and tie our economic objectives to ecological and social requirements.

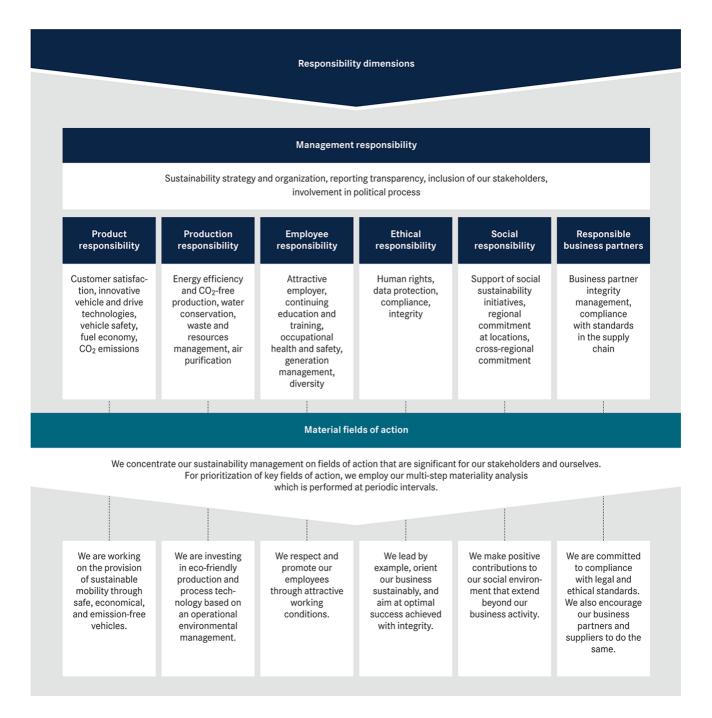
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Our sustainability strategy has six main activity areas ("responsibility dimensions") to which relevant fields of action are assigned. We have linked these with targets and target indicators. All targets taken together constitute our medium- to long-term "Sustainability Program 2020." The program provides us with a yardstick to measure ourselves and be measured by the public. A key task of the cross-disciplinary dimension of management responsibility is the systematic management of the strategic program and the verifiable implementation of its objectives.

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Responsibility dimensions and key fields of action of Daimler's Sustainability Strategy governance at Daimler



In the identification of particularly relevant fields of action, we take into consideration the views of our company and standpoints of our stakeholders, which include employees, customers, shareholders, and suppliers, as well as environmental and human rights organizations and many other stakeholder groups. We prioritize the fields of action at regular intervals with the help of a multi-step materiality analysis. In this respect, as well as in the associated process of updating and possibly correcting our sustainability strategy, continuous dialog with our stakeholders plays an important role.

- > Materiality matrix
- > Stakeholder dialog

Daimler Sustainability report 2014 Sustainable management

Sustainable management

Business units and staff functions - submits/implements sustainability topics

Sustainability management is a continuous improvement process, which is used for the systematic steering of our sustainability program and the verifiable implementation of its objectives. We have coordinated our management and organization structures to this end, and have created clear lines of responsibility in all business divisions. Our sustainability objectives are anchored in our management and leadership system, and are documented in the target agreements between employees and managers.

Sustainability governance at Daimler **Board of Management (BoM)** Reports to the entire **Board of Management** Corporate Sustainability Board (CSB) Co-Chair CSB Communications External Affairs Procurement Group Research & Environmental Integrity and Legal Affairs Resources Mercedes-Benz Protection Cars Development (BoM Member) (BoM Member) Corporate Sustainability Office (CSO) – Sustainability strategy, Sustainability Report, ratings & rankings, stakeholder dialog CSO Lead Team – bundles, coordinates, allocates, monitors, controls, prepares topics Human Communications **External Affairs** Procurement Investor Integrity and Environmental Relations Legal Affairs Protection Resources Mercedes-Mercedes-Daimler Mercedes-Global Daimler Integrity Donations, Strategy Benz Cars Benz Cars Trucks Benz Vans Financial and Legal Diversity Buses Sponsorships, Mem-Sales Production Services Affairs bership

Daimler Sustainability report 2014 Sustainable management

Our central management committee for sustainability is the Corporate Sustainability Board (CSB), headed by Dr. Christine Hohmann-Dennhardt (member of the Board of Management for Integrity and Legal Affairs) and Prof. Dr. Thomas Weber (member of the Board of Management for Group Research & Mercedes-Benz Cars Development). The CSB is managed by Prof. Dr. Herbert Kohler (Head of Group Research and Sustainability and Chief Environmental Officer). The operational work is done by the Corporate Sustainability Office (CSO) comprised of representatives from the specialist units and the business divisions.

In our sustainability strategy, we attach special importance to the broad-based anchoring of a culture of integrity throughout the Group. Our standards and guidelines of good conduct are formulated in our Integrity Code, which is supplemented by other in-house principles and policies that help our employees in making the right decisions in the highly complex day-to-day business. The Enterprise Regulations Database (ERD) contains all internal policies of the Group and works agreements, and is accessible to all employees. The ERD is available in ten languages and the policies are published in up to 23 languages.

The basic guidance for our business activity is provided by the ten principles of the UN Global Compact, with which we have a special affiliation as a founding and LEAD participant. Our internal principles and guidelines are founded on this international frame of reference and other international principles.

House of Policies — Policies in the Daimler Group

In 2008, our Board of Management decided to introduce a new policy management system. The internal group platform of the House of Policies was created for the following purpose: All internal policies of the Group and works agreements are compiled in a uniform, user-friendly digital Enterprise Regulations Database (ERD), which is accessible to all employees. The ERD is available in ten languages, and the policies are available in up to 23 languages.

In the process of developing the new policy management system, we standardized the individual policies and reduced their number by around 71 percent to the current number of around 560. The ERD also enables employee-specific filtering: With the help of the "My Regulations" function it is possible to display only the works agreements and policies that apply to a selected employee in his or her function. As a result of these measures, on average there are now only 41 valid policies per employee. The new ERD is additionally characterized by an ergonomic user interface and has an exact search function as well as a "Keep me posted" function, which informs the user by email about any changes to specific regulations.

The House of Policies has optimized the policy creation process and has defined strict quality criteria, which also leads to improved readability of the policies. Each policy applying to the entire Group is presented to test readers before being published in order to test the applicability and comprehensibility for the respective target group.

Building awareness. In a multi-step communication campaign we have informed all Daimler employees

Daimler Sustainability report 2014 Sustainable management

worldwide about the ERD and its new functions. To this end, two short videos are provided on the Intranet page of the House of Policies. In addition, employees who are involved in the policy creation and revision process can take part in e-training if needed.

The ERD also contains the names of contact persons for policies and policy management.

> Culture of integrity

> Declaration Global Compact Lead Participant

Basic principles and guidelines for our sustainability management

UN Global Compact and UN Global Compact LEAD Group	Universal Declaration of Human Rights	Core Labor Standards of the International Labour Organization (ILO)	OECD Guidelines for Multinational Enterprises
Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy	UN Guiding Principles on Business and Human Rights	German Corporate Governance Code	Code of Responsible Conduct for Business (Germany)

Basic principles and guidelines	Basic principles and guidelines of Daimler AG in the area of sustainability				
Integrity Code	The Integrity Code defines the basic principles for daily conduct at the company and addresses the following issues: preservation of human rights, compliance with the laws, prevention of corruption and conflicts of interest, protection of Group assets, and observance of social responsibility. Supplemented by: Group policies and recommendations.				
Principles of Social Responsibility (part of the Integrity Code)	UN Global Compact-based commitment to human rights and employees' rights — e.g. the right to organize and the right to work under satisfactory conditions. Signed by the Board of Management and the World Employee Committee in 2002; updated in 2012.				
Environmental and Energy Guidelines	Framework guidance on environment- and energy-related issues, for all employees, as well as a framework for the definition of environment- and energy-related goals; updated in 2013.				
Supplier Sustainability Standards	Social, environmental, and business ethics standards which are a binding element in supplier contracts.				

The principles and guidelines

Integrity Code: > PDF file (1.4 MB)

Our environmental and energy guidelines in detail: > PDF file (484 KB)

Sustainability standards for suppliers: > PDF file (47 KB)

Since 2011, we have been utilizing a sustainability scorecard as an instrument for controlling the key sustainability targets. This signals needs for action and successes based on quantitative indicators

Daimler Sustainability report 2014 Sustainable management

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and qualitative targets via a traffic-light system and thus enables us to take targeted measures with the direct involvement of corporate management.

Governance structures. As a corporation founded under German law, the Daimler Group has a dual management structure comprised of a Board of Management and a Supervisory Board, both of which work closely together in the best interests of the company in line with the recommendations of the German Corporate Governance Code. The requirement for sustainable corporate management is also firmly established at this top management level — through the personal target agreements of the members of the Board of Management, which have been supplemented with annually updated non-financial indicators in the area of integrity and the UN Global Compact since the 2011 financial year.

Our staffing of management bodies and positions is carried out in consideration of diversity, for example on the topic of women representation. This applies to the Board of Management as well as to the Supervisory Board. With three women on the shareholders' side and two women on the side of the employee representatives, Daimler has almost achieved the 30-percent quota for women in Supervisory Boards of fully co-determined and listed companies required by the great coalition. Since February 2011, the Board of Management Division for Integrity and Legal Affairs at Daimler AG is headed by a woman. The current share of women in the Board of Management is 12.5 percent due to the enlargement of the Board of Management from seven to eight members as of January 1, 2015. Moreover, we have set ourselves a target of 20 percent women in senior executives positions by the year 2020. The share of women has grown continuously in recent years and was at a good 14 percent at the end of 2014. For the year 2015, we have set a target of one percent additional growth.

- → Remuneration report
- → Report of the Supervisory Board
- → Composition of the Board of Management and Supervisory Board and on the prevention of conflicts of interest in the Corporate Governance Report
- > Promotion of women in management positions: PDF file (5.4 MB)

Daimler Sustainability report 2014 Sustainability Ratings

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Sustainability Ratings

Independent rating agencies and research institutes have evaluated and critically assessed our sustainability performance in 2014 again. Today there are many different ratings and ranking of various quality and significance. The Corporate Sustainability Board (CSB) has therefore decided that our company will only supply data for the ratings and rankings whose assessment methodology, quality, and transparency can be subjected to a verifiable analysis.

In line with these requirements, the performance of Daimler AG in the CDP (formerly Carbon Disclosure Project) is particularly noteworthy. Here, Daimler was singled out as sector leader in the automotive industry. The company received the award for outstanding commitment and exemplary transparency in dealing with climate change, and scored the maximum number of 100 points in the Climate Disclosure Leadership Index (CDLI). In addition, Daimler received an "A" performance rating for its initiated measures, already achieved progress, and planned strategies for reduction of CO₂ emissions: the top score. The CDP, which is supported by more than 750 "signatory investors," is considered the most important authority for sustainability evaluation in the world today.

In 2013, the UN Global Compact introduced the "GC 100" stock index in collaboration with the research provider Sustainalytics. This index represents the performance of 100 particularly sustainable and responsibilityconscious companies, of which Daimler AG is a member.

In addition, we are included in the "Euronext Vigeo — Europe 120," an index comprised of the 120 leading companies in the area of entrepreneurial responsibility in Europe.

We will continue to intensify our sustainability activities in order to improve our position in the relevant key ratings.

Stakeholder dialog

Our business activities affect the interests of many people in different countries and regions. We therefore seek the dialog with all stakeholders in order to exchange experiences and address controversial topics without any restrictions. That is why the stakeholder dialog is a key element of the cross-divisional management responsibilities in our sustainability strategy. The honor of being cited as a cross-industry best practice example in the 2013 Corporate Responsibility Index of the Bertelsmann Foundation shows us that we are on the right track, which we will continue to pursue rigorously.

Organization and responsibility. For our stakeholder relationships we have defined clear lines of responsibility, communication channels, and forms of dialog dependent on the topic and case. In addition to institutionalized dialog management, for example in Investor Relations, Procurement or Corporate Communications, the Sustainability Board and the Sustainability Office coordinate the social dialog and the central events for the topic-based dialog.

Targeted selection process of stakeholder groups. For us, stakeholders are all parties and organizations which impose legal, financial, operational or ethical requirements on Daimler AG. One criterion for the identification and weighting is the extent to which a person or group is influenced by our company's decisions and can in turn influence these decisions. The most important stakeholders are our employees, customers, shareholders, and investors, as well as our suppliers. However, civil groups such as NGOs also have legitimate interests and frequently possess special expertise, which we utilize and optimally include in a structured manner. The same applies to analysts, professional associations, trade unions, media, science, and politics as well as municipalities, residents, and

Forms of dialog. To ensure the inclusion of our stakeholders, we utilize online and print media, questionnaires and surveys, expert discussions, workshops, and local and regional dialog events, among others. In addition, we collaborate in professional associations, committees, and sustainability initiatives. In the reporting year, in the framework of two interdisciplinary conferences, we engaged in an intensive dialog with more than 80 experts and Daimler representatives on the topics of "Connected Driving and Data Protection" and "Responsible Sponsorship." We thus deliberately initiated social discussion and dialog in the spirit of constructive criticism about sustainability topics that are especially relevant for us and the society.

G4-26



Data Protection Symposium

Data Protection Symposium: → PDF file (101 KB)



Sponsorship Symposium

Sponsorship Symposium: > PDF file (95 KB)

> Topic "Integrity and compliance": PDF file (5.4 MB)

"Daimler Sustainability Dialogue". In addition, we attach great importance to the "Daimler Sustainability Dialogue", held annualy in Stuttgart since 2008, which brings various stakeholder groups together with representatives of our Board of Management and the executive management. In line with our objective of promoting the establishment and observance of sustainability standards around the world, we are now organizing "Daimler Sustainability Dialogues" in other countries as well. Thus far, events have been held in China, the U.S., and Japan. Our Corporate Sustainability Board has decided to promote further internationalization in close collaboration with the respective national companies.



"Daimler Sustainability Dialogue" 2014 — Results and participants

"Daimler Sustainability Dialogue" in Stuttgart on November 12 and 13, 2014

On November 12 and 13, 2014, the "Daimler Sustainability Dialogue" was held in Stuttgart for the seventh time. More than 100 representatives from politics, business, science, non-government organizations, associations, trade unions as well as local residents and neighbors met with some 70 Daimler representatives including four members of the Board of Management.

The aim of the annual event is to provide a platform for dialog and knowledge transfer, the definition of fields of action, and to work jointly on current sustainability issues. In working groups, the participants discuss focal topics from areas such as the environment, human resources, society, and communications. Daimler's company representatives collect the input provided by the external participants, advance the implementation of the agreed objectives jointly with the stakeholders during the year, and report on the progress that has been achieved at the next event.

The workshops are a central element of each Sustainability Dialogue. The work there takes place in small, thematically defined groups. This year, the working group on environmental protection dealt intensively with the issues of resource consumption and resource efficiency. The handling of contracts for work and services was the focus of the HR topics. The workshop on human rights addressed, among other things, the question of how a country-specific risk management can be established. Other workshops were dedicated to data protection (which was also the main topic of the preceding evening, see below), and community relations. In addition, a workshop on sustainability communications was held for the first time in 2014. The focus here was on social media.

The topic of the event on the preceding evening was "Connected Driving and Data Protection." Prominent guests on the podium included Sabine Leutheusser-Schnarrenberger, former Federal Minister of Justice, and Dr. Wieland Holfelder, Enigneering Director & Site Lead at Google Germany, who engaged in discussion with the event hosts, Dr. Christine Hohmann-Dennhardt, Member of the Board of Management for Integrity and Legal Affairs, and Professor Dr. Thomas Weber, Member of the Board of Management for Group Research & Mercedes-Benz Cars Development. The evening consensus was that two things must be assured at Daimler in

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all cases: early consideration of data protection in product development and self-determination of customers with regard to their personal data.

Main topics and results of the working groups

> PDF file (197 KB)

Participating organizations (excerpt)

- · Pforzheim University
- Chamber of Industry and Commerce Schwarzwald-Baar-Heuberg
- Greenpeace Germany
- Dürr AG
- Center for International Human Rights, Northwestern University School of Law
- VDA German Association of the Automotive Industry
- Berlin Technical University
- KD Bank
- Südwestmetall
- DEKRA Arbeit GmbH
- Municipality of Immendingen
- Ministry for the Environment, Climate and Energy Baden-Württemberg
- BITKOM e.V.
- Economic Development Office Schwarzwald-Baar-Heuberg
- Human Rights Watch
- Toll Collect GmbH
- Robert Bosch GmbH
- German Global Compact Network
- Petroleum Industry Association
- Bavarian State Office for Data Protection Oversight
- Südwestmetall Association of the Metal and Electrical Industry in Baden-Württemberg
- Immendingen is building the future
- German Pension Insurance Association Baden-Württemberg
- SAP SE
- Wittenberg Center for Global Ethics
- Martin Priebe Consulting & Organization
- Roa.Consult
- Institute for Applied Trust Research
- Löning Human Rights & Responsible Business
- Heilbronn University

Participants' feedback:

> PDF file (223 KB)

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Priority issues of the "Daimler Sustainability Dialogue" in Stuttgart from 2008 to 2014: > PDF file (284 KB)

Dialog at locations. We are also engaged in dialog with the stakeholders at our locations. One example is our planned Testing and Technology Center in Immendingen on the Danube, which will be built on the site of a former military base. From the very start, we sought the dialog with the people in the region, and addressed their concerns. In addition, the Daimler Forum opened in 2012, ensuring the local presence of the company in Immendingen, where the residents can learn about the status of the project.



Daimler Forum Immendingen

▶ Daimler Forum Immendingen (Site only available in German)

Stakeholder survey. With a view to reaching as many stakeholder groups as possible, we conduct an open international online stakeholder survey on a regular basis. The last survey conducted in 2013 was answered by more than 800 persons and organizations. All interested parties were invited to evaluate the relevance of fields of action in the area of sustainability for our company without limiting it to specific groups. Since the results of the survey remained relatively stable in 2012 and 2013, we have decided to conduct the stakeholder survey at two-year intervals from now on.

Feedback on our sustainability program. The results of our open stakeholder survey are reflected in our materiality analysis and also flow into our sustainability program along with the results of the "Daimler Sustainability Dialogue." Here, we deliberately focus on topics that are considered to be significant by us and our stakeholders. Our aim is to translate the agreements made in this context most optimally into verifiable targets and initiatives that can be advanced during the year in cooperation with our stakeholders.

G4-26, G4-27

Overview of our various forms of dialog

	Information	Consultation	Dialog	Participation
Objective	Provide information, create transparency.	Listen, learn, transfer know how	Exchange views, create understanding, work out possibilities for solutions.	Cooperate, share, launch joint projects.
Assigned formats	Annual Corporate Sustainability Report Blogs and social media Intranet and internal communication Press and public relations work Local insights: Mercedes-Benz Museum, plant tours, receiving of delegations	 Consultation of stakeholders about sustainability topics in working groups External review of our sustainability objectives and report Surveys and opinion polls 	 Annual Daimler Sustainability Dialogue Group-wide internal Integrity Dialog Initiation of social debate via specific symposia (in 2014 on data protection and sponsoring issues) Daimler Supplier Portal Membership in sustainability initiatives and networks Local dialogs with communities and neighbors (e.g. Daimler Forum Immendingen) Talks with political decision- makers and NGOs on special occasions or in relation to projects 	Materiality analysis (Stakeholder

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Membership and participation in initiatives

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors	Status
Worldwide memberships				
UN Global Compact – UN- Initiative für Umweltschutz, Arbeits- und	2000	addicida	LINI Initiativa	valuatan
Menschenrechte weltweit Global Reporting Initiative		worldwide	Founded by Ceres & UNEP; Supported by a broad network of companies, civil society activists, agencies, scientists,	voluntary
(GRI) KAN		worldwide Germany	Commission Health and Safety and Standardization	voluntary
World Business Council for Sustainable Development (WBCSD)	2013	worldwide	WBCSD has been founded in the run-up of the Rio Earth Summit in 1992 The objective: to tie the concept of sustainable development to the business world; the WBCSD is managed by the membership companies; members are 190 companies from 35 countries and 22 sectors such as BMW, VW, Toyota, BASF, Siemens, Shell	voluntary
Econsense – Forum Nachhaltige Entwicklung der Deutschen Wirtschaft	2011	Germany	Members are leading German companies and organizations (especially those listed in the DAX) from different industry and service sectors.	voluntary
Economy and labour				
Global: International Chamber of Commerce			more than 7,000 members, national	

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors	Status
			groups in more than 90 countries	
Deutschland: ME			Umbrella organization of the regional metal working employer	
Gesamtmetall e.V.		Germany	organization in Germany	voluntary
Deutschland:				
Südwestmetall – Verband der Metall- und			Employer organization of the metal working	
Elektroindustrie Baden- Württemberg e.V.	1948	Germany	and electronic industry in Baden-Württemberg	voluntary
Deutschland: Bundesvereinigung der Deutschen				
Arbeitgeberverbände (BDA)		Germany	Association of private employers	voluntary
Deutschland: Bundesverband der Deutschen Industrie (BDI)		Germany	Head organization of the German industry and the close-to- industry services in Germany, represents for 38 indutry sectors	voluntary
Deutschland: Verband der Automobilindustrie (VDA)	1954	Germany	The VDA organises over 600 companies of the automotive industry within the Federal Republic of Germany. As representative of this key industry of the German economy the VDA keeps continuous dialog and discussions with other industries, the public, politics and customers.	voluntary
Deutschland: Berlin Center of Corporate Governance e.V.	2002	Germany	Technical University Berlin	voluntary
Deutschland: AmCham Germany	1950	Germany	Network of German and American companies with presence in Germany	voluntary
Deutsche Gesellschaft für			Founder's group: non- profit organization with the objective to promote HR	

Member since/ Supporting since	applicable to	founding groups and main actors	Status
		practice, research and academic teaching with about 2,000 members: 1,750 companies and 250 individual members	
1967	Germany	Association of the German, listed companies and institutions	voluntary
		German trade organization for	,
	Germany	Investor Relations (IR)	voluntary
	Germany	Statutory accident insurance association	chosen
		Network of European and American companies with	
2003	EU	presence in Europe	voluntary
		ACEA represents interests of 18 European automotive	
1974	EU	European Union.	voluntary
		Membership of 41 national head organization of industry and employer associations from 35	
	EU	countries	voluntary
	APII	National association of manufacturers in the US represents manufacturer of all kind of industry sectors in all 50 federal states	voluntary
		Association of automotive	voluntary
	USA	The US Chamber of Commerce represents companies, economical associats, federal and regional chambers and the international Chamber	voluntary
	Supporting since 1967	Supporting since 1967 Germany Germany 1974 EU EU USA USA	Supporting since applicable to main actors practice, research and academic teaching with about 2,000 members: 1,750 companies and 250 individual members Association of the German, listed companies and institutions Germany German trade organization for Investor Relations (IR) Statutory accident insurance association Network of European and American companies with presence in Europe ACEA represents interests of 18 European automotive companies within the European Union. Membership of 41 national head organization of industry and employer associations from 35 countries EU National association of manufacturer of all kind of industry sectors in all 50 federal states. USA Association of automotive manufacturer The US Chamber of Commerce represents companies, economical associats, federal and regional chambers and the

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors of Commerce in	Status
			America.	
USA: Automotive Industry Action Group (AIAG)	1998	USA/global	Initiative of the U.S. American automotive manufacturers to enhance standardization and solutions along the supplier chain.	voluntary
Japan: Japan Automobile Importers Association (JAIA)		Japan	Japanese association of automotive manufacturer	voluntary
International Association of Public Transport (UITP)	2009	international	International network of public authorities and public transportation companies, political decision makers, science institutes as well as supplier and service industries. The network includes about 3,400 members in 92 countries.	voluntary
USA: Business Civic Leadership Center (BCLC)		USA	Business Civic Leadership Center (BCLC) is a non-profit subsidiary of the U.S. Chamber of Commerce, the largest industry association worldwide. BCLC focuses on social and philantropic issues of the membership companies.	voluntary
Environment		OUA	companies.	voluntary
Environment				
Brennstoffzellen- und Batterie-Allianz Baden- Württemberg (BBA-BW)	2001	Germany	Network of competence for fuel cell, battery and hydrogen technology	voluntary
Clean Energy Partnership (CEP)	2002	Germany	largegest project for hydrogen mobility in Europe and leading project of the National Innovation Program for Hydrogen and Fuel Cell Technology (NIP) concerning traffic.	voluntary

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors Since 2008 the CEP is supported by the German Federal Ministry for Traffic; CEP partners are technology, mineral oil and energy companies as well as large automotve manufacturers and two of the major public transportation companies in Germany.	Status
e-mobil Baden- Württemberg	2007	Germany	Federal state agency for electric mobility and fuel cell technology in Baden-Württemberg; key consultancy of the federal state concerning electric mobility.	voluntary
Europäische Forschungsvereinigung für Umwelt und Gesundheit im Transportsektor e.V. (EUGT)	2008	Germany	Association for the research of traffic-realted emissions and imissions and their impact on human beings and the environment. Founding members of the EUGT are BMW, Daimler, Volkswagen und Bosch	voluntary
H2 Mobility	2000	Cormony	Joint initiative of leading industrial companies supported by the National Innovation Program for Hydrogen and Fuel Cell Technology (NIP). The initiative stands up for the commercialization of hydrogen for fueling as well as the implementation of a nationwide hydrogen infratructure in Germany; H2 Mobility partners are Daimler, Toyota, BMW, VW, Hyundai, Nissan, Opel/	
H2 Mobility	2009	Germany	GM, Air Liquide,	

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors	Status
			EnBW, Linde, OMV,	
			Shell, Total, Vattenfall,	
			Siemens, Intelligent	
			Energy and NOW.	
			Strategic alliance of	
			the federation, industry	
Nationales			and science to support	
Innovationsprogramm			market entry of	
Wasserstoff- und			hydrogen and fuel cell	
Brennstoffzellentechnologie (NIP)	2006	Germany	applications in Germany	voluntary
			Deepensible for the	-
			Responsible for the coordination and	
Nationale Organisation			steering of the National	
Wasserstoff- und			Innovation Program for	
Brennstoffzellentechnologie			Hydrogen and Fuel	
(NOW)	2008	Germany	Cell Technology (NIP)	voluntary
		•	Initiative of automotive	-
			companies and energy industry supported by	
			the Federal Ministry for	
Verkehrswirtschaftliche			Traffic and Digital	
Energiestrategie (VES)	1999	Germany	Infrastructure (BMVI)	voluntary
World Wide Fund For				
Nature (WWF)				
Deutschland	1974	Germany	WWF	voluntary
			Development and	
			testing of a new	
			mobility concept by	
			fleet testing with	
			eletronic vehicles in	
			the area of the	
			German-French	
			border. The objective:	
			to develop	
			recommendations for	
			the European standard	
Cross border Mability far			process of the electric	
Cross-border Mobility for EVs (CROME)	2011	FII	mobility infrastructure as well as services.	voluntary
_ v 3 (OI (OIVIL)	2011		as well as selvices.	voluntary
			Private-Public-	
			Partnership; members	
			are the European	
			Commission,	
Fuel Cells and Hydrogon			representatives of the	
Fuel Cells and Hydrogen Joint Undertaking (FCH			hydrogen and fuel cell industry and research	
JU)	2008	FU	alliance.	voluntary
JU j	2000		amance.	v Orur itar y

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors	Status
			Transnational initiative	
			to promote electric	
			mobility in Europe; the participating industrial	
			and automotive	
			companies, electric	
			•	
			utilities, municipalities, universities and	
			research and testing	
			facilities gather expert	
			knowledge; the	
			objective: to realize a smooth, cross-border	
			traffic with electric	
Green e-Motion	2011	EU	vehicles on the road.	voluntary
JIEEN E-MOUON	2011	EU	verticles of the road.	voluntary
			Cooperation of	
			European businesses	
			from the infrastructure	
			and automotive sector	
			that builds on existing	
			H2 initiatives in	
			Europe, where Daimler	
			is actively involved for	
			several years already;	
			The aim of the project	
			is to increase and	
			strengthen the	
	0040	EU	customer acceptance	
H2moves Scandinavia	2010	EU	of fuel cell vehicles.	voluntary
			European association	
			representing the	
			manufacturers of	
			natural gas vehicles	
			(NGV), including	
			effective supplier and	
			distributor of natural	
			gas and biogas,	
			producer of OEM	
			vehicles and parts,	
			which are used for	
			vehicles or stations, as	
			well as national	
NGVA (Natural and bio Gas			associations related to	
Vehicle Association)			NGV and other NGV	
Europe	2009	EU	supporters	voluntary
			Association of	
			companies committed	
			to fight against climate	
			change; representing	
Business Environmental			various economic	
Leadership Council (BELC)		USA	sectors	voluntary

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors	Status
CALSTART		USA	Consortium of transport technologies	voluntary
California Fuel Cell Partnership (CaFCP)	1999	USA	Joint company of the public authorities in California (USA), various car manufacturers, the research on fuel cell vehicles, as well as several other interested sides such as gas station chains and federal agencies of the U.S.	voluntary
Diesel Technology Forum (DTF)		USA	Represents companies in the diesel industry, engine and equipment manufacturers, component manufacturers, fuel manufacturers, manufacturers of emission control technologies	voluntary
Electric Drive Transportation Association			Industry association, membership of various multinational	
(EDTA)		USA	companies	voluntary
Fuel Cell and Hydrogen Energy Association (FCHEA)		USA	Members from the entire supply chain of the fuel cell and hydrogen industry	voluntary
Health Effects Institute	1992		Independent research organization, supported by the U.S. Environmental Protection Agency and the automotive industry	·
National Biodiesel Board (NBB)		USA	National trade association of the biodiesel industry, coordinative function for research and development	voluntary
Society and social			·	•
SAFRI – Südliches Afrika Initiative der Deutschen			Founded in 1996 by the Afrika-Verein, BDI,	
Wirtschaft		Southern Afrika	DIHK	voluntary

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors	Status
			Membership is offered to individuals,	
			diplomatic	
Deutsche Gesellschaft für Auswärtige Politik (DGAP)	1055	Germany	representatives, companies, media	
Adswartige Folitik (DOAF)	1955	Germany	Companies, media	
			500 members from business, politics,	
Atlantik-Brücke e.V.	2001	Germany, USA	science and the media	voluntary
			Initiative of Andrew	
			Young (former U.S.	
			Ambassador to the UN) and Hans-Dietrich	
			Genscher, supported	
			by people from politics,	
			science, as well as	
Wittenberg-Zentrum für	0004		religious organizations	
Globale Ethik e.V.	2004	international	and businesses	voluntary
			More than 600	
Deutsches Netzwerk			members, DNWE is the German branch of	
Wirtschaftsethik (DNWE) inklusive Forum			the European Business	
Compliance & Integrity	1990	Germany	Ethics Network (EBEN)	voluntary
			Trans-party group of	
			EU and U.S.	
Transatlantic Policy			politicians, CEOs, think	
Network (TPN)	1993	Germany, USA	tanks and academics	voluntary
			Founded in 2002 by	
			the initiative of 25	
European School of			German companies and associations,	
Management and			support from various	
Technology in Berlin	1968	Germany	companies	voluntary
		Germany	The Carl Duisberg	
			Centers form a	
			network under the	
Carl-Duisberg Gesellschaft			umbrella of the Carl Duisberg non-profit	
e.V. (CDG), Berlin			company	voluntary
			Carrier is the	
			Association German-	
			American Center /	
			James-FByrnes-	
			Institut eV, where in	
			addition to the official institutions such as the	
			state of Baden-	
			Württemberg, the state	
Deutsch-Amerikanisches				
Deutsch-Amerikanisches Zentrum James-FByrnes-			capital Stuttgart, the	

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors	Status
			Hohenheim and Stuttgart and the colleges also German- American organizations, the U.S. Embassy in Berlin, corporate members and individuals are represented	
Transparency International (TPI)	2000	international	civil society organization with focus on the fight against corruption, about 90 national offshoot	voluntary
Verband der Betriebs- und			Professional Association of German occupational	
Werksärzte in Deutschland e.V. (VDBW)		Germany	physicians, 3,000 physician members	voluntary
Dautscha AIDS Stiffung		Germany	Foundation under civil law; support by founders, benefactors, companies, associations, media, prominent sponsors	voluntary
Deutsche AIDS-Stiftung		Germany	prominent sponsors	voluntary
Netzwerk Unternehmen für Gesundheit e.V.		Germany, USA	Initiative of a number of large companies and the BKK Bundesverband GbR, members are companies, agencies and corporations	
Corporate Activity / Netzwerk Sport und Gesundheit Großunternehmen	2000	Germany	Network of large companies on the topic of Workplace Health Promotion and Sport	
PG III "Impfmanagement im Rahmen der ArbMedVV" des Ausschusses für Arbeitsmedizin (AfAMed)	2011	Germany	Development of Vaccination under the ArbMedVV	voluntary
Gesellschaft für Nephrologie	2003	Germany	Professional Association of German nephrologists	voluntary
Deutsche Gesellschaft für Innere Medizin	1998	Germany	Professional Association of German Internistsn	voluntary

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors	Status
Gesellschaft für Datenschutz und Datensicherheit e.V. (GDD)	1992	Germany	Non-profit organization for the promotion of privacy and data security with over 2,000 (mostly corporate) members	voluntary
			The society focuses on conditions and	
Deutsche Gesellschaft für Recht und Informatik (DGRI)		Germany	consequences of information technology in law, economics and management	voluntary
AWV Arbeitsgemeinschaft				
für wirtschaftliche Verwaltung e.V.	1966	Germany		voluntary
European Privacy officers Forum (EPOF)	2002	Luxemburg		voluntary
Akademie für Reisemedizin (crm)	2010	Germany	Discussion forum for optimizing the structure of the eduction for travel medicine	voluntary
Bundesfachverband Betriebliche Sozialarbeit bbs-e.V.		Germany	Professional Association for company social consultants in Germany, Austria, Switzerland	voluntary
Charta der Vielfalt e.V	2011	Germany	Founding company of the Diversity Charter	voluntary
Catalyst	2011	Europa	Consulting company since 1962 in the field of organizational development and gender research	voluntary
EWMD (Europeam Women				
Management Development)	2006	Europa	Network Women in leadership positions	voluntary
Global Summit of Women	2007	worldwide	Global Network of women in leadership positions in business, politics, science	voluntary
Conference Board	2014	worldwide	The Conference Board is a global independent corporate membership and research	voluntary
Contende Board	2014	worlawide	organization that works	voluntary

Fidar calls for measures to significantly increase the number of women on the boards German corporations and to increase the proportion of women in top management. voluntary Traffic safety Europaischer Verein für Unfallforschung und - analyse 2004 European Union 2004 European Union reconstruction voluntary Europaischer Verein für Unfallforschung und - analyse 2004 European Union reconstruction voluntary Europaischer Verein für Unfallforschung und - analyse 2004 European Union reconstruction voluntary Babout 220 members, such as ministries responsible für transportation on federal and federational level, statutiory accident insurance companies, Deutsche Verkehrswacht, automotive clubs, automotive dubs, automotive manufacturer, passenger transportation companies, economic associations and unions, churches and unions, churches and unions, churches and other insitutions voluntary Deutscher Verkehrsvischerheitsrat e.V. 1969 Germany other insitutions voluntary Deutsches Verkehrsforum erpresentatives of the Executive Committee members are representatives of the Security Committee members are representatives of the German economy voluntary Governors Highway Safety Association USA representational and regional voluntary	Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors with a view of the public interest. The goal is to provide leading organizations practical know-how to improve their own performance and social value.	Status
Association of experts in the field of accident research and reconstruction voluntary about 220 members, such as ministries responsible for transportation on federal and federational level, statutory accident insurance companies, Deutsche Verkehrswacht, automotive clubs, automotive manufacturer, passenger transportation companies, economic associations and unions, churches and Verkehrssicherheitsrat e.V. 1969 Germany Association of experts in the field of accident research and reconstruction voluntary about 220 members, such as ministries responsible for transportation on federal and federational level, statutory accident insurance companies, Deutscher Verkehrswacht, automotive clubs, automotive manufacturer, passenger transportation companies, economic associations and unions, churches and voluntary more than 160 members; the 21 Executive Committee members are representatives of the e.V. 1992 Germany German economy voluntary		2010	Germany	measures to significantly increase the number of women on the boards German corporations and to increase the proportion of women in top	voluntary
Europäischer Verein für Unfallforschung und - analyse 2004 European Union about 220 members, such as ministries responsible for transportation on federal and federational level, statutory accident insurance companies, Deutsche Verkehrswacht, automotive clubs, automotive manufacturer, passenger transportation companies, economic associations and unions, churches and Verkehrssicherheitsrat e.V. 1969 Germany in the field of accident research and reconstruction voluntary about 220 members, such as ministries responsible for transportation on federal and federational level, statutory accident insurance companies, Deutsche Verkehrswacht, automotive clubs, automotive manufacturer, passenger transportation companies, economic associations and unions, churches and Verkehrssicherheitsrat e.V. 1969 Germany other institutions voluntary Deutsches Verkehrsforum e.V. 1992 Germany German economy voluntary	Traffic safety				
such as ministries responsible for transportation on federal and federational level, statutory accident insurance companies, Deutsche Verkehrswacht, automotive clubs, automotive manufacturer, passenger transportation companies, economic associations and unions, churches and Verkehrssicherheitsrat e.V. 1969 Germany other institutions voluntary Deutscher Verkehrssicherheitsrat e.V. 1969 Germany other institutions voluntary Deutscher Verkehrsforum representatives of the e.V. 1992 Germany German economy voluntary	Unfallforschung und -	2004	European Union	in the field of accident research and	voluntary
members; the 21 Executive Committee members are representatives of the e.V. 1992 Germany German economy voluntary Governors Highway Safety represents national		1969	Germany	such as ministries responsible for transportation on federal and federational level, statutory accident insurance companies, Deutsche Verkehrswacht, automotive clubs, automotive manufacturer, passenger transportation companies, economic associations and unions, churches and other institutions	voluntary
		1992	Germany	members; the 21 Executive Committee members are representatives of the	voluntary
			USA		voluntary

Jakomatianal	authorities responsible for traffic safety FISITA (International Federation of Automotive Engineering Societies) is the Automotive World Association. The member associations of 37 countries exchange knowledge on technical issues in the area of automotive	
Jakomatianal	Federation of Automotive Engineering Societies) is the Automotive World Association. The member associations of 37 countries exchange knowledge on technical issues in the area of automotive	
Jakomatianal	of 37 countries exchange knowledge on technical issues in the area of automotive	
International	design and	
International	production.	voluntary
	Industrial association of the 14 largest European passenger cars, trucks, and bus	
European Union	manufacturer	voluntary
	The German Institute for Standardization offers all interested parties a platform for the development of norms and standards. This is a service to	
Germany	state and society; DIN is a private organisation with the status of a non-profit	voluntary
Germany	FAT is the association of all German passenger cars and trucks manufacturer as well as a great number of suppliers. Their objective is to enhance joint research without any competitive barrier. This happens under the roof of the German Association of automotive manufacturers (VDA).	voluntary
Germany	The institute does research for future automotive	voluntary
		European Union European Union The German Institute for Standardization offers all interested parties a platform for the development of norms and standards. This is a service to companies, federal state and society; DIN is a private organisation with the status of a non-profit organization. Germany FAT is the association of all German passenger cars and trucks manufacturer as well as a great number of suppliers. Their objective is to enhance joint research without any competitive barrier. This happens under the roof of the German Association of automotive manufacturers (VDA). The institute does research for future

Name of institution or name of initiative	Member since/ Supporting since	applicable to	founding groups and main actors	Status
			generations on road and track in Stuttgart.	
			The German Academy	
			of Technical Science is	
			the first knowledge	
			academy in Germany.	
			acatech represents	
			technical science in	
			Germany and abroad;	
			the academy offers	
			advise to politics and	
			society regarding	
			technical based issues	
			of the future. The	
			objective: sustainable	
acatech e.V.		Germany	growth by innovation.	voluntary
			Administration,	
Forschungsgesellschaft für			economy and science	
Straßen- und			delegate more than	
Verkehrswesen (FGSV)		Germany	2,100 employees.	

- > Materiality analysis
- > Our Sustainability Program 2020



Political dialog and representation of interests. Our principles for political dialog and lobbying provide the basis for responsible and ethical lobbying. These principles include neutrality in dealing with political parties and interest groups.

Social renewal processes are often associated with far-reaching political decisions that have an impact on our company's long-term strategic focus. To help us make our planning more secure and enable us to contribute our ideas to these change processes, we speak with political decision-makers about topics such as CO₂ regulations, vehicle safety, new mobility concepts or electromobility. Other key issues include trade policy, location-specific issues, education and HR policy. We summarize our company's positions on issues from the fields of environment, energy, transportation, and economy in an annual brochure on the occasion of the international motor shows in Germany, alternating the focus between passenger car and commercial vehicle topics. Since 2013 we have made this brochure available to a broader audience. Our positions are in accord with our declared principles, sustainability goals, and public statements of our company. Given the fact that goals can be conflicting between sustainability dimensions, different nuances are possible.

Daimler Sustainability report 2014 Stakeholder dialog

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Brochure Company Positions

Brochure Company Positions: > PDF file (4.8 MB)

The External Affairs department of Daimler AG is the coordination center for political dialog at the national and international level. This worldwide network with offices in Berlin, Brussels, Beijing, Stuttgart, and Washington, operates with a staff of around 60, and coordinates more than 30 other corporate representations in key markets. In addition, a Group-wide "Lobbyists Register" ensures that political lobbying is carried out in accordance with the applicable regulations and ethical standards. Registration also serves to meet the existing registration requirements of public institutions.

Daimler Sustainability report 2014 Risk provisions

Risk provisions

The precautionary principle is realized as a guideline for risk prevention in principles and initiatives such as the UN Global Compact. For us, active risk management requires early identification, assessment, and handling of risks. To this end we have established management and control systems which are combined in a uniform Group-wide risk management system — also in keeping with the legal requirements. Our major risk categories include, among others, environmental and industry risks, financial risks, risks arising from warranties, legal risks as well as compliance and reputation risks within and outside the company.

Organization and responsibility. Our Group Risk Management Committee (GRMC) is a platform that ensures holistic risk analysis and recognition of significant and existential risks. It defines and designs the framework conditions for the Group-wide internal control and risk management system and reviews the effectiveness and functional capability of the deployed processes. The responsibility for operational risk management lies directly in the divisions, corporate functions, and legal entities. The respective responsible officers have the task of identifying and evaluating risks that are relevant for their unit, as well as for developing, implementing, and monitoring risk minimization and reduction measures. The risks are documented and forwarded to Group Risk Management, which processes the information and makes it available to the GRMC, the Board of Management, and the Supervisory Board.

Other initiatives established in the context of risk management are our Compliance Risk Assessment, the integrity reviews of business partners, environmental risk analyses at our production locations, and the consideration of consumer protection issues in our quality management system. The proactive approach is also supported by the systematic integration of environmental protection throughout the entire life cycle of our vehicles. In addition, other risks analyzed in the sustainability context include e.g. data protection and human rights.

- → Comprehensive risk report: AR 2014
- > Compliance risks and collaboration with business partners

Managing local impact. Risk prevention is also important for managing the local effects of our business activities. This applies, for example, to environmental protection in the production process: Our environmental management system defines structures and processes that ensure transparent reporting and clear areas of responsibility at all levels of our production facilities around the world. More than 98 percent of our employees work at locations with environmental management systems, which are audited and certified according to ISO14001. In addition, we regularly conduct environmental due diligence processes at our locations. Since 2011 we have also been working on a Group-wide risk management system for human rights.

- > Operational environmental protection
- > Human rights

Daimler Sustainability report 2014 Ethical responsibility

Ethical responsibility

We are convinced that ethical business practices ensure our long-term success and benefit society. As a globally operating company we take responsibility and strive to be a leader in ethical corporate governance. That is why we anchor integrity in our corporate culture on a sustainable basis.

Daimler Sustainability report 2014 Culture of integrity

Culture of integrity

Integrity is one of four corporate values which form the foundation for our business activities. Accordingly, the advancement and consolidation of integrity is an essential building block of our sustainability management and an element in the target agreements for the Board of Management remuneration. With a view to advancing the culture of integrity in our company we engage in dialog with our employees through a variety of measures. Regular discussions of integrity issues are an integral part of our daily work.

The shared understanding of the values of this dialog is our Integrity Code, which is based on a mindset developed jointly with our employees. It defines the principles for our business conduct in daily operations, such as fairness, responsibility, mutual respect, transparency, openness, and compliance with laws and rights. The Code, which is valid throughout the Group, is available in 23 languages. A guide providing answers to the most frequently asked questions offers practical support for specific situations in our day-to-day business. In addition, a team of experts is available to answer questions on the Integrity Code.



Integrity Code

Integrity Code: > PDF file (1.3 MB)

Communication and training. In September 2014, we introduced the online game "Monster Mission," which raises the awareness of our employees for the content of the Integrity Code. The game presents typical decision-making situations from the day-to-day business, and invites the players to examine specific aspects of ethical behavior. The game is accessible to all employees worldwide via the Intranet and Extranet. The Integrity Code also forms the foundation for our training program on integrity and compliance. Depending on the risk and target group, we use classroom and web-based training through which we anchor ethical and compliant behavior within the company on a sustainable basis.

> Topic "Monster Mission": PDF file (5.4 MB)

In 2013, we rolled out a web-based training course on our shared values and principles of behaviour for more than 100,000 employees throughout the Group. In 2014, nearly 40,000 more employees from different hierarchical levels completed extensive web-based training on integrity, compliance, and law. Our training strategy has an annual planning cycle for the program - from the needs analysis and execution to the feedback and monitoring process. Our local trainers are provided with modular training documents that can be used for specific target groups according to the risk associated with the participating functions. Each new employee receives an introduction to integrity and compliance as part of their welcome package.

Daimler Sustainability report 2014 Culture of integrity

Our training programs

Training program 2014		
Web-based training program	Target group	Number of participants
Integrity@Work	Employees worldwide with email access	21,796
	of which	
	Administrative employees (incl. level 5) worldwide:	20,003
	Managers (level 4 and up) worldwide:	1,793
Integrity@Work procurement module	Procurement employees worldwide with email access	1,389
	of which	
	Administrative employees in Procurement (incl. level 5) worldwide:	1,210
	Managers in Procurement (level 4 and up) worldwide:	179
Integrity@Work antitrust law module	Employees worldwide with email access	16,060
	of which	
	Administrative employees (incl. level 5) worldwide:	12,585
	Managers (level 4 and up) worldwide:	3,475
	All employees worldwide with email access	39,245

Classroom training	Target group	Number of participants	Number of events
Classroom training on antitrust law	Managers and administrative employees worldwide	3,095	120
Classroom training on corruption prevention	Managers and administrative employees worldwide	4,597	258
Classroom training on prevention of money laundering and financing of terrorism	Managers and administrative employees in Germany	112	6
Classroom training for newly appointed and promoted employees incl. modules on Integrity and Compliance	Managers (level 4)	401	28
	Senior managers (level 3)	192	9
Integrity & compliance for students of Cooperative University	Students of the Cooperative University in Germany	177	5
	Total	8,574	426

Daimler Sustainability report 2014 Culture of integrity

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Managers as role models. Our Integrity Code also defines the expectations on our managers, who have a special responsibility to promote the culture of integrity at Daimler as role models. Modules on integrity are included in all seminars for qualification of new managers. In addition, integrity and compliance are important criteria in the annual target agreements and target achievements of our managers.

External perspective through an Advisory Board. The Advisory Board for Integrity and Corporate Responsibility established in September 2012 with external experts from different sectors accompanies the integrity process at Daimler with a constructively critical approach. The Board also met in three regular meetings in 2014 in order to discuss current topics with the representatives of our company.

G4-24

Initiating social debate. In the reporting year, Daimler organized two events in order to provide a forum for critical dialog with different stakeholder groups and further promote social discussion. The data protection symposium "The Automobile on the data highway" was organized under the management of Corporate Data Protection. The invited guests from business, science, politics, government organizations, associations, and media engaged with great interest and commitment in discussion on the different aspects of data protection with the speakers and Daimler representatives, and recommended continuing the dialog. In the Sponsoring symposium, experts from business, politics, science, and sports discussed the aspects of responsible sponsoring with specialists from our company.

Daimler Sustainability report 2014 Human rights

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Human rights

The respect of human rights is one of our top priorities. As an automotive manufacturer, we attach great importance to employee rights, fair working conditions, and rejecting all forms of discrimination, forced labor, and child labor. The responsibility for human rights issues belongs to the Board of Management division "Integrity and Legal Affairs" and is essentially based on the UN Guiding Principles on Business and Human Rights. In line with the requirement for a human rights policy formulated there, we have specified operational responsibilities and approaches in our Integrity Code, the Supplier Sustainability Standards, and our supplier agreements as a key requirement for all employees and business partners.

Our principles and guidelines

Integrity Code: > PDF file (1.4 MB)

Our environmental and energy guidelines in detail: > PDF file (484 KB)

Sustainability standards for suppliers: > PDF file (47 KB)

In our approach to the respect of human rights, we differentiate between our own production locations, for which we are currently developing a comprehensive "Human Rights Respect System" extend beyond the existing risk reviews, Sales & Marketing, where we conduct mainly individual reviews, our direct suppliers (Tier 1), and other business partners and downstream suppliers (indirect influence).

Due diligence reviews at the production sites. Our concrete human rights approach at our production facilities includes a risk assessment conducted in form of a due diligence process in keeping with the UN guiding principles, which facilitates the identification of country-specific risks. Among other tools, we use the instrument of the Human Rights Compliance Assessment (HRCA) of the Danish Institute for Human Rights for this purpose. We have almost achieved our goal of conducting a total of 19 country analyses by the end of 2015, and had examined 16 countries using the HRCA method by the end of 2014:

- 2012: Germany, Mexico, and Egypt.
- 2013: Japan, France, Hungary, South Africa, Brazil, India, Spain, and the U.S.
- 2014: Czech Republic, Turkey, Argentina, Canada, and Indonesia.
- In 2015, the countries Portugal, Romania, and the United Kingdom are still to follow.

Results of the assessments. The country analyses do not indicate significant need for action for the Daimler units in majority shareholdings, but have identified optimization potential in individual locations with regard to special financial benefits of the company (such as special payments during maternity leave or social benefits for socially disadvantaged groups), background checks for highrisk service providers or information gaps relating to the awareness of integrity-promoting instruments. We have closed the identified gaps. Consequently, our regulations extend beyond the

Daimler Sustainability report 2014 Human rights

locally applicable legal requirements. In addition, based on our analyses, in the reporting year Daimler did not have any cases of child or forced labor, violations against the right to collective bargaining or freedom of association. Indigenous peoples are not affected by the corporate activities at our production locations under review.

From HRCA to the "Daimler Human Rights Respect System." Based on the experience gained from the compliance assessments, which will be completed by the end of 2015, we began to develop a concept for a systematic and continuous "Daimler Human Rights Respect System" during the reporting year that is to replace the Human Rights Compliance Assessments starting in 2016. The concept for this system comprises four key process steps:

Risk identification: The following constituent parameters are decisive for the identification of potential human rights risks, among others: the general human rights situation in defined countries with operating Daimler units, the business model of these units, and the possibility of exercising influence.

Program management: To enable systematic management of potential human rights risks for Daimler, a variety of different measures is already available or will still be developed as part of our program management.

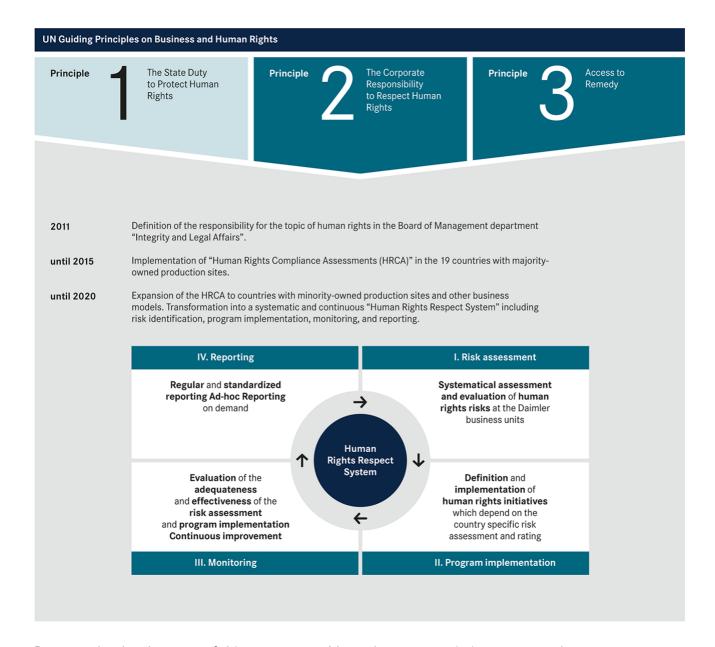
Monitoring: A monitoring system oriented primarily to high-risk units supports the regulatory process of Daimler's human rights approach. The adequacy and effectiveness of the system can be reviewed and improved on a continuous basis.

Reporting: The fourth process step of the "Daimler Human Rights Respect System" calls for extensive regular reporting aimed at providing information on critical issues and fulfillment of external reporting requirements.

Daimler Sustainability report 2014 Human rights

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Daimler Human Rights Respect System



Because the development of this concept could not draw upon existing systems, the concept was developed in a cross-functional process. In addition, feasibility and requirements analyses were carried out and key issues were discussed with external stakeholders at the "Daimler Sustainability Dialogue" 2014, whose recommendations we are gradually integrating.

> "Daimler Sustainability Dialogue" 2014

Training programs. We also address human rights issues in our employee training programs, and with more intensive advanced training provided for selected target groups (e.g. internal and external security staff).

Daimler Sustainability report 2014 Human rights

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Investigating suspicious behavior: In the event of suspected human rights violations our whistleblower system BPO is available internally and externally to provide "access to remedial action" also in line with the third pillar of the UN Guiding Principles on Business and Human Rights. An established complaints management process is also established with respect to our suppliers via the World Employment Committee.

> BPO whistleblower system

Human rights and suppliers. Human rights are an integral part of the Supplier Sustainability Standards and the contract terms for direct Daimler suppliers. We rely on appropriate communication and training measures to enable addressing human rights in the highly complex supplier chain, on which we have only an indirect influence. We examine the observance of sustainability standards by our suppliers in a multi-step process on the basis of a risk analysis, that we carry out by country and merchandise category.

> Suppliers

Daimler Sustainability report 2014 Compliance

Compliance

Compliance is an indispensable element of the integrity culture at Daimler. Compliance with all relevant laws, voluntary commitments, and internal regulations and acting in accordance with ethical principles is a matter of course for us. Our top priority is to comply with all anti-corruption legislation, as well as to protect and promote fair competition. We have codified this in our Integrity Code. We strive to sustainably anchor integrity and compliance as integral parts in our value chain.

Compliance Management System (CMS) as a foundation. Our CMS is aligned to national and international standards, and supports us in ensuring compliant behavior in our daily business. We review the effectiveness of the system on a continuous basis, and adapt it in line with worldwide developments, changed risks, and new legal requirements. We thus continuously improve its efficiency and effectiveness. In 2014, we developed new processes for reviewing and observing international sanctions, and expanded the measures for the prevention of money laundering in the trade with goods and services as well as the measures for the prevention of financing terrorism.

Prevention of money laundering and financing terrorism. With a view to the further improvement of the Group-wide prevention of money laundering in the trade with goods and services, we have examined the increasing requirements in various countries and have initiated more extensive measures. In this context, the "Anti-Money Laundering Policy" entered into effect on August 1, 2014. This policy lays the foundation for Group-wide compliance with the respective national legislations. A center of competence supports the Chief Compliance Officer in his function as the anti-money laundering officer of Daimler AG for the central management, consulting, and coordination of money laundering prevention measures in the goods trade.

Review of sanction lists. Restrictions in the movement of capital and goods are instruments of international policy at both international and European levels. Daimler AG takes appropriate measures to ensure that the legal sanctions specified by the legislator are observed. With a view to effective and efficient implementation, we have introduced a worldwide system-based standard process for implementation of these requirements, which provides for an implementation phase.

Analysis of compliance risks. In 2014, we again performed a systematic risk analysis of all business units which included assessments in accordance with qualitative as well as quantitative indicators — such as the respective business model, the relevant environmental factors and the type of contractual relationships. The results of this analysis provide the basis for the risk controlling. Together with the business units we define measures for risk minimization with a key focus of our activities on sales companies in high-risk countries. The responsibility for implementing these measures and the supervisory duty lie with the respective members of management, who work closely together with the Group Compliance unit.

Reinforcing the worldwide structures. Our Compliance organization is divisionally oriented. This structure has proven itself and enables the effective support and advisory services to the business divisions by a divisional or regional Compliance officer, respectively. Moreover, local compliance

Daimler Sustainability report 2014 Compliance

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partners around the world ensure that our standards are observed. We safeguard the independence of the divisional and regional officers from the business divisions through their direct reporting line to the Chief Compliance Officer, who in turn reports directly to the Board of Management member for Integrity and Legal Affairs as well as to the Chairman of the Supervisory Board.

We provide specific qualification training, which supports the Compliance staff in dealing with the frequently changing legal and regulatory situation. In addition, all new Compliance employees receive comprehensive introductory training in a practical Compliance seminar.

Whistleblower system. We use the Business Practices Office (BPO) as a valuable source of information on potential risks and specific violations of the rules. That is why it is an important instrument of good corporate governance that also serves to avert damage from our company.

Our whistleblower system receives reports of irregular conduct from employees and external parties worldwide around the clock, through different reporting channels, as well as anonymously — to the extent permitted under local law. A prerequisite for the acceptance of the system is that it is designed fairly, takes into consideration the principle of proportionality, and gives equal protection to whistleblowers and affected parties. We codified these criteria in a globally applicable corporate policy in 2013. In addition, in February 2012, we created the neutral mediator function in Germany, which is staffed by an independent attorney. The mediator also receives reports of rule violations, and is obligated to maintain confidentiality by the oath of professional secrecy. Of the 59 BPO cases, which were closed "with merit" in 2014, six were in the category of "Bribery." The company responded with appropriate measures.

Information on criminal proceedings against Daimler AG is provided in the Annual Report for the 2014 reporting year. Proceedings against natural persons are generally not disclosed since convictions or resolutions under criminal law are not communicated to Daimler AG.

→ Proceedings against Daimler AG: PDF file (9,1 MB)

Collaboration with our business partners. Ethical conduct and compliance with regulations is an essential prerequisite for trusted collaboration with our business partners. In selecting our direct business partners, we make sure that they comply with the law and follow ethical principles. Depending on the risks we provide our business partners with target group-oriented trainings measures. In addition, we have formulated our expectations in the brochure "Ethical Business. Our shared responsibility." If business partners fail to observe our standards, we retain the right to terminate the collaboration.

Daimler Sustainability report 2014 Compliance

Our training programs

Training program 2014		
Web-based training program	Target group	Number of participants
Integrity@Work	Employees worldwide with email access	21,796
	of which	
	Administrative employees (incl. level 5) worldwide:	20,003
	Managers (level 4 and up) worldwide:	1,793
Integrity@Work procurement module	Procurement employees worldwide with email access	1,389
	of which	
	Administrative employees in Procurement (incl. level 5) worldwide:	1,210
	Managers in Procurement (level 4 and up) worldwide:	179
Integrity@Work antitrust law module	Employees worldwide with email access	16,060
	of which	
	Administrative employees (incl. level 5) worldwide:	12,585
	Managers (level 4 and up) worldwide:	3,475
	All employees worldwide with email access	39,245

Classroom training	Target group	Number of participants	Number of events
Classroom training on antitrust law	Managers and administrative employees worldwide	3,095	120
Classroom training on corruption prevention	Managers and administrative employees worldwide	4,597	258
Classroom training on prevention of money laundering and financing of terrorism	Managers and administrative employees in Germany	112	6
Classroom training for newly appointed and promoted employees incl. modules on Integrity and Compliance	Managers (level 4)	401	28
	Senior managers (level 3)	192	9
Integrity & compliance for students of Cooperative University	Students of the Cooperative University in Germany	177	5
	Total	8,574	426

Daimler Sustainability report 2014 Compliance

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Brochure "Ethical Business. Our shared responsibility."

Brochure "Ethical Business. Our shared responsibility." > PDF file (2.7 MB)

> Supplier Sustainability Standards

Specialist dialog beyond company limits. We are frequently asked to share our experiences in the area of compliance. That is why we have decided to offer a practical seminar on compliance with the Daimler Compliance Academy. The first seminar was held in April 2014 in Germany. While previous external training programs were directed only at business partners and suppliers, for the first time, with the Academy we have now organized a seminar for compliance professionals from all industries. Another goal of the seminar is to create a platform for the exchange of experiences about compliance trends and challenges.

> Topic "Integrity and compliance": PDF file (5.4 MB)

Daimler Sustainability report 2014 Antitrust law

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Antitrust law

Daimler has a Group-wide Antitrust Compliance Program oriented around national and international standards. The program establishes a binding, globally valid Daimler standard that defines the approach to be taken in the internal assessment of issues related to competition law. Our standards are as strict as those of the European antitrust authorities and courts, and thus ensure a consistent level of compliance advice in all countries. Web-based training and more detailed classroom training sessions on antitrust law are aimed at our managers and employees in selected functions. Monitoring measures at our corporate units supplement our antitrust-related risk analysis and support us in the continuous improvement of the effectiveness of our Antitrust Compliance Program and the adjustments to worldwide developments, changed risks, and new legal requirements.

→ Antitrust proceedings against Daimler AG: PDF file (9.1 MB)

Daimler Sustainability report 2014 Data protection

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Data protection

With the Data Protection Policy, we have entered into a commitment to maintain high data protection standards around the world. The Data Protection Policy meets the requirements of the European Union's Data Protection Directive, and establishes principles for ensuring and maintaining a corresponding data protection level for all companies of Daimler AG.

Organization and responsibility. The Chief Officer Corporate Data Protection works with the support of local data protection coordinators toward ensuring compliance with the valid data protection laws and internal standards in the Daimler Group. He advises on and initiates communication and training measures, and performs controls and audits for compliance with the data protection laws and Daimler's Data Protection Policy. This also includes complaints management and the fulfillment of reporting requirements.

Training programs. The range of training and informational measures for employees and managers is continuously optimized and expanded. In addition to web-based training, classroom training, and target group-specific information documents, the topic of data protection is also addressed in the company's internal media.

Incidents. In the reporting year, there were no significant data protection violations and no fines were imposed. The number of complaints received by Corporate Data Protection is slightly down again compared with the previous year. In five cases investigations by supervisory authorities due to customer complaints were performed and concluded with satisfactory results.

Privacy by design. The networking of the vehicle is one of the focuses of innovation in the automotive industry. At the same time, connectivity with the Internet and driver support through new assistance systems are presenting new challenges for data protection and information security. That is why the design of data protection concepts for the connected vehicle (privacy by design) was a key area of emphasis in the activities of the Chief Officer Corporate Data Protection in 2014.

Principles for data protection in connected vehicles. The two US associations Auto Alliance and Global Automakers have adopted the joint data protection principles "Consumer Privacy Protection Principles for Vehicle Technologies and Services" with the active involvement of Daimler AG. In addition, Daimler AG collaborated actively with the German Association of the Automotive Industry in the development of principles of data protection in the connected vehicle, which define requirements for a comprehensive, integral concept for data processing and data protection in connected vehicles.

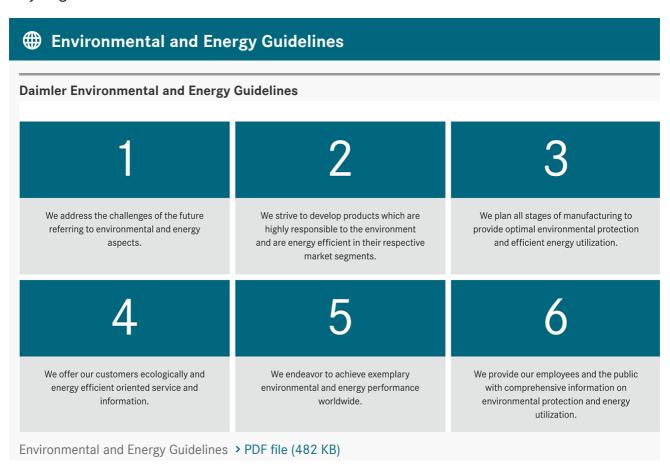
Daimler Sustainability report 2014 Product responsibility

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Product responsibility

For us, product responsibility requires a combination of three things: the greatest possible customer benefit, the highest safety standards, and maximum eco-friendliness and efficiency. To achieve this goal, we depend on environmentally sound product development and innovative concepts. This extends from trailblazing vehicle and powertrain technologies, lightweight construction. The use of natural materials, and remanufacturing of components to sophisticated assistance systems that can prevent accidents.

In the area of environmental compatibility we observe the Daimler Environmental and Energy Guidelines. The second guideline is as follows: We develop products that are particularly environmentally friendly and energy-efficient in their market segments. Therefore, our mission is: to fulfill demanding environmental standards and deal sparingly with natural resources. Our measures for environmentally compatible and energy-efficient product design take into account the entire product life cycle — spanning development, production and product use, as well as disposal and recycling.

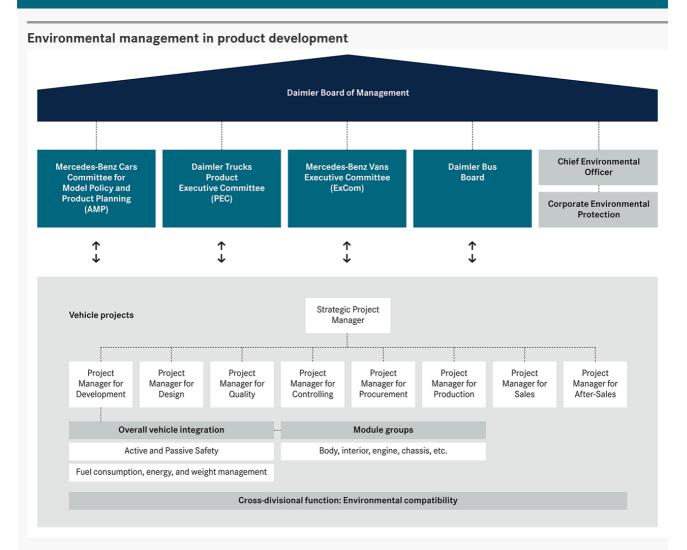


Environmentally responsible product development

A vehicle's environmental impact is largely decided in the first stages of development. By integrating environmentally responsible product development (Design for Environment, DfE) at an early stage of the development processes, it is possible to minimize the impact on the environment more efficiently. That is why continuous improvements in environmental compatibility are a major requirement in the creation of the product performance specifications. Our DfE experts are involved in all stages of vehicle development as a cross-divisional team.

In addition, we systematically integrate the product design into our environment and quality management systems according to ISO 14001 and ISO 9001. Since 2012, Mercedes-Benz has been in full compliance with the relevant ISO 14006 standard. In addition, Mercedes-Benz has also been certified according to ISO TR 14062, the standard for environmentally oriented product development, since 2005.

Environmental management in product development



The requirements on the environmental compatibility of our vehicles are integral aspects of vehicle development, which are discussed in the responsible bodies and implemented accordingly. The vehicle performance specifications and milestones (quality gates) in the development process document the environmental effects and requirements for the entire product development process.

Mercedes-Benz models with environmental certificates

Back in 2005, the Mercedes-Benz S-Class was the world's first automobile to obtain an environmental certificate in accordance with the standards for environmentally compatible product development specified by ISO/TR 14062. The certification office of the independent technical inspection agency TÜV SÜD certified with its seal of approval that the vehicle was developed in accordance with the requirements of the ISO standard in all respects. Today, the environmental seal of approval is carried by additional models: the A-Class and B-Class, the C-Class, the CLA, the CLS, the GLA, the GLK, the E-Class, M-Class, S-Class, the SL, and the SLK.

The environmental assessment involves the examination of more than 40,000 individual processes, which are analyzed, calculated, and evaluated to yield a comprehensive ecological profile. The inspectors evaluate all

environmentally relevant processes, from development and production to use and recycling.

▶ The environmental certificates of the Mercedes-Benz models

Comprehensive life cycle assessment. Evaluating the environmental compatibility of a vehicle requires an analysis of the emissions and use of resources throughout the entire life cycle. The standardized tool for this is the ecological assessment, which examines all environmental effects, from the extraction of raw materials and vehicle production to product use and recycling. At Mercedes-Benz Development, we use life-cycle assessments to evaluate and compare different vehicles, components and technologies.

Holistic balance



Less weight, more recyclates, more natural materials. Our goal is to make our vehicles lighter while continuing to reduce the environmental effects of materials used in their production. For this, we are using new lightweight materials and components, on the one hand. On the other hand, we are increasingly using renewable materials and recycling materials.

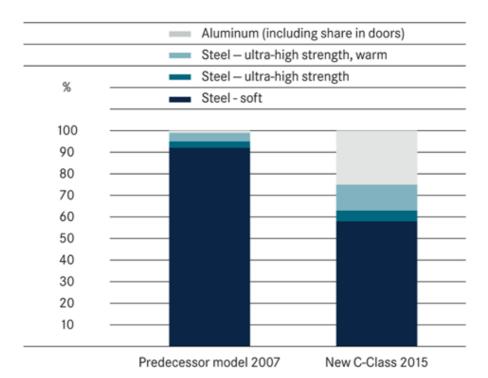
Intelligent lightweight construction can further reduce vehicle weight without sacrificing safety and comfort. In this context, the selection of materials, as well as the component design and manufacturing technology also play an important role: Not every material is suitable for every component. At 35 percent, the vehicle body accounts for the biggest share of total vehicle weight, followed by the chassis at 25 percent, the comfort and safety equipment at 20 percent, and the engine and transmission at 20 percent. Thus, the most effective approach is to focus on the vehicle body.

Lightweight-construction champion C-Class. The innovative aluminum hybrid body of the new C-Class is about 70 kilograms lighter than a traditional body shell made of steel. Overall, it was possible to reduce the weight of the vehicle by as much as 100 kilograms compared with the predecessor model. This pays off: The lightweight construction of the new C-Class contributes to a reduction in fuel consumption by up to 20 percent. The aluminum content of the body shell has been

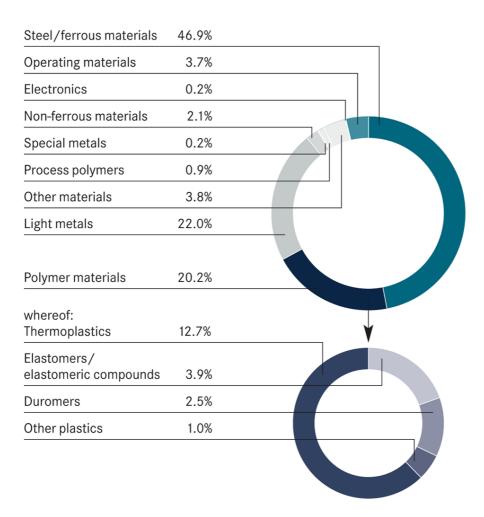
increased from less than 10 percent in the successful predecessor to nearly 50 percent in the present model.

Materials in the new C-Class. Steel and ferrous materials account for almost half the vehicle weight (46.9 percent) of the new C-Class. Alloys make up the second largest group with 22 percent, followed by polymers at 20.2 percent. The percentage of other materials — primarily glass — and nonferrous metals is around 6 percent. However, the main differences are observed in the steel and alloys of the new C-Class, which is at around 10 percent lower than the predecessor model for steels and about 9 percent higher for alloys and 1 percent higher for polymers. This is attributable primarily to the lightweight design improvements in the body and axles.

Materials content in the body of the new C-Class and predecessor model



Materials content of the new C-Class



Increased use of recycled materials. The European End of Life Vehicle Directive 2000/53/EG specifies utilization quotas for passenger cars and vans with a gross vehicle weight of up to 3.5 tons. In addition, it also requires manufacturers to use more recycled materials during vehicle production in order to strengthen the markets for recycled materials. That is why the performance specifications for the new Mercedes-Benz models prescribe continuous increases in the amounts of recycled materials to be used in car models — as also specified in the targets program.

Currently, 52 components with a total weight of 49.3 kilograms are approved for manufacture with recycled plastics for the new C-Class. This corresponds to 3.7 percent of the total vehicle weight or a good 29 percent of all thermoplastic materials used in the vehicle. In the predecessor model this figure was only 2.8 percent.

More renewable raw materials. Renewable materials offer many advantages:

 In contrast to fiberglass, the use of natural fibers generally leads to a reduction in a component's weight due to their lower density.

- They can be processed with conventional technologies.
- The resulting products are generally easily recyclable.
- In energy recovery their CO₂ effect is almost neutral because only as much CO₂ is released as was absorbed by the plant during its growth.
- They contribute to the reduced consumption of fossil resources.

Natural materials in the new C-Class. Renewable materials used in the production of 76 components of the new C-Class have a combined weight of 26.3 kilograms. Thus, the total weight of the components manufactured with the natural materials has increased by 55 percent compared to the predecessor model.

Top scores in aerodynamics. With a Cd value of 0.24, the new C220 BlueTEC Blue Efficiency Edition sets a new standard in the medium-size category. On the road this yields measurable ecological and economic benefits, because good aerodynamics make a decisive contribution to lowering fuel consumption and CO₂ levels with savings of 1 gram of CO₂ per kilometer in the NEDC driving cycle for each reduction of the Cd value by 0.01 points. Measured in terms of average real consumption, the reduction amounts to as much as 2 grams of CO₂ less per kilometer. Sophisticated aerodynamics pay off even more impressively in highway driving, where a 0.01 point improvement in the Cd value yields a reduction of more than 4 grams in the CO₂ emissions per kilometer — which gives Daimler good reasons for attaching great value to excellent aerodynamics.

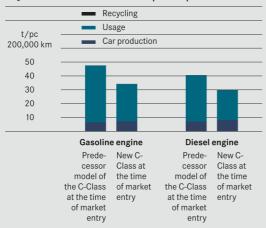
The environmental profile of the new C-Class

Primary energy requirement. Over the entire life cycle — from the manufacturing process to the use and recycling — the new C-Class has a primary energy consumption of 521 gigajoules, or 170 gigajoules (25 percent) less than the predecessor model, a savings that corresponds to the energy content of around 5,300 liters of gasoline.

 CO_2 emissions. The environmental input of the new C-Class is around 35 tons of CO $_2$. Over the entire life cycle and based on a total driving distance of 200,000 km, the model generates 28 percent (13 tons) fewer CO $_2$ emissions than its predecessor did at its market entry in 2007. The new model emits around 23 tons of CO $_2$ in driving operation. Thus driving is the determining factor for CO $_2$ emissions as well as for the primary energy consumption.

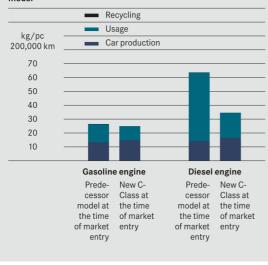
The values, calculated for the C-Class Diesel C 220 BlueTEC, are as follows: CO_2 environmental input over the entire life cycle 30 t, or 11 t of CO_2 (minus 26 percent) less than its predecessor.

${\rm CO_2}$ emissions of the new C-Class compared to predecessor model



Total emissions. The new C-Class has clear also advantages in other emission categories as well over the entire life cycle. This particularly applies to NO_X emissions, which have been reduced by 6 percent in the gasoline-powered model and by as much as 45 percent in the diesel-powered model (only calculated values).

$\mbox{NO}_{\mbox{\scriptsize X}}$ emissions of the new C-Class compared to the predecessor model



Innovative vehicle and powertrain technologies

Our goal is to ensure mobility for future generations as well. That is why we strive to offer our customers safe, efficient, and low-emission vehicles vehicles and services. Our vision is to achieve a drive system mix that is tailored to the market requirements. The main focus points of our development: particularly fuel-efficient, and environmentally compatible powertrain technologies in all our automotive divisions are embraced in our initiative "The path to emission-free mobility":

- Further development of our vehicles with state-of-the-art combustion engines with the goal of achieving significant reductions in consumption and emissions.
- Further efficiency increase through hybridization.
- Electric vehicles with battery and fuel cell drive.

> Hybridization in the C 350 PLUG-IN HYBRID: PDF file (5.4 MB)

B-Class Electric Drive. With the new B-Class Electric Drive, which first came on the market in the U.S. followed by Europe in November 2014, we are offering an all-electric vehicle model from Mercedes-Benz for the first time. The B-Class Electric Drive has a range of around 200 kilometers and reaches an electronically limited top speed of 160 km/h. Over the entire life cycle – production, use over 160,000 kilometers and recycling – the B-Class Electric Drive generates 64 percent fewer CO₂ emissions than the comparable gasoline-powered model B 180. An externally validated environmental certificate presents in detail the benefits and differences compared with the conventional reference vehicle.



Environmental certificate for B-Class Electric Drive

Environmental certificate for B-Class Electric Drive: <a>▶ PDF file (4.7 MB)

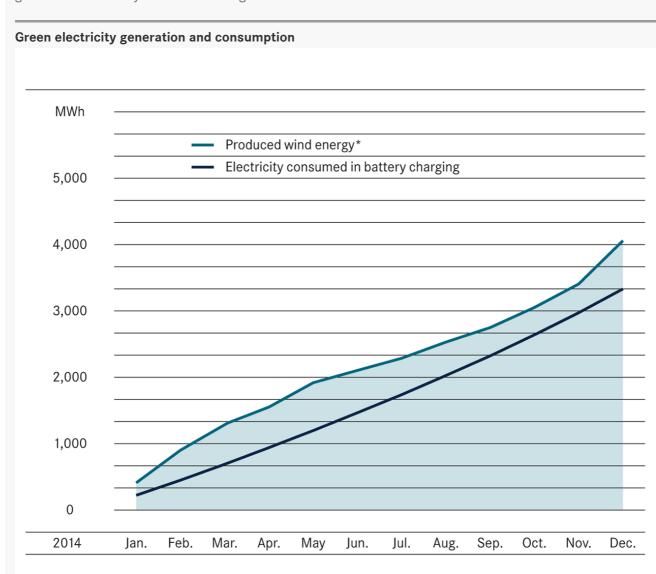
DENZA — **electromobility for China.** In China, we have developed an electrically powered city car in the framework of a joint venture with our Chinese partner BYD, which we brought on the market in 2014. With a driving range of up to 300 kilometers, DENZA is tailored to the special requirements of the Chinese market. In addition to enabling locally emission-free driving, the five-seater vehicle is also very attractive because of a variety of special benefits. Thus, for example, government agencies grant high subsidies for locally developed and manufactured electric vehicles, and these vehicles are exempt from the general registration restrictions in metropolitan centers such as Beijing and Shanghai.

Green electricity for the smart fortwo electric drive. Electric cars drive locally free of emissions. If they are recharged with electricity produced from renewable resources, they are particularly climate- and environment-friendly. The smart fortwo electric drive is now available in 17 markets around the world. Within the framework of a pilot project we feed the equal amount of renewable

energy into the German grid that is required to cover the operation of the smart fortwo electric drive cars sold in Germany.

Green electricity for the smart fortwo electric drive

Green power for every smart fortwo electric drive. Electric vehicles help to reduce or prevent greenhouse emissions if they can use electrical power from renewable sources. In a pilot project Daimler feeds additional energy from its own wind power facility into the German power grid - enough for the operation of all the smart fortwo electric drive vehicles sold in Germany. For this we deliberately do not take advantage of the subsidy provided under the German Renewable Energies Act (EEG). The renewable source of the electricity fed into the grid is documented by certificates of origin.



^{*} With guarantee of origin = 1 MWh



Charging stations for electric vehicles. In helping to push the establishment of charging infrastructure for electric vehicles, we are taking part in various initiatives together with other manufacturers and suppliers, research facilities, energy providers, and government. These include the promotional project charge@work organized as part of the "Showcase Electromobility Baden-Württemberg" campaign. Through charge@work, among others, more than 100 charging stations have already been set up at five Daimler locations in the Stuttgart region. Due to the high demand, we also intend to expand the charging infrastructure at other locations soon.

In addition, as part of the initiative Quick Charging for Corridors and Metropolitan Areas (SLAM), together with partners from the industry and research we are examining business models for the operation of quick-charging stations in metropolitan areas and along the connecting traffic corridors. More than 600 new charging stations complying with EU regulations and processes for their need-based positioning are to be realized with a steady focus on providing a preferably uniform and convenient access and invoicing system.

Electric vehicles with fuel cell drive are also suitable for long driving distances due to their great range and quick refueling. The electricity is generated in the vehicle itself from hydrogen, which is fueled as in a traditional vehicle. Emission-free driving will only become attractive to customers for longer distances if sufficient fueling stations become available. That is why Daimler is promoting the

development of a comprehensive hydrogen infrastructure jointly with partners from politics and the energy sector. That fuel-cell vehicles can be built in series production was demonstrated in 2014 by a B-Class F-CELL from the current fuel-cell fleet of Mercedes-Benz. The vehicle set an endurance record of 300,000 kilometers driven under normal everyday conditions.

Drive technologies from Daimler

Share in percent ¹	Gasoline vehicles	Diesel- powered vehicles	Gas drive vehicles (CNG, LNG, LPG)	Hybrid drive vehicles	Electric drive vehicles
Europe	25.6	72.3			
NAFTA	58.8	40.2			
Japan	51.8	43.9			
China	71.3	28.2			
Gesamt	42.9	55.8	0.1	0.9	0.3

¹ Basis: 2014 vehicle sales in each market

Daimler Sustainability report 2014

Fuels

Besides developing fuel-saving and environmentally friendly drive systems, we are also involved in research and testing of alternative fuels, which provide us with another important means for avoiding emissions and becoming more independent of fossil energy sources.

H₂ Mobility. In the autumn of 2013, we already made concrete plans for a nationwide network of H₂ filling stations as part of the "Initiative H2 Mobility," which envisages around 400 public hydrogen fueling stations by 2023. The goal is to offer an H₂ fueling station for every 90 highway kilometers between urban centers. Furthermore, according to the planning, at least ten hydrogen filling stations will be available in each metropolitan region starting in 2023. The total investment requirement for the project will come to E350 million.

Bioethanol from straw. In a pilot project we are examining a new biofuel jointly with two specialty chemicals companies: With sunliquid20, a premium gasoline containing 20 percent cellulose ethanol, up to 20 percent less crude oil is supposed to be needed in the future. Gasoline with 20 percent ethanol content can already be used in our Blue DIRECT gasoline engines today.



sunliquid20

sunliquid20 - bioethanol from straw

The vision of fuels from sustainable sources could soon become a reality. Since January 2014, Mercedes-Benz has been testing a second-generation ethanol in a fleet test in collaboration with the special chemicals companies Clariant and Haltermann. The sunliquid 20 fuel being tested is a premium gasoline mixed with 20 percent cellulosic ethanol. The special feature: The bioethanol is produced from agricultural waste such as straw.

Until the end of 2014, the vehicles of the Mercedes-Benz test fleet could fill up with sunliquid20 at a specially equipped fueling station situated on the plant grounds in Stuttgart-Untertürkheim. The new fuel guarantees optimal efficiency with a high octane rating (RON) of more than 100. In future, the use of straw-based bioethanol will lead to a 20 percent reduction in crude oil consumption.

Daimler Sustainability report 2014

Our fuel roadmap

Daimlers fuel roadmap

Renewable hydrogen and electricity	8	Based on renewable energy	
Second-generation biofuels Sunliquid®, BTL, biogas Hydrotreated vegetable oils Biodiesel, bioethanol	7 6 5	Based on biomass	ions, less CO ₂
Hydrogen ¹ Compressed natural gas (CNG) Gas-to-liquid (GTL) ²	4 3 2	Based on natural gas	Reduced emissions, less
Improved conventional fuels: sulfur-free, low aromatic compound content	1	Based on crude oil	

¹ Via steam reforming

Daimler has set itself the goal of offering vehicles which are as fuel-efficient and environmentally compatible as possible. However, in order to reduce the environmental impact of motor vehicle traffic it is necessary to work not just on the vehicles but also on the fuels. For us, optimized and alternative fuels are another important way to avoid emissions and become more independent of fossil sources of energy:

- 1. Conventional fuels such as gasoline and diesel will continue to play a key role in the years ahead. Therefore, work must continue to make high-quality sulfur-free fuels available worldwide.
- 2. GTL (gas-to-liquid) fuels are among the cleanest and highest-quality fuels for internal combustion engines. Free of sulfur and aromatic compounds, they can be optimally adapted to the requirements of the engine. The well-to-wheel CO₂ emissions are comparable to those of mineral fuels.
- 3. CNG (compressed natural gas) is a good option in our view specifically for high-mileage vehicles. In the wellto-wheel balance, natural gas gives rise to about 20 percent less CO2 emissions than gasoline and has advantages over diesel where the reduction of pollutant emissions is concerned.
- 4. Hydrogen is the energy source of our fuel-cell automobiles. Global hydrogen requirements have until now been largely met through steam reformation from natural gas. Since CO₂ emissions are generated in this process, suitable ways must be found to produce the hydrogen from renewable sources.
- 5. First-generation biofuels like bioethanol and biodiesel are useful options for the short to medium term when blended with conventional fossil fuels, as long as their manufacture does not negatively impact food production and the use of natural resources.

² WtW CO₂ emissions comparable to diesel fuel

Daimler Sustainability report 2014 Fuels

6. Hydro-treated vegetable oils (HVO) are low in emissions and are already manufactured on an industrial scale. The cultivation of biomass must be carried out in conformity with sustainability standards (such as the sustainability directive for biofuels) in order to ensure a positive environmental performance. HVOs can be mixed with diesel fuel without restriction and are suitable for use as an interim solution until second-generation biofuels are introduced.

- 7. Second-generation biofuels such as BTL (biomass-to-liquid) fuel and ethanol from raw materials such as straw (lignocellulose) will grow in importance as soon as they can be produced on an industrial scale. They have great potential in terms of sustainability and CO₂ savings, since they enable producing higher crop yields three to four times the volume of first-generation biofuels per hectare. Moreover, different kinds of biomass (no monocultures) and biological waste materials can be used. Thus, their production does not compete with the cultivation of food crops and renders "food or fuel" debates superfluous. In addition, BTL fuel in particular exhibits outstanding characteristics in terms of quality, which are required to ensure the environmental benefits of advanced drive system concepts over their entire service life. In our view, an important prerequisite for the production of more second-generation biofuels is broad-based support for the mineral oil industry through government incentives.

 In addition to BTL fuels and ethanol from lignocellulose, the highest energy yields per hectare can be achieved
 - with biogas (compressed biogas or CBG) from renewable resources. Vehicles running on natural gas can utilize CBG without any technical modifications. The biogas is produced by anaerobic fermentation of biomass, liquid manure, and wastewater. Depending on the biomass and the production process used, biogas can reduce well-to-wheel emissions of greenhouse gases by up to 80 percent.
- 8. Hydrogen and electricity produced using renewable resources are the fuels of the future. When used to power fuel-cell or battery-driven vehicles, they guarantee emission-free and CO₂-free mobility. Production processes for hydrogen as a renewable resource are, for example, electrolysis using electricity derived from renewable sources (hydropower, wind and solar energy, and geothermal power) or biomass gasification.

Online tool OPTIRESOURCE calculates energy balance

OPTIRESOURCE - energy balance from well to wheel

In order to calculate the fuel consumption and CO₂ emissions of different drive technologies, fuels, and energy sources, we have developed the online tool OPTIRESOURCE. It permits examining these from the energy source to the driven wheel (well-to-wheel). On the basis of comprehensive energy balance studies, it is possible to examine different combinations of energy sources, fuels, and vehicle drive systems. The result shows the energy balance of the chosen combination in comparison with a current gasoline-powered compact car.

More information: ↗ http://www2.daimler.com/sustainability/optiresource/

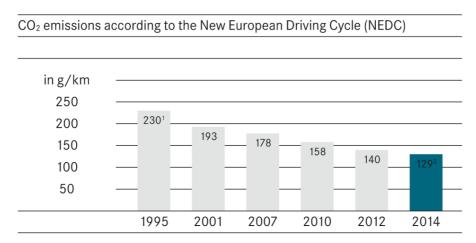
Fuel consumption and CO₂ emissions

The largest share of primary energy consumption and CO₂ emissions over the life cycle of a vehicle is attributable to the usage phase. In the case of a passenger car with a combustion engine it is about 80 percent. The remaining 20 percent is consumed almost entirely during the manufacturing process. Vehicles with alternative drive systems have fewer CO₂ emissions during the usage phase. However, the primary energy consumption of these vehicles generally increases during production because of the energy needed to manufacture certain components such as batteries and electric motors.

Daimler is working intensively to further reduce emissions from all phases of the product life cycle. Through the optimization of our BlueEFFICIENCY measures and the market launch of the new models we were able to achieve another significant reduction in the CO₂ emissions of our new vehicle fleet in 2014.

In the reporting year, the average CO₂ emissions of the total fleet of Mercedes-Benz Cars in Europe were at 129 grams per kilometer. We have thus achieved a reduction by more than 19 percent in the last five years. In 2014, we achieved another improvement by an additional 4 percent. Our goal is to lower the CO₂ emissions of our new-vehicle fleet in Europe to 125 grams per kilometer by the year 2016. In the EU, M1 vehicles must meet a fleet target of 95 grams of CO₂ per kilometer beginning in 2020. In consideration of the expected average vehicle weight, this leads to a target of around 100 grams of CO₂ per kilometer for Daimler.

Development of average CO₂ emissions of Mercedes Benz Cars vehicle fleet in Europe (EU 27)



¹ 1995 including vans registered as M1 vehicles. All other years without vans.

² 2014: M1 vehicles 131 g/km

Data for all vehicle models

Vehicle data for all models

Via the following links you can view the vehicle data for our passenger car and van models - including fuel consumption, CO₂ emissions, exhaust emission standard, and energy label.

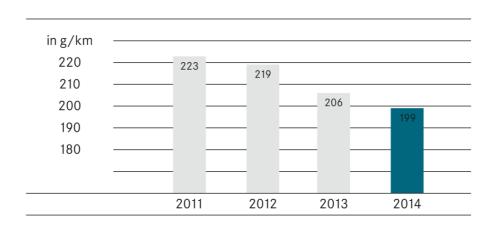
Select the desired model under "Modellansicht" in the upper bar then select "Technische Daten" in the navigation bar on the right-hand side.

(Tool only available in German)

- → Cars
- → Vans

CO₂ emissions of our vans. An EU Directive on the CO₂ emissions of vans with a total weight of up to 2,585 kilograms entered into force in 2011. According to the regulation, starting in 2014, the requirement is to comply with a level of 175 g CO₂/km which is applicable in stages and has to be met to a 100 percent by 2017. As of 2020 the level drops to 147 g CO₂/km. As in the case of passenger cars, the vehicle weight must also be taken into account: if the average weight of the fleet of a given manufacturer is above that of all vans sold in the market, the CO2 fleet level to be achieved is also increased accordingly. Accordingly, Mercedes-Benz vans must comply with a level of 210 g CO₂/km starting in 2014. At 199 g CO₂/km in 2014, the Mercedes-Benz vans fleet achieved an improvement by a good 3 percent compared with the previous year. This equals a more than 11 percent decrease compared with the reference year 2011; we have thus exceeded the goal we set for ourselves and fulfills the EU van fleet regulation already in the very first year to a 100 percent.

Development of average CO₂ emissions of Mercedes-Benz Cars van fleet in Europe (acc. to NEFZ)



Higher fuel efficiency for passenger cars and vans. With the extremely economical BlueEFFICIENCY technology package we are reducing the consumption and CO₂ emissions of our Mercedes-Benz cars and vans by up to 32 percent in individual models compared with the predecessor vehicles. This is aided by optimization measures in the powertrain area, energy management, aerodynamics and weight reduction through lightweight construction and tires with optimized rolling resistance, as well as by driver information for adopting an energy-saving driving style.

Legendary power, increased efficiency. In our semi-trailer tractors (class 8) we are using highly efficient powertrain components and sophisticated aerodynamics in order to reduce fuel consumption and CO₂ emissions. We have also done this in our new Western Star 5700XE truck. The hood and chassis and cabin paneling of the truck have a new aerodynamic design which significantly reduces drag. This alone reduces fuel consumption by more than 7 percent. In addition, the truck comes with a new integrated Detroit Diesel powertrain with a slow-speed DD15 engine, and the Detroit DT12 direct transmission and a particularly fuel-saving final drive ratio. The individual measures and, most of all, the fine-tuned overall package, yield a bottom-line decrease in consumption of nearly 15 percent compared with the reference vehicle (Western Star 4900SB with fuel efficiency package).

Economical SuperTruck. With further advanced technologies Daimler has successfully implemented the goals of a research project of the US Department of Energy. In 2014, our experimental vehicle achieved the required efficiency increase for both the entire semitrailer rig and the engine efficiency. The stationary testing indicated an engine efficiency of 50.2 percent, and the semitrailer rig demonstrated a 61 percent efficiency increase compared with the 2009 reference vehicle in two on-road highway tests.

More on the SuperTruck

Economical SuperTruck. In the USA, long-distance heavy-duty trucks make up 2 percent of the overall fleet, but account for 6 percent of all miles driven and for 20 percent of fuel consumption. According to the forecasts of the American Trucking Association, the freight volume in the USA will rise by 23.5 percent between 2013 and 2015.

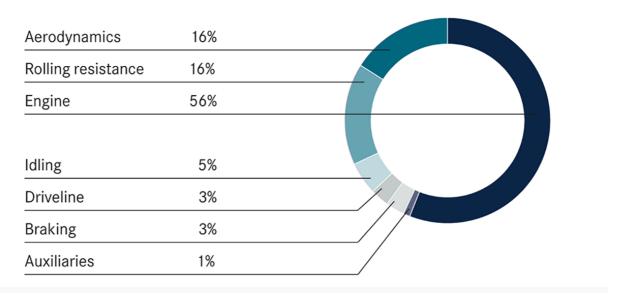
That is why the U.S. Department of Energy (DOE) is funding a five-year research project with the goal of reducing fuel consumption and emissions of greenhouse gases of long-distance semi-trailer trucks (Class 8). The project focuses on the development and testing of especially promising fuel-saving technologies.

The project examines fully loaded long-distance semi-trailer trucks with a total weight of 29.5 tons. The goal is to increase the overall efficiency of semi-truck and trailer by 50 percent, measured in miles per ton (freight) and gallons of fuel (diesel). In addition, the efficiency of the engine is to be increased by 20 percent.

In 2014, one year before the end of the project, the engine of our test truck already achieved a thermal efficiency of 50 percent on the test rig; and in two highway road tests efficiency increases of 50.2 and 61 percent,

respectively, were documented compared with the 2009 reference vehicle. This success was possible primarily as a result of optimized aerodynamics, lightweight construction measures, an intelligent engine management system, improvements in the powertrain and in energy management, and the detailed fine-tuning of individual components. In addition, the engine was downsized, the engine speed reduced, and the drive system hybridized. At the same time it was even possible to increase the payload by about 680 kg (5 percent of the weight of the tractor-trailer combination).

Distribution of energy consumption of a loaded U.S. long-distance truck (vehicle energy balance in highway driving)



More efficient with high-tech steel pistons. Since the autumn of 2014, we have been using the new high-tech pistons made of steel in the V6 diesel engine of the Mercedes-Benz E 350 BlueTEC — a world premiere in a production passenger car. Because steel conducts less heat than aluminum, higher temperatures are generated in the combustion chamber cavity of the steel piston, which leads to a shorter combustion time and improved combustion, and additionally enables reducing the piston friction. As a result, the engine uses about 3 percent less fuel. In addition, the greater strength of steel allows a particularly compact design. In this way, despite the significantly higher material density, the steel piston weighs about as much as an aluminum piston. The lower piston height additionally yields potential for new engine concepts with an even lower weight and installation space.

Excellent engine compartment encapsulation. Insulating partition walls in the engine compartment and a radiator shutter that is closed when the vehicle is not moving ensure that the heat in the Mercedes-Benz S 300 BlueTEC HYBRID is retained where it is generated: in the engine compartment. The "ECO Thermo Cover" ensures that the vehicle does not cool off when it sits for a longer time. The higher temperatures reduce engine friction when the vehicle is restarted. This leads to a minimization of cold-start losses and lower CO₂ emissions. According to our research, this makes annual average fuel savings of up to 1.5 liters per tank filling possible.

The European Commission has recognized the innovative engine encapsulation as an ecological innovation. It awards this label to technologies which lead to lower consumption in daily operations but show no or only minor effects in the standardized testing cycles of the EU (NEDC). With this, the EU Commission also reaffirms our "Real Life Efficiency" strategy.

Lower fuel consumption of the new C-Class. In the new C-Class we have realized fuel savings of up to 32 percent with the help of numerous coordinated measures to the vehicle body, engines, and ancillaries.

Optimizations in the new C-Class

Lower fuel consumption of the new C-Class

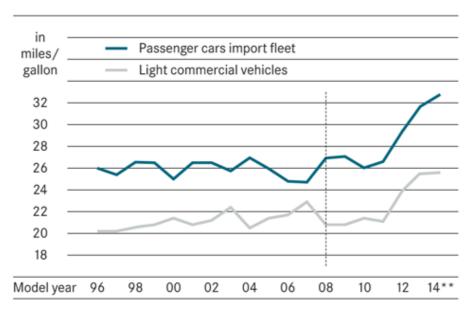
Optimization measures for the vehicle body, engines, and ancillaries of the new C-Class have made higher fuel efficiency and reduced consumption by as much as 32 percent possible. The most important innovations at a glance:

- · All gasoline and diesel engines with optimized friction-reduced engines with turbocharging, direct injection and thermal management
- Start-stop system as standard on all vehicles
- Fuel and oil pump with closed-loop control which adjust their output in line with the required load
- Electric water pump with demand-controlled operation
- Tires with optimized rolling resistance
- Friction-optimized 6-speed manual transmission and 7G-TRONIC PLUS 7-speed automatic transmission
- Fuel-economy rear differential with tapered roller bearings for reduced power loss and low-friction oil
- · Aerodynamic improvements to the underbody paneling concept, radiator shutters, and wheels
- Wheel bearings with significantly reduced friction
- Weight optimization through the use of lightweight materials
- Intelligent alternator management and efficient alternator, which ensure that the consumers are supplied from the battery during acceleration; some of the energy is recovered during braking and fed back into the battery
- High-efficiency air conditioning compressor with magnetic clutch
- · Optimized belt drive with decoupler

Environmental certificate of the new C-Class: > PDF file (10.9 MB)

Fleet values in the US. In the US, fleet values are regulated by two co-regulating standards for reduction of greenhouse gases in vehicle fleets: the Greenhouse Gas Standards (GHG) and the Corporate Average Fuel Economy Standards (CAFE). The CAFE fleet value for each model year is determined on the basis of the number of vehicles sold and their respective fuel economy figures. For every 0.1 mile per gallon below the specified limit, the manufacturer is required to pay a fine to the government of US\$5.50 per vehicle sold. In the 2014 model year the introduction of vehicles like the CLA 250 contributed to the increase of our CAFE fleet figure.

Daimler CAFE* values for passenger and light commercial vehicles in the U.S.



From model year 2008 the figures only apply to Mercedes-Benz and smart vehicles sold in the US. Until model year 2007, light commercial vehicles also included Chrysler LLC vehicles not belonging to the SUV segment.

- * CAFE = Corporate Average Fuel Economy
- ** Projection

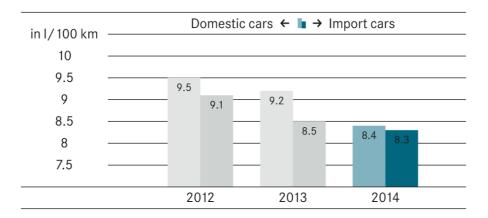
CAFE – fuel consumption standards in the USA

In 2010, the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) published concerted regulations on fuel efficiency (Corporate Average Fuel Economy Standards) and reduction of CO₂ emissions (greenhouse gas standards, GHG) for the model years 2012 through 2016. Although separate, the two standards are closely coordinated and apply in all U.S. states. Separate target values specific to each manufacturer are set for cars and light trucks, which are based on the vehicles' "footprint" - wheelbase times the track width.

If a manufacturer does not meet the GHG standards, the EPA identifies the vehicles from the manufacturer's fleet to which the overrun of the limit is attributable. Starting with the models that have the highest CO2 figure, the EPA keeps removing vehicles from the fleet calculation until the specified fleet limit is reached. All affected models are considered improperly certified and are subject to penalties that can total up to USD 37,500 per vehicle.

Fleet value in China. In China, there are different fuel economy requirements for domestically produced and imported passenger cars. At the same time a differentiation between sixteen weight classes is also made. The fleet fuel economy target relative to the weight of Daimler's "domestic" fleet was 9.3 liters/100 km, and the actual value achieved in 2014 was 8.4 liters/100 km. The target for the import fleet was 9.6 liters/100 km, and 8.3 liters/100 km was achieved.

Daimler fleet fuel consumption in China



Driver training. Fuel consumption can be reduced by as much as 10 percent through an economical and anticipatory driving style. Our Mercedes-Benz Eco-Training programs for drivers of passenger cars and commercial vehicles show how this can be done.

More on our Eco-Training programs

Eco driver training at Mercedes-Benz

In the Mercedes-Benz Eco Training courses, which we offer for drivers of cars and commercial vehicles, we demonstrate how fuel consumption can be cut by as much as ten percent. The electronic shift recommendation and the current consumption display in the instrument cluster of our vehicles additionally support the driver's efforts.

Economical driving has to be learned. Those who master it conserve valuable resources and save money. This applies equally to drivers of cars, buses, and trucks. Our Eco driver training courses teach our customers how to strategically reduce their fuel consumption without loss of time.

- **尽** Eco Training for car drivers
- **尽** Eco Training for truck drivers[⋆]
- ▶ Eco Training for fleet managers and business owners*
- → Omniplus Eco Training for bus customers
- * Site only available in German



Fuel-saving tips

Tips for saving fuel

How much fuel your vehicle consumes and how much wear and tear your engine, transmission, brakes, and tires are subject to depends above all on the following factors: first, on the conditions under which your vehicle operates, and secondly, on your personal driving style. You can influence both factors by following these tips:

Operating conditions

- Avoid short trips they increase fuel consumption.
- Make sure your tire pressure is correct.
- Don't carry unnecessary ballast.
- · Remove the roof rack when you don't need it.
- A regularly serviced vehicle is environment-friendly. Observe the service intervals.
- Always have service work performed in a qualified specialist workshop.

Personal driving style

- Don't press the accelerator when you start the engine.
- Don't idle your engine to let it warm up before driving.
- · Drive with anticipation and maintain an adequate distance from the vehicle ahead.
- · Avoid frequent and heavy acceleration and braking.
- Shift in good time and utilize only two-thirds of the redline speed in each gear.
- Turn off the engine when waiting in traffic.

Driving and saving with electric vehicles

Those who want to drive economically with an electric vehicle should pay attention to a number of special aspects. Because not everything that applies to vehicles with combustion engines is also helpful here.

Driving style

- · Quick acceleration affects energy consumption to a lesser extent in an electric car than in a gasolinepowered car. Nevertheless, it is recommended to accelerate softly because this protects the battery.
- **High speeds** of more than 100 km/h lead to a significantly higher energy consumption in an electric vehicle. This increases disproportionately compared with a vehicle powered by a combustion engine.
- An anticipatory driving style and techniques such as coasting also pay off in an electric car. That is because uniform braking allows most of the energy to be recovered and fed back into the battery.
- Very heavy braking should be avoided since part of the kinetic energy is converted into heat and can therefore not be recovered.

Usage behavior

- · The heating and air conditioning unit use additional energy from the traction battery. Here it can be beneficial to preheat or precool the vehicle before the trip while it is still charging (pre-entry climate control) to ensure that the operating range is reduced to a much lesser extent.
- . Short trips in an electric vehicle hardly increase consumption or wear and tear. That is why electric vehicles are especially well suited for use in cities and urban areas.

Battery care

- Charging capacity. Electric vehicles can be "filled up" at household power outlets or at wall boxes and other charging stations. The charging time depends mainly on the charge remaining in the battery and the charge rate of the power supply. Low-current charging has a positive effect on the life of the battery.
- State of charge. Frequent recharging while the battery still has a high state of charge should be avoided since this weakens its performance.
- Memory effect. The lithium-ion batteries used in Mercedes-Benz and smart electric vehicles are not affected by the so-called memory effect, known mainly from earlier nickel-cadmium batteries, which seem to remember the usual energy need after frequent partial charging and over time no longer make the full energy charge available.
- Parking in winter. It is recommended to park an electric vehicle in a garage protected from the cold. This also increases the life of the battery.

Daimler Sustainability report 2014 Pollutant emissions

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Pollutant emissions

We use cutting-edge technologies to further reduce the pollutant emissions of our cars and commercial vehicles. Our goal is to fulfill future emission requirements in advance as much as possible.

Ahead of schedule on emissions. All new model-certified Mercedes-Benz passenger cars are in compliance with the limits of the Euro 6 European emissions standards, which have been in effect since September 2014. This has been true for many models for several years. As early as in 2011, Mercedes-Benz vehicles accounted for half of all Euro 6 passenger car registrations in Germany and for as much as 80 percent in 2012.

Thanks to innovative technology, our direct-injection engines are also below the stringent particulate matter limit of the second Euro 6 stage, which becomes effect in 2017 and reduces the number of particulates by another 90 percent compared to the first stage. All diesel-powered vehicles and 50 of 69 gasoline-powered direct injection Mercedes-Benz Euro 6 models were already in compliance with the tightened limit of 6 x 1011 particles in mid-2014.

Comprehensive Euro VI range. In the commercial vehicles area, Mercedes-Benz was the first manufacturer to offer its complete product range certified to Euro VI standards — from the Actros long-distance truck to the special-purpose vehicles Mercedes-Benz Unimog and Econic. The light is also green in the area of buses: all model series of the Mercedes-Benz and Setra brands are available certified to Euro 6 standards today.

Daimler Sustainability report 2014 Noise

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Noise

We have significantly reduced the noise emissions of our passenger cars, trucks, and buses in recent years through a series of improvements. Our main concern at present is to find satisfactory solutions for the conflicting objectives we repeatedly face in the area of noise reduction. Especially in commercial vehicles there are technical areas in which reducing noise and lowering fuel consumption are at odds. Thus, for example, an encapsulation of the powertrain dampens the engine noise. At the same time, however, it requires a stronger cooling system, which raises the fuel consumption. The additional fuel consumption can be countered with higher injection pressures, which in turn lead to a harsher combustion noise.

Daimler Sustainability report 2014 Conservation of resources

Conservation of resources

Our business naturally requires great quantities of materials. Therefore, one of the focal points of our development tasks is to keep the requirement for natural resources as low as possible. In particular, we strive to limit the use of raw materials that are only available in limited quantities and are frequently associated with a great ecological burden, in the early stages of development. In addition to the economical use of resources, the reconditioning of components and the recycling of used materials play an important role.

Consistently high recyclability. During vehicle development we also prepare a recycling concept, in which all components and materials are examined with a view to their suitability for the various stages of the recycling process. As a result, all Mercedes-Benz models are 85 percent recyclable and 95 percent recoverable.

The key aspects of our activities in this area are:

- The resale of tested and certified used parts through the Mercedes-Benz Used Parts Center (GTC)
- The remanufacturing of used parts
- The workshop waste disposal system MeRSy Recycling Management.

Workshop waste disposal and end-of-life vehicle returns

> Remanufacturing: PDF file (5.4 MB)

Removal of workshop waste with MeRSy

Our MeRSy Recycling Management System for disposing workshop waste helps to collect and recycle waste material created during the maintenance or repair of our vehicles. If recycling is not possible, the system ensures that the material is professionally disposed of. By now this applies to 35 fractions, including plastic parts, batteries, packaging materials, catalysts, old tires as well as brake fluid and coolant. In 2014, a total of 32,036 tons of old parts and materials were collected and recycled. Around 950 tons of coolant and 749 tons of brake fluid were reconditioned.

Europe-wide take-back network for end-of-life vehicles

Our customers can easily return their old cars. We guarantee that they are professionally disposed of in accordance with the EU's directive on end-of-life vehicles. To this end, we have established networks for returning end-of-life vehicles in all EU countries or are part of manufacturer-independent take-back networks.

Recycling of electromobility components. The research project Motor Recycling (MoRe), which is supported by the Federal Ministry for Education and Research, is dedicated to the question of how

Daimler Sustainability report 2014 Conservation of resources

components and valuable materials from electric powertrains can be recycled and reused. Daimler is a part of the consortium from industry and research, which is examining the entire electro-automotive value chain as part of MoRe — from the design and production of engines to reuse in the vehicle. In this context, various aspects of the recycling of engines are analyzed:

- Removal of magnets from the old engines
- Repair and subsequent reuse of electric motors or their components
- · Recycling of magnet materials and rare earth metals.

Daimler Sustainability report 2014 Mobility concepts and services

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Mobility concepts and services

Transport infrastructure and transport systems frequently operate at their limits, especially in urban areas. That is why Daimler has developed a range of pioneering mobility concepts — from the car sharing provider car2go and the mobility platform moovel to the Bus Rapid Transit (BRT) bus system.

> Topic "Transportation concepts": PDF file (5.4 MB)

Daimler Sustainability report 2014 Effects on health and safety

Effects on health and safety

Our safety and zero-emission driving strategies are aimed at ensuring maximum safety for drivers, passengers, and all other road users, and the prevention of emissions and noise.

Upon delivery, our products and services must satisfy the contractual criteria for quality and active and passive safety and must be ready for use in accordance with their intended purpose. That is why we work intensively on eliminating errors to the greatest possible extent as early as in the development and design stage. Our safety obligations also apply during production and sales as well as after the handover of the vehicles. The Daimler "Product Safety" policy regulates the related requirements, tasks, activities, and responsibilities. With the help of our worldwide product monitoring system, we can detect potential risks at an early stage. The processes and procedures for suitable countermeasures such as warnings, customer service measures, etc. are defined.

Seal of quality confirms allergy-friendly features. Good air quality in the vehicle interior and antiallergen surfaces contribute to the passengers' safety and well-being. We ensure that already in the development stage emissions in the vehicle interior are reduced to a minimum and that alergens are avoided. External allergens are effectively contained through highly efficient filters in the air conditioning unit. And with great success: since 2012, Mercedes-Benz vehicles have borne the seal of quality of ECARF, the European Center for Allergy Research Foundation. The seal is awarded to products whose anti-allergen properties have been subjected to scientific review. To this end, ECARF conducts driving tests with persons suffering from asthma, which examining many medical parameters – such as those established for lung functionality tests – that show the effects on the respiratory system. Moreover, all materials which come into contact with passengers' skin are subjected to dermatological testing.

Top fit in the truck. Professional drivers are exposed to maximum stress. In its research project TopFit Truck, Mercedes-Benz Trucks places the main focus on the driver. The goal is to make the job more attractive and thus to counteract the looming shortage of drivers.



More on TopFit Truck

Research project TopFit Truck

In the next 15 years, more than 300,000 of the current 800,000 professional drivers in Germany will leave their jobs due to age. Potential successors and trainees are rare. It is becoming increasingly more difficult to attract young people for the demanding job in the truck. That is why Mercedes-Benz Trucks is working on ways of making the job more attractive and countering the looming driver shortage in the TopFit Truck research project.

Extensive tests and studies performed as part of the project indicate that noise pollution at highway rest areas is among the greatest problems. The drivers sleep poorly and are significantly less fit during the day. They are prone to attention deficits and to the dreaded microsleep. Moreover, they are no longer able to use their skills

Daimler Sustainability report 2014 Effects on health and safety

efficiently to the full extent, which leads to additional use of fuel and wear and tear on the vehicle. Another problem is presented by the monotony during hour-long driving stretches, which taxes the body and impairs the brain's functions.

In order to counteract this, our researchers and development engineers have realized a series of innovations in an Actros test vehicle and have studied and measured their effects and acceptance with the help of medical technology integrated into the vehicle. The findings were used in the development of the new Actros, which came onto the market in 2011. It has a wider bed, significantly improved noise insulation, and optimized fresh air management as standard features. All driver seats can be reclined as needed for a relaxing power nap, and the options list includes a pneumatic seat with a massage function.



EEG measurement during a power nap in the Topfit Truck

By now the original TopFit test vehicle has a successor, with which the mature techniques can be demonstrated and further improvements can be tested, including a lighting concept that is to take the biological and psychological aspects of light therapy into account.

Daimler Sustainability report 2014 Vehicle safety

Vehicle safety

One of our key obligations is to ensure the safety of our customers and all other road users. Mercedes-Benz experts have been conducting in-house accident research on critical traffic situations and real accidents with Mercedes-Benz vehicles since 1969. That is why our comprehensive "Integral Safety" concept is consistently reconciled with real traffic and accident data. The concept is focused on the synergy between active and passive safety.

Top scores in the Euro NCAP rating. Three Mercedes-Benz models completed the safety tests of the European New Car Assessment Program (NCAP) with top scores: the C-Class sedan, the GLA, and the V-Class. All three models received top scores for occupant and child safety, pedestrian protection, and the safety support through assistance systems in the tests, which had been expanded and intensified compared with the previous year. In addition to the good rating, the Mercedes-Benz C-Class received the Euro NCAP Advanced Reward for two safety systems: the drowsiness detection ATTENTION ASSIST and the anticipatory occupant protection system PRE-SAFE®.



Test result Euro NCAP+ of C-, GLA- and V-Class

- ▼ Test results C-Class Euro NCAP+
- ▼ Test results GLA-Class Euro NCAP+
- ▼ Test results V-Class Furo NCAP+

Safety awards for the E-Class and M-Class. In extensive tests, the US Insurance Institute for Highway Safety (IIHS) performs an annual evaluation of the active and passive safety of current vehicle models. In 2014, the Mercedes-Benz E-Class and M-Class ranked among the best with top scores in the tests and received a "TOP SAFETY PICK+" distinction.



Test results TOP SAFETY PICK+

- **↗** F-Class
- → M-Class

Accident prevention systems. The effectiveness of accident prevention systems has been repeatedly demonstrated in recent years. A great number of such systems ensure maximum safety in our vehicles.



Safety systems in the new C-Class

Selected safety systems in the new C-Class **Active Safety**

Daimler Sustainability report 2014 Vehicle safety

 Adaptive High Beam Assist enables permanent driving with high beam by masking out other road users in the cone of light.

- Active Parking Assist enables automatic parking in parallel and perpendicular parking spaces.
- The further advanced **Active Lane Keeping Assist** is now also able to intervene if the vehicle unintentionally crosses a broken line and there is traffic in the adjacent lane that would pose a collision risk in the event of a lane change.
- **ATTENTION ASSIST** warns the driver of inattentiveness and fatigue within a speed range of 80 to 180 km/h. The system notifies drivers of their current state of fatigue and the driving time since the last break, and indicates nearby service areas.
- **COLLISION PREVENTION ASSIST PLUS** continuously monitors the safety distance to the vehicle ahead, warns the driver if there is a danger of collision, and optimizes the braking power in line with the remaining distance.
- **PRE-SAFE**® **PLUS** recognizes an imminent rear impact and warns the traffic behind the vehicle by activating the rear hazard warning lights. If the danger of a collision persists, the system can also firmly apply the stationary vehicle's brakes prior to the rear impact. This minimizes the risk of whiplash injuries by reducing the forward jolt caused by the impact while additionally decreasing the risk of secondary accidents. Immediately before impact, the system activates the PRE-SAFE® preventive occupant protection measures, including the reversible belt tensioners.
- The **BAS PLUS with Cross-Traffic Assist** braking assistance system detects imminent danger situations at intersections and warns the driver to apply the brakes with visual and audible signals. If the driver does not apply the brakes strongly enough, BAS PLUS automatically increases the brake pressure and if necessary even performs a full emergency stop.
- **DISTRONIC PLUS** adaptive cruise control relieves the driver by keeping the vehicle at the desired distance from the vehicle ahead if it is driving more slowly than at the selected desired speed.
- The **STEER CONTROL** steering assistance system helps the driver to stay centered in the lane by generating the appropriate steering torque when traveling on a straight road and even around slight curves.
- Traffic Sign Assist expands the capabilities of the previous Speed Limit Assist. The system also recognizes no-passing zones and can warn the driver of "do not enter" zones.

Passive Safety

- The **PRE-SAFE**® system includes a series of preventive measures for the protection of the vehicle occupants in critical driving situations. These include the reversible seatbelt tensioner and adaptive belt force limiter, the PRE-SAFE® positioning function for the front-passenger seat, and automatic closing of the side windows and sunroof or the full-glass roof with outer sliding roof.
- Newly developed airbags enhance passenger protection. A window airbag in the roof between the A- and Cpillars protects the head area of the driver, front-seat passenger, and passengers seated in the outer rear
 seats. Combined thorax-pelvis side airbags for the driver and front passenger offer additional protection in the
 event of a lateral impact. In addition, a knee airbag for the driver and adaptive airbags for the driver and front
 passenger that can be successively activated in two stages depending on the seat position and force of impact
 are also available.
- The **pyrotechnical belt tensioners and belt force limiters** ensure that the safety belts for the driver, front-seat passenger and rear passengers on the two outer seats develop their full effect. The middle seat in the rear is equipped with a standard 3-point safety belt system.

Daimler Sustainability report 2014 Vehicle safety

• The Mercedes-Benz emergency call system ensures fastest possible help in the event of an accident. It can be activated automatically or manually. The automatic call is triggered as soon as at least one of the airbags in the vehicle has been deployed. The service center then establishes voice contact with the vehicle.

• A **rescue guide with information for helpers** instructs rescue workers on rapid and safe rescue procedures: A rescue card for the C-Class is available for free download on the Internet in several languages. In addition, QR code stickers on the vehicle facilitate access to information for the helpers.

Pedestrian protection

• The rear section of the **Active Hood** is raised by up to 80 millimeters when an impact is detected, thus enlarging the deformation space between the hood and the to some extent very hard components in the engine compartment. This can significantly reduce the risk of injury for other people involved in the accident.

Safer through the intersection. The new Brake Assist BAS PLUS with Cross-Traffic Assist helps avoid rear-end collisions and collisions with crossing traffic at intersections. With the help of a radar sensor system and a state-of-the-art stereo camera the system can recognize dangerous situations. In the event of danger, it prompts the driver to apply the brakes through visual and audible signals. If the driver does not apply the brakes strongly enough, BAS PLUS automatically increases the braking pressure, including an emergency stop, if necessary. The system is active in the speed range to approx. 70 km/h.

Total visibility in the blind spot as well. Collisions when turning are very frequent and generally have serious consequences. This particularly applies to accidents with trucks and unprotected traffic participants like pedestrians or bicyclists. Blind Spot Assist from Mercedes-Benz helps to prevent such collisions. It gives truck drivers reliable warnings of dangers when turning in situations with limited visibility. Institutions like the German Insurance Association (GDV) assume that Blind Spot Assist could help prevent half of all accidents between trucks and pedestrians or bicyclists. The number of associated deaths could be reduced by nearly a third.

Training programs for greater safety. The EU Directive 2003/59 obligates professional drivers in goods and passenger transport to regularly educate themselves on safety issues. In 2008, Mercedes-Benz was the first truck manufacturer in Germany to offer a government-certified safety training program. Since then we have trained more than 55,000 drivers, and driver training has meanwhile become an integral part of Mercedes-Benz's training programs.

Daimler Sustainability report 2014 Customers

Customers

Culture of customer orientation — customer dedication. We sell our products and services in nearly all countries of the world. That is why we attach great importance to our ability to address in detail the partly very different wishes of our customers in every market. To this end, since 2013 we have been aligning and organizationally reinforcing our corporate structures to our five business divisions even more strongly. The corporate departments are also better aligned to the market requirements from the business divisions. For us, customer dedication is not a purely organizational measure but one with which we associate the goal of reinforcing the customer orientation culture throughout our entire company.

Improving customer satisfaction. All of our business units have established quality management systems for the continuous monitoring and improvement of customer satisfaction. Since 2006, we have been implementing the program "CSI No. 1 — Delightful Customer Care" on a sustainable basis. The program has a worldwide orientation and is aimed at making us Number 1 in customer service. Country-specific CSI action plans are agreed and implemented on the basis of international benchmark studies, internal data surveys, and customer surveys. Processes and behavior patterns in all sales stages and at all hierarchical levels are to be continuously and sustainably developed to ensure maximum customer orientation. Finding the right balance of rational and emotional elements is decisive for achieving the highest possible acceptance among all target groups. The measures include training courses, dealer consulting and coaching, and process improvements, as well as the integration of key figures relevant for customer satisfaction in the monetary control instruments in Sales and Marketing and in Service.

Mercedes-Benz Cars has become firmly established at the top of many rankings for years. Customer satisfaction at Mercedes-Benz Trucks has also been visibly improved since the introduction of CSI No. 1 in 2012. Accordingly, the Spanish and German national companies were ranked No. 1 in the industry benchmark in the area of sales; the French and Italian markets moved up to No. 2. In the area of workshop service, Germany and Spain also moved up from third place to being No. 1. It is planned to expand the CSI program to as many as 11 truck markets by the end of 2015.

In the course of the increased alignment of our corporate organization to the business divisions we have introduced a divisional key account system at Daimler Financial Services, which enables us to offer financial services that are customized to an even greater extent for our customers.



Mercedes-Benz growth strategy for marketing and sales

Mercedes-Benz growth strategy for sales and marketing

"Mercedes Benz 2020 - Best Customer Experience" is the name of the growth strategy we derived from the organizational restructuring of passenger car sales and marketing operations. The strategy encompasses numerous new approaches for sales, aftersales, and financial services. We strive to offer our customers a consistent premium brand experience across all points of contact. To this end, we employ a holistic approach for Mercedes-Benz passenger cars throughout the entire "customer journey." Our strategy focuses on the following:

Daimler Sustainability report 2014 Customers

- · Brand openings and personal contact with customers
- Digitization of all channels
- New differentiated sales formats and HR profiles for dealerships
- Personalized customer management across all channels

We reach out to customers where they live and work, and we give them the opportunity to contact us anytime and anywhere. Our focus here is on creating a seamless customer journey. We also offer our customers and anyone interested in the brand customized support and service solutions tailored to their individual needs - throughout the entire lifecycle of their vehicle. Connectivity systems are increasingly transforming our vehicles into mobile terminals in the networked world of our customers. Our focus here is always clearly on the customer.



Internal vehicle quality study

Internal vehicle quality study (German acronym IFQS)

The Mercedes-Benz brand has always stood for technical innovation and high quality. In order to safeguard exactly this type of quality over the long term, we analyze feedback on the quality of Mercedes-Benz vehicles from our company car users and customers who obtained their vehicles via the Employee Sales system.

The goal of IFQS is to identify recurring defects and areas in need of improvement at an early stage and to determine whether the measures taken by quality assurance, development, and production units have a noticeable positive effect on the customer experience.

Every year, we receive reports on quality deficiencies via the IFQS online questionnaire from more than 50,000 company car drivers and Employee Sales customers in Germany, the U.S., and China. Some 900 staff members from development, quality, and aftersales units regularly use this data to optimize and refine our products. Thanks to IFQS, more than 410 new quality issues were identified in 2014 and over 380 causes of problems were analyzed - in many cases by directly examining the vehicles in question. In that same year, measures related to more than 230 IFQS issues were introduced in ongoing series production operations and changes were defined for successor model series with regard to approximately 440 issues.

Customer service and workshops: Those who buy our vehicles receive products of outstanding quality and wish to receive great service during the period of use, such as close contact with the customer service department, individual advice, effective processing of warranty and damage claims, first-rate maintenance, and optimum parts supply, Quick and targeted assistance is ensured by customer centers and service support points, which listen to customer concerns around the clock.



Customer services in the business divisions

The Mercedes Benz Customer Assistance Center (CAC) in Maastricht is the central point of contact for customer concerns and complaints regarding sales, service, and technology issues in Western Europe. At the CAC, approximately 600 employees ensure that customers receive fast and individualized assistance in their native languages around the clock. We also maintain local assistance centers in other core markets. One of the Daimler Sustainability report 2014 Customers

CAC's key tasks is to coordinate Mercedes-Benz Service24h, which also includes the organization of breakdown assistance. When necessary, the center also tells customers how repairs or processes are coming along. This is an especially important benefit for commercial customers. The aftersales activities extend beyond the repair and service center business and are rounded out by service contracts, warranty extensions, and motor insurance.

The **OMNIplus** brand of Daimler's EvoBus subsidiary operates a comprehensive, Europe-wide service network encompassing more than 600 service outlets for bus customers. In addition to operating a professional parts supply system, the outlets offer customers service deals and contracts, driver and repair shop training programs, pre-owned vehicles, and customized financial services. In mid-2012, OMNIplus introduced a new customer complaint management (CCM) system, which combines all of the customer service department's complaint processing channels into a single unit that also enables the company to evaluate the complaints that customers make.

In the commercial vehicle sector, our **Mitsubishi Fuso Truck and Bus Corporation** (MFTBC) customers are served around the clock by the Fuso Call Center, which has been operating since 2010. Service at Fuso has also been improved by the Vehicle Delivery Management (VDM) system introduced in 2012. The system enables vehicles with a two-month production time to be delivered up to two weeks earlier. Moreover, because MFTBC vehicles can be configured directly at dealerships, sales staff can notify customers of the scheduled delivery date when they place their orders. In September 2013, FUSO also launched its "FUSO integrated total support" (Fits) project to improve its customer service even further.

The **Daimler Trucks North America** (DTNA) Customer Assistance Center can also be contacted 24 hours a day. Technical support, breakdown assistance, and towing services are available throughout North America. The Freightliner and Western Star brands provide their customers with a closely knit service network that encompasses more than 800 dealerships, distributors, and service and repair centers in the U.S. and Canada. Quick parts delivery is ensured by DTNA's comprehensive distribution network, which stocks more than 200,000 categories of spare parts at seven strategic locations. The network also serves customers of DTNA's Thomas Built Buses (TBB) subsidiary. In order to further improve customer satisfaction, DTNA has also introduced a new Initial Buyer Tracking Survey system that generates customer feedback for specific vehicle systems.

Focus on individual wishes — for people with disabilities as well. For us, individual customer orientation means taking the needs and interests of our customers seriously. That is why no two vehicles rolling off the lines in our plants are exactly the same. The special Mercedes-Benz program "Ex-Factory Driving Aids," which is offered in Germany, Austria, Switzerland, and Luxembourg today, is directed at people with physical disabilities. The program offers steering and operating aids such as hand-operated gas and brake pedals, as well as vehicle entry aids such as hydraulic lifts for passengers. Mercedes-Benz currently operates 23 "More Mobility Centers," where specially trained sales staff are glad to advise and assist customers. We are continuously expanding this network of service centers. In Germany, Mercedes-Benz also offers disabled people special terms for almost all passenger car model series. In 2012, Mercedes-Benz developed the "Educated Comfort"

Daimler Sustainability report 2014 Customers

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demonstration vehicle, adapted to the special needs of older drivers with adapted ingress and egress and improved vehicle loading possibilities. In the next step, the vehicles will be produced in small series for the market entry.

Mobility and driving assistance systems (Site only available in German)

Information and advertising. All our advertising, sales promotion, and sponsorship campaigns are subject to an in-house audit procedure to ensure that they are in compliance with the applicable laws and Daimler's standards and codes of conduct. We also observe industry principles such as the European advertising sector's Code of Ethics. As a matter of principle we avoid the use of violent, discriminatory, sexual, or religious elements in our advertising. Respect for foreign cultural norms and religious beliefs is a particularly important concern in our international campaigns.

Sustainability issues are increasingly taken into account in brand and product communications. For example, Mercedes-Benz's BlueEFFICIENCY systems include a range of innovative technologies that enable a marked reduction in fuel consumption and emissions. The topic of sustainable mobility is also becoming increasingly prominent at motor shows. For example, in September 2014, the new S 500 Plug-In Hybrid and the new B-Class Electric Drive were among the product highlights at the International Motor Show (IAA) in Frankfurt am Main, Germany.

Daimler Sustainability report 2014 Consumer protection

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Consumer protection

Daimler AG is intensively involved in consumer protection issues and has established systematic safeguards in this area. All Daimler products are subject to top quality and safety requirements throughout their entire life cycle. In this context, the quality management systems used in the individual units play an important role. Requirements for avoidance of product flaws and preventive measures for the protection of customers are additionally defined in the product safety policy of Daimler AG. These requirements are monitored through periodic audits.

We are obligated to instruct users of our products about their use and possible risks associated with it, to warn against dangers and to label our products. These requirements are also described in our product safety policy. In the context of our product responsibility we also fulfill the requirements according to REACH and CLP in Europe.

We abstain from publishing a detailed report of possible violations. Due to the absence of any legal obligations or industry-wide standards, comparability with the competitors would not be ensured in our view.

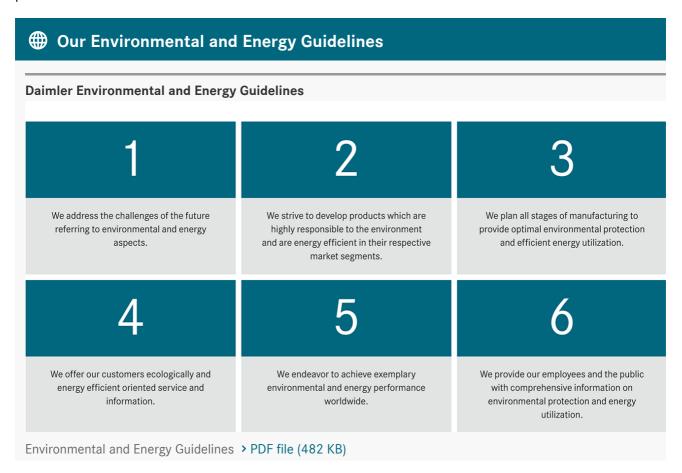
Product information for our customers. Our service booklets and operating instructions tell customers how to save fuel and use their vehicles in a safe and responsible manner. We provide additional information online. For example, the Mercedes-Benz website provides interactive owner's manuals and detailed service information for our customers. The Mercedes-Benz Service app, which includes numerous features for mobile use, can also be downloaded from the website. The Guideline for Rescue Services is also available online with instructions for quick rescue of accident victims from Mercedes-Benz vehicles.

Mercedes-Benz Bank. As part of the Daimler Financial Services division, we are aware of our obligation to our customers. That is why we attach great importance to ensuring extensive transparency and top quality in all areas of our customer business — from investment counseling to loan approval and leasing agreements for vehicle purchases. In this process, it goes without saying that we conduct our activities on the basis of the legal consumer protection requirements. As a member of the Bankers' Trade Association we have signed a code of conduct which regulates our dealings with customers relative to granting installment credits and credit lines. We guarantee that all relevant information on credit and loan agreements will be fully available before the contract closing, and will be elaborated by us upon request. We handle customer data with extreme sensitivity and care.

Corporate environmental protection

We pursue an integrated approach to corporate environmental protection. That is why we start with the causes of potential negative environmental effects. We minimize negative effects of our activities with the help of effective environmental management systems and state-of-the-art technologies. We promote climate protection, conserve valuable resources, and contribute to the preservation of a livable environment — at our locations and beyond.

We have formulated our requirements for a comprehensive system of environmental protection in the environmental and energy guidelines of the Daimler Group. Detailed specifications for the Groupwide environmental management system are defined in the Environmental Management Manual. In addition, we have internal standards for handling hazardous materials, waste management, and the prevention of soil and water contamination.



Organization. On behalf of the Daimler Board of Management, the Member of the Board of Management of Daimler AG, Group Research & Mercedes-Benz Cars Development represents the environmental concerns of the Group. Different organizational units ensure the central management, networking, and communication of environmental issues:

 The Chief Environmental Officer is mandated by the Board of Management to coordinate the Group-wide environmental management activities and to advise the company's management on environmental issues. Daimler Sustainability report 2014 Corporate environmental protection

- The Corporate Environmental Protection unit coordinates the operational requirements of the Group-wide environmental management function which include analyses of the legal requirements, definition and advancement of environmental protection standards, environmental reporting, and production-related environmental protection risk management.
- Regional committees in Europe, Asia, North and South America ensure that local and regional conditions are taken into account in production-related environmental protection measures and that the related activities are appropriately managed in coordination with the Corporate Environmental Protection unit and the Group's Chief Environmental Officer.

Training. We regularly organize awareness and training programs for our employees and managers with a focus on the practical applications of operations-related environmental protection and questions concerning environmental responsibility. We also train our auditors on audits of our environmental management systems of our plants. In addition, our "refresher courses" on environmental management allow participants to exchange ideas and experiences.

Control. In order to eliminate or reduce environmental risks in advance, we regularly audit our locations in accordance with globally uniform standards. Suppliers must observe our sustainability requirements and are expected to operate with an environmental management system that is certified according to ISO 14001, EMAS or other comparable standards. In addition, our Mercedes-Benz specifications define requirements for the environmental compatibility of our component deliveries. Furthermore, the Mercedes-Benz contract terms contain requirements concerning materials selection, banned substances, and recycling requirements, as well as compliance with environmental legislation.

Environmental risk analysis

Our audit and evaluation system for environmental risk analysis has been established for 15 years. We have developed it on a continuous basis since its introduction in 1999. The procedure includes a systematic evaluation of environmental management systems and all processes of relevance to the environment: emissions to the atmosphere and waste water, waste management, handling of hazardous materials, and damage to the soil and groundwater.

To this end, a team of auditors visits all Daimler locations at fixed intervals - including the locations we operate as a majority shareholder. The auditors conduct extensive interviews and plant tours. The findings are documented in reports to the heads of the production locations and summarized in "Summary Reports" for top management.

In 2014, we introduced new IT tools for environmental risk analysis. In addition, the topics were revised, and the report form was structured more clearly. In addition to the evaluation of environmental risks, the process also facilitates sharing of best practice examples that flow into the Daimler standards, which have worldwide validity as internal guidelines on the topics of soil and groundwater protection, handling of hazardous materials, and protection of surface water contamination.

> More about sustainability requirements in the supply chain

Certification. Our production locations worldwide are certified in accordance with ISO 14001 and are regularly audited to determine whether they meet the requirements of this environmental management system. As a result, over 98 percent of all Daimler employees work within the framework of a certified environmental management system. In addition, almost all German locations are certified in accordance with the EU Eco Management and Audit Scheme (EMAS). A total of 18 locations - including our major plants - already have energy management systems that are certified in accordance with ISO 50001.

Environmental statements of the plants

In addition to obtaining ISO 14001 certification for their environmental management systems, all Daimler production locations in Germany, as well as the EvoBus GmbH plants in Neu-Ulm and Mannheim, the smart production facility in Hambach, France, and the new plant in Kecskemét, Hungary, voluntarily participate in the European Eco-Management and Audit Scheme (EMAS).

The environmental statements issued by the production locations are validated by independent experts and disclose all important environmental data, goals, and measures (and their state of implementation) for the facility in question.

Environmental statements are published every three years. In the interim we issue "Updated Environmental Statements" for the annual environmental statistics, which are also used in reporting on the level of implementation of the environmental program and any changes in environmental management. The environmental statements are released at different times by the various locations.

You can find all environmental statements of the plants **>** here (in German only).

Environmental protection costs. Our investments in environmental protection plant and facilities with integrated environmental protection features amounted to around €108 million in 2014 (previous year: €140 million), whereby integrated environmental protection features are not clearly separable. Current environmental protection expenditures for personnel, operations, and waste disposals were at €432 million (previous year: €432 million). Our Group-wide expenditures for development projects relating to environmental protection, such as alternative drive systems, stateof-the-art emission control technologies, and efficiency increases in the vehicle, amounted to €2.4 billion (previous year: €2.5 billion).

Principles of data collection. In our recording of environmental and energy data we take into account all relevant locations which are majority owned by Daimler AG. Details on the approach and procedure are provided in the Internet.

Data overview and details on the collection of data

Interactive overview of data on environmental protection in production

With the help of our online key figure comparison you can compile historical data from previous years at your discretion. The figures can be displayed as a chart or a table, and can also be downloaded as an Excel file.

- > Absolute key figures ecology
- > Specific key figures ecology

How we collect and present our environmental data

Resource consumption and emissions are largely dependent on the number of units produced. That is why we calculate specific values for the individual divisions. This involves matching the number of vehicles produced in the consolidated plants of each division with the appropriate data of the production facilities. Since the reorganization of the divisional structure in the commercial vehicles area, we have been collecting the specific figures for the Trucks, Vans, and Buses divisions separately in each case. To arrive at consistent time series, the current structure is also extrapolated back where possible.

The specific data gained in this way can only serve as general benchmarks, because they do not take into account the ways in which the vertical integration of production has developed, the diversity of products, or the special features of the production network, which in some cases extends across divisions.

The collection of environmental and energy data covers all relevant production locations, including headquarters and the product development areas, which are majority-owned by Daimler AG, as well as the central warehouse in Germersheim, including its satellite warehouses, and the Daimler sales locations in Germany. The battery production in Kamenz (Germany) and the aggregate component plants in Toluca (Mexico), Cugir and Sebes (both in Romania), Most (Czech Republic) and Maribor (Slovenia) as well as the assembly location in Ho Chi Minh City (Vietnam) were consolidated for the first time in 2013. In 2014, energy data from another 12 European bus sales locations were added. Individual administrative sites outside of production locations and the locations of Daimler Financial Services are not taken into consideration.



⊕ Calculation of CO₂ emissions

How we calculate our CO₂ emissions

Daimler calculates and documents CO₂ emissions in accordance with the 2004 Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol Initiative. In doing this, we fully consider all relevant majority holdings of the Group (control approach).

All direct CO₂ emissions from stationary sources (Scope 1) as well as indirect emissions resulting from the generation of the purchased electricity and district heating (Scope 2) are taken into account. We calculate our direct emissions from the combustion of fuels, heating oil, natural gas, liquid gas, and coal with fixed factors as specified by the World Business Council for Sustainable Development (WBCSD) or the German Emissions Trading Office, DEHSt.

We began including combustion of fuels in the calculations of Group-wide CO₂ emissions for the first time in the 2010 reporting year. The calculation also includes the consumption for production purposes (e.g. forklifts) and test benches in Product Engineering. Company cars assigned to specific individuals are not taken into account. If data are available, the calculation also includes previous years.

We calculate the indirect emissions from district heat and electricity from external generation differentiated according to time and regions. If more detailed data are not available, we use the current factors of the International Energy Agency (IEA). In the USA we use the factors for energy production published by the EPA. The CO₂ emissions from energy production for the German locations are calculated on the basis of the applicable factors of the German Environmental Agency, without taking the electricity trading balance into account.

With a view to reducing our production-related carbon emissions and continuously improving our energy supply, we are investing in facilities such as block heating plants within our plants and are optimizing our external energy procurement. Since 2011, we have been purchasing green electricity and have leased a highly efficient gas and steam combination power plant (GuDPlattling). We distribute the electricity produced there among our German plants. In line with this, the CO₂ emissions attributable to the electrical power generation in Plattling are allocated to the plants, calculated using the CO₂ factor specific to the power plant.

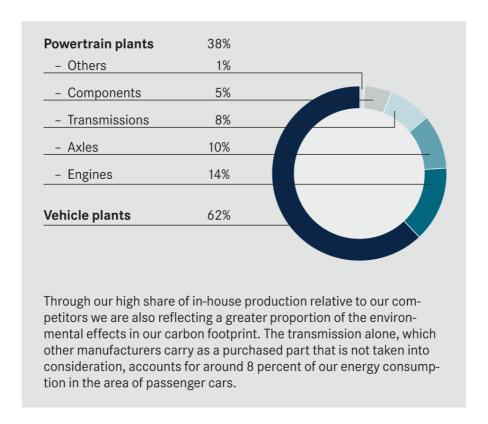
At this time, we are not calculating the figures for other greenhouse gases across the Group. As the balance sheet of climate-affecting coolants in the German plants shows, the emissions from such coolants account for only a negligible value in the parts per thousand range. We calculate other indirect CO₂ emissions from purchased services and preliminary work (Scope 3), for example, for business travel and truck deliveries. We disclose the CO₂ emissions of the product use phase as specific emissions for the vehicles.

Energy efficiency and low-carbon production

Objective. Our Group-wide target is a 20-percent reduction in production-related CO₂ emissions per vehicle between 2007 and 2015. For the European plants we have set the additional target of reducing absolute CO₂ emissions by 20 percent relative to the 1992-1994 reference period. To achieve these goals, we are introducing new energy-saving production methods, increasing the efficiency of existing processes, using low-carbon energy sources, and relying on renewable energy wherever possible.

Daimler Group — energy consumption									
	2008	2009	2010	2011	2012	2013	2014		
GWh									
Fuels	284	272	328	325	322	315	305		
Coal/coke	191	140	169	181	139	69	61		
Liquid gas	100	119	92	96	99	108	98		
Heating oil	161	135	97	104	84	78	55		
Natural gas	4,412	3,523	4,072	4,161	4,305	4,971	4,922		
District heat	989	907	1,085	913	949	973	824		
Electricity	4,788	3,856	4,456	4,685	4,870	4,545	4,586		

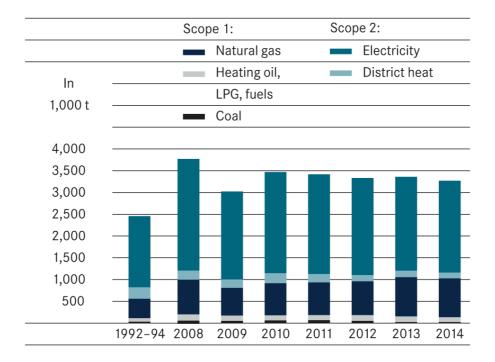
High level of vertical integration at Mercedes-Benz Cars and effect on energy consumption structure



CO₂ emissions. Despite the significantly increased production output, all of these measures and the mild weather led to a 1.9-percent decline in energy consumption and a 2.6-percent decrease in CO₂ emissions in 2014. The total emissions presented in the chart result from the combustion of fossil fuels and purchases of electricity and district heat from third-party energy producers.

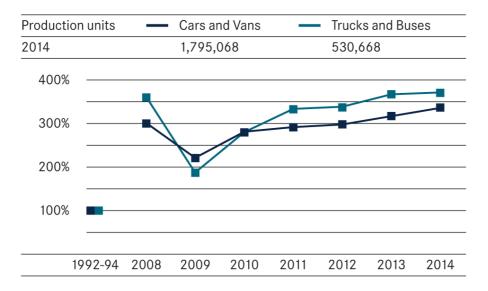
Climate-friendly energy supply. For the heating of our plants we use low-carbon natural gas and, where available, district heating. In many locations, we have highly efficient cogeneration facilities in use, which are operated by Daimler or by a regional provider. The concerted expansion of decentralized combined heat and power (CHP) units is an important pillar of our eco-friendly energy supply system. From 2011 to 2014 we set up more than 27 CHP modules with a capacity of around 160 MW. With these modules alone, we can cover around 6 percent of our electricity and heating requirement under optimized CO₂ conditions.

Direct and indirect CO₂ emissions from production



Direct and indirect CO ₂ emissions of the Daimler Group										
	1992-94	2008	2009	2010	2011	2012	2013	2014		
1,000 t										
Scope 1	541	1,009	823	932	955	960	1,052	1,030		
Scope 2	1,895	2,770	2,212	2,550	2,481	2,376	2,304	2,241		
Total	2,436	3,779	3,035	3,482	3,436	3,336	3,356	3,271		

Annual vehicle production Daimler Group (1992 = 100%)



In order to have the appropriate correlation with our environmental data, we only count the production from plants which are majority-owned by the Daimler Group.

Since no minority participations in companies or external contract production are included, the production volume is lower than cited sales numbers might indicate.

In several locations in Germany, the U.S., and India, we operate photovoltaic installations on our roofs or provide roof space for the use of operating companies. More than 65,000 square meters of roof space are used for CO₂-neutral electricity production in this manner.

In addition, we also report the upstream and downstream CO_2 emissions for the Mercedes-Benz Cars business unit (scope 3). For the upstream production phase this amounts to 13.7 million tons of CO_2 . For the service life phase (150,000 km) the figure is 33.3 million tons for the vehicles sold in 2014.

Saving energy. Our energy projects at all locations are operated on the basis of exact record-keeping through a dense network of automatic electricity meters. In line with this, we design our energy-saving measures in accordance with four points.

To avoid unnecessary use of energy during production breaks, we use intelligent switch-off and stand-by controls. Furthermore, we are dealing with energy waste through compressed air leaks, heat losses and excessive process requirements (e.g. temperature specifications). In these areas, there is reduction potential not only in the production processes themselves, but also in the building infrastructure with heating, air conditioning, and ventilation.

We achieve the most significant efficiency increases by replacing old production facilities with modern plant technology and new building construction.

The success of an energy project depends, not last, on the employees' commitment. That is why we are raising our employees' and managers' awareness of energy issues with the help of events and communication measures. In addition, energy-saving suggestions are rewarded within the scope of the company suggestions system.



Energy efficiency project in Sindelfingen

Successful energy efficiency project in Sindelfingen

One of the most important goals in the planning and construction of the production facilities for the new S-Class in the Sindelfingen plant was to significantly improve the energy efficiency in comparison with the production of the predecessor model. The realization of a goal such as this requires special efforts since numerous opposing effects must be compensated at first. For example, larger building areas and more energyintensive processes lead to an additional energy requirement.

In Sindelfingen, it was possible to fall back on the ideas, measures, and experience gained from various energy efficiency projects at the site. And with success: Thus, for example, it was possible to reduce the electricity consumption per vehicle by 23 percent in body shell construction and assembly. In addition, all other energy carriers that were significant for the overall energy consumption were recorded and optimized. This included the manufacturing equipment and processes as well as the buildings and their operations.

For example, it was possible to further improve the infrastructure and operation of ventilation systems and the need-based control of the heating systems. In the area of manufacturing equipment, the conveyor technology and robotic controls were optimized. The performance specifications called for optimal modes of operation with high utilization and flexible control and shutdown capability. Other energy savings were achieved by adjusting the temperature levels and the use of heat recovery techniques.

The S-Class production at the Sindelfingen site is monitored on a continuous basis with the help of energy measuring equipment. As part of its energy management system according to DIN EN ISO 50001 implemented in 2012, the plant intends to identify, evaluate, and implement further optimizations on this basis.

Daimler Sustainability report 2014 Air purification

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Air purification

Solvents (volatile organic compounds or VOCs) in particular are released during vehicle production. In addition sulfur dioxide (SO_2), carbon monoxide (SO_2), nitrogen oxides (SO_2), and particulates are also emitted into the atmosphere. Damaging substances have only been emitted into the ozone layer in negligible residual amounts since we introduced the almost exclusive use of refrigerants that are not damaging to the ozone layer. As a trailblazer in the introduction of largely solvent-free paint systems, we have already achieved a drastic reduction in solvent emissions over the last decades; in particular at Mercedes-Benz Cars we are benchmark in the competitive comparison. We are also unlocking further reduction potential through the use of state-of-the-art technologies, primarily in the painting of commercial vehicles and major components.

⊕ Absolute VOC, CO, SO₂, NOχ emissions										
Absolute emissions to the atmosphere: CO, SO ₂ , NO _X (EN20)										
		2011	2012	2013	2014					
Solvents (VOC)	t	6,355	6,618	6,907	6,547					
Sulfur dioxide (SO ₂)	t	55	55	72	76					
Carbon monoxide (CO)	t	2,636	2,766	2,336	2,813					
Nitrogen oxides (NO _X)	t	869	958	1,012	1,005					

Avoidance of emissions in the foundry

New process prevents emissions

In the aluminum foundry, sand cores are used in addition to the solid outer molds. When the metal has solidified they are removed from the mold to create the required cavities inside the casting. To produce such a core, previously it was customary to mix sand with an organic binder and harden the mixture with a catalyst – a process with side-effects. The organic binders give rise to emissions with an unpleasant odor both during core production and casting. Extensive systems are required to clean the exhaust air to protect the workers and neighbors.

This no longer applies at the foundry in Esslingen-Mettingen, where an inorganic binder system based on sodium silicate has been in use since 2013. The cores are no longer hardened using a chemical reaction but by drying. The result: Virtually no organic pollutants are produced, since the emissions during core manufacturing have declined by 99 percent and by 96 percent during casting.

The foundry is now further expediting the conversion to the innovative process with each new product. This

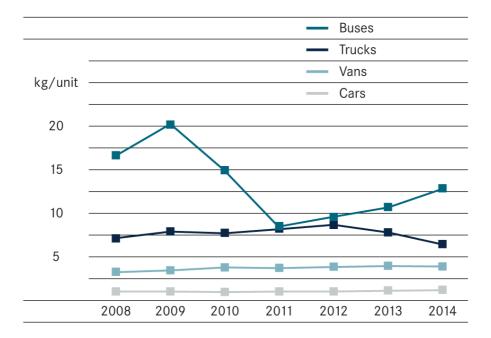
Daimler Sustainability report 2014 Air purification

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calls for extensive investments in new equipment. For example, heated molds will be required for core production in the future, and the equipment needed for core removal and sand regeneration must also be modified with considerable effort and expense. On the other hand, after the complete changeover the previously required exhaust cleaning systems will become unnecessary, and the volume of exhaust air – from which only dust will have to be removed with dry filters – will be reduced to less than half. This will lead to substantial savings in energy, water, waste, and maintenance effort.

Most of all, the workers and neighbors of the plant will benefit in the future: The foundry odors, which are sometimes still perceptible today despite sophisticated filtering technology, will then be a thing of the past.

Specific solvent emissions (VOC) per vehicle



Daimler Sustainability report 2014 Waste and resource management

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Waste and resource management

The recycling and reuse of raw materials, indirect materials, and supplies in our plants has been a self-evident activity for years. Exceptional circumstances (see the following table) caused the recycling rate to drop to 85 percent in 2014. Our innovative technical processes and environmentally sound production planning additionally enable us to avoid waste from the very start. With a view to meeting our special responsibility as waste producer, we regularly audit the waste disposal operators for our production plants in accordance with an established process. Waste exports into other countries do not take place.



Innovative process minimizes waste volumes

Innovative process minimizes waste and energy consumption

Prior to painting, bodies in white must be cleaned of metalworking residues in cleaning baths where dirt particles, oil, and grease adhering to the metal are dissolved with the aid of detergents. If such a cleaning bath is to be used as long as possible, the residues dissolved in it must be filtered out of the resulting emulsion. In the past this was done through ultrafiltration. However, since the method uses high-pressure pumps it consumes a great deal of energy. In addition, it is maintenance-intensive, since the filters hold back part of the detergents so that they constantly need replenishing. Moreover, the removed emulsion has to be disposed of as hazardous waste in the end.

For this reason the plant has introduced a new technology which uses demulsifying cleaning agents. These detergents cannot take up as much oil, but make the process much more environment-friendly on the whole. They have the effect that the separated dirt particles, oil, and grease float on the surface and can be removed easily with the help of belt filters and flotation tanks.

The new process eliminates 1,800 cubic meters of wastewater annually. In addition, as a result of the high oil filtration efficiency now only around 20 tons of waste oil annually must be recycled - previously, 100 tons of a detergent/oil/water mixture had to be disposed of as hazardous waste. The elimination of the ultrafiltration process additionally cuts annual energy consumption by 390 MWh, resulting in a reduction of CO₂ emissions by some 170 tons. In addition, fewer chemicals are used and the fully automatic process control reduces the maintenance effort. In the final analysis, all this has also led to a clear reduction in operating costs.

Waste volumes							
	2008	2009	2010	2011	2012	2013	2014
1,000 t							

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Waste volumes							
Waste for disposal	69	43	64	68	65	74	82
Waste for recycling							
(without scrap metal)	228	144	191	214	254	222	232
Scrap metal for recycling	751	544	698	790	778	821	863
Hazardous waste							
for disposal	19	25	32	17	22	42	116
Hazardous waste							
for recycling	60	44	52	63	66	68	70

The increase in hazardous waste requiring disposal was due to a reclassification of used foundry sand. We have initiated measures to reduce this waste.

Resource management. As a company from an industrial sector which consumes large amounts of materials, we strive to plan material use carefully and to employ finite resources as sparingly as possible. We purchase a large part of the materials used in our vehicles from suppliers in the form of components. Although the environmental effects of purchased components are not directly included in the assessment of our environmental performance, they are taken into account in our holistic assessment of product development and selection of materials. Under this assessment method, which we have used for our passenger cars thus far, we extrapolate the entire use of materials in the production chain in additional consideration of the waste flows. Because of the size and complexity of the Daimler Group, it is impossible to analyze the material flows in greater detail in the context of Sustainability Reporting. However, details on individual model series are provided in the respective life cycle reports.

- > Topic "Resource efficiency: key to the future": PDF file (5.4 MB)
- > Product development and material selection

Materials used in vehicle production										
	2008	2009	2010	2011	2012	2013	2014			
million t										
Metallic materials	3.9	2.7	3.4	3.9	4.0	4.4	4.7			
Other materials	1.1	0.8	1.0	1.1	1.2	1.3	1.4			

The material balance is based on the known material composition of representative vehicles, multiplied by the number of units sold. The calculation of this Group result is subject to a large number of uncertainties.

Daimler Sustainability report 2014 Waste and resource management

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Through the use of efficient technologies we have reduced the use of scarce resources to the absolute minimum. We plan the recycling of materials at the end of the product life cycle as early as in the development stage. In addition, we also remanufacture used parts to a great extent. This yields economic benefits for the customers and conserves resources.

- > Topic "Remanufacturing": PDF file (5.4 MB)
- > Recycling of components of electromobility

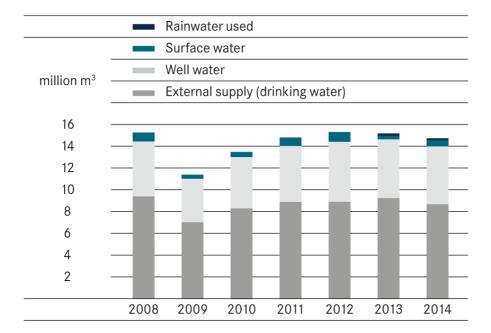
Daimler Sustainability report 2014 Water pollution control

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Water pollution control

Our goal is to prevent water pollution. We keep the use of the natural resource 'water' as low as possible, especially in countries with dry climates.

Water consumption



The great majority of our plants do not channel their waste water directly into lakes and rivers, but only after pretreatment in local effluent treatment plants via the public sewage system. Detailed information on the various wastewater parameters is provided in the environmental declarations of our EMAS-certified plants.



Effluent-free factory

Wastewater-free factory

To protect the valuable resource water and make allowance for the special challenge posed by water management in this region, our new plant in Chennai in southern India pursues a "zero discharge" policy. Every drop of water is channeled through a complex system of pipes, pumps, filters, and evaporators in a closed loop and is continually reconditioned. Not a single drop leaves the plant via a sewer line.

Along with "zero discharge" our objective in Chennai is also to keep the natural water cycle intact as far as possible. Most of the water required for production comes from company-owned wells. To make up for the Daimler Sustainability report 2014 Water pollution control

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water taken from the wells, we have connected the downpipes from the roofs to dry wells, so that unpolluted rainwater is fed directly back into the groundwater. The large volumes of water falling on the plant grounds in the monsoon season are collected in an artificial pond. Moreover, special retainer systems ensure that in the event of a fire, contaminated firefighting water cannot get into the groundwater or surface water.

Environmental statements of the plants

The environmental statements of the Daimler plants

In addition to obtaining ISO 14001 certification for their environmental management systems, all Daimler production locations in Germany, as well as the EvoBus GmbH plants in Neu-Ulm and Mannheim, the smart production facility in Hambach, France, and the new plant in Kecskemét, Hungary, voluntarily participate in the European Eco-Management and Audit Scheme (EMAS).

The environmental statements issued by the production locations are validated by independent experts and disclose all important environmental data, goals, and measures (and their state of implementation) for the facility in question.

Environmental statements are published every three years. In the interim we issue "Updated Environmental Statements" for the annual environmental statistics, which are also used in reporting on the level of implementation of the environmental program and any changes in environmental management. The environmental statements are released at different times by the various locations.

You can find all environmental statements of the plants → here (in German only).



Water quality control through ground filters

Plant bed filters purify surface water

Harmful residues can accumulate in the rainwater which drains over roofs and roadways of industrial sites. To ensure that soil and waters don't suffer, the more stringent limits of the new Water Framework Directive must be observed from 2015 on. That is why our Bremen plant has launched a research project, in which our specialists study the effectiveness of rainwater purification through innovative soil filters together with experts from the Center for Environmental Research and Sustainable Technologies of the University of Bremen.

Initially, this involved the construction of a 100-square-meter soil filter in late 2012. The area was then planted with wetland flora and colonized with mycorrhiza fungi, which live in symbiosis with the plants. Inside the filtration system, the water flows through different layers of sand, colloidal silica, and wood compost, where it is mechanically and physicochemically purified while the plants boost the biodegradation of pollutants.

In order to test the effect of vegetable charcoal, it was also added to a part of the system. Vegetable charcoal increases the soil's ability to store water. In addition, it encourages the growth of fungi, absorbs many harmful Daimler Sustainability report 2014 Water pollution control

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substances, supports the microflora, and improves the aeration of the soil. The second phase of the project began in March 2014. This involved the installation of three lysimeters, each with a capacity of one cubic meter, with a structure corresponding to that of the soil filter. With the help of this measuring equipment, the researchers want to research by 2016 whether the addition of vegetable charcoal can actually lead to greater filtration of pollutants. This is to be supplemented by laboratory analyses of constant water and soil tests at different sites inside the plant – from the inlets and outlets of the soil filter and the lysimeters to the retaining basins and ponds and the drainages of the roofs and roadways.

The findings of the research project will be suited for application at other similar industrial locations and are to be published in professional journals.

Daimler Sustainability report 2014 Logistics and employee transport

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Logistics and employee transport

The incoming and outgoing delivery traffic in our plants as well as the distances our employees travel for work and business also affect our environmental balances through emissions, noise, and use of resources. We minimize the environmental effects of these transports through the use of an efficient logistics system and of rail and waterway transport. We replace business travel by telephone, video or online conferences wherever possible and expedient. Employees at the Sindelfingen and Stuttgart locations receive discounted yearly passes for the public transit system. Truck deliveries to our German plants, to the Hungarian plant in Kecskemét, and the plant in Vitoria, Spain are monitored centrally. The CO₂ emissions can be approximated on the basis of the tonnage and truck kilometers traveled.

Optimization of transport logistics

Today, we are increasingly producing more vehicles locally in the respective sales markets around the world. As a result, the number of our plants as well as suppliers' production locations is growing, and product diversity is also on the rise. Accordingly, our logistics network is becoming increasingly more complex.

Today, our global system of transport logistics services about 75 production plants in about 30 countries and about 8,500 dealers almost everywhere in the world. In 2013 we transported around 1.9 million vehicles worldwide. In addition, around 9.5 million tons of production materials and 1.7 million tons of spare parts were transported in Europe alone. The worldwide transport volume was at around 230,000 standard containers of sea freight, about 41,000 tons of air freight, and 25,000 tons of express packages.

We are working at full speed on the optimization of the logistics network in order to reduce the associated CO2 emissions. The main goal here is to optimally interconnect the hubs to enable shortening the travel distances and improving capacity utilization. In addition, innovative transport concepts and new means of transport play an important role.

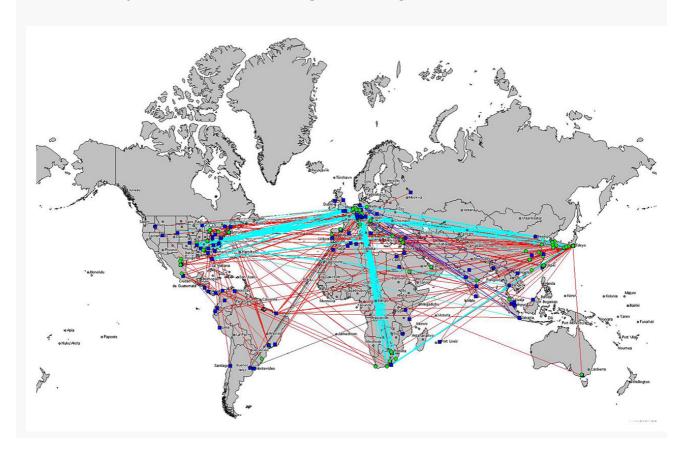
Our selection of logistics concepts is based on the costs, transport duration and quality, and now also on the CO2 emissions. We are also guided by different sustainability criteria in the selection of our logistics providers, which include environmental certificates, the use of eco-friendly equipment, documentation of reduced CO₂ emissions, driver training for an environmentally friendly driving style, and innovations for greater sustainability. We also demand the use of low-emission trucks certified to the latest European emissions standards.

We are working intensively on further improvements in numerous projects. Some examples from the year 2014:

- As part of the project "HUB North/South" for railway transport of vehicles we were able to reduce the CO2 emissions by around 4,400 tons per year.
- · We managed to considerably reduce the return transport of empty containers in which production materials were previously shipped from Europe to South Africa. We are now using containers for shipping vehicles made in South Africa to Europe, in which the use of a special rack enables loading three instead of only two vehicles per container.

- Vehicles from South Africa were previously also shipped to Southern Europe via the port of Bremerhaven. Now they can be shipped there directly, which will eliminate around 865,000 truck-kilometers per year in the first project phase.
- By using the load carriers across plants in accordance with a new concept, we can now provide material suppliers with empty load carriers from the most optimal Daimler location in each case. In 2014 alone, there was a reduction of around 2,300 tons of CO₂.

Worldwide transport streams 2014 inbound logistics sea freight containers



Truck shipments of suppliers in Germany, Vitoria (Spain), and Kecskemét (Hungary)

	2010	2011	2012	2013	2014
Truck kilometers (in millions)	135	159	166	173	218
Cargo (in million t)	3.7	4.4	4.4	4.3	4.9
CO ₂ emissions (in 1,000 t)	101	119	133	139	171

CO ₂ emissions from business travel (s	starting from Germanv)
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0010	0011	0010	0010	
2010	2011	2012	2013	2014
2010	2011	2012	2010	_0.7

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CO ₂ emissions from busines	s travel (starting from Germany)
--	----------------------------------

1,000 t					
Train	0.7	0.8	0.9	0.8	0.8
Plane	51.3	66.4	72.4	73.2	80.0

Conservation of nature, land use, and biodiversity

Our production plants cover a total area of around 5,200 hectares, 65 percent of which are occupied by buildings and transport areas. Because land is a limited public good, we use these areas as efficiently as possible through dense, multi-level building development. We also design outdoor areas within our plants to serve as a habitat for indigenous plants and animals. In this way, we can facilitate biodiversity even amidst the industrial architecture. For example, peregrine falcons have found a new home on chimneys of our plants in Wörth and Sindelfingen. In the Tuscaloosa plant, natural vegetation and beavers with their dams ensure the retention and preliminary sedimentation of rain water. Due to the way we use land and our plant locations in industrial zones, no significant negative effects on endangered species are to be expected.

Biodiversity index. To better measure the effect of our activities, we have developed a biodiversity indicator whose practical viability is currently being tested in several plants. The indicator categorizes our horizontal and vertical areas in accordance with their environmental value. In future, this indicator will enable us to set targets for our plant-specific environmental protection program, and to clearly evaluate the progress that has been made.



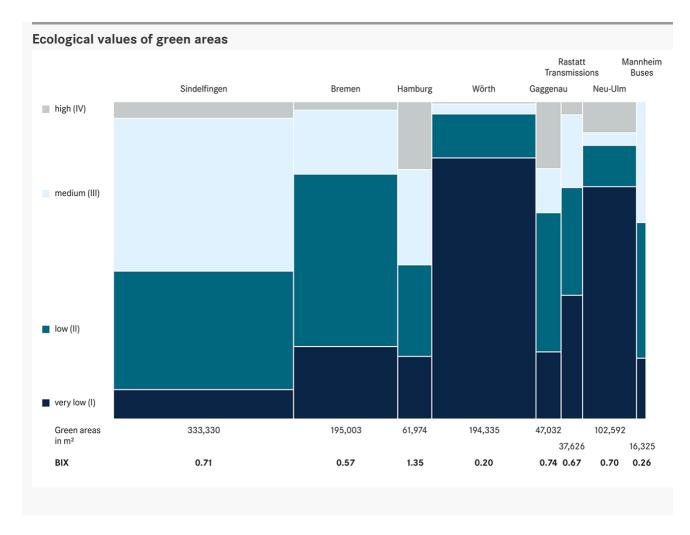
More on the biodiversity indicator

Biodiversity index shows the ecological value of semi-natural areas

For years we have been keeping undeveloped areas at our locations in a semi-natural state to the greatest possible extent so that they can provide refuge to endangered plant and animal species. In 2013, in order to manage our activities in this field better and enhance their effect through competition between the locations, we developed the biodiversity index (BIX).

The BIX is based on a five-point scale which is used to assess every unsealed surface at a plant and weight these areas according to their ecological significance. By now, we have already tested the process at six differently major locations, including the Bremen plant, where a BIX was created in 2014. The result is an initial ecological area assessment of our plants. In future, it will be possible to determine changes and trends on this basis.

In the illustration, the different widths of the bars provide an indication of the proportions. The respective index values are shown at the very bottom.

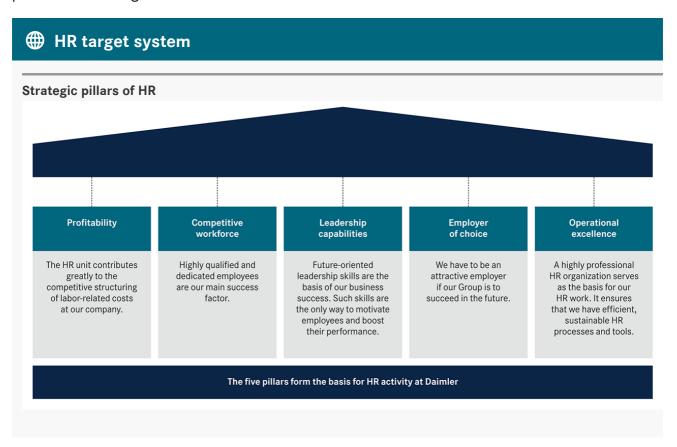


Soil and groundwater. We eliminate any soil and groundwater contamination in advance as far as possible. An internal guideline provides minimum standards for the handling of soil and groundwater contamination for all locations. The requirements frequently extend beyond the local legal regulations. Compliance with these requirements is reviewed in the framework of our worldwide audits. In 2014 there were no significant accidents associated with soil or groundwater damage.

Employees

Around 280,000 people worldwide are using their power and skills to contribute to the success of our company. Fair and trusting relationships with employees are more than just an ethical and legal requirement for us: Without them we would not be able to conduct our business successfully.

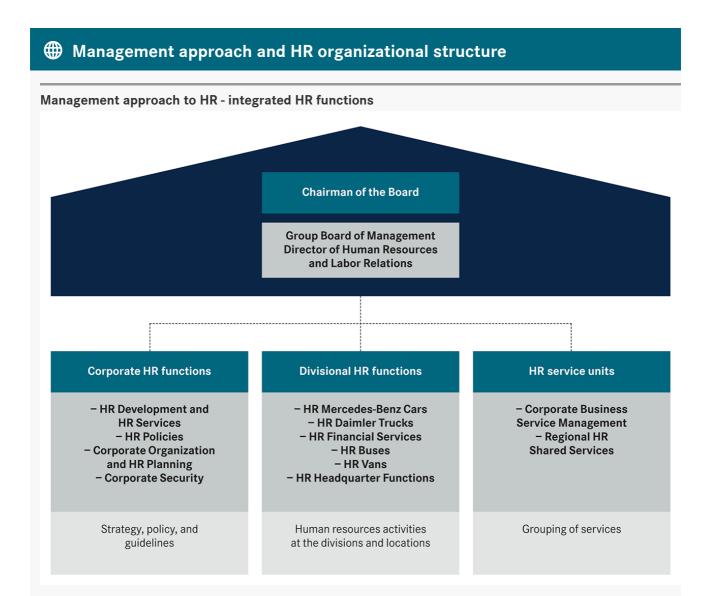
Human resources strategy and objectives. Our human resources strategy is firmly anchored in our Group-wide sustainability strategy. It is geared towards five strategic objectives: profitability, competitive workforce, excellent management skills, high attractiveness as an employer, and professional HR organization.



Areas of action. We have derived twelve key areas of action from these objectives — ranging from generations management to topics such as diversity and equal opportunity or to life balance and the qualification training of specialists in the growth markets. For each area of action we have defined specific objectives that are also reflected in the target agreements of our managers.



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The HR Scorecard management tool Global Human Resources Scorecard - success factors and key performance indicators (KPIs) Competitive Leadership **Employer** Operational Profitability workforce of choice capabilities excellence Labor costs Attendance **Employee satisfaction** HR excellence Sickness HR value Labor costs Executive & employee commitment contribution rate Demographic Leadership HR **Employer** Flexibility tools structure potential image Name awareness / Quantitative potential employer ranking Aging structure coverage Workforce & working time Usability HR tools flexibility **CAReer applicants** Aging effects Qualification index executives CSR sustainability **Global footprint** Qualification Diversity **Turnover rate Financial** Turnover Staff abroad Qualification index Women in HR budget leadership positions workforce Revenues abroad External hire Success factors Key performance indicators (KPI)

Principles and guidelines. In our internal principles and guidelines, such as our "Principles of Social Responsibility," we commit ourselves to observance of employee rights, among other things. We also require the same from our business partners and suppliers. For violations of our principles, we have established a complaints process together with the employee representatives in which each case is centrally documented and processed.

Safeguarding employment. We strive to safeguard the employment of our employees on a permanent basis. Our "Safeguarding of the Future of Daimler" agreement contributes to achieving this aim. In addition, we also use flexible working-time models and collectively agreed framework conditions, which enable us to make use of market opportunities and absorb fluctuations in demand better. At the same time, these agreements help us respond more effectively to rising manpower requirements in certain areas.



Work more flexibly, safeguard the future

More flexible working-time regulations safeguard employment

To prevent lay-offs and safeguard employment for the long term, we are continually developing our workingtime regulations with a view to achieving the greatest possible flexibility for our employees - with respect to time and location, as well as work contents. With this goal in mind, we are involved in committees and professional associations.

Early indicators of the development of demand and production enable us to manage our personnel capacity in an even more forward-looking manner. We actively involve the employee representatives in the implementation of the respective concepts.

Company agreement on safeguarding the future. In November 2011, the company's management and the General Works Council approved our company agreement "Safeguarding the Future of Daimler," which precludes business-related lay-offs until December 31, 2016. The agreement became effective on January 1, 2012 and applies for all employees of Daimler AG.

Mercedes-Benz is preparing its corporate sales network in Germany for the future. The aim is to ensure the best possible support for our customers, to enable operating economically and profitably in the long term, and in so doing to safeguard jobs in the largely saturated German market. This will involve combining branches to form district sales offices, and parting ways with a number of manufacturer-owned dealerships in the short and medium term. This does not lead to any changes for our customers.

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Employees by regions and business divisions

	2012	2013	2014
Workforce (number of employees)			
Europe	201,119	202,410	205,05
North America incl. Mexico (NAFTA)	29,606	28,303	30,93
South and Central America	17,009	16,538	14,90
Africa	6,482	6,529	6,87
	19,743	19,654	20,91
Australia	1,128	1,182	1,289
Total workforce worldwide	275,087	274,616	279,97
Total workforce Mercedes-Benz Cars			
Worldwide	98,020	96,895	129,10
Europe	89,738	90,535	111,63
NAFTA	3,258	3,446	7,26
Latin America	0	0	13
Asia	0	0	3,90
Australia/Pacific	0	0	73
Africa	5,024	2,914	5,43
Total workforce Daimler Trucks			
Worldwide	80,519	79,020	82,74
Europe	32,567	32,515	34,83
NAFTA	20,609	19,221	21,35
Latin America	13,537	13,043	11,37
Asia	12,636	13,195	13,69
Australia/Pacific	0	0	329
Africa	1,170	1,046	1,15
Total workforce Financial Services			
Worldwide	7,779	8,107	8,878

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Europe	4,516	4,611	5,09
NAFTA	1,373	1,515	1,640
Latin America	419	421	42
Asia	1,016	1,096	1,248
Australia/Pacific	167	169	194
Africa	288	295	268
Total workforce Vans			
Worldwide	14,916	14,838	15,782
Europe	13,246	13,172	13,868
NAFTA	99	104	19
Latin America	1,571	1,562	1,67
Asia	0	0	(
Australia/Pacific	0	0	3
Africa	0	0	1
Total workforce Buses			
Worldwide	16,901	16,603	16,63
Europe	14,752	14,625	14,80
NAFTA	660	435	45
Latin America	1,482	1,512	1,28
Asia	7	31	9
Australia/Pacific	0	0	
Africa	0	0	
Total workforce Sales & Marketing Automotive			
Worldwide	50,683	52,455	
Europe	41,178	41,640	(
NAFTA	3,586	3,558	ı
Latin America	0	0	ı
Asia	4,958	3,970	(
Australia/Pacific	961	1,013	(

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Africa	0	2,274	(
Total worforce others			
Worldwide	6,269	6,698	26,832
Europe	5,122	5,312	24,827
NAFTA	21	24	24
Latin America	0	0	(
Asia	1,126	1,362	1,981
Australia/Pacific	0	0	(
Africa	0	0	(

Fluctuation rate			
	2012	2013	2014
In percent			
Group (worldwide)	4.9	4.4	4.9
Germany	3.4	2.1	2.7
USA	7.2	9.5	5.8
Rest of world	7.3	7.5	9.3
Women (worldwide)	5.3	5.2	5.7

Employee representation and co-determination. Our employees have the right to organize themselves in labor unions. We also ensure this right in countries in which the freedom of association is not protected. More than 95 percent of our employees in Germany and more than 80 percent of our employees worldwide are covered by collective bargaining agreements. Our employees in Germany have extensive co-determination rights which are regulated by the German Labor Management Relations Act. We work closely together with the employee representatives both regionally and at the international level. At the corporate level, ten members of the Supervisory Board represent employee interests. Moreover, we maintain a continuous dialog with our social partners even beyond the scope of the legal co-determination rights.



Employee rights and employee representation

Employee rights and employee representatives

Vested rights. Our "Principles of Social Responsibility," which are based on the principles of the UN Global Compact, serve to establish key employee rights: from the right of employees to organize in labor unions to the respect for equal opportunity and the right to equal pay for equal work. We oppose forced labor and support measures to abolish exploitative child labor.

Partnership with employee representatives. We work closely together with the works councils and trade unions. Key partners in this process are the World Employee Committee (WEC) and the European Works Council. At the corporate level, the employees' interests are represented on the Supervisory Board by ten Supervisory Board members as required by law. In addition, a representative of the General Works Council supports our Human Resources CSR Committee, which deals in particular with sustainability issues in the area of human resources.

Employee co-determination. In Germany, where 90 percent of the Group's employees are covered by collective bargaining agreements, works council representatives exercise extensive co-determination rights for the workforce via the German Labor Management Relations Act (BetrVG), for example, related to the company wage and salaries structure, and issues related to company organization. Works councils also operate in accordance with this law in Group affiliates where there is no collective bargaining agreement.

Information and communication. We inform the works council about all significant changes in the company and conclude agreements with it regarding their effects - where required by the Labor Management Relations Act. We notify our employees of important changes in the company at an early stage. Furthermore, the company informs the various employee representative committees at the Group and company level (Group Joint Management - Employee Economic Committee, WEC) about the economic situation and significant changes within the Group and at the affiliates. In addition, we regularly report to the WEC on any breaches of our "Principles of Social Responsibility."

Dialog with social partner organizations. We maintain a dialog with our social partner organizations that extends beyond the legal requirements in order to arrive at appropriate solutions together. In the event of company changes that could permanently affect the workforce, together with the works council we strive for amicable provisions which facilitate a reconciliation of interests and regulate any potential disadvantages in a social compensation plan.

- > Human rights and employee rights
- > Commitment to international principles and initiatives
- > BPO a point of contact for whistleblowers
- > Employee rights and supplier management

Daimler Sustainability report 2014 123 Employer of choice

Employer of choice

Employees' opinions are important and valuable to us. How committed are our employees to the company? How strong is their motivation? How satisfied are they with their work situation and with the leadership provided by their supervisors? We get answers to such questions through our worldwide employee survey. The feedback provided by our employees helps us to advance our organization and leadership culture on a continuous basis. If the results of the survey indicate a need for improvement, we address the need in the follow-up process of the survey.

With the group employee survey in 2014, we again achieved a high participation rate of 70 percent which shows that our employee survey is accepted as a feedback instrument. The good rate also shows that our employees have an interest in getting involved and in further developing the company.

The results of the employee survey flow into our Employee Commitment Index (ECI), which in 2014 remained at the same level of the last full survey conducted in 2011. In the international benchmark comparison we thus continue to be above the worldwide average, and are even significantly above that level in individual regions. However, we did not score well in all areas. That is why in 2015 the main focus will be on determining needs for action and initiating required measures in areas where we did not scored well. We will then measure our success in implementing the measures at our next employee survey in 2016.

> Topic "Employee survey": PDF file (5.4 MB)

Attractive and fair: compensation at Daimler. Daimler relies on the abilities and efforts of its employees. We remunerate the work they perform in accordance with the same principles at all affiliates around the world. Our Corporate Compensation Policy establishes the framework conditions and minimum requirements for this. In our desire to offer attractive salaries and other benefits we also give consideration to local market conditions within the specified framework. We audit the local compensation systems on a regular basis through sampling procedures.

Corporate Compensation Policy

The global compensation policy establishes the framework conditions and minimum requirements for employee remuneration. It applies to all employee groups. Our remuneration standards and components take into account the legal and collective bargaining provisions concerning minimum wages or compensation and union agreements, as well as established benchmarks.

The fixed remuneration is determined in line with the requirements established for the respective function. Variable remuneration components - such as bonuses or performance-based payments - serve to award individual performance as well as the collective performance result. In this way, we allow employees to participate in the success of their business unit and the entire company.

Daimler Sustainability report 2014 Employer of choice

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We determine the variable remuneration in accordance with transparent criteria that are comprehensible to employees. In addition to the results of individual performance, the evaluation also includes an evaluation of the work conduct. We determine fringe benefits, bonuses, and other benefits on a partially uniform basis for all employees, with in part special provisions for individual employee groups or functions. Some fringe benefits protect the employees against health and accident risks or support them with preventive health care services.

Salaries and minimum wage. The salaries are determined on the basis of the employees' tasks and performance, as well as in line with their qualifications and experience. We pay salaries customary for the market and the industry, which are significantly above the legal minimum wages that apply for many locations. In addition to the statutory minimum wages, salaries and wages are often determined by collective bargaining agreements. In the event of union affiliations, our affiliates generally offer additional voluntary benefits. For example, the employees of Daimler AG in Germany currently receive compensation that is significantly above the pay specified in collective bargaining agreements.

Equal pay. In setting the base remuneration we are not guided by gender or origin, but exclusively by the employee's job and responsibility, and thus eliminate any form of discrimination. Salary decisions are made on the basis of the multiple-eye principle. Transparency is ensured by regular income reviews. In addition, the principle of "equal pay" also applies for temporary employees, who are paid in accordance with the collective bargaining agreements for the metal and electrical industries during their assignments in the commercial sector.

Compensation of managers. The more responsible the position, the higher the variable remuneration component. On the one hand, the variable component takes into consideration the company's performance. On the other, it is based on the extent to which the manager has achieved the individually agreed targets, which are discussed between managers and their superiors as part of a worldwide uniform process. Sustainability criteria also play a role in this context. For example, we also agree on diversity and compliance targets with our managers - depending on their respective function and level.

Performance assessment and target-oriented leadership

For the measurement and controlling of individual performance, we use standardized management processes such as the LEAD leadership process for managers or the NAVI process for the employees of Daimler AG. At the beginning of each year, the respective supervisors agree on quantitative and qualitative targets with their employees. In most cases a personal development target is also set. Depending on the function and management level, the target agreement also includes diversity and compliance targets.

Over the course of the year, employees and their supervisors meet repeatedly and if required agree on measures for improvement. At the end of the year, the supervisor assesses whether or not these targets have been achieved and also evaluates the leadership skills of the employee.

Subsequently, the target achievement, leadership and work conduct and development potential of the

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employees are discussed in company-wide management conferences. The superiors discuss the results personally with the employees and address possible measures for professional development. In addition to the LEAD process, we also use feedback instruments such as the employee survey.

Company pension plans. Upon retirement, our employees can generally expect to receive attractive company pensions — in addition to the statutory and privately financed benefits. This applies to both full-time and part-time employees. Depending on the country and company, we offer defined benefit or defined contribution pension plans. In addition, employees can also make additional provisions for retirement by converting parts of their earnings into pension contributions. We cover our pension obligations predominantly with suitable pension assets and protect them against insolvency.



Company pension plans at Daimler

Pension plans in the Daimler Group

The general requirements for the pension models are detailed in our Group-wide General Pension Policy. This policy states that the payable benefits should contribute toward sufficient security in retirement, or in case of death or invalidity. At the same time, these benefits should be structured to be predictable, achievable, and low-risk. Throughout the Group, we implement company pension plans via external partners and as part of direct employer commitments. Daimler makes regular and special contributions to the pension assets.

General information on contribution amounts as a percentage of salary are not possible since the form and scope of pensions vary significantly in the worldwide market.

Employer-financed pension plans at Daimler AG

All permanent employees at Daimler AG are eligible to receive a company pension. They are thus well provided for not only in old age, but also in the case of granting of premature benefits due to invalidity or death. In the event of the insolvency of our company, employees' pension benefits are protected by the Pensions-Sicherungs-Verein (PSVaG) of the German industry and additionally by the Daimler Pension Trust e.V. association.

While we offer performance- or contribution-based pension plans in the whole Group, the employees of Daimler AG receive contribution-based guaranteed pension benefits for which we provide an annual pension contribution, which is credited to the employee's pension account. We invest the pension contributions in funds in order to increase their value. This takes place in the framework of a special life cycle model, which takes into account the employee's age. For employees who joined Daimler before March 1, 2011, the pension contributions are converted into a pension benefit using fixed factors. Employees have the option to choose between lifelong pension, twelve yearly installments or a single lump sum at a later date.

For employees covered by collective bargaining, we already converted the capital contributions into

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contributions to pension plans in 2006. This enables investing the employer contributions for retirement without deductions for taxes or social security contributions. Since employees do not have to do anything actively to take part in the program, the contributions to pension plans are very popular.

Salary conversion models

Along with the commitments financed by the company, we also offer employees various models for using parts of their salaries for their company pensions. This additionally enables employees to take advantage of the available tax breaks. In Germany, our employees have the opportunity to redirect remuneration from their gross income into a pension fund without paying tax or social security on that amount. They can decide whether to use a pension plan directly via the employer, via a direct insurance policy with special terms and conditions, or via an industry solution.

Employee-financed company pension plans and the contributions to pension plans are usually also available for temporary employees. The commitments apply equally to full-time and part-time employees.

Expenditure on pension provisions at the Daimler Group			
	2012	2013	2014
in billions of €			
Cash values of pension liabilities on Dec. 31, 2013 ¹	23.9	23.2	30.1
Payments to retirees	0.8	0.8	0.8
Expenditure on state and third-party pension plans	1.4	1.3	1.4

¹ This cash value is heavily dependent on the balance sheet assessment parameters defined each year, in particular the discount rate.

[▶] Figures and more detailed information: AR 2014, PDF file (9.1 MB)

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Diversity management

Our employees and our customers are becoming increasingly international and diverse. This diversity challenges us and at the same time provides us with a valuable resource. Under the motto "I'm one of you," Diversity Management creates the general conditions for a culture of diversity, which include clear rejection of any form of discrimination, the creation of a work environment that is free of prejudice as well as awareness-building and training measures, particularly for our managers.

Diversity Management begins on the Board of Management and extends to each individual employee. All members of the Board of Management support our Diversity Statement and actively advocate for the realization of its principles:

- Promoting diversity. At Daimler, we respect and appreciate the diversity of our employees. We
 encourage them to contribute this diversity to the company.
- Creating connections. We utilize the multifaceted experiences, perspectives, and skills of our employees around the world. They reflect the diversity of our customers, suppliers, and investors.
- Shaping the future. Each individual makes a contribution to creating an environment characterized by respect and mutual appreciation. This is how we are shaping Daimler's future together.

In order to implement all of this in the company, our Diversity Management concentrates on four fields of action: Gender Diversity, Generations Management, Interculturality, and Work Culture.

Promotion of women in management positions. Daimler has the self-designated goal of increasing the share of women in management positions in the Group by 20 percent by the year 2020. Right now about 14 percent of our executives in middle and upper management are women. To achieve our objective, we are promoting women through special programs. This applies in particular to female professionals from engineering and technology. In 2014, 40 percent of the trainees who entered the company through our CAReer program were women.

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Development of the percentage of women Percentage of women in the Daimler Group 2012 2013 2014 33,491 Europe 31,784 32,373 North America incl. Mexico (NAFTA) 5,636 5,584 6,236 South and Central America 1.744 1.759 1,690 Africa 1,406 1,484 1,675 Asia 3,724 3,299 3,530 326 Australia 273 294 Total female workforce worldwide 44,567 44,793 46,948 Mercedes-Benz Cars 11,743 11,538 20,042 **Daimler Trucks** 9,379 9,282 10,393 Daimler Financial Services 4.050 4.240 4,618 Mercedes-Benz Vans 1,365 1,358 1,692 **Daimler Buses** 2,145 2,073 2,095 Sales & Marketing 12,682 12,891 Other 3,203 8,108 3.411

Generation management. The demographic transformation will lead to changed employee structures in the next ten years. While the average age of our employees at present is 44 years, it will rise to about 47 years by 2024. One in two employees of Daimler in Germany will then be 50 years or older. In addition, with the increase in the retirement age the generation diversity in our businesses will also increase. Today, our teams are staffed by four generations of employees with their own ideas, abilities, and strengths, who present special challenges for the work environment. To enable us to benefit from the advantages of this generational diversity for the company, we are encouraging mutual respect among all age groups in their everyday work, and promote productive collaboration.

With the help our Generations Management we are dealing with these challenges by adapting the framework conditions to the changing employees. In addition, we strive to raise our managers' awareness and strengthen employees' personal responsibility, with a view to maintaining the health and performance capability of employees of all generations on a lasting basis.

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Generations Management activities

Our generations management activities

Inform and communicate. Under the motto "Experienced into the future" we are engaged in communication measures aimed at preparing managers and employees for changes in the company related to demographic change.

Raising manager awareness. Managers must have a particularly sensitive hand in working with people from different generations. This so-called intergenerational sensitivity is a central topic in our diversity management activities in addition to HR development approaches that take life experiences into consideration. We address both topics in diversity workshops and the appointment seminars, in which our managers prepare themselves for a higher position.

Ensuring performance. Generations management pilot projects are in progress in many locations where specialists, managers, works council representatives, and employees work together on the development and implementation of measures that help employees to perform well on a permanent basis. These include ergonomic measures and health promotion offerings as well as qualification training in the context of "lifelong learning." In addition, pilot projects for examining new approaches to working hours and break-time structuring were initiated.

Improving work organization. With respect to work organization we pay special attention to relief-oriented rotation recommendations in the production working teams. We conduct ergonomic assessments as early as in the planning of work systems in order to prevent high, lopsided strains.

Structuring staff according to requirements. After the successful introduction of HR Resource Management at most of Daimler's German locations, we also began to create the conditions for implementing this analysis methodology in pilot projects at the international locations in 2014. HR Resource Management enables us to orient our employee and qualification structure to future requirements - and thus supports us in securing talented young employees. It enables identification of demographically related capacity risks at an early stage and their avoidance through preventive measures. This ensures that the right number of employees with the right qualifications are available for each task at the right time.

Daimler Sustainability report 2014 Diversity management

Projects of our HR Resource Management

Locations

Wörth, Mannheim, Gaggenau, Kassel, Bremen, Berlin, Sindelfingen, Rastatt, Untertürkheim

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Contents

- Simulations for inventory and requirements development
- Development of measures for filling quantitative and qualitative capacity gaps
- Forecasting of age effects

Results

Measures were derived, in particular with respect to:

- Education policy and recruitment
- HR management and qualification training
- Flexibility (in-plant and cross-plant)
- Limiting potential age effects

Safeguarding knowledge and experience. Our concept "Senior Experts" ensures that the know-how of retired employees will not be lost to the company. It enables the relevant employees to contribute their practical experience as part of project assignments, for example.

Interculturality. Daimler earns 80 percent of its revenues outside Germany. We are present at 90 locations on five continents. Our employees come from more than 140 countries and a wide variety of cultures. The majority of our managers abroad come from the respective regions. Our employees' diverse cultural backgrounds help us to better understand the wishes of customers in the various regions and to tailor our products accordingly. We support our employees with worldwide staff assignments, mentoring, intercultural skills training, and targeted recruiting measures. For example, international applicants account for about one-third of new employees hired through our CAReer trainee program. Our goal: Their quota is to rise to around 50 percent by the year 2020.

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International mentoring program

In 2012, the Mercedes-Benz Bank Service Center in Berlin rolled out an international mentoring program. With great success: In the two years of its existence the program has already arranged for 60 sponsorships between new employees from Germany and abroad. The goal is to make moving to another country easier for employees and to help them in their new jobs, with an emphasis on helping them to better get to know the people, language, and culture of the respective country.

Flexible working arrangements. Today, many employees attach great value to the ability to structure their working hours individually. Frequently, this is the only way they can balance their professional and personal lives. Our goal is to offer them appropriate conditions for this. Accordingly, Daimler in Germany provides more than 300 different flexible working arrangements. This is a special plus for us as Employer of Choice when it comes to attracting qualified young trainees and managers.

All our employees in Germany are entitled to parental leave. Of those who took advantage of this possibility in 2014, around 60 percent were women and 40 percent were men. Almost all our employees who took parental leave later returned to their jobs in the company. Furthermore, works agreements additionally enable employees to suspend their careers for up to five years - with the guarantee that they can return to Daimler afterwards.

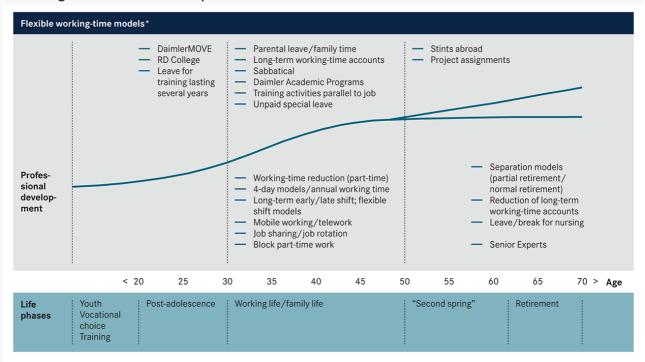
In Germany alone we have set up 570 nurseries for children under the age of three in the close proximity of our sites. In addition, a quality-certified online platform is available to support employees in finding appropriate childcare solutions, ranging from nannies to "surrogate grandparents."

To enable managers at the level of team and department manager to work in more flexible arrangements, we promote a system of job sharing. Currently, more than 30 job-sharing pairs take advantage of this possibility at Daimler with respective working arrangements of up to 30 hours per week.

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Examples of flexible work

HR management oriented to life phases



^{*}Working-time models partly can be used in several overlapping phases of life.

Weekly working hours and overtime

The length of our employees' work week is generally regulated by the company or by a collective bargaining agreement. For wage earners in Germany the work week is 35 hours. Departures are possible only on the basis of agreed regulations. Overtime is generally assigned only in the framework of forward-looking requirements planning and must be approved. At all our locations, we pay overtime in accordance with the local regulations. In general, we design working hours in a way that ensures that the pay will remain stable even at times of changing work volumes. This is ensured by a system of time accounts.

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Diversity key figures

Diversity key figures			
	2012	2013	2014
Employees with fixed-term employment contracts (worldwide)	8,357	7,853	9,268
Employees by groups (worldwide):			
Industrial	145,198	143,943	146,031
Administration	115,540	115,774	119,11
Trainees	8,267	8,630	8,340
Interns/diploma students/doctoral students	6,082	6,269	6,480
Female employees by groups (worldwide):			
Industrial	9,161	9,058	9,59
Administration	31,577	31,677	33,184
Trainees	1,734	1,859	1,79
Female interns/diploma students/doctoral students	2,095	2,199	2,37
Percentage of women in total workforce (DAG)	14.4	14.6	14.9
Percentage of women in management positions (worldwide)	11.9	12.7	14.
			available ir
Percentage of severely disabled persons (DAG)	6.01	6.13	Apri
Part-time employment rate in Germany	7.0	7.3	7.
Average days of training and continuing education per employee	4.0	4.1	4.
Average age of workforce (worldwide)	41.9	42.3	42.
Percentages of age groups (worldwide):			
under 25	4.8	4.5	4.9
25 to under 35	22.0	21.6	22.0
35 to under 45	29.3	28.6	27.8
45 to under 50	17.0	16.6	16.
50 to under 55	14.9	15.4	15.0
55 and older	12.0	13.3	14.0

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Development and advancement

We are competitive and innovative only if we can attract and bind highly qualified employees to our company. To this end, we are supported by custom-tailored programs and promotional measures in all important phases of employees' individual training and career paths.

Vocational training. Our industrial-technical and commercial vocational training, as well as our study programs at the Cooperative University, enable us to secure the majority of young employees we require. To keep abreast with the latest developments, we continuously expand our job portfolio as required. In Germany, the Daimler Training System (DAS) ensures the high quality and efficiency of our technical vocational education.

With our international exchange programs for trainees and trainers, we create the basic requirements for mobility and flexibility, as well as for foreign language and intercultural skills. In 2014, more about 70 trainees and two trainers had a chance to gather their first international experience in countries like Spain, Hungary, the United Kingdom, Ireland, Sweden, Romania, and Turkey.

In addition, we are continuously internationalizing our training activities in order to achieve high training standards throughout the Group. For example, we have developed the Mercedes-Benz Qualification System (MBQS) for our international passenger car locations. The program sets the framework conditions for the development of required qualifications abroad. Furthermore, we are also establishing cooperative university elements outside Germany.

Currently, Daimler employs a total of 8,346 trainees (2013: 8,630), including 1,773 abroad (2013: 1,964). We are in the process of training another 1,400 young people (2013: 1,300) as part of cooperative agreements with schools at international locations.

Wocational training at Daimler

New selection procedure for trainees. With the 2014 hiring year we introduced a new selection process for trainees at our locations and branches in Germany, which places a stronger focus on job-related skills, attitudes, and behavior. This enables a better assessment of a trainee's future success. School grades are included in the evaluation as an overall average only at a later stage of the selection process. Therefore, they are no longer knock-out criteria in the new procedure.

Learning with DAS. The training system, Daimler Ausbildungs System (DAS), defines uniform training modules for all German training locations. Each module is divided into the steps: information, planning, decision-making, execution, verification, and evaluation. The trainees plan the individual work steps on the basis of work assignments and guiding questions. They work on projects and real-life tasks, study in small groups, and conduct independent research. Talks with the trainers help them to reflect on and improve their decisions and actions.

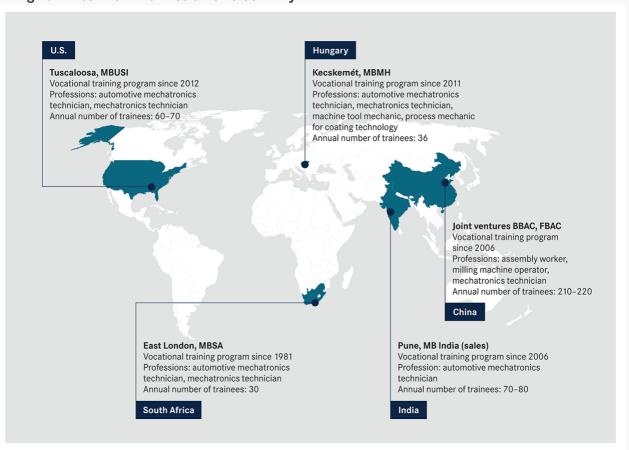
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The trainees have online access to the training contents via the learning platform DAS@web. In addition, DAS@web also offers networking and communication possibilities such as an online tool that can be used to monitor learning success, among other things.

We continuously adapt the DAS modules to current developments. This concerns technological trends such as "green technologies" as well as new teaching theories.

International training projects. Our growing activities, primarily in "Emerging Markets," create a requirement for multifaceted qualification training, which is frequently not adequately met by the local structures and course offerings. That is why we are establishing our company training centers and structures in some countries or actively supporting the independent activities of the respective regions. The following chart illustrates the countries on which Mercedes-Benz Cars is focusing at present. In addition, we offer targeted qualification training in Germany for the trainers at the international locations.

Training activities at car facilities outside Germany



(#) Cooperative University at Daimler

The Cooperative University combines a three-year academic program in the sciences with regular practical work assignments. Each of the six semesters includes about 12 weeks of theory at the university and 12 weeks of practical work in the company. The curriculum comprises around 100 different subjects. Even a master's degree is offered. Thus the cooperative state university is optimally aligned to the requirements of the current and future job

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markets. The Cooperative State University of Baden-Württemberg was the first of its kind in Germany. With around 34,000 students at 12 locations and more than 12,100 freshmen students in the 2013/2014 winter semester alone, it is the largest and fastest growing cooperative university of the state of Baden-Württemberg today. Daimler already supported the foundation of the university in 2009 and continues to provide active support for its expansion.

Our cooperative university (CU) graduates excel with profound knowledge of the company as well as practical experience acquired through assignments in various business units in Germany and abroad. Facts and figures:

- · Number of CU graduates (formerly University of Cooperative Education) who have obtained a degree since 1972: more than 3,000
- Number of CU students at Daimler in 2014: 697
- Number of CU graduates hired by Daimler each year: more than 200
- Number of CU courses of study at Daimler: 12, whereof 7 commercial and 5 technical
- Number of students by fields of study: 75 percent technology, 25 percent business
- Number of company study locations in Germany: 14

Recruiting and developing new talent. Our broad range of career entry and qualification training programs is directed at talented young people who are offered development prospects in our company. These include study programs at cooperative universities, support programs for students (Daimler Student Partnership), the FacTS sponsorship program for young skilled workers, the Groupwide CAReer trainee program, and the Daimler Academic Programs, which offer bachelor's and master's degrees or even an academic certificate.

FacTS sponsorship program

Our FacTS program - the acronym stems from the German phrase meaning 'skilled workers talent factory' - is directed at particularly capable young skilled workers. Trainees who have completed our technical vocational training with outstanding results are selected to receive targeted support in the early years of their career. The program, which was rolled out in 2012, already had 33 participants in 2014.

Daimler Academic Programs

Selected specialist staff and managers can study with company support as part of the Daimler Academic Programs to earn a bachelor's or master's degree and academic certificates that can be earned through parttime or full-time attendance at prestigious universities in Germany.

The range of courses is geared to the main strategic and specialist emphases of our Group. The more than 40 courses of study that are available, are clustered in four main categories: engineering, production, IT, and special topics - including, for example, sustainability management. In the winter semester of 2014/2015, around 200 employees have been studies as part of the Daimler Academic Programs.

Our managers can advance their specialist unit in line with their requirements with the help of the Daimler

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Academic Programs, by developing and retaining highly qualified specialist staff. The basis for this is provided by multi-stage internal company selection procedures and personal development plans, which are agreed on between the employee to be promoted, their supervisor and the HR department. Taken together, this enables the optimal coordination of interests and study contents between the employees and the company's requirements.

The employees who study as part of the Daimler Academic Programs are provided with financial support as well as the free time needed for their studies. Supplementary study support is also provided by a support and supervision program and a comprehensive alumni management. Daimler Academic Programs additionally offer many possibilities for networking within the Group and thus foster the transition from theory to practice.

CAReer trainee program

Our CAReer trainee program enables university graduates, people starting their careers, and applicants with practical experience to get a job with the company. In 15 to 18 months the trainees complete at least three project assignments in various parts of the company and are fostered in a targeted way. From the outset they receive an open-end employment contract and a full salary. Since 2013, the focus has increasingly been on an international career. In 2014, we hired more than 200 trainees, a third of whom were hired outside Germany.

Daimler Career Portal

Training and skills upgrading. In keeping with the principle of lifelong learning, we enable our employees to obtain further education and training – professional as well as personal – throughout their careers. In doing this we increasingly rely on E-learning and electronic means of communication. Once a year, superiors and employees meet to discuss qualification topics and agree on appropriate measures.

Continuing education is regulated by the general works agreement on qualification, which also provides that employees can leave the company for up to five years in order to obtain additional qualifications, and can subsequently return to the company. We give this opportunity to around 500 employees each year. Moreover, managers can facilitate employee qualification efforts through time credits and financial support.

The Daimler Corporate Academy (DCA) provides an integrated globally consistent qualification program for our specialist and management staff, who are provided with the same high-quality offerings, often in their respective national languages in many locations. The program covers the areas of management, specialist knowledge (HR, Finance, Procurement, IT) and cross-functional knowledge. In addition, the DCA also supports the strategic cooperative ventures of the corporate Group with customized offerings.

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Wey areas of qualification

We advance the specialist and personal skills of our employees in six areas:

1. Vehicle development

The Technical Academy for Research & Development is responsible for keeping the specialist skills of employees in Product Development up to date and expanding them with an emphasis on the key aspects of the "Daimler Green Strategy." In this respect, event formats such as the "Lecture and Academic Series," the "Experts Campus" or the "RD College" have become established as proven learning platforms.

2. Production

A global standard for qualification of foremen. Our production locations are responsible for the qualification of specialists and managers in production. In this respect, the function of the foreman plays a decisive role in employee development. The foremen plan and manage the production processes and coordinate the deployment of workers. That is why their qualification is particularly important, not least because the foreman's function represents an important pillar of our leadership system. For us, it is a crucial success factor for the creation of a consistent HR development concept and the related binding leadership culture. Since 2013, we have been testing a global standard for the qualification of our foremen at several locations as part of the Mercedes-Benz Qualification System (MBQS). In 2014, we successfully implemented this process (Group Leader Development Program, GLDP) at our locations in Tuscaloosa (USA) and Kecskemét (Hungary). Other international locations are in the planning stage.

The Production Learning System. With the help of our Production Learning System (PLS) we ensure on-thejob training in our truck plants worldwide. PLS focuses on the employee. His or her knowledge and experience are to be provided to the colleagues at all locations. PLS enables this knowledge transfer. The IT-based system can map all work processes in the areas of assembly, production, and maintenance. Among other things, it offers the possibility to establish and regularly monitor a professional qualification training process and promptly inform employees of any changes. Moreover, PLS can provide central access to all important information for a particular area. PLS is supported by specially trained employees. As learning guides they encourage their colleagues to acquire knowledge in the work process.

PLS is also useful as an assistance system as part of the future project "Industry 4.0" of the German Federal Ministry for Research and Education. Currently, we are advancing a system for the use of social media together with the federal ministry. In future, all employees involved in the production processes will be able to access the PLS information via mobile devices.

3. Sales and customer service

Global training. The Global Training unit ensures and strengthens the skills of our employees in the Mercedes-Benz Sales and Marketing organization. It develops the training concepts centrally and makes them available

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for all countries in seven languages, thereby enabling the concurrent provision of the latest know-how to all Sales and Marketing employees.

In the concept development Global Training works closely with the Global Service & Parts business unit and the markets. A total of 746 trainers implement the concepts at 151 training locations worldwide. Each year they teach more than 150,000 participants new skills.

4. Managerial and specialist staff

Under the auspices of Daimler Corporate Academy (DCA) we have consolidated our range of individual training opportunities into three key areas:

1. Management skills training 2. Specialist training for positions in Finance, Procurement, Human Resources, and IT 3. Interdisciplinary qualification training

The bundling of these services enables us to qualify our employees around the world in line with uniform Daimler standards while utilizing our efficient learning hierarchies. Our global position additionally enables us to react quickly to business-division-related and regional developments.

The training volume remained constant in 2014. Around 2,900 managers from 60 locations took part in the qualification training measures. We provided 14,000 employees with specialized qualification training. In the area of interdisciplinary qualification we organized about 1,600 events across Germany with 11,000 participants.

Qualifying managers for today and tomorrow. Each year, the DCA creates an integrated globally standardized overall program for the qualification training of managers in the Daimler Group. As a member of the Globally Responsible Leadership Initiative (GRLI), DCA is additionally involved in the advancement of training requirements and concepts for the next generation of managers, which is to operate sustainably in the context of worldwide responsibility. We implement the results of the collaboration in the Daimler Leadership Programs. For more information on GRLI visit: A www.grli.org

Personal development coaching. Increasingly, we offer personal coaching to supplement the personal development of our managers. To this end, we have established a worldwide coaching pool of registered internal and external coaches, who have undergone a standardized quality review. This means suitable coaches are readily available, while also ensuring uniform quality of training and an increased transparency of contractual conditions. Worldwide specialist training. The goal of specialist qualification training is to ensure our managers' and employees' capacity to act and their professionalism. To this end, we provide instruction on specific methodological, system, and process knowledge for the specialist units. In doing this, we account for the globally valid corporate guidelines as well as regional topics. We continuously adapt our specialist qualification program to the strategic training requirements of the specialist units on the basis of skills profiles.

5. Lean Management

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Lean Management is a method for raising the quality of production and administrative processes that extends to all employees. It is designed to streamline structures, avoid waste, and establish a process of continuous improvement. Today Lean Management is established in all product areas and the supporting processes at Daimler.

6. Compliance

We promote legally compliant behavior in our company with the help of training measures. We make use of onsite training and web-based training for this purpose, which lie in the hands of our Corporate Compliance organization.

Program "Professionals on the Move"

Professionals on the move. Professional development does not necessarily have to be oriented to a rise on the career ladder (vertical development). It can also be focused on new specialist tasks, skills, and areas of responsibility (horizontal development). One offering with which we particularly promote horizontal development of employees is "Professionals on the Move." The program is intended for all employees of Daimler Financial Services and is not limited to specific hierarchical levels. In four training modules and at least two work shadowing assignments, the participants can expand their professional and social skills and make valuable contacts. They work in individual projects at their own or other locations as well as in a joint project with all participants. The program is rounded off by development talks with the supervisors.

Qualification of employees in Germany

	2012	2013	2014
Investments in employee qualification (€ millions)	112	107	121
Qualification days per employee (total)/year	4.0	4.1	4.1
Qualification days per woman employee/year (recorded beginning in 2011)	4.3	4.2	4.3
Qualification hours per employee/year	28.0	28.7	28.7

Health management and occupational safety

Demographic change and the transformations in the working world affect the performance of our employees. This creates a requirement for forward-looking sustainable solutions aimed at maintaining the health and physical well-being of employees.

(#) Key figures for occupational health and safety

	2012	2013	2014
Total sick days industrial employees ¹ (percent)			
Germany	6.7	7.1	7.
Argentina (MBA)	3.6	4.5	5.2
Turkey (MBT)	1.7	1.8	1.7
South Africa (East London)	1.5	1.0	1.1
Hungary (Kecskemét)	3.5	4.3	3.4
USA (Tuscaloosa)	1.7	1.7	1.0
Brazil (Trucks)	5.6	5.7	6.0
Japan (MFTBC)	0.5	0.9	0.0
France (smart)	5.2	4.1	4.2
Employee sick days in administration ¹ (percent)			
Germany	3.3	3.5	3.4
Argentina (MBA)	2.0	1.9	1.
Turkey (MBT)	1.7	1.7	2.
South Africa (East London)	2.0	1.3	1.
Hungary (Kecskemét)	1.4	1.3	1.4
USA (Tuscaloosa)	0.7	0.7	1.0
Brazil (Trucks)	2.3	2.5	1.0
Japan (MFTBC)	0.9	0.9	1.:
France (smart)	2.3	1.9	2.
In 2013, there were no fatal accidents. Unfortunately, in 2014	4 there was one fatal traffic accident.		
Accident frequency ²			
Daimler worldwide ⁴	9.1	9.1	8.8
Accident burden ³			
Daimler worldwide ⁴	139	136	139

Shift workers	610	550	38
Managers	408	269	28
Executives	146	147	13
Participants in health treatment programs			
Shift workers	234	243	24
Managers	186	184	18
executives	17	17	1
Provision of company medical services			
Number of offered doctor's office hours (hrs.)	32,612	31,767	29,35
Recruitment medical exams	5,048	3,629	3,28
Occupational health medical examinations	37,323	38,105	38,05
Contacts due to problems in the workplace	15,432	15,099	14,30
Vorkplace inspections	623	771	84
accinations and pre-travel consultations	19,164	17,398	16,98
Emergency medical treatments	1,509	1,683	1,46
Physical therapy	30,379	30,127	30,38
Diagnostic services (hearing/eye test, EKG etc.)	55,089	53,430	52,96
aboratory analyses	19,711	19,721	21,10
Reintegration of the long-term ill	2,883	2,990	2,66
Najor checkups for senior managers	230	268	16
/linor checkups	245	735	1,85
Vorkplace health promotion events	2,746	3,520	4,11
Occupational health assessments	9,971	12,487	14,30
Company social counseling in Germany			
otal number of clients counseled	5,720	4,816	4,58
Management task	1,990	1,733	1,51
Function-related task (human resources managers and works council members)	332	313	30
Cooperation	901	844	98
Mental state and behavior	1,237	933	82

Key figures for occupational health and safety			
Alcohol and addiction issues	395	302	312
Family and personal issues	799	691	645
Participants in qualification programs	2,860	1,749	1,961
Other key figures, Germany			
BKK members	182,405	184,656	193,627
SG Stern members	39,542	40,704	41,536

¹ in percent of standard work days

Organization and guidelines. The Daimler Group operates on the basis of globally uniform principles of prevention, which are tailored to national laws and international standards. Our Health & Safety unit is responsible for occupational medicine and occupational safety, occupational health, ergonomics, social counseling, and integration management. In addition, our health management and occupational safety are integral elements of our risk management system.

Lighthouse projects and initiatives

Lighthouse projects and initiatives

Pandemic plan and pandemic management system

Since July 2014, the newly developed pandemic and epidemic plan of Daimler AG can be viewed in the Intranet. The plan is concerned with all medical events associated with a crisis potential. Moreover, a pandemic management system (PMSys), which is currently under development, is to be piloted in 2015 and subsequently placed in operation. The system can be used for determination of "emergency operating functions" on the basis of which the internal operating processes can be maintained in emergency operating mode in the event of a pandemic. Only activities that are absolutely necessary for the resumption of regular operations or for location security during a business interruption are carried out in the emergency operation mode.

IT method for skill-based employee assignments

In order to reintegrate employees with health limitations into the existing work processes on a permanent basis, we have developed an IT system in close collaboration with the production units, the HR Department, the IT partners, and the employee representatives. The IT system, which is geared to the specific requirements of Daimler AG and its different production specificities, has the task of determining which jobs are appropriate to

² Accident rate: Number of all occupational accidents with at least one day of absence per million attendance hours

³ Accident burden: Number of days of absence due to occupational accidents per million attendance hours

⁴ Coverage rate worldwide: 95.9%. The figures for 2012 and 2013 were adjusted to reflect the higher coverage rate.

the skills of the respective employee. With the help of this objective and verifiable method we can assign employees in accordance with their individual skills and abilities.

Health Training Pit Stop

Pit Stop is a five-day health training for executive managers. Since 2013 it has also been available to managers in the tariff area. The training covers issues such as stress management, work-life balance, and the prevention of psychosomatic illnesses. The program is offered for all German locations of Daimler AG.

Life Balance

Our HR strategy includes the promotion of life balance and making it a part of our corporate culture. That is also the aim of our HR initiative "Life Balance." To enable employees to balance their professional activities and their personal lives, the HR unit has been jointly designing company regulations and measures with the Works Council, such as flexible working time models, child care services, health programs or continued education and training possibilities.

In order for employees to use these offers, the acceptance and support of their superiors is necessary. In order to increase acceptance, we are sensitizing our managers and making them into ambassadors of a new culture. As part of our Life Balance initiative we have enacted guidelines for a balanced life that are geared to managers who are actively involved in the implementation of life balance in the company.

Mail on Holiday. One guideline is called "Ability to tune out – there is no expectation to be accessible at all times." An important topic in this context is the flood of emails which our employees have to deal with. The new absence assistant "Mail on Holiday" helps to curtail this. It enables employees and managers to automatically delete incoming emails during their vacation, for example. This prevents congestion in the electronic in-boxes, relieves the pressure of having to read emails during vacations, and the email in-box is empty when the employee returns to work.

"Mail on Holiday" is available for the use of all of the around 100,000 employees in Germany who have a personal email account. When the absence assistant is activated the sender of an incoming email receives an absence message and is referred to a deputy. This enables reliable processing in all cases and strengthens the deputy function. Overall, "Mail on Holiday" is to contribute to higher awareness in dealing with emails in daily business.

Daimler HealthCheck

Daimler has relied on a holistic system of health management for many years. In addition to the comprehensive measures carried out in all plants in this context, in October 2013 we introduced HealthCheck at three selected pilot locations where employees can have a HealthCheck every three years on a voluntary basis. The focus of the health check-up is on early identification of risk factors and the provision of medical advice to employees. Both services are provided at the internal medical services of the plants in close proximity to employees' places

of work. In addition, employees can make use of health coach advice in which the health coach supports employees in the realization of their individual health goals.

Ergonomic design of work stations

To ensure that no health risks arise for employees through ergonomic stress at production workplaces, we use state-of-the-art technical aids and organizational work measures. We continuously train employees on the basics of ergonomic workplace design and evaluation. Ergonomic measures are also incorporated into the entire manufacturing process. We use established scientific methods for the evaluation of occupational safety in order to examine workplaces and products under critical ergonomic aspects at an early stage. In order to achieve further continuous improvements we also implement ergonomic optimization measures in current series production on the basis of Group-wide minimum ergonomic standards.

Social counseling for managers and employees

Daimler's social counseling services raise the awareness of managers and qualify them to deal with behavioral problems as well as providing coaching in difficult leadership situations. The objectives are both the sustained development of psychosocial leadership skills and the provision of professional support to managers in specific required cases. The social counseling services also assist employees in coping with mental problems, conflicts in the family or workplace, and other life crises. The social counseling services work in a systemic, solution-oriented way.

ompany social counseling in Germany			
	2012	2013	201
tal number of clients counseled	5,720	4,816	4,58
Management task	1,990	1,733	1,5
Function-related task (human resources managers and works council members)	332	313	30
Cooperation	901	844	9
Mental state and behavior	1,237	933	8
Alcohol and addiction issues	395	302	3
Family and personal issues	799	691	64
articipants in qualification programs	2,860	1,749	1,90

Activities to combat HIV/AIDS

For years Daimler has been successfully involved in the fight against HIV/AIDS and the associated tuberculosis and malaria epidemics. Our preventive measures start with training the employees in the affected countries and raising their awareness of the issue. Where infection rates are on the rise, we take countermeasures - adapted to the respective state programs - by means of prevention efforts on a more intensive level. This includes extensive workplace programs which expand the measures for prevention, treatment, care, and support beyond the employees to encompass their dependents and the local communities.

The Siyakhana Project in South Africa, initiated by Daimler, aims to lower the number of HIV/AIDS infections in smaller and mid-size companies and improve the lives of the people who work there. It is based on a program that has been in existence at the Mercedes-Benz plant in East London since 2001. The experiences gained from the Siyakhana Project now also benefit other companies in the region.

Company health promotion at Daimler is aimed at motivating employees to develop healthy lifestyles and to reinforce their sense of personal responsibility on health issues. It creates incentives for health-conscious behavior and promotes a healthy environment with the help of campaigns, counseling, and qualification offerings, as well as therapeutic and rehabilitation measures. The annual campaign in 2014 ran under the motto 'Good nutrition has many colors.' With nutritional tips, presentations, and cafeteria initiatives, the campaign showed that healthy nutrition can be fun and does not necessarily have to entail sacrifice.

Portfolio of company health promotion programs

Almost all German plants are by now affiliated with health centers that, in addition to personal counseling, also offer need-based programs, for example, on smoking cessation, ergonomics or the right diet. Special prevention campaigns for skin and colon cancer education, post-rehab care, obesity counseling, and health programs for our trainees are also part of the Daimler workplace health promotion services offered.

Qualification	Prevention	Therapy	Rehabilitation
 Health Day (orientation day, advanced modules) Health seminars (Life Balance, stress management, health focus) Health promotion in training: F³ – Fit for Future 	 Prevention counseling Daimler health programs (check on site, health training, health treatment offerings) Power training (condition training at the workplace) "Health market place" (health fair, presentations, power breakfast) "Healthy workplace" (health break, ergonomics at the office, ErgonoMix, coping with stress, fit for industrial trucks, fire department program) Health courses (nutrition, back, cardiovascular, relaxation) Team health training (health tips, nutrition) 	 Physiotherapy Diet counseling Weight loss program (1+12) Back health programs Smoking cessation Physical training in the workplace 	Post-rehab care

Health campaign 2014

Our health campaign in 2014 provided employees with multifaceted information about nutrition during campaign weeks in restaurants and shops with healthy snacks and vitamin-rich beverages. Talks on healthy nutrition dispelled nutrition myths and informed employees of the current status of knowledge. Employees and top athletes described their experiences with healthy nutrition in different media such as the Daimler Blog or Inside as well as in videos. There was also an opportunity to speak with the head of Daimler's catering service.

Occupational safety includes all measures for the prevention of work accidents, work-related illnesses, and occupational diseases. One of its key principles is risk assessment, which provides the basis for the derivation of preventive measures. Key occupational and health safety processes are standardized in order to enable the creation and advancement of sustainable comprehensive and integrated processes, methods, and systems. Occupational safety objectives must be set, approved, and implemented for every organizational unit on a regular basis in accordance with of our occupational health and safety guidelines and occupational safety strategy and the results of audits and reviews. There is an obligation to continuously improve health and safety. The achievement of objectives in health and safety is supported through an effective reporting procedure.

© Occupational safety committees, guidelines, and agreements

The health of employees in the Daimler Group is protected by a variety of preventive measures. Occupational safety includes all measures for the prevention of work accidents, work-related illnesses, and occupational diseases. One of its key principles is risk assessment, which provides the basis for the derivation of preventive measures.

Based on the occupational health and safety guidelines, the industrial safety strategy, and the results of audits and reviews, health and safety targets must be determined, agreed, and implemented at regular intervals for every organizational unit. General regulations on occupational health and safety for the Group as a whole are described and published by the Center of Competence Safety.

Key occupational health and safety processes are standardized in order to enable the creation and advancement of sustainable comprehensive and integrated processes, methods, and systems.

The health and safety organization

Each organizational unit of the Daimler Group must guarantee health and safety. To this end, experts from the areas of occupational health and safety must be deployed and the organization must take place in accordance with country-specific requirements. The organizational units are additionally supported by centers of experts on general health and safety topics - such as machine safety or hazardous substances. The experts in these centers work on specialist topics; internal and external experts develop future-oriented concepts in order to create optimal processes and safety standards as well as to ensure legal certainty.

Responsibility

The managers of the Daimler Group are responsible for ensuring compliance with the policies and statutory regulations for employee protection. Responsibilities and the corresponding duties must be defined at each location in consideration of the local conditions. The managers are supported in this by experts from the area of occupational health and safety.

Sensitization and motivation

Sensitizing managers. Daimler has organized many events aimed at sensitizing managers on risk assessment topics and raising their awareness in this area. The positive effects of these measures are documented by audits.

H&S Award. The Health & Safety Award is presented annually by Daimler AG to the company location whose key figures in the occupational health and safety area have developed the most positively during the year and compared to the other German locations. The evaluation is based on criteria such as the frequency of occupational accidents and sick days as well as on particularly creative and effective location solutions and concepts for occupational health and safety. The competition among plants for the best performance helps to sensitize employees and managers and to focus management attention on the topic of occupational health and safety. The presentation of the 2013 HS Award to two first-place winners took place during the event "Board of Management Dialog" in 2014. The Hamburg Plant took first place once again, followed by the Berlin and Bremen plants.

New technologies

Possible risks for employees in the use of newly developed or modified products, product processes, and materials, as well as in the planning of services or production machinery and equipment are determined on a preventive basis. Everyone involved in workplace design and the design of production processes is called on to actively search for advanced technologies, materials, and innovations with a view to optimizing occupational health and safety.

High-voltage technology. The qualification training concept for safe handling of high-voltage systems in vehicles developed four years ago was introduced by us in the Mercedes-Benz Cars, Daimler Trucks, Daimler Buses and Mercedes-Benz Vans divisions in 2013 and 2014 and has since been further developed to meet even higher safety standards.

Cooperation between man and robot. An innovative safety concept has been developed during a two-year collaboration among experts from the specialist units occupational safety, development, and process development and robot manufacturers and government authorities. The first serial application of this concept has been in service since the fall of 2014.

Communication

The occupational health and safety management policy of Daimler AG includes regulation on the communication between the location management and specialist occupational safety experts. In addition, each location has an occupational safety committee, comprised of the location management, competent planners, occupational health and safety experts, and employee representatives as members. The committee discusses relevant topics of occupational health and safety and agrees on measures.

Reporting system

An effective reporting system helps us to achieve our health and safety objectives.

Accident documentation and accident key figures. Our cross-locational accident documentation system is supported by a standardized system of key figures for optimal determination of key figures. This key figure system provides access to the source system for work attendance hours, work absence days and organization structures and thus ensures a correct data basis.

Health and safety principles. In five guiding principles we have established the main aspects of occupational health and safety protection, our self-imposed goals, and the processes and approaches with which we want to

achieve these goals. The key objectives are prevention and continuous improvement of occupational health and safety. Emphasis is placed on obligating managers to act responsibly and as role models. However, the employees are also required to take independent responsibility by actively participating in the design of their work environment and work processes.

Guiding Principle No. 1

We have established standardized processes that promote the occupational health and safety of our employees while at the same time having positive effects on job satisfaction.

Guiding Principle No. 2

We want to practice and promote high-quality, comprehensive, and integrated processes and systems in occupational health and safety. Prevention is one of our greatest goals in connection with occupational health and safety.

Guiding Principle No. 3

We promote the purposeful ergonomic design of work systems with ergonomics standards. These standards are revised regularly to reflect the cutting edge in ergonomics.

Guiding Principle No. 4

Our managers are obligated to act responsibly and in an exemplary manner in the interests of occupational health and safety. We support them to achieve optimal results.

Guiding Principle No. 5

All employees must ultimately take personal responsibility for their health and safety by performing their tasks in a safety-conscious manner. We recognize the employees' right to remove themselves from work situations that understandably lead them to believe that they represent a risk to their life or their health. In these instances they are protected against unjustified consequences. We involve our employees in the design of their workplaces, their work environment, and their work processes with the goal of continuous improvement in mind.

Occupational and emergency medicine includes all measures for the prevention of work-related illnesses or occupational diseases, health maintenance in the workplace, as well as for diagnostics and therapy after accidents and acute illnesses. It lies within the area of responsibility of our plant and company physicians worldwide.

Portfolio of occupational medicine

Daimler provides comprehensive medical care for all employees. In addition to acute and emergency medical services, this includes walk-in clinics of the company medical services, personal counseling according to the risk profile, occupational health care pursuant to the Occupational Health and Safety Act (ASiG) §3, preventive occupational health medicals, and other measures of workplace health promotion as well as social counseling services. Suspected cases of occupational diseases are recorded during preventive occupational health medicals and doctor's visits, and are reported to the appropriate trade association.

The specialist departments and the occupational health and safety services are responsible for the implementation of preventive health measures. A risk assessment process systematically records hazards, which in turn is followed by medical checkups pursuant to the Preventive Occupational Health Care Act (ArbMedVV).

Employees traveling abroad on business - including for longer periods of time - receive travel medical services from the company medical services before and after their trip. The company medical services provide advice, conduct medical checkups, and offer immunizations pursuant to the legal requirements and the recommendations of the German statutory accident insurance. Special coordinators regularly provide all employees of the company medical services with the latest information about outbreaks of diseases around the world and the countermeasures these necessitate.

Qualification	Counseling	Prevention	Therapy
First aid training Emergency medical training	 General consultation Travel medicine/ expatriate care Advice on workplace-related problems Medical opinions after workplace inspections Advice on personal protective equipment Advice on first-aid organization 	 Preventive occupational medicine services Suitability examinations/hiring and takeover check-ups Medical support for events Diagnostics Immunizations 	Occupational accident care Emergency services Care in the event of illnesses and disorders

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Suppliers

In a global economy based on division of labor, our responsibility does not end at the company's gates. Compliance with sustainability standards must be maintained along our entire supply chain. We promote this through dialog and training, as well as through joint standardization initiatives with other manufacturers. In the event of violations, we take the appriopriate steps.

As a globally operating company with more than 62 production locations in 19 countries, our success depends on good, trusting cooperation with our worldwide suppliers. This is also reflected in our procurement volume, which amounts to about half the total revenues of Daimler AG. The collaboration with our suppliers is based on shared values and requirements, which also include compliance with sustainability standards along the supply chain.

Procurement organization and training program. Some 2,700 employees work in our procurement units at more than 50 locations around the world. Through established committees, procurement management ensures cross-departmental networking on sustainability issues and uniform procurement communications within and outside the organization.

Training programs on sustainability and compliance are mandatory for all new employees. In addition, we keep employees up- to-date about new developments. In 2014, we rolled out the web-based training program "Sustainability in Procurement and the Supply Chain" at our worldwide locations.

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Our Sustainability Standards

Our "Supplier Sustainability Standards," which were revised in detail in 2013, present our requirements for working conditions, human rights, environmental protection, safety, business ethics, and compliance. They form the basis of any business relationship with producing suppliers and service providers, and are a binding component of the contactual conditions. By signing the contract, our direct suppliers commit to observing the sustainability standards, communicating them to their employees, and spreading them to their upstream value chains. We support them in this through targeted information and training measures. The Daimler Supplier Portal serves as the central information platform.

Supplier Sustainability Standards

Supplier Sustainability Standards: > PDF file (44 KB)

Link to the Daimler Supplier Portal where you can find the Supplier Sustainability Standards in all available

languages: <a> Daimler Supplier Portal

Please follow the link above and click "General Supplier Documents" on the landing page of our portal.

Environmental management in the supply chain. Suppliers exercise a significant influence on the ecological balance of the Daimler locations. That is why Daimler expects regular proof of certified environmental management according to ISO 14001, EMAS or other comparable standards along the supply chain. Starting January 1, 2015, this requirement will be anchored in our purchasing conditions.

Social principles for contracts for work and services

Since 2013, the awarding and performance of contracts for work and services has been subject to standards that extend beyond the existing legislation. These standards define the requirements with regard to occupational health and safety, accommodation, remuneration, use of part-time employees, commissioning of sub-contractors, and freelancing. These social principles are relevant for all purchase orders that exceed a period of two months and are realized on the business premises of Daimler AG in Germany. Suppliers are required to fill out and sign a declaration concerning their compliance with the standards. This is a prerequisite for placing new purchase orders. An auditing team from Procurement performs on-site reviews at the suppliers to determine whether the standards are observed and the contracts for work and services are correctly performed.

Dialog and training. For us, sustainability in supplier management is a continuous process that can be successful on a permanent basis only in collaboration with our suppliers. That is why we attach great value to an active dialog with our suppliers worldwide, in which we also include the local supplier industry. We regularly organize supplier events in which we also address our sustainability requirements. In collaboration with other automotive manufacturers, Daimler Procurement also

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organizes supplier training courses. In 2014, such training programs were conducted in China, Turkey, and Russia. Overall, we have already trained more than 300 suppliers since 2010. In addition, the implementation of sustainability standards in the supply chain is an important topic in our stakeholder dialogs.

"Daimler Sustainability Dialogue"

Development of an industry-wide framework of reference

Many challenges and opportunities associated with sustainable management cannot be addressed by individual companies alone. They require industry-wide collaboration along the worldwide supply chain, which additionally increases the effectiveness of the measures. That is why we are active in various national and international trade and industrial associations such as econsense, the Federal German Association of Materials Management, Purchasing and Logistics (BME), the German Association of the Automotive Industry (VDA), the American Automotive Industry Action Group (AIAG), and the European Automotive Working Group on sustainability in the supply chain, which was founded as an industry initiative within the European corporate network of CSR Europe. The goal of the cross-company collaboration is to develop a recognized company- and industry-wide frame of reference. One result of this collaboration is the development of uniform social and ecological minimum standards, which were published in 2014. The AIAG and the European Automotive Working Group have reached a consensus on these "Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain," thus ensuring the worldwide applicability of the standards.

As part of CSR Europe we are working intensively with experts from the procurement units of other manufacturers and in the process we have developed and successfully piloted a joint questionnaire with which suppliers can self-assess their sustainability performance. This questionnaire is recognized and used by all companies that take part in this initiative. Daimler will use this questionnaire to assess the sustainability performance of selected key suppliers.

- European Automotive Working Group on Supply Chain Sustainability
- ▶ www.aiag.org
- ▼ www.bme.de
- → www.econsense.de
- → www.vda.de

Sustainability Management in the supply chain

Measures			
Preventive	Reactive		
Communications Escalation process			
Risk analysis	for monitoring of suspected violations and complaints		
Training			
Self-assessment	External sustainability audits		
Internal supplier audits	audits		
Media and database research	Consequences in the event of violations		
Supplier Sustainability Standards			

Daimler Sustainability report 2014 Prevention and risk management

Prevention and risk management

The establishment of uniform sustainability criteria and the use of effective control instruments present a special challenge in a value chain that spans the entire world. That is why we have set up an effective system for monitoring our sustainability requirements within our procurement processes.

- Regular review of our active suppliers. To identify possible sustainability risks in our supply chain with regard to child labor, environmental protection, corruption prevention, violation of freedom of association or violations of human rights at an early stage, we conduct a targeted risk analysis of our suppliers by country and commodity at regular intervals.
 This analysis enables us to identify suppliers that are subject to increased risk and to derive activities on this basis. In addition, we use media and database research to review cases of actual sustainability and compliance violations by our direct suppliers. We systematically follow up on all reports of violations.
- Audits of new suppliers. Particularly in the case of new suppliers from high-risk countries, trained auditors ask specific questions concerning the compliance with sustainability standards during on-site assessments. In addition, we use a self-assessment questionnaire if required.
- Escalation process for suspected and actual violations. In the event of a suspected or actual violation against our sustainability standards by a supplier, we follow an established escalation process, which begins with the request for an opinion and explanation of the measures taken to remedy the irregularities. If any doubts remain, we seek direct contact with the supplier or demand a written statement from the supplier's company management. We work closely together with the employee representatives, especially in cases of suspected human rights violations. We follow up on all reports of violations.

If required, independent auditors conduct special sustainability audits at our suppliers. In justified cases we refrain from placing further orders or terminate the cooperation until it is demonstrated that the irregularities have been remedied.

Proof of origin of conflict minerals

Due to international crises, certain regions of the world are exposed to the risk that armed conflicts could be financed with the revenues from the sale of raw materials. In order to prevent conflicts arising from the trade with so-called conflict minerals (tin, tantalum, tungsten, and gold), a series of initiatives have been introduced aiming at a declaration of the origin and the responsible procurement of the raw materials. For example, Section 1502 of the US Dodd-Frank Act stipulates that companies listed on US stock exchanges must certify the source of these commodities along the entire supply chain.

In Europe, the European Union also envisages legislation on this matter. Daimler supports an approach for the establishment of responsible procurement of raw materials that is both purposeful and practicable, and engages in regular dialog with industry associations such as the German Association of the Automotive

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Proof of origin of conflict mi	inerals		
Industry.			

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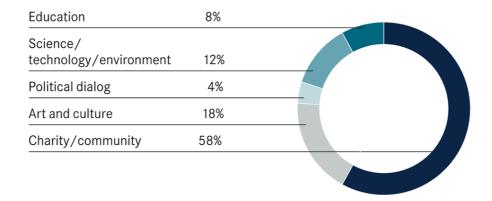
Social responsibility

For us, business success and social responsibility go hand in hand. As a company, we strive to design, help, and promote. Together with our employees we help master social challenges in many charitable community projects.

Our global presence offers us the opportunity to co-design the social environment at our locations worldwide, and to support the dialog between the cultures. In this context, we focus on the one hand on fields of action that arise from our role as "good neighbor." On the other, we are involved in projects in which we can contribute specific expertise and our core competencies as an automaker. In this respect, the main emphasis is on the following issues: promotion of science, education and traffic safety, nature conservation, art and culture, community and charitable commitment, employee commitment as well as dialog and understanding.

We have invested nearly €60 million in funding for non-profit organizations and in sponsorship of socially beneficial projects in addition to our foundation activities and corporate volunteering efforts, as well as projects initiated by us.

Donations and sponsorship in 2014



Control and transparency. The donations and sponsorship committee of the Board of Management manages all donations and sponsorship activities around the world. The committee is guided by our "Sponsorship and Donations Policy," which specifies binding regulations concerning criteria, legal provisions, and ethical standards. Transparency is additionally facilitated by the donations and sponsorship database, in which all donations and sponsorship activities of the Group worldwide must be recorded. Regular communication measures help our employees to observe the policies worldwide and make them aware of the risks in the area of donations and sponsorships.

We provide **donations to political parties** in strict compliance with established laws. Our internal corporate policy explicitly requires a Board of Management resolution for all donations to political

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parties. In 2014, we supported the democratic parties exclusively in Germany with a total of €320,000. In 2014, the CDU and SPD each received €100,000, and the FDP, CSU and Bündnis 90/ the Green Party €40,000 each.

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Promoting science

Sustainable development is not possible without the targeted, global promotion of science, research, and technology. Sharing knowledge across borders and promoting innovation are important factors in this respect. That is why we support universities, research institutions, and multi-disciplinary science projects around the world. We have bundled these activities in the form of foundations.

The **Daimler and Benz Foundation** is endowed with a foundation volume of €125 million. As a driving force of the knowledge society it promotes in-depth scientific exploration of research ideas in the areas of environmental protection and future-proof technology. Furthermore, it also supports a think tank on the subject of mobility that is to research the effects and socially relevant aspects associated with autonomous driving.

Autonomous driving in future road traffic. The Daimler and Benz Foundation is investing around €1.5 million in the "Villa Ladenburg" project. A team of more than 20 research scientists is examining the future effects of self-driving vehicles on the individual and society.

→ www.daimler-benz-stiftung.de

Within the framework of the Donors' Association for the Promotion of Sciences and Humanities in Germany, among other things, the **Daimler Fund** supports the German President's Award for Innovation in Science and Technology, which is presented each year by the German Federal President and is among the most important scientific awards in Germany.

→ www.stifterverband.org

With the MINTernational promotional program, the Donors' Association for the Promotion of Sciences and Humanities in Germany, the Daimler and Benz Foundation, and the Daimler Fund strive to contribute to the continued internationalization of the MINT subjects (mathematics, computer science, natural sciences, technology) in Germany. As part of a contest, technical universities are honored that have developed especially innovative concepts for preparing MINT students in Germany for the world market and bringing the best foreign students to Germany. The winners of the first round of the competition received a total of €500,000 to implement their concepts.

→ More on promoting science

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Education

We believe that improving access to education is one of the most-lasting investments we can make for society and for our company That's because education creates opportunities and opens up doors to a future full of possibilities. That is why we are involved in a variety of projects around the world with a view to promoting enthusiasm for science and technology and also the ability to look beyond working life and go through life with an open mind. At the same time we are promoting equal opportunity with our projects.

Genius — Daimler's young knowledge community. Our education initiative Genius combines a variety of educational projects for children and teenagers in the key areas of future technologies, mobility, and the environment. Genius promotes practical and playful learning with age-specific offers and free workshops at learning locations outside of school. In addition, in cooperation with the Klett MINT textbook publishing company, we have also developed suitable instruction materials for the subjects of natural sciences and technology, and offer the associated teacher conferences and teacher continuing education.

www.genius-community.com (Site only available in German)

Training in the townships. We train men and women of all ages in cooperation with the St. Anthony's Education Centre in Reiger Park, a township of Johannesburg. The center provides literacy courses and trains welders and bricklayers.

Internships for talented young trainees from the Arab countries. In cooperation with selected local universities we promote talented young people from the Arab countries, who are given the opportunity to complete an internship at a German location of the Group. The focus is on the subjects of entrepreneurship, executive development, and education.

Each girl is a star. Together with the women's organization CYDD we are paving the way to technical jobs for socially disadvantaged girls in Turkey. The award-winning project "Each Girl is a Star" offers young women between the ages of fifteen and eighteen the chance to enter a four-year vocational training program that includes an internship at Mercedes-Benz Turkey, as well as at dealers and suppliers. The aim is to support these girls in discovering and expanding their abilities and skills. And with great success: Increasing numbers of graduates of the project want to study for a technical degree. That is why we have supplemented the project with a university scholarship program.

Junior Achievement. The aim of the worldwide organization "Junior Achievement" is to familiarize young people with the prerequisites for a successful professional life in a global world. The organization's educational programs for all age groups — from kindergarten to a high-school diploma — are focused on three key topics: work readiness, entrepreneurship and financial education. Many of our employees at Daimler Financial Services in Singapore and the U.S. have again volunteered to

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participate in the initiative in 2014, and have supported school kids at local schools with learning skills.

→ More on educational projects

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Road safety

Our "journey on the road to accident-free driving" is not just about using suitable systems to relieve the burden on drivers, protect them, and support them in hazardous situations. For us it is more a question of ensuring the safety of all road users. Road traffic education projects for schoolchildren and safety training for adults are two examples of how we work to achieve this goal.

MobileKids. Since 2001, we have made already more than 1 million of children "fit for road traffic" with MobileKids. The objective: Safe mobility and prevention of accidents are to become matters of fact in the daily lives of both children and adults. To this end, traffic safety is communicated in an interesting and playful way in order to show elementary school kids appropriate behavior in traffic situations at an early age. Besides teaching safe behavior for pedestrians, bicyclists or car passengers, MobileKids also provides training on considerate behavior, for example, on public transportation. In addition to the varied activities in Germany — ranging from the MobileKids offerings for schools to children's traffic schools — we have also communicated the content of MobileKids in other countries, such as China, South Korea, Brazil, Hungary, and Turkey. We will increase the international scope of the project on a continuous basis in coming years.

→ www.mobilekids.net

More on road safety projects

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Conservation

We share responsibility for preserving the diversity of natural habitats for future generations. That is why we have been supporting the projects and initiatives of environmental organizations around the world for many years now. We consider it our contribution to making sure the Earth remains a place worth living in.

Living moorlands. The Baden-Württemberg league for nature conservation (NABU) and Daimler initiated a moorland renaturing project as early as in 2012. As a result, two moorlands which are in danger of drying out, the Hinterzarten Moor in the Black Forrest and the Bodenmöser Moor in the Allgäu, are to be restored to healthy and living moorlands. In 2014, as part of the project, 23 Daimler apprentices lent a hand in not only conserving this precious habitat for plants and animals, but consequently also in contributing to climate protection. After all, healthy moorlands are the best natural stores of carbon.

Protection of mangrove forests in Asia. To contribute to the conservation of endangered mangrove ecosystems in India, Sri Lanka, Cambodia, and Thailand, we are sponsoring a renaturalization project of the Global Nature Fund for the reforestation of more than 100 hectares of degenerated mangrove forests. This is to preserve the biodiversity of the forests and their capacity to reduce CO₂ and serve as protection against flood waves. The local population is involved in the project through environmental training and the creation of alternative earning possibilities. The project thus combines nature conservation, development cooperation, and disaster prevention.

→ More on natural conservation projects

Daimler Sustainability report 2014 Art and culture

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Art and culture

Art has the power to build bridges. A rich cultural life and a lively art scene also foster creativity and innovation. That is why promoting art and culture is very important to us.

Our cultural involvements include the Daimler Art Collection, which was founded in 1977 and has now grown to around 2,600 works by 700 different artists. The emphasis of our activities is generally on the regional promotion of culture, with a focus on jazz, classical music, and the promotion of film in addition to the visual arts. From Berlin we support the Berlin Philharmonic, the German Opera House in Berlin, and the Mecklenburg-Vorpommern music festival. In Stuttgart, we support the Theaterhaus Theater, the Jazz Open, and the animated film festival, among others. In China, we are involved in a strategic partnership with the National Center for the Performing Arts, and are active as sponsor of Art Beijing and the International Music Festival. In South Africa we are active as partners of the "21 icons" project. The initiative strives to inspire the younger generations to follow in the footsteps of national icons like Nelson Mandela.

www.21icons.com

Prussian Cultural Heritage Foundation. With its museums, libraries, archives, and research facilities, the Prussian Cultural Heritage Foundation is one of the largest cultural and scientific institutions in the world. We support the strategic objectives of the foundation with a view to making an effective contribution to the promotion of culture in society, with the primary aim of increasing the visibility of the cultural heritage and the museum work, and promoting new conceptual avenues for imparting culture in the community.

Emerging Artist Award. With their Emerging Artist Award, Daimler Financial Services and the Cranbrook Academy of Art have been providing financial support for a particularly promising graduate of the Michigan-based Academy of Art since 2005. The young artist is given the opportunity to make contacts in the international art scene, and to work and present his art during a two-month stay in Berlin.

More on cultural projects

Community and charitable commitment

For us being a global company means we have a global responsibility. That is why we support the social environment at our locations as well as a wide variety of aid projects around the world. And we do not stop at emergency disaster relief. We also set up longer-term projects aimed at helping people to help themselves.

Aid for flood victims. After the flood disaster in the Balkans, Daimler provided €250,000 of emergency relief for the affected population in May 2014. The donation went to the aid organization Caritas International e.V., which took care of the needed emergency supplies and maintenance work. In addition, Daimler together with the General Works Council initiated an employee donation campaign that enabled us to provide Caritas with an additional €20,000.

Ekukhanyeni aid project. The "Ekukhanyeni" project in Lawley south of Johannesburg provides aid for people living in great poverty. Mercedes-Benz South Africa has been providing assistance for the initiative, which has meanwhile built an elementary school in addition to providing nursery places for small children, since 2010. At present, "Ekukhanyeni" is also working on eco-friendly farming as well as on landscape design, energy supply, and the expansion of the local infrastructure.

Reconstruction after the typhoon. In November 2013, the typhoon Haiyan cut a path of destruction across the Philippines. The reconstruction effort is still ongoing. To support the population, Daimler Group Services Philippines and Daimler Financial Services Singapore donated money for the reconstruction of kindergartens in the strongly affected city of Borbon on the island of Cebu. In addition, food and school supplies as well as other aid and construction materials were provided. Immediately after the natural disaster Daimler AG transferred emergency aid in the amount of €500,000.

More on Daimler aid projects

Daimler Sustainability report 2014 Corporate volunteering

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Corporate volunteering

Not only do we face up to our global responsibility as a company, we also support the efforts undertaken by our employees in the interest of society and the common good. The countless initiatives reflect the sense of responsibility felt by our employees, as well as their desire to provide opportunities to those who otherwise have none.

ProCent. As part of the ProCent initiative, Daimler employees donated the cent amounts of their net income to charitable projects. The company doubles every cent donated, and accrues it in a promotional fund, from which we support ecological and social projects in Germany and abroad on the basis of employee suggestions. In 2014, we supported 188 projects with a total of around one million euros in this way. ProCent supports initiatives in 24 countries worldwide.

Day of Caring. Daimler Financial Services (DFS) organizes the "Day of Caring" in more than 30 countries. In 2014, a total of more than 2,300 employees worldwide contributed a day of work in community projects for charitable purposes. The high point of the activities was the "Week of Caring" in the U.S. and Canada, during which more than 1,100 employees spent one week working in more than 30 different organizations.

Individual Volunteer Day. Beyond the "Week of Caring," the national company of DFS in the US gives its employees one more paid working day off for their voluntary activities. During the "Individual Volunteer Day" employees can work on a project in which they have a personal interest. As recognition of this social commitment, we publish a monthly report on the experiences of individual employees on the employee portal.

Give a Smile. As part of the Daimler Christmas campaign "Give a Smile," employee volunteers giftwrap presents for children and adolescents from socially disadvantaged families. The company provides Christmas boxes for this purpose. In collaboration with the aid organizations Schwäbische Tafel e.V., SOS Kinderdörfer, and other local institutions, the gifts are distributed to children who would otherwise get no or very few gifts for Christmas. In 2014, we put together more than 13,000 Christmas packages filled with toys, school supplies or clothing for children between the ages of two and fourteen.

Willing Hearts is a charitable organization that runs a soup kitchen in Singapore, where around 4,500 meals are cooked every day and distributed to people who live on the fringes of society. In 2014, Daimler employees helped prepare and package around 18,000 meals.

- > Topic "Corporate volunteering": PDF file (5.4 MB)
- → More on employee projects

Daimler Sustainability report 2014 Dialog and understanding 170

Dialog and understanding

Being open to the world and being tolerant are two important foundation stones of our corporate culture. As a group that operates around the world, we support projects and institutions that promote inter-cultural dialog in the interest of mutual understanding and the peaceful coexistence of cultures. We also support initiatives aimed at promoting democracy.

Daimler-Byrnes scholarship. In 2014, we awarded the Daimler-Byrnes scholarships of the Stuttgart region for the thirteenth consecutive time. The five scholarship recipients will receive extensive cultural training before they travel to the U.S. in August in order to live with host families for one year and attend the local high school. The scholarship was created by Daimler along with the Forum Region Stuttgart and the German-American Center/James-F.-Byrnes Institute (DAZ).

Together against right-wing violence. Keeping alive the memory of the National Socialist period, taking responsibility, and reinforcing the free spirit of democracy — these are the goals pursued by several projects and initiatives sponsored by Daimler, such as the City Hall Tour of actor Hardy Krüger. Krüger reports on his experiences during the Nazi regime under the motto "Together Against Right-Wing Violence," alerting the public to the current threat posed by right-wing extremist groups, and collects donations for the campaign "Courage Against Right-Wing Violence." The start of the tour in Cologne in late 2013 was followed by events in Berlin, Stuttgart, Dortmund, and Leipzig in 2014.

Solidarity against racism and ostracism. The Global Attorney Meeting was held from May 7–9. Cologne celebrated a special cultural and arts festival: The event organized by the "BIRLIKTE — STAND TOGETHER" alliance commemorated the victims of right-wing terrorism and sent a visible sign of solidarity. Daimler sponsored the event, which was attended by German President Joachim Gauck and Hardy Krüger. The occasion was the tenth anniversary of the June 9, 2004 nail bomb attack by radical right-wing terrorists in Cologne's Keupstraße, home primarily to Turkish and Kurdish residents.

Christopher Street Day. Daimler took part in the Christopher Street Day (CSD) in Stuttgart for the first time in 2014. Together with members of the employee network GL@D (Gay Lesbian Bisexual Transgender at Daimler), the company presented itself with a Mercedes-Benz truck in order to promote social acceptance of people with different sexual orientations. The participation was motivated by the desire to support the work of GL@D and sent yet another signal for a culture of openness and respect within the Group. Daimler Financial Services has already been involved in the CSD in Berlin since 2011.

More on dialog projects

Our Sustainability Program 2020



Sustainability is an essential element of our business activities that is firmly anchored in our system of strategic objectives. We regularly compare our business objectives with our stakeholders' expectations and set our priorities for our vital sustainability areas on this basis. The results we achieve are presented in our materiality analysis. From the defined fields of action, we have derived concrete targets against which we measure ourselves.

We anchor our sustainability objectives in our management and leadership system in all stages of the value chain, from product development and production to sales and marketing. The target agreements between employees and their superiors specify the sustainability targets for the respective task, such as CO₂ emissions or diversity objectives, on a consistent basis and are thus relevant for employee remuneration. The targets are reviewed annually as part of our sustainability management and are adjusted as required. In this context, through our systematic stakeholder management, we additionally respond to the requirements of internal and external interest groups which we actively involve in our sustainability activities through surveys and dialogs.

> Materiality analysis

Our Sustainability Program is dynamic. Just as we are called on to adapt ourselves continuously to new market conditions in the dynamic competitive environment, we must also satisfy the requirements imposed on us by our stakeholders. That is why we have further modified, detailed, and prioritized the Sustainability Program for 2020 over 2013. The new program presents the main target horizons of our sustainability commitment until 2020, but is still flexible enough to enable addressing new challenges within a short time. We present only our TOP objectives in the printed copy of the Sustainability Report.

> The complete Sustainability Program 2020 including all objectives and measures for download

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© Corporate responsibility **Target Achievements** Measures in 2015 Deadline Status (Change from 2013) **Stakeholders** Stakeholder dialog. Holding the 7th Daimler Sustainability Dialogue in Stuttgart with an Besides organizing the eighth Daimler 2016 **→** 75% international group of participants. There was no separate Sustainability Dialogue in Stuttgart, we will · Make the stakeholder dialog more international event in 2014, but the concept of a dialog in 2015 hold another Sustainability Dialogue event in international in scope. was presented in various markets. The target horizon was an international market. expanded. Stakeholder management and dialog Developing a concept for the structured 2016 New Create a concept for the further sharing of ideas with stakeholders at the target development of a systematic and corporate level, and initiation of pilot projects in differentiated communication campaign selective corporate responsibility functions in and a continuous dialog in order to share 2015/2016 ideas with stakeholders 2015: Implementation of a think-tank research project about the further development of the dialog concerning issues of corporate responsibility

Ethical Responsibility

Target Achieved Measures 2015 Date Status (Change from 2013)

Integrity and compliance

Training programs.

 Advancement and implementation of an integrated target groupspecific training program on integrity, compliance, and law.

- Implementation of an annual risk- and targetoriented training plan on integrity, compliance, and law; implementation of the qualification program for staff with responsibility for compliance.
- In 2013, a web-based training was rolled out throughout the Group for more than 100,000 employees.
- In 2014, nearly 40,000 employees from different hierarchical levels completed extensive webbased training on integrity, compliance and law.
- Since 2013, training has been offered to selected business partners based on a risk assessment performed by the responsible divisional compliance unit. In 2014, the business partner training was further advanced using a risk- and target group-oriented approach.

- Advancement of the qualification training program for responsible experts from the Integrity and Legal Affairs division.
- Integration of topic-specific training measures into a consolidated, targetoriented overall program.
- Strengthening of decentralized multipliers by the provision of targetgroup-oriented training materials and methodological aids.
- Implementation and roll-out of the further advanced training for external business partners including a new web-based training course with a focus on corruption prevention.

ongoing

7 85%

Top target:

Building awareness.

· Discussion of our values and principles.

Continuation of company-wide dialog.

- Focus in 2014: introduction of an awareness tool (online game) throughout the Group for raising
- Assessment of feedback on the awareness tool and derivation of follow-up measures.

ongoing

7 85%

Target	Achieved	Measures 2015	Date	Status (Change from 2013)
	employee awareness of the content of the Integrity Code.	 Introduction of an advisory office, which is available to employees for clarification of questions on acting with integrity in daily operations. The dialog on the corporate value of integrity is being continued and integrated into the activities of the units. 		
Top target: Sustainable compliance. • Sustainable integration of compliance at Daimler.	 Integration of compliance. Further increase of the effectiveness of the Compliance Management System. Further integration of compliance as an integral element of our value chain. More efficient design of compliance processes in the company. Expansion of the set of tasks. Prevention of money laundering as a distributor of goods. Group-wide review of sanctions lists (EU and U.S.) 	Continuous reinforcement of the awareness for compliance to ensure a sustainable culture of integrity as the basis for daily business.	ongoing	7 95%
Whistleblower system. Optimization of the BPO whistleblower system.	 New reporting concept created and rolled out. As part of the continuous improvement process a review of data protection requirements was carried out; all required notifications at the data protection authorities were initiated. 	 Data protection project: finalization of notifications, to the extent required. Continuation of worldwide communication measures. 	2015	7 90%

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Target	Achieved	Measures 2015	Date	Status (Change from 2013)
	 Sustainable communication concept is created and implementation has started. New IT system design for case processing and reporting. Creation of optimized modular process documentation and implementation of a continuous improvement process are complete. 	 Implementation of redesigned IT system for case processing and BPO reporting. Ongoing optimization of existing processes. 		
The view from outside. Integrity measures accompanied by the "Advisory Board for Integrity and Corporate Responsibility".	 The Advisory Board for Integrity and Corporate Responsibility, which was established in September 2012, met three times in 2014 and was informed about measures to foster integrity at Daimler during the year. Wilm Herlyn was appointed as a new member of the Advisory Board in the fall of 2014. The members of the Advisory Board are independent of Daimler and have an advisory function. 	 The Advisory Board convenes for three regular meetings a year and additionally as required. It discusses matters internally, with members of the Board of Management and other Daimler representatives. The members of the Advisory Board regularly receive information on the company's integrity activities and on other current topics that affect the Group. At the request of the Supervisory Board of Daimler AG, the members of the Advisory Board evaluate the Group's integrity activities. 	ongoing	7 90%
Data protection				
Revision of corporate policies for handling the data of employees and the data of customers and partners.	Updates of corporate policies		2014	7 100%

Target	Achieved	Measures 2015	Date	Status (Change from 2013)
	International roll-out after coordination with supervisory authorities. Group-wide supporting communication and implementation advice.			
Training programs. Continuation and expansion of the classroom training offered to employees, training of data protection coordinators and other multipliers	 Target group-specific and requirement-based preparation of training materials. Expansion of learning opportunities for knowledge multipliers. 		2014	7 100%
Building awareness. Continued implementation of the Group-wide awareness concept by 2015.	Distribution of an information package to managers of Daimler AG who are newly appointed or returning to Daimler AG after a leave of absence or foreign assignments.	 Continuous building of employee awareness for data protection issues. Adjustment of the Group-wide awareness concept for the development of a new web-based training program. Optimization of the international training and information materials. 	2015	7 80%
Human rights				
Top target: (NEW) Human Rights Respect System. Development and implementation of a concept for an extended systematic management approach to human rights – including risk identification, program management, monitoring, and reporting. In addition to the countries with majority-owned	Concept development and discussion with stakeholders. • Performance of feasibility and requirements analyses on the basis of the HRCA.	 By 2015, finalization of the concept for the human rights approach and preparation for implementation. From 2016: start of implementation. 	2020	7 10%

Target	Achieved	Measures 2015	Date	Status (Change from 2013)
Daimler production locations, this will be expanded with selected potential risk countries.	 Development of a conceptual risk management cycle for safeguarding the continuity of the risk analysis. Discussion of conceptual elements with external stakeholders in the working group on "Human Rights" at the Seventh "Daimler Sustainability Dialogue" and their integration into the practical approach. 			
Top target: Human Rights Compliance Assessment (HRCA). • Worldwide expansion of human rights risk management in 19 countries with Daimler production locations in line with UN requirements to enable early detection of possible human rights violations.	 Realization of Human Rights Compliance Assessments (HRCA). 2012: risk assessment initially carried out for Germany, Mexico, and Egypt 2013: HRCAs in Japan, France, Hungary, South Africa, Brazil, India, Spain, and the USA. 2014: Czech Republic, Turkey, Argentina, Canada, and Indonesia. Consequently, 16 of the 19 countries have been analyzed as planned by the end of 2014 (with the remaining three to be analyzed in 2015). 	In 2015, HRCAs will be carried out in Portugal, Romania, and the United Kingdom.	2015	7 80%

Product Responsibility

Target Achieved Measures 2015 Date Status (Change from 2013)

Fuel consumption and CO₂ emissions - main markets

Top target:

CO₂ emissions passenger cars in Europe.

- Reduction of CO₂ emissions (basis NEDC) of the EU new-vehicle fleet to 125 g of CO₂/km by 2016 (corresponds to a reduction by around 30 percent in the period from 2007 to 2016).
- · Consistent further electrification of the powertrain for achievement of Daimler-specific EU fleet targets in the year 2020.

Further reduction by 4 percent.

 After the achievement of the designated interim target for 2012, the CO₂ emissions in the European fleet in 2014 were reduced by another 5 grams to 129 g of CO₂/km, a reduction by 27.5 percent vs. 2007.

Highlights at the product level:

- New consumption-optimized 9-speed automatic transmission introduced in additional model series.
- Roll-out of new S-Class with significant fuel consumption reductions (-20 percent).
- Launch of new C-Class with significant fuel consumption reduction of up to 20 percent.
- · Launch of additional hybrid vehicles and launch of S 500 PLUG-IN HYBRID.

- · Continuation of passenger car engine optimization and ongoing introduction in the model series.
- Introduction of 9-speed automatic transmission NAG3 in other model series.
- · Market introduction of the S 500 PLUG-IN HYBRID.
- Market launch of the new C-Class: all diesel models in efficiency class A or A+.

2016

7 90%

Top target: (NEW)

Reduced fuel consumption for passenger cars in the USA (PC and LDT).

· Reduction of fleet consumption in the period from 2012 (base year for currently valid consumption regulation) to 2019 by 25 percent for

Reduction of fleet consumption of PC by 6 percent, LDT by 6 percent in comparison with the respective model year.

· Significant improvement of the fuel economy of the new S-Class. C-Class. CLA-Class.

- · Continuation of passenger car engine optimization and ongoing introduction in the model series.
- Introduction of 9-speed automatic transmission NAG3 in other model series.
- Market introduction of the S 500 PLUG-IN HYBRID.

2019

7 25%

Target	Achieved	Measures 2015	Date	Status (Change from 2013)
each segment (basis are the respective model years 2012 and 2019).		Market launch of the new C-Class: all diesel models in efficiency class A or A+.		
Top target: (NEW) Reduced fuel consumption for imported and domestic passenger cars in China. Reduction of fleet consumption in the period from 2012 (base year of currently valid consumption regulation) to 2019 by 25 percent for each fleet.	Reduction of fleet consumption of imported cars by 11 percent, domestic cars by 9 percent in comparison with the base year. • Significant improvement of the fuel economy of the new S-Class, C-Class.	 Continuation of passenger car engine optimization and ongoing introduction in the model series. Introduction of 9-speed automatic transmission NAG3 in other model series. Market introduction of the S 500 PLUG-IN HYBRID. Market launch of the new C-Class: all diesel models in efficiency class A or A+. 	2019	∌ 35%
Top target: CO ₂ emissions of light-duty commercial vehicles. Reduction of CO ₂ emissions of the EU new-vehicle fleet by more than 10 percent by 2014 from the 2010 levels.	 11.5 percent reduction since 2010. Overall fleet average at 199 g of CO₂/km (Mercedes-Benz fleet of light-duty commercial vehicles (N1) in Europe in 2014). New V-Class with high-efficiency 4-cylinder diesel engines and significantly lower fuel consumption than the predecessor model. New Vito with low-loss front-wheel-drive powertrain; extensive fuel efficiency measures such as stop-start function, energy recovery, fuel-economy alternator, efficient electric fuel pump, and aerodynamic improvements. 	 The new V-Class (market launch in 2014) with high-efficiency 4-cylinder diesel engines and significantly lower fuel consumption than the predecessor model. New Vito (market launch 2014) available with low-loss front-wheel-drive powertrain that enables downsizing. Extensive fuel efficiency measures to be implemented, such as stop-start function, energy recovery, fuel-economy alternator, efficient electric fuel pump, and aerodynamic improvements through tires and underbody paneling. 	2014	7 100%

Target	Achieved	Measures 2015	Date	Status (Change from 2013)
NEW: Reduction of CO ₂ emissions of the EU new-vehicle fleet by more than 10 percent by 2018 from the 2014 levels.			2018	
Top target: Reduced consumption of heavy-duty commercial vehicles in Europe. Reduced consumption (liters per ton-km) for the N3 trucks in Europe by an average of 20 percent by the year 2020 compared with the base year 2005 (Euro III vehicles).	Significant improvement. • More than 9 percent reduced consumption for long-distance-transport reference trucks compared with 2005.	Continued propagation of the "Predictive Powertrain Control" fuel-saving system and expansion of road network coverage.	2020	7 40%
Top target: Reduced consumption of heavy-duty commercial vehicles in NAFTA. Reduction of the fuel consumption of Cascadia trucks by more than 20 percent by the year 2015 compared with the base year 2007.	Significantly reduced fuel consumption. Reduced consumption by 20 percent for long-distance-transport Cascadia reference vehicle. Intelligent Power Management (road profile-optimized gearshift strategy).	Realizing additional synergies in the area of fuel-saving technologies from the worldwide portfolio of Daimler Trucks.	2015	7 100%
Exhaust emissions				
Top target: Early compliance with Euro 6 for passenger cars. • Early compliance with Euro 6 emissions standards by 50 percent	 More passenger cars certified to Euro 6 standards. More than 55 percent of Mercedes-Benz and smart cars sold in Europe are in compliance with Euro 6 emissions standards. In Germany the figure is already 62 percent. 	Introduction of Euro 6 in model series previously not included, e.g. Mercedes-Benz V-Class (market launch in 2014).	2014	7 100%

Target Achieved Measures 2015 Date Status (Change from 2013) of all new Mercedes-Benz and smart vehicles in Europe by the end of 2014. Top target: Comprehensive assessment and Overall environmental targets set for all Mercedes-Benz Cars Ongoing **7** 100% · Ongoing review of targets within the Mercedesreduction of the environmental development projects. until Benz development process in accordance with impact of Mercedes-Benz passenger 2020 · Review of targets within the Mercedes-Benz development ISO TR 14062 (design for environment) and car models. process in accordance with ISO TR 14062 (design for ISO14006 (product-related environmental Reduction of CO₂ and nitrogen environment) and ISO14006 (product-related environmental management system). oxide emissions over the entire life management system) · Confirmation of development process for the Reduction of CO₂ emissions and nitrogen oxide emissions GLA- and C-Class (market launch 2014) through cycle for each new model generation by 10 to 20 percent compared with over the entire life cycle of the **new C-Class** compared with the environmental certificates. the predecessor. predecessor (see Environmental Certificate C-Class). C-Class Diesel (C 220 BlueTEC): CO₂ emissions: minus 26 percent, NO_x emissions: minus 45 percent. • C-Class gasoline engine (C 180): CO₂ emissions: minus 28 percent, NO_X emissions: minus 6 percent. • The over-fulfillment of NO_X limits for diesel engines compensates for the slightly below target levels of the gasoline engine models. **Mobility concepts** Top target: Increased use of car2go. Expansion of car2go. 2015 **7** 100% Further increase in the number of car2go

locations.

• car2go in 29 cities worldwide (+18 cities compared with 2011).

Target	Achieved	Measures 2015	Date	Status (Change from 2013)
Ten times the number of trips and number of active users by 2015 compared with the year 2011.	 User numbers have doubled vs. 2013 (2014: about 1,000,000 registered users). About 30 million rentals (+29 million compared with 2011). 	 Expansion of business territory of existing locations. Increase of size of vehicle fleets at the locations. 		
Top target: Promotion of the construction of a hydrogen infrastructure. Realization of pilot projects: construction and start of operations of 20 hydrogen fueling stations in Germany for supply of fuel-cell vehicles running on hydrogen from renewable resources. Construction of 100 hydrogen fueling stations by 2017 and 400 hydrogen fueling stations by 2023 in Germany, foundation of a joint venture for the erection and operation of hydrogen fueling stations	Hydrogen fueling stations. Two hydrogen fueling stations commissioned, erection and completion of remaining H2 fueling stations expected in 2015.	 Continuation of the installation of hydrogen fueling stations together with the project partner Linde Continued buildup of a network of hydrogen fueling stations Formal foundation of an enterprise and start of business 	2014	→ 60%
	 16 hydrogen fueling stations as part of publicly subsidized pilot projects in Germany were co-initiated and commissioned as first stage of project, initiation of closing process towards the formation of an enterprise. 		2023	7 15%

 Five-star rating in the Euro NCAP crash test for new model series with respectively higher requirements from 2012, 2013, 2014, and 2015. Achieved "Top Safety Pick" result in IIHS crash test rating with small overlap crash starting in 2012. M-Class and E-Class distinguished as a "Top Safety Pick+" (TSP+) in more demanding crash test conducted by the U.S. Insurance Institute for Highway Safety (IIHS). Systems from the E-Class and S-Class starting systems from the E-Class and S-Class starting in 2014: DISTRONIC PLUS proximity control systems from the E-Class and S-Class starting in 2014: DISTRONIC PLUS proximity control system, BAS PLUS brake assist system, Active Lane Keeping Assist, Traffic Sign Assist with wrong-way warning function. 	Target	Achieved	Measures 2015	Date	Status (Change from 2013)
	 Passenger car safety. Five-star rating in the Euro NCAP crash test for new model series with respectively higher requirements from 2012, 2013, 2014, and 2015. Achieved "Top Safety Pick" result in IIHS crash test rating with small 	 in 2014. New C-, GLA- and V-Class receive top rating of five stars in the Euro NCAP crash test. In addition, the Mercedes-Benz C-Class received the Euro NCAP Advanced Reward for two safety systems: the ATTENTION ASSIST drowsiness detection system (serial) and the preventive occupant protection system PRE-SAFE® (optional). M-Class and E-Class distinguished as a "Top Safety Pick+" (TSP+) in more demanding crash test conducted by the U.S. 	systems from the E-Class and S-Class starting in 2014: DISTRONIC PLUS proximity control system, BAS PLUS brake assist system, Active Lane Keeping Assist, Traffic Sign Assist with	Ongoing	7 100%

@ Operational Environmental Protection **Target** Achieved Measures 2015 Date Status (Change from 2013) Climate protection in production operations Reduction of specific CO₂ emissions. Decrease in specific CO₂ emissions in production Continuous implementation of 2015 **7** 90% vs. 2007: measures for the reduction of · Continuous reduction of specific CO₂ emissions in production by specific CO₂ emissions from 20 percent vs. 2007 by 2015. Daimler Buses –17 percent; production operations. Mercedes-Benz Cars –33 percent; Mercedes-Benz Vans –29 percent; • Daimler Trucks -14 percent (comparison with reference year 2007 without Atlantis Foundry). Reduction of absolute CO₂ emissions. Decrease in absolute CO₂ emissions. Continuous implementation of 2020 **7** 60% measures for the reduction of Reduction of absolute CO₂ emissions in European plants by 20 Reduction by 14 percent compared with the base percent in the period from the early 1990s to 2020 (time frame of year, 5.6 percent compared with the previous year. absolute CO2 emissions from production. EU climate targets) despite a significant increase in production · Efficiency measures, CO2-optimized own volume. cogeneration facilities and the mild winter in Europe Overall reduction of specific CO₂ emissions of the European despite strong production increases led to a drop in locations by two-thirds (use of comparable technologies for CO₂ CO₂ emissions. reduction in non-European plants).



Employees

Target Achieved Measures 2015 Date Status (Change from 2013)

Diversity

Top target:

Diversity management.

· Daimler aims to remain one of the leading German automakers in terms of diversity management.

Anchoring of diversity management.

- Firm anchoring of diversity management in HR processes, corporate and leadership cultures, and expansion of the key topic of internationalization.
- The trendence Graduate Barometer 2014: Daimler is the only automotive company to be considered an equally potential employer of choice by both men and women.
- 63 percent of workforce approval rate on diverse composition of teams in 2014.
- 2nd German Diversity Day: A total of 5,512 employees voted in recognition and appreciation of diversity in the company.
- 14.1 percent women in executive management positions in 2014 (2013: 12.7 percent).
- Promotion of initiatives for the increase of flexibility in when and where to work. Increase in the share of part-time management staff at Daimler AG to 3.3 percent (2013: 3.1 percent).
- Around 700 company-own childcare places across Germany (and around 150 additional places at various locations).

- · Further reinforcement of diversity management in the leadership culture with the aim of demanding and promoting diversity (among others through requirements-based qualification training).
- · Further reinforcement of flexible work arrangements (incl. flexible working, online-based matching platform for job sharing).
- · Increase in worldwide share of women in management positions in the Daimler Group to 15 percent in 2015.
- Expansion of global talent pool with 40 percent international CAReer hires by 2017.

2020

7 65%

Employer attractiveness

Target	Achieved	Measures 2015	Date	Status (Change from 2013)
Top target: Employee commitment. Confirmation of employee commitment at above-average level.	 63 points. Excellent participation rate over the years (2014: 70 percent) demonstrates continued high acceptance and deliberate use of the employee survey of the Group as a feedback tool. Confirmation of employee commitment level at above-average level compared with the benchmark in the industrial sector (2014: benchmark median at 61 ECI points). 	 Promotion and stabilization of employee commitment as element of management task through definition of concrete division-specific targets. Concrete measures based on the current employee survey will be updated as soon as the data are available (name top three measures). The next worldwide employee survey will be conducted in September 2016. 	2016	→ 90%
Top target: Demographics. • Anchoring of the issue of demographics in the corporate culture and leadership process.	Activities in generation management. Performance of ergonomic analyses in production areas at almost all locations around the world. Introduction and development of a pool of 482 "senior experts," including 150 senior experts who have been on	 Realization of training measures and awareness workshops for management staff in at least two locations. Realization of two international pilots for "Jobfit," a strategic qualitative staff planning initiative. Realization of two location pilots for demographically oriented 	2020	∌ 65%
	 assignment since March 2013. Roll-out of the "Job Match" system centered on finding the best-suited jobs for production workers in consideration of their medical situation. Continuation of five decentralized demographic projects. 	working hours/break-time structuring for production areas.		

Supplier Management

Target Achieved Measures 2015 Date Status (Change from 2013)

Prevention and risk management

Top target: (NEW)

Environmental management.

· Proof of a certified environmental management system will be provided by 70 percent of production material suppliers (based on revenue) by 2018.

Component of contract terms.

- · Sustainability and environmental requirements are integral elements of contract terms worldwide.
- · Inclusion of the requirement for a certified environmental management system in the contract terms.
- Implementation of an online system for the documentation of certificates by suppliers.

⊅ 50%

2018

Top target: (NEW)

Supplier monitoring.

· Review of the implementation of sustainability standards through an online self-assessment questionnaire to be completed by 40 percent of production material suppliers (based on revenue) by 2016.

Successful piloting.

- · Development and successful piloting of a selfassessment online questionnaire on sustainability standards, developed jointly with other automotive manufacturers.
- Request for main suppliers to complete the online questionnaire.
- · Supporting communication measures via the Daimler Supplier Portal.

2016 **7** 20%

Report profile

In this Sustainability Report we assess the economic, environmental, and social impact of our business operations in the 2014 financial year and present our current sustainability program. Our interactive online Sustainability Report details and supplements the present printed report with additional information and offers additional possibilities for use: The website features a search function, an extensive thematically linked GRI Index, and a key figures tool, with which you can create tables and graphics adapted to your information needs.

The information provided in our Sustainability Report applies to the entire Daimler Group with its business divisions. The reporting period corresponds to our financial year, which runs from January 1 to December 31.

GRI

In 2006, Daimler joined the multi-stakeholder network of the Global Reporting Initiative (GRI) as organizational stakeholder. This report was prepared in accordance with the internationally recognized guidelines on sustainability reporting GRI G4.

> GRI Index

Audit certification according to ISAE 3000

Daimler engaged the auditing and consulting firm PricewaterhouseCoopers to examine the Corporate Sustainability Report. The review was based on the International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), published by the International Auditing and Assurance Standards Board (IAASB), which has been in effect since January 1, 2005.

During the review the Sustainability Report was subjected to a critical assessment of its correctness, completeness, comparability, comprehensibility, and relevance. This was supported by sampling of documentary evidence. The areas included in the review are

- the internal management systems and processes at corporate level used for recording, gathering, consolidation, and processing of the data published in the report;
- the internal control processes for sustainability reporting at corporate level;
- the accuracy of data at the corporate level (figures in tables and statements on production-related key figures "CO₂ emissions, water consumption, and recycling rate" and "average CO₂ emissions of the European passenger cars fleet of Mercedes-Benz," and statements on accident key figures as well as donations and sponsorships).

The main focus of the review was on the corporate level and was supplemented by samples from individual production plants.

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As result of the review and as a formal conclusion, Daimler received the review certificate, which presents the aim and purpose of assurance, its basic principles, work performed, and its conclusions. The internal reporting takes place via the Corporate Sustainability Board (CSB).

> Audit certification

UN Global Compact Progress Report

In 2000, Daimler became one of the first signatories of the UN Global Compact. We have committed ourselves to uphold this international initiative's ten universally recognized principles. In addition, we were among the first participants of the UN Global Compact LEAD group established in January 2011. Since 2013, we have continuously monitored and expanded our involvement in thematic and regional task forces and initiatives. With this Sustainability Report we are meeting our obligation to report regularly on our initiatives regarding human rights, labor standards and employee rights, environmental protection, and the fight against corruption.

In July 2014, we submitted the Sustainability Report 2013 together with the following overview as our official UN Global Compact Progress Report. The next Progress Report will be presented by us in July 2015. Please note that all references in this Progress Report relate to the previous year's report.

> UN Global Compact Progress Report

We want to become better and better

In recent years we have continuously strengthened our commitment to sustainability and have made our reporting in this area more transparent and easier to understand. As always, our reporting is in line with the principles of materiality, stakeholder inclusiveness, completeness, and sustainability.



Scope of reporting and data acquisition methods

Economy. The information about economic relationships presented in the Sustainability Report for 2014 is based mainly on data from the 2014 Daimler Annual Report. The Management Report and Notes sections, from which we have quoted in this report, were attested to with an unqualified opinion by the auditing firm KPMG Deutsche Treuhand-Gesellschaft AG. Further information can be found in the Annual Report 2014.

Ecology. Daimler has been systematically compiling key environmental data from its German plants since 1992. In 1997 and 1998 its data acquisition activities were gradually extended to include production plants outside Germany. Since 2002 the data acquisition and analysis have been handled with the aid of a database. The data in this report reflects the structure of the Group in 2014 and includes all relevant production plants and the German sales locations. To ensure comparability with the data for previous years, the data for the entire reporting period does not include parts of the company in which Daimler is no longer the majority shareholder. For this reason, the time lines may

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differ from those of previously published data. New parts of the company have been included from the time at which they became part of Daimler. The environmental data for 2014 refers to a total of 75 locations and satellite sites.

Employees. The facts and figures in the Employees section are based on the 2014 Daimler Annual Report. The reporting on human resources data is based mainly on the "HR ePARS" electronic human resources planning and reporting tool, which combines the data of all consolidated companies within the Daimler Group. This information has been supplemented with data acquired with the aid of the ePeople or HR EARTH electronic human resources management systems. The texts and diagrams in this section indicate whether the data refers to the entire Group or only to parts thereof.

New features in this report

The 2014 Daimler Sustainability Report prioritizes the areas of action which arise from the analysis of the business model, strategy and the materiality analysis even more strongly.

G4-23

On the basis of the materiality analysis, we have evaluated internal and external sustainability requirements for our company, and have summarized the results in the materiality matrix.



In the first part of the Daimler Sustainability Report 2014 we address company-specific topics, which demonstrate our commitment to act responsibly in the context of our international business operations. The topics are determined in line with the materiality matrix and represent issues which are also under public scrutiny.

The supplement "Overview of the Corporate Group" is a new feature, with which we satisfy the requirements of the Reporting Standard GRI G4, which is mandatory starting this year. In it we present our business purpose and tie it to the action fields of the materiality matrix and the resulting Sustainability Program 2020.

G4-23

- > Materiality analysis
- > Sustainability Program 2020

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The reporting process and quality assurance

In addition to a system and data quality audit by PricewaterhouseCoopers (PwC), we also perform detailed benchmark analyses. In parallel we also have an internal process for the review of targets, measures, and fields of action.

Disclaimer

We have exercised extreme care in the compilation of the data contained in this report. Nevertheless, we cannot entirely exclude the possibility of error. Insofar as this report contains forward-looking statements, these are based exclusively on data and forecasts that were available at the time of publication. Although such projections are drawn up with extreme care, a great variety of factors that were unforeseeable at the time of publication may lead to deviations. The content of the report was examined by the responsible specialist staff. Parts of the report were examined by PricewaterhouseCoopers.

The last Sustainability Report appeared in April 2014 under the title "Sustainability Report 2013." Our next report will be published in mid-April 2016.

Editorial deadline for this report: February 13, 2015

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Materiality analysis

In choosing the direction of our sustainability strategy we are guided by two aspects: on the one hand, by the question which requirements we set for ourselves in order to have sustainable success, and by our desire to know our stakeholders' expectations on us as a globally operating company, on the other. We use a multi-step materiality analysis for the identification of the fields of action that are relevant for us and our stakeholders.

G4-18, G4-26

In the design of this report we observe the G4 guidelines of the Global Reporting Initiative (GRI), accounting for the principles of completeness, contextualization, stakeholder inclusiveness, and materiality. Significant fields of action are important for our stakeholders as well as for our company. For our determination of the cross-section of perspectives, which do not always coincide, and to enable us to set priorities, we utilize a multi-step materiality analysis.

G4-18, G4-19, G4-26

Identification and relevance. In order to obtain an exact picture of the expectations of the various stakeholder groups we also evaluate reader surveys on this report, customer and employee surveys, specialist unit workshops, dialogs with individual stakeholder groups, and the results of our "Daimler Sustainability Dialogue." In 2014, we additionally organized specialist events on current issues, in this case on data protection and sponsoring, in order to get critical impulses and initiate social discourse. In addition, we also take into account the analyses of our "News and Issues Management" and our "Society and Technology Research Group."

G4-18, G4-26, G4-27

The following applies to the fields of action identified in this manner:

- · They affect our present and future business activities.
- We are in a position to influence them directly or indirectly.



Prioritization through open stakeholder survey. To enable a priority ranking of the identified fields of action, we conducted the second international open stakeholder survey in 2013, for which we did not preselect the target groups in order to consider as many legitimate stakeholder interests as possible. Within a period of about one month, all interested parties could take part in the survey on our website daimler.com, and name and evaluate topics that were important to them.

By the end of the survey, more than 800 responses had been received. In our assessment of results, we gave special consideration to the great significance of our primary stakeholder groups (shareholders and investors, customers, suppliers, and employees) as well as to the expertise of non-government organizations. That is why these groups are taken into account with a higher weighing factor.

G4-24, G4-25

Cross-section of significant topics from the company and stakeholder view. The results of the online survey were incorporated into a materiality analysis, in which they were compared with the

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results of a survey and discussion among the members of our company's sustainability bodies as well as the entire Board of Management of Daimler AG. The decisions made in these internal bodies were based on the discussion of topics that have material effects on our company from a social, ecological, ethical, human-rights, and economical perspective. The results of the internal and external surveys used in our materiality analysis in the last two years varied only to a minor extent. That is why we have decided to perform the materiality analysis at two-year intervals from now on. The next survey will therefore be conducted in 2015. The table shows the fields of action evaluated in the last survey in 2013 – organized thematically in line with the responsibility dimensions of our sustainability strategy and presented in decreasing order of stakeholder priorities. The importance of the majority of action fields for our stakeholders and for our company is high or very high.

G4-18, G4-22, G4-23, G4-26, G4-20, G4-21

From analysis to actual practice. The results of the materiality analysis show us the areas that must be given special attention in our activities. Thus for example, in the reporting year we intensified our efforts for reducing the CO₂ emissions of our vehicles, and further advanced our approach for the observance of human rights. We are also working intensively on ways of further improving the satisfaction of our customers by examining the different customer requirements worldwide in even greater detail. For reviewing and improving our activity as an employer we use the feedback instrument of our worldwide employee survey.

G4-27, G4-26

The materiality analysis also provides us with guidance for our annual "Daimler Sustainability Dialogue." It enables us to select topics, which we discuss in depth at the events with sustainability experts and other stakeholders.

G4-25, G4-26

- > More on the stakeholder dialog
- > GRI Materiality Matters indicators

Materiality analysis 2013/2014	G4-18, G4-19, G4-20, G4-21	
Significant action fields for sustainability management	Evaluation 2013/2014 (2012) from 0 (= immaterial) to 100 (= very material)	Reference
Product responsibility	Stakeholders* Company**	
Customer satisfaction	87 (91) 100 (100)	•
Innovative vehicle and powertrain technologies	86 (91) 92 (88)	•
Vehicle safety	86 (86) 92 (92)	•
Fuel consumption and CO ₂ emissions	85 (92) 98 (92)	•
Conservation of resources (product)	84 (84) 83 (80)	00
Pollutant emissions (product)	82 (84) 86 (78)	•

Significant action fields for sustainability management	Evaluation 2013/2014 (2012) from 0 (= immaterial) to 100 (= very material)	Reference
Environmental product development	82 (82) 81 (81)	•
Mobility concepts and services	75 (74) 79 (75)	•
Noise emissions (product)	72 (84) 80 (78)	•
Production responsibility		
Energy efficiency and CO ₂ -free production	83 (86) 83 (83)	•
Water protection	82 (85) 81 (75)	•
Disposal and resource management	82 (87) 80 (80)	•
Air purification (production)	80 (84) 75 (78)	•
Conservation of nature, soil, biodiversity	79 (76) 75 (64)	•
Logistics and employee transportation	75 (76) 75 (75)	•
Employee responsibility		
Employer attractiveness	88 (84) 93 (93)	•
Training and continuing education	84 (87) 92 (92)	•
Occupational health and safety	83 (85) 88 (88)	•
Generation management	79 (77) 81 (81)	•
Co-determination	78 (76) 80 (80)	•
Diversity management	70 (69) 82 (73)	•
Ethical responsibility		
Human rights	90 (90) 92 (88)	00000
Data protection	87 (–) 92 (–)	••
Compliance	86 (87) 92 (92)	00000
Integrity	82 (87) 96 (92)	00000
Management responsibility		
Sustainability strategy and organization	84 (88) 84 (84)	•
Transparency in the reporting	78 (77) 83 (78)	••
Inclusion of our stakeholders	73 (76) 80 (77)	00000
Involvement in the political process	70 (71) 75 (80)	••
Responsible business partners		

Significant action fields for sustainability management	Evaluation 2013/2014 (2012) from 0 (= immaterial) to 100 (= very material)	Reference
Business partner integrity management	85 (85) 85 (88)	•
Compliance with standards in the supply chain	84 (87) 85 (85)	•
Social responsibility		
Support of social sustainability initiatives	74 (71) 73 (73)	•
Regional commitment at our locations	68 (76) 83 (83)	•
Cross-regional commitment for social issues	68 (60) 70 (64)	•
Support of voluntary employee commitment	67 (62) 70 (61)	•
Commitment through own foundation efforts	65 (64) 66 (61)	•
Company-initiated projects	57 (60) 64 (64)	•

 $^{^{\}star}$ The evaluation of issues of particular relevance for the stakeholder dimension reflects the results of the open stakeholder survey.

^{**} The evaluation of sustainability topics of particular relevance for the company dimension reflects the evaluation by Daimler (Board of Management, Sustainability Board, Sustainability Office).

Daimler Sustainability report 2014 Independent Assurance Report

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Independent Assurance Report



To Daimler AG, Stuttgart

We have been engaged to perform a limited assurance engagement regarding several sustainability key performance indicators selected by Daimler AG (the Company) in the Sustainability Report 2014 (the Report) for the business year from 1 January to 31 December 2014.

Responsibility of the legal representatives

The Company's Board of Managing Directors is responsible for the proper preparation of the report in accordance with the criteria stated in the Sustainability Reporting Guidelines Vol. 4 (pages 16 to 18) of the Global Reporting Initiative (GRI).

This responsibility includes the selection and application of appropriate methods to prepare the report and the use of assumptions and estimates for sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the report.

Responsibility of the auditor

Our responsibility is to express a conclusion based on our work performed as to whether anything has come to our attention that causes us to believe that the data of the report of the Company for the business year 2014 has not been prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 4 of the GRI.

The sustainability key performance indicators selected by Daimler AG for the calendar year 2014 (CO₂ emissions of the European fleet, energy consumption, total CO₂ emissions scope 1 and 2, waste recovery rate, water consumption, accident frequency as well as cost of foundations, donations, and sponsorships), which are included in the scope of our engagement, can be found on page 2 of the sustainability report 2014 as 'Key figures 2014' and the corresponding sections in the report. The assessment of the materiality analysis of the company was not part of our engagement scope.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This Standard requires that we comply with ethical requirements and plan and perform

Daimler Sustainability report 2014 Independent Assurance Report

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the assurance engagement, under consideration of materiality, to provide our conclusion with limited assurance.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgement.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

During 2014 we have not performed any tasks or services for Daimler that would conflict with our independence, nor have we been responsible for the preparation of any part of the report; and therefore qualify as independent as defined by Code of Ethics and applicable legal and regulatory requirements.

Within the scope of our work we performed amongst others the following procedures:

- Inquiries of personnel responsible for the preparation of the report regarding the process to prepare the reporting of sustainability information and the underlying internal control system;
- Inspection of documents regarding the sustainability strategy as well as understanding the sustainability management structure, the stakeholder dialogue and the development process of the Company's sustainability program;
- Inquiries of personnel in the corporate functions that are responsible for the chapters product responsibility, operationsrelated environmental protection, occupational safety and social commitment;
- Gaining an understanding of the systems and processes for collection, analysis, validation and aggregation of sustainability data and its documentation on a sample basis;
- Performance of site visits as part of the inspection of processes for collecting, analyzing and aggregating selected data:
 - in the corporate headquarter in Stuttgart
 - in the plants in Gaggenau (Germany)
 - in the plant in Kecskemét (Hungary);
- · Analytical procedures on sustainability data disclosed in the report;
- Comparison of selected data with corresponding data in the Company's Combined Management Report;
- Gaining further evidence for selected data of the report by means of inspection of internal documents, contracts and invoices/reports from external service providers.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the data of the report of the Company for the business year 2014 has not been

Daimler Sustainability report 2014 Independent Assurance Report

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prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines Vol. 4 (pages 16 to 18) of the GRI.

Zurich, February 13, 2015

PricewaterhouseCoopers AG

Dr. Marc Schmidli

Jonas Buol Wirtschaftsprüfer (Swiss Certified Public Accountant)

Key figures

- > Environmental data absolute
- > Environmental data specific
- > HR data
- > Financial key figures

	Unit	2012	2013	2014	
Corporate profile					
Revenue ¹	in millions of €	114,297	117,982	129,872	7
Operating Profit/EBIT ¹	in millions of €	8,820	10,815	10,752	Ä
Profit before taxes on income ¹	in millions of €	8,116	10,139	10,179	7
Group net income ¹	in millions of €	6,830	8,720	7,290	'n
Total vehicle sales	in millions	2.2	2.35	2.55	7
Unit sales of Mercedes-Benz Cars		1,451,569	1,565,563	1,722,561	7
Unit sales of Daimler Trucks		461,954	484,211	495,668	7
Unit sales of Mercedes-Benz Vans		252,418	270,144	294,594	7

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Unit sales of Daimler Buses		32,088	33,705	33,162	u
Contract volume of Daimler Financial Services	in millions of €	79,986	83,538	98,967	7
Product responsibility					
Research and development expenditure on environmental protection	in millions of €	2,369	2,471	2,383	u
CO ₂ emissions of the European fleet (vehicles from Mercedes-Benz Cars)	in g CO ₂ /km	140	134	129	'n
Operations-related environmental protection					
Energy consumption (total)	in GWh	10,769	11,059	10,851	71
of which electricity	in GWh	4,870	4,545	4,586	7
of which natural gas	in GWh	4,305	4,971	4,922	Ä
CO ₂ emissions (total, scope 1 and 2)	in 1,000 t	3,336	3,356	3,271	n n
CO ₂ emissions (total) per vehicle produced (Mercedes-Benz Cars)	in kg/vehicle	1,059	1,043	963	Ä
CO ₂ emissions (total) per vehicle produced (Daimler Trucks)	in kg/vehicle	2,762	2,438	2,348	Ä
CO ₂ emissions (total) per vehicle produced (Mercedes-Benz Vans)	in kg/vehicle	1,057	997	768	Ä
CO ₂ emissions (total) per vehicle produced (Daimler Buses)	in kg/vehicle	2,549	2,386	2,455	7
Solvents (VOC), total	in t	6,618	6,907	6,547	ñ
Solvents (VOC) per vehicle produced (Mercedes-Benz Cars)	in kg/vehicle	1.09	1.18	1.24	7
Solvents (VOC) per vehicle produced (Daimler Trucks)	in kg/vehicle	8.70	7.88	6.48	ñ
Solvents (VOC) per vehicle produced (Mercedes-Benz Vans)	in kg/vehicle	3.87	4.02	3.84	Ä
Solvents (VOC) per vehicle produced (Daimler Buses)	in kg/vehicle	9.49	10.63	12.94	7

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Waste (recovery rate)	in percent	93	90	85	'n
Water consumption (total)	in millions of m ³	15.34	15.2	14.8	ų
Our employees					
Number of employees (worldwide)		275,087	274,616	279,972	7
Number of trainees (worldwide)		8,267	8,630	8,346	Ä
Average age of the workforce (worldwide)	in years	41.9	42.3	42.4	7
Personnel expenses (worldwide)	in billions of €	18.0	18.8	19.6	7
Average days of training and advanced development (per employee/year, Daimler AG)	in days	4.0	4.1	4.1	→
Costs for training and advanced professional development (Daimler AG)	in millions of €	241.0	235.5	248.0	7
Proportion of women (Daimler AG)	in percent	14.4	14.6	14.9	7
Proportion of women in Level 4 management positions (Daimler AG)	in percent	13.8	14.6	15.0	7
Workforce turnover (worldwide)	in percent	4.9	4.4	4.9	7
Proportion of part-time employees (Daimler AG)	in percent	7.1	7.4	7.6	7
Accident rate ²	rate ²	9.1	9.1	8.8	Ä
Sickness figures (Germany, industrial and administration)	in percent	5.4	5.6	5.6	→
Provisions for retirement benefits and healthcare ³	in billions of €	11.3	9.9	12.8	7
Social commitment					
Cost of foundations, donations, and sponsorships	in millions of €	58.0	60.0	56.2	Ä

¹ For the year 2012, the figures have been adjusted, primarily for effects arising from application of the amended version of IAS 19.

² Accident rate: Number of all occupational accidents with at least one day of absence per million attendance hours. Coverage rate worldwide: 95.9 percent. The figures for 2012 and 2013 were adjusted to reflect the higher coverage rate.

³ For the year 2012, the reported figure has been adjusted for effects arising from the application of the amended version of IAS 19.

GRI Index

In recent years we have continuously improved our sustainability performance and made our reporting in this area more transparent and easier to understand. As always, our reporting is in line with the principles of materiality, stakeholder inclusiveness, completeness, and sustainability context.

Both the printed and the interactive online versions of the Daimler Sustainability Report 2014 are based on the guidelines of the Global Reporting Initiative (GRI). These guidelines were established with the help of the UN in 1997 in order to create a globally accepted guideline for companies and organizations reporting on their environmental, social, and economic activities. The amended guidelines of 2013 (G4) serve as the basic framework for Daimler's sustainability reporting.

This icon marks the Materiality Matters Indicators in the report to help you localizing them.

The complete version of the GRI Index: > PDF file (71 KB)

General Standard Disclosures

Strategy and Analysis					
Profile Disclosure	Description	Reference			
G4-1	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	> Editorial			
G4-2	Description of key impacts, risks, and opportunities	> Risk provisions ↗ Detailed Risk Report AR 2014			
		▶ Detailed Risk Report ———————————————————————————————————			

Organizational Profile

Profile Disclosure	Description	Reference
G4-3	Name of the Organisation	> Corporate profile → Imprint
G4-4	Primary brands, products, and/or services	> Corporate profile
G4-5	Location of organization's headquarters	> Corporate profile → Imprint
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	> Corporate profile
G4-7	Nature of ownership and legal form	> Corporate profile
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	> Corporate profile > Customers
G4-9	Scale of the reporting organization	> Corporate profile > HR key figures
G4-10	Total number of employees by employment contract and gender	 Corporate profile Key figures Employees Diversity management HR key figures Workforce by region and division Women in the workforce
G4-11	Percentage of total employees covered by collective bargaining agreements	> Employee rights and employee representatives

Profile Disclosure	Description	Reference
G4-12	Organizations's supply chain	 Development of an industry-wide framework of reference Women in the workforce
G4-13	Significant changes during the reporting period regarding size, structure, ownership, or its supply chain	Corporate profileEmployeesCustomersMercedes-Benz growth strategy
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	> Risk provisions> Managing local impact
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	> UN Global Compact> Principles and guidelines
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization	> UN Global Compact > Suppliers

(## Identified Material Aspects and Boundaries

Profile Disclosure	Description	Reference
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	> Corporate profile
G4-18	Process for defining the report content and the Aspect Boundaries	 Materiality analysis Report profile Sustainability Program 2020 Reporting and data acquisition methods
G4-19	List all the material Aspects identified in the process for defining report content	Materiality analysisSustainability Program 2020
G4-20	For each material aspect, report the Aspect Boundary within the organization	> Materiality analysis
G4-21	For each material aspect, report the Aspect Boundary outside the organization	> Materiality analysis> Stakeholder dialog
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	> Report profile > Materiality analysis
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	> Materiality analysis> Report profile> Sustainability Program 2020

Stakeholder Engagement

Profile Disclosure	Description	Reference
G4-24	List of stakeholder groups engaged by the organization	Materiality analysisStakeholder dialog
G4-25	Basis for identification and selection of stakeholders with whom to engage	Materiality analysisStakeholder dialog
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Materiality analysisForms of dialogFormats of dialogMembership and participation in initiatives
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	> Forms of dialog> Suppliers> Daimler Sustainability Dialogues

Report Profile

Profile Disclosure	Description	Reference
G4-28	Reporting period (e.g., fiscal/calendar year) for information provided	> Report profile
G4-29	Date of most recent previous report (if any)	> Report profile
G4-30	Reporting cycle (annual, biennial, etc.)	> Report profile
G4-31	Contact point for questions	→ Imprint
G4-32	GRI Content Index	> Report profile
G4-33	Policy and current practice with regard to seeking external assurance for the report	> External Assurance

Governance

Profile Disclosure	Description	Reference
G4-34	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	> Sustainability Governance Structure
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	> Sustainability Governance Structure

Profile Disclosure	Description	Reference
G4-36	Report whether the organization has appointed an executive-level position or positions with reponsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	> Sustainability Governance Structure
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	> Stakeholder dialog
G4-38	Composition of the highest governance body and its committees	 > Sustainability Governance Structure > Diversity > Women in the workforce ↗ Corporate Governance Report AR 2014
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer	
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	 > Stakeholder dialog > Sustainability Governance Structure ✓ Corporate Governance Report AR 2014
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders	> Compliance → Corporate Governance Report AR 2014
G4-42	Highest governance body's and senior executive's roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	> Sustainability Governance Structure
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	> Dimensions of our sustainability strategy

Profile Disclosure	Description	Reference
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	> Organization and responsibility> Dimensions of our sustainability strategy
G4-46	Highest governance body's role on reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topic	> Organization and responsibility
G4-47	Frequency of highest governance body's review of economic, environmental and social impacts risks, and opportunities	> Organization and responsibility ↗ Detailed Risk Report AR 2014
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	> Basic principles and guidelines> Sustainability Governance Structure
G4-49	Process for communicating critical concerns to the highest governance body	> Stakeholder dialog
G4-50	Natural and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	> Compliance
G4-51	Remuneration policies for the highest governance body and senior executives	 Remuneration of managers Fair and above-average remuneration HR key figures Global Remuneration Guidelines Performance assessment and target-oriented leadership Remuneration report AR 2014
G4-52	Process for determining remuneration	 > Salaries and the minimum wage > UN Global Compact > Global Remuneration Guidelines ↗ Remuneration report AR 2014
G4-53	How are stakeholders' views sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	> Forms of dialog> Daimler Sustainability Dialogues

Profile Disclosure	Description	Reference
G4-54	Ratio of annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excl. the highest-paid individual) in the same country	> Employer of choice> Global Remuneration Guidelines
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excl. the highest-paid individual) in the same country	> Employer of choice> Global Remuneration Guidelines

Ethics and integrity

Profile Disclosure	Description	Reference
G4-56	Organizations's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	> UN Global Compact> Principles and guidelines
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	> UN Global Compact
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	> Stakeholder dialog > UN Global Compact

Specific Standard Disclosures

Economic

Profile Disclosure	Description	Reference
	Economic performance	
G4-DMA	Generic Disclosures on Management Approach	> Corporate profile
G4-EC1	Direct economic value generated and distributed	> Key figures> Corporate profile> Employer of choice> Social responsibility
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	
G4-EC3	Coverage of the organization's defined benefit plan obligations	> Employer of choice> Weekly working hours and overtime
G4-EC4	Financial assistance received from government	
	Market presence	
G4-DMA	Generic Disclosures on Management Approach	> Corporate profile
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Corporate profileSalaries and the minimum wage
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	Corporate profileDevelopment and advancementEmphasis in qualification
	Indirect economic impacts	

Profile Disclosure	Description	Reference
G4-DMA	Generic Disclosures on Management Approach	Stakeholder dialogSocial responsibilitySustainability Program 2020
G4-EC7	Development and impact of infrastructure investments and services supported	> Key figures> Social responsibility> Sustainability Program 2020
G4-EC8	Significant indirect economic impacts, including the extent of impacts	> Stakeholder dialog> Suppliers
	Procurement practices	
G4-DMA	Generic Disclosures on Management Approach	Corporate environmental protectionSuppliersPrevention and risk management
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Corporate profileSuppliers

Environmental

Profile Disclosure	Description	Reference
		terials

Profile Disclosure	Description	Reference
G4-DMA	Generic Disclosures on Management Approach	 > Product responsibility > Corporate environmental protection > Energy efficiency and low-carbon production > Environmental and Energy Guidelines
G4-EN1	Materials used by weight or volume	 Environmentally responsible product development Waste and resource management Mercedes-Benz models with an environmental certificate
G4-EN2	Percentage of materials used that are recycled input materials	 Environmentally responsible product development Conservation of resources Waste and resource management Mercedes-Benz models with an environmental certificate Remanufacturing Workshop waste disposal and end-of-life vehicle returns
	Energy	
G4-DMA	Generic Disclosures on Management Approach	 Corporate environmental protection Energy efficiency and low-carbon production Environmental and Energy Guidelines Environmental statements of the Daimler plants
G4-EN3	Energy consumption within the organization	> Key figures> Energy efficiency and low-carbon production> Environmental and Energy Guidelines
G4-EN4	Energy consumption outside of the organization	not reported
G4-EN5	Energy intensity	> Key figures of this section

rofile	Description	Reference
isclosure		
G4-EN6	Reduction of energy consumption	> Environmentally responsible product development
		Corporate environmental protection
		> Energy efficiency project in Sindelfingen
G4-EN7	Reductions in energy requirements of products and services	> Fuel consumption and CO2 emissions
		> Environmental and Energy Guidelines
		> More on our Eco-Training programs
		> Fuel-saving tips
	Water	
G4-DMA	Generic Disclosures on Management Approach	> Corporate environmental protection
		> Water pollution control
		> Environmental and Energy Guidelines
		> Environmental management in product development
G4-EN8	Total water withdrawal by source	> Key figures
		> Water pollution control
		> Waste water-free factory
		> Environmental statements of the Daimler plants
64-EN9	Water sources significantly affected by withdrawal of water	not material
G4-EN10	Percentage and total volume of water recycled and reused	> Water pollution control
	, and the second se	> Waste water-free factory
	Biodiversity	
G4-DMA	Generic Disclosures on Management Approach	> Corporate environmental protection
	3	> Conservation of nature, land use, and biodiversity
		> Environmental and Energy Guidelines

Profile Disclosure	Description	Reference
94-EN 1 1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	not material
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	not material
G4-EN13	Habitats protected or restored	> Conservation of nature, land use, and biodiversity
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	not material
	Emissions	
G4-DMA	Generic Disclosures on Management Approach	 > Product responsibility > Fuel consumption and CO₂ emissions > Corporate environmental protection > Energy efficiency and low-carbon production > UN Global Compact > Environmental management in product development > Vehicle data for all models > Environmental and Energy Guidelines > Absolut VOC, CO, SO₂, NO_X emissions
G4-EN 15	Direct greenhouse gas (GHG) emissions (Scope 1)	 > Key figures > Energy efficiency and low-carbon production > Vehicle data for all models > Key figures of this section
G4-EN 16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	 > Key figures > Energy efficiency and low-carbon production > Vehicle data for all models > Key figures of this section

rofile isclosure	Description	Reference
4-EN 17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	> Energy efficiency and low-carbon production> Vehicle data for all models> Key figures of this section
4-EN18	Greenhouse gas (GHG) emissions intensity	 > Key figures > Fuel consumption and CO2 emissions > Vehicle data for all models > Key figures of this section
64-EN 19	Reduction of greenhouse gas (GHG) emissions	> Energy efficiency and low-carbon production> Key figures of this section
64-EN20	Emissions of ozone-depleting substances (ODS)	not material
G4-EN21	$NO\chi$, $SO\chi$, and other significant air emissions	 Air purification Key figures of this section Absolut VOC, CO, SO2, NOX emissions Avoidance of emissions in the foundry
	Effluents and wa	aste
G4-DMA	Generic Disclosures on Management Approach	 Corporate environmental protection Waste and resource management Water pollution control Environmental and Energy Guidelines Innovative process minimizes waste volumes Remanufacturing
G4-EN22	Total water discharge by quality and destination	> Water pollution control> Key figures of this section> Waste water-free factory

Profile Disclosure	Description	Reference			
G4-EN23	Total weight of waste by type and disposal method	 Waste and resource management Key figures of this section Innovative process minimizes waste volumes 			
G4-EN24	Total number and volume of significant spills	> Logistics and employee transport			
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	> Waste and resource management			
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	not material			
	Products and services				
G4-DMA	Generic Disclosures on Management Approach	> Product responsibility> UN Global Compact> Environmental and Energy Guidelines			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	> Key figures> Product responsibility			
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	Conservation of resourcesWorkshop waste disposal and end-of-life vehicle returns			
	Compliance				
G4-DMA	Generic Disclosures on Management Approach	 > Product responsibility > UN Global Compact > Environmental and Energy Guidelines 			

Profile Disclosure	Description	Reference
Disclosure		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	> Fuel consumption and CO2 emissions> More information about CAFE
	Transport	
G4-DMA	Generic Disclosures on Management Approach	Corporate environmental protectionLogistics and employee transport
94-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	> Logistics and employee transport
	Overall	
G4-DMA	Generic Disclosures on Management Approach	 Corporate environmental protection UN Global Compact Environmental and Energy Guidelines
G4-EN31	Total environmental protection expenditures and investments by type	> Key figures> Corporate environmental protection
	Supplier Environmental Assessment	
G4-DMA	Generic Disclosures on Management Approach	> Suppliers> Supplier Sustainability Standards
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	> Suppliers> Supplier Sustainability Standards
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	> Prevention and risk management
	Environmental Grievance Mechanisms	

Profile Disclosure	Description	Reference
G4-DMA	Generic Disclosures on Management Approach	not material
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	not material

Social - Labor Practices and Decent Work

Profile Disclosure	Description	Reference
	Employment	
G4-DMA	Generic Disclosures on Management Approach	> Materiality analysis
		> Employees
		> Suppliers
		> Key figures of this section
		> Workforce by region and division
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	> Key figures
		> Employees
		> Key figures of this section
		> Workforce by region and division
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by	> Corporate profile
	significant locations of operation	> Employees
		> Employer of choice
		> Weekly working hours and overtime
G4-LA3	Return to work and retention rates after parental leave, by gender	> Flexible working arrangements
		> Diversity key figures
	Labor/management relations	
G4-DMA	Generic Disclosures on Management Approach	> Materiality analysis
		> Employees
		> HR target system
		> Management approach and HR organizational structure

Profile Disclosure	Description	Reference
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	> Employees> Employee rights and employee representatives
	Occupational health and safety	
G4-DMA	Generic Disclosures on Management Approach	 Materiality analysis Employees Health management and occupational safety Key figures for occupational health and safety Daimler accident figures Lighthouse projects and initiatives Ergonomic design of work stations Social counseling: management and employee counseling Activities against HIV/AIDS Portfolio of our health promotion programs Health campaign for 2013 Occupational safety committees, agreements, guidelines Occupational medicine portfolio
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and saftey programs	 Health management and occupational safety Occupational safety committees, agreements, guidelines
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	 > Key figures > Health management and occupational safety > Key figures of this section > Daimler accident figures
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	 Health management and occupational safety Ergonomic design of work stations Occupational safety committees, agreements, guidelines Occupational medicine portfolio

Profile Disclosure	Description	Reference
G4-LA8	Health and safety topics covered in formal agreements with trade unions	 Health management and occupational safety Occupational safety committees, agreements, guidelines
	Training and education	
G4-DMA	Generic Disclosures on Management Approach	 Materiality analysis Employees Development and advancement Vocational training at Daimler Cooperative University and Daimler FacTS sponsorship program Daimler Academic Programs CAReer trainee program Key areas of qualification
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Development and advancementKey figures of this section
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	> Employer of choice> Diversity> Development and advancement> Key areas of qualification
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	 > Employer of choice > Performance assessment and target-oriented leadership > Key areas of qualification
	Diversity and equal opportunity	
G4-DMA	Generic Disclosures on Management Approach	> Materiality analysis> Employees> Diversity

Profile Disclosure	Description	Reference
		> UN Global Compact> Diversity Key figures
64-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	 > Key figures > Diversity > Key figures of this section > Women in the workforce > Diversity in the Supervisory Board > Diversity key figures
	Equal remuneration for women and men	
4-DMA	Generic Disclosures on Management Approach	> Employer of choice > UN Global Compact
4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Corporate profileEmployer of choiceUN Global Compact
	Supplier Assessment for Labor Practices	
4-DMA	Generic Disclosures on Management Approach	> Suppliers> Supplier Sustainability Standards
4-LA14	Percentage of new suppliers that were screened using labor practices criteria	> Suppliers> Supplier Sustainability Standards
4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	> Suppliers> Supplier Sustainability Standards> Prevention and risk management

Profile Disclosure	Description	Reference
	Labor Practices Grievance Mechanisms	
G4-DMA	Generic Disclosures on Management Approach	> Compliance
		> Employees
		> Employer of choice
		> Suppliers
		> Our training programs
94-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance	> Employees
	mechanisms	> Employee rights and employee representatives

Social - Human Rights Profile Description Reference Disclosure Investment Generic Disclosures on Management Approach > Human rights G4-DMA > Suppliers > UN Global Compact G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or > Culture of integrity that underwent human rights screening > Human rights > Compliance > UN Global Compact > Principles and guidelines > Brochure "Ethical Business" > Supplier Sustainability Standards G4-HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are > Key figures relevant to operations, including the percentage of employees trained > Human rights > Suppliers > Key figures of this section Non-discrimination Generic Disclosures on Management Approach > Materiality analysis G4-DMA > Human rights > UN Global Compact G4-HR3 Total number of incidents of discrimination and corrective actions taken > Human rights > Diversity

Profile Disclosure	Description	Reference		
Freedom of association and collective bargaining				
G4-DMA	Generic Disclosures on Management Approach	> Human rights> Employees> Prevention and risk management> UN Global Compact		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	> Human rights> Employees> Prevention and risk management		
	Child labor			
G4-DMA	Generic Disclosures on Management Approach	Materiality analysisCulture of integrityUN Global Compact		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	 > Human rights > Employees > Suppliers > UN Global Compact > Employee rights and employee representative > Supplier Sustainability Standards 		
	Forced or compulsory labor			
G4-DMA	Generic Disclosures on Management Approach	Materiality analysisHuman rightsUN Global Compact		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	> Human rights> Employees		

Profile Disclosure	Description	Reference
		 Suppliers UN Global Compact Employee rights and employee representatives Supplier Sustainability Standards
	Security practices	
G4-DMA	Generic Disclosures on Management Approach	Materiality analysisHuman rights
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	> Human rights
	Indigenous rights	
G4-DMA	Generic Disclosures on Management Approach	Materiality analysisHuman rights
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	> Human rights
	Assessment	
G4-DMA	Generic Disclosures on Management Approach	Materiality analysisHuman rights
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	> Human rights
	Supplier Human Rights Assessment	

Profile Disclosure	Description	Reference
G4-DMA	Generic Disclosures on Management Approach	> Human rights> Suppliers> Supplier Sustainability Standards
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	> Human rights> Suppliers> Prevention and risk management> Supplier Sustainability Standards
94-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	> Prevention and risk management
	Human Rights Grievance Mechanisms	
G4-DMA	Generic Disclosures on Management Approach	> Human rights> Compliance> Managing local impact
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	> Human rights

Social - Society

Profile Disclosure Description Reference

Local communities

Profile Disclosure	Description	Reference
G4-DMA	Generic Disclosures on Management Approach	SocietySustainability Program 2020
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	> Society > Sustainability Program 2020
G4-SO2	Operations with significant actual and potential negative impacts on local communities	> Stakeholder dialog> Risk provisions> Managing local impact
	Anti-Corruption Anti-Corruption	
G4-DMA	Generic Disclosures on Management Approach	 Stakeholder dialog Culture of integrity Human rights Compliance Suppliers UN Global Compact Principles and guidelines Our training programs Brochure "Ethical Business" Supplier Sustainability Standard
G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	> Compliance
G4-S04	Communication and training on anti-corruption policies and procedures	 > Human rights > Compliance > Suppliers > UN Global Compact > Our training programs > Brochure "Ethical Business" > Supplier Sustainability Standard

Profile Disclosure	Description	Reference
G4-SO5	Confirmed incidents of corruption and actions taken	CompliancePrinciples and guidelines
	Public policy	
G4-DMA	Generic Disclosures on Management Approach	> Stakeholder dialog
G4-S06	Total value of political contributions by country and recipient/beneficiary	> Society
	Anti-competitive behavior	
G4-DMA	Generic Disclosures on Management Approach	Materiality analysisAntitrust lawUN Global Compact
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	> Culture of integrity > Antitrust law
	Compliance	
G4-DMA	Generic Disclosures on Management Approach	> Materiality analysis > Compliance
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	> Compliance
	Supplier Assessment for Impacts on Society	
G4-DMA	Generic Disclosures on Management Approach	> Suppliers> Supplier Sustainability Standards
G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	> Suppliers> Supplier Sustainability Standards

Profile Disclosure	Description	Reference
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	> Prevention and risk management
	Grievance mechanisms for Impacts on Society	
G4-DMA	Generic Disclosures on Management Approach	 > Stakeholder dialog > Risk provisions > Culture of integrity > Human rights > Compliance > Our training programs
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	Culture of integrityHuman rightsSociety

Social - Product Responsibility

Profile Disclosure	Description	Reference
	Customer health and safety	
G4-DMA	Generic Disclosures on Management Approach	 Consumer protection Product responsibility Conservation of resources Customers Customer satisfaction Environmental and Energy Guidelines Safety systems in the new C-Klasse
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Consumer protectionEffects on health and safetySafety systems in the new C-Klasse
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	> Consumer protection
	Product and service labelling	
G4-DMA	Generic Disclosures on Management Approach	 Consumer protection Customers Customer satisfaction Customer service and workshops Information and advertising
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	 Consumer protection Product responsibility Conservation of resources Prevention and risk management

Profile Disclosure	Description	Reference
		CustomersCustomer satisfactionCustomer service and workshopsProduktinformationen
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	> Consumer protection
G4-PR5	Results of surveys measuring customer satisfaction	> Customer satisfaction
	Marketing communications	
G4-DMA	Generic Disclosures on Management Approach	Materiality analysisCustomer satisfaction
G4-PR6	Sale of banned or disputed products	> Consumer protection
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Consumer protectionCustomer satisfactionInformation and advertising
	Customer privacy	
G4-DMA	Generic Disclosures on Management Approach	 Materiality analysis Culture of integrity Data protection Consumer protection Principles and guidelines
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	> Data protection

Profile Disclosure	Description	Reference
	Compliance	
G4-DMA	Generic Disclosures on Management Approach	Materiality analysisCompliance
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Consumer protectionFuel consumption and CO₂ emissionsMore information about CAFE

Daimler Sustainability report 2014 UN Global Compact

UN Global Compact

In 2000 Daimler became one of the first signatories of the UN Global Compact. We have committed ourselves to uphold this international initiative's ten universally recognized principles. Daimler was also one of the first participants of the UN Global Compact LEAD group, which was established in January 2011.



UN Global Compact Prinzipien

Principle 1

Support of human rights **Principle 2**

Exclusion of human rights abuses

Principle 3

Freedom of association

Principle 4

Elimination of forced labor

Principle 5

Abolition of child labor

We assign a very high priority to recognizing and protecting human rights within our company and in the locations where we operate. For us as an automaker, the emphasis is on employee rights, fair working conditions, and the rejection of every form of discrimination and of forced labor and child labor. We have firmly grounded our sense of responsibility for human rights issues in the Integrity and Legal Affairs area of responsibility in the Group's Board of Management.

Verweis

Principle 1

- > Materiality Analysis
- > Stakeholder dialog
- > Human rights
- > Suppliers
- > Targets
- > Sustainability Management

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Principle 2

- > Stakeholder dialog
- > Risk provisions
- > Human rights
- > Suppliers
- > Targets

Principle 3

- > Compliance
- > Employees
- > Prevention and risk management

Principle 4

- > Human rights
- > Compliance
- > Suppliers

Principle 5

- > Human rights
- > Suppliers

Principle 6

Elimination of discrimination

To ensure that our hiring processes are free of discrimination, whether gender-specific or in other forms, the fixed base salary depends on the individual's position and level. The same goal is served within our regular income reviews by mandatory documentation, the inclusion of several people in each process, and a central HR system that ensures transparency. Our in-house income reviews have shown that the amount of the remuneration paid for comparable tasks is affected by factors such as individual performance and the amount of experience a person has gained in a particular position, but not by the person's gender.

Principle 6

- > Human rights
- Diversity Management

Daimler Sustainability report 2014 UN Global Compact

UN Global Compact Prinzipien

Verweis

Principle 7

Precautionary environmental protection

Risk prevention is particularly important when it comes to managing the local effects of our business activities. This applies, for example, to environmental protection in the production process. Our environmental management system defines structures and processes that ensure transparent reporting and clear areas of responsibility at all levels of our production facilities around the world. More than 98 percent of our employees work at locations with environmental management systems audited and certified according to ISO14001. In addition, we regularly conduct environmental due diligence processes at our locations.

Principle 7

- > Risk provisions
- > Chapter environmental protection

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Principle 8

Promotion of environmental responsibility

Daimler has been systematically compiling key environmental data from its German plants since 1992. In 1997 and 1998 its data acquisition was gradually extended to include production plants outside Germany. Since 2002 the acquisition and analysis of the data have been handled with the aid of a database. The data in this report reflect the structure of the Group in 2013 and include all relevant production plants and the German sales locations. New parts of the company have been included from the time at which they became part of Daimler. The environmental data for 2013 refer to a total of 75 business locations or subordinate sites.

Principle 8

> Chapter environmental protection

Principle 9

Development and diffusion of environmentally friendly technologies

The requirements regarding our vehicles' environmental compatibility are integral aspects of automobile development at Daimler and are discussed by the corresponding committees and implemented accordingly. The vehicle specifications and the quality gates in the development process document the environmental impact and requirements during the entire product development process.

Principle 9

> Chapter product responsibility

Principle 10

Work against corruption

In our Integrity Code, we have made a binding pledge to comply with all relevant laws, voluntary commitments, and internal regulations, and to do business in accordance with ethical principles at all times. In doing so, our main focus is on the observance of all applicable anticorruption regulations as well as the protection and promotion of fair competition. In this respect, our managers have a special responsibility due to their role model function. Consequently, integrity and compliance are key criteria in the annual target agreement process and target achievement of our managers. Based on our Integrity Code, we offer web-based training which clearly conveys our

Principle 10

- > Stakeholder dialog
- Compliance
- > Chapter Suppliers

Daimler Sustainability report 2014 UN Global Compact

UN Global Compact Prinzipien

Verweis

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standards of good conduct and shared values. The training course contains sections on ethical conduct in daily operations, corruption prevention, our whistleblower system BPO, and antitrust law. In addition to the Group-wide dialogs concerning ethical conduct across all hierarchies, we are also assisted by our Compliance Management System in ensuring ethical practices in accordance with the regulations in our daily business.

Our divisional Compliance organization serves as a partner for the business divisions in their detection and treatment of market-specific risks. Each division is supported by a divisional or regional Compliance Officer, who advises the business units on compliance issues. Moreover, local compliance partners around the world ensure that our standards are observed.

Ethical conduct and compliance with the regulations by our business partners is a required prerequisite for trusted collaboration. In our selection of direct business partners, we take care to ensure that we act within the law and observe ethical principles.