

# DAIMLER

## 2010 Communication on Progress (COP) of Global Compact

Daimler is a leading supplier of premium passenger cars and the world's largest manufacturer of commercial vehicles. With its strong brands (Mercedes-Benz, Smart, Freightliner, Setra, Mitsubishi Fuso, etc.) and comprehensive portfolio of automobiles from compact cars to heavy-duty engine trucks, completed by tailor-made services along the automotive value chain, Daimler is active in nearly every country in the world.

### Declaration of support for the United Nations Global Compact

As a multinational corporation we at Daimler take our global responsibility seriously and rely on the "Global Compact" principles as international framework guidance to this end. Daimler was one of the first signatories of the Compact in 2000. Living the Global Compact principles is supported by Daimler's Top management. According to Dr. Dieter Zetsche, Chairman of the Board of Management of Daimler AG in the foreword of the FACTS on Sustainability:

*"In this report you'll find many more examples of how sustainability is being rigorously embedded in our attitudes and actions within the Group. We explicitly affirm our commitment to the **"Global Compact" of the United Nations** – and we have implemented the principles it formulates as binding internal guidelines within the Group. We are ensuring that these guidelines are complied with throughout the entire company – consistently, comprehensively, and without any ifs or buts. (...)"*

Beyond that statement of the Daimler Chairman, the importance of the Global Compact for the company is expressed in many speeches of Top Executives throughout the year. In addition CSR related Daimler policies and guidelines make specific reference to the Global Compact as their international reference.

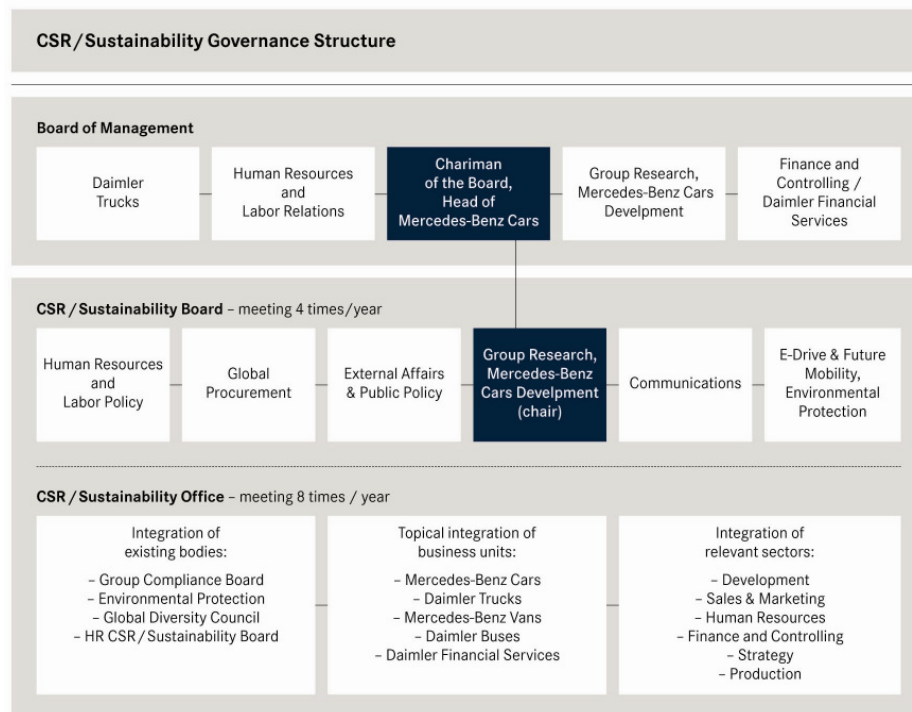
### Practical implementation measures to support the Global Compact

The CSB is the key body for meeting the challenges of the Global Compact at Daimler – at operational, Group-wide and global level. This committee, which is directly responsible to the CEO, coordinates significant sustainability measures throughout the Group and supports the operating units with their implementation.

The Sustainability Board is headed by the director Dr. Thomas Weber, Board of Management member responsible for Group Research and Mercedes-Benz Cars Development. On behalf of the Sustainability Board, Dr. Weber formulated the goal of becoming one of the industry's

best companies in terms of sustainability. To this end, the board and the supporting office were restructured in order to further optimize the integration of relevant corporate units, established bodies, and important decision-makers from all the divisions.

The Sustainability Board analyzes and evaluates Daimler's sustainability activities, prepares decision for the Board of Management's Chairman Dr. Dieter Zetsche, and supports the Board of Management by working with the Sustainability Office to provide second opinions. Therefore practical implementation measures for the Global Compact are decided here.



**Figure 1: Sustainability management at Daimler.**

Environmental protection, labor, human rights and the fight against corruption – the Daimler CSR/Sustainability Board (CSB) is equally focused on each of the main topics of the Global Compact. Highlights in the last year were two stakeholder dialogue events – one in Stuttgart, Germany, and one in Shanghai, China.

In consideration of the importance of the Chinese market, Daimler initiated in July 2010 a stakeholder dialogue on Sustainability in Shanghai. With the “Daimler Sustainability Forum - Ethic Standards and Corporate Social Responsibility” which was co-sponsored by the China Europe International Business School (CEIBS) at the UN Pavilion in the Expo Park in Shanghai, Daimler emphasizes the idea of sustainable development to be a strategic pillar for the company in China and worldwide. The full day event that was supported by Dr. Awni Behnam, UN Commissioner General Expo 2010, attracted representatives from international

organizations, academic institutions and government organizations as well as business partners in order to share their views and expectations on the topic to establish a vital dialogue and fruitful discussion. Fully in line with the commitment to Sustainability, Daimler presented its vision of future technologies and the understanding of being a responsible corporate citizen in a globalized world. Against the backdrop of the mobility requirements arising in global mega-cities, Daimler pointed out the importance of its “Road to Emission Free Mobility” and emphasized the goal to continue the further improvement of its overall Sustainability performance.

In November 2009, Daimler hosted the second Sustainability Dialogue, where top Daimler managers met with roughly 80 persons representing the interests of business, politics, science, and civil society for a discussion at the Mercedes-Benz Museum in Stuttgart. On the agenda of the day-long workshop were selected sustainability issues and their solutions that had been identified as being of critical importance for our company at last year’s event. According to the focus of Human Rights in the Global Compact, there was a separate workshop on Human Rights. Based on an extensive review of this area, the participants talked about tools for practical implementation and control (including the expansion of policies and training courses, integration into the compliance process, etc.). They also agreed to initiate a discussion about human rights with the trade associations and to call for a round table which could address aspects of human rights in specific countries.

For detailed information about CSR/Sustainability at Daimler and how Global Compact principles are implemented, please refer to our “FACTS on Sustainability” and to <http://sustainability.daimler.com/> where all publications on CSR and Sustainability are available for download.



## Standard indicators to measure the Sustainability activities

According to the cooperation between United Nations Global Compact and Global Reporting Initiative, Daimler is referencing the Global Compact principles to specific indicators. As indicated in the table below, Daimler listed the Global Compact Principles and the page numbers in our Sustainability Report (SR). In addition the Global Compact principles are listed on the same page as the GRI Index.

Global Compact		Reference
<b>Global compact principles</b>		
P1	Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence	➔ SR 3, 11, 16-23
P2	Businesses should make sure they are not complicit in human rights abuses	➔ SR 3, 11, 16-23
P3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	➔ SR 3, 11, 16-23, 48-61
P4	Businesses should uphold the elimination of all forms of forced and compulsory labour	➔ SR 3, 11, 16-23, 48-61
P5	Businesses should uphold the effective abolition of child labour	➔ SR 3, 11, 16-23, 48-61
P6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	➔ SR 3, 11, 16-23, 48-61
P7	Businesses should support a precautionary approach to environmental challenges	➔ SR 3, 16-23, 24-47
P8	Businesses should undertake initiatives to promote greater environmental responsibility	➔ SR 3, 16-23, 24-47
P9	Businesses should encourage the development and diffusion of environmentally friendly technologies	➔ SR 3, 16-23, 24-47
P10	Businesses should work against corruption in all its forms, including extortion and bribery	➔ SR 3, 16-23

**Figure 2: Global Compact Principles plus reference within the “FACTS on Sustainability 2010”.<sup>1</sup>**

The focal points in the work of the CSR/Sustainability Board (CSB) indicate that Daimler has positioned itself well over the years. With the CSB, another essential condition for systematically managing CSR and sustainability in the company in line with the Global Compact has been created – making an effective contribution to communicating its principles. As a matter of fact, the company and external interest groups are not always in agreement – especially when it comes to assessing achievements or deciding on the right way to further improve our sustainability performance. Therefore Daimler will continue to consequently conduct constructive dialogues with its stakeholders. The discussions on the various platforms of the Global Compact, both in Germany and around the world, are important sources of ideas.

Our successful performance in various sustainability indices is just one indication that Daimler is doing well. But we are not resting on our laurels. We must work continuously to give Daimler a credible and responsible profile through its performance – in the company’s own interest, as well as in the interest of employees, the environment and society.

<sup>1</sup> The full version of the GRI Index is available in the interactive online report (<http://sustainability.daimler.com>). To directly access the GRI Index there, simply enter the number “601” in the search box on the top of the site.