DAIMLER

Sustainability Report 2015

G4-3

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Dr. Dieter Zetsche
Chairman of the Board of Management of Daimler AG, Head of Mercedes-Benz Cars

Biography

Renata Jungo Brüngger
Member of the Board of Management of Daimler AG, Integrity and Legal Affairs, Co-Chairman of the Daimler Sustainability Board

Biography

Prof. Dr. Thomas Weber
Member of the Board of Management of Daimler AG, Group Research & Mercedes-Benz Cars Development, Co-Chairman of the Daimler Sustainability Board

Biography

Dear Readers,

There is a notion that is to be found as much in the field of physics as it is in philosophy: Everything is interconnected.

This may sound very mundane, but it is certainly true. Regardless of whether we're talking about globalization, digitalization, climate change, political crises or the wealth gap: Every single day we, the people, influence them all through our actions – both for the better and for the worse. This applies all the more so to us, as a global organization with over 284,000 employees.

We are aware of the responsibility we bear as a result of this. For that reason, we want to think things through logically and holistically, and give answers today to the questions of tomorrow. Starting with the development of ever lower-emission engines and more energy-efficient production processes. Developing alternative drive technologies and new forms of mobility, such as electromobility or autonomous driving. And demonstrating social responsibility and integrity wherever we, as a company, have a production presence or do business.

We are convinced that globalization, digitalization, and the human desire for individual mobility will continue to offer up superb opportunities in the future and remain engines of growth for the global economy – but only if our actions are not solely geared to short-term profit, but also take into account the common good – absolutely in keeping with the UN Global Compact and the Sustainable Development Goals. We do not just want to react to what crops up before us on the road ahead – we want to proceed with foresight and a sense of responsibility.

And your opinions and expectations are very important to us in this respect (see the stakeholder survey and materiality analysis in this report). We would therefore very much welcome your continuing input – both critical and constructive – to this process: After all our vision is better if we look ahead together.

Best regards,

Dr. Dieter Zetsche **Renata Jungo Brüngger** **Prof. Dr. Thomas Weber**

G4-1, G4-2, G4-3

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Navigation system. To help you navigate through this report, we have inserted hyperlinks into this PDF file. The gray bar at the top of the page lets you jump from any page to the chapter you click on. The chapter you are currently in is highlighted. The icons in this report function like those on a website:

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Guidance system. You can also go directly to a specific chapter by clicking on it in the table of contents. On the extreme left of each chapter is an overview of the linked sub-chapters. The following icons in the text are also helpful:

Reference to online information

Reference to a page within this report or to a page of the Daimler Annual Report. The pages of the online Annual Report are linked in so that you are taken directly to the respective page.

Reference to a table or graphic

You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

Reference to the GRI Standard Disclosures

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Materiality analysis

Our sustainability strategy also takes the expectations of our stakeholders into account. We use a multi-step materiality analysis for the identification of the fields of action that are relevant for us and our stakeholders.

This report is oriented toward the G4 guidelines of the Global Reporting Initiative (GRI) and thus takes the materiality principle into account as well. We consider fields of action to be "material" if they are important for the company as well as for our stakeholders. We use a multi-step materiality analysis to help us determine what the different assessments, which do not always coincide, have in common.

Specifying fields of action. We evaluate a variety of sources in order to obtain as precise a picture of our stakeholders' concerns as possible. This involves evaluating reader fedback regarding this report, customer and employee surveys, specialist unit workshops, dialogs with individual stakeholder groups, and the results of our "Daimler Sustainability Dialogue." We also conduct symposia to gather input from our stakeholders, and take into account the analyses of our News and Issues Management team and our Society and Technology Research Group. In this way, we identify fields of action that influence our company and that we can, in turn, influence ourselves.

Stakeholder surveys. To enable a priority ranking of the identified fields of action, we conduct an international open stakeholder survey every two years. The target groups are not preselected in advance. For more than one month, all interested parties can participate in the survey on our website at www.daimler.com, and name and evaluate topics that are important to them. In our assessment of the results, we give special consideration to the great significance of our primary stakeholder groups (shareholders and investors, customers, suppliers, and employees) as well as to non-government organizations. We had received more than 700 replies by the end of the last survey in the summer of 2015.

Determining materiality. With the help of a materiality analysis, we compare the results of the online survey with those of an internal survey of the members of our company's sustainability bodies as well as the entire Board of Management of Daimler AG. These internal bodies discuss which topics have material effects on our company from a social, ecological, ethical, human-rights, and economic perspective.

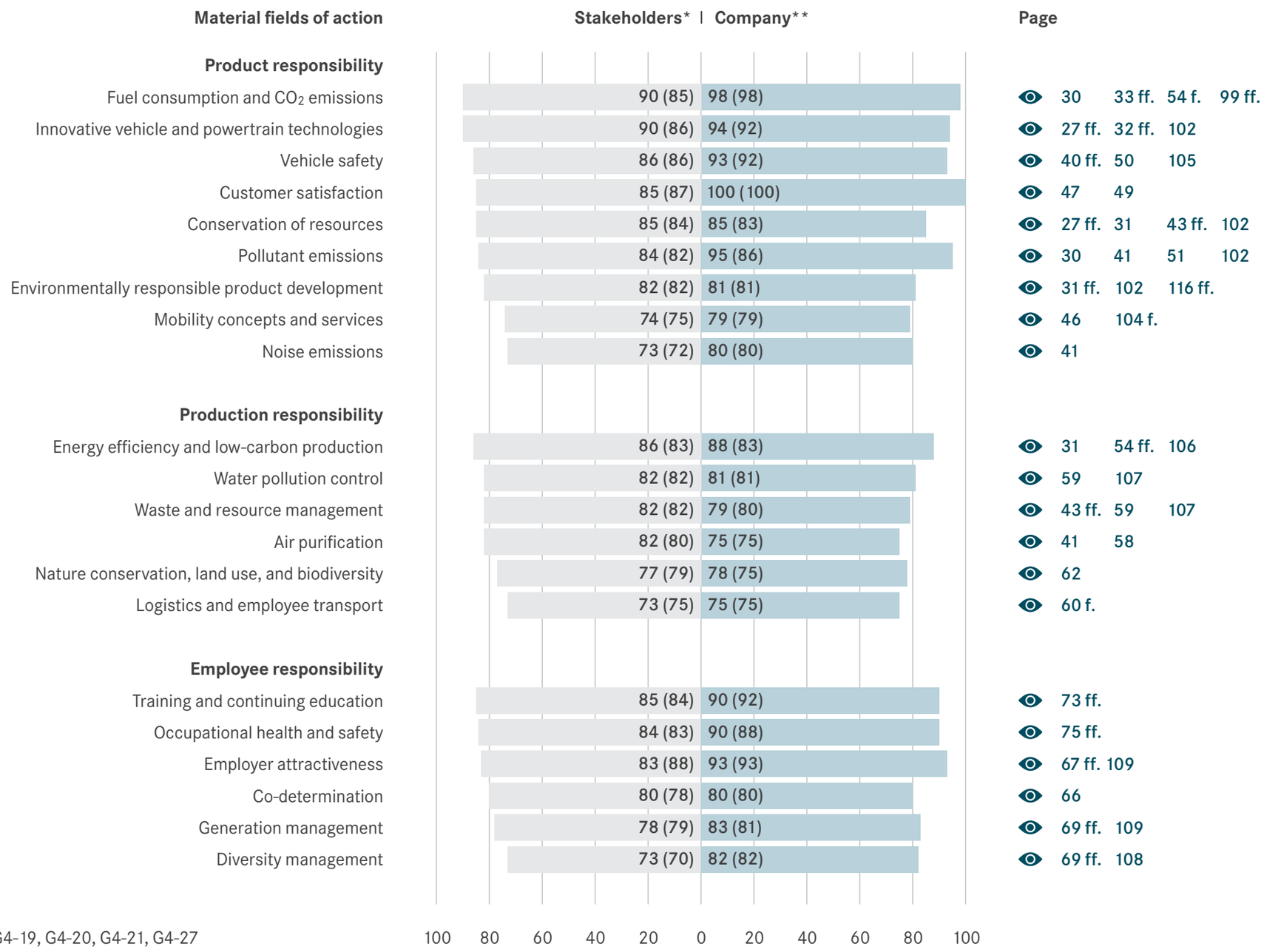
Consistent action. The materiality analysis shows us the areas to which we have to pay particular attention. As a result, we further intensified our sustainability management activities in 2015, focusing particularly on the key topics of the materiality analysis. These include our activities to respect human rights, measures to further reduce the CO_2 emissions of our vehicles, and the research and development of innovative vehicle and drive-system technologies. We also take the results of the materiality analysis into account when selecting topics for our annual "Daimler Sustainability Dialogue." The graphics on the following pages depict the fields of action that were evaluated. The fields are clustered by topic and arranged in descending order according to stakeholder priority.

More on the stakeholder dialog: p. 13 ff.

G4-18, G4-19, G4-20, G4-21, G4-22, G4-23, G4-24, G4-25, G4-26, G4-27, G4-32

01a

Materiality analysis 2015



The material fields of action of sustainability management in 2015 (2013/2014) were rated between 0 (=immaterial) and 100 (=very material).

*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).

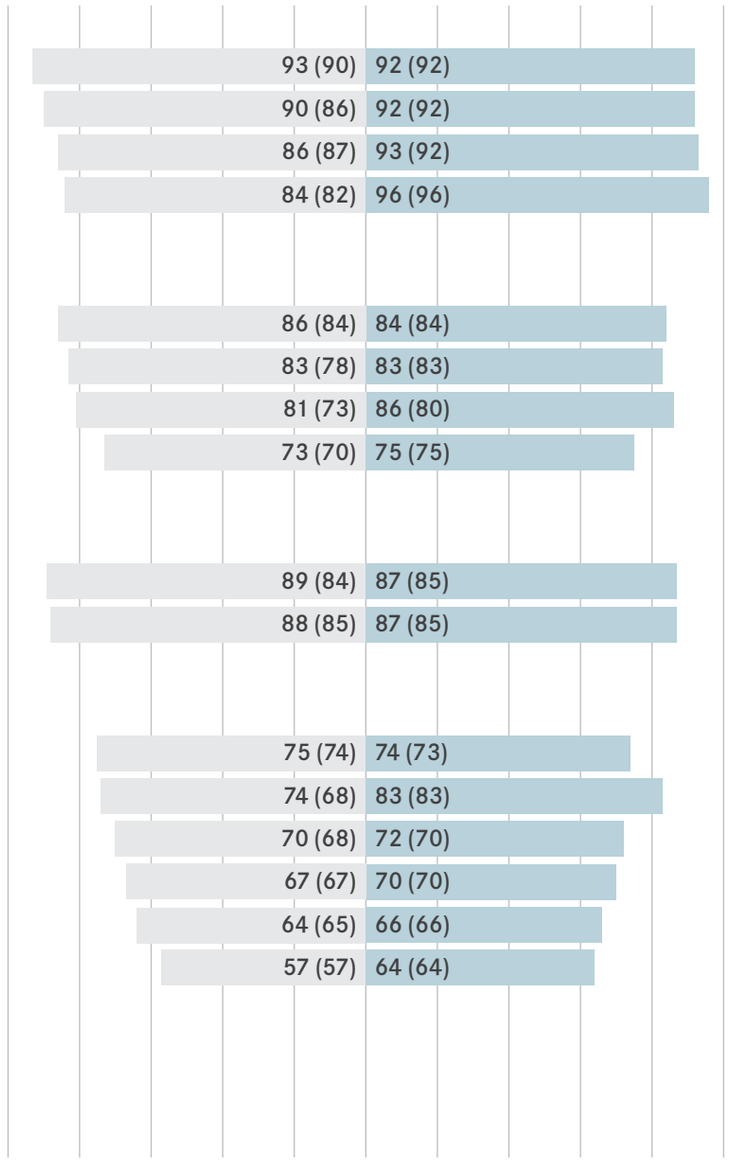
Clicking on the page numbers in the matrix will take you directly to the corresponding chapter.

The depiction of the materiality analysis is spread over two pages. You can find Part 2 on page 06.

G4-19, G4-20, G4-21, G4-27

01b

Materiality analysis 2015



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The depiction of the materiality analysis is spread over two pages. You can find Part 1 on page 05.

G4-19, G4-20, G4-21, G4-27

Strategy and management

For Daimler, acting in line with the principles of sustainability means striving to achieve long-term business success on a viable basis. To make this possible, our activities must always be in harmony with society and the environment. A key aspect of our sustainable management approach involves offering safe, fuel-efficient, and low-emission vehicles, as this is the only way to ensure that we remain a clear leader in the area of sustainability as one of the world’s foremost automakers.

G4-56

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Sustainability is a basic principle of our corporate strategy and a benchmark for our business success. Our sustainability strategy is designed to help us achieve our targets as defined in our target program. We are continuously developing this strategy in order to ensure we can deal systematically with the fields of action that are also considered important by our stakeholders.

02

Our understanding of sustainability

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

2 We are moving toward our targets by **making sustainability a firmly integrated aspect of our operations**. We require that all managers and employees at Daimler understand and accept this mind-set and we also promote a strong sense of responsibility in this regard among our staff.

3 **We maintain a continual dialog with our stakeholders** in order to take their points of view into account.

4 **Our business partners** are also expected to meet our requirements as regards responsibility for sustainable operations.

5 Our management structures, processes, and systems are designed in accordance with the principles of sustainability as well. **All of our behavior is based on legality and integrity**.

6 As one of the world's leading automobile manufacturers, we also seek to be a **leader when it comes to sustainability**.

G4-2, G4-9, G4-15, G4-21, G4-56, G4-DMA, G4-EC8, G4-EN2, G4-EN27, G4-LA1, G4-LA14, G4-HR10, G4-SO1, G4-SO2, G4-SO9, G4-PR1

Our strategic approach

As a globally operating automobile manufacturer, we deal with industry-specific challenges whose associated opportunities need to be exploited and whose risks need to be minimized:

- We are committed to legal and ethical standards and must ensure that they are observed within the Group worldwide as well as by our business partners and suppliers.
- Road traffic contributes to the generation of CO_2 and pollutant emissions, which can endanger the health of pedestrians and people on the road. We therefore use our power of innovation to create environmentally friendly and safe vehicles that conserve resources to the greatest extent possible. We also develop sustainable mobility solutions and promote their profitable implementation.
- Our operational processes, particularly in vehicle production, are also associated with environmental effects, which we keep as low as possible through a system of effective environmental management.
- As an employer, we bear responsibility for ensuring fair and attractive working conditions for 284,015 employees worldwide.
- As a good corporate citizen, we want to contribute to the common good beyond the scope of our business operations and to make use of our special competencies as we do so.

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To adequately meet all of these requirements, we have developed a Group-wide sustainability strategy, which is integrated into our corporate strategy and makes sustainability a fundamental corporate principle at the implementation level. This strategy relates to six main areas in which we assume responsibility: product, production, employees, ethics, society, and business partners. In each of these areas, we focus on fields of action that both we and our stakeholders believe are of essential importance. We set targets, and define target indicators, for each field of action. Taken together, all of these targets form our medium to long-term target program.

Main fields of action

We regularly conduct multi-stage materiality analyses to prioritize the fields of action. These analyses combine our own assessments with those of our stakeholders, who include our employees, customers, shareholders, and suppliers, as well as governments, environmental and human rights organizations, and other civil society interest groups. Their opinions are also requested whenever we decide on measures for expanding or adjusting our sustainability strategy.

Materiality analysis: p. 4 ff.
Stakeholder dialog: p. 13 ff.

G4-2, G4-18, G4-20, G4-24, G4-26, G4-34, G4-36, G4-44, G4-52, G4-54, G4-56, G4-DMA, G4-EC8, G4-EN2, G4-EN27, G4-LA1, G4-LA11, G4-LA14, G4-HR10, G4-SO1, G4-SO9

03

Main fields of action

Product	Production	Employees
We make available safe, economical, and low-emission vehicles for sustainable mobility.	We are investing in eco-friendly production and process technology based on our operational environmental management system.	We respect and promote our employees through attractive working conditions.
Ethical behavior	**Society**	**Business partners**
We adhere to legal and ethical standards and design our business operations to be sustainable. We thus achieve success in an ethical manner.	We make positive contributions to our social environment that extend beyond our business activity.	We also expect our business partners and suppliers to comply with legal and ethical standards and we support them in this regard to the greatest extent possible.

Sustainable management

Within the framework of our sustainability management system, we steer our sustainability program in a manner that enables us to verify the implementation of its objectives and thus ensure continuous improvement. Our management and organizational structures support this process by establishing clear lines of responsibility in all business divisions. Our sustainability objectives and their management are central components of our corporate governance system and are also incorporated into the target agreements between employees and managers.

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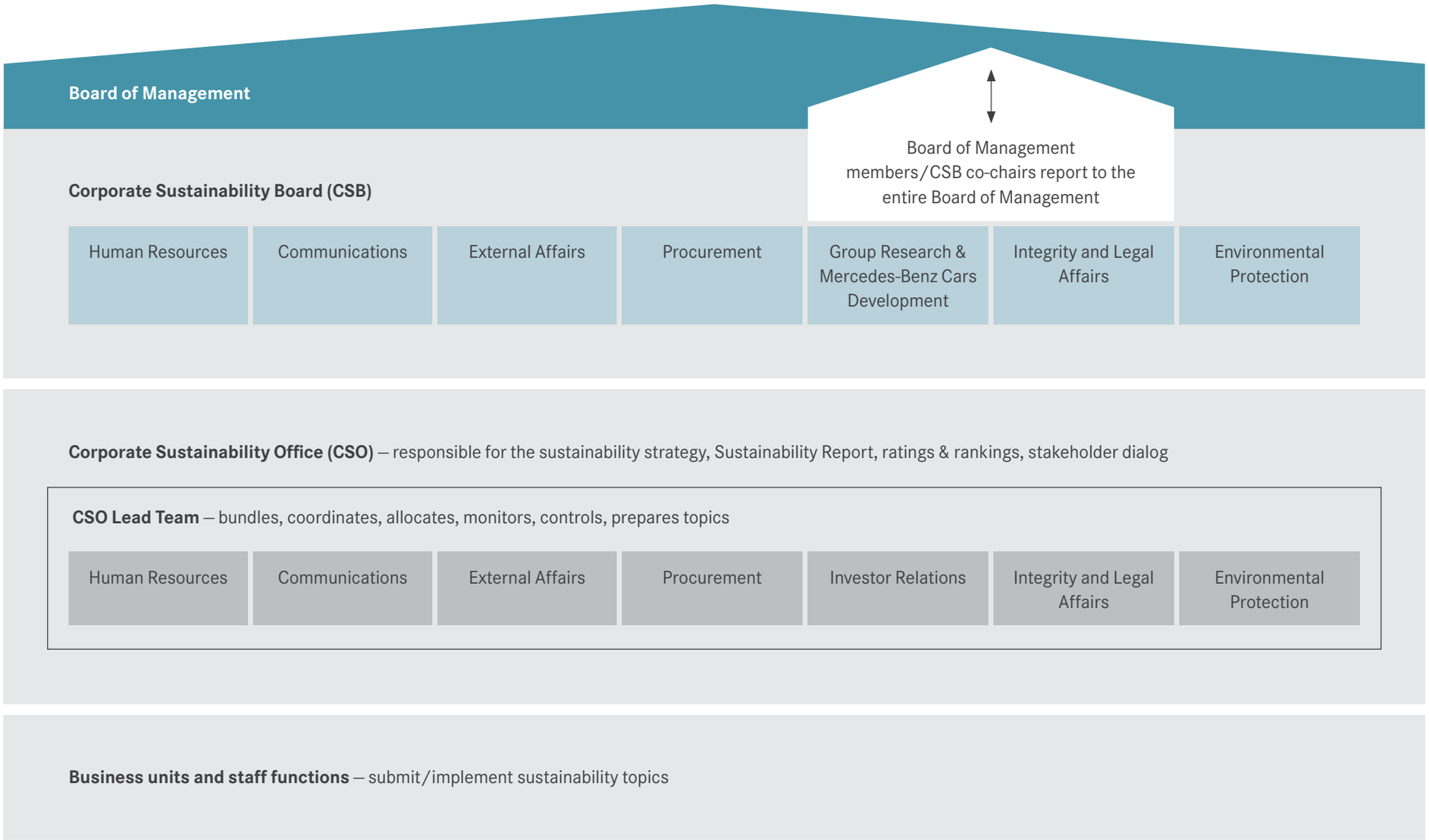
The sustainability organization at Daimler



G4-34, G4-35, G4-36, G4-48, G4-54, G4-56

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Our central management committee for sustainability is the Corporate Sustainability Board (CSB), which is headed by Renata Jungo Brüngger (member of the Board of Management, Integrity and Legal Affairs) and Professor Thomas Weber (member of the Board of Management, Group Research & Mercedes-Benz Cars Development). The CSB is managed by Anke Kleinschmit (Head of Group Research and Sustainability and Chief Environmental Officer). The operational work is done by the Corporate Sustainability Office (CSO), which consists of representatives of the specialist units and the business divisions.

The firm anchoring of integrity into our corporate culture has special importance in our sustainability strategy. Our standards and policies of good conduct are formulated in our Integrity Code, which is supplemented by other in-house principles and policies that help our employees make the right decisions in their day-to-day business.

The House of Policies is our digital platform for policies. All internal policies of the Group and works agreements are compiled here in a user-friendly 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.

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 participant and part of its LEAD Group. Our internal principles and guidelines are founded on this international frame of reference and other international principles.

Basic principles and guidelines for our sustainability management: Chart 05, p. 12

G4-7, G4-15, G4-34, G4-36, G4-38, G4-39, G4-40, G4-41, G4-42, G4-44, G4-45, G4-46, G4-47, G4-48, G4-51, G4-52, G4-53, G4-54, G4-55, G4-56, G4-DMA, G4-LA12

The principles and policies (full text):

- Integrity Code (PDF)
- Our Environmental and Energy Guidelines in detail (PDF)
- Supplier Sustainability Standards (PDF)

Controlling with a sustainability scorecard. We utilize a sustainability scorecard as an instrument for controlling the key sustainability targets. The scorecard uses a color-coded “traffic-light” system to signal needs for action and successes based on quantitative and qualitative indicators.

Governance structures. As a corporation founded under German law, the Daimler Group has a two-tier management structure that consists of a Board of Management and a Supervisory Board. Both of these bodies work closely together 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, as Board of Management remuneration is also linked to non-financial targets, such as those related to integrity.

Quota for women on Supervisory Board nearly reached. 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 on Supervisory Boards that is required at listed companies. The share of women on the Board of Management was 12.5 percent in 2015. We wish to achieve a 20 percent share of senior executive positions occupied by women by the year 2020. The share of women in such positions worldwide stood at 15.4 percent at the end of 2015.

- Remuneration report and report of the Supervisory Board: AR 2015, pp. 122 ff. and 48 ff.
- Composition of the Board of Management and Supervisory Board: AR 2015 pp. 46 f. and 54 ff.
- Promotion of women in management positions: p. 70

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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 of Daimler AG in the area of sustainability

Integrity Code	Principles of Social Responsibility (part of the Integrity Code)	Environmental and Energy Guidelines	Supplier Sustainability Standards
Defines the basic principles for ethical 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.	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.	Framework guidance on environment and energy-related issues for all employees, as well as a framework for the definition of environment and energy-related targets.	Social, environmental, and business ethics standards that are a binding element in supplier contracts.

G4-15, G4-16, G4-34, G4-36, G4-56, G4-DMA, G4-SO4

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Sustainability ratings

Independent rating agencies and research institutes conduct numerous ratings and rankings of sharply varying quality and significance today. Daimler therefore only supplies data for those ratings and rankings whose assessment methodology, quality, and transparency can be subjected to a verifiable analysis.

Top ranking in the CDLI. Daimler achieved a top ranking once again in the CDP (formerly Carbon Disclosure Project) in 2015. The company was honored 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 CO_2 emissions, putting it in the top 10 percent of all companies assessed.

We were once again graded “Prime Investment Status” in the rating from oekom research. Our overall assessment was B- (a very good grade for an automotive company) on a scale from A+ to D-.

Stakeholder dialog

Dialog with our stakeholders is very important to us. We seek to conduct a dialog with all stakeholder groups in order to share views and experiences — and also to discuss controversial topics in a constructive manner.

Organization of the dialog. For our stakeholder relationships we have defined clear lines of responsibility, communication channels, and forms of dialog. In addition to institutionalized dialog management, for example in Investor Relations, Procurement or Corporate Communications, the Sustainability Board and the Sustainability Office coordinate the dialog with society at large.

Identification of stakeholder groups. For us, stakeholders are all parties and organizations that 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 affected by our company’s decisions or can, in turn, affect 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 that we take into consideration. The same applies to analysts, professional associations, trade unions, media, science, and politics as well as municipalities, residents, and neighbors of our locations.

G4-15, G4-24, G4-25, G4-26, G4-27, G4-37, G4-49, G4-53, G4-DMA, G4-EC2

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Stakeholder dialog media and formats. To ensure the inclusion of our stakeholders, we utilize online and print media, questionnaires and surveys, discussions with experts, workshops, and local and regional dialog events, among others. In addition, we collaborate in professional associations, committees, and sustainability initiatives. We also stage interdisciplinary conferences – for example, the symposium on the legal and ethical aspects of autonomous driving in September 2015, in which more than 100 experts from business, science, politics, and the media participated.

Conference on autonomous driving

The "Daimler Sustainability Dialogue," which is held annually in Stuttgart, brings various stakeholder groups together with representatives of our Board of Management and the executive management. In order to promote sustainability standards around the world, we are now organizing such dialog events in other countries as well. Thus far, events have been held in China, Japan, and the United States. In the reporting year, we held the second "Japan Sustainability Dialogue" and, for the first time, a "Sustainability Dialogue" in Argentina as well. One of our important targets is to promote the further internationalization of the sustainability dialog.

"Daimler Sustainability Dialogue" 2015 – Topics, results, and participants

Local dialogs. 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 a dialog with the people in the region and addressed their concerns. We also established the Daimler Forum, where the residents of Immendingen can learn about the status of the project.

"The only way we can obtain a full understanding of which sustainability issues are relevant for us is through an extensive exchange with our stakeholders. This input is vital for our strategic orientation."

Anke Kleinschmit
Head of Group Research and Sustainability and Chief Environmental Officer

Periodic stakeholder survey. We conduct an open international online stakeholder survey every two years. The survey allows all interested parties to evaluate the relevance of various sustainability issues for our company. The survey conducted in 2015 was participated in by more than 700 persons and organizations.

Feedback for our target program. The results of our stakeholder survey, and the key results of the "Daimler Sustainability Dialogue," form the external point of view for our materiality analysis, which is used to formulate our target program. In this manner, we focus our efforts on initiatives that both we and our stakeholders view as essential. Our aim is to translate the results of the dialog and exchange into verifiable targets and initiatives that can be implemented in cooperation with our stakeholders.

Materiality analysis: pp. 04 ff.
Our target program: pp. 92 ff.
Our most important memberships: Chart 07, p. 16

G4-15, G4-18, G4-24, G4-26, G4-27, G4-37, G4-45, G4-49, G4-53, G4-DMA

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Goals and instruments of our stakeholder dialog

Information	Consultation	Dialog	Participation
– Annual Corporate Sustainability Report – Blogs and social media – Intranet and internal communication – Press and public relations work – Plant tours, receptions, Mercedes-Benz Museum	– Consultation of stakeholders in working groups – External review of our sustainability objectives and report – Surveys and opinion polls	– Annual “Daimler Sustainability Dialogue” – Group-wide internal integrity dialog – Symposia on social issues; debates – Daimler Supplier Portal – Membership in initiatives and networks – Local dialogs with communities and neighbors – Talks on special occasions or in relation to projects	– Stakeholder survey and materiality analysis – Advisory Board for Integrity and Corporate Responsibility – Partnerships, alliances – Active participation in sustainability initiatives such as the UN Global Compact etc.

Political dialog and representation of interests. Our principles for political dialog and lobbying provide the basis for responsible and ethical lobbying. This entails neutrality in dealings with political parties and representatives of interest groups. Our discussions with political decision-makers are designed to make our planning more secure and enable us to contribute our ideas to the process of social change.

Our discussions focus on CO_2 regulations, vehicle safety, new mobility concepts or electric mobility. Other key issues include trade policy, location-specific issues, education, and HR policy. We summarize our company’s positions on environmental, economic, transportation, and energy issues in an annual brochure that is targeted at the general public.

Brochure Company Positions (PDF)

G4-2, G4-18, G4-26, G4-27, G4-37, G4-53, G4-DMA

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Our most important memberships

Initiative	Aim and purpose	Scope
econsense	Forum for the sustainable development of the German economy	Germany
Leitbildinitiative der deutschen Wirtschaft	Promotes integrity in business activities in the social market economy	Germany
Transparency International	Fighting economic and business corruption worldwide	worldwide
UN Global Compact	UN initiative for companies that commit themselves to aligning their business activities and strategies with ten recognized principles related to human rights, labor standards, environmental protection, and the fight against corruption	worldwide
Deutsches Netzwerk Wirtschaftsethik	Promotes a dialog about ethical issues with the aim of ensuring ethical business conduct	Germany
Charta der Vielfalt e.V.	Business initiative for promoting diversity in companies and institutions	Germany
Netzwerk Unternehmen für Gesundheit e.V.	Network of companies promoting occupational health and safety in the EU	Germany/ EU
Gesellschaft für Datenschutz und Datensicherheit e.V.	Organization for the promotion of privacy and data security	Germany
Clean Energy Partnership	Largest project for hydrogen mobility in Europe	Germany
H_2 MOBILITY	Initiative for the implementation of a nationwide hydrogen infrastructure in Germany	Germany

Overview of membership and participation in initiatives (PDF)

15 years of the UN Global Compact

The world's largest initiative for responsible and sustainable management celebrated its 15th anniversary in June 2015. Daimler was one of the first signatories of the UN Global Compact and is also a participant of the UN Global Compact LEAD Group.

The External Affairs department of Daimler AG is the coordination center for political dialog at the national and international levels. 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.

The Group-wide "Lobbyists Register" ensures that political lobbying is carried out in accordance with the applicable regulations and ethical standards. The register also helps us meet the existing registration requirements of public institutions.

G4-15, G4-16

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Risk management

For us, risk management requires the early identification, assessment, handling, and monitoring 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 focus here is on environmental and industry risks, financial risks, risks arising from warranties, and legal risks, as well as compliance and reputation risks within and outside the company.

The **Group Risk Management Committee** (GRMC) defines and designs the framework conditions for the Group-wide internal control and risk management system and reviews the effectiveness of the established processes. It also serves as a platform that ensures holistic risk analysis.

The responsibility for **operational risk management** lies 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 all necessary measures. The risks are documented and sent to Group Risk Management, which processes the information and reports on it to the GRMC, the Board of Management, and the Supervisory Board.

Other initiatives established in the context of risk management are 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. We also conduct risk analysis related to data protection and human rights and systematically integrate environmental protection throughout the entire life cycle of our vehicles.

Comprehensive risk report: AR 2015, pp. 138 ff.
Compliance risks and collaboration with business partners: pp. 22 ff.

Local risk management plays an important role at our locations. For example, our environmental management system ensures clear areas of responsibility and transparent reporting at all of our production facilities around the world. More than 98 percent of our employees work at locations with environmental management systems certified according to ISO 14001. In addition, we regularly conduct environmental due diligence processes at our locations, and we are also working on a Group-wide risk management system for human rights.

Corporate environmental protection: pp. 51 ff.
Human rights: pp. 21 f.

G4-2, G4-14, G4-45, G4-46, G4-DMA, G4-HR9, G4-SO2, G4-SO4

Ethical responsibility

We at Daimler are convinced that only companies that act with integrity will be successful in the long run. As a globally operating company we take responsibility and strive to be a leader in ethical corporate governance. That is why we've anchored integrity in our corporate culture as a fundamental value.

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21 Human rights
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25 Data protection

A culture of integrity

Integrity is one of four corporate values that form the foundation of our business activities. One of the key tasks of our sustainability management is the promotion of ethical behavior.

With a view to advancing our culture of integrity, we have engaged in a continuous dialog with our employees since 2011. Because integrity cannot be imposed from above, regular discussions of integrity issues are an integral part of our daily work. We regularly communicate integrity-related topics in our internal media and also provide the company units with an extensive amount of material on the intranet.

Our Integrity Code is one of the results of the employee dialog. It is based on a mindset developed jointly with our employees, and defines the principles for our business conduct in daily operations, such as fairness, responsibility, mutual respect, transparency, openness, and the observance of 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.

Since March 2015, the employees at our German locations have been able to turn to **a central contact and advice center** for help. This Infopoint team provides advice concerning integrity-related issues in daily business, supports employees in other matters, and arranges appropriate contacts.

Innovative communication formats help our employees concern themselves with integrity. For example, more than 55,000 employees worldwide have taken part in our online game “Monster Mission” since September 2014. The game invites employees to playfully address integrity-related issues related to their daily work and raises their awareness of the basic principles of the Integrity Code. The game is accessible to all employees via the intranet and the extranet.

Integrity Code (PDF)

Our extensive range of training offers is also based on the Integrity Code. We base our integrated training program on an annual planning cycle – from needs analysis and execution to the feedback and monitoring process. It encompasses, among other things, the following topics: integrity, compliance, data protection, and antitrust law. We offer classroom instruction and web-based training courses, depending on the risk and the target group.

Integrated training program (only available in German)

In addition to modular training documents, we provide our network of trainers with materials for the methodical implementation of the content. These materials include trainer guidelines and explanatory videos that can be used for specific target groups according to the risk associated with the participating functions.

Our internal training measures contribute to the permanent anchoring of ethically and legally impeccable behavior in the company and help our employees handle specific practical issues.

G4-56, G4-57, G4-HR2

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Training programs 2015

Web-based training program	Target group	Number of participants
Integrity@Work incl. corruption prevention	Employees worldwide with e-mail access	**24,755**
	– of whom administrators (incl. Level 5)	**21,978**
	– of whom managers (Level 4 and above)	**2,777**
Integrity@Work Procurement module	Employees worldwide with e-mail access	**1,883**
	– of whom administrators (incl. Level 5)	**1,595**
	– of whom managers (Level 4 and above)	**288**
Integrity@Work Anti-trust law module	Employees worldwide with e-mail access	**10,463**
	– of whom administrators (incl. Level 5)	**7,330**
	– of whom managers (Level 4 and above)	**3,133**
	All employees worldwide with e-mail access	**37,101**

In-person training	Target group	Number of events	Number of participants
In-person training in anti-trust law	Managers and administrators worldwide	**230**	**5,239**
In-person training in corruption prevention	Managers and administrators worldwide	**393**	**6,078**
In-person training for newly appointed and promoted managers incl. modules covering integrity and compliance	Managers (Level 4) Senior managers (Level 3)	**38** **12**	**534** **223**
Integrity and compliance for students at the Cooperative State University	Students at the Cooperative State University in Germany	**14**	**420**
	Total	**687**	**12,494**

A web-based basic training course on integrity, compliance, and law is made available to all employees on the intranet. Every new Daimler employee has to complete this course when he or she is hired. The course is part of the employees' welcome package. In 2015, about 50,000 employees from various levels of the hierarchy participated in our training program.

The Integrity Code also defines the **expectations regarding our managers** with regard to integrity. Because managers serve as role models and bear a special responsibility, modules on integrity are included in all our seminars for the qualification of new managers. In addition, integrity and compliance are important criteria in the annual target agreements and target achievements of our managers. Integrity expectations are also part of the agreed-upon objectives for the remuneration of the Board of Management.

The Advisory Board for Integrity and Corporate Responsibility is staffed with independent external experts from business, the scientific community, government, the media, and non-government organizations. The Advisory Board regularly examines our activities, discusses current topics with representatives of our company, and accompanies the integrity process at Daimler with a constructively critical approach.

We engage in a dialog with our stakeholders in order to **promote public discussions**. For example, we held a symposium in 2015 about the legal and ethical aspects of autonomous driving.

Symposium on autonomous driving

G4-26, G4-27, G4-37, G4-51, G4-HR2, G4-SO4

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Human rights

Respect for human rights is one of Daimler's top priorities. We attach great importance to employee rights, fair working conditions, and the rejection of all forms of discrimination, forced labor, and child labor.

Our approach to upholding and respecting human rights is based on the stipulations of the UN Global Compact and the UN Guiding Principles on Business and Human Rights. In line with their requirement for corporate human rights policies, we have specified operational responsibilities and approaches for all of our employees and business partners. These requirements are defined in our Integrity Code, the Supplier Sustainability Standards, and our supplier agreements. The responsibility for human rights issues belongs to the Board of Management division "Integrity and Legal Affairs."

All of our employees, in particular the security officers, attend training courses on human rights issues. Employees and external informers can use the facilities of the BPO (Business Practices Office) whistleblower system to report suspected human rights violations and obtain "access to remedy" as defined by the third pillar of the UN Guiding Principles on Business and Human Rights.

Our principles and policies
BPO whistleblower system: p. 23

Targeted approaches for upholding human rights.

- At our production facilities, we are currently developing a comprehensive "Human Rights Respect System" that extends beyond the existing risk reviews.
- In the area of sales and marketing, we mainly conduct individual reviews.
- For our direct suppliers (Tier 1) apply our Supplier Sustainability Standards, which include respect for human rights. Through targeted information and qualification measures, we also make sure that these requirements are passed on to downstream suppliers of the value chain.

In-depth due diligence reviews. At our production facilities, we conduct a due diligence process in keeping with the UN guiding principles. This process enables us to identify country-specific risks. Among other tools, we use the Human Rights Compliance Assessment (HRCA) of the Danish Institute for Human Rights for this purpose. We achieved our target of conducting a total of 19 country analyses by the end of 2015. The following countries were analyzed: Argentina, Brazil, Canada, the Czech Republic, Egypt, France, Germany, Hungary, India, Indonesia, Japan, Mexico, Portugal, Romania, South Africa, Spain, Turkey, the United Kingdom, and the United States.

No significant need to take action was discovered in the analyzed entities in which Daimler is the majority shareholder. The analyses merely revealed that the human rights situation could be optimized at a few locations. The necessary improvements were made with regard to special financial benefits of the company (such as special payments during maternity leave or benefits for socially disadvantaged groups), background checks for high-risk service providers or information gaps regarding awareness of integrity-promoting instruments. Consequently, our regulations extend beyond the locally applicable legal requirements in all the countries examined. Based on our above mentioned assessments, Daimler did not have any suspected cases of child labor or forced labor or violations against the right to collective bargaining or freedom of association in 2015. Indigenous peoples are not affected by the activities at our production locations.

G4-14, G4-15, G4-36, G4-56, G4-57, G4-58, G4-DMA, G4-HR1, G4-HR3, G4-HR5, G4-HR6, G4-HR7, G4-HR8, G4-HR9, G4-HR10, G4-HR11, G4-HR12

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We investigated the accusation made in 2014 by six former employees of our production plant in Portland, Oregon in the United States. At the beginning of 2015, Daimler Trucks North America reached a settlement with the Oregon Bureau of Labor and Industries concerning a severance agreement. The settlement contains additional compliance measures to ensure that working conditions at the plant prevent harassment and discrimination.

The Daimler Human Rights Respect System will replace the Human Rights Compliance Assessment in early 2016. It primarily encompasses the following four process steps:

1. The identification of potential human rights risks.
2. The initiation and management of countermeasures.
3. The use of a monitoring system that focuses especially on high-risk units.
4. Regular reports about critical issues. Although these reports will be for internal use, they will also fulfill external reporting requirements.

Because the concept is completely new, it was, and will continue to be, developed in a cross-functional process and key issues are discussed with external stakeholders.

Our Supplier Sustainability Standards and our contract terms contain stipulations in which we call on our direct suppliers to respect human rights. We examine the observance of sustainability standards by our suppliers in a multi-stage process and on the basis of a risk analysis that we carry out for each country and category of goods. The complaints management process that is conducted via the World Employee Committee enables whistleblowers to reveal possible human rights violations by suppliers. However, on the complex chain of subcontractors we only have indirect influence. We therefore use communication and training measures to promote the transfer of our standards to suppliers in downstream stages of the value chain.

G4-15, G4-36, G4-56, G4-DMA, G4-LA16, G4-HR1, G4-HR3, G4-HR4, G4-HR9, G4-HR10, G4-HR11, G4-HR12, G4-SO3, G4-SO4, G4-SO8, G4-SO11

Compliance

Daimler acts in accordance with ethical principles and complies with all relevant laws, voluntary commitments, and internal regulations – we do this as a matter of course. Our top priority is to comply with all anti-corruption legislation, as well as to protect and promote fair competition as stipulated by our Integrity Code.

Our Compliance Management System (CMS) is based on national and international standards and supports our measures for 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.

Our Anti-Money Laundering Policy for the trade with goods was put in place to prevent money laundering and the financing of terrorism. It lays the foundation for Group-wide compliance with the respective national legislation. The Chief Compliance Officer serves as the anti-money laundering officer of Daimler AG. A center of competence supports this officer in the management and coordination of money laundering prevention measures in the goods trade.

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Consistent compliance with sanction lists. Daimler takes appropriate measures to ensure that the legal sanctions specified by legislators are observed. With a view to effective and efficient implementation, we have introduced a worldwide system-based standard process.

Systematic minimization of compliance risks. Every year, we systematically analyze and evaluate the compliance risks of our business units. The results of this analysis are the basis of our risk controlling. A key focus of our risk-minimization measures is on sales companies in high-risk countries. The responsibility for implementing these measures and the supervisory duty lie with the managers of the respective company, who work closely together with the Group Compliance unit.

Effective compliance structures. Our compliance organization is divisionally oriented, because this enables us to effectively support and advise the divisions. A divisional or regional compliance officer is available to perform these tasks. Moreover, local compliance partners around the world ensure that our standards are observed. The divisional and regional compliance officers report directly to the Chief Compliance Officer. This safeguards the compliance officers' independence from the business divisions. The Chief Compliance Officer, in turn, reports directly to the Board of Management member who is responsible 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.

> "Prevention is a crucial element of an effective compliance system, because you can minimize risks that you are aware of."
>
> **Dr. Wolfgang Herb**
> Head of Group Compliance at Daimler AG and Chief Compliance Officer

Our whistleblower system BPO (Business Practices Office) enables Daimler employees and external whistleblowers to report irregular conduct worldwide. The BPO accepts such reports around the clock, as well as anonymously to the extent permitted under local law. It draws our attention to potential risks and specific violations, enabling us to avert damage from our company. Our globally applicable corporate policy ensures investigations are fair and sensitive, takes into consideration the principle of proportionality, and protects whistleblowers as well as the affected parties. In Germany, reports can also be sent to the BPO via a "neutral intermediary." This intermediary is an independent attorney, who is obligated to maintain strict confidentiality by the oath of professional secrecy. There were a total of 110 BPO cases during the reporting year. Of the 60 cases that were closed "with merit," one was categorized as "bribery." We responded to these cases with appropriate measures.

G4-49, G4-50, G4-56, G4-57, G4-58, G4-DMA, G4-LA16, G4-HR9, G4-SO4, G4-SO5, G4-SO8, G4-SO11, G4-PR9

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Information about criminal proceedings against Daimler AG is provided in the Annual Report for the 2015 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: AR 2015, notes: p. 247

Compliance requirements for 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 special integrity and compliance training courses that are part of our integrated training program. If business partners fail to observe our standards, we retain the right to terminate the collaboration.

The expectations we place on our business partners

More about our relationships with suppliers: pp. 80 ff.

Sharing experiences about compliance in practice. In cooperation with the Daimler Compliance Academy, we have designed an annual practice-oriented seminar that provides a platform for discussing compliance trends and challenges. The seminar, which was held in 2015 for the second time, is targeted at compliance professionals from all industries.

Practice-oriented compliance seminar (only available in German)

Antitrust law

We ensure fair competition and comply with the laws (especially the antitrust laws) that protect and promote competition.

Daimler has a Group-wide Antitrust Compliance Program that is oriented to national and international standards. The program establishes a binding, globally valid Daimler standard that defines the approach to be taken in the 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 and advice in all countries.

As part of our integrated training program, we offer web-based training and classroom training sessions on antitrust law to 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: AR 2015, notes: p. 247

G4-56, G4-DMA, G4-LA14, G4-LA15, G4-SO5, G4-SO7, G4-SO8, G4-SO11, G4-PR9

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Data protection

Daimler maintains high data protection standards worldwide. Our Data Protection Policy meets the requirements of the European Union's Data Protection Directive and establishes clear data protection principles for all companies of the Daimler Group.

The Chief Officer Corporate Data Protection works to ensure compliance with the applicable data protection laws and internal standards in the Daimler Group. He is assisted in this work by local data protection coordinators. He provides advice, initiates communication and training measures, and monitors compliance with the data protection laws and Daimler's Data Protection Policy. His tasks also include complaints management and the fulfillment of reporting requirements whenever data protection regulations are violated.

Incidents in 2015. 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 increased compared with the previous year. In two cases, supervisory authorities conducted investigations in response to customer complaints.

Training program for data protection awareness. As part of our integrated training program, we offer comprehensive data protection measures to inform and train our managers and employees. These measures are continually optimized and updated. In 2015, we developed a new web-based course for training employees worldwide. More focal topics will be added in 2016.

Effective data protection in vehicles. One of the major automotive industry trends is connectivity, the connection of vehicles with the Internet. Together with increasingly sophisticated assistance systems that enable highly automated driving, connectivity creates new challenges for data protection and information security.

Vehicle connectivity requires more data protection than does a smartphone. We also want to justify the customers' trust in the security of our vehicle technology when it comes to connectivity. Among other things, this requires data processes to be transparent for customers. That is why we are working on multi-manufacturer projects that aim to make data processing transparent and offer customers options to choose from.

In 2014, we helped draw up the Consumer Privacy Protection Principles for Vehicle Technologies and Services of the US automaker associations as well as the data protection principles for connected vehicles of the German Association of the Automotive Industry (VDA), which particularly take European regulations into account. During the reporting year, we began to determine which steps have to be taken for the complete implementation of these principles.

In 2015, the European Automobile Manufacturers' Association (ACEA) presented principles for the handling of person-related data in connected vehicles and services. We were also involved in drawing up these principles.

G4-16, G4-56, G4-DMA, G4-PR2, G4-PR3, G4-PR8

Product responsibility

As a manufacture of premium automobiles, we place the highest demands on the quality of our products. For us, this also means offering exceptionally safe, fuel-efficient, and low-emission vehicles. Our innovative technologies help to ensure that our vehicles become more efficient and environmentally friendly with each new model. Our goal is to safeguard mobility for the generations to come.

Sustainability in the new Mercedes-Benz E-Class

Agile, comfortable, and extremely efficient – the new E 220 d consumes up to 13 percent less fuel than the predecessor model and thus sets new standards in its segment.

G4-DMA, G4-EN2, G4-EN7, G4-EN17, G4-EN19, G4-EN27

The new E 220 d enables economical low-emission driving at a previously unattained level. A completely newly developed diesel engine, a lightweight design, and sophisticated aerodynamics together ensure the highest degree of efficiency. As a result, the new E 220 d consumes up to 13 percent less fuel than the predecessor model and boasts impressively low emission values in normal driving operations as well.

The new E 220 d has nothing to fear from a critical examination of its emission values – not even within the framework of the soon to be launched “Real Driving Emissions” testing system. It was clear to Mercedes-Benz from the very beginning of development operations that the new business saloon should convincingly combine maximum fuel efficiency with minimal emissions – not just on a test rig but also, and more importantly, on the road.

Daimler incorporated a large number of technological innovations into the E 220 d in order to achieve this ambitious goal. In particular, we focused on the powertrain, the energy management system, aerodynamics, and lightweight engineering. The result is up to 13 percent lower fuel consumption and significantly lower emissions. The model’s comprehensive recycling concept and its higher share of quality recyclates and renewable raw materials also result in significantly better overall environmental performance.

A new engine generation. The new E-Class is offered at market launch in two powerful yet efficient drive system variants based on the same platform: the E 200 with a four-cylinder gasoline engine and the E 220 d with a four-cylinder diesel unit. The diesel engine with the designation OM 654 marks the launch of an all-new, highly efficient engine family. The engine, which is designed to meet the stringent requirements associated with the future “Real Driving Emissions” regulations, delivers unprecedented performance in terms of emissions and fuel efficiency. The cylinder head and crankcase in the OM 654 are made of aluminum, while the NANOSLIDE® cylinder wall coating developed by Daimler reduces friction between the steel pistons and the cylinder wall.

The all-new Mercedes-Benz stepped recess combustion process is being used for the first time in the OM 654. The process is based on a new type of graduated bowl geometry for passenger car engines. The special alignment of the bowl shape, air flow, and fuel injection nozzles ensures excellent exploitation of air in the engine and thus faster combustion and higher efficiency with extremely low particulate emissions.

In combination with the new 9G-TRONIC nine-speed automatic transmission, the new diesel engine in the E 220 d offers average NEDC fuel consumption of just 4.3 to 3.9 l/100 km, depending on the tires the vehicle is equipped with. That corresponds to CO_2 emissions of between 112 grams and 102 grams per kilometer – a value that only a few much smaller models have been able to achieve until now. Fuel consumption in the predecessor model (at the time of the market phase-out) ranged from 4.6 to 4.5 l/100 km.

G4-DMA, G4-EN2, G4-EN7, G4-EN17, G4-EN19, G4-EN27

Measures to reduce consumption in the new E-Class

Friction-optimized engines

Generator management

Optimized belt drive with decoupler*

Air-conditioning compressor with magnetic clutch

Controlled fuel and oil pumps

Electric water pump*

Friction-optimized transmission

ECO start-stop system

Mercedes-Benz hybrid technology*

ECO display in instrument cluster

Optimized aerodynamics:
e.g. expanded insulation of radiator, headlights, radiator shutter, wheel spoilers front and rear, optimized underbody paneling

Radiator shutter*

Reduced-friction wheel bearings

Weight optimization through lightweight engineering

Low rolling-resistance tires

*dependent on model/equipment

G4-DMA, G4-EN2, G4-EN7, G4-EN17, G4-EN19, G4-EN27

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CO_2 emissions in the new E 220 d over the life cycle as compared to the predecessor model

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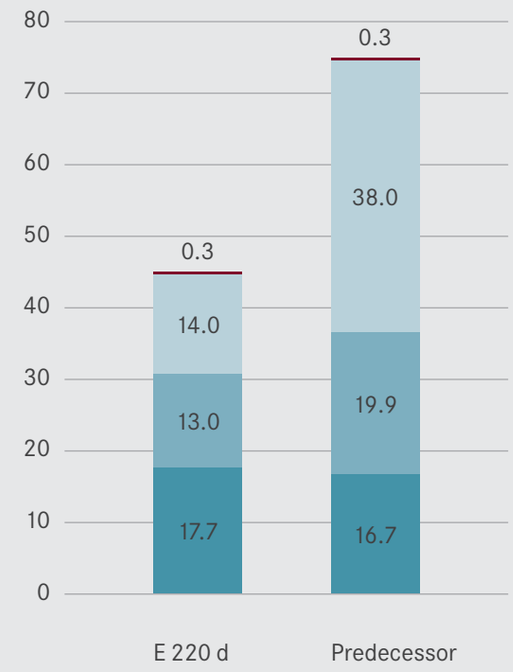
NO_X emissions in the new E 220 d over the life cycle as compared to the predecessor model



Figures are rounded off and refer to the vehicle model offered at the time of the market launch.

End of life
Operation
Fuel production
Car production

Effective exhaust gas treatment. A multiple exhaust gas recirculation unit additionally reduces in-engine nitrogen oxide emissions produced during combustion. The unit has a combined high and low pressure system, both of which are cooled. The entire unit is mounted near the engine and consists of an oxidation catalytic converter, a dosing and mixing device for AdBlue, and a combined diesel particulate filter with SCR (selective catalytic reduction) coating. Unlike previously used systems, the diesel particulate filter and the SCR unit are not separated from one another but instead are installed in the same compartment. Along with lowering the weight of the exhaust gas treatment system, this compact design also reduces the amount of space needed for the engine. In addition, it helps ensure that the particulate filter heats up rapidly and the oxidation catalytic converter engages quickly.

Sophisticated aerodynamics. The outstanding aerodynamics of the E 220 d also make a significant contribution to the model's fuel efficiency. With a drag coefficient of 0.23, the new E-Class models set new standards in this regard. A large number of details were optimized and new ideas were implemented in order to achieve top values in wind tunnel tests. For example, most model variants are available with the AIRPANEL radiator shutter system, which opens and shuts the radiator grille depending on the cooling requirements.

Outstanding environmental performance. In addition to offering the highest levels of safety, agility, and comfort, the new E 220 d boasts above-average environmental compatibility and efficiency. The model's substantially lower fuel consumption and reduced emissions are supplemented by a high level of overall resource efficiency. This is made possible by a comprehensive recycling concept and the use of a higher share of recyclates and renewable raw materials. The new E-Class diesel model thus boasts outstanding environmental performance. Upcoming variants such as the E 350 e have the potential to improve this performance even further. For example, the E-Class PLUG-IN HYBRID will also enable all-electric and thus locally emission-free driving.

G4-DMA, G4-EN2, G4-EN7, G4-EN17, G4-EN19, G4-EN27

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For us, product responsibility requires a combination of three things: the greatest possible customer benefit, the highest safety standards, and maximum eco-friendliness. To achieve this goal, we depend on environmentally sound product development and innovative concepts. This extends from trailblazing vehicle and powertrain technologies to intelligent lightweight construction, the use of natural materials, the remanufacturing of components, and the application of 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, and are therefore the leaders in these 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.

Environmental and Energy Guidelines (PDF)

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 process, 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 environmentally compatible 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.

Mercedes-Benz models with environmental certificates. Mercedes-Benz has been certified according to ISO TR 14062, the standard for environmentally oriented product development, since 2005. Certificates issued by the TÜV SÜD inspection agency confirm that a vehicle has been developed according to the requirements of the ISO standard. Before such a certificate is issued, inspectors closely analyze and assess all environmentally relevant processes – from development and production to use and recycling. Several Mercedes-Benz models have been awarded the environmental certificate in their second generation.

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 is done by means of an 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.

G4-2, G4-15, G4-DMA, G4-EN1, G4-EN2, G4-EN19, G4-EN27, G4-PR1

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Scopes of CO_2 emissions along the value chain as defined by the Greenhouse Gas Protocol

Upstream activities		Reporting company	Downstream activities
Scope 3 Indirect	Scope 2 Indirect	**Scope 1 Direct**	Scope 3 Indirect
– Leased and rented facilities – Employee commuter traffic – Business travel – Plant waste – Distribution and transport – Energy and fuels* – Facilities and production goods – Procured goods and services	– Energy procured for the company's own use: electricity, steam, district heating or cooling	– **Fossil fuels used to produce electricity and heat: foundry, forge, and paint shops** – **Fuel for engine test rigs**	– Investments – Franchises – Let and rented-out facilities – Recycling and waste disposal – Usage phase of our products – Preparation and tuning of sold products – Distribution and transport

*CO_2 emissions from upstream fuel production and energy generation (including transport) that are not included in Scope 1 or Scope 2

CO_2 emissions over the vehicle life cycle. Comparison of the current model vehicles in the main Mercedes-Benz model series and their respective predecessors over the entire life cycle shows a significant reduction.

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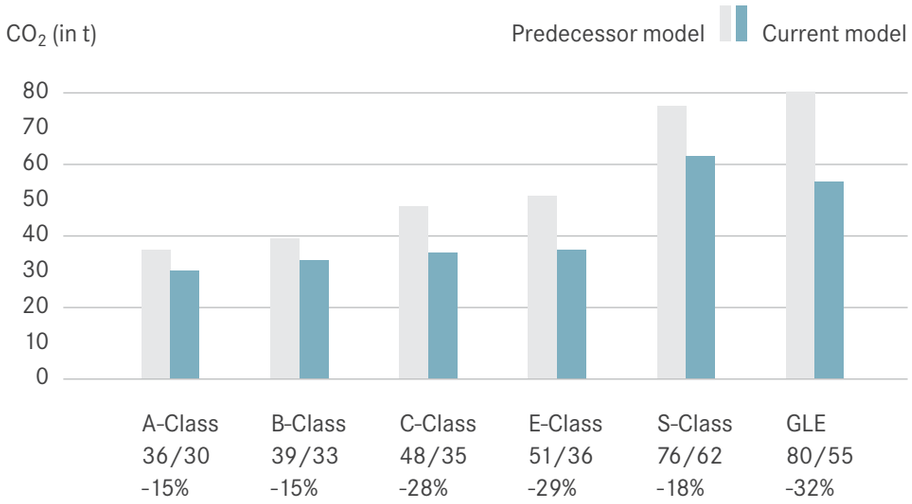
Emissions over the entire life cycle*



CO_2 emissions: CO_2 emissions produced throughout the life cycle of our vehicles have been reduced by at least 15 percent from model to model in all model series reviewed.

*Values from Mercedes-Benz environmental certificates (different series mileages)

Comprehensive CO_2 reporting. Daimler is also one of the first industrial companies to publish CO_2 emission data in accordance with the standards of the Greenhouse Gas Protocol (GHG). Along with the emissions produced by our own energy and heat generation activities (Scope 1) and from the external procurement of electricity and district heat (Scope 2), we also take into account upstream and downstream emissions that result from our business activities (Scope 3). Daimler accumulated expertise in Scope 3 reporting at a very early stage of the development of such reporting processes. Most of the calculation models we developed are now standard in the automotive industry.

More on Scope 3 reporting: pp. 55, 114
Scope 3 emissions in 2015 (PDF)

G4-15, G4-DMA, G4-EN15, G4-EN16, G4-EN17, G4-EN19, G4-PR1

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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 and services. A core element of our approach is to achieve a drive system mix that is tailored to the market requirements. The main focal points of our development of particularly fuel-efficient, and environmentally compatible powertrain technologies in all our automotive divisions are defined in our initiative “The path to emission-free mobility”:

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

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Drive technologies from Daimler

Share in %*	Vehicles with			Cars with		
	gasoline engine	hybrid drive	diesel engine	gas engines (CNG, LNG, LPG)	hybrid drive systems	electric drives
Europe	33.9	1.5	63.9	0.1	1.9	0.4
NAFTA	64.7	0	34.1			
Japan	48.4	3.2	48.5			
China	86.4	0	13.6			
Total	45.8	1.2	52.8			

*Based on unit sales of vehicles in the respective markets in 2015

G4-15, G4-16, G4-DMA, G4-EN4, G4-EN19, G4-EN27

Charging stations for electric vehicles. In order to push the establishment of a 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 initiatives include the state-funded charge@work project organized as part of the “Showcase Electromobility Baden-Württemberg” campaign. In addition, as part of the initiative Quick Charging for Corridors and Metropolitan Areas (SLAM), we are working together with partners from industry and research to examine business models for the operation of quick-charging stations in metropolitan areas and along the connecting traffic corridors.

Electric vehicles with fuel cell drive are also suitable for long driving distances due to their great range and quick refueling. However, due to a lack of hydrogen filling stations, such vehicles remain largely unattractive to customers. That is why Daimler is promoting the development of a comprehensive hydrogen infrastructure jointly with partners from politics and the energy sector.

H_2 MOBILITY: p. 39

Fuel consumption and CO_2 emissions

The largest share of primary energy consumption and CO_2 emissions over the life cycle of a vehicle is attributable to the usage phase. In the case of a 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 lower CO_2 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, electric motors, and electronic control systems.

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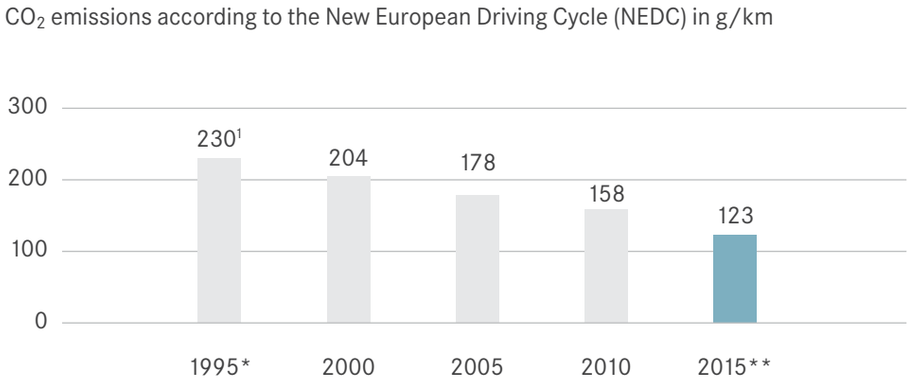
Development of average CO_2 emissions of Mercedes-Benz Cars vehicle fleet in Europe (EU 28)



*1995 including vans registered as M1 vehicles. All other years without vans.
**2015: M1 vehicles 125 g CO_2/km

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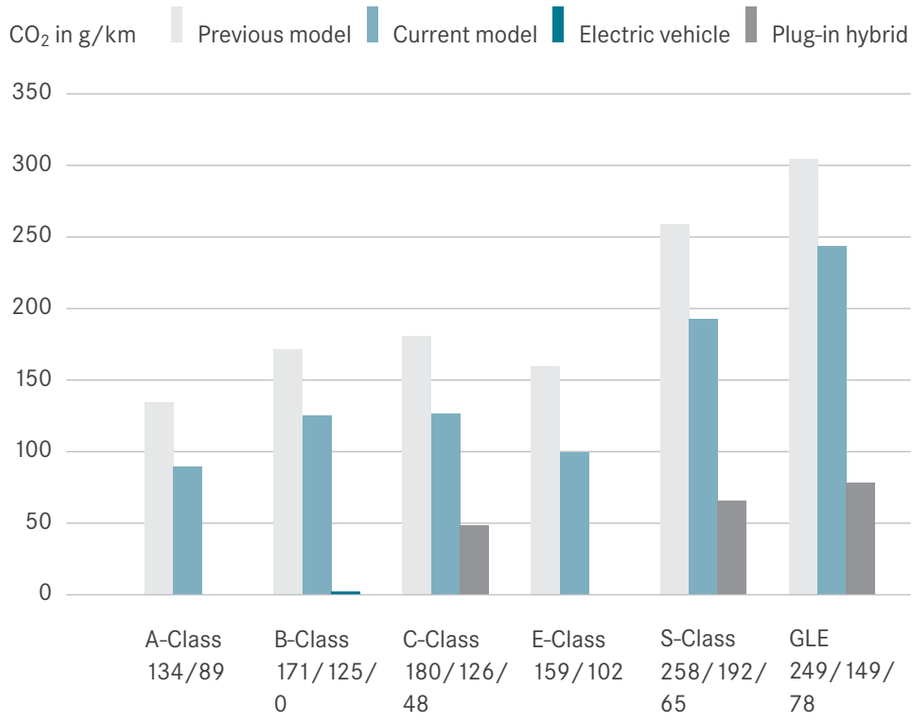
CO_2 emission of our most important model series*



*Current vehicle models as compared to predecessor models (market launch)

In the reporting year, the average CO_2 emissions of the total fleet of Mercedes-Benz Cars in Europe amounted to 123 grams per kilometer. We have thus achieved a reduction by more than 20 percent in the last five years. In 2015, we achieved a reduction of 4 percent. We have thus already achieved our target of lowering the CO_2 emissions of our new-vehicle fleet in Europe to 125 grams per kilometer by the year 2016. In consideration of the expected average vehicle weight, we have now set a new target of 100 grams of CO_2 per kilometer within the framework of our target program for 2021.

Fleet values in the US. In the US, fleet values are regulated by two co-regulating standards for the reduction of greenhouse gases in vehicle fleets: the Greenhouse Gas Standards (GHG) and the Corporate Average Fuel Economy Standards (CAFE). Separate target values are set for cars and light trucks for each manufacturer. If a manufacturer does not meet the GHG standards, the Environmental Protection Agency (EPA) identifies the vehicles from the manufacturer's fleet to which the overrun of the limit is attributable. A penalty payment is then imposed on all affected models.

G4-DMA, G4-EN4, G4-EN17, G4-EN19, G4-EN27, G4-EN29

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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 produced for sale in the United States.

The CAFE fleet figures for Daimler vehicles in the United States have improved by 23.7 percent for cars and 20.6 percent for light commercial vehicles over the last five years. Our target is to reduce the fleet consumption of our cars and light-duty trucks on the US market by 25 percent by 2019 as compared to 2012, which is the base year for the currently valid CAFE regulations.

Fleet values in China. In China, domestically produced and imported cars are assessed differently. A differentiation is also made between sixteen weight classes. 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 2015 was 7.5 liters/100 km. The target for imported vehicles was 9.6 liters/100 km, and 8.3 liters/100 km was achieved. We have set ourselves the target of reducing the fleet consumption of our cars in China by 25 percent in the period from 2012 (the base year of the current fuel economy regulations) to 2019. Our achievements thus far have put us on the right track.

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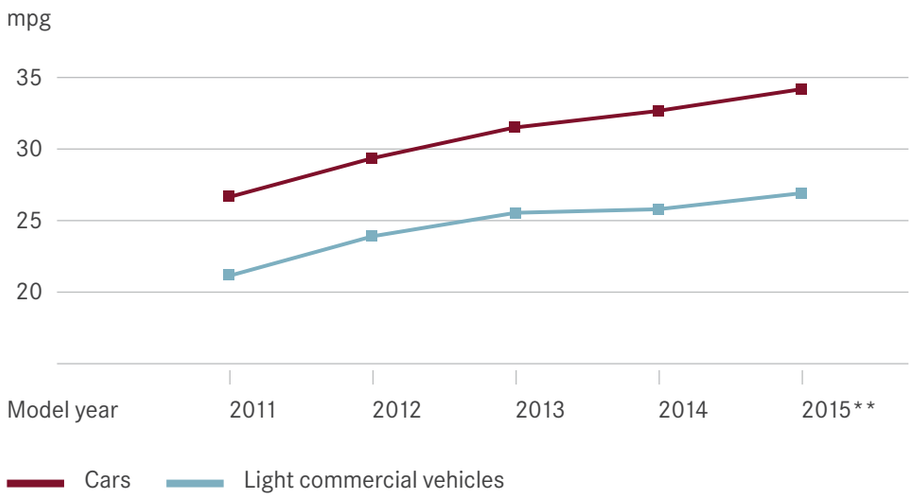
Daimler CAFE* values for cars and light-duty trucks in the US



* CAFE = Corporate Average Fuel Economy
** Projection

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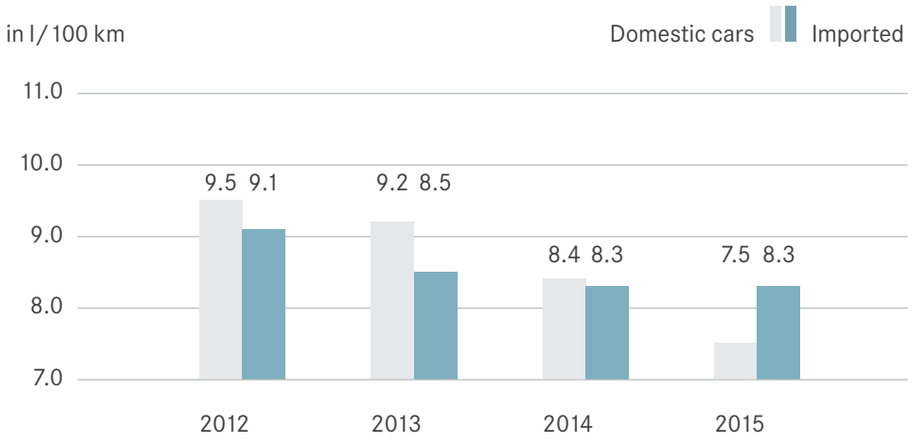
Daimler fleet fuel consumption in China



G4-EN4, G4-EN7, G4-EN27

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Development of CO_2 emissions of car fleets in the main markets

China	USA	Europe
-3%	-5%	-5%

In 2015, the European Commission declared the LED technology Daimler developed for side lights, high-beams, and low-beams, as well as for license plate illumination to be **an environmental innovation**. The Commission issued a certificate confirming that this energy-efficient technology reduces emissions by at least 1 gram of CO_2 per kilometer.

Eco-innovations from Daimler

Sophisticated aerodynamics. We optimize vehicle body shapes and countless other details in order to improve C_d values from one model to the next. This was the case with the new GLC as well. With a C_d value of 0.31 and total air drag of 0.794, the model achieves top aerodynamic performance that is substantially better than that of its predecessor.

"We are lowering C_d values across all model series – on the one hand in order to further reduce fleet consumption and on the other hand because a lower drag reduces actual consumption, especially on highways and secondary roads. Here we have repeatedly succeeded in linking record C_d values with distinctive and independent design in our new models."

Teddy Woll
Head of Aerodynamics, Aeroacoustics, and the Wind Tunnel Center, Daimler

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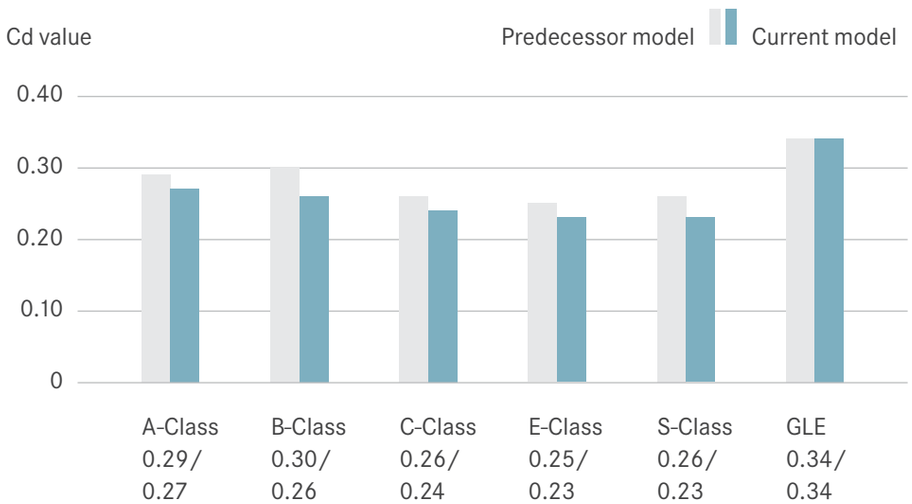
Cd values of our most important model series



C_d (drag coefficient): Figure used to quantify the resistance of an object in a fluid environment, such as air or water. A reduction of a vehicle's C_d value by 0.01 lowers fuel consumption by approximately 0.1 liters.

G4-DMA, G4-EN19, G4-EN27

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Consistent lightweight design. The innovative aluminum hybrid body of the new GLC is about 50 kilograms lighter than a traditional body made of steel. This pays off: The lightweight body and other measures in the GLC 220 d 4MATIC contribute to a reduction in fuel consumption of up to 20 percent as compared to the predecessor model (market phase-out).

360-degree environmental check for the GLC

A 25 percent weight reduction is achieved just with a new type of transmission cross-member made of plastic. This cross-member is used as a key rear-axle component in all-wheel drive S-Class models.

Light and stable: Transmission cross-member made of Ultramid

The A-Class is now even more efficient and cleaner than before. The 2015 model upgrade included the conversion of all models into Euro 6-compliant vehicles. Technical improvements such as turbocharging, the Camtronic system, multi-spark injection, and the ECO start/stop system have lowered CO_2 emissions from 98 g/km to 89 g/km. This led to a higher ranking for the A-Class in the VCD list of environmentally friendly cars for 2015/2016. The A 160 CDI and A 180 CDI are now among the 10 percent of all vehicles that received top marks in the ranking.

A-Class with top marks for efficiency and emissions

Declining CO_2 emissions for our vans. An EU directive on the emissions of vans with a total weight of up to 2,585 kilograms entered into force in 2011. The regulation stipulates that beginning in 2017, the average emissions of such vans may not exceed 175 g CO_2/km. As of 2020, the CO_2 level will drop to 147 g CO_2/km. Taking into account vehicle weight, Mercedes-Benz vans must comply with a maximum CO_2 fleet level of 210 g CO_2/km in 2017. However, our vans were already lower than that level in 2014. We aim to achieve a further reduction of more than 10 percent by 2018. During the reporting year, the fleet value was 3.5 percent lower than in 2014.

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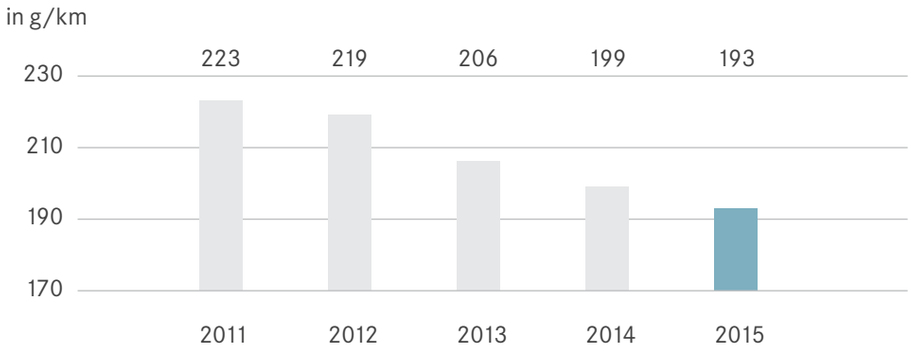
Development of average CO_2 emissions of the Mercedes-Benz van fleet in Europe (acc. to NEDC)



Award for the SuperTruck. The Freightliner SuperTruck has made a big impression with outstanding efficiency values in the US Department of Energy's SuperTruck project – and has therefore been honored with the Distinguished Achievement Award. The concept vehicle achieved a level of efficiency 115 percent higher than that of the 2009 reference truck.

SuperTruck boasts exemplary efficiency

Green Truck Award for the Actros. The Mercedes-Benz Actros is the most fuel-efficient and eco-friendly truck of 2015, according to the editorial teams of the *Trucker* and *VerkehrsRundschau* publications, which presented the Actros with this year's Green Truck Award.

Actros – in a class by itself in terms of fuel efficiency and environmental compatibility

Efficient truck engines. The latest generation of the OM 471 heavy-duty engine sets new standards by offering fuel savings of up to 3 percent as compared to the predecessor unit. This reduces operating costs and also lowers CO_2 emissions.

Clean and efficient: The new OM 471 truck engine platform

G4-EN7, G4-EN19, G4-EN27

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Environmentally friendly natural gas engine. The first new Euro VI generation of natural gas engines went into production in 2015. With CO_2 emissions up to 20 percent lower than those of a diesel unit, the new engine is the most environmentally compatible model in the engine family. It's also extremely quiet, which makes it ideal for use in metropolitan areas as well.

Quiet and environmentally friendly: The new M 936 G natural gas engine

Five plug-in hybrid models have already been put on the road by Daimler – and this number will increase to ten by 2017. The hybrid offensive will play a major role in ensuring our new fleet of passenger cars will be ready for the CO_2 emission limits that will go into effect in the EU in 2020. The mandatory fleet emission value will then fall to approximately 100 grams per kilometer.

"As a premium manufacturer, we are pushing the most efficient technology"

Three first-place finishes in the Company Car of the Year Awards. Three Mercedes-Benz models took top honors in their respective categories in the 2015 Company Car of the Year Awards: the hybrid models in the C-Class and S-Class series and the B-Class Electric Drive.

Three awards for Mercedes-Benz hybrid and electric vehicles (only available in German)

Three Daimler car and van models with battery-electric drive systems are already available today or are currently in the testing phase: the smart electric drive, the B250 e, and the Canter E-CELL. Our current activities in the field of electromobility focus on further improving battery and drive system technology, expanding the charging infrastructure, and promoting the use of electricity generated from renewable energy sources.

A practical test conducted with the Fuso Canter E-Cell in 2015 has yielded positive results. Customers in Portugal successfully tested the battery-powered truck for one year in normal operations.

Fuso Canter E-Cell makes a big impression in a year-long test

Making electromobility more attractive is the goal of the mobility package Daimler is offering for the B-Class Electric Drive. The package allows financing and leasing customers to rent any car from Mercedes-Benz Rent at no charge for up to 15 days per year. These customers are also issued a customer account with our moovel mobility platform that includes a voucher for the car2go or car2go black car-sharing systems.

Mobility concepts and services: p. 46

Mobility package for the B-Class Electric Drive (only available in German)

Greenest Car 2015: the smart fortwo electric drive. The battery-powered two-seater was the clear leader in the rankings for the 2015 model year published by the Greener Cars organization in the United States.

The smart electric drive is the "Greenest Car 2015"

Green V-Class. Exceedingly dynamic yet also efficient – that's the Concept V-ision e, whose extremely advanced plug-in hybrid technology enables the 245 kW V-Class concept vehicle to travel 100 kilometers on only 3 liters of fuel (standard consumption).

Better performance with lower CO_2 emissions: The Mercedes-Benz Concept V-ision e

Green energy for the smart fortwo electric drive. Daimler feeds as much self-generated renewable wind energy into the German grid as is required to cover the operation of the smart fortwo electric drive cars sold in Germany. We do this without making any use of the subsidies we could obtain through the German Renewable Energy Act.

Green energy for the smart ed (only available in German)

G4-EC2, G4-EN27

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Recharging with green energy at home and driving completely emission-free – both are now possible for all Mercedes-Benz and smart customers. A couple of clicks in an online form is all it takes to have the electricity from renewable sources offered by Daimler and the EnBW energy company delivered to these customers' homes.

Green electricity from Mercedes-Benz (only available in German)

New business field for stationary energy storage devices. In 2015, Daimler entered the sector for stationary energy storage devices with its Deutsche ACCUmotive subsidiary. Our first industrial-scale lithium-ion storage device is already on line.

Battery technology from Daimler is speeding up Germany's energy transition

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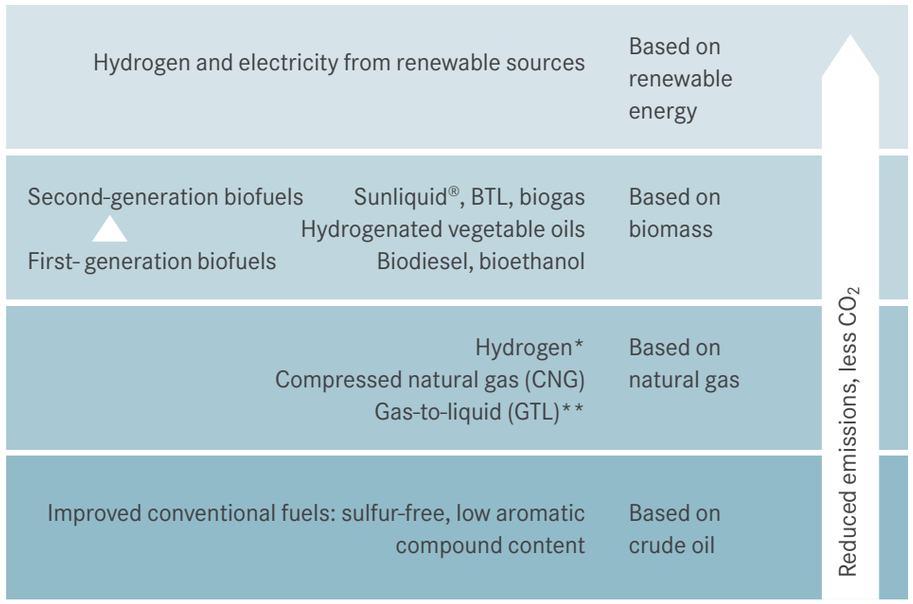
Daimler's fuel roadmap



*Via steam reforming
**WtW CO_2 emissions comparable to diesel fuel

Fuels

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

Our fuel roadmap points the way toward the optimization of today's fossil fuels, the use of natural gas-based fuels, synthetic fuels, and biofuels, as well as hydrogen and the generation of electricity from renewable sources.

H_2 MOBILITY initiative. Since 2013, we have been participating as a partner in the **H_2** MOBILITY initiative and making specific plans to establish a nationwide network of **H_2** filling stations in Germany. The plans, which envisage around 400 public hydrogen fueling stations by 2023, will be carried out by a joint venture established in October 2015. The target is to offer an **H_2** fueling station along every 90 kilometers of highway between urban centers. Furthermore, at least ten hydrogen filling stations will be available in each metropolitan region starting in 2023. The total investment requirement for the project will amount to €350 million.

Fuel economy 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. All of our owner's manuals also offer tips on how to conserve fuel.

Eco Training for car drivers
Eco Training for truck drivers
Eco Training for fleet managers and business owners
Eco Training for bus customers

G4-EC2, G4-EN7, G4-EN19, G4-EN27

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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 and saving with electric vehicles

Electromobility for beginners. Electromobility is something you can learn – that's the motto of an electromobility pilot project for beginners that was launched in 2015 by Daimler AG and the ACADEMY driving instruction firm at five selected driving schools in the greater Stuttgart area. The special program with electric vehicles also helps the new drivers become more familiar with traffic situations in general.

Daimler is bringing electromobility to driving schools

Online tool for calculating energy balance. How much fuel does a passenger car consume and how much CO_2 does it emit when different types of drive-system technologies, fuels, and energy sources are used? Our OPTIRESOURCE online tool provides the answers. OPTIRESOURCE compares different combinations of energy sources, fuels, and vehicle drives. The tool, which is based on energy balance studies, makes it possible to examine everything from the energy source to the driven wheel (well-to-wheel). The result shows the energy balance of the chosen combination in comparison with a current gasoline-powered compact car.

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 demanding criteria for quality and active and passive safety, and must be ready for use in accordance with their intended purpose. That is why as early as the development and design stage, we work hard to ensure errors never arise to begin with. 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 identify potential risks at an early stage. The processes and procedures for suitable countermeasures such as warnings and customer service measures are clearly defined.

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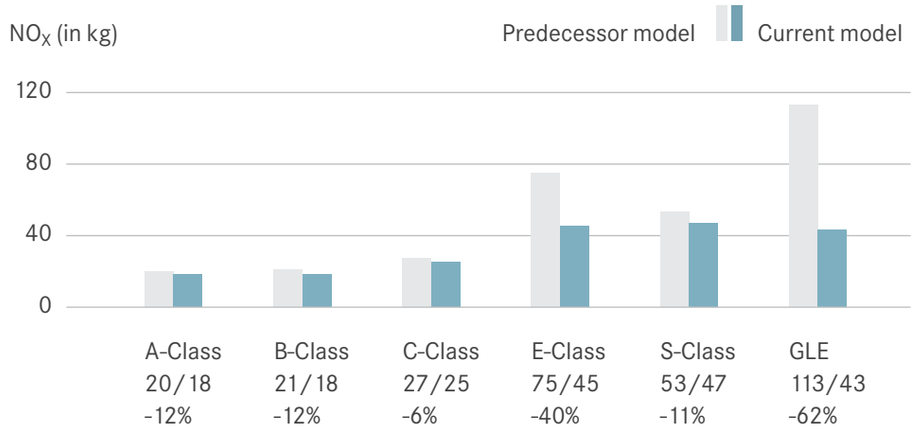
Emissions over the entire life cycle*



NO_x emissions: NO_x emissions produced throughout the life cycle of the vehicles reviewed have been reduced by between 6 and 62 percent.

*Values from Mercedes-Benz environmental certificates (different series mileages)

G4-EN7, G4-EN19, G4-EN27, G4-PR1

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Pollutant emissions

We use cutting-edge technologies to further reduce the pollutant emissions of our cars and commercial vehicles. Our target is to fulfill future emission requirements in advance as much as possible. For example, our direct-injection engines are below the stringent particulate matter limit of the second Euro 6 stage, which won't go into effect until 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 10^{11} particles in mid-2015.

Comprehensive Euro VI range. In the commercial vehicles sector, 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 VI standards today.

NO_X emissions throughout the vehicle life cycle. When viewed in terms of the entire life cycle of our vehicles, the emissions of our main Mercedes-Benz model series at the moment are significantly lower than those of their respective predecessor models.

Interior emissions

Good air quality in the vehicle interior and anti-allergen surfaces contribute to the passengers' safety and well-being. We ensure that emissions in the vehicle interior are already reduced to a minimum at the development stage and that allergens are avoided. External allergens are effectively kept out by highly efficient filters in the air conditioning unit.

Proven anti-allergen features. Many Mercedes-Benz vehicles now bear the seal of quality of ECARF, the European Centre for Allergy Research Foundation. Plans call for all of our car model series to obtain this seal of quality by 2016. The ECARF seal is awarded to products whose anti-allergen properties have been demonstrated through scientific study.

Mercedes-Benz models with ECARF certificates

- A-Class
- B-Class
- C-Class
- CLA / CLA Shooting Brake
- CLS
  GLC
- M-Class and GL-Class (current designations: GLE and GLS)
- S-Class / S-Class Coupé

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 harsher combustion noise.

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

G4-15, G4-DMA, G4-EN17, G4-PR1

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with Mercedes-Benz vehicles since 1969. That is why our comprehensive "Integral Safety" concept is systematically reconciled with real traffic and accident data. The concept is focused on the synergy between active and passive safety.

New assistance systems and safety technologies. Assistance systems that prevent accidents are very effective and helpful, as has been demonstrated numerous times. A great number of such systems ensure maximum safety in our vehicles, and safety components and driver assistance are becoming increasingly linked with one another.

Intelligent Drive. Less stress, more safety, and greater comfort – all of this and more is made possible by Intelligent Drive, a multi-system concept for driver assistance and safety. Intelligent Drive can:

- Ease the burden on drivers in normal driving situations
- Recognize dangerous situations
- Provide timely warnings and assistance, and intervene in the vehicle's operation
- In this manner prevent accidents or mitigate their negative effects
- Take precautionary protective measures in dangerous situations

A networked sensor system allows each function to access comprehensive information about the vehicle and its surroundings.

Intelligent Drive analyzes traffic situations

Intelligent safety in the new E-Class. A new driver assistance package makes the new E-Class the most intelligent Saloon in its segment. The package not only enables partially autonomous driving on highways and secondary roads; it can also issue warnings about critical situations long before they take place, brake the vehicle autonomously to avoid obstacles and other dangers on the road – and much more.

84

individually adjustable high-performance LEDs in each headlight of the new E-Class optimally illuminate the road.

High-resolution LED headlights. A total of 84 individually adjustable high-performance LEDs in each headlight ensure an optimal view of the road at all times in the new E-Class. The LEDs illuminate the road with precisely controlled light distribution – and without blinding oncoming traffic.

New assistance systems for trucks, buses, and vans are bringing our vehicles another step closer to the goal of accident-free driving. Such systems include everything from Crosswind Assist for vans to Blind Spot Assist for trucks, which can detect pedestrians or cyclists in the blind spot.

Safety innovations for trucks, buses, and vans

Top marks over and over again for Mercedes-Benz. Mercedes-Benz models repeatedly earn top marks in safety tests such as those conducted by the New Car Assessment Programme (NCAP) Europe and the Insurance Institute for Highway Safety (IIHS) in the United States:

Test results in Euro NCAP+ (PDF)
Test results for the new E-Class – Top Safety Pick (IIHS)
Test results for the GLE – Top Safety Pick (IIHS)

G4-DMA, G4-PR1

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Conservation of resources

The production of vehicles 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.

Less weight, more recyclates, more natural materials. Our target 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.

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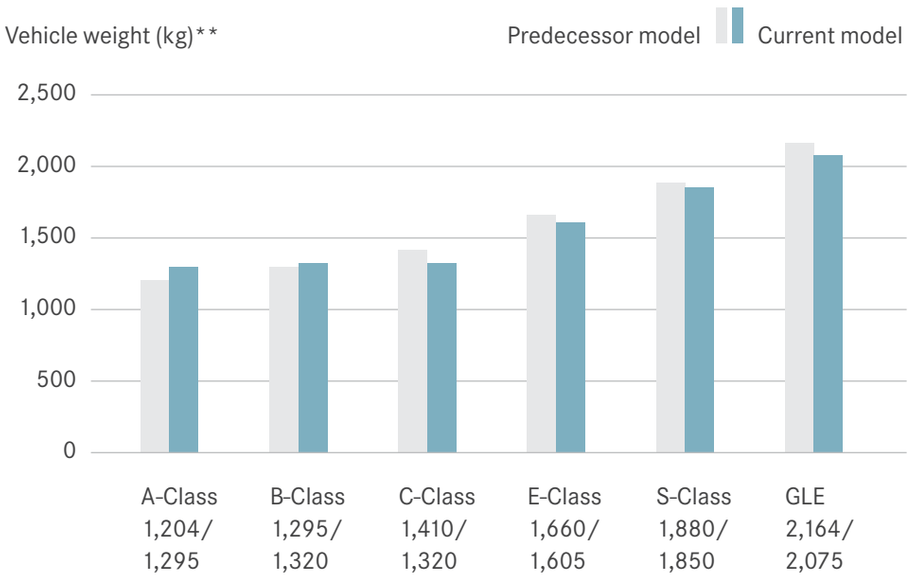
Vehicle weight in our core model series*



The trend toward increasing weight due to more features and additional safety equipment has been reversed in the new series thanks to intensive weight management.

*Values from Mercedes-Benz environmental certificates
**Curb weight without driver and baggage

G4-DMA, G4-EN1, G4-EN2

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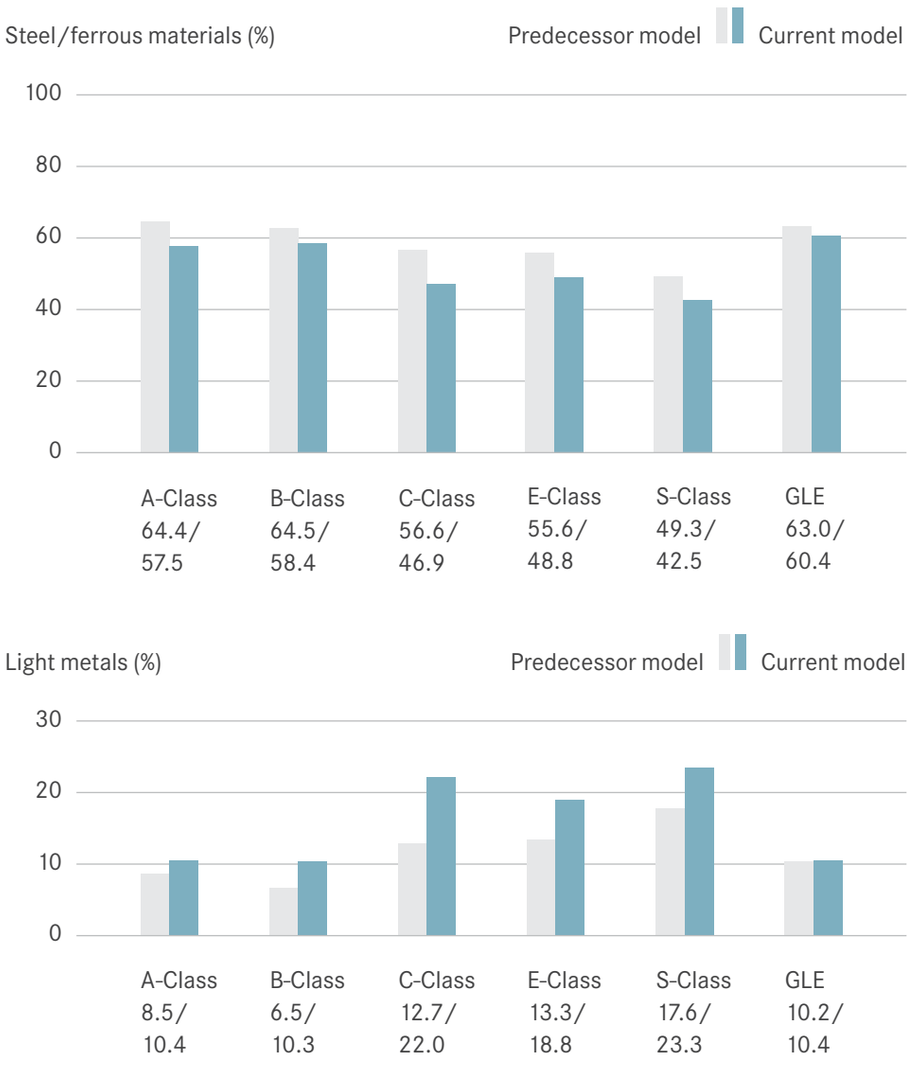
Lightweight design in our core model series*



The lower percentage of **steels and ferrous materials** and the increasing share of **light metals** illustrate the new approach now being taken with our vehicle architectures, which in some cases has led to a substantial weight reduction for the entire vehicle.

*Values from Mercedes-Benz environmental certificates

Increased use of recycled materials. The European End of Life Vehicle Directive 2000/53/EC 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 is also specified in the target program.

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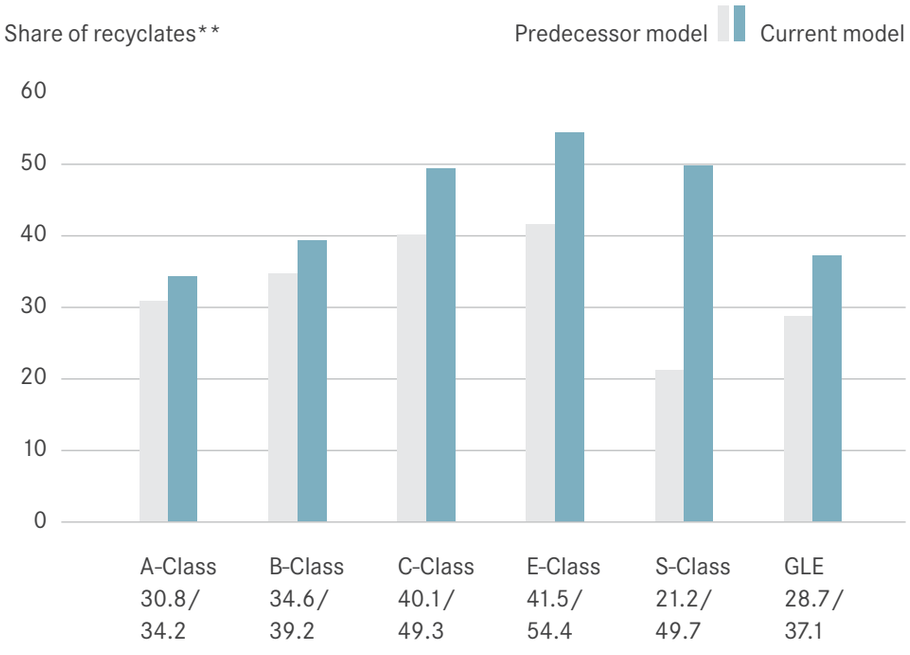
Use of recyclates in our most important model series*



*Values from Mercedes-Benz environmental certificates
**Total weight/mass of approved components made of recyclates (in kg)

G4-EN2

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Renewable raw materials. Renewable materials offer many advantages:

- In contrast to fiberglass, the use of natural fibers generally leads to a reduction of 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 CO_2 effect is almost neutral, because only as much CO_2 is released as was absorbed by the plant during its growth.
- They contribute to the reduced consumption of finite fossil resources.

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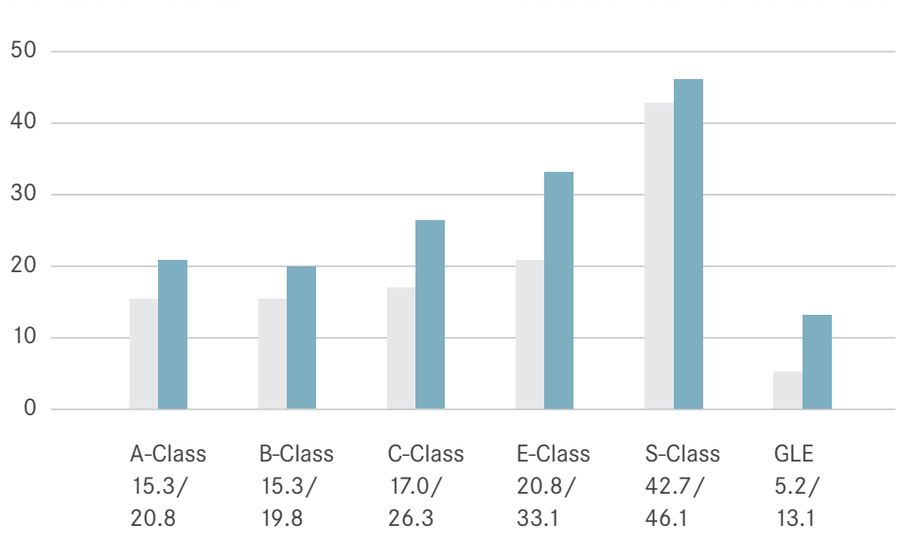
Renewable raw materials in our most important model series*



*Values from Mercedes-Benz environmental certificates
**Total weight/mass of components made from renewable raw materials (in kg)

152%

The mass of the renewable raw materials used in the new GLE is greater than that of the predecessor model.

Hybrid versus conventional: Environmental check. Vehicles with hybrid and electric drives contain very many valuable resources. This pays off if you look at things in terms of the entire life cycle. For example, the new C 350 e requires the use of more resources in the manufacturing phase than does the C 250, but it also uses disproportionately fewer raw materials in the particularly critical usage phase.

360-degree environmental check for the C 350 e

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 (Mercedes-Benz Recycling System).

G4-EN2, G4-EN19

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Removal of workshop waste with MeRSy. Our MeRSy Recycling Management System for disposing workshop waste helps to collect and recycle or professionally dispose of waste material created during the maintenance or repair of our vehicles. In 2015, a total of 30,085 tons of old parts and materials were collected and recycled and around 1,207 tons of coolant and 778 tons of brake fluid were reconditioned.

Making resource efficiency measurable. For years now, the global economy has been growing – and with it the burden on the environment and the consumption of resources. Achieving more with less is therefore the order of the day for sustainable development. We have conducted several studies that address issues related to resource efficiency. Our focus here is on the development of procedures for calculating resource efficiency.

Focus on resource conservation in the "Daimler Sustainability Dialogue" 2015. What types of indicators should be used to measure resource availability and efficiency if such indicators are to be both scientifically consistent and suitable for practical application? These and other questions related to resource conservation were addressed in a workshop during the "Daimler Sustainability Dialogue" in 2015. The dialog event is held annually with representatives of government, business, the scientific community, non-governmental organizations, associations, and trade unions.

"Daimler Sustainability Dialogue" 2015

30,085

tons of end-of-life parts and materials were recycled and reused by Daimler via MeRSy in 2015.

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) system.

www.car2go.com
www.moovel.com
Bus Rapid Transit

G4-EC7, G4-EN2, G4-EN27

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Customers

A culture of customer orientation. We sell our products and services in nearly all countries of the world. In order to be successful, we need to be able to address in detail the specific wishes of our customers in every market. To this end, we have been organizationally reinforcing our corporate structures and aligning them with our five business divisions even more strongly in recent years. The corporate departments have also been better aligned with the market requirements of the business divisions. For us, customer dedication is not a purely organizational measure but one with which we associate the goal of ensuring a comprehensive culture of customer orientation at all units throughout our entire company.

Improving customer satisfaction. Our business units have established quality management systems for the continuous monitoring and improvement of customer satisfaction. The goal of our program “CSI No. 1 – Delightful Customer Care” is to make Daimler Number 1 in the world for customer service. Country-specific CSI action plans are agreed upon and implemented on the basis of international benchmark studies, internal data surveys, and customer surveys.

Processes and behavior patterns at all sales stages and at all hierarchical levels are continuously enhanced to ensure maximum customer orientation. The measures include process improvements, training courses, and dealer consulting and coaching, as well as the incorporation of key figures relevant for customer satisfaction into the monetary control instruments for sales and service.

Mercedes-Benz Cars has been at the top of many rankings for years. Customer satisfaction at Mercedes-Benz Trucks has also been significantly improved since the introduction of CSI No. 1 in 2012. In 2015, we expanded the CSI program to 11 markets.

“Mercedes Benz 2020 – Best Customer Experience” is the name of the growth strategy we derived from the organizational realignment 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. Our strategy focuses on the following:

- 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 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 life cycle of their vehicle. In terms of vehicle connectivity systems as well, our focus is always clearly on the customer.

Customer feedback on vehicle quality. 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 use our Internal Vehicle Quality Study (German abbreviation: IFQS) to 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.

G4-PR5

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47 **Customers**

>40,000

company car drivers and Employee Sales customers use the online questionnaire of the Internal Vehicle Quality Study (IFQS) each year to provide feedback on vehicle quality.

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 we take 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 40,000 company car drivers and Employee Sales customers in Germany, the United States, China, and South Africa. Some 900 staff members from development, quality, and aftersales units use this data to continually optimize and refine our products. Thanks to IFQS, over 370 causes of problems were analyzed in the years 2014 and 2015 – in many cases by directly examining the vehicles about which complaints were made. In the same year, measures related to more than 330 IFQS issues were introduced in ongoing series production operations and changes were defined for successor model series with regard to approximately 400 issues.

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

Customer service at the divisions. Those who buy our vehicles also wish to receive great service during the period of use. For example, they want to have 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 address customer concerns around the clock.

- **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. We also maintain local assistance centers in other core markets. At the CAC in Maastricht, approximately 600 employees ensure that customers are assisted around the clock. One of the CAC's key tasks is to coordinate Mercedes-Benz Service 24h, 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 service activities at the CAC extend beyond the repair and service center business and include service contracts, warranty extensions, and motor insurance.

- **600 service outlets for bus customers in Europe** are operated by OMNIplus, which is a brand of Daimler's EvoBus subsidiary. In addition to operating a professional parts supply system, the comprehensive network of outlets offers bus customers service deals and contracts, driver and repair shop training programs, pre-owned vehicles, and customized financial services. In 2012, OMNIplus introduced a 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.

G4-PR5

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– **24 hours a day** – the Fuso Call Center that the Mitsubishi Fuso Truck and Bus Corporation (MFTBC) opened in 2010 is available to customers around the clock. 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 2013, Fuso also launched its "Fuso integrated total support" (Fits) project to improve its customer service even further.

– **The Customer Assistance Center of Daimler Trucks North America** (DTNA) 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 United States 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 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.

Fulfilling customer 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 production lines in our plants are exactly the same. The Mercedes-Benz program "Ex-Factory Driving Aids," which is offered in Germany, Austria, Switzerland, and Luxembourg today, is directed specifically 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" demonstration vehicle, which is 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 a small batch for the market entry.

Mobility and driving assistance systems (only available in German)

Information and advertising – with respect. 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 efficiency programs include a range of innovative technologies for drive systems, aerodynamics, and lightweight design that enable a marked reduction of fuel consumption and emissions. We are also increasingly highlighting the topic of sustainable mobility at motor shows. For example, in 2015 we expanded our fleet of plug-in hybrid vehicles to include three new models, which we presented at the motor shows in Frankfurt am Main, Germany, and Geneva, Switzerland. The Concept IAA and Vision Tokyo research vehicles that we presented also feature technologies that set new standards for aerodynamics and efficiency and point the way to standard technologies of the future.

G4-DMA, G4-PR7

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Consumer protection

Daimler has established systematic safeguards for consumer protection. All of our products are subject to top quality and safety requirements throughout their entire life cycle. Our quality management systems in particular play an important role in this context. In addition, requirements for the avoidance of product flaws are defined in the product safety policy of Daimler AG. Compliance with these requirements is monitored through periodic audits.

Daimler is 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 of the REACH and CLP chemical regulations in Europe.

We abstain from publishing a report of possible violations. Due to the absence of any legal obligations or industry-wide standards, we believe this would not ensure comparability with our competitors.

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. 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 the quick rescue of accident victims from Mercedes-Benz vehicles.

Transparent financial services. We attach great importance to ensuring extensive transparency and top quality in all areas of our financial services business – from investment counseling to loan approval and leasing agreements for vehicle purchases. 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 defines our high standards for the granting of installment credits and credit lines. We guarantee that all the relevant information about credit and loan agreements will be fully available before the contract closing and will be explained by us upon request. We handle customer data with extreme sensitivity and care.

Data protection and networked mobility. The increasing trend toward Internet connectivity in vehicles is presenting us with new data protection challenges. We not only need to protect vehicle electronic systems from possible hacker attacks; we also need to ensure the security of personal data. Our top priority here is ensuring that customers can decide for themselves how their data will be used. Our customers, for example, are able to decide which types of data may be forwarded. They can do this by issuing their consent, signing a contract or pushing a button. It's important that every customer knows which data is collected for which purpose and when – and we provide our customers with comprehensive information about this process. We also protect our customers' data from being manipulated or misused. To this end, we continually refine our data protection measures in line with the latest developments in information technology.

More on data protection in the vehicle: p. 25

G4-15, G4-56, G4-DMA, G4-PR3, G4-PR4, G4-PR6, G4-PR8

Corporate environmental protection

We ensure that all of our stages of production are as environmentally friendly and energy-efficient as possible. This is stipulated in our environmental and energy guidelines, and we put it into practice each and every day at our plants. Cutting-edge technologies and effective environmental management measures help us to minimize the negative effects of vehicle production on the environment and on resources.

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

We pursue an integrated approach to corporate environmental protection that starts with the causes of potential negative environmental effects. We reduce the negative effects of our activities with the help of effective environmental management systems and state-of-the-art technologies. In this way, 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 Group-wide environmental management system are defined in the Environmental Management Manual. In addition, we have internal standards for topics such as the handling of hazardous materials, waste management, and the prevention of soil and water contamination.

Effective organization. On behalf of the Daimler Board of Management, the Member of the Board of Management of Daimler AG who is responsible for 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.
- **The Corporate Environmental Protection unit** coordinates the operational tasks of the Group-wide environmental management function, which include analyses of the legal requirements, the definition and advancement of environmental protection standards, environmental reporting, and production-related environmental protection risk management.
- **Regional committees** in Europe, Asia, and North and South America ensure that local and regional conditions are taken into account in production-related environmental protection measures and that the associated activities are managed in coordination with the Corporate Environmental Protection unit and the Group's Chief Environmental Officer.

G4-35, G4-36, G4-42

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The Daimler Group's Environmental and Energy Guidelines

1	We address the **challenges** of the future **related to environmental and energy aspects**.
2	We strive to develop **products** that are highly **environmentally friendly** and **energy-efficient** in their respective market segments.
3	We plan all stages of **manufacturing** to provide optimal **environmental protection** and **efficient energy utilization**.
4	We offer our **customers** comprehensive **services and information** regarding environmental protection and energy use.
5	We endeavor to achieve an exemplary **environmental and energy performance** worldwide.
6	**We provide** our employees and the public with comprehensive **information on environmental protection and energy utilization**.

Comprehensive 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, who review the environmental management systems of our plants. In addition, we conduct refresher courses on environmental management that enable participants to share ideas and experiences.

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You can find the key figures for this chapter in our online key figures tool:
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G4-15, G4-36, G4-DMA, G4-EN5, G4-EN6, G4-EN8, G4-EN15, G4-EN16, G4-EN31, G4-EN32, G4-EN33

>98%

of our global workforce at production locations works within the framework of a certified environmental management system.

Targeted 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, 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, as well as compliance with environmental legislation.

Strict environmental risk analysis. Our environmental risk analysis system encompasses all processes of relevance to the environment: emissions into the atmosphere and wastewater, waste management, handling of hazardous materials, and damage to the soil and groundwater. A team of auditors visits all Daimler locations at fixed intervals – including the locations we operate as a majority shareholder with partners. The auditors conduct 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 addition, the analysis process facilitates the sharing of best practices that flow into the Daimler standards, which are valid worldwide.

Sustainability requirements for suppliers: p. 81

Global 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 at production locations work within the framework of a certified environmental management system. In addition, almost all German locations are certified according to the EU Eco Management and Audit Scheme (EMAS). A total of 22 locations – including our major plants – already have energy management systems that are certified in accordance with ISO 50001.

Environmental statements of the plants (only available in German)

Environmental protection costs. Our investments in environmental protection systems and facilities with integrated environmental protection features amounted to around €91 million in 2015 (previous year: €108 million), whereby the integrated environmental protection features are not always clearly separable. Current environmental protection expenditures for personnel, operations, and waste disposal were about €418 million (previous year: €432 million). Our Group-wide expenditures for development projects related to environmental protection, such as alternative drive systems, state-of-the-art emission control technologies, and efficiency increases in vehicles, amounted to around €2.4 billion (previous year: €2.4 billion).

Interactive data overview of environmental protection in production

Principles of data collection. In our recording of environmental and energy data we take into account all the relevant locations that are majority-owned by Daimler AG. You can find the details of the approach and the procedure here:

Details of the collection of data: p. 112
Calculation of CO_2 emissions: p. 114

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

Energy efficiency and low-carbon production

Targets achieved. In the sum of all divisions, we achieved our target of reducing production-related CO_2 emissions per vehicle by 20 percent Group-wide by the year 2015 as compared to 2007. For the European plants we set an additional target of reducing absolute CO_2 emissions by 20 percent relative to the 1992-1994 reference period. We have also made good overall progress toward achieving this target in recent years, but due to the production increase in 2015 we have sightly deviated from the set target.

Reduced CO_2 emissions. We want to further reduce CO_2 emissions in the years ahead with the help of new energy-saving production methods, even more efficient processes, and the use of renewable and low-carbon fuels. One of our targets is to reduce the specific energy consumption at Mercedes-Benz Cars by 25 percent between 2015 and 2022.

As a result of the above-mentioned measures, energy consumption increased by only 0.8 percent in 2015 and CO_2 emissions even fell by 1.2 percent, despite markedly increased production volumes. The latter effect is also partly due to the sale of Atlantis Foundries. The total emissions depicted in Chart 28 and Chart 30 result from the combustion of fossil fuels and purchases of electricity and district heating 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. Many locations make use of highly efficient cogeneration facilities, which are operated by Daimler or by a regional provider. The expansion of combined heat and power (CHP) units is an important pillar of our eco-friendly energy supply system. Since 2011 we have set up 35 CHP modules with a capacity of around 183 MW. With these modules alone, we can cover around 6 percent of our electricity and heating requirements under optimized CO_2 conditions.

G4-2, G4-9, G4-DMA, G4-EC2, G4-EN3, G4-EN5, G4-EN6, G4-EN18, G4-EN19

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Energy consumption of the Daimler Group

GWh	2011	2012	2013	2014	**2015**
Electricity	4,685	4,870	4,545	4,586	**4,452**
District heat	913	949	973	824	**884**
Natural gas	4,161	4,305	4,971	4,922	**5,075**
Heating oil	104	84	78	55	**85**
Liquid gas	96	99	108	98	**92**
Coke	181	139	69	61	**55**
Fuels	325	322	315	305	**296**

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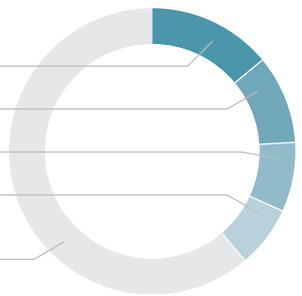
High level of vertical integration at Mercedes-Benz Cars

Powertrain plants	39%
– Engines	14%
– Axles	10%
– Transmissions	8%
– Components	7%
Vehicle plants	61%



Because of our high share of in-house production relative to our competitors, we also reflect a greater proportion of the environmental effects in our carbon footprint. Transmissions alone, which other manufacturers do not take into consideration because they are purchased parts, account for around 8 percent of the energy consumption of our Cars division.

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

In several locations in Germany, Japan, the United States, and India, we operate photovoltaic installations on our roofs or provide roof space for the use of operating companies. More than 70,000 square meters of roof space are used for CO_2-neutral electricity production in this manner.

Moreover, we also report the upstream and downstream CO_2 emissions for the Mercedes-Benz Cars division (Scope 3). This amounts to 13.4 million tons of CO_2 for the upstream production phase and 42 million tons for the service life phase (150,000 km) of the vehicles sold in 2015 (including fuel production).

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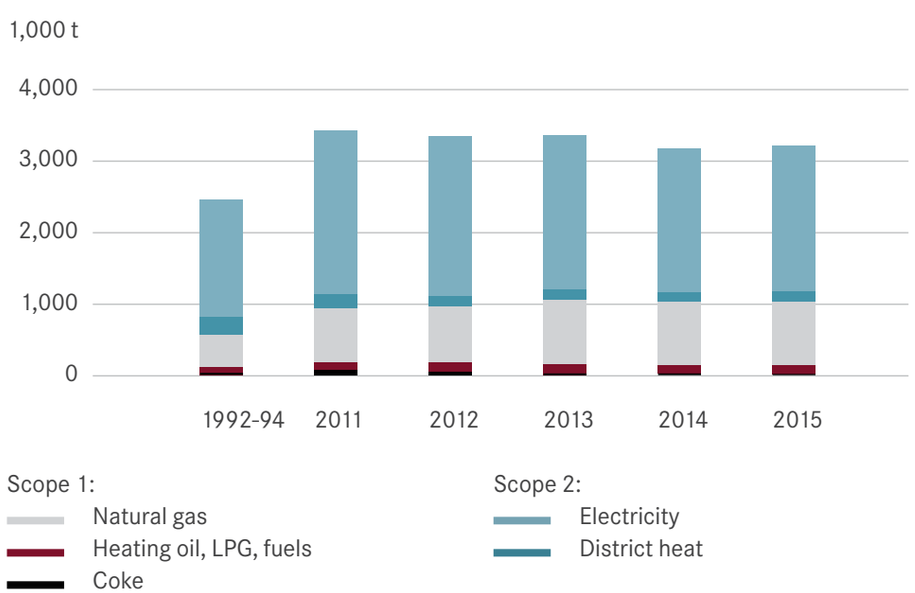
Direct and indirect CO_2 emissions from production



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Direct and indirect CO_2 emissions of the Daimler Group

1,000 t	1992–94	2011	2012	2013	2014	**2015**
Scope 1	541	955	960	1,052	1,030	**1,060**
Scope 2	1,895	2,481	2,376	2,304	2,241	**2,171**
Total	2,436	3,436	3,336	3,356	3,271	**3,231**

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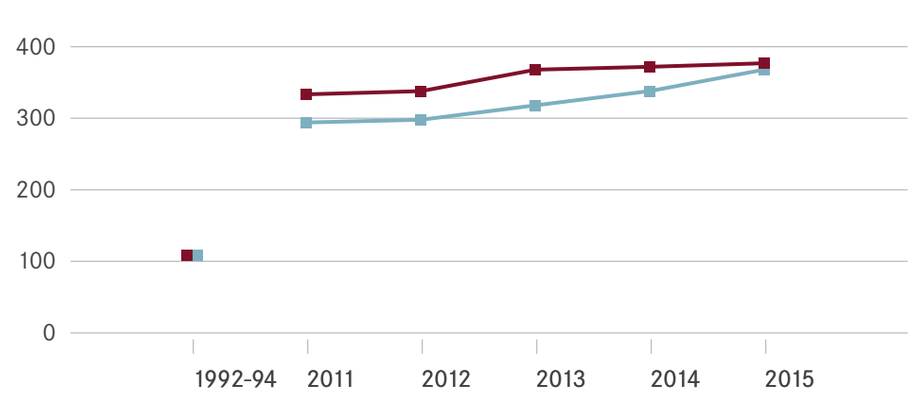
Annual vehicle production of the Daimler Group (1992 = 100%)



In order to have the appropriate correlation with our environmental data, we only count the production from plants that 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 sales numbers cited elsewhere.

Units in 2015
Cars/Vans 1,958,758
Trucks/Buses 537,129

G4-9, G4-DMA, G4-EN3, G4-EN15, G4-EN16, G4-EN18, G4-EN19

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

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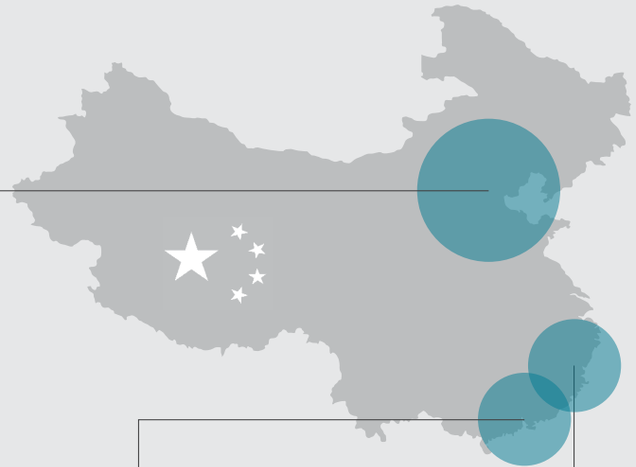
Joint Ventures – Production

Daimler in China



Beijing Foton Daimler Automotive Co., Ltd. (BFDA)

Ownership
50 percent Daimler,
50 percent Foton
Location
Beijing
Production volume in 2015
66,819 units
Production (from 2014)
Medium and heavy-duty Auman trucks, Mercedes-Benz OM 457 engines
Energy consumption
348.3 GWh
– thereof electricity: 67.7 GWh
– thereof natural gas: 198.6 GWh
– thereof heating oil: 82.0 GWh

Beijing Benz Automotive Co., Ltd. (BBAC)

Ownership
49 percent Daimler,
51 percent BAIC
Location
Beijing
Production volume in 2015
225,086 units
Production
Mercedes-Benz C-Class, E-Class (long version for the Chinese market), GLK car and van engines
Energy consumption
678.6 GWh
– thereof electricity: 309.4 GWh
– thereof solar electricity: 0.6 GWh
– thereof natural gas: 368.6 GWh

Shenzhen BYD Daimler New Technology Co., Ltd.

Ownership
50 percent Daimler,
50 percent BYD Co. Ltd.
Location
Shenzhen
Development
Electric vehicles from the DENZA brand

Fujian Benz Automotive Co. (FBAC)

Ownership
50 percent Daimler & China Motor Corporation, 50 percent Fujian Motor Industry Group Co., Ltd.
Location
Fuzhou
Production volume in 2015
8,382 units
Production
Body shop and assembly unit for vans (Vito, Viano, and Sprinter)
Energy consumption
39.9 GWh
– thereof electricity: 23.3 GWh
– thereof natural gas: 16.2 GWh
– thereof heating oil: 0.4 GWh

The holdings shown are not within the scope of consolidation and are therefore stated separately.

G4-6, G4-9, G4-DMA, G4-EN3

54 Energy efficiency and low-carbon production
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59 Waste and resource management
60 Water pollution control
60 Logistics and employee transport
62 Nature conservation, land use, and biodiversity

You can find the key figures for this chapter in our online key figures tool:
www.daimler.com/sustainability/key-figures2015.html

Approaches to 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:

1. To avoid unnecessary use of energy during production breaks, we use intelligent switch-off and standby controls.
2. Furthermore, we are reducing the energy waste caused by compressed air leaks, heat losses, and excessive process requirements (e.g. temperature specifications). In these areas, we exploit the reduction potential of the production processes themselves and of the building infrastructure.
3. We achieve the most significant efficiency increases by replacing old production facilities with state-of-the-art plant technology and new building construction.
4. Moreover, we are raising our employees' and managers' awareness of energy conservation issues with the help of events and communication measures. In addition, energy-saving suggestions are rewarded within the scope of the company suggestions system.

Fuel cell with fourfold benefits. The AMG plant in Affalterbach is using an innovative fuel cell facility to supply its new logistics center with energy. Besides electricity, heat, and refrigeration, the facility supplies oxygen-reduced air for fire-fighting purposes.

The fuel cell as a jack of all trades

Effective gas turbine. The multiple use of waste heat enables the new gas turbine of the CHP plant in Sindelfingen to have an efficiency of over 90 percent. As a result, the location's CO_2 emissions are reduced by 60,000 tons per year.

New gas turbine reduces energy consumption and emissions (only available in German)

"Increasing the energy efficiency of our plants is an ongoing task. In cooperation with everyone involved, we are continuously optimizing our production methods, analyzing every single process step, and making our employees aware of this issue. And every success encourages us to raise the bar higher bit by bit."

Nico Dettmer
Head of Energy Supply and Energy Management
Mercedes-Benz Cars Germany

Energy-saving surface treatment. To enable the friction-reducing NANOSLIDE coating to be applied to crankcases, the interior of the cylinders has to be roughened. This process used to consume large amounts of energy, but engineers at Daimler have now developed a new mechanical roughing method that cuts energy use by 96 percent.

Mechanical activation saves electricity and water

Certified energy management in Detroit. It took Detroit Diesel Corporation only ten months to establish an energy management system in accordance with ISO 5001 at its Detroit plant. Initial energy-efficiency programs achieved savings of up to 25 percent.

Less energy consumption thanks to energy management system

G4-DMA, G4-EN3, G4-EN6

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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 (CO), nitrogen oxides (NO_X), and particulates are also emitted into the atmosphere. Substances that damage the ozone layer are only emitted in tiny residual amounts. Through the introduction of largely solvent-free paint systems, we have already achieved a drastic reduction of solvent emissions; Mercedes-Benz Cars, in particular, is the benchmark here in comparison with its competitors. We are also unlocking further reduction potential through the use of new technologies, primarily in the painting of commercial vehicles and major components.

A new kind of air purification process. At the Gaggenau plant, a new process enables the dry deposition of fine paint droplets (overspray) to purify the air inside the paint booths. As a result, the plant emits around 160 tons less CO_2 than was previously the case and has to dispose of nine tons less paint sludge as hazardous waste.

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Absolute VOC, CO, SO_2, NO_X emissions

in t	2011	2012	2013	2014	**2015**
Solvents (VOCs)	6,355	6,618	6,907	6,547	**7,321**
Sulfur dioxide (SO_2)	55	55	72	76	**39**
Carbon monoxide (CO)	2,636	2,766	2,336	2,813	**2,898**
Nitrogen oxides (NO_X)	869	958	1,012	1,005	**1,071**

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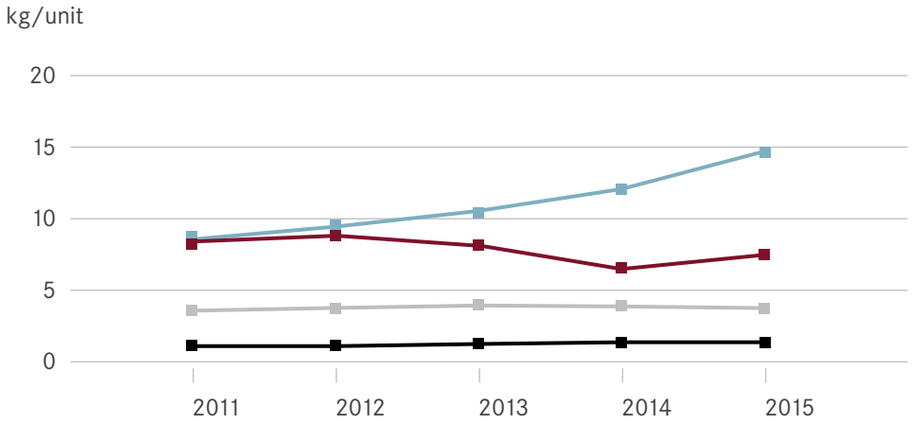
Specific solvent emissions (VOCs) per vehicle



Specific emissions increased at Buses because the division produced more complete buses and fewer bus chassis.

G4-EN20, G4-EN21

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

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 now. We currently achieve a waste recovery rate of 91 percent. Our cutting-edge 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 a waste producer, we regularly audit the waste disposal operators of our production plants in accordance with an established process. None of our waste is exported to other countries.

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Waste volumes

1,000 t	2011	2012	2013	2014	**2015**
Waste for disposal	68	65	74	82	**74**
Waste for recycling (without scrap metal)	214	254	222	232	**269**
Scrap metal for recycling	790	778	821	863	**866**
Hazardous waste for disposal	17	22	42	116	**47**
Hazardous waste for recycling	63	66	68	70	**71**

Effective resource management. As a company from an industry that 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 corporate environmental performance, we take them 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 and also consider the waste flows. Because of the size and complexity of the Daimler Group, the material flows cannot be analyzed in greater detail here. However, details of individual model series are provided in the respective life cycle reports.

Product development and material selection: p. 43 ff.

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

Recycling of electric mobility components: p. 45

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Materials used in vehicle production

million t	2011	2012	2013	2014	**2015**
Metallic materials	3.9	4.0	4.4	4.7	**5.1**
Other materials	1.1	1.2	1.3	1.4	**1.6**

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.

G4-DMA, G4-EN1, G4-EN2, G4-EN6, G4-EN23, G4-EN25

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

Water pollution control

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

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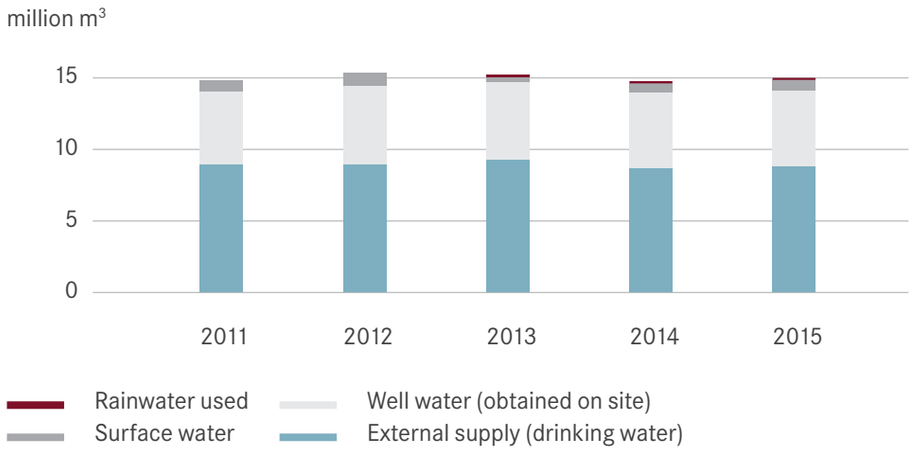
Water consumption



The great majority of our plants do not channel their wastewater directly into lakes and rivers, but only after pretreatment into 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.

At our car plants, we aim to reduce water consumption by 15 percent by 2022. The introduction of a new painting process is expected to make the biggest contribution to this reduction.

G4-DMA, G4-EN8, G4-EN17, G4-EN22, G4-EN26, G4-EN30, G4-EN33

Innovative biofilter purifies surface water. Swamp plants are helping to purify surface water at the Bremen manufacturing facility. These plants grow in a 100-square-meter soil filter. While the filter purifies the water by mechanical and chemical-physical means, the plants help to biologically decompose pollutants.

Water pollution control by means of a soil filter at the Bremen plant

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 performance through emissions, noise, and resource use. We minimize the environmental effects of these transports through the use of an efficient logistics system and of rail transportation and inland shipping. We replace business travel with conference calls, video conferences or online conferences wherever possible and expedient. Employees at the Sindelfingen and Stuttgart locations receive discounted yearly passes for the public transit system.

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CO_2 emissions from business travel (starting from Germany)

	2011	2012	2013	2014	**2015**
1,000 t					
Train	0.8	0.9	0.8	0.8	**0.8**
Plane	66.4	72.4	73.2	80.0	**84.2**

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Truck deliveries to our German plants, the Hungarian plant in Kecskemét, and the plant in Vitoria, Spain, are monitored centrally. As of 2015, this evaluation now includes for example traffic between the plants, which largely accounts for the increase over the previous year. The CO_2 emissions can be approximated on the basis of the tonnage and the truck-kilometers traveled.

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Truck shipments to our plants in Germany, Vitoria, Spain, and Kecskemét, Hungary

	2011	2012	2013	2014	**2015**
Truck-kilometers (in millions)	159	166	173	218	**262**
Cargo (in million t)	4.4	4.4	4.3	4.9	**6.9**
CO_2 emissions (in 1,000 t)	119	133	139	171	**206**

Optimization of transport logistics. Our global transport logistics operations currently serve 75 manufacturing plants in around 30 countries and about 8,500 retailers in almost all areas of the world. We transported around 2.8 million vehicles worldwide in 2015. In the first half of 2015 alone, we also transported almost 3.8 million tons of production materials in Europe. The global transport volume amounted to around 330,000 standard containers of sea freight and about 66,000 tons of air freight.

In order to reduce the associated CO_2 emissions, we are working hard to optimize the logistics network. Our main target here is to optimally connect the transportation hubs with one another so that the distances can be reduced and capacity can be better utilized. Innovative transportation concepts and new transport systems also play a major role here.

-2,200 tons

of CO_2 emissions were eliminated by the new logistics network and an IT-based container management system in 2015 alone.

We select logistics concepts on the basis of not only their costs, duration, and transport quality, but also their CO_2 emissions. When selecting providers of logistics services, we also take sustainability criteria into account, ranging from environmental certificates and the use of environmentally compatible equipment to the utilization of trucks that meet the latest Euro emissions standard.

Efficient return transport of shipping containers. One drawback of reusable shipping containers is that they have to be sent back to the supplier. In order to optimize this return transport, 17 Daimler plants in Europe have joined forces with five regional logistics centers to create a network and an IT-based container management system. As compared with the original situation, 2,200 tons of CO_2 emissions were thereby avoided and freight costs considerably reduced in 2015 alone.

Improved employee transportation system. In Indonesia, companies offer their employees transportation to work in the mornings and back home after the workday is over. In 2015 the Mercedes-Benz plant in Wanaherang optimized such employee transport by improving routes, using appropriately sized vehicles, and increasing capacity utilization. As a result, the transport system now emits 24 percent less CO_2 than before.

G4-6, G4-9, G4-12, G4-DMA, G4-EN17, G4-EN30, G4-EN33

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You can find the key figures for this chapter in our online key figures tool:
www.daimler.com/sustainability/key-figures2015.html

Nature conservation, land use, and biodiversity

Our production plants cover a total area of around 4,800 hectares, 61 percent of which are occupied by buildings and transport areas. Because land is a limited public resource, we use these areas as efficiently as possible through dense, multi-level building development. Whenever possible, 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 rainwater. Because of the way we use land and the location of our plants primarily in industrial zones, no significant negative effects on endangered species are to be expected.

Biodiversity index. To 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. This indicator enables us to set targets for our plant-specific environmental protection programs and clearly evaluate the progress that has been made.

Environmental protection zone. In cooperation with biologists from Nuevo León University, our plant in Monterrey, Mexico, has created an approximately two-square-kilometer environmental protection zone that also serves as a habitat for endangered species.

5,000

entries are contained in the tree database of our plant in São Bernardo do Campo.

Protecting trees in Brazil. Exotic trees, some of which belong to endangered species, grow on the premises of our plant in São Bernardo do Campo, Brazil. To draw attention to this biological treasure, we have created a tree database that contains around 5,000 entries.

Soil and groundwater. We eliminate any soil and groundwater contamination as far in advance as possible. An internal guideline provides minimum standards for the handling of soil and groundwater contamination at 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 2015 there were no significant accidents associated with soil or groundwater damage.

G4-DMA, G4-EN11, G4-EN24

Employees

Our success is largely dependent on our employees – their skills, their commitment, and their identification with the company. That’s why it is so important for us to be an attractive and interesting employer. For example, we offer working conditions that also meet the employees’ needs – ranging from fair remuneration, flexible working time models, outstanding training, and further education opportunities to comprehensive occupational safety and health management measures as well as the promotion of a culture of diversity.

G4-56, G4-DMA, G4-LA1

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

284,015 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. We need correspondingly effective employees if we are to be continuously successful and achieve our goal of making a key contribution to the sustainable mobility of the future. This means that we need to gain, develop, and retain highly qualified people. That's why we are permanently striving to further increase our already high appeal as an employer – within the company and on the external market. Because our managers should motivate their employees to achieve a top performance, it is crucial that we instill outstanding leadership skills into our management. In addition, we want to take on social responsibility and let diversity flourish in our global company. A professional HR organization and efficient operating processes form the basis of the implementation of our human resources strategy.

Areas of action. We have derived key areas of action from these overarching objectives – ranging from generation management to topics such as diversity and equal opportunity, 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.

Control. The main control tool we use is our HR Scorecard, which uses key performance indicators to provide information about the sustainability of human resources measures and processes in the individual areas of action.

G4-2, G4-9, G4-35, G4-36, G4-51, G4-56, G4-DMA, G4-LA1, G4-LA13, G4-LA14, G4-LA15, G4-LA16, G4-HR5, G4-HR6

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Human resources organization within the Daimler Group

Board of Management Member for Human Resources		
Corporate HR functions	Divisional HR functions	HR service units
Strategy, policy, and guidelines	Human resources activities at the divisions and locations	Grouping of services

Organization. The person responsible for human resources work within the Daimler Group is the Board of Management Member for Human Resources, who is also the Labor Director of Daimler AG in Germany.

Principles and guidelines. In our guidelines, such as our "Principles of Social Responsibility," we commit ourselves, among other things, to provide equal opportunities and observe key employee rights, ranging from the right to form trade unions to the right to receive equal pay for equal work. We reject forced labor and strive to abolish exploitative child labor. We also require the same policies from our business partners and suppliers. For violations of our principles, we have established a complaints process in which each case is centrally documented and processed.

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

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The key human resources figures for 2015

		2011	2012	2013	2014	**2015**
Workforce (general)						
Total workforce (worldwide)		271,370	275,087	274,616	279,972	**284,015**
– Trainees (worldwide)		8,499	8,267	8,630	8,346	**8,307**
– Average age of the workforce (worldwide)	in years	41.9	41.9	42.3	42.4	**42.5**
– Share of part-time employees (Daimler AG)	in percent	6.9	7.1	7.4	7.6	**7.7**
– Personnel expenses (worldwide)	in € billions	17.4	18.0	18.8	19.6	**20.9**
– Costs for training and advanced professional development	in € millions	231	241	236	248	**252**
– Qualification hours per employee/year	in days	3.8	4.0	4.1	4.1	**3.5**
– Share of women	in percent	15.6	16.2	16.3	16.8	**17.3**
– Share of women in Level 4 management positions (Daimler AG)	in percent	12.9	13.8	14.6	15.0	**16.1**
Fluctuation rate (worldwide)	in percent	4.2	4.9	4.4	4.9	**5.4**
Sickness rate (Germany, manufacturing and administration)	in percent	5.3	5.4	5.6	5.6	**5.9**
Incidence of accidents (worldwide)[1, 2]	rate		9.1	9.1	8.8	**8.8**
Contributions to company retirement and health benefits	in € billions	3.2	3.0	9.9	12.8	**8.7**

[1]Coverage rate of production locations worldwide. 99.3 percent; group-wide figures for the year 2011 are not available.

Safeguarding employment. We strive to safeguard the employment of our employees on a permanent basis. Among the measures that help us achieve this target are the “future plan” agreements that have been reached at many of our locations in Germany. These agreements include firmly promised investments. In 2015 we renewed our company-wide “Safeguarding the Future of Daimler” agreement. It builds on the agreement reached in 2011 and essentially protects all of the employees of Daimler AG in Germany from being laid off until the end of 2020.

In addition, we use flexible working-time models and collectively agreed framework conditions, which enable us to make better use of market opportunities and absorb fluctuations in demand. At the same time, these agreements help us respond more effectively to rising manpower requirements in certain areas. We are continuously enhancing our working time regulations to prevent layoffs and safeguard employment for the long term. In doing so, we achieve as much flexibility for the employees as possible – with regard to time and space as well as to the content of their work. We additionally promote this goal in committees and associations. In 2015 we also conducted a broad-based survey in which we asked our employees what they think about current developments in mobile working.

G4-9, G4-10, G4-DMA, G4-EC3, G4-LA1, G4-LA6, G4-LA9, G4-LA12

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

Early indicators concerning demand and production enable us to manage workforce capacity even longer in advance than was previously the case. We actively involve employee representatives in the implementation of the corresponding concepts.

In 2015 we also began to realign our Group's own sales operations for Mercedes-Benz vehicles in Germany. The objective is to ensure the optimal service for our customers in the largely saturated German market so that we can operate economically and profitably over the long term and thus safeguard jobs. To this end, we have grouped sales and service outlets into sales directorates and established two new sales companies that will integrate the sales business of cars and trucks in the future. We have sold some captive dealerships and will sell some more over the short to medium terms. This will not result in any changes for the customers. Our employees, meanwhile, are protected by company agreements and collective bargaining agreements. The logistics centers that were previously allocated to the sales and service outlets will be reassigned within Daimler AG.

Employees by regions and business divisions

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. Although there is no requirement to adhere to collective bargaining agreements at some Group companies, the employees at these companies have works councils in keeping with the above-mentioned law.

Partnership with employee representatives. We work closely together with the works councils and trade unions. Important partners here include the World Employee Committee (WEC) and the European Works Council. In 2015 the WEC was extended to additional countries in which Daimler operates so that it is now represented in 15 nations. At the corporate level, ten members of the Supervisory Board represent employee interests.

Comprehensive information, regular communication. We inform the works council about all important business changes and conclude agreements regarding the effects wherever the German Labor Management Relations Act requires it. We notify the employees of far-reaching changes early on. In addition, the employee representative bodies at the Group and company levels (the Group Joint Management-Employee Economic Committee and the WEC) are also informed about the economic situation and important changes within the Group and at the Group companies. Moreover, we regularly inform the WEC of any violations of our Principles of Social Responsibility.

Human rights and employee rights: pp. 21 f.
Employee rights and supplier management: pp. 80 f.
Commitment to international initiatives and principles: p. 12
Our main principles and guidelines
BPO – a point of contact for whistleblowers: p. 23

G4-10, G4-11, G4-DMA, G4-LA4, G4-LA8, G4-HR4

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

Employer of choice

Employees identify themselves strongly with the company. The well-being of our employees is important for us. That's why we regularly conduct employee surveys to determine how satisfied our employees are and how strongly they identify themselves with the company. The constantly high participation rate demonstrates that the survey is well accepted. The feedback from the employees flows into our Employee Commitment Index (ECI) and helps us enhance our organization and leadership culture. Our ECI is clearly above the global average attained in a benchmark comparison.

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Fluctuation rate

	2011	2012	2013	2014	**2015**
In %					
Group (worldwide)	4.2	4.9	4.4	4.9	**5.4**
Germany	2.7	3.4	2.1	2.7	**3.4**
USA	6.8	7.2	9.5	5.8	**8.8**
Rest of world	6.6	7.3	7.5	9.3	**8.6**
Women (worldwide)	4.8	5.3	5.2	5.7	**6.9**

Attractive and fair remuneration. We remunerate work 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. It applies to all groups of employees. In our desire to offer attractive salaries and 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.

G4-51, G4-52, G4-DMA, G4-EC5, G4-LA2, G4-LA13

Industry-typical salaries. The salaries are determined on the basis of the employees' tasks and performance, and in line with their qualifications and experience. We pay salaries that are customary for the market and the industry, which are significantly above the legal minimum wages that apply at 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 overall remuneration that is significantly above the level specified in collective bargaining agreements.

Weekend work and overtime. The length of our employees' workweek is generally regulated by the company or by a collective bargaining agreement. In Germany, the workweek is 35 hours long in the manufacturing sector. Deviations are possible on the basis of agreed-upon regulations. Overtime is only performed within the framework of a requirements planning forecast and has to be approved. In general, we allocate working times in such a way that remuneration remains stable even if the amount of work sometimes fluctuates. This is made possible by a time-account system.

Fair pay. In setting the base remuneration we are not guided by gender or place of origin, but exclusively by the employee's job and responsibility, and we 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 to temporary employees, who receive a regular remuneration in accordance with the collective bargaining agreements for the metal and electrical industries during their assignments in the manufacturing sector.

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

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 uniform worldwide process. Sustainability criteria also play a role in this context.

Performance assessment and target-oriented leadership. In order to measure and control each individual's performance, we use standardized leadership processes such as LEAD for managers and NAVI for employees of Daimler AG. In these processes, the individual agrees to quantitative and qualitative targets with his or her supervisor, and employees generally agree to a personal development goal as well. Depending on the individual's position and management level, the objectives also include diversity and compliance targets.

At the end of the year the supervisor decides whether the objectives have been reached. The individuals' goal attainment and leadership and work performance as well as the employees' development potential are then discussed in company-wide management conferences. The supervisor personally discusses the results with the employee. Potential measures for professional development are then discussed as well.

High level of profit sharing. All over the world, we enable over 80 percent of our employees to participate in the success of the respective company. For business year 2015, Daimler AG will, for example, pay up to €5,650 (2014: €4,350) to eligible employees in April 2016. That is the highest such payment to date.

Attractive 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 normally offer defined benefit or defined contribution pension plans. In addition, employees can also make provisions for retirement by means of deferred compensation.

All permanent employees of Daimler AG are entitled to participate in the company pension plan. As a result, they not only receive such a pension in old age but are also covered against premature insured events such as disability and death. The employee-funded company pension plans and the pension benefits are generally also available to temporarily employed people.

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Expenditure on pension provisions at the Daimler Group

in € billions	2011	2012	2013	2014	**2015**
Liabilities for company pension and healthcare benefits	3.2	3.0	9.9	12.8	**8.7**
Cash value of pension liabilities on Dec. 31[1]	19.1	23.9	23.2	30.1	**27.6**
Expenditure on company pension plans	0.7	0.8	0.8	0.8	**1.0**
Expenditure on statutory pension plans	1.3	1.4	1.3	1.4	**1.4**
Payments to retirees	0.8	0.8	0.8	0.8	**0.9**

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

G4-44 G4-51, G4-52, G4-EC3, G4-LA2, G4-LA11

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

The Global Pension Policy stipulates the requirements for our pension plan models. We cover the majority of our pension obligations with pension assets. In addition, the pension claims of the employees in Germany are insured by the German businesses' Mutual Benefit Association for Pension Security (PSVaG). It is impossible to make general statements about the percentage of salaries that is deducted for pension plans, because these plans vary widely worldwide in terms of their type and extent.

Additional facts and figures: AR 2015, pp. 240 f.

Diversity management

True to the motto "I'm one of you," Diversity Management creates the general conditions for a culture of diversity, which include the clear rejection of any form of discrimination, as well as the creation of a work environment that is free of prejudice.

In addition, we offer awareness-building and training measures, particularly for our managers. We are especially increasing the managers' awareness so that they respect the various dimensions of diversity and integrate them into their daily work. We are strengthening their appreciation of diversity and helping them to develop skills for dealing with unconscious bias.

The slogan "I'm one of you" shows that diversity management affects everyone at the company – from the Board of Management to every individual employee. The Daimler Board of Management has clearly committed itself to diversity. All the members of the Board of Management support our Diversity Statement and actively advocate the realization of its principles:

- **Promoting diversity.** We respect and appreciate the diversity of our employees. We encourage them to contribute this diversity to the company.

> "Diversity is everywhere. Every person and every country is unique. In our global society we encounter this diversity each and every day. That's why we need a corporate culture that respects and appreciates these differences and knows how to utilize them effectively. To achieve this, we need to listen attentively and permit diversity."
>
> **Britta Seeger**
> President & CEO Mercedes-Benz Türk

- **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:

1. **Gender Diversity**
2. **Generation Management**
3. **Internationalization**
4. **Working Culture**

In addition, over 3,000 Daimler employees worldwide are involved in 11 official employee networks. In their organizations, the employees reflect all of the dimensions of diversity management at Daimler.

Participation in CSD 2015 (only available in German)

G4-DMA, G4-EC3, G4-LA2, G4-LA12, G4-HR3

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

Gender diversity. Daimler has a self-designated target of increasing the share of women in management positions within the Group to 20 percent by the year 2020. In 2015 more than 15 percent of our executives in middle and upper management were women. To achieve our objective, we have installed a stringent internal reporting and forecasting system and are promoting women through special programs and seminars. This applies in particular to female professionals in the fields of engineering and technology. In 2015, over 35 percent of the trainees who entered the company through our CAReer program were women.

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Development of the percentage of women at the Daimler Group

	2011	2012	2013	2014	**2015**
Women employees (worldwide)	42,324	44,567	44,793	46,948	**49,208**
– Europe	30,904	31,784	32,373	33,491	**34,969**
– North America with Mexico (NAFTA)	5,026	5,636	5,584	6,236	**6,851**
– South and Central America	1,649	1,744	1,759	1,690	**1,742**
– Africa	1,316	1,406	1,484	1,675	**1,555**
– Asia	3,163	3,724	3,299	3,530	**3,805**
– Australia	266	273	294	326	**286**

G4-6, G4-38, G4-40, G4-DMA, G4-LA8, G4-LA10, G4-LA12

Generation management. In 2024, one in two employees of Daimler in Germany will be 50 years or older. The average age of the employees will then be about 47 years. With the increase in the retirement age, generation diversity will expand. We consider the demographic transformation to be an opportunity and we are using our generation management measures to help adapt ourselves to these challenges. In doing so, we are specifically focusing on measures for maintaining the health and performance of younger and older employees and promoting cooperation between people of all ages.

- We encourage mutual respect among all age groups and promote productive collaboration. In workshops and seminars devoted to leadership in an era of demographic transition, we raise the awareness of managers in particular regarding work with people from different generations.
- We are using qualification measures and employment methods that encourage “lifelong learning” in order to promote our employees’ further development and ensure their employability.
- To maintain our employees’ capabilities, we implement ergonomic improvements, offer courses on how employees can promote their health, and develop innovative work organization concepts.
- The HR Resource Management system helps us to adapt our workforce structures in line with our needs. It enables us to recognize demographics-related capacity risks early on and find appropriate solutions for them.

In the fall of 2015, we and the General Works Council agreed on joint basic principles to which we orient ourselves in our generation management. The main topics are healthcare, work structuring, leadership, learning, and human resources development.

Gen Y-Day (only available in German)
Exhibition “Ey Alter!” in Bremen

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Internationalization. Daimler earns significantly more than 80 percent of its revenues abroad. Worldwide we operate at over 180 locations on six continents. Our employees come from over 150 countries. Most 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.

Annual Diversity Day. We hold an annual Daimler Diversity Day on the basis of the Diversity Charter. The third Diversity Day took place in June 2015 in line with the slogan "Move Diversity!" At Daimler, the event was celebrated with numerous activities in 26 countries on four continents.

Global assignments. Throughout the world, around 1,800 Daimler employees from 30 countries are taking part in international assignments. By far the most important country in which assignees from Germany work is China, with a share of almost 40 percent. It is followed by the United States at around 15 percent and Hungary at around 6 percent. Other important target countries include South Africa, India, and Japan. However, we also promote the assignment of employees from our global locations to Germany so that they can build up networks and deepen their know-how. Such expats from abroad also help to make Daimler in Germany more international. We currently have around 190 global assignees in Germany, with most of them coming from the United States, India, and China.

1,800

Daimler employees from 30 countries are taking part in international assignments worldwide.

Working culture. We are creating appropriate framework conditions to strengthen our supportive working culture, which is based on appreciation and respect. These measures range from fair and flexible working time regulations to mobile working from home and on the road.

Flexible working arrangements. Many employees attach great value to the ability to structure their working hours individually. To make this possible, we have created appropriate framework conditions that enable our employees to reconcile the needs of their work and their private lives as well as possible. To this end, we agree on individual working (time) models with the respective employees.

Of the 2,756 employees who took advantage of parental leave during 2015, 69 percent (2014: 73 percent) were male. More than 90 percent of the fathers took two "partner months" of leave. We encourage all employees who take parental leave to later return to their jobs at the company. That's because we value the knowledge and experience of our employees so much that we cannot do without them and don't wish to lose them. Furthermore, work agreements additionally enable employees to suspend their careers for several years for a sabbatical or training measures – with the promise that they can return to Daimler afterwards.

Part-time training at the Gaggenau plant (only available in German)

G4-40, G4-DMA, G4-EC6, G4-LA3, G4-LA12

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

Reconciling work and family. We help our employees find appropriate childcare solutions. In Germany, we offer around 710 places in daycare centers in close proximity to our company locations as well as 160 reserved places in other daycare centers. In addition, we cooperate with a third party that assists employees in finding childcare providers. In September 2015, we set up our first “sternchen” daycare center outside Germany. Located in Hungary, the facility can take care of over 60 employee children aged six or younger.

Expansion of job-sharing opportunities. We also promote job sharing, in which two employees share the same task/position and work up to 30 hours per week each. In this way, we help our employees reconcile the needs of their work and their private lives. This is especially important for managers, whom we thus enable to work part-time. However, reliable agreements are needed for this arrangement, which we promote and support. In mid-2015, more than 100 employees worked in job-sharing positions at the team and department level.

Job sharing at Daimler

Part-time community for managers. The Level 4 Part-time Community is an online platform where our Level 4 managers can contact one another when they want to obtain a part-time position or would like to switch from a full-time job to a part-time one. On this platform, participants can find potential job-sharing partners as well as like-minded individuals with whom they can share ideas.

More mobile working. In 2015, we teamed up with the General Works Council, the IG Metall trade union, and the Fraunhofer Institute to launch a joint “mobile working” initiative. We also got employees and managers involved in this broad-based process that aims to integrate the needs of the workforce and the requirements of business operations into an updated general works agreement.

Diversity key figures

G4-DMA, G4-EC7, G4-LA9, G4-LA10, G4-LA12

Development and promotion

We are competitive and innovative only as long as 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 the important phases of employees’ individual training and career paths.

High-quality vocational training. Our industrial-technical and commercial vocational training, as well as our studying programs at the Cooperative University, enable us to attract most of the junior talents we require. To keep abreast of 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 2015, around 70 trainees and 15 trainers had a chance to gather their first international experience. Moreover, ten trainees took part in an exchange project in Poland in cooperation with the Action Reconciliation Service for Peace.

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. In several countries, we are also creating our own company training centers and qualification structures or supporting the respective region’s offers. Furthermore, we are also establishing dual education elements outside Germany.

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

Daimler currently employs a total of 8,307 trainees (2014: 8,346), including 2,017 abroad (2014: 1,773). At international locations such as in China and India, more than 4,000 teenagers are trained and qualified in cooperation with schools and in other training models. This figure is continuing to increase.

Recruiting and developing new talents. We offer talented young people development prospects in our company by specifically addressing various target groups and providing them with a wide variety of training programs from career entry level to further qualification:

- **The Cooperative University (DH) at Daimler** combines a scientific study program with internships at 13 company locations in Germany. In 2015, Daimler had 650 DH students. We hire around 200 DH graduates each year.
- **The FacTS program** supports young skilled workers who have completed our technical professional training courses with outstanding results, in the first years of their careers. The program currently has 41 participants, and 16 skilled workers have completed the program to date.
- **The international trainee program CAReer** enables outstanding university graduates to enter our company. Highly qualified participants who have an international profile receive support during and after the program phase, and are perfectly prepared for their prospective management tasks at the company. CAReer promotes the participants' personal development and enables them to learn skills in a variety of divisions worldwide. The program's participants are given a permanent job contract from the very start. In 2015 we hired about 200 trainees, about 40 percent of whom were women and more than one-third were international participants.

The Daimler career portal

8,307

trainees are currently learning at our plants.

Further training and qualification – lifelong. 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. Once a year, supervisors and employees meet to discuss qualification topics and agree on appropriate measures.

Futher 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 subsequently return to the company. In 2015 around 400 employees used this opportunity. Moreover, managers can facilitate employee's qualification efforts with time credits and financial support.

G4-DMA, G4-LA9, G4-LA10, G4-LA11

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employees took part in the Daimler Academic Program in the winter semester of 2015-2016 with the goal of earning a certificate or a bachelor's, master's, or doctoral degree.

Key areas of qualification

1. **Vehicle development:** Our Research & Development Technology Academy ensures that our developers' professional skills are always up to date.

2. **Production:** Our manufacturing locations are responsible for qualifying skilled workers and managers in production. We attach great value to imparting of up-to-date technical knowledge for the qualification of skilled workers and managers, particularly in production units. In 2015, we qualified our employees in technological disciplines such as vehicle and industrial technology and production systems. Throughout Germany, we held around about 4,000 events that were attended by about 27,000 participants.

3. **Sales and customer services:** The Global Training unit ensures and increases the skills of the employees of the Mercedes-Benz sales organization worldwide. It develops training concepts at a central location, from which they are provided to all countries in seven languages. In this way, all salespeople can be supplied with the latest information at the same time. In the development of new concepts, the Global Training unit works closely together with the Global Service & Parts business unit and with the various markets. The concepts are implemented by 740 trainers at 150 training locations in 118 countries worldwide. These trainers qualify more than 150,000 participants each year.

4. **Managers and skilled workers:** Each year, the Daimler Corporate Academy (DCA) draws up an integrated globally consistent qualification program for our managers. In this way, they all have access to the same high-value opportunities. In 2015, around 3,800 managers from 60 locations took part in the Leadership Program. DCA's complete program covers the areas of leadership and specialist knowledge (HR, Finance, Procurement, IT) in addition to cross-functional knowledge and academic development. DCA held about 1,000 professional qualification courses for about 15,000 employees. A total of 13,500 people took part in around 1,800 interdisciplinary qualification events throughout Germany.

5. **Lean management** is now well established in all of the production units and supporting processes at Daimler.

6. **Compliance:** We provide training courses to promote legally compliant behavior within our company. Our Corporate Compliance organization is responsible for these courses.

The Daimler Academic Programs enable qualified managers and skilled employees to study with support of the company. Participation is determined by means of an internal selection process and the respective employees' personal development plans. In the winter semester of 2015-2016, 173 employees studied as part of the program.

G4-43, G4-DMA, G4-LA9

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You can find the key figures for this chapter in our online key figures tool: www.daimler.com/sustainability/key-figures2015.html

Executive development with LOOP. As a result of Leadership enhancement through Orientation, Openness and Participation (LOOP), all managers receive feedback concerning their leadership behavior from employees, colleagues, and individuals from relevant areas of work. LOOP supports the managers' personal development, fosters an open dialog, and strengthens the feedback culture. In 2015, we continued to roll out the LOOP process, which commenced in 2013. As a result, our department heads around the world will begin to receive feedback in 2016. In the future, we also plan to use this instrument for middle management.

More on advanced training and qualification

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Qualification of employees at Daimler AG

	2011	2012	2013	2014	**2015**
Costs for training and advanced professional development (in € millions)	231	241	236	248	**252**
Investments in employee qualification (in € millions)	101	112	107	121	**126**
Qualification days per employee/year	3.8	4.0	4.1	4.1	**3.6**
Qualification days per woman employee/year	3.8	4.3	4.2	4.3	**3.8**
Qualification hours per employee/year	26.6	28.0	28.7	28.7	**24.5**

G4-2, G4-43, G4-DMA, G4-LA5, G4-LA6, G4-LA7. G4-LA8, G4-LA9

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 of occupational health and safety

Globally uniform 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 promotion, ergonomics, social counseling, and integration management. In addition, our health management and occupational safety are integral elements of our risk management systems.

Maintaining and promoting employee health. As part of our health management measures, we conduct a wide variety of projects to develop solutions that are implemented at the company. These solutions range from the workplace-related "Daimler HealthCheck" at three pilot locations so far to ergonomic workplace design and an IT system that makes it easier to permanently reintegrate employees whose health is impaired. Added to this are facilities such as our social counseling service, which helps employees deal with psychological problems, conflicts, and life crises. In addition, we offer special programs to combat HIV/AIDS, tuberculosis, and malaria.

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HR initiative "Life Balance." Our HR initiative "Life Balance" helps employees reconcile their professional responsibilities with their private lives, and thus also serves to keep them healthy.

HR initiative "Life Balance" (only available in German)

Human-robot collaboration. Industry 4.0 is creating new challenges for occupational safety. Viable new safety concepts have to be developed to deal with the rapid technological changes. An important aspect that has to be taken into account is the cooperation between robots and human beings. We are addressing this topic in cooperation with the Technology Factory, the competence center for innovative production technologies at the Mercedes-Benz Cars division. The objective is to integrate the collected findings into the upcoming update of the collaborative robot standard (TS 15066).

Human-robot collaboration (only available in German)

Healthy Workplaces Good Practice Award. In 2015, Daimler received the Healthy Workplaces Good Practice Award for its outstanding management of psychological stress and promotion of mental health. The judges especially honored our system for determining the health risks of psychological stress (GPB) and the "Ways to achieve inner stability" health campaign of 2013.

Healthy Workplaces Good Practice Award

In honor

of its outstanding performance in the promotion of mental health, Daimler received Europe's Healthy Workplaces Good Practice Award in 2015.

Determining the health risks of psychological stress. We are using our system for determining the health risks of psychological stress (GPB) to find potential stress factors in relation to the employees' daily work. Each Daimler AG location has GPB assessment teams composed of occupational safety experts, works council members, and company doctors.

First Global Health Conference. We held our first Global Health Conference in line with the slogan "Health@Daimler. One Vision. One Community." The event took place in Stuttgart in 2015. Representatives from HR and health management units in Germany and abroad came together to discuss current and future challenges. The participants approved a health strategy that sets uniform health management standards.

Pandemic plan and pandemic management system. The pandemic and epidemic plan of Daimler AG addresses all medical occurrences that could potentially lead to a crisis. The associated Pandemic Management System (PMSys) was launched in 2015 with a pilot program in Rastatt. In the next step, the system will be introduced throughout Germany.

G4-DMA, G4-LA5, G4-LA6, G4-LA7, G4-LA8

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Component concept for risk assessment. Our concept for assessing the risks of workplaces and work processes investigates individual processes (components). All of these individual assessments combined then generate the overall assessment.

Assessment of potential risks

Strengthening of psychosocial leadership skills. Our social counseling unit increases managers' awareness of behavioral problems and teaches them how to handle such situations. Moreover, the unit coaches managers who find themselves in difficult leadership situations. In addition, it helps employees deal with psychological problems, conflicts, and life crises.

IT process for assigning employees to tasks that are in line with their capabilities. We have developed a special IT system that enables employees suffering from health-related limitations to be permanently reintegrated into existing work processes. With the help of this system, we can determine which jobs correspond to an employee's capabilities. As a result, we can utilize employees in line with their physical capabilities.

Ergonomics training. Our employees continuously undergo ergonomics training. In addition to our standardized ergonomics assessment methods, the employees are taught the basics of ergonomic workplace design. In 2015 we expanded this training program to several locations outside Germany for the first time.

IT project for ergonomics assessment. As part of the EAB 2.0 project, we are currently working on an IT solution for standardized ergonomics assessment methods. Our objective is to document the assessments in a database to ensure that uniform ergonomics processes and systematic ergonomics analyses can be established at all divisions.

Company health promotion is aimed at motivating employees to develop healthy lifestyles and to reinforce their sense of personal responsibility regarding health issues. This objective is promoted worldwide with the help of campaigns, counseling, and qualification offerings, as well as therapeutic and rehabilitation measures. All of our plants in Germany have health centers on their premises or cooperate with health centers located near the plants.

Measures and initiatives for company health promotion

Preventing accidents and making workplaces safe. Daimler's occupational safety program includes all measures for the prevention of work accidents, work-related illnesses, and occupational diseases. Our Center of Competence for Safety creates the associated Group-wide guidelines. Key occupational and health protection processes are standardized in order to enable the creation and advancement of integrated processes and systems.

Every organizational unit within the Daimler Group has to approve and implement occupational safety objectives on a regular basis in accordance with our occupational health and safety guidelines and occupational safety strategy and the results of audits and reviews. Centers of Experts help the organizational units address overarching topics such as machine safety and the handling of hazardous materials. An effective reporting procedure helps the units achieve the previously set targets.

G4-DMA, G4-LA6, G4-LA7, G4-LA8

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In 2016,

Daimler will roll out a newly developed IT system at all of its German locations. The system documents the potential risks arising from CMR substances.

Our managers are responsible for ensuring that all internal guidelines and legal requirements for occupational health and safety are complied with. Each location regulates the responsibilities and obligations in line with local conditions. The responsible managers are assisted by experts in the field of occupational health and safety.

Our occupational health and safety guidelines focus on prevention and continuous improvement. The guidelines emphasize the managers' obligation to act responsibly but also underscore the fact that the employees have to actively participate in the associated measures.

The occupational safety and health management guideline of Daimler AG regulates the tasks, responsibilities, and communication activities for the implementation of the occupational health and safety measures from the headquarters functions all the way down to the individual company locations. Among other things, the guideline stipulates that each location must have an occupational safety committee. These committees are composed of the location managers, the responsible planning officers, occupational health and safety experts, and the employee representatives.

Accident documentation and accident statistics. Our cross-site accident documentation system is supported by a standardized statistics system. It ensures the database is correct by enabling users to access the source systems for the hours of attendance, lost days, and organizational structures.

Campaign for moving safely through the plants. The occupational safety campaign "sICHer," which was launched in 2015, targets the employees' behavior and makes staff at all units aware of safety risks. The campaign focuses on forklift trucks and the use of cell phones at the plants.

IT system for risk documentation. The newly developed risk documentation system (GDS) helps us manage high-precaution hazardous materials, mandatory occupational health examinations, and other preventive and fitness examinations of the employees. The system ensures we adhere to government regulations regarding substances classified as carcinogenic, mutagenic, and toxic for reproduction (CMR). The GDS is scheduled to be gradually introduced in all German locations in 2016.

Accident statistics

G4-DMA, G4-LA6, G4-LA7, G4-LA8

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Our occupational healthcare portfolio

Qualification	Consulting	Prevention	Therapy
– First-aid training – Advanced emergency medical training	– General medical consultation – Travel healthcare/care of expats – Advice on workplace-related issues – Medical reports following workplace inspections – Advice regarding personal protective equipment – Advice for the organization of first aid	– Preventive occupational medicine – Fitness examinations/examination of newly hired employees and of people who have completed their training – Medical service at events – Diagnostics – Vaccinations	– Emergency medical care following work accidents – Rescue services – Care of illnesses and mood disorders

Medical care for employees. At Daimler, 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 of accidents and acute illnesses. It lies within the area of responsibility of our plant and company physicians worldwide.

Daimler AG provides all of its employees with comprehensive medical care. This care is supplemented by the measures and services of the company health program and the personal counseling organization. If an employee is suspected of suffering from an occupational illness, the company documents the occupational medical checkups and doctors' diagnoses and reports the information to the responsible employers' liability insurance association.

The specialist departments and the occupational health and safety organization are responsible for implementing preventive health measures. After a risk assessment team has systematically recorded all of the risks, the employee in question is medically examined in accordance with Germany's Regulation on Preventive Occupational Medicine (ArbMedVV).

G4-DMA

Suppliers

Our success depends on our fair and trusting cooperation with suppliers all over the world. In line with this approach, we expect our suppliers to take on responsibility in the same way we do. Our Supplier Sustainability Standards serve as the basis of all our business relations with suppliers. We continuously communicate with the suppliers in order to uphold these standards along the global supply chain. Moreover, we regularly monitor our suppliers to ensure the standards are complied with.

G4-12, G4-DMA, G4-EN32, G4-EN33, G4-LA14, G4-HR1, G4-HR10, G4-SO9

81 Our Sustainability Standards
83 Promotion of industry-wide initiatives
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Our responsibility does not end at the gates of our plants. Instead, we obligate our direct suppliers to uphold our Sustainability Standards and introduce them into their own supply chains. We promote this effort through dialog and qualification measures as well as through joint initiatives with other manufacturers. We check to make sure that our standards are complied with and that violations have appropriate consequences.

Our success depends, not least, on our good and trusting cooperation with suppliers all over the world. This cooperation is based on shared requirements and values, which include the companies' compliance with our Sustainability Standards along the supply chain.

Around 2,900 employees work in Daimler's procurement units at more than 50 locations worldwide. Our established procurement management committees ensure the cross-divisional management of sustainability issues as well as uniform communications within and outside the organization. We regularly keep our employees up to date about new developments with regard to sustainability and compliance. In addition, training programs about these issues are mandatory for all new employees.

Increasing procurement responsibility at the local level. As part of its global growth strategy, Daimler is increasingly shifting its value added to the respective sales markets and production locations. We are therefore continuing to expand our procurement organization's international presence. As a result, Procurement will incorporate additional local suppliers in order to increase the local share of the value added. For example, while the value added from vehicle and engine production at the Beijing Benz Automotive Co., Ltd. (BBAC) car plant in Beijing currently has around 60 percent local content, this figure is scheduled to rise to about 80 percent in the future. To this end, we have already developed 250 local suppliers. This has clear benefits for sustainability, because locating procurement activities close to the production facilities in the growth markets supports the local areas, reduces logistics expenditures, and thus helps to cut CO_2 emissions.

Sustainability management at Chinese suppliers

Our Sustainability Standards

Our Supplier Sustainability Standards define our requirements for working conditions, human rights, environmental protection and safety, and business ethics and compliance. They are a binding component of the contractual conditions and form the basis of all of our business relations with manufacturing suppliers and service providers worldwide. By signing the contract, our direct suppliers commit to observing our 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 – text

Daimler Supplier Portal: daimler.covisint.com

G4-12, G4-13, G4-56, G4-DMA, G4-EC7, G4-EC9, G4-EN32, G4-EN33, G4-LA14, G4-LA15, G4-HR1, G4-HR2, G4-HR9, G4-HR10, G4-HR12, G4-SO4, G4-SO9

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Certified environmental management in the supply chain. We expect our suppliers to take on responsibility for the environment, and we request proof of their certified environmental management according to ISO 14001, EMAS or other comparable standards. Our target for 2018 is for 70 percent of our suppliers of production materials (based on revenue) to have such a certificate. This figure already amounted to 45 percent at the end of 2015. We also expect selected suppliers of non-production materials to have an environmental certificate. We choose these suppliers on the basis of a risk filter.

Supplier Sustainability Standards – “Environmental Protection and Safety” chapter

Dialog and training. We are convinced that cooperation along the global supply chains is essential so that sustainability can be permanently ensured. That is why we continuously communicate with our suppliers all over the world. We also include in this process the local supplier industry in countries with sustainability risks. In cooperation with other automobile manufacturers, our Procurement has been organizing supplier training courses since 2010. In 2015, training programs were held in China, South Africa, and India. Such courses had previously already taken place in Argentina, Brazil, Mexico, Russia, and Turkey. A total of 19 local training sessions have been held worldwide since 2010. We are also planning to use an e-learning training module in the future to ensure that all of our suppliers around the world can continuously progress.

Training courses for suppliers worldwide

70%

of our production material suppliers (based on revenue) are to have a certified environmental management system by 2018. This figure already amounted to 45 percent at the end of 2015.

To implement sustainability standards in the supply chain, we also hold discussions at our stakeholder dialog events. For example, Procurement initiated group talks with its key stakeholders in 2015. In this way, we ensure that we can continuously improve our measures and activities.

“Daimler Sustainability Dialogue”: p. 14 ff.

Social standards for contracts for work and services. The awarding and performance of contracts for work and services is subject to standards that extend beyond the existing legislation. Our standards define the requirements with regard to occupational health and safety, accommodation, remuneration, use of temporary employees, commissioning of subcontractors, and freelancing. These social principles are relevant for all orders that exceed a period of two months and are realized on the business premises of Daimler AG in Germany. The relevant suppliers are required to fill out and sign a declaration concerning their compliance with the standards. This is a prerequisite for receiving new orders. An auditing team from Procurement determines whether the standards are being observed.

G4-12, G4-13, G4-15, G4-56, G4-DMA, G4-EN32, G4-EN33, G4-LA14, G4-SO9

81 Our Sustainability Standards
83 **Promotion of industry-wide initiatives**
84 Prevention and risk management

Promotion of industry-wide initiatives

To make global supply chains more sustainable, we are active in various national and international trade and industrial associations such as econsense, the Association 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 Supply Chain Sustainability, which was founded as an industry initiative within the European corporate network CSR Europe. The goal of this collaboration is to develop a recognized company-wide and industry-wide frame of reference. One of the first results of this cooperation is the Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain. To date, Daimler and 13 other automobile companies from all over the world have committed themselves to comply with these minimum social and environmental standards.

As part of CSR Europe we are cooperating with experts from the procurement units of other manufacturers to develop tools for minimizing sustainability risks. For example, an industry-wide questionnaire with which suppliers can self-assess their sustainability performance has been developed. This questionnaire is recognized and used by all companies that take part in this initiative. In 2015, we used these principles to assess more than 40 percent of our suppliers of production materials (based on revenue). In addition, we specifically used the questionnaire in high-risk, non-production-material product groups such as transport logistics. On the basis of the results, we derive measures for improving sustainability performance and communicate these measures to our suppliers.

In 2016, we aim to proceed with the questionnaire's systematic rollout. We continue to cooperate with other automobile manufacturers and associations in this area as well so that we can jointly promote sustainability in the supply chains. We also seek to enable our direct suppliers to use the joint questionnaire for their own suppliers.

- European Automotive Working Group on Supply Chain Sustainability: www.csreurope.org
- www.aiag.org
- www.bme.de
- www.econsense.de
- www.vda.de

Responsible raw material procurement. Certain regions of the world are exposed to the risk that armed conflicts could be financed with the revenue from the sale of raw materials and minerals such as tin, tantalum, tungsten, and gold. To prevent this from happening, various voluntary initiatives or legislative guidelines have been introduced aiming at a declaration of the origin and the responsible procurement of such raw materials. In the United States, for example, the 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 effective and practicable approach for the establishment of responsible procurement of raw materials. Even with great effort, companies cannot always precisely determine the source of a raw material, especially if they are at the end of long and complex supply chains. We therefore cooperate with industry associations such as the German Association of the Automotive Industry in order to promote possible solutions that are feasible and that bring us closer to achieving this goal.

G4-12, G4-15, G4-16, G4-DMA, G4-EN32, G4-EN33, G4-HR12

81 Our Sustainability Standards
83 Promotion of industry-wide initiatives
84 **Prevention and risk management**

Prevention and risk management

We use a multi-stage concept to implement uniform sustainability standards and monitor their observance in our global supply chain.

1. **Regular review of our active suppliers.** To identify sustainability risks with regard to issues such as child labor, environmental protection, corruption prevention, violations of freedom of association or violations of human rights at an early stage, we conduct a 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 take preventive measures. We use media and database research to review cases of actual sustainability and compliance violations. We systematically follow up all reports of violations.

2. **Assessments of new suppliers before contract awards.** Particularly in the case of new suppliers from high-risk countries, our auditors ask specific questions concerning their compliance with sustainability standards during on-site assessments. We also conduct a more thorough audit when necessary.

3. **Escalation process.** In the event of a suspected or actual violation of our sustainability standards by a supplier, we follow an established escalation process, which begins with a request for an 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. All suspected violations are examined by the responsible management committees and with the involvement of the procurement heads. We work very closely together with the employee representatives when dealing with human rights issues. We cooperate with the corporate environmental protection unit when investigating violations of environmental standards. If required, trained experts and independent auditors conduct 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.

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Sustainability management in the supply chain.

The whistleblower system BPO (Business Practices Office) lets employees and people from outside the company report violations of legal regulations or of our Sustainability Standards. In addition, an electronic mailbox (sustainability.procurement@daimler.com) enables whistleblowers to contact sustainability experts at our Procurement unit.

BPO whistleblower system: p. 23

G4-12, G4-14, G4-16, G4-DMA, G4-LA15, G4-LA16, G4-HR4, G4-HR5, G4-HR6, G4-HR11, G4-SO3, G4-SO10

Social responsibility

As a globally operating company, we regard it as our responsibility to support social progress all over the world. We want to help shape the social environment at our locations and support the dialog between cultures. To this end, we promote education, science, art and culture, and nature conservation. In addition, we support initiatives for increasing traffic safety and assist our employees' charitable activities.

G4-37, G4-DMA

88 Promoting science
88 Education
89 Traffic safety
89 Nature conservation
89 Art and culture
90 Community and charitable commitment
91 Corporate volunteering
91 Dialog and understanding

For us, business success and social responsibility go hand in hand. As a company, we strive to create, help, and promote. Together with our employees we are helping to meet 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 various cultures. In this context, we focus on the one hand on fields of action that arise from our role as a "good neighbor." On the other, we are involved in projects in which we can contribute our specific expertise and our core competencies as an automaker. Our 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, dialog, and understanding. In 2015, we spent almost €60 million on donations to non-profit organizations and the sponsorship of socially beneficial projects in addition to our foundation activities and corporate volunteering efforts, as well as projects initiated by us.

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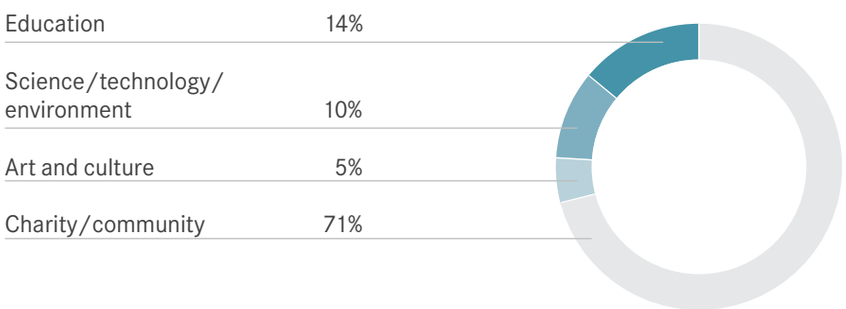
Donations and sponsorship in 2015



Effective control, high transparency. The donations and sponsorship committee of the Board of Management manages all of our 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 parties. In 2015, we supported the democratic parties exclusively in Germany with a total of €320,000. Of this total, the CDU and SPD each received €100,000, and the FDP, CSU, and Bündnis 90/the Green Party €40,000 each.

G4-37, G4-42, G4-45, G4-DMA, G4-EC1, G4-EC8, G4-SO1, G4-SO6

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Effective social commitment

€3.8

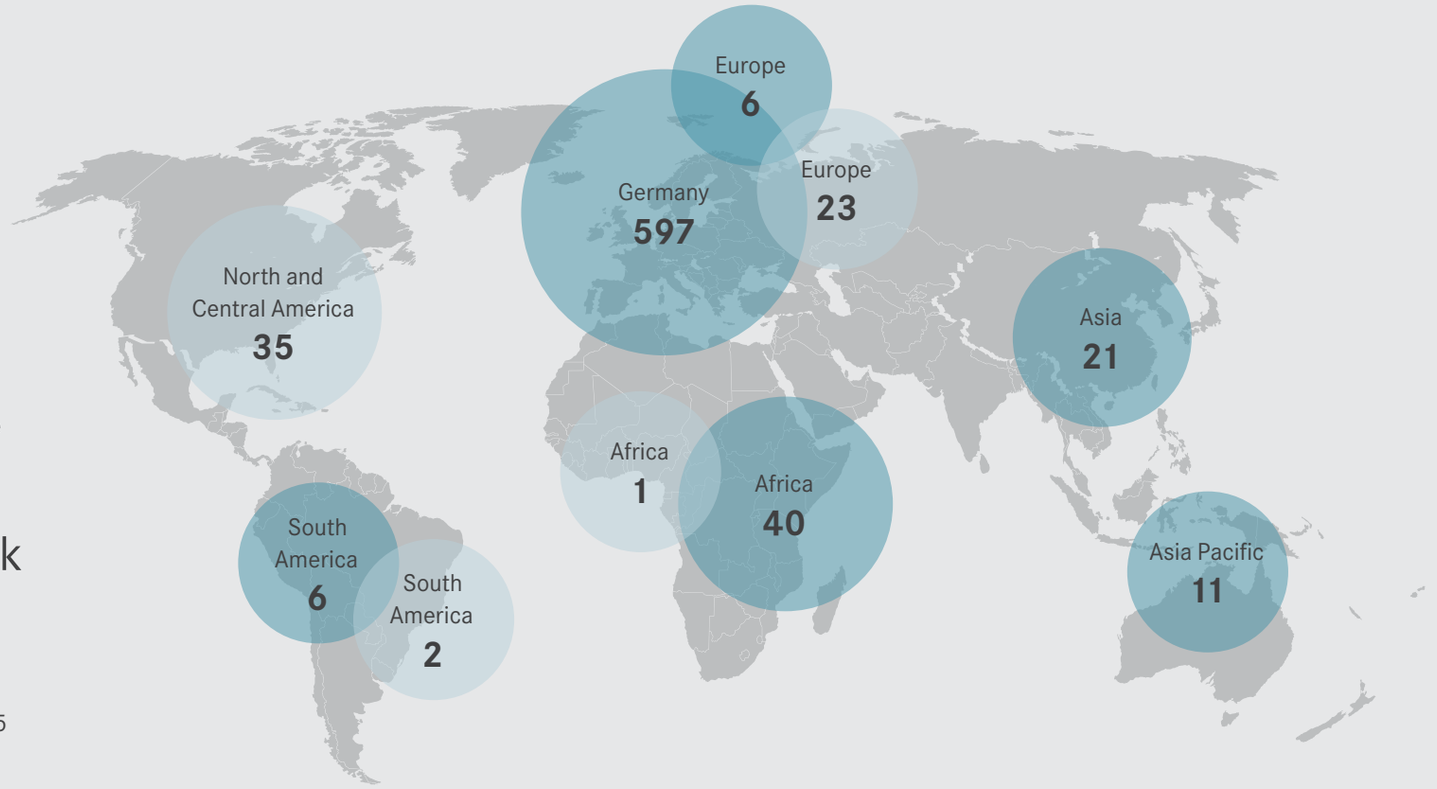
million have been invested in **670 aid projects** since ProCent was launched in December 2011.

191

projects received a total of **more than €1 million** from the ProCent initiative in 2015.

100,000

Daimler employees in Germany donate the cent amounts of their net pay to ProCent.



ProCent

670 projects funded in 38 countries worldwide since 2011

Day/Week of Caring

67 projects with 2,300 volunteers in 2015

G4-DMA, G4-SO1

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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. We therefore support universities, research institutes, and interdisciplinary scientific projects around the globe. We have consolidated these activities in foundations.

The Daimler and Benz Foundation is endowed with €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 ultra-safe 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.

The Daimler and Benz Foundation is investing **around €1.5 million** in the "Villa Ladenburg" project, in which researchers are 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, **the Daimler Fund** supports, among other things, 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

The STEM subjects are to become **even more international** in Germany, thanks to the MINTernational funding program.

More on these and other projects for the promotion of science

G4-DMA, G4-SO1

Education

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

The STEM education initiative "Genius – Daimler's young knowledge community" aims to get young people **enthusiastic about science and technology**. The initiative offers technology workshops that enable children and teenagers to learn in a playful and practical way, and supplies teachers with instructional materials and continuing education courses for the teaching of technology classes.

Opportunities for the inhabitants of South African townships. With our help, the St. Anthony's Education Centre trains men and women from Reiger Park, a township of Johannesburg.

Internships for talented young people from Arab countries. In cooperation with local universities, we promote talented young people from Arab countries.

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.

Because people have to learn how to **manage their money wisely**, employees from Daimler in the United States take part in the Junior Achievement project, where they teach young people financial literacy and entrepreneurial thinking.

More on these and other education projects

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Traffic 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. We pursue this goal with traffic-education projects for schoolchildren and safety training programs for adults, for example.

To date, MobileKids has made **more than 1.2 million children** fit for road traffic – in Germany and many other countries.

More on MobileKids and other traffic safety projects

Nature conservation

We share the 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. In this way, we contribute to making sure the earth remains a place worth living in.

Thriving wetlands are valuable habitats and carbon sinks. With the support of Daimler, nature conservationists are rescuing two wetlands (one in the Black Forest, the other in the Allgäu region) that are at risk of drying out.

With our help, a renaturation project of the Global Nature Fund aims to **rescue mangrove forests in Asia**.

More on these and other nature conservation projects

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 activities 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.

Partnerships around the world. In 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 jazzopen, the International Bach Academy, 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 we sponsor the International Music Festival. In South Africa, we are active as partners of the “21 icons” project. This initiative strives to inspire young people to follow in the footsteps of national icons like Nelson Mandela.

We support the Prussian Cultural Heritage Foundation in order to **make cultural heritage visible** and strengthen the importance of culture in society.

The Emerging Artist Award **helps young artists start out on their careers**. With our support, the award provides funding for a particularly promising graduate of the Cranbrook Academy of Art in Michigan each year.

More on these and other projects in support of culture

G4-DMA, G4-EN11, G4-SO1

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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.

Extensive support for refugees. Daimler has been helping refugees for a long time. For example, it has cooperated with “Wings of Help” since 2013 to send four convoys with relief supplies to Syrian refugee camps in Turkey and two flights with similar supplies to northern Iraq. In addition, we are providing the city of Stuttgart with €100,000 annually for three years for a fund to welcome refugees. We are providing an additional €100,000 to fund refugee projects of the Bürgerstiftung Sindelfingen. We also donated €1 million to the child relief organization “Bild hilft e.V. – Ein Herz für Kinder.” Moreover, we fund German language courses for refugees, donate food from the Daimler cafeterias, and offer a support fleet of Mercedes-Benz vehicles to relief organizations. We are currently also determining whether company doctors from Daimler could provide medical care to people in refugee centers.

Furthermore, Daimler is assisting the social integration of the refugees and supporting the relief activities of its employees. For example, our employees donated €300,666 to help refugees. The company contributed the same amount. The total sum of €601,332 was donated to the German Red Cross (DRK) in support of refugees. The fundraising campaign was jointly initiated by the company management and the General Works Council in Germany. Special “action days” were also held, during which employees helped refugees. Plans are also being drawn up to renovate refugee centers and build playgrounds for the children. Among other things, Daimler pays for the required materials and ensures that crafts-people professionally supervise the activities.

“Immigration is an opportunity for Germany. As a company, we take our social responsibility very seriously. That’s why we help migrants integrate themselves into the German workforce and society. Our ‘bridge internship’ paves the way for refugees to enter the German labor market without red tape.”

Wilfried Porth
Member of the Board of Management of Daimler AG, Human Resources and Director of Labor Relations, IT & Mercedes-Benz Vans

In November 2015, Daimler launched a “bridge internship” for refugees. The first group of approximately 40 participants spent 14 weeks at the Mercedes-Benz plant in Stuttgart-Untertürkheim, where they learned the basics of industrial production work. The participating refugees were selected by the Federal Employment Agency, the Jobcenter Stuttgart, and the Jobcenter Esslingen. In the future, Daimler wants to offer such “bridge internships” at many other Mercedes-Benz plants in Germany. The aim is to equip several hundred refugees with qualifications that help integrate them into the German labor market and enable them to get jobs in German industry.

To help people living in great poverty, we also fund the Ekukhanyeni project in Lawley near Johannesburg.

More on these and other aid projects from Daimler

G4-37, G4-DMA, G4-SO1

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Corporate volunteering

We face up to our global responsibility as a company, and 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.

Over €1 million was provided to charitable projects by the ProCent initiative in 2015. In this initiative, Daimler employees voluntarily donate the cent amounts of their net salaries for a good cause. The company matches every cent that is donated.

Daimler organizes the “Day of Caring” **in more than 30 countries**. In 2015, more than 2,300 employees worldwide contributed a day of work in support of charitable organizations.

The national company of Daimler Financial Services (DFS) in the United States gives its employees **one more paid working day off** (“Individual Volunteer Day”) for socially beneficial activities.

“Give a Smile” is the motto of Daimler’s annual Christmas campaign, in which employee volunteers gift-wrap presents for children and adolescents from socially disadvantaged families.

The organization Willing Hearts in Singapore cooks **4,500 meals every day**, which it then distributes to people who live on the fringes of society. Daimler employees assist this effort.

More on these and other employee projects

> €1 million

were donated to charitable projects by Daimler employees through the ProCent initiative in 2015.

Dialog and understanding

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

Recipients of the Daimler-Byrnes scholarship learn **intercultural skills** in the Stuttgart region, where they receive extensive cultural training before they travel to the United States in order to live with host families.

With our help, the Jerusalem Foundation is creating the East Jerusalem Emergency Response Network to provide **Jerusalem with effective emergency assistance**.

More on these and other dialog projects

G4-DMA, G4-SO1

Target program

Sustainability is firmly anchored in our system of strategic objectives. 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 at all stages of the value chain. We review our sustainability targets annually and adjust them as required. In doing so, we also take the changing requirements of our stakeholders into account.

G4-18, G4-19, G4-23, G4-25, G4-26

Strategy and management

Stakeholders	Date	Measures	Status	Page
Internationalization of the stakeholder dialog	2016	**Continuation and internationalization of the “Daimler Sustainability Dialogue”** ⊕ Staging of the eighth “Daimler Sustainability Dialogue” in Stuttgart with an international group of participants. ⊕ Staging of the first “Daimler Sustainability Dialogue” in Argentina. ⊕ Staging of the second “Daimler Sustainability Dialogue” in Japan. ○ Staging of the ninth “Daimler Sustainability Dialogue” in Stuttgart. ○ Staging of an additional “Daimler Sustainability Dialogue” in an international market.	↗ 90%	14
Further differentiation and systematization of the stakeholder management and dialog	2016	**Further development of the dialog concept** ⊕ Implementation of a think tank research project for the further development of the dialog with regard to corporate responsibility. ○ Development of a concept for the structured sharing of ideas with stakeholders at the Group level and launch of a pilot program in selected corporate responsibility functions. ○ Completion of the topic-related work and publication of the research findings in a combined research report. ○ Continuation of the think tank research project together with the Philosophy & Economics study program at Bayreuth University, including new corporate responsibility topics.	↗ 30%	14

G4-18, G4-19, G4-23, G4-25, G4-26

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Ethical responsibility

Integrity and compliance	Date	Measures	Status	Page
Training Further development of the integrated risk and target-group-oriented training program about integrity, compliance, and legal issues	Ongoing	⊕ Expansion of the training program for officers from Integrity and Legal Affairs. ⊕ Implementation of the annual training plan. ⊕ Provision of target-group-oriented training materials, methodical assistance, and training programs in order to expand and support the communicator network. ⊕ Ongoing provision of web-based basic training courses about integrity, compliance, and legal issues.	↗ 90%	19 f.
Raising awareness Discussion of our values and principles	Ongoing	**Continuation of the company-wide dialog** ⊕ Awareness tool “Monster Mission”: More than 55,000 employees from throughout the Group have played the online game. ⊕ Video project: The writer and moviemaker Alexander Kluge is cooperating with Daimler AG to raise people’s awareness of the importance of the corporate value “integrity.” ○ Target-group-specific events where manufacturing employees, managers, and other target groups can discuss integrity. **Supporting ethical conduct in daily business** ⊕ “Infopoint Integrity”: This contact and advice center for integrity-related concerns in daily business was set up in March 2015 for the locations in Germany. ○ Development of measures for the continued support of the employees’ ethical conduct, using the areas where need for action was identified as a basis.	↗ 90%	19 f.

G4-HR2

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Ethical responsibility

Integrity and compliance	Date	Measures	Status	Page
Sustainable compliance Sustained integration of compliance.	Ongoing	**Integration of compliance** ○ Further integration of compliance as an integral element of our value chain. ○ Continuous increase of people's compliance awareness in order to sustainably maintain a culture of integrity as the foundation of the company's daily operations. **Expansion of the set of tasks** ⊕ Establishment of an internal quarterly report on the prevention of money laundering in the goods trade. ⊕ Successful completion of the implementation of a process for the Group-wide review of sanctions lists. ○ Continuation of activities for the prevention of money laundering in the goods trade. ○ Continuation of the Group-wide review of sanctions lists (EU and US). **Process improvements** ○ More efficient structuring of compliance processes in the company. ○ Further increase of the effectiveness of the Compliance Management System. ○ Further increase of the effectiveness of the due diligence process. ○ Increase of the effectiveness of the Integrated Compliance Risk Assessment.	↗ 95%	21 ff.

G4-HR11

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Ethical responsibility

Integrity and compliance	Date	Measures	Status	Page
Whistleblower system Optimization of the BPO whistleblower system.	Ongoing	**Data protection at the BPO** + Review of the data protection conditions as part of the continuous improvement process. ○ If necessary, initiating the notification of the data protection authorities. ○ Definition of a perpetuation process that, among other things, calls for the regular review of the data protection conditions. **Communication to the employees** + Development and rollout of a sustainable communication concept (including initial measures) in Germany and abroad. ○ Continuation of global communication measures in 2016. **Process improvements** + Implementation of a continuous improvement process. ○ Conception and development of a new IT system for handling cases and for BPO reporting. ○ Ongoing optimization of the existing processes.	90%	23 f.
Critical support by an independent advisory council	Ongoing	+ The Advisory Board for Integrity and Corporate Responsibility has three ordinary meetings per year as well as further meetings as needed. It holds internal discussions as well as discussions with members of the Board of Management and with other contact people at Daimler. + The Advisory Board's members regularly obtain information about the company's integrity-related activities and other current topics that affect the Group. + The Advisory Board evaluates the Group's integrity-related activities at the request of the Supervisory Board.	95%	20

G4-PR8

+ Achieved in 2015 In 2015, Daimler came closer did not come closer to achieving the target

Ethical responsibility

Human rights	Date	Measures	Status	Page
Expansion of the risk management for human rights worldwide in line with UN requirements	2015	**Conduction of Human Rights Compliance Assessments (HRCA) in 19 countries containing Daimler production locations (2012-2015) so that possible human rights risks can be detected early on (until the end of 2015)** ⊕ Pilot risk assessments for Germany, Mexico, and Egypt. ⊕ HRCAs in Brazil, France, India, Japan, Spain, Hungary, the United States, and South Africa. ⊕ Further HRCAs in the Czech Republic, Turkey, Argentina, Canada, and Indonesia. ⊕ Further HRCAs in Portugal, Romania, and the United Kingdom, bringing the country assessments to a close. ⊕ Evaluation of the results and closing of any gaps identified in the various countries. ○ Transfer into a systematic and continuous Daimler Human Rights Respect System.	↗ 100%	21 f.
Development and implementation of an expanded concept for the management of human rights issues (Daimler Human Rights Respect System)	2020	**Development and implementation of the Daimler Human Rights Respect System (including risk identification, program management, monitoring, and reporting) in countries containing majority-owned Daimler production locations and in other potential risk countries** ⊕ Implementation of feasibility and requirements analyses on the basis of Human Rights Compliance Assessments (HRCA). ⊕ Design of a risk management cycle to ensure risks are continuously monitored. ⊕ Discussion of the concept elements with external stakeholders in the “Human Rights” working group at the “Daimler Sustainability Dialogue.” ⊕ Creation of an internal working group for all specialist departments. ○ Integration of the discussed concept elements into the system. ○ Completion of the concept and preparation of the rollout of the human rights system. ○ Start of the implementation of the Human Rights Respect System in 2016.	↗ 20%	22

G4-HR9

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Ethical responsibility

Data protection	Date	Measures	Status	Page
Intensified awareness-building through the sensitization of employees to data protection issues	Ongoing	⊕ Dispatch of information packages to managers of Daimler AG who have been newly appointed or who returned to the company after having been on extended leave or on a foreign assignment. ○ Further increasing employee awareness of data protection issues. ⊕ Adaptation of the Group-wide awareness concept in order to develop a new web-based training program. ⊕ Optimization of the international training and information offers. ○ Web-based training tool for training employees in data protection throughout the Group (multilingual).	↗ 80%	25
Development and implementation of international data protection principles New	Ongoing	⊕ Participation in the development of the voluntary commitment to data protection principles in the automotive sector in Germany, the EU, and the United States (German Association of the Automotive Industry (VDA), European Automobile Manufacturers Association (ACEA), and Auto Alliance). ○ Implementation of the agreed voluntary commitment. ○ Further development of the implementation measures for the Daimler Data Protection Guideline (a binding corporate rule) on the basis of the sector-specific demands and requirements.	↗ 40%	25
Enhancement of data protection through the continuation of the discourse with relevant stakeholders and Daimler's involvement in projects about the future of data protection New	2020	⊕ Conduct of data-protection-related dialog sessions with scientists, politicians, and representatives of NGOs, associations, and administrative groups. ○ Continuation of the dialog with stakeholders on the same level.	↗ 40%	25

G4-PR8

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Product responsibility

Fuel consumption and CO_2 emissions – main markets	Date	Measures	Status	Page
Reduction of the CO_2 emissions of our fleet of new cars in Europe: – **to 125 g CO_2/km** (according to NEDC), a decline of about 30 percent since 2007. – **to 100 g CO_2/km** (according to NEDC), a decline of about 44 percent since 2007. **New**	2016 2021	**Continued phased reduction of CO_2 emissions through:** ○ The further electrification of the powertrain. ○ The further optimization of car engines and their phased introduction in model series. ○ Introduction of the new, enhanced fuel-efficiency 9-speed automatic transmission in additional model series. ⊕ Market launch of the new C-Class with up to 20 percent lower fuel consumption. ⊕ Reduction of traveling resistances (through improved aerodynamics, reduced weight), optimization of energy management. ⊕ Market launch of the C 350 e, the C 350 e Estate, the GLE 500 e 4MATIC, and the GLC 350 e 4MATIC as plug-in hybrid models. ○ Rollout of the new C-Class (including variants). ○ Market launch of the new GLC model series. ○ The emissions value for our fleet of new cars is currently 123 g CO_2/km.	↗ 100% ↗ 60%	34 28
Reduction of the fleet consumption of our cars and light-duty trucks in the United States: – **by 25 percent each** between model year 2012 (the base year for the current fuel efficiency regulation) and model year 2019.	2019	**Reduction of the fuel consumption of the car fleet by 14.1 percent and of the light-duty truck fleet by 11.3 percent compared to the base year 2012 through:** ○ Measures – see cars Europe. ○ The provisional values for the 2015 model year are 34.1 mpg for cars and 26.9 mpg for light-duty trucks.	↗ 40%	34 f.

G4-EN7, G4-EN19, G4-EN27

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Product responsibility

Fuel consumption and CO_2 emissions – main markets	Date	Measures	Status	Page
Reduction of the fuel consumption of our cars in China: – **by 25 percent** between 2012 (the base year for the current fuel consumption regulation) and 2019.	2019	**Reduction of the fuel consumption of imported cars by 8.8 percent and of domestic cars by 21.1 percent compared to the base year** ○ Measures – see cars Europe. ○ The current values are 7.5 l/100 km for domestic cars and 8.3 l/100 km for imported cars.	45%	35 f.
Reduction of the CO_2 emissions of our fleet of light-duty commercial vehicles in the EU: – **by more than 10 percent** compared to 2014.	2018	**Reduction of the CO_2 emissions of light-duty commercial vehicles (N1) by 3.5 percent compared to the base year to 192 g/km through:** ○ Full market availability of the measures introduced in 2014.	35%	37
Reduction of the fuel consumption of our heavy-duty commercial vehicles in Europe: – **by 20 percent on average** compared to the base year 2005.	2020	**After the fuel consumption of the reference long-distance haulage truck in Europe (Euro III vehicles) was reduced by over 10 percent (per ton-kilometer) compared to the base year, further reductions will primarily be achieved through:** ○ The more widespread use of the fuel efficiency-enhancing Predictive Powertrain Control system and the coverage of a larger section of the road network. ○ The OM 471, the latest engine generation for heavy-duty trucks. This engine consumes up to 3 percent less fuel than its predecessor. ○ The monovalent Euro VI M 936 G natural gas engine, whose CO_2 emissions are up to 10 percent lower than those of a diesel engine.	50%	37 f.

G4-EN7, G4-EN19, G4-EN27

Achieved in 2015 In 2015, Daimler came closer did not come closer to achieving the target

Product responsibility

Fuel consumption and CO_2 emissions – main markets	Date	Measures	Status	Page
Reduction of the fuel consumption of our heavy-duty commercial vehicles in NAFTA: – **by more than 20 percent on average** in our Cascadia truck, compared to the base year 2007. – **by approx. 10 percent** in our Cascadia truck, compared to the base year 2015. **New**	2015 2019	**Reduction of the fuel consumption of the reference long-distance haulage vehicle Cascadia through:** ⊕ Intelligent Power Management (route-optimized shifting strategy). ⊕ Exploitation of additional synergy effects of fuel consumption-reducing technologies from Daimler Trucks' global portfolio (e.g. improved aerodynamics etc.).	100%	37 ff.
Reduction of the fuel consumption of our buses: – **by 20 percent on average** for city buses and travel coaches over 18 tons GVW in Europe (compared to the base year 2005). **New**	2020	**Substantial improvement of values compared to the base year of 2005 through:** **City buses:** ○ All models available with new engine technology. ○ Consistent use of lightweight engineering. ⊕ As a result, the fuel consumption of the reference city bus is already down by 14 percent.	70%	37 ff.
		Coaches: ○ All models available with new engine technology. ○ Improved aerodynamics. ○ Lightweight engineering measures. ⊕ As a result, the fuel consumption of the reference coach is already 12 percent lower.	60%	37 ff.
Reduction of the CO_2 emissions of our Mercedes-Benz cars over their entire life cycles: – **down by 10 to 20 percent each** compared to the previous model.	Ongoing until 2020	**The reduction targets for the entire life cycle can be achieved by means of:** ⊕ Reduction of the CO_2 emissions of the new GLC: The diesel model (GLC 220 d 4MATIC): –20 percent. The plug-in hybrid model (GLC 350 e 4MATIC): –62 percent.	100%	37

G4-EN7, G4-EN19, G4-EN27

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Product responsibility

Air quality	Date	Measures	Status	Page
Offering vehicles early on that comply with the upcoming Real Driving Emissions (RDE) legislation New	2017	**Introduction of the new generation of car diesel engines featuring exhaust treatment systems close to the engine (front-runner: OM 654)** ○ Introduction of the first group of RDE Step 1 vehicles featuring the new OM 654 engine in 2016. ○ Availability of 10 “RDE Step 1” models on the market by the end of 2017.	50%	28
Reducing the NO_X emissions of our Mercedes-Benz cars over their entire life cycles: – **Down by 10 to 20 percent each** compared to the previous model.	Ongoing until 2020	**The reduction targets for the entire life cycle can be achieved by means of** ⊕ Reduction of the NO_X emissions of the new GLC: The diesel model (GLC 220 d 4MATIC): –27 percent. The plug-in hybrid model (GLC 350 e 4MATIC): –35 percent.	100%	40 f.

Health protection	Date	Measures	Status	Page
Ensuring that the interiors of our vehicles are safe for people who suffer from allergies	2020	**Certification of the vehicle interiors of all new car model series by the European Centre for Allergy Research Foundation (ECARF)** ⊕ ECARF certification of the CLA Shooting Brake and the GLC.	100%	41

Innovative vehicle and drive technologies	Date	Measures	Status	Page
Achieving a leading role in the premium segment for electric and hybrid vehicles New	2017	**Market launch of a total of 10 plug-in hybrid models from Mercedes-Benz** ⊕ Market launch of the C 350 e, the C 350 e Estate, the GLE 500 e 4MATIC, and the GLC 350 e as plug-in hybrid models. **Market launch of additional electric vehicles with a battery and a fuel cell** ○ Introduction of a new electric smart fortwo model ○ Introduction of additional Mercedes-Benz electric vehicles.	30%	38

G4-PR1

⊕ Achieved in 2015 In 2015, Daimler came closer did not come closer to achieving the target

Product responsibility

Environmentally responsible product development	Date	Measures	Status	Page
Assessment and reduction of the environmental effects of the Mercedes-Benz car models over their entire life cycles	Annually until 2020	**Setting holistic environmental targets for all Mercedes-Benz car development projects** ○ Continuous review of the objectives as part of the Mercedes-Benz development process in accordance with ISO TR 14062 (Design for Environment) and ISO 14006 (product-related environmental management). ⊕ Confirmation of the development process of the C-Class PLUG IN HYBRID, the conventional GLC/GLC PLUG IN HYBRID, and the GLE PLUG IN HYBRID. Publication of the results in the series of documents for life-cycle assessments/environmental certificates.	100%	31

Resource conservation	Date	Measures	Status	Page
Increasing the total mass of Mercedes-Benz-approved components and parts made of renewable raw materials and recycled materials: – **by 25 percent** compared to the base year of 2010.	2015	⊕ **A total of 28 percent more renewable raw materials and 39 percent more recycled materials by the end of 2015** (basis: reference fleet of selected Mercedes-Benz vehicles).	100%	43 ff.
Assessing the resource efficiency of Mercedes-Benz cars New	2020	**Development and testing of indicators for the assessment of resource efficiency** ⊕ Involvement in research projects for the holistic assessment of resource efficiency (ESSENZ). ⊕ Involvement of socially relevant groups in the selection of suitable indicators. ○ Implementation and testing in real-life operations.	20%	46

G4-EN2

⊕ Achieved in 2015 In 2015, Daimler came closer did not come closer to achieving the target

Product responsibility

Mobility concepts	Date	Measures	Status	Page
Continued expansion of car2go: – Ten times the number of trips and number of active users compared to the year 2011	2015	**Goals substantially exceeded, growth in 2015:** ⊕ car2go in 30 cities worldwide (19 more than in 2011). ⊕ One million more users than in the base year of 2011. ⊕ More than 40 million rentals (39 million more than in 2011). **Achieved by means of:** ⊕ Expansion of car2go to additional locations. ⊕ Expansion of the area covered by existing locations. ⊕ Larger vehicle fleets at the various locations.	↗ 100%	46
Promotion of the construction of a hydrogen infrastructure in Germany with the help of cooperation partners: – **20 H_2 filling stations** by 2015	2015	**Construction and commissioning of hydrogen filling stations to supply fuel cell vehicles with hydrogen from renewable sources:** ⊕ Construction and commissioning of 4 H_2 filling stations. ⊕ Start of construction of additional H_2 filling stations by the end of 2015. ○ Construction and commissioning of remaining group of 18 H_2 filling stations (in cooperation with Linde). Could not be achieved as planned. Now scheduled to be completed by the end of 2016. Plans call for the stations to be transferred to H_2 MOBILITY Deutschland GmbH & Co. KG afterward.	↗ 60%	33

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Product responsibility

Mobility concepts	Date	Measures	Status	Page
Within the framework of the H_2 MOBILITY initiative:			15%	39
– Creation of a **joint venture** for the construction and operation of H_2 filling stations.	2015	Initiation of the closing process for the establishment of the company. Formal establishment of the company and commencement of business operations.		
		Construction of the H_2 filling stations in publicly funded pilot projects:		
– Phase 1: Construction of **100 H_2 filling stations**.	2017	Phase 1: Construction of seven H_2 filling stations: All locations selected, construction began at the end of 2015. Construction of an additional 53 H_2 filling stations and, if the number of vehicles on the market warrants it, 40 more H_2 filling stations: Pre-planning of the locations is under way; implementation until 2017/2018.		
– Phase 2: Further expansion until a total of **400 H_2 filling stations** have been set up.	2023	Phase 2: Construction of additional H_2 filling stations in line with the number of fuel cell vehicles on the market: beginning in 2017/2018.		

Vehicle safety	Date	Measures	Status	Page
Achieving top marks for the safety of our cars:	Ongoing	M-Class and E-Class named Top Safety Pick+ (TSP+) after a more demanding crash test by the US Insurance Institute for Highway Safety (IIHS).	100%	42 f.
– **Five-star rating in the Euro NCAP crash test** for new model series with higher requirements every year between 2012 and 2015.		Five-star rating for the GLC in the Euro NCAP. IIHS gives E-Class “superior” rating. IIHS gives M-Class “superior” rating.		
– **“Top Safety Pick”** in the IIHS crash test rating with small overlap crash.				

G4-PR1

Achieved in 2015 In 2015, Daimler came closer did not come closer to achieving the target

Corporate environmental protection

Energy and climate protection	Date	Measures	Status	Page
Reduction of the specific CO_2 emissions of our production plants: – **by a total of 20 percent** compared to 2007.	2015	**Efficiency-boosting measures and CO_2-optimized energy generation by Daimler. As a result, CO_2 emissions per manufactured vehicle declined as follows:** ⊕ Daimler Buses: –12 percent. ⊕ Mercedes Benz Cars: –37 percent. ⊕ Mercedes Benz Vans: –38 percent. ⊕ Daimler Trucks: –15 percent. ○ Continued implementation of measures for reducing specific CO_2 emissions in production. Due to special features specific to production processes we have not achieved the targets in every individual division. Overall, however, Daimler has achieved a reduction of around 30 percent, thus clearly achieving the Group target.	↗ 100%	54 f.
Reduction of the CO_2 emissions of our European plants: – **by 20 percent in absolute terms** compared to 1990*. – **by two-thirds in specific terms** compared to 1990*. *Time frame of EU climate targets	2020	**Efficiency-boosting measures and CO_2-optimized energy generation by Daimler. Even though production volumes have substantially increased, these measures have caused the** ⊕ Reduction of absolute CO_2 emissions by 13 percent compared to 1990 (time frame of EU climate targets) and an increase by 6 percent compared to 2014. ○ Continued implementation of measures for reducing absolute CO_2 emissions in production.	↘ 55%	54
Reduction of specific energy consumption of the Mercedes-Benz Cars plants: – **by 25 percent** compared to 2015. **New**	2022	**Energy efficiency projects and switch to new technologies**	↗ 10%	54

G4-EC2, G4-EN6, G4-EN19

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Corporate environmental protection

Water	Date	Measures	Status	Page
Reduction of specific water consumption of the Mercedes-Benz Cars plants: – **by 15 percent** compared to 2015. **New**	2022	**Recirculation and treatment of process water; optimization of cooling circuits and sanitary facilities**	10%	60

Waste	Date	Measures	Status	Page
Reduction of the specific amount of the disposable waste from Mercedes-Benz Cars plants: – **by 25 percent** compared to 2015. **New**	2022	**Improved painting technologies, use of new recycling paths**	10%	59

Achieved in 2015 In 2015, Daimler came closer did not come closer to achieving the target

Employees

Diversity	Date	Measures	Status	Page
Strengthening of our position as one of the leading companies in the automotive industry with regard to diversity management	2020	**Strengthening of our diversity management by:** ○ Firmly anchoring diversity management in HR processes and corporate and leadership cultures, and intensification of the focus on internationalization. ⊕ Employees in more than 26 countries on four continents conducted numerous activities on the third Daimler Diversity Day. ○ Expansion of the global talent pool: 50 percent of people recruited for CAReer to come from outside Germany by 2020 (2015: more than 35 percent). ○ Promotion of women regarding the CAReer young talent program: More than 35 percent of the candidates recruited in 2015 were women. ○ Promotion of women in senior management positions (2015: over 15 percent). ○ Initiatives for more flexible working times and places: Increase in the share of managers in flexible working-time models such as job sharing (About 50 job-sharing pairs at Level 4 and ten job-sharing pairs at Level 3 in 2015). ○ Provision of 870 childcare places across Germany in 2015 (710 of the company's own childcare places and 160 reserved places outside of Daimler locations). ⊕ In an internal survey, two-thirds of Daimler employees were in favor of Daimler's involvement in Christopher Street Day.	↗ 70%	69 ff.

G4-LA12

⊕ Achieved in 2015 In 2015, Daimler ↗ came closer ↘ did not come closer to achieving the target

Employees

Employer attractiveness	Date	Measures	Status	Page
Keeping employee commitment at an above-average level	2016	**Maintaining the current employee commitment value (63 ECI points) at an above-average level compared with the benchmark in the manufacturing sector by means of:** ○ Group-wide employee survey as a well-accepted feedback tool. Next employee survey to take place in September 2016. ○ Specifying concrete divisional targets in order to promote and stabilize employee commitment as a management task. ○ Support for the derivation and implementation of measures during the survey's follow-up process.	90%	67

Generation management	Date	Measures	Status	Page
Optimally overcoming the challenges our workforce faces as a result of demographic changes	2020	**Incorporation of the demographics topic into our corporate culture and leadership process; expansion of generation management** ⊕ Development and agreement on basic principles regarding generation management. ⊕ Training courses and awareness-raising workshops conducted for managers at four locations. ○ About 600 former Daimler employees have created a "senior expert" profile to date. About 360 senior experts have been on assignment since the program was launched in 2013. ⊕ Implementation of two international pilot projects on strategic human resources planning ("Jobfit"). ○ Continuation of decentralized demographics projects at nearly all German locations.	70%	70

G4-LA11

⊕ Achieved in 2015 In 2015, Daimler came closer did not come closer to achieving the target

Suppliers

Prevention and risk management	Date	Measures	Status	Page
Environmental management Increasing the share of our production material suppliers who have a certified environmental management system to 70 percent (based on revenue).	2018	**Consistent request that suppliers have a certified environmental management system:** ⊕ Inclusion of the requirement for a certified environmental management system in the contractual stipulations. ○ Consistent requirement of proof that suppliers of production materials and selected suppliers of non-production materials have a certified environmental management system. Use of an online system for documentation and reminders of overdue certificates. ○ Addressing the need for a certified environmental management system in supplier talks.	60%	82
Supplier review Survey of 40 percent of production material suppliers (based on revenue) regarding their compliance with sustainability standards and their sustainability management.	2016	**Development and implementation of a supplier review:** ⊕ Getting 40 percent of production material suppliers (based on revenue) to fill out the online self-assessment questionnaire that was developed in cooperation with other automakers. ⊕ Supporting communication measures at the Daimler Supplier Portal.	100%	82
Supplier review Survey of 70 percent of suppliers (based on revenue) regarding their compliance with sustainability standards and their sustainability management. **New**	2017	**Expansion of the supplier review:** ○ Calling on the main suppliers of production materials and non-production materials to fill out the online self-assessment questionnaire that was developed in cooperation with other automakers to find out whether the sustainability standards and sustainability management are being complied with. ○ Providing the participating suppliers with feedback regarding their sustainability performance and other areas where improvements could be made or where deviations may have occurred. ○ Supporting communication measures at the Daimler Supplier Portal. ○ Actively supporting the VDA activities to encourage Tier 1 suppliers to use the questionnaire so that our sustainability standards are passed on along the supply chain.	60%	82

G4-EN32, G4-LA14, G4-HR10, G4-HR11, G4-SO10

⊕ Achieved in 2015 In 2015, Daimler came closer did not come closer to achieving the target

Report profile

In this Sustainability Report we assess the economic, environmental, and social impact of our business operations in 2015 and present our current target program. We make this comprehensive report available as a navigable PDF file to ensure that the information it contains is easy to find and use. As a result, topics and information can be directly called up in the same way as they are on a website.

Moreover, additional online information can be immediately called up through the links in the PDF file. This information supplements the PDF file and offers additional possibilities of use. For example, the website features a search function, an extensive thematically linked GRI Content 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.

The report is 'In Accordance' with the GRI G4 Guidelines – Comprehensive option

In 2006, Daimler joined the multi-stakeholder network of the Global Reporting Initiative (GRI) as an organizational stakeholder. This report was prepared in accordance with the internationally recognized guidelines on sustainability reporting GRI G4. The report was submitted for the GRI Content Index Service, and GRI confirmed the accuracy of the GRI Content Index.

GRI Content Index (PDF)

Our reporting activities are audited in accordance with ISAE 3000

We 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).

The auditing firm subjected our Sustainability Report to a critical assessment of its correctness, completeness, comparability, comprehensibility, and relevance. The main focus of the review was on the corporate level and was supplemented by samples from individual production plants. The following areas were reviewed:

- the Group-level management systems and processes that are used for recording, gathering, consolidating, and processing the data published in the report;
- the control processes for sustainability reporting at the Group level;
- the accuracy of Group-level figures in tables and statements:
  - production-related key figures on "CO_2 emissions, water consumption, and recycling rate"
  - "average CO_2 emissions of the European passenger car fleet of Mercedes-Benz Cars"
  - accident statistics
  - Supplier Management

At the conclusion of the review we received a review certificate, which presents the aim, purpose, and foundations of the review, the work performed, and its conclusions. Internal reporting is conducted through the Corporate Sustainability Board (CSB).

Audit certification

G4-13, G4-32, G4-33

Our UN Global Compact Progress Report

Daimler has committed itself to upholding the ten principles of the UN Global Compact. We were one of the first signatories of the UN Global Compact, and we participate in the LEAD group established in 2011. We have been involved in thematic and regional task forces and initiatives of the UN Global Compact since 2013. 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 2015, we submitted the Sustainability Report 2014 together with the the document „Realizing the Blueprint-Corporate Action Plan“ as our official UN Global Compact Communication on Progress. We will present the next Communication on Progress in July 2016.

UN Global Compact Communication on Progress

We want to become better and better

Daimler is continuously enhancing its sustainability activities and measures. This also applies to its Sustainability Reporting. This report was prepared in line with the principles of materiality, stakeholder inclusiveness, completeness, and sustainability context.

New features in this report

We took a new approach to our Sustainability Report 2015, eliminating the journalistic features and reports that are more appropriate for a broader readership. We will inform these readers about our sustainability activities in additional publications. As a result, the Sustainability Report now adresses primarily on meeting the information requirements of experts such as analysts, rating agencies, NGOs, and sustainability organizations. We have, accordingly, concentrated even more strongly on providing content that is of importance to these groups. The key figures, data, and facts are therefore clearly presented in a focused and easy-to-find manner.

Focusing on the essentials

From a thematic standpoint, the Sustainability Report continues to focus on the areas highlighted in our materiality analysis. We also concentrated on the main key figures in our inclusion of the GRI Content Index.

Materiality analysis: pp. 04 ff.

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.

Scope of reporting and data acquisition methods

Economic data. The information about economic relationships presented in the Sustainability Report for 2015 is based on data from the Daimler Annual Report 2015. The latter’s Management Report and Notes sections 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 2015.

Employee data. The facts and figures in the Employees section are based on the Daimler Annual Report 2015. 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 is supplemented with data acquired with the aid of the ePeople and 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.

G4-13, G4-15, G4-22, G4-23

Collection of data on corporate environmental protection. 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 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 2015 and includes all production plants of which the Daimler Group is a majority shareholder as well as the German and other European locations for logistics, service, and sales. It does not include the locations of Daimler Financial Services. 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 timelines may 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. In comparison with the previous year, in 2015 the Arnstadt production plant in Thuringia, Germany, was included for the first time and Atlantis Foundries in South Africa was sold. The environmental data for 2015 refers to a total of 72 production locations and subordinate sites as well as to 34 logistics, service, and sales locations.

Specific environmental and energy 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 from the production facilities. We measure the specific values of the Cars, Trucks, Vans, and Buses divisions according to the divisional allocation that has been in force since 2006. This distribution was calculated back into the past as far as possible in order to obtain consistent timelines. The specific data gained in this way can only serve as general benchmarks, because it does not take into account the different 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.

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 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 checked by the responsible specialist staff. Parts of the report were also examined by PricewaterhouseCoopers. Our last Sustainability Report appeared in April 2015 under the title “Sustainability Report 2014.” The current Sustainability Report will appear in April 2016 under the title “Sustainability Report 2015.” Our next report will be published in early April 2017.

Editorial deadline for this report: February 28, 2016

G4-15, G4-28, G4-29, G4-30

Further information on the Group:

You can find our key financial figures for the 2015 financial year along with information on business developments, the divisions, and changes to the product range in our Annual Report.

AR 2015

G4-2, G4-5, G4-6, G4-7, G4-8, G4-10, G4-13, G4-14, G4-17, G4-34, G4-38, G4-39, G4-40, G4-41, G4-42, G4-44, G4-45, G4-46, G4-47, G4-51, G4-52, G4-53, G4-54, G4-55, G4-DMA, G4-EC1, G4-EC2, G4-EC3, G4-LA2, G4-SO7, G4-SO8, G4-SO11, G4-PR9

The brochure “Daimler at a Glance” provides comprehensive facts and figures on the Daimler Group and its brands.

Daimler at a Glance PDF

G4-4, G4-17, G4-DMA, G4-EC1

How we calculate and document our CO_2 emissions

Daimler calculates and documents its CO_2 emissions in accordance with the 2004 Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol Initiative (Scopes 1 to 3). In doing so, we fully consider all relevant majority holdings of the Group (control approach).

We document all CO_2 emissions from stationary sources (Scope 1), indirect emissions resulting from the generation of the purchased electricity and district heating (Scope 2), and emissions resulting from the use of our products (Scope 3). Thus we also take into account the emissions produced before and after our own activities.

- **Scope 1:** 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 to include the combustion of fuels in the calculations of Group-wide CO_2 emissions for the first time in 2010. The calculation also includes the consumption of energy 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 is available, the results of previous years are also included in the calculation.
- **Scope 2:** In our calculations of indirect emissions from district heating and electricity from external sources, we differentiate by time and region. If more detailed data is not available, we use the current factors of the International Energy Agency (IEA). In the United States we use the electricity generation factors published by the EPA. The CO_2 emissions from electricity production for the German locations are calculated on the basis of the applicable factors of the German Environmental Agency (UBA). In order to remain consistent with our previously published timelines, we have not taken into account the electricity trading balance and the changes made in 2015 to the emission factors of fuels in the UBA assessment. Beginning in 2016, CO_2 emissions will be calculated according to separate assessments for “market-based” and “location-based” emissions. This calculation will be based on the new guideline of the Greenhouse Gas Protocol Initiative for determining Scope 2 emissions, which was published in 2015. To this end, we are currently determining the CO_2 emission factors of the local power companies at our locations worldwide.
- **Scope 3:** We calculate CO_2 emissions from the use of our products on the basis of our sales figures and the average fleet consumption values. For this calculation, we assume that each car travels 15,000 kilometers each year. At the moment, no statutory test cycles are prescribed for trucks and buses. The European Commission is working on a computer-based simulation program (VECTO) that aims to make manufacturers’ statements regarding the fuel consumption and CO_2 emissions of trucks and buses comparable. We will use this program as soon as it is approved. We calculate other indirect CO_2 emissions from the purchased services and preliminary work for business travel and truck deliveries, which we use as examples.

CO_2 emissions from externally procured green electricity. With a view to reducing our production-related carbon emissions and continuously improving our energy supply, we are investing in facilities such as cogeneration units within our plants and are optimizing our external energy procurement. Since 2011, we have been purchasing green electricity and have leased a highly efficient combined cycle plant to provide combined heat and power (a Plattling combined cycle plant). Accordingly, we distribute the electricity produced there among our German plants. We accordingly allocate the CO_2 emissions attributable to the power generated in the Plattling plant to the production facilities; we calculate these emissions on the basis of the CO_2 factor specific to the individual power plant.

At this time, we are not calculating the figures for other greenhouse gases across the Group. As the calculation of climate-relevant coolants in the German plants shows, the emissions from such refrigerants account for only a negligible amount in the parts per thousand range.

G4-15, G4-16, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN21

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 2015 (the Report) for the business year from 1 January to 31 December 2015.

Scope and Subject matter
The sustainability key performance indicators and information selected by the Company for the calendar year 2015 (CO_2 emissions of the European fleet, energy consumption, total CO_2 emissions scope 1 and 2, waste recovery rate, water consumption, accident frequency as well as supplier management), which are included in the scope of our engagement, can be found on the pages 34, 54-55, 59-60, 65, 81-84 of the Report. The assessment of the materiality analysis of the Company was not part of our engagement scope.

The Company prepared sustainability key performance indicators and information in accordance with the Sustainability Reporting Guidelines Vol. 4 (pages 16 to 18) of the Global Reporting Initiative (GRI).

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

Our Independence and Quality Control
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.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 2015 has not been prepared, in all material respects, in accordance with GRI's criteria as stated in the Sustainability Reporting Guidelines Vol. 4 (on pages 16 to 18) of the GRI.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised) 'Assurance engagements other than audits or reviews of historical financial information'. This Standard requires that we comply with ethical requirements and plan and perform 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.

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;
- Inquiries of personnel responsible for the reported information regarding fleet emissions (and fuel consumptions) as well as reconciliation of selected information regarding fleet emissions (and fuel consumptions) with the official fuel consumptions and emissions type-test values of the Federal Motor Transport Authority of Germany;
- 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, corporate environmental protection, employees and suppliers;
- 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 plant in Rastatt (Germany),
  - in the plant in Chennai (India);
- 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 key performance indicators on the pages 34, 54-55, 59-60, 65, 81-84 of the Report of the Company for the business year 2015 has not been prepared, in all material respects, in accordance with GRI's criteria as stated in the Sustainability Reporting Guidelines Vol. 4 (on pages 16 to 18) of the GRI.

Zurich, March 16, 2016

PricewaterhouseCoopers AG

Dr. Marc Schmidli Konstantin Meier

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UN Global Compact

WE SUPPORT

Principles		UN Global Compact Principles	Page
Principle 1	Support of human rights	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 assigned the responsibility for human rights issues in the Integrity and Legal Affairs division in the Group's Board of Management. In addition, we emphasize this issue in our corporate governance structure for sustainability.	**Principle 1** 4 17 21 f. 81 f. 84 97
Principle 2	Exclusion of human rights abuses		**Principle 2** 21 f. 84 97
Principle 3	Freedom of association		**Principle 3** 21 f. 66 84
Principle 4	Elimination of all forms of forced labor		**Principle 4** 21 64 84
Principle 5	Abolition of child labor		**Principle 5** 21 64 84
Principle 6	Prevention of discrimination	To ensure that hiring processes are free of discrimination, whether gender-specific or in other forms, the fixed base salary is based 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** 21 f. 69 ff.
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 ISO 14001. In addition, we regularly conduct environmental due diligence processes at our locations.	**Principle 7** 17 54 ff. 84

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Principles		UN Global Compact Principles	Page
Principle 8	Initiatives for promoting 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. The data in this report reflects the structure of the Group in 2015 and includes all production plants of which the Daimler Group is a majority shareholder as well as the German and other European locations for logistics, service, and sales. It does not include the locations of Daimler Financial Services. The environmental data for 2015 refers to a total of 72 production locations and subordinate sites as well as to 34 logistics, service, and sales locations.	**Principle 8** 15 17 54 ff. 84
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** 4 31 ff.
Principle 10	Measures 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 anti-corruption 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 a comprehensive range of training courses that include sections on ethical conduct in daily operations, corruption prevention, our whistleblower system BPO, and antitrust law. We offer classroom instruction and web-based training courses, depending on the risk and the target group. In addition to the cross-hierarchical Group-wide dialogs concerning ethical conduct, we ensure ethical practices and legally compliant behavior in our daily business with the help of our Compliance Management System, which is based on national and international standards. Our divisionally oriented 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 trusting collaboration. In our selection of direct business partners, we take care to ensure that they act within the law and observe ethical principles.	**Principle 10** 20 22 84

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www.daimler.com/sustainability

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