

Maximum number of supervisory board memberships (C. 4 and C. 5, Code 2019). In accordance with the recommendation contained in C. 4, a supervisory board member who is not a member of the management board of a listed corporation shall not serve on more than five supervisory boards of non-group listed corporations or assume similar positions, whereby chairmanship of a supervisory board counts double. In accordance with the recommendation contained in C. 5, members of the management board of a listed corporation shall not accept more than a total of two supervisory board memberships in non-group listed corporations or assume similar positions, nor should they accept a position as chairman of the supervisory board of a non-group listed corporation.

Whether the total number of memberships in non-group listed corporations and similar positions held by members of the Board of Management or the Supervisory Board still seems appropriate should, however, be assessed more appropriately on a case-by-case basis than with a rigid upper limit. The individual workload expected as a result of the total number of memberships held does not necessarily increase in proportion to their number.

Stuttgart, December 2020

For the Supervisory Board
Dr. Manfred Bischoff
Chairman

For the Board of Management
Ola Källenius
Chairman

This declaration of compliance and previous, no longer applicable, declarations of compliance from the past five years are also available at our website at [🌐 daimler.com/corpgov/en](https://www.daimler.com/corpgov/en).

The main principles and practices of corporate governance

The German Corporate Governance Code

Beyond the legal requirements of German stock corporation, codetermination and capital market legislation, Daimler AG has followed and continues to follow the recommendations of the German Corporate Governance Code (“Code”), with the exceptions disclosed and justified in the declaration of compliance.

Daimler AG has followed and continues to fully follow the suggestions of the Code. However, due to the covid-19 pandemic, options for participating in Supervisory Board meetings had to be expanded to include participation via conference calls or video conferences (D.8, Code 2019).

The principles guiding our conduct

Our business conduct is based on Group-wide standards that go beyond the requirements of relevant legislation and the German Corporate Governance Code. These standards are based on our four corporate values integrity, respect, passion and discipline. In order to achieve long-term and thus sustainable business success on this basis, our goal is to ensure that our activities are in harmony with the environment and society. This is due to the fact that we as one of the world’s leading automakers also strive to be a leader in sustainability. We have defined the most important principles in our Integrity Code, which serves as a frame of reference for all employees at Daimler AG and the Group and supports them in making the right decisions even in difficult business situations.

Our Integrity Code

Employees from different departments and units throughout the Group and around the world helped us develop our Integrity Code, which was revised in 2019. Our Integrity Code defines the central corporate principles that guide our behavior in daily business, our interpersonal conduct within the company and our conduct toward customers and business partners. These corporate principles include compliance with laws, as well as fairness, transparency, a commitment to diversity, and responsibility. In addition to the corporate principles, our Integrity Code includes requirements and regulations concerning respect for and the protection of human rights and dealing with conflicts of interest. It also prohibits all forms of corruption. The Integrity Code applies to all companies and employees of the Daimler Group worldwide. The Integrity Code is available on the Internet at [🌐 daimler.com/dai/caag](https://www.daimler.com/dai/caag).

We have also reached agreement on “Principles of Social Responsibility” with the World Employee Committee. These principles apply at Daimler AG and throughout the Group. In the Principles of Social Responsibility, Daimler commits itself to the principles of the UN Global Compact and thus to internationally recognized human and workers’ rights, freedom of association, sustainable protection of the environment and the proscription of child labor and forced labor. Daimler also commits itself to guaranteeing equal opportunities and adhering to the principle of “equal pay for equal work.”

Expectations for our business partners

We also require our business partners to adhere to clear stipulations because we regard our business partners' integrity and behavior in conformity with regulations as a precondition for trusting cooperation. When selecting our direct business partners, we therefore pay close attention to ensure that they comply with the law and follow ethical principles, and that they pay the same attention themselves to other partners in the supply chain. For the expectations we place on our business partners, see also [🌐 daimler.com/sus/obr](https://www.daimler.com/sus/obr).

Risk and compliance management at the Group

Daimler has a risk and compliance management system that is commensurate with its size and global presence and is designed to ensure the continuous and systematic management of business risks and opportunities.

The risk management system is one component of the overall planning, controlling and reporting process. Its goal is to enable the company's management to recognize significant risks at an early stage and to initiate appropriate countermeasures in a timely manner. [🔗 Risk and Opportunity Report](#)

Our Compliance Management System (CMS), which has its basis in our culture of integrity, is designed to support the observation of laws and policies in the company and by its employees and to prevent misconduct and systematically minimize compliance risks. More detailed information on the Daimler Compliance Management System can be found in the chapter [🔗 Integrity and Compliance](#).

At least once a year, the Audit Committee of the Supervisory Board of Daimler AG discusses with the Board of Management the effectiveness and functionality of the internal control and auditing system, the risk management system and the compliance management system. The Chairman of the Audit Committee reports to the Supervisory Board on the committee's work at the latest in the next scheduled meeting of the Supervisory Board. The Supervisory Board also deals with the risk management system on the occasion of the audit of the annual company and consolidated financial statements. Between Supervisory Board meetings, the Chairman of the Supervisory Board has regular contact with the Board of Management, and in particular with the Chairman of the Board of Management, to discuss not only the Group's strategy and business development but also issues relating to risk management and compliance. In addition, the Board of Management regularly informs the Audit Committee and the Supervisory Board of the most important risks facing the company and the Group as a whole. The Legal Affairs Committee supports the Supervisory Board in carrying out its tasks with respect to the complex proceedings relating to emissions regulations and antitrust law with which Daimler AG and its subsidiaries are confronted. The Internal Auditing department monitors adherence to the legal framework and to Group standards by means of targeted audits and initiates appropriate actions as required.

Accounting and the external audit

Daimler prepares its consolidated financial statements and interim financial reports in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. The annual financial statements of Daimler AG are prepared in accordance with the accounting standards of the German Commercial Code (HGB). Daimler prepares both half-yearly and quarterly financial reports. The consolidated financial statements and annual financial statements of Daimler AG are audited by external auditors; interim financial reports are reviewed by external auditors. The consolidated financial statements and the Group management reports are made publicly accessible via the Company's website within 90 days from the end of the reporting year; the interim financial reports are made publicly accessible in the same manner within 45 days from the end of the reporting period.

Based on the recommendation of the Audit Committee, the Supervisory Board submits a proposal to the Shareholders' Meeting for the election of the external auditors for the annual company financial statements, for the consolidated financial statements and for the auditors' review of the interim financial reports. At the Annual Shareholders' Meeting on July 8, 2020, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin was elected to conduct the audit of the annual financial statements and the consolidated financial statements, and the external auditors' review of interim financial reports, for financial year 2020, as well as the external auditors' review of interim financial reports for financial year 2021 in the period leading up to the Shareholders' Meeting in 2021. KPMG AG Wirtschaftsprüfungsgesellschaft has been conducting the audit of the annual company financial statements and consolidated financial statements of Daimler AG since the 1998 financial year; since 2014, the responsible auditor commissioned to carry out the external audit has been Dr. Axel Thümler.

Prior to issuing its recommendation to the Annual Shareholders' Meeting, the Audit Committee of the Supervisory Board obtained a declaration from the external auditors under consideration. The external auditors were requested to state whether any business, financial, personal or other relationships existed between the external auditors and their bodies and audit managers on the one hand, and the Company and the members of its bodies on the other, which could justify concerns regarding a conflict of interest. This statement also describes the extent to which other services were performed for the Daimler Group in the previous financial year or had been contractually agreed upon for the following year.

The Audit Committee instructed the external auditor to immediately inform the Committee Chairman of any indications of partiality or grounds for exclusion uncovered during the audit or the auditors' review of interim financial statements, and of all key findings and events relevant to the tasks of the Supervisory Board, particularly findings or events related to suspected irregularities in accounting. The Audit Committee also reached an agreement with the external auditors stipulating that the external auditors would inform the Audit Committee, and make a note in the audit report, of any facts uncovered during the annual audit that would reveal inaccuracies in the Board of Management's and the Supervisory Board's declaration of compliance with the German Corporate Governance Code.