

Objectives and Strategy

For more than 130 years we have been moving people and goods all over the world – safely, efficiently and with innovative technologies. Our industry is currently in the midst of its biggest transformation in history. Sustainability (especially climate protection) as well as digitalization, shifts in global trade, and the impact of the covid-19 pandemic are changing our business and our company. As the inventor of the automobile, it is in our DNA to repeatedly take the lead in automotive engineering with new technologies. In addition, we will strive to set standards for sustainable mobility and transport in the future.

The role of Daimler AG

The transformation of our industry is requiring us to take quick, agile and customer-focused action. Our implementation of “Project Future” turned our previous divisions into three legally separate units (Mercedes-Benz AG, Daimler Truck AG and Daimler Mobility AG) under the roof of Daimler AG, which is listed on the stock exchange. In this way, we have strengthened our entrepreneurial freedom, intensified our market and customer orientation, and made it easier for the new divisions to enter into partnerships. In this new role, Daimler AG serves as an operational and strategic management holding that performs the governance and steering functions and thus creates the framework for the new divisions. Some organizations will be retained at this central level, especially the higher-level units in the functions Finance and Controlling, Human Resources, and Integrity and Legal. In this way, Daimler AG ensures a uniform and centrally managed corporate finance system, sets the scope for the long-term return and growth targets, and determines how funds will be allocated. The aim is to boost the company’s value on a sustained basis.

Sustainability as an integral part of our corporate strategy

Sustainability means harmonizing economic, ecological and social objectives. Daimler is committed to the United Nations’ Sustainable Development Goals and to the Paris Agreement on climate change. For our company, sustainability means permanently creating value for all stakeholders: customers, employees, investors, business partners and society as a whole. For us, sustainability is not an isolated area where we take action, but an integral part of our corporate strategy. In line with this approach, we work to achieve CO₂-neutral mobility by 2039, reduce our resource consumption despite growth, implement measures that increase safety on the road, continue to utilize data responsibly, and assume responsibility for upholding human rights along the entire value chain.

Achieving success in our areas of action requires a clear commitment to a culture of integrity, as well as future-oriented cooperation with our workforce and our partners in industry, government and society at large. A central sustainability management system enables the effective planning of ambitious goals and their implementation.

Our “Ambition 2039” strategy for **Mercedes-Benz Cars** clearly demonstrates our commitment to climate protection. Our goal here is to become CO₂-neutral by 2039. More specifically, this means we plan to achieve CO₂-neutral production at our own car plants from 2022, have plug-in hybrids and all-electric drive systems account for more than 50% of our portfolio by 2030, and offer a CO₂-neutral new car fleet to our customers within less than three product life cycles. An example of this is the new Factory 56 at the Sindelfingen plant. This facility, whose first series-production model is the new S-Class, consumes less energy than previous vehicle assembly operations for comparable model series and has a CO₂-neutral footprint. Among other things, this is made possible by the facility’s energy concept, which includes a photovoltaic system, a direct-current network, and energy storage devices made of reused vehicle batteries. A holistic view of the CO₂-reduction issue also needs to take the recycling of raw materials into account. After all, we also want to drive forward the implementation of our climate neutrality objective at our suppliers and partners.

At **Mercedes-Benz Vans** we have set ourselves the goal of making the new vehicle fleet of our vans for private use CO₂-neutral for their entire life cycle by 2039. For commercially used vans, the goal is to offer only new vehicles that are CO₂-neutral in driving operation (“tank-to-wheel”) in the triad markets of Europe, Japan and North America by 2039. Production operations at the Mercedes-Benz Vans plants are scheduled to become CO₂-neutral by 2022.

On its path to achieving CO₂-neutral transportation, **Daimler Trucks & Buses** aims to offer only new vehicles that are CO₂-neutral in driving operation (“tank-to-wheel”) in the triad markets of Europe, Japan and North America by 2039. We intend to offer series-produced trucks and buses with battery-electric drive systems in the main sales regions Europe, the United States and Japan by 2022. In the second half of the 2020s, Daimler Trucks & Buses intends to supplement its portfolio of series-produced vehicles by adding fuel cell-powered electric trucks. In cooperation with the Volvo Group we will drive forward the series-ready development, production and marketing of fuel-cell systems for use in heavy-duty commercial vehicles and other fields of application. Plans also call for all Daimler Trucks & Buses plants in Europe to be CO₂-neutral by 2022.

Daimler Mobility's sustainability efforts are focusing on avoiding and reducing CO₂ emissions as well as on collecting knowledge and promoting employee involvement. The aim is to become climate-neutral by the end of 2022 – not only in administrative departments but at all locations. New leasing and financing offers will explicitly serve to promote the sale of electric vehicles at the divisions.

The issue of the first green bond has further accelerated our development of CO₂-neutral technologies and services. The proceeds from this bond are used exclusively to fund green projects. In this way, our financing activities are also helping to transform us into a carbon-free company and make our industry CO₂-neutral.

Integrity as a guiding principle

We are firmly convinced that we can only be successful over the long term if we fulfill not only our economic and environmental responsibilities but also our responsibility to society. In times of change and upheaval especially, we need to have values that provide us with orientation. For us, this involves more than just obeying laws, as we also seek to align our activities with shared principles and values. For Daimler, integrity means doing the right thing by acting on our values. New technologies and business models offer tremendous opportunities, but at the same time they pose questions – for example, with regard to ethical and legal topics. Our inner values and attitudes are put to the test when such issues arise. By means of our technical Compliance Management System, or tCMS for short, we want to ensure that our products conform with regulations and legal requirements. Our Data Compliance Management System enables us to support new topics from the beginning, provide the maximum possible clarity and avoid mistakes. The responsible use of data has top priority in these efforts.

All of the divisions have formulated strategies or intensified existing ones on the basis of their earnings and growth targets, our commitment to sustainability, and CO₂-neutral mobility and integrity as guiding principles.