

DAIMLER

Sustainability Management & Environment@Daimler

- I. Organisation, Scope & Targets
- II. Holistic approach towards Environmental Challenges
- III. Production related Issues
- IV. CO₂ & Electrification
- V. CASE



Our Sustainability Management Daimler Group

Board of Management

Member of the Board of Management/
Co-Chair CSB
reports to the General Management

Corporate Sustainability Board (CSB)

Human
Resources

Communication

Policy and
External
Relations

Purchasing

Group Research &
MB Cars
Development

Integrity and
Legal Affairs

Environmental
Protection

Mercedes-Benz Cars



Daimler Trucks



Mercedes-Benz Vans



Daimler Buses



Daimler
Financial Services



Responsibilities and interfaces of Corporate Environmental Protection



Daimler environmental protection targets 2022 structured by...



Product

Climate Protection & Energy

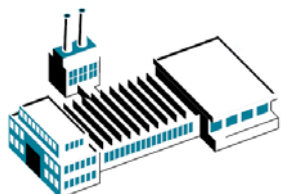
Europa		Weltweit	
Reduction CO ₂ emissions passenger cars	-30% 2007 - 2016	Reduction CO ₂ emissions passenger cars and Light-Duty-Trucks USA	-25% 2012 - 2019
	-44% 2007 - 2021		
Reduction CO ₂ emissions CV light	-10% 2014 - 2018	Reduction CO ₂ emissions passenger cars China	-25% 2012 - 2019
Reduced consumption CV heavy	-20% 2005 - 2020	Reduced consumption CV heavy (NAFTA)	-10% 2015 - 2019
Reduced consumption of buses	-20% 2005 - 2020		
Reduction of CO ₂ and nitrogen oxide emissions over the entire life cycle for each new model generation			
			10-20% compere predecessor
Achieve a leading position in premium segment of electric and hybrid vehicles			
			End 2017

Air Quality & Health

Market launch of ten models, which conform to the future legislation Real Driving Emissions (Step 1)	End 2017
Ensure allergy sufferer friendly interiors for all new passenger car models	By 2020

Resource Conservation

Use of renewable raw materials (MBC)	+25% 2010 - 2015
Use of recyclates (MBC)	+25% 2010 - 2015
Evaluate recourse efficiency of MBC	By 2020
Increased use of car2go	X 10 2011 - 2015
Construction of a hydrogen infrastructure	400 By 2023



Production

Reduction absolute CO ₂ emissions in plants (EU)	-20% 1990 - 2020	Reduction specific CO ₂ emissions in plants	-20% 2007 - 2015
		Reductions specific energy consumption MBC plants	-25% 2015 - 2022

 New in 2015

Reduction specific water consumption of MBC plants	-15% 2015 - 2022
Reduction specific waste amount of MBC plants	-25% 2015 - 2022

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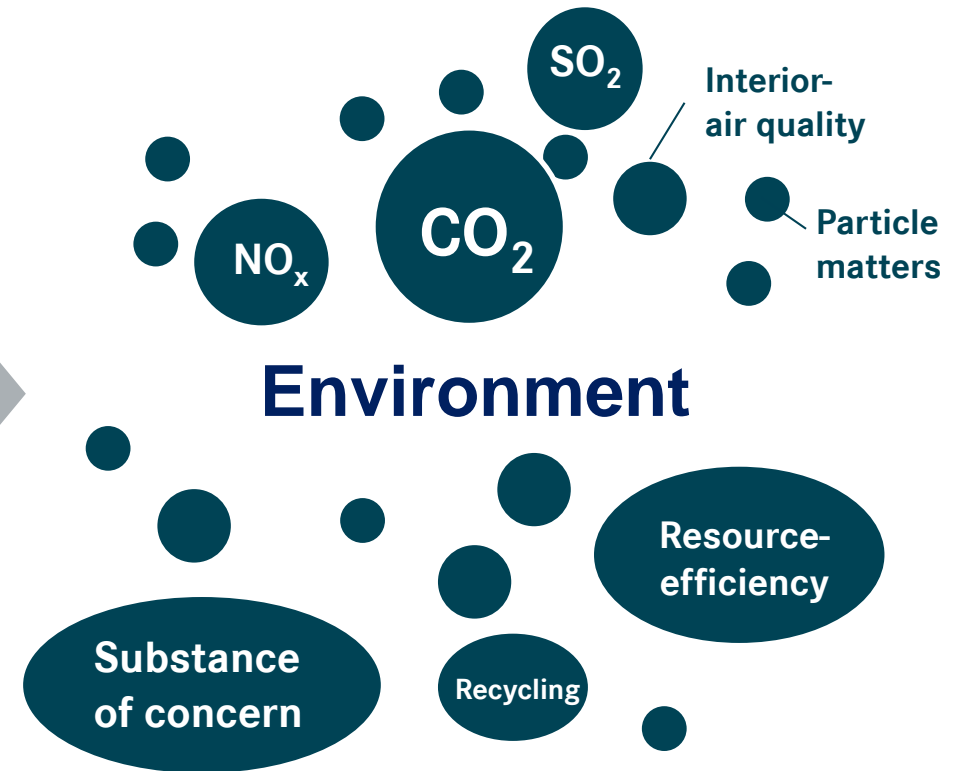
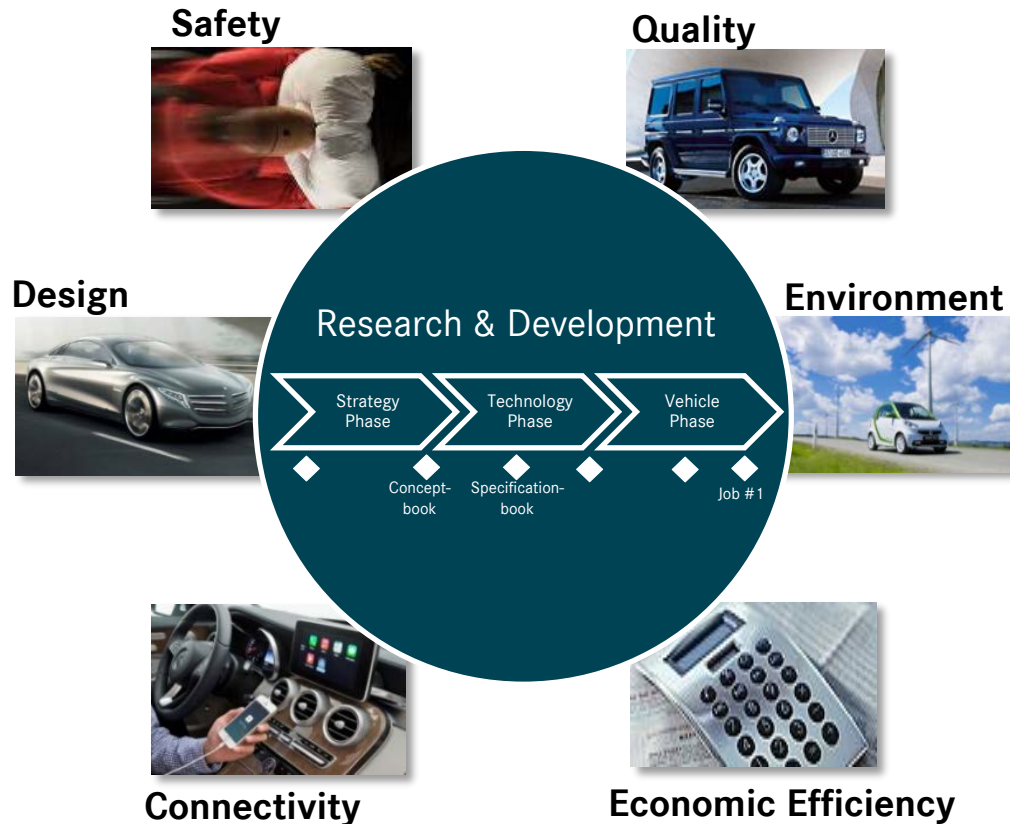
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Elements of the environmental management system RD with focus on design for environment



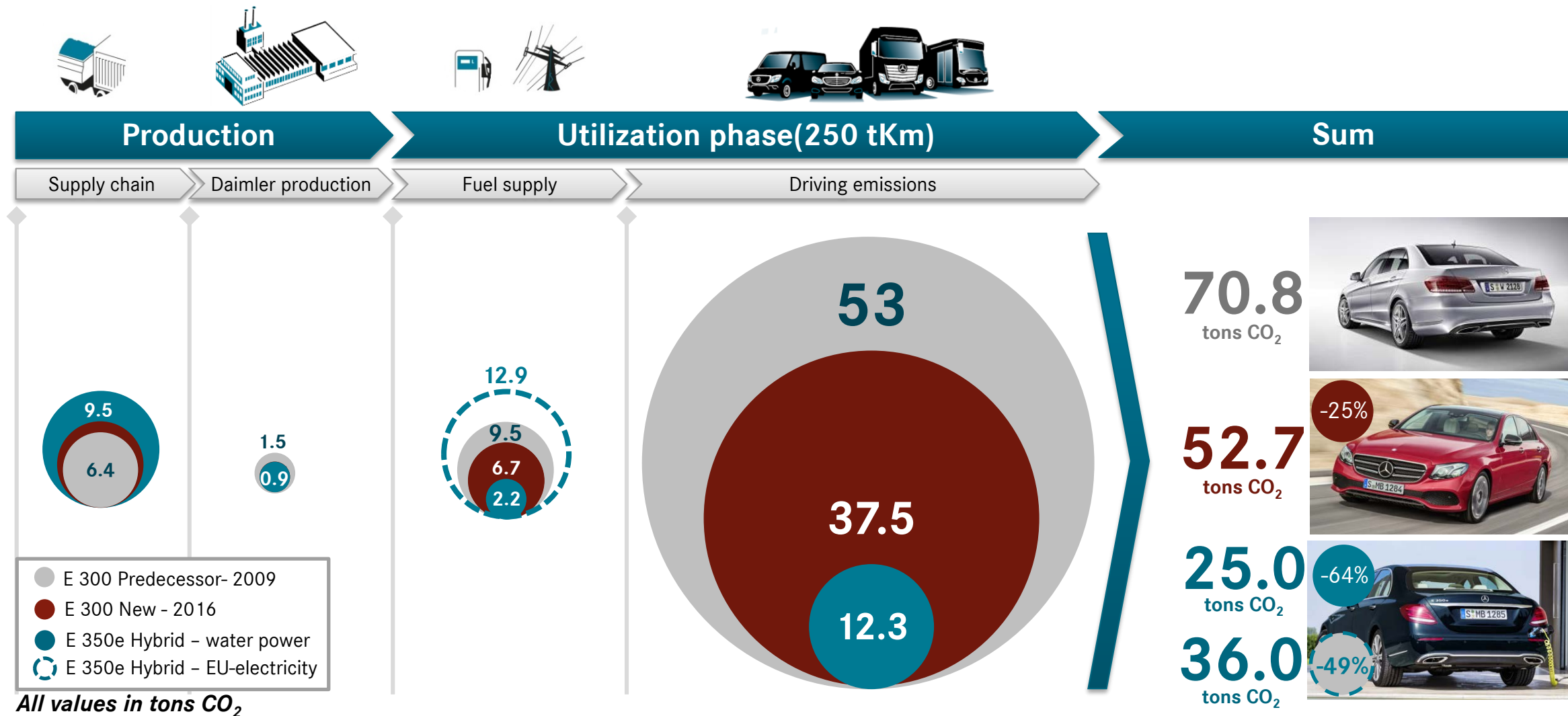
Challenges for research & development of automobiles



Balancing of disparate requirements in a permanent task in Research & Development

Within the different environmental targets contradictory effects are possible

For our Products a look at the whole life cycle is crucial – E-Class Plug-In Hybrid E 350 e

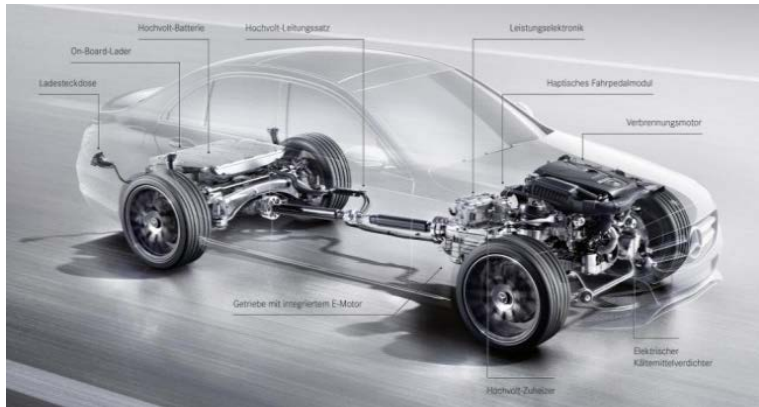


The resource input of C 250 and C 350 e

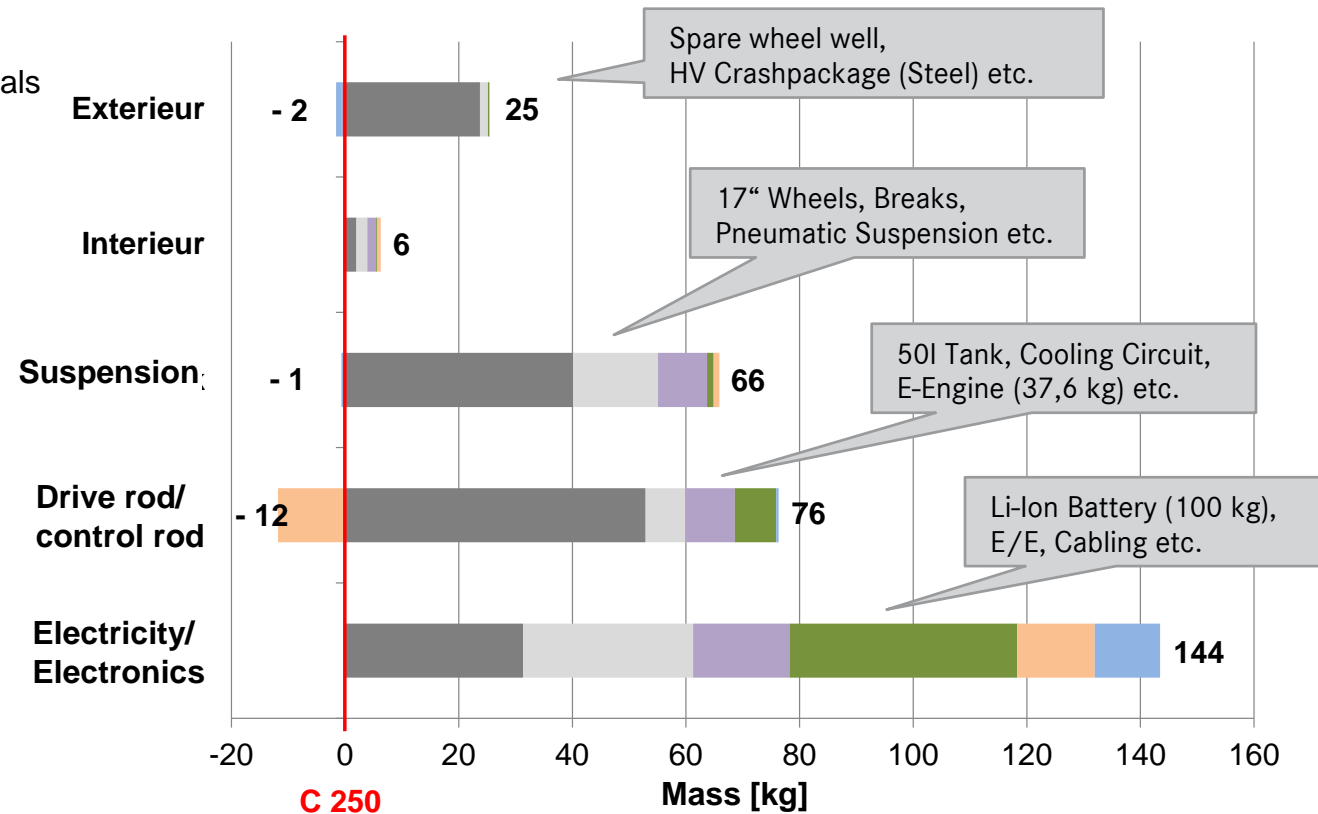
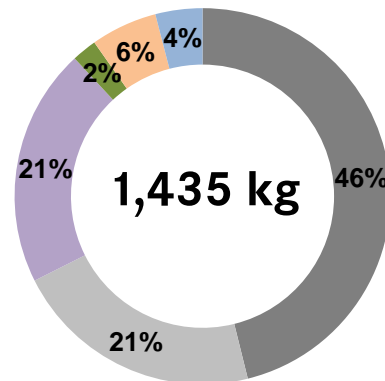
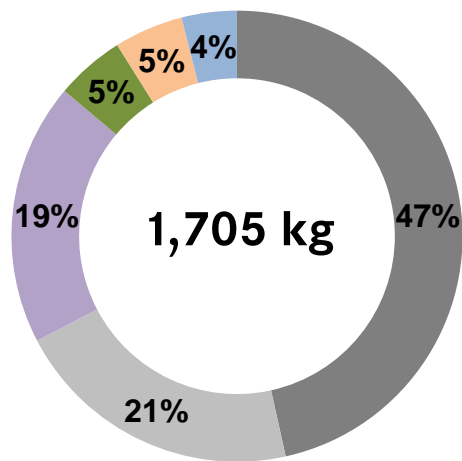
Comparison of Material Composition

+ 270 kg additional weight of C 350 e compared with C 250

Comparison of Modules [kg] (C 250 vs. C 350 e)



- Steel/Ferrous Materials
- Light Metal
- Polymer Material
- Other Metals
- Operating Liquids
- Other Materials

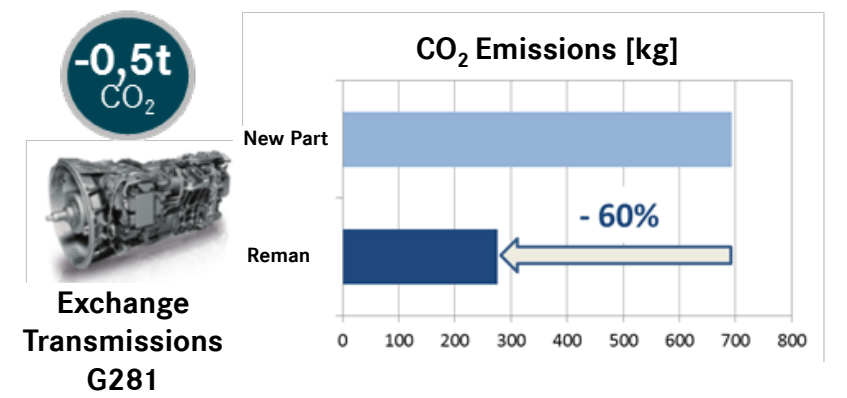
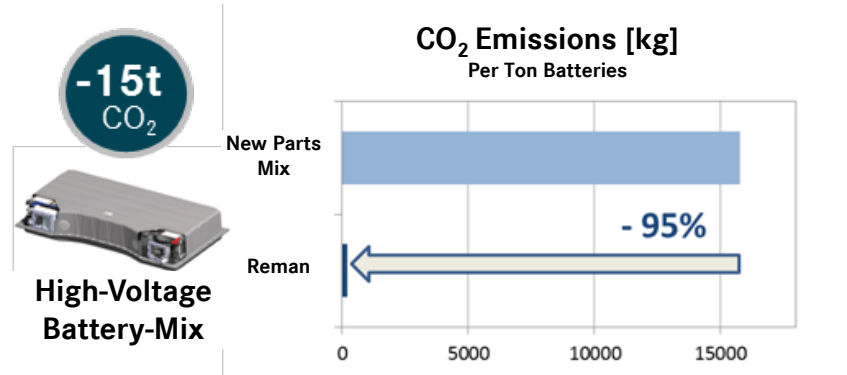
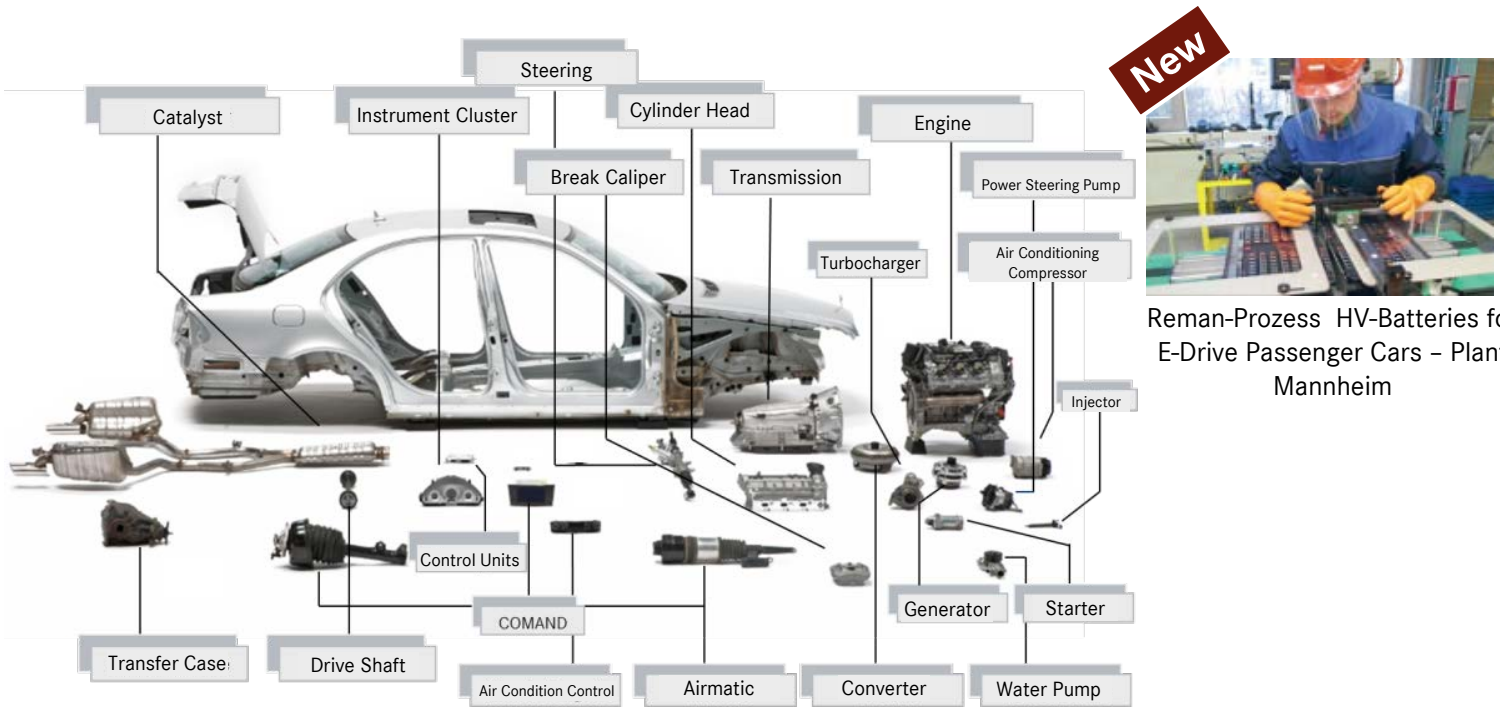


Remanufacturing / Product Recycling

New Life for Used Parts

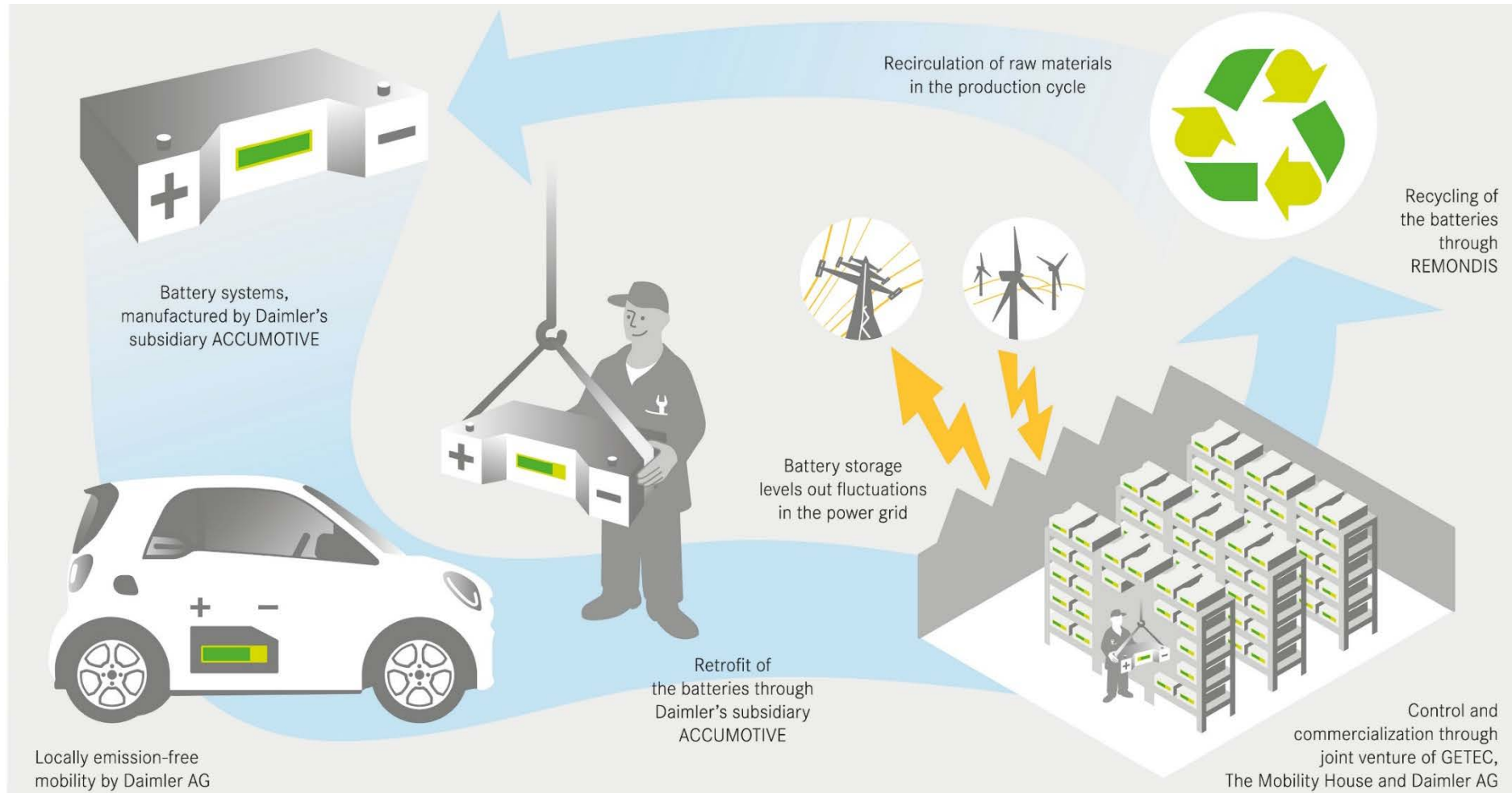
Over 12,000 Parts in Reman Portfolio - incl. E-Drive Components...

...with significant environmental benefits



E-Mobility thought to the end

World's largest 2nd-use battery storage (13MW) in operation

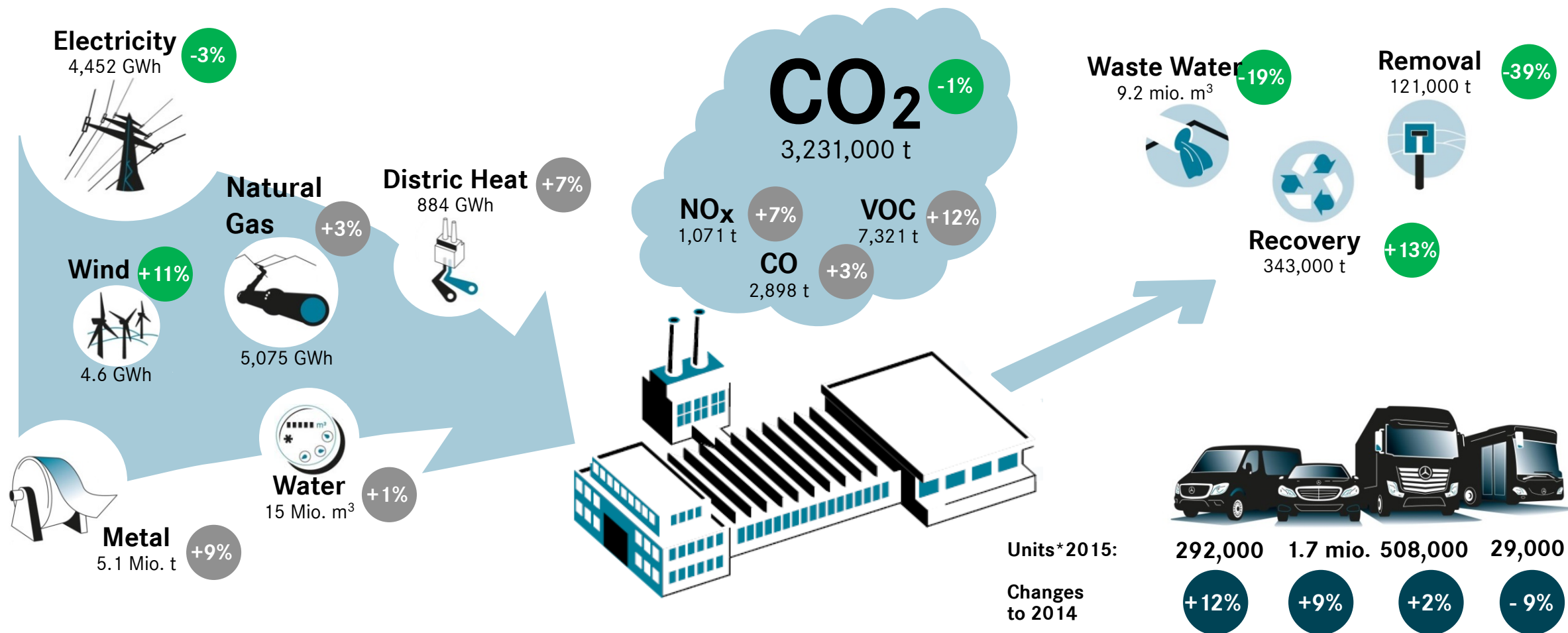


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Despite massive quantity increase, we reduced essential environmental impacts of **Daimler plants** in 2015



* Produced vehicle without joint ventures/contract manufacture

The relative environmental performance of MBC production improved significantly compared to the previous year

Energy Consumption

- **5.5%** per veh.

CO₂ Emissions

- **5.7%** per veh.

Waste amount

- **3.9%** per veh.

Water Consumption

- **2.2%** per veh.

VOC Emissions

- **1.8%** per veh.

Production



Units* 2015: 292,000 1.7 Mio. 508,000 29,000

Changes to 2014

+12%

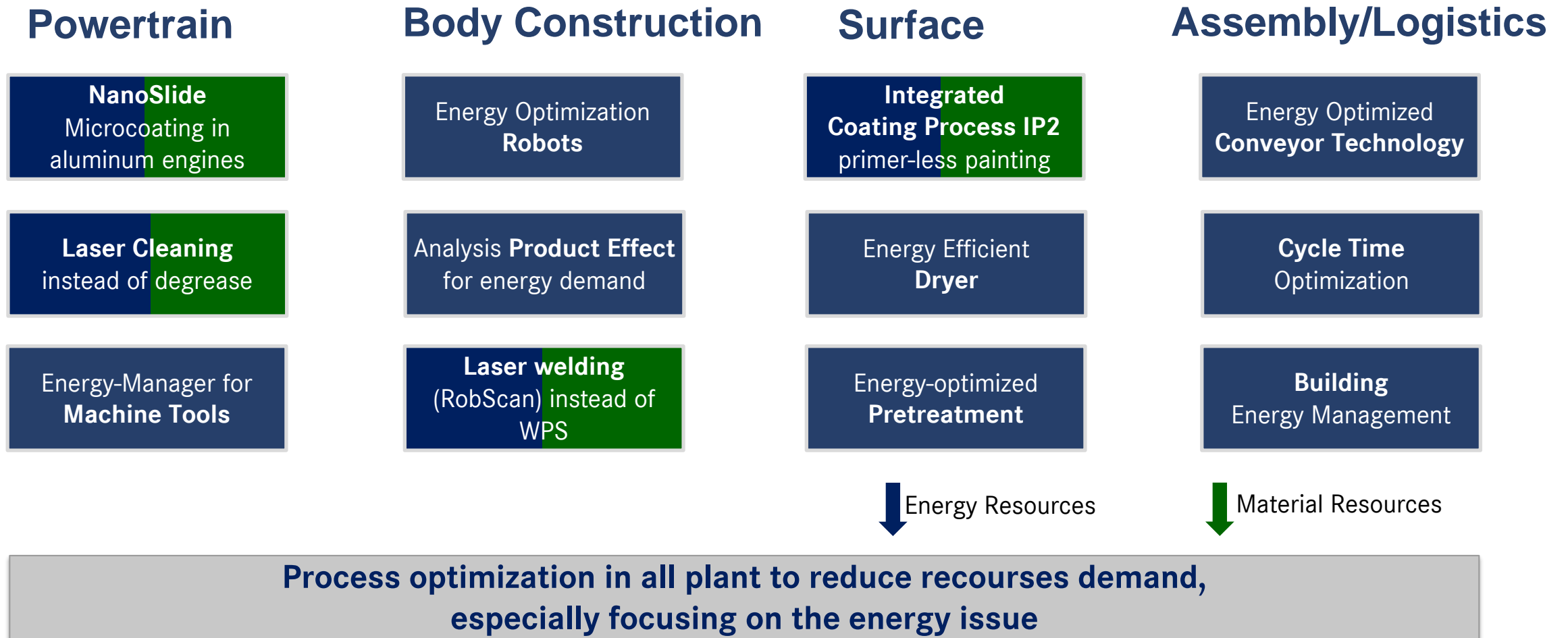
+9%

+2%

-9%

* Produced vehicle without joint ventures/contract manufacture

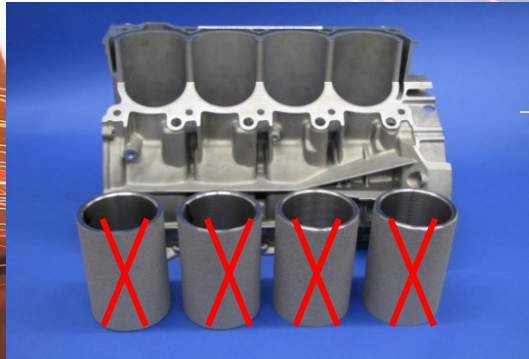
Production: Technical Modules to improve environmental performance



And how do we achieve these values...

For example new Nanoslide Coating Technology

Aluminum Engine Block



Grey Cast Iron Cylinder Liners



Nanoslide Coating



Process Optimization

(2nd Generation*)

Mechanically Roughening

instead of

High-Pressure Water Jet

Electric Energy

- ca. 700 MWh/a per module (Plan: 4 modules)
- ca. 22,500 MWh over life cycle

Process Water

- ca. 15,000 m³/a per module (Plan: 4 modules)
- ca. 480,000 m³ water over life cycle

Recirculation of aluminum chips

- Reduction of 8% primary aluminum
- Elimination of 15 t/a aluminum slurry

*) FAME = Family of Modular Engines = new family of state-of-the-art
ku = kilo units

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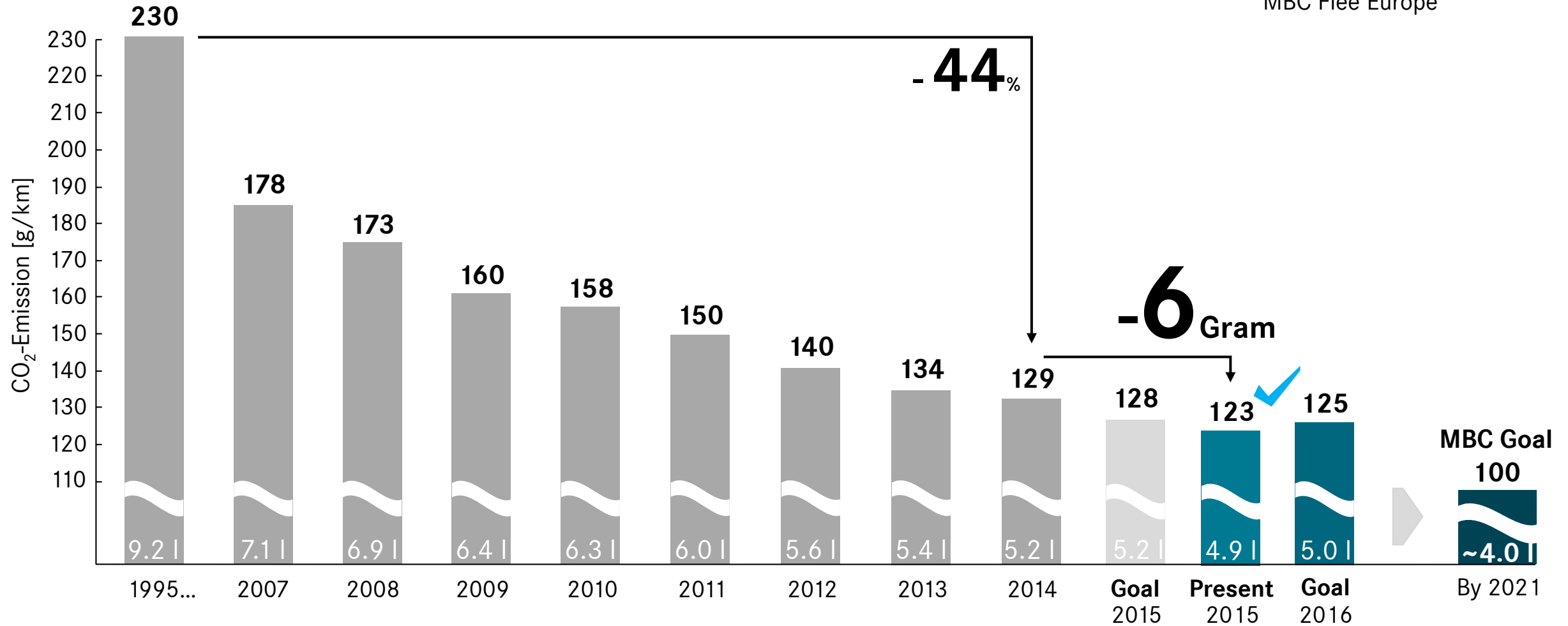


Our road to emission-free driving

Mercedes-Benz Cars Fleet in Europe

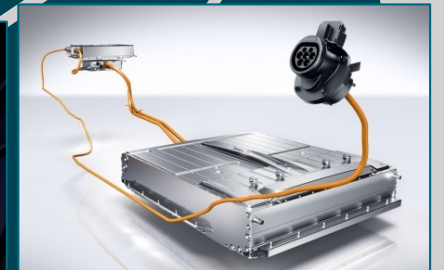


MBC Flee Europe



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Our road to emission-free driving



High-tech
combustion engines



Consequent
hybridization



Electric vehicles
with battery and fuel-cell

Powerful and efficient: The new 4-Cylinder Diesel OM 654 sets standards in terms of environmental compatibility

- ↘ **17%** Weight Reduction
- ↘ **24%** Friction Losses
- ↘ **13%** CO₂-Reduction
- ↘ **80%** NOx-Reduction
- ↗ **14%** Performance Increase
- ↗ **11%** Improved Acceleration



Aluminum-Crankcase

Nanoslide Coating

Stepped Combustion Bowls

Engine-Related Emission Control

Introduction of 10 plug-in-hybrid vehicles by 2017



Electric drive vehicles



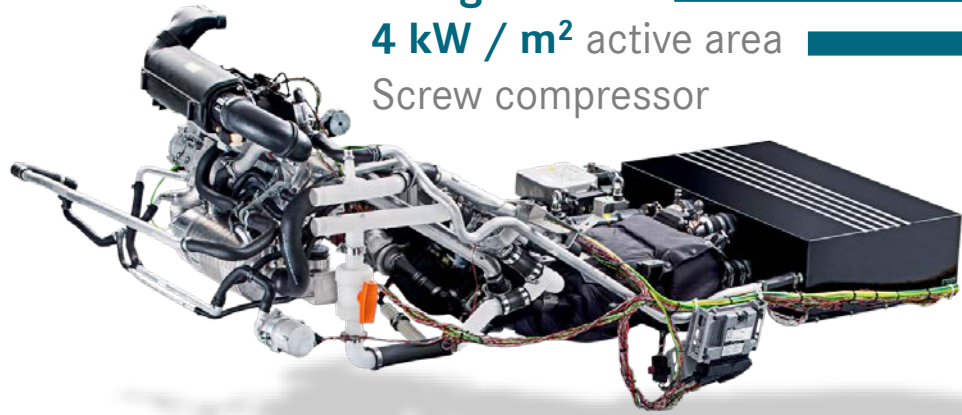
Next generation fuel-cell system: huge technological progress

2010: Underfloor package

206 g Platinum

4 kW / m² active area

Screw compressor



2017: Compartment package

20 g Platinum

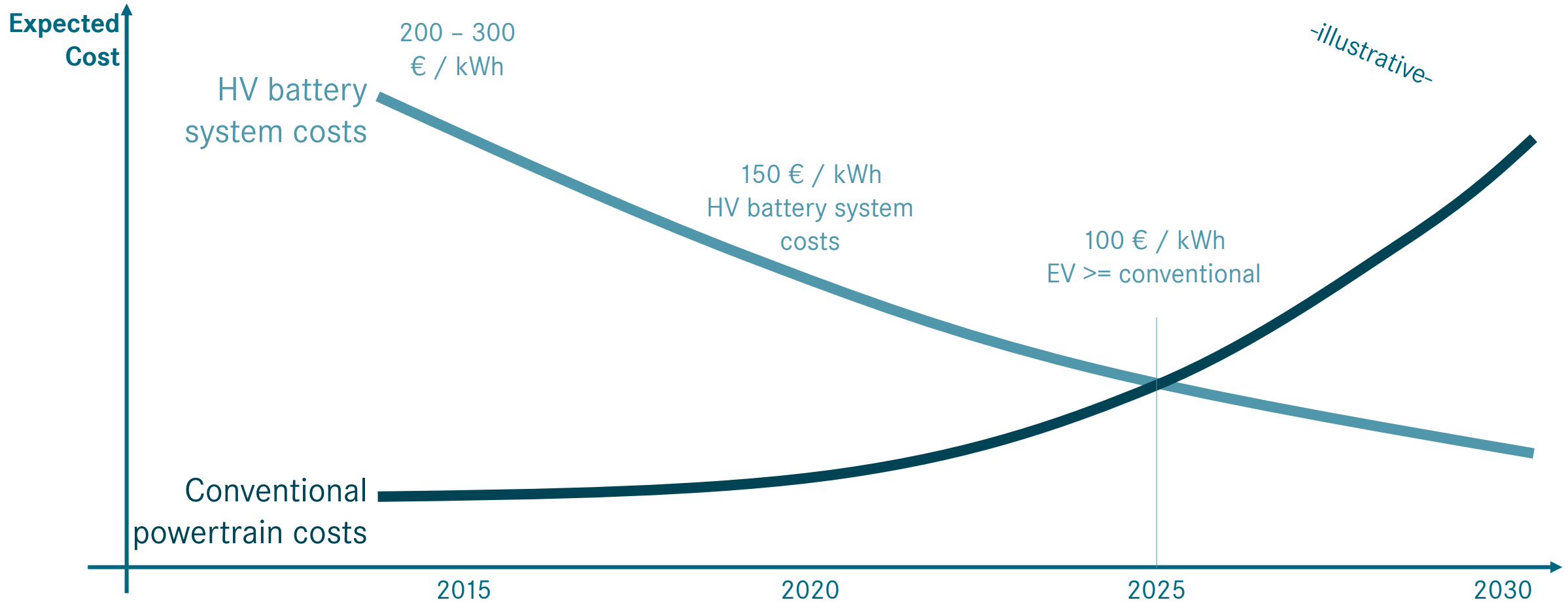
9 kW / m² active area

Electric turbo charger with turbine

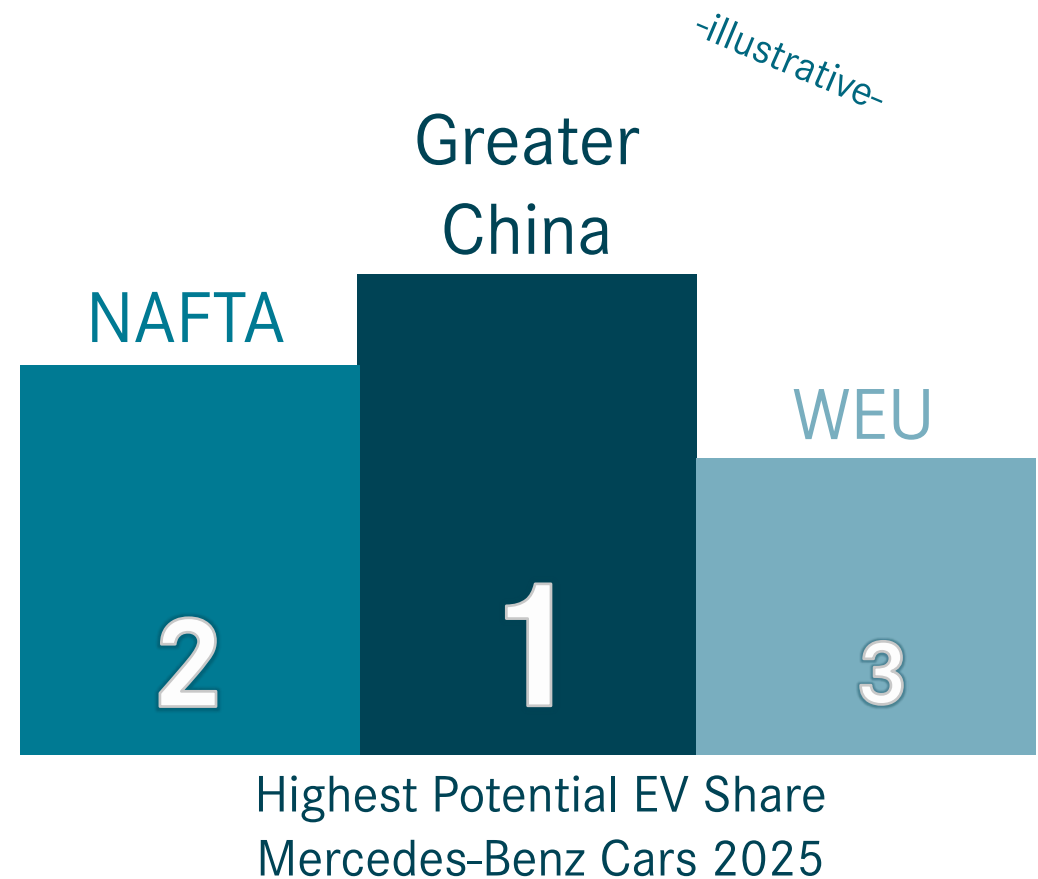
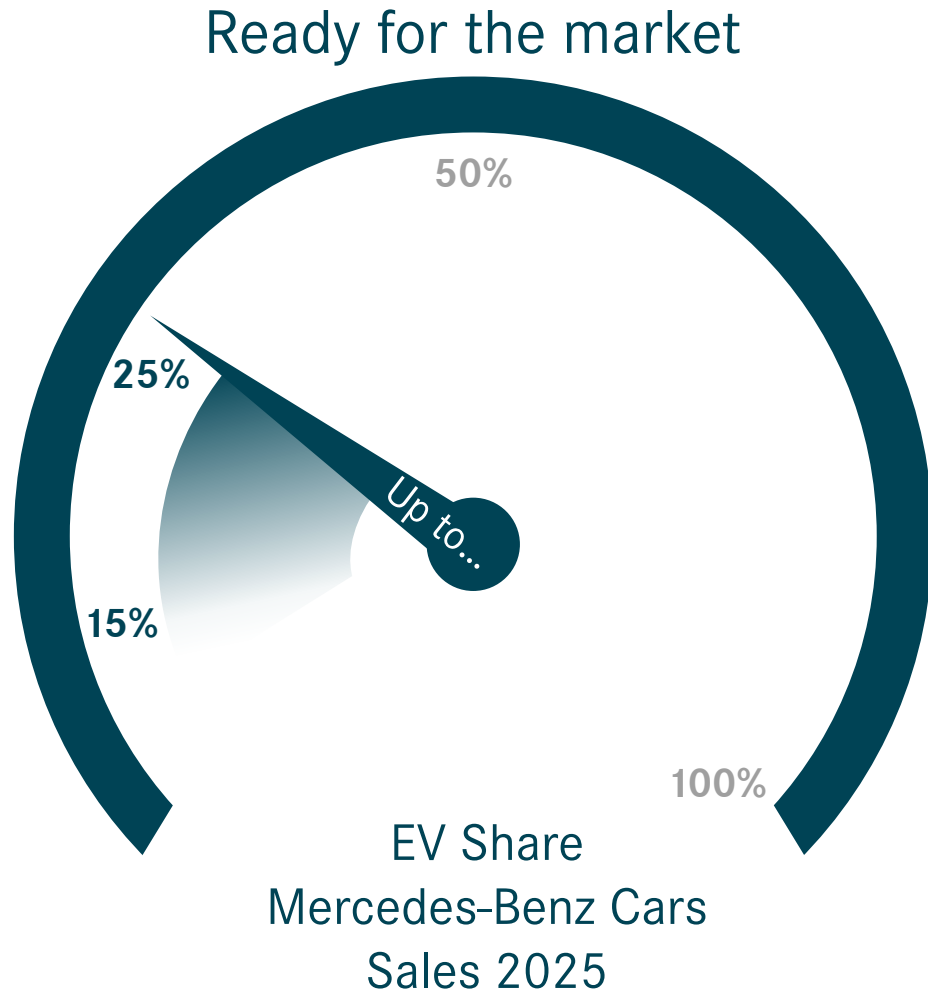


- ↘ **30%** reduction fuel cell engine size
- ↘ **90%** reduction of Platinum
- ↗ **30%** higher electric range in future vehicles
- ↗ **40%** higher system performance

Emission regulations and battery technology development favour battery cost position



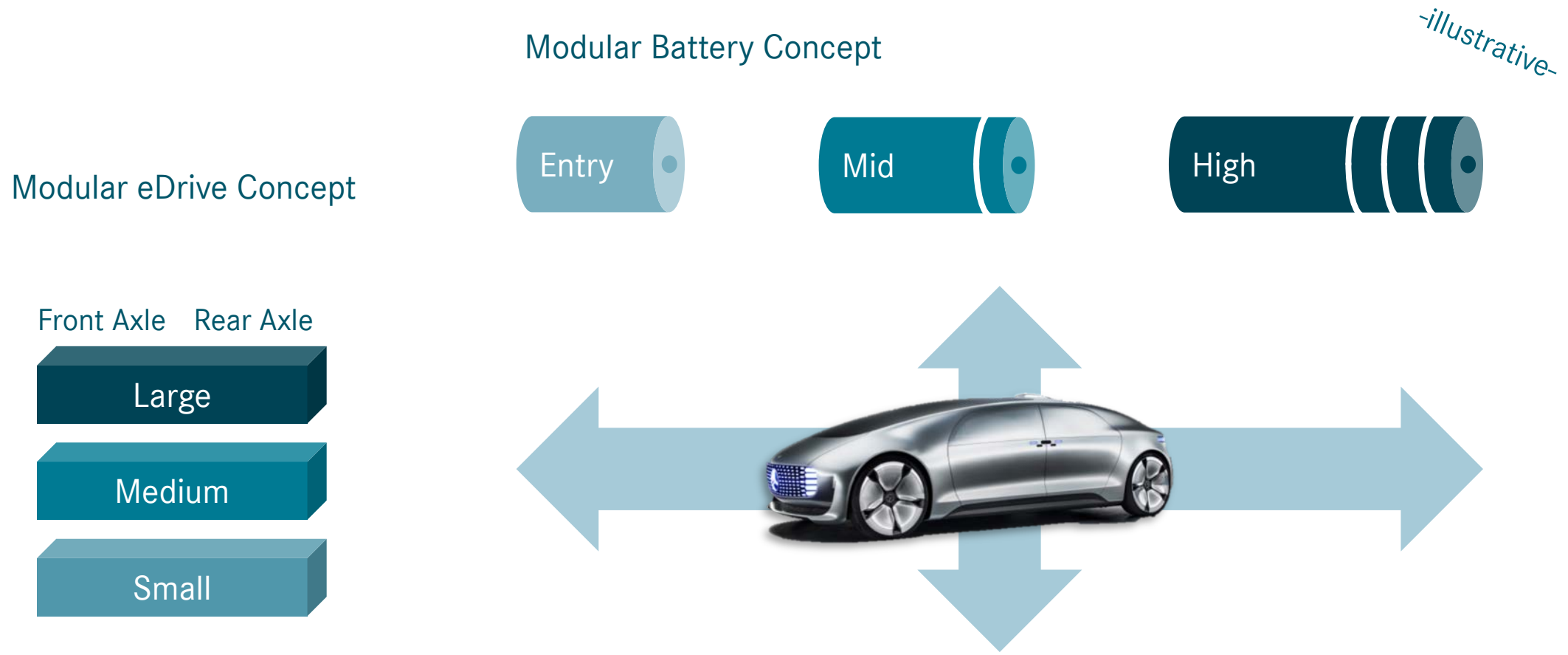
Ambitious Re-Definition of our EV market targets



Foundation of new Mercedes-Benz electric vehicle strategy



Modular set up of next generation drive train technologies will allow a variety of derivatives



Investment of 500 million euros in our second battery plant in Germany



Deutsche ACCUMOTIVE GmbH & Co. KG, Kamenz, Germany

- Production space stocked up from 20,000 to 60,000 m²
- 2nd plant start of operations: summer 2017
- Production of Li-Ion batteries for hybrid as well as electric vehicles and energy storage systems

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CASE

Connecting

Autonomous

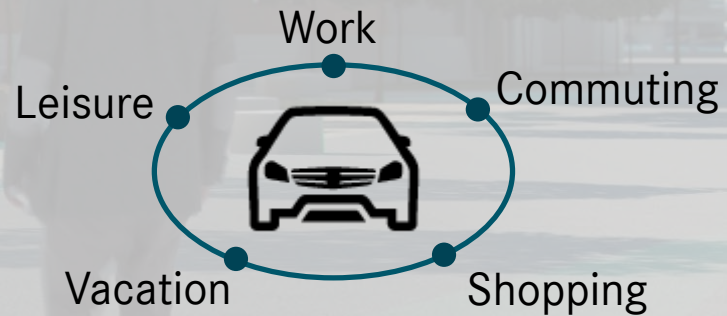
Shared & services

Electrified

Today: one car for different mobility cases.
Tomorrow: possibly the most suitable car „*on-demand*“.

Today

One car for all use cases



Tomorrow

The fitting solution for each use case



Source: McKinsey&Company "Automotive revolution - perspective towards 2030"

We are about to re-invent personal mobility

Selfdriving



Mobility Marketplace



Ride4Hire



BLACKLANE
YOUR PROFESSIONAL DRIVER

MEiNFERNBUS
FLIXBUS

moovel – find, book and pay



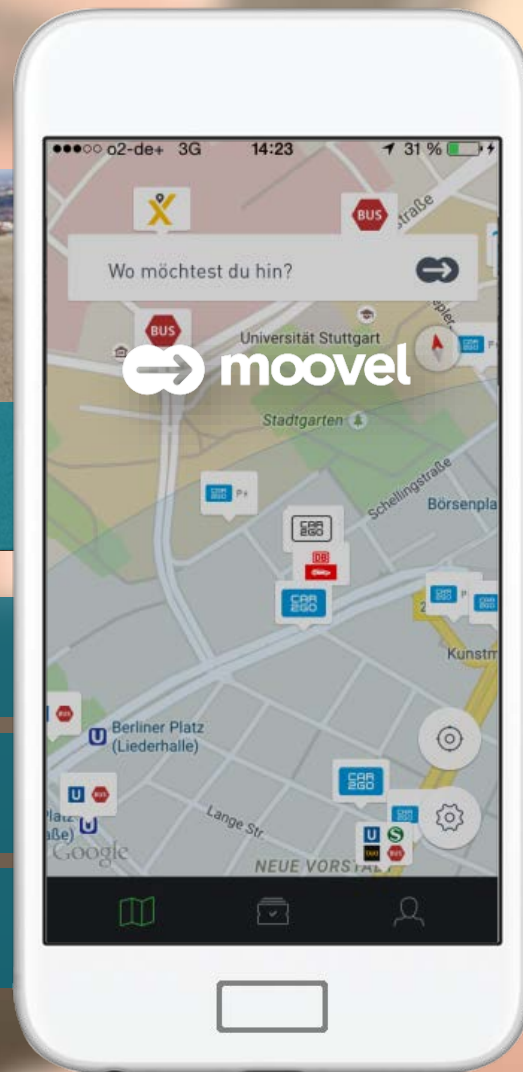
Public transport



Carsharing



Railway



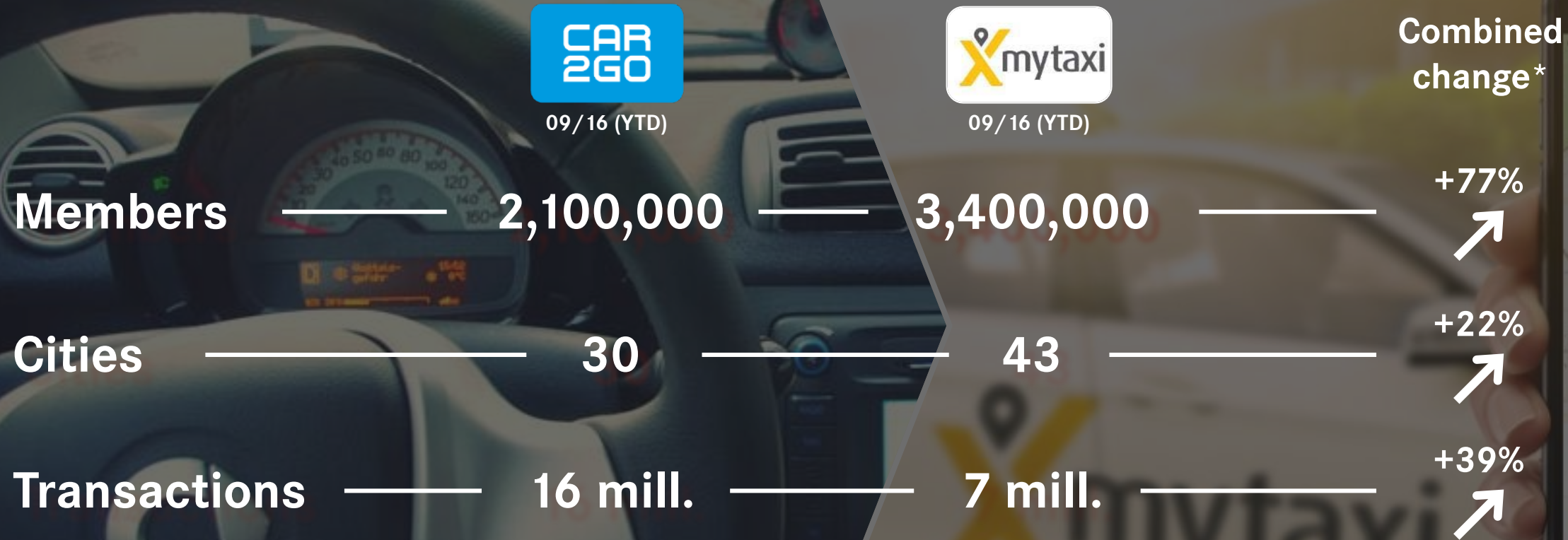
Taxi



Bikesharing



Forging ahead with increasing business in Mobility Services



* car2go and mytaxi combined 09/16 (YTD) vs. 09/15 (YTD)



FLIXBUS



BLACKLANE



MOOVEL

mytaxi and Hailo create Europe's largest taxi e-hailing company



+



20
million
rides p.a.

100,000
registered
taxi drivers

over
50 cities

9 countries

The two innovative leaders in the field of taxi e-hailing are joining forces

Customers enjoy various forms of mobility with a transparent overview and easy-to-pay services

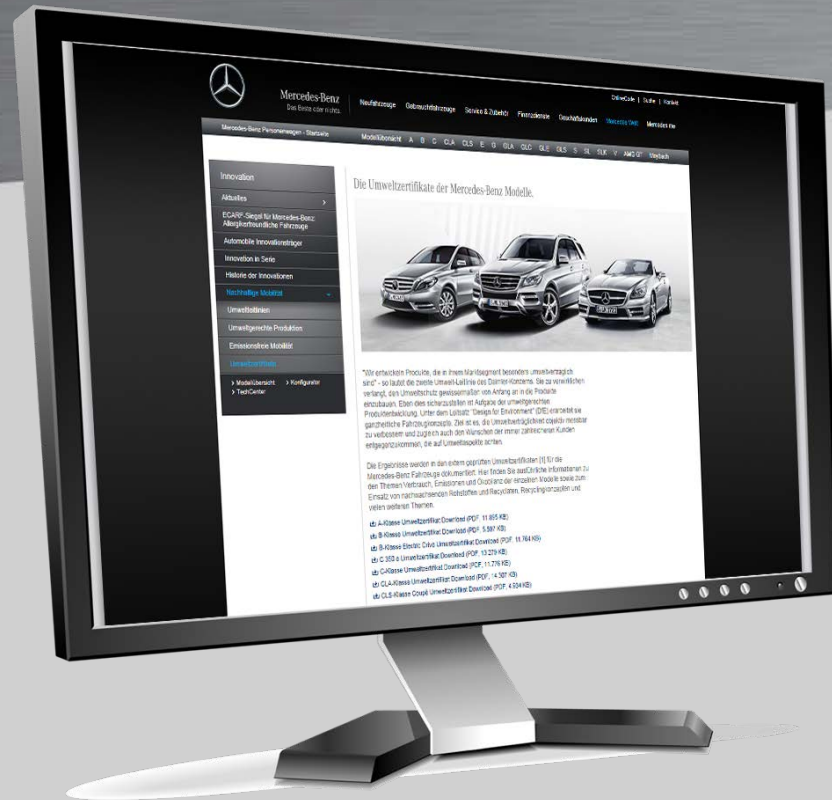
Another strategic step in making Daimler Financial Services a leader of mobility solutions and platforms



Leadership in Future Mobility will be determined by the combination of the four dimensions



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More Information at

www.Mercedes-Benz.com

Innovation – Sustainable mobility

www.Daimler.com

Sustainability

Disclaimer

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” “may,” “can,” “could,” “plan,” “project,” “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a decline of demand in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates; a shift in consumer preferences towards smaller, lower-margin vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; price increases for fuel or raw materials; disruption of production due to shortages of materials, labor strikes or supplier insolvencies; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; changes in laws, regulations and government policies, particularly those relating to vehicle emissions, fuel economy and safety; the resolution of pending government investigations or of investigations requested by governments and the conclusion of pending or threatened future legal proceedings; and other risks and uncertainties, some of which we describe under the heading “Risk and Opportunity Report” in the current Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.