









Task Force on Climate-related Financial Disclosures – Reference Table



Key elements of TCFD	Summary of disclosure pursuant to TCFD	CDP Climate Change Questionnaire 2019	 Sustainability Report 2019	 Annual Report 2019
Governance Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities	<p>C1 Governance – Board oversight (C1.1b) Provide further details on the board's oversight of climate-related issues.</p>	<p>p. 88 "How we are managing the Group sustainably" The Group Sustainability Board (GSB) is our central management body for all sustainability issues and reports to the Board of Management. The GSB is headed by Renata Jungo Brüngger (the Board of Management member responsible for Integrity and Legal Affairs) and Markus Schäfer (the Board of Management member responsible for Group Research & Mercedes-Benz Cars Chief Operating Officer).</p> <p>p. 95 "Responsibility for more environmentally friendly vehicles" Our Group management is responsible for setting our strategic goals. In addition, two members of the Board of Management participate in meetings of our Energy Efficiency Board (EEB) (formerly known as the CO₂ Steering Committee). The EEB meets approximately five times a year. Its responsibilities include observing the development of CO₂ fleet values in the markets that are regulated in this regard and providing forecasts. In their evaluations, the managers take into account the increasing degree of vehicle electrification and the changes that have been made to legal requirements, for example those related to the introduction of the new WLTP test procedure. At its meetings, the EEB discusses measures that are necessary, and the Board of Management subsequently makes the relevant decisions. Responsibility for ensuring compliance with climate protection and air quality requirements is split between several units and Board of Management members. At the vehicle level, the development departments in the vehicle business divisions are responsible for ensuring such compliance.</p>	<p>p. 198 "Sustainable corporate governance" The short-term and medium-term components of the remuneration – the Daimler Company Bonus – have been further developed for the Board of Management and Level 1-3 managers, with effect as of January 1, 2019. These components are linked not only to financial targets but also to sustainability-related transformation targets and non-financial targets that focus on employees, customers, integrity, and diversity. The transformation targets in particular are closely examined within the framework of the annual review of the Daimler Company Bonus, whereby the targets for 2020 will be even more closely aligned with the company's sustainable business strategy. In accordance with this strategy, we are pursuing our defined targets in the six areas of action and establishing a continuous improvement process. Our management and organizational structures support this process by means of clear lines of responsibility in all business divisions.</p> <p>The Group Sustainability Board (GSB) is our central management body for all sustainability issues and reports to the Board of Management. The GSB is headed by Renata Jungo Brüngger (the Board of Management member responsible for Integrity and Legal Affairs) and Markus Schäfer (the Board of Management member responsible for Group Research & Mercedes-Benz Cars Development).</p> <p>The operational work is done by the Sustainability Competence Office, which consists of representatives from the units managed by the two Co-chairs. Integrity, compliance, and legal responsibility are the cornerstones of our sustainable corporate governance and serve as the basis of all our actions as defined in our Integrity Code. The Integrity Code is supplemented by other in-house principles and policies.</p>
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>C1 Governance – Management responsibility (C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues. (C1.2a) Describe where in the organisational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.</p> <p>C2 Risks and opportunities – Management processes (C2.2) Select the option that best describes how your organisation's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management. (C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks. (C2.2b) Provide further details on your organisation's process(es) for identifying and assessing climate-related risks.</p>	<p>p. 88 "Group-wide risk management" The primary responsibility for operational risk management and for the risk management processes lies with the segments, corporate functions, organizational entities and companies. Reports regarding the current risk situation and the effectiveness, functionality, and appropriateness of the internal control and risk management system are regularly presented to the Board of Management and to the Audit Committee of the Supervisory Board of Daimler AG, as well as to the Boards of Management of Mercedes-Benz AG, Daimler Truck AG, and Daimler Mobility AG. Furthermore, the risks and opportunities of business operations are regularly discussed by responsible persons on the Board of Management of the relevant company.</p>	<p>p. 136 "Risk and opportunity management system" The organizational embedding and monitoring of risk and opportunity management takes place through the risk management organization established at the Group. In this context, the companies, organizational entities and corporate functions report on concrete risks and opportunities to the next-higher entity at regular intervals. Through the segments, this information is passed on to Group Risk Management, which processes it and provides it to the Board of Management and the Supervisory Board as well as to the Group Risk Management Committee (GRMC). The GRMC is responsible for the continual improvement of the risk management system and for assessing its efficiency and effectiveness. It is composed of representatives of Accounting & Financial Reporting, the Legal Department, Compliance and Technical Compliance, and the members responsible for finance of the Boards of Management of Mercedes-Benz AG, Daimler Truck AG and Daimler Mobility AG; it is chaired by the Board of Management members of Daimler AG responsible Finance & Controlling/Daimler Mobility and for Integrity and Legal Affairs. The Internal Auditing department contributes material findings on the internal control and risk management system.</p>

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<p>Strategy</p> <p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning—where such information is material.</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>C2 Risks and opportunities – Time horizons (C2.1) Describe what your organisation considers to be short-, medium- and long-term horizons. C2 Risks and opportunities – Management processes (C2.2b) Provide further details on your organisation's process(es) for identifying and assessing climate-related risks. (C2.2c) Which of the following risk types are considered in your organisation's climate-related risk assessments? C2 Risks and opportunities – Risk disclosure (C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business? (C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business. C2 Risks and opportunities – Opportunity disclosure (C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business? (C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.</p> <p>C2 Risks and opportunities – Risk disclosure (C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business. C2 Risks and opportunities – Opportunity disclosure (C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business. C2 Risks and opportunities – Business impact assessment (C2.5) Describe where and how the identified risks and opportunities have impacted your business. C2 Risks and opportunities – Financial planning assessment. (C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process. C3 Business strategy – Business strategy (C3.1) Are climate-related issues integrated into your business strategy? (C3.1a) Does your organisation use climate-related scenario analysis to inform your business strategy? (C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy. (C3.1d) Provide details of your organisation's use of climate-related scenario analysis.</p>	<p>p. 94 "New standards for climate protection and air quality" The Paris Agreement on climate protection has the aim of limiting global warming to significantly less than two degrees Celsius compared with the preindustrial level. Achieving this goal will require the establishment of more stringent climate protection targets for all countries and all sectors, particularly with regard to CO₂ emissions. The transportation sector as well must significantly reduce its CO₂ footprint in the years ahead. For example, the climate protection plan of the German government requires the transportation sector to reduce its greenhouse gas emissions by 40 to 42 percent by 2030 compared to the levels of 1990. The legal requirements for Europe as a whole are similar. They call for a 37.5 percent decrease for cars and a 31 percent decrease for vans by 2030 compared to 2021; car and van emissions should have decreased by 15 percent by 2025. For heavy-duty commercial vehicles, a 30 percent reduction by 2030 will be needed. A new average target value of 95 g CO₂/km went into effect in 2020 for the entire fleet of new cars in the EU. Because the limit value is calculated on the basis of the average vehicle weight of a fleet, and because the cars from Mercedes-Benz AG are heavier than average, the limit value for them will probably be not 95 g/km but 107 g/km. We can only reach this target value if we put a large enough number of all-electric vehicles or plug-in hybrids on the road.</p> <p>p. 89 "Non-financial risks and opportunities" Risks arise above all in connection with the public debate about diesel vehicles and the related fundamental reconsideration of methods for measuring emissions. Due to the replacement of the NEDC (New European Driving Cycle) with the new measuring method WLTP (Worldwide Harmonized Light Vehicles Test Procedure), the fleet CO₂ average has worsened. In the light of today's knowledge, this makes it more difficult to achieve the CO₂ targets as of 2020. Furthermore, there has been some pressure in the past two years on diesel technology, which is important for compliance with the challenging CO₂ targets in the EU, because of NOX levels exceeding the limits at some measuring stations in cities. The current public focus on vehicle emissions as well as possible certifications stops and recalls jeopardize the reputation of the automotive industry and in particular of the diesel engine, and could result in damage to Daimler's reputation. With the development of a new generation of diesel engines and their systematic market launch, Daimler aims to achieve a reduction in NOX emissions in real driving conditions (RDE). CO₂ neutrality at Mercedes-Benz Cars: "We are flipping the switch. We plan to fundamentally transform our product portfolio over the next two decades. Our approach to achieving emission-free mobility involves electric vehicles powered by battery-electric and fuel cell drive systems, further improvements to efficiency through hybridization, and the further development of our vehicles with modern combustion engines."</p>	<p>p. 200 "Environmental Issues" Protecting the environment is a primary corporate objective of our Group. Environmental protection is not separate from other objectives at Daimler, but is an integral component of our sustainable business strategy. The central environmental aspects we address are climate protection, air pollution control, and resource conservation.</p> <p>Climate protection The transition to CO₂-neutral mobility is vital if the impact of climate change is to be limited. We at Daimler are working hard to make this vision a reality. In this connection, we have set ourselves the goal of making the mobility of the future more sustainable, and we are employing a holistic approach in order to achieve this goal. One component of our approach involves reducing the CO₂ emissions of our vehicles. Within the framework of our sustainable business strategy, our company has expressed its firm commitment to the Paris accord on climate protection. Mercedes-Benz AG has had its climate protection measures scientifically confirmed by the Science Based Targets Initiative (SBTI). By means of these targets, the company wants to contribute to environmental protection in the sense of the Paris Agreement. In our sustainable business strategy, we have also set ourselves the goal of making our fleet of new cars CO₂-neutral for the vehicles' entire lifecycle by 2039. Daimler Trucks & Buses aims to offer only new vehicles that are CO₂-neutral in driving operation ("tank-to-wheel") in the triad of Europe, Japan, and NAFTA by 2039. Mercedes-Benz Vans is currently striving to achieve similar reductions in CO₂ emissions. In order to achieve this goal, we want to significantly increase sales of passenger cars equipped with plug-in hybrid and all-electric drive systems. In this connection, we want to electrify the entire portfolio of Mercedes-Benz Cars by 2022, which means that various electric alternatives are to be offered in every segment – from compact cars to SUVs. By the year 2025, we expect all-electric models to account for up to 25%. By 2030, plug-in hybrids and all-electric models should account for more than 50%. A new average CO₂ target value of 95 g/km went into effect in 2020 for the entire fleet of new cars in the EU. The applicable limit for individual manufacturers is based on the average vehicle weight of the respective vehicle fleet. The limit for our fleet of new cars will be higher due to the high average weight of the vehicles in our model range. We take compliance with this new requirement into account as early as the vehicle development stage by employing our Design for Environment approach. In order to continuously improve environmental compatibility, these requirements are incorporated into our product performance specifications. These specifications define specific characteristics and target values – for example for fuel economy and CO₂ emissions – that must be achieved for every vehicle model and every engine variant. During the development process, we regularly monitor compliance with our internal development targets and the requirements contained in the product performance specifications.</p>

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<p>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning—where such information is material.</p>			<p>▶▶ “Daimler Trucks & Buses: Making CO₂-neutral transport a reality As one of the world's leading manufacturers of commercial vehicles, we have made a firm commitment to electric mobility in heavy-duty trucks. With our electric city buses and comprehensive “eBus” consulting services, we are already making a major contribution to locally emission-free public transport and the improvement of air quality in cities.” Our holistic approach to climate protection also involves including our suppliers, as we plan to implement effective climate protection measures in cooperation with our partners in the supply chain. It all starts with transparency. To this end, we are working with organizations such as CDP to assess the environmental impact of our passenger car supply chain. We are cooperating closely with our most CO₂-intensive suppliers to also identify effective CO₂ reduction measures in this area. Our goal at Mercedes-Benz Cars is to establish CO₂ targets as a key criterion for selecting suppliers and concluding supplier agreements.</p>	<p>▶▶ In the Energy Efficiency Board (EEB), which includes Board of Management participation, the managers responsible for each vehicle model series evaluate the results of this monitoring process. In their evaluations, the managers take into account the increasing degree of vehicle electrification and the changes that have been made to legal requirements, for example those relating to the introduction of the new WLTP test procedure. If corrective actions are required, the managing body of the respective business division is included in the decisionmaking. The exact level of the CO₂ emissions of individual vehicles is determined within the framework of the fuel-economy certification process. Nevertheless, the fact remains that the attainment of the EU limits will greatly depend on the level of customer demand for all-electric vehicles and plug-in hybrids.</p> <p>CO₂ emissions from our car fleet. For the year under review, it is expected that the average CO₂ emissions of our total passenger car fleet in Europe (EU28 + Iceland, Norway) will have increased to 137 g/km (NEDC, including vans registered as passenger cars (M1), Mercedes-Benz Cars: 135 g/km). This means that we were unable to reduce our CO₂ emissions from the prior-year level. There were several reasons for this development. The first involves the shift of sales from vehicles with diesel engines to cars powered by gasoline engines. Secondly, 2019 was the first year in which the rollout of the WLTP certification process had its full impact. We intend to achieve our objective of reducing our CO₂ emissions for 2020 and thus continue to conform to the currently valid EU limit values by means of a planned expansion of our portfolio to include further electric vehicle models and accommodate customer demand. CO₂ fleet emissions of Daimler Trucks & Buses Daimler Trucks & Buses aims to offer only new vehicles that are CO₂-neutral in driving operation (“tank-to-wheel”) in the triad of Europe, Japan, and NAFTA by 2039. As early as 2022, the company plans to have a vehicle portfolio comprising series-produced vehicles with battery-electric drive systems in these main sales regions. In order to achieve these targets and meet future legal stipulations in certain countries regarding the reduction of vehicle emissions and fuel consumption, Daimler Trucks & Buses has to employ the latest technology and enhance its range of battery-electric trucks and vehicles with other electrified drive systems.</p>
	<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>C3 Business strategy – Business strategy (C3.1a) Does your organisation use climate-related scenario analysis to inform your business strategy? (C3.1d) Provide details of your organisation's use of climate-related scenario analysis.</p>	<p>p. 39 “Our commitment to climate protection: scientifically verified” Mercedes-Benz Cars & Vans had its climate protection targets scientifically verified by the Science Based Targets Initiative (SBTI) in 2019. This makes it clear that our targets are aligned with the Paris Agreement and the latest findings of the scientific community.</p> <p>Our SBTI-verified targets: Reduction of the greenhouse gas emissions of the new vehicle fleet at Mercedes-Benz Cars & Vans during the vehicle use phase (well-to-wheel) by more than 40 percent as compared to 2018 by 2030. 50 percent reduction as compared to 2018 of CO₂ emissions and energy purchases (Scope 1 & 2) at our Mercedes-Benz Cars & Vans plants worldwide by 2030.</p>	

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<p>Risk Management</p> <p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>C2 Risks and opportunities – Management processes (C2.2b) Provide further details on your organisation's process(es) for identifying and assessing climate-related risks.</p> <p>(C2.2c) Which of the following risk types are considered in your organisation's climate-related risk assessments?</p>	<p>p. 89 “Monitoring and control systems”</p> <p>The divisions have direct responsibility for recognizing and managing business risks and opportunities at an early stage. As part of the strategy process, risks connected with planned long-term development and opportunities for continued profitable growth are identified and included in the decision-making process. In order to identify business risks and opportunities at an early stage and to assess and manage them consequently, management and control systems, which are clustered into a risk and opportunity management system, are applied. Risks and opportunities are not offset. The risk management system is intended to systematically and continually identify, assess, control, monitor, and report risks threatening Daimler's existence and other material risks, in order to support the achievement of corporate targets and to enhance risk awareness at the Group. The risk management system is integrated into the value-based management and planning system of the Daimler Group and is an integral part of the overall planning, management, and reporting process in the companies, segments, and corporate functions.</p> <p>The opportunity management system at the Daimler Group is based on the risk management system. The objective of opportunity management is to recognize the possible opportunities arising in business activities as a result of positive developments at an early stage, and to use them in the best possible way for the Group by taking appropriate measures. By taking advantage of opportunities, planned targets should be met or exceeded. Opportunity management considers relevant and realizable opportunities that have not yet been included in any planning.</p>	<p>p. 199 “Risk management”</p> <p>The Daimler Group is exposed to a large number of risks that are directly linked with the business activities of its divisions or which result from external influences. A risk is understood as the danger that events, developments or actions will prevent the Group or one of its divisions from achieving its targets. Risks can be of either a financial or non-financial nature. At the same time, it is important for the Daimler Group to identify opportunities for the Group so that they can be utilized in the course of its business activities, thus safeguarding and enhancing the Group's competitiveness. An opportunity is understood as the possibility to safeguard or to surpass the planned targets of the Group or a division as a result of events, developments or actions. In particular, the actions taken by the company with regard to environmental, employee, and social issues, the battle against corruption and bribery, and upholding human rights play a key role in the way we are currently viewed by the public, and can thus potentially result in non-financial risks as well as opportunities. The divisions have direct responsibility for recognizing and managing business risks and opportunities at an early stage. Our Group-wide risk management system provides the framework for the responsible management of existence-threatening and other material risks. The risk management system is integrated into the valuebased management and planning system of the Daimler Group and is also an integral part of the overall planning, management, and reporting process in the legal entities, divisions, and corporate functions. The risk management system is intended to systematically and continually identify, assess, control, monitor, and report risks threatening Daimler's existence and other material risks, in order to support the achievement of corporate targets and to enhance risk awareness at the Group.</p> <p>p. 201 “Resource Conservation”</p> <p>Since the year 2000, we have been using a Group-wide standardized method for assessing environmental risks (environmental due diligence process) in order to prevent such risks and comply with statutory requirements. We employ this method both internally at all production locations in which the Group has a majority interest, as well as externally in connection with our acquisition plans. We also have a standardized process in place for inspecting and assessing the Group's consolidated production sites every five years. The results are reported to the plants and divisional managements. In 2019, we evaluated all the production locations that are operated by the Mercedes-Benz Cars division and majority-owned by the Group. In addition, we annually assess the extent to which our recommendations for minimizing risks at the locations have been put into practice. The objective of all of our environmental risk assessments is to ensure that we achieve high environmental standards at all of our production locations around the world.</p>

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<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>b) Describe the organization's processes for managing climate-related risks.</p>	<p>C2 Risks and opportunities – Management processes (C2.2b) Provide further details on your organisation's process(es) for identifying and assessing climate-related risks.</p> <p>(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.</p>	<p>p. 95 “Responsibility for more environmentally friendly vehicles” Our Group management is responsible for setting our strategic goals. In addition, two members of the Board of Management participate in meetings of our Energy Efficiency Board (EEB) (formerly known as the CO₂ Steering Committee). The EEB meets approximately five times a year. Its responsibilities include observing the development of CO₂ fleet values in the markets that are regulated in this regard and providing forecasts. In their evaluations, the managers take into account the increasing degree of vehicle electrification and the changes that have been made to legal requirements, for example those related to the introduction of the new WLTP test procedure. At its meetings, the EEB discusses measures that are necessary, and the Board of Management subsequently makes the relevant decisions. Responsibility for ensuring compliance with climate protection and air quality requirements is split between several units and Board of Management members</p> <p>p. 120 “Environmental risks prevention” Compliance with the internal and external environmental protection requirements and the plants' reporting obligations is regularly checked as part of the environmental management activities at our production facilities. One of the key parameters is legally compliant operation in the areas of waste management, air emissions, oil/groundwater pollution, wastewater discharge, and the utilization of materials. In the event of any relevant environment-related incidents, we document them and take necessary measures to eliminate possible damage. The management systems are monitored by external auditors as part of the certification process (ISO 14001, EMAS, ISO 50001) and by internal environmental risk assessments (environmental due diligence process).</p> <p>Already in 1999, we developed a methodology for assessing environmental risks at our worldwide production locations (environmental due diligence) as a tool for preventing risks to the environment and making them transparent worldwide. Since then we have employed this method both internally at all production locations in which the Group has a majority interest, as well as externally in connection with our planned mergers and acquisitions. We have a standardized process in place for inspecting and assessing the Group's consolidated production sites every five years.</p>	<p>p. 200 “Climate Protection” (...) In the Energy Efficiency Board (EEB), which includes Board of Management participation, the managers responsible for each vehicle model series evaluate the results of this monitoring process. In their evaluations, the managers take into account the increasing degree of vehicle electrification and the changes that have been made to legal requirements, for example those relating to the introduction of the new WLTP test procedure.</p> <p>If corrective actions are required, the managing body of the respective business division is included in the decisionmaking. The exact level of the CO₂ emissions of individual vehicles is determined within the framework of the fuel-economy certification process.</p> <p>p. 148 “Non-financial risks” As a company with worldwide activities, the Daimler Group is at the focus of public interest. The relevant stakeholders' perception is therefore of crucial importance and can affect the reputation of the entire Daimler Group Non-Financial Report. A key role in the public's current perception is played by the company's approach to environmental, employee and social matters, fighting corruption and bribery, and respecting human rights, and may lead to non-financial risks. Risks arise above all in connection with the public debate about diesel vehicles and the related fundamental reconsideration of methods for measuring emissions. Due to the replacement of the NEDC (New European Driving Cycle) with the new measuring method WLTP (Worldwide Harmonized Light Vehicles Test Procedure), the fleet CO₂ average has worsened. In the light of today's knowledge, this makes it more difficult to achieve the CO₂ targets as of 2020. Furthermore, there has been some pressure in the past two years on diesel technology, which is important for compliance with the challenging CO₂ targets in the EU, because of NO_x levels exceeding the limits at some measuring stations in cities. The current public focus on vehicle emissions as well as possible certifications stops and recalls jeopardize the reputation of the automotive industry and in particular of the diesel engine, and could result in damage to Daimler's reputation.</p> <p>With the development of a new generation of diesel engines and their systematic market launch, Daimler aims to achieve a reduction in NO_x emissions in real driving conditions (RDE). In general, legal risks – for example in connection with antitrust investigations – as well as possible legal and social violations by partners and suppliers can have a negative impact on the reputation of the entire Daimler Group. As one of the fundamental principles of business activity, Daimler places particular priority – also in the selection of partners and suppliers – on adherence to applicable laws and ethical standards.</p>

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<p>Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>C2 Risks and opportunities – Management processes (C2.2) Select the option that best describes how your organisation's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.</p>	<p>p. 88 "Group-wide risk management" In the context of the operational planning, risks and opportunities are identified and assessed with the use of appropriate categories for a two-year planning period. Furthermore, the discussions for the derivation of mid-term and strategic targets in the context of strategic planning also include the consideration of risks and opportunities relating to a longer period. Group Risk Management regularly reports on the identified risks and opportunities to the Board of Management and the Supervisory Board. Besides the reporting at specific times, risk and opportunity management is established as a continuous task within the Group. In addition to reporting at specific intervals, risk and opportunity management is established at the Group as a continuous process. There is an internal reporting obligation within the Group for material risks arising unexpectedly. Furthermore, the employees responsible for risk management have the task of defining measures and, if necessary, initiating such measures to avoid, reduce, or protect the Group against risks. Within the context of opportunity management, measures are to be taken with which opportunities can be seized, improved and (fully or partially) realized."</p>	<p>p. 135 "Risk and opportunity management system" The risk management system is intended to systematically and continually identify, assess, control, monitor and report risks threatening Daimler's existence and other material risks, in order to support the achievement of corporate targets and to enhance risk awareness at the Group. The risk management system is integrated into the value-based management and planning system of the Daimler Group and is an integral part of the overall planning, management and reporting process in the companies, segments and corporate functions. The opportunity management system at the Daimler Group is based on the risk management system. The objective of opportunity management is to recognize the possible opportunities arising in business activities as a result of positive developments at an early stage, and to use them in the best possible way for the Group by taking appropriate measures. By taking advantage of opportunities, planned targets should be met or exceeded. Opportunity management considers relevant and realizable opportunities that have not yet been included in any planning. In the context of the operational planning, risks and opportunities are identified and assessed with the use of appropriate categories for a two-year planning period. Furthermore, the discussions for the derivation of mid-term and strategic targets in the context of strategic planning also include the consideration of risks and opportunities relating to a longer period. Group Risk Management regularly reports on the identified risks and opportunities to the Board of Management and the Supervisory Board. Besides the reporting at specific times, risk and opportunity management is established as a continuous task within the Group. In addition to reporting at specific intervals, risk and opportunity management is established at the Group as a continuous process. There is an internal reporting obligation within the Group for material risks arising unexpectedly. The reporting of risks and opportunities in the Management Report generally relates to a period of one year. Risk assessment takes place on the basis of probability of occurrence and possible impact according to the levels "Low," "Medium" and "High." These levels also apply to the possible impact of opportunities. An analysis of the probability of occurrence is not considered here. When assessing the impact of a risk or opportunity, its effect on EBIT is generally considered."</p>

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Metrics and Targets				
<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>C4 Targets and performance – Other climate-related targets (C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b. C9 Additional metrics – Other climate-related metrics (C9.1) Provide any additional climate-related metrics relevant to your business.</p>	<p>p. 96/97 “Climate protection: Our CO₂ emissions – in all of our fleets”</p> <p>CO₂ emissions of our cars For the year under review, it is expected that the average CO₂ emissions of our total passenger car fleet in Europe (EU28 + Iceland, Norway) will have increased to 137 g/km (NEDC, including vans registered as passenger cars (M1), Mercedes-Benz Cars: 135 g/km).</p> <p> Key Figures Environment</p>	<p>see strategy (TCFD Reference Table, p.3) p. 200 “Environmental Issues”</p>
	<p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>C5 Emissions methodology – Base year emissions (C5.1) Provide your base year and base year emissions (Scopes 1 and 2). C6 Emissions data – Scope 1 emissions data (C6.1) What were your organisation’s gross global Scope 1 emissions in metric tons CO₂e? C6 Emissions data – Scope 2 emissions reporting (C6.2) Describe your organisation’s approach to reporting Scope 2 emissions. C6 Emissions data – Scope 2 emissions data (C6.3) What were your organisation’s gross global Scope 2 emissions in metric tons CO₂e? C6 Emissions data – Scope 3 emissions data (C6.5) Account for your organisation’s Scope 3 emissions, disclosing and explaining any exclusions. C6 Emissions data – Emissions intensities (C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations. C7 Emissions breakdown – Scope 1 breakdown: GHGs (C7.1) Does your organisation break down its Scope 1 emissions by greenhouse gas type? (C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).</p>	<p>p. 97 “Scope 1, 2, and 3 emissions”</p> <p>Most of our CO₂ emissions are generated during the use phase of the vehicles. However, other phases of the vehicle life cycle also generate CO₂ emissions. In order to calculate the entire CO₂ balance, we rely on the basic principles of the Greenhouse Gas Protocol, and we publicly disclose information about our emissions according to this standard. In line with the standard, we differentiate between three categories of CO₂ emissions called scopes. Scope 1 comprises emissions such as ones caused on our factory grounds by the combustion of energy carriers, for example through the generation of electricity by our own power plants. Scope 2 includes all emissions that are generated outside our factory grounds due to the generation of energy purchased from external sources, such as electricity from a local utility. Finally, Scope 3 includes all the emissions that are generated before (upstream of) or after (downstream of) our production operations. For example, Scope 3 includes the CO₂ emissions that arise in the supply chain (purchased goods and services), as a result of our vehicles’ operation in customers’ hands (the use phase, including the production of fuel and electricity) or in the recycling phase of the vehicles. If we look at the entire life cycle of the average Mercedes-Benz Cars fleet (worldwide), we arrive at an average CO₂ value of 48.9 t per vehicle for the year 2019.</p> <p> Key Figures Environment</p>	<p>n/a</p>
	<p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>C4 Targets and performance – Targets (C4.1) Did you have an emissions target that was active in the reporting year? (C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets. (C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s). C4 Targets and performance – Other climate-related targets (C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.</p>	<p>p. 35 “Climate Protection & Air Quality”</p> <p>Overall vision: emission-free mobility. At Mercedes-Benz Cars, in our “Ambition 2039” we have set ourselves the target of making our fleet of new passenger cars CO₂-neutral over the vehicles’ entire life cycle by 2039. At Mercedes-Benz Vans we have set ourselves the goal of making our vans for private use CO₂-neutral for their entire life cycle by 2039. For commercially used vans, the goal is to only offer new vehicles that are CO₂-neutral in driving operation (“tank-to-wheel”) in the triad markets of Europe, Japan, and North America. At Daimler Trucks&Buses, our target for new trucks and buses is to become CO₂-neutral with regard to driving operation (tank-to-wheel) in the triad markets of Europe, Japan, and North America between now and 2039.</p>	<p>p. 100 “Environmental Protection”</p> <p>A comprehensive approach to environmental protection. The transition to CO₂-neutral mobility is vital if the impact of climate change is to be limited. We at Daimler are working hard to make this vision reality. Mercedes-Benz AG has had its climate protection measures scientifically confirmed by the Science Based Targets Initiative (SBTI). By means of these targets, the company would like to make a contribution to environmental protection in line with the Paris agreement on global climate change. Furthermore, in our sustainable business strategy, we have set ourselves the goal of making our fleet of new cars CO₂-neutral for the vehicles’ entire lifecycle by 2039. Daimler Trucks & Buses aims to offer only new vehicles that are CO₂-neutral in driving operation (tank-to-wheel) in the major markets of Europe, Japan and the NAFTA region by 2039. Mercedes-Benz Vans is currently striving to achieve similar reductions in CO₂ emissions.</p>