

## Daimler Feedback to 2020 Appeals Process

Thank you for taking part in the CHRB Appeals Process.

Of the 3 appeals submitted to CHRB, 1 was accepted by the CHRB and research team and 2 were rejected on a technical basis, or on the basis that the evidence provided by the Company did not meet the indicators' requirements. None were submitted for a third review to the appeals committee panel made up of six members (Margaret Wachenfeld, Peter Webster, Daniel Neale, Lise Smit, Nadia Bernaz, Tara Van Ho).

**Engagement Status:** Formally engaged

A summary of the appeal verdicts is set out below:

Company	Indicator code	Indicator title	CHRB Score (pre-appeal)	Final Score (Post-appeal)	Appeal Committee involved? (Yes or No)	Change in Score (Yes or No)
Daimler	A.1.1	Commitment to respect human rights	1	1	N	N
Daimler	A.1.5	Commitment to Remedy	0	0	N	N
Daimler	A.2.1	Commitment from the top	0	2	N	Y
Daimler	A.2.2	Board discussions	0	0	N	N
Daimler	B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	1	1	N	N
Daimler	C.6	Company involvement with State based judicial and nonjudicial grievance mechanisms	0	0	N	N

Daimler	F.1	Company willingness to publish information	1.87 out of 4	1.87 out of 4	N	N
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A summary is included below for the appeals that were rejected:

<b>APPEAL NUMBER:</b> 001	<b>COMPANY:</b> Daimler
<b>Indicator:</b> A.1.1	<b>Indicator Title:</b> Commitment to respect human rights
<p>Excerpt from Methodology</p> <p>Score 1: The Company has a publicly available statement of policy committing it to respect human rights OR the ten principles of the UN Global Compact (as principles 1 and 2 include a commitment to respect human rights) OR the rights under the Universal Declaration of Human Rights (UDHR) OR the International Bill of Human Rights</p> <p>Score 2: The Company's policy commitment also commits it to: the UN Guiding Principles on Business and Human Rights OR the OECD Guidelines for Multinational Enterprises business relationship's own mechanisms or through collaborating with those business relationships on the development of third party non-judicial remedies.</p>	
<p><b>Scorecard Text:</b></p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: General HRs commitment: The Company states that 'As a founding member of the United Nations Global Compact, we are committed to respecting human rights, respecting the rights of employees and their representatives, protecting the environment, enabling fair competition and fighting against corruption.' [Integrity Code, 10/2019: daimler.com]</li> <li>• Met: UNGC principles 1 &amp; 2: As stated above, Daimler is one of the founding members of the UNGC: 'Daimler is a founding member of the UN Global Compact and is committed to its global responsibility.' [Integrity Code, 10/2019: daimler.com]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: UNGPs: The Company states in its Integrity Code: 'Daimler respects the internationally recognized human rights and bases its actions on the United Nations Guiding Principles on Business and Human Rights'. In addition, it indicates in its Sustainability Report: ' Our internal principles and policies are founded on this international frame of reference and other international principles, including [...], and the UN Guiding Principles on Business and Human Rights.' However, 'base its action on' or 'being founded on' are not considered a formal statement of commitment according to CHRB wording criteria. The Company provided additional sources to CHRB regarding this indicator. However, no formal statement of commitment to follow UNGPs was found. [Integrity Code, 10/2019: daimler.com &amp; 2019 Sustainability Report, 04/2020: sustainabilityreport.daimler.com]</li> </ul>	<p><b>2020 Scorecard Score:</b></p> <p><b>1</b></p>

- Not met: OECD: As indicated above, the Company indicates in its Sustainability Report: ' Our internal principles and policies are founded on this international frame of reference and other international principles, including [...] the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.' However, 'being founded on' is not considered a formal statement of commitment according to CHRB wording criteria. The Company has provided comments to CHRB regarding this indicator. However, evidence was not material (referring to OECD Guidelines on conflict minerals). [2019 Sustainability Report, 04/2020: sustainabilityreport.daimler.com & 2019 Annual Report, 03/2020: daimler.com]

<b>Requested Score:</b>	<b>Justification from Company:</b>
2	Daimler’s Sustainable Business Strategy states: « Daimler is therefore firmly committed to the UN Guiding Principles on Business and Human Rights [...]” In our view, the combination of this strong commitment together with the indications from the score card should be sufficient to achieve full score in indicator A.1.1. Score 1 and Score 2.

<b>Valid:</b>	<b>Sources from Company:</b>
1. Yes 2. No	1. CHRB’s Methodology p.29 « Types of evidence » 2. Daimler’s Sustainability Report 2019, p. 68 (part of Daimler’s Sustainable Business Strategy) <a href="https://sustainabilityreport.daimler.com/2019/">https://sustainabilityreport.daimler.com/2019/</a>

<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
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**Justification:**

When considering the company’s request and the requirements of the indicator, the following determination was made:

While the company did formally engage with the CHRB during the engagement and feedback phases of the assessment providing feedback on A.1.1, Daimler’s 2019 Sustainability Report was not included in the feedback received and was only cited in appeals evidence.

Therefore, the claim did not meet the threshold test and the CHRB could not assess its validity. **The appeal was therefore rejected on technical grounds.** Please see the [CHRB scoring appeal process for the 2020 benchmark results](#).

In regard to the commitment to respect the UNGPs, the CHRB is concerned about the differences in language between Daimler’s commitment in its 2019 Sustainability Report and its Integrity Code. While Daimler’s statement in its Report “*firmly committed* to the UN Guiding Principles on Business and Human Rights” is the type of commitment the CHRB is looking for, the company uses weaker language in its Integrity Code, stating that it “*bases its actions* on the United Nations Guiding Principles on Business and Human Rights.”

In Measurement Theme A Governance and Policy Commitment the CHRB focuses on a company’s human rights related policy commitments. Therefore, a statement in a sustainability report is not considered as a formal commitment, especially when weaker language is used in a policy document such as an integrity code.

<b>Indicator:</b>	<b>Final Score:</b>	<b>Date:</b> 11/04/2021
A.1.1	1	

<b>APPEAL NUMBER:</b> 002		<b>COMPANY:</b> Daimler	
<b>Indicator:</b> A.1.5		Commitment to Remedy	
Excerpt from Methodology			
<p>Score 1: The Company has a publicly available statement of policy committing it to remedy the adverse impacts on individuals, workers and communities that it has caused or contributed to.</p> <p>Score 2: The commitment also recognises this should not obstruct access to other remedies or includes collaborating in initiatives that provide access to remedy AND the commitment also includes working with business relationships to remedy adverse impacts which are directly linked to its operations, products or services through the business relationship’s own mechanisms or through collaborating with those business relationships on the development of third party non-judicial remedies.</p>			
<b>Scorecard Text:</b>			<b>2020 Scorecard Score:</b>
<p>Score 1</p> <p>Not met: Commits to remedy: The Company states in its Sustainability Report: 'Employees and external third parties can use various channels 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.' Daimler also indicates that it bases its actions on the United Nations Guiding Principles on Business and Human Rights. However, no evidence of a formal commitment to provide remedy was found. [2019 Sustainability Report, 04/2020: sustainabilityreport.daimler.com &amp; Integrity Code, 10/2019: daimler.com]</p> <p>Score 2</p> <p>Not met: Not obstructing access to other remedies  Not met: Collaborating with other remedy initiatives  Not met: Work with MO suppliers to remedy impacts: The Company also reports: 'The Group systematically investigates individual notifications and suspected violations in the supply chain, including the use of child labor for the extraction of raw materials. In cases where we have identified a need for action, we implement the necessary measures — also in cooperation with our partners'. However, no specific statement found that includes remedy, just 'need for action'. This looks for commitment to collaborate with suppliers to remedy either through the suppliers' own mechanisms, or collaborating with them in the development of third party non-judicial mechanism. [2019 Sustainability Report, 04/2020: sustainabilityreport.daimler.com]</p>			0
<b>Requested Score:</b>	<b>Justification from Company:</b>		
TBD	<p>Regarding A.1.5 Score 2 we are not sure if the “not met” reasoning on “Work with MO suppliers to remedy impacts” is based solely on a missing word.</p> <p>In our view, the statement in the sustainability report 2019 is sufficient: “Employees and external third parties can use various channels 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. These channels include our whistleblower system BPO (Business Practices Office) and the World Employee Committee. The complaint management process also enables individuals to draw attention to possible human rights violations at suppliers. In this context, we work</p>		

	together closely with the World Employee Committee. If we become aware of a suspected violation, we bring together all the available information and request the suppliers to respond to the allegations. We then assess the facts of the case and take the necessary measures. This can cause us to terminate the business relationship. Depending on the situation, it can make sense to work together with the supplier in order to improve the situation on site. [...] The Group systematically investigates individual notifications and suspected violations in the supply chain, including the use of child labor for the extraction of raw materials. In cases where we have identified a need for action, we implement the necessary measures — also in cooperation with our partners.”					
<b>Valid:</b> <b>1.Yes</b>	<b>Sources from Company:</b> 1. Daimler’s Sustainability Report 2019: <a href="https://sustainabilityreport.daimler.com/2019/">https://sustainabilityreport.daimler.com/2019/</a>					
<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
<b>Justification:</b>						
When considering the company’s request and the requirements of the indicator, the following determination was made:						
In indicator A.1.5 the CHRB is requiring that companies have “a publicly available statement of policy committing it to remedy adverse impacts,” through working with business relationships to remedy adverse impacts, through the business relationship’s own mechanisms or through collaborating with those business relationships on the development of third party non-judicial remedies.						
While Daimler’s statement describes how it enables people to obtain access to remedy, it is not the same as committing to actually remedying the impacts. While the company describes in its 2019 report how it practically goes about working with suppliers to investigate grievances and then take action, the indicator is looking for a <b>policy commitment</b> to ‘working with its suppliers to remedy adverse impacts’.						
Measurement Theme A Governance and Policy Commitment the CHRB focuses on a company’s human rights related policy commitments. As such, we would expect this type of commitment to be in a policy document, such as a supplier code of conduct.						
<b>The appeal was therefore rejected on the grounds that the CHRB did not identify a clear and unambiguous commitment to remedy in a formal policy document.</b>						
<b>Indicator:</b> A.1.5	<b>Final Score:</b> 0		<b>Date:</b> 11/04/2021			

<b>APPEAL NUMBER:</b> 003	<b>COMPANY:</b> Daimler
<b>Indicator:</b> A.2.2	Board discussions
Excerpt from Methodology	
Score 1: The Company describes the process it has in place to discuss and address human rights issues at Board level or the how the Board or a Board committee regularly reviews the Company’s	

salient human rights issues OR it provides examples of specific human rights issues discussed or examples of trends in types of human rights issues discussed at Board level or a Board committee during the Company's last reporting period.

Score 2: The Company meets both of the requirements under Score 1.

**Scorecard Text:**

Score 1

Not met: Board/Committee review of salient HRs: The Company states: 'The lead responsibility for the controlling of human rights issues lies with the Integrity and Legal Affairs executive division of Daimler AG. The member of the Board of Management responsible for Integrity and Legal Affairs works with the procurement units on ensuring human rights compliance and also receives regular information and the corresponding reports on human rights activities from the Chief Compliance Officer and from specialist units in the Social Compliance and Corporate Responsibility Management departments [...]. This is supplemented by regular reports submitted jointly to the entire Board of Management and the Group Sustainability Board by all of the participating specialist units'. However, no evidence was found of Supervisory Board member/committee reviewing salient Human Rights. On the other hand, it reports: 'The Advisory Board for Integrity and Corporate Responsibility has been an important source of input for sustainability activities at Daimler since 2012. The board's members — external experts from the fields of science and business, as well as from civic organizations — utilize an external point of view to offer us constructive criticism and independent support in questions of integrity and corporate responsibility at Daimler. The board meets at regular intervals and also holds discussions with members of the Board of Management and responsible personnel from the respective specialist units. During the reporting year, the Advisory Board also held a joint meeting with the Supervisory Board.' According to its website 'Meetings of the Advisory Board during the reporting year focused on current topics and challenges, including ethical aspects in connection with [...], Daimler's approach to respecting human rights, [...].' However, no evidence was found regarding a Supervisory Board committee/member reviewing salient Human Rights. [2019 Sustainability Report, 04/2020: sustainabilityreport.daimler.com & The Advisory Board for Integrity and Corporate Responsibility, N/A: daimler.com]

Not met: Examples or trends re HR discussion: According to its website 'Meetings of the Advisory Board during the reporting year focused on current topics and challenges, including ethical aspects in connection with [...], Daimler's approach to respecting human rights, [...].' However, no evidence of a specific discussion regarding human rights topics was found, including at Board of Directors (supervisory) level. [The Advisory Board for Integrity and Corporate Responsibility, N/A: daimler.com]

**2020 Scorecard Score:**

0

Score 2						
Not met: Both examples and process						
<b>Requested Score:</b>  1	<b>Justification from Company:</b>  The methodology states that “The Company describes the process it has in place to discuss and address human rights issues at Board level or how the Board or a Board committee regularly reviews the Company’s salient human rights issues”. Here again, the scorecard refers to the supervisory board whereas the methodology doesn’t explicitly refer to that body, but rather to the “board”. In our view, the management board is the right place to tackle sustainability and human rights issues.  At Daimler this is anchored at management board level, also with regard to human rights: “Our sustainable business strategy demonstrates our commitment to sustainable business operations at both the Group level and in the individual business divisions. More specifically, our strategic objectives involve the following six areas of action: [...] Human rights: We have assumed responsibility for respecting and upholding human rights along our automotive value chain. [...] 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. 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). The operational work is done by the Sustainability Competence Office, which consists of representatives from the units managed by the two Co-chairs.”					
<b>Valid:</b> 1. No	<b>Sources from Company:</b> 1. Daimler’s Annual Report, p.198 <a href="https://www.daimler.com/documents/investors/reports/annual-report/daimler/daimler-ir-annual-report-2019-incl-combined-management-report-daimler-ag.pdf">https://www.daimler.com/documents/investors/reports/annual-report/daimler/daimler-ir-annual-report-2019-incl-combined-management-report-daimler-ag.pdf</a>					
<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
<b>Justification:</b>  When considering the company request and the requirements of the indicator, the following determination was made:  While the company did formally engage with the CHRB during the engagement and feedback phases of the assessment providing feedback on A.2.2, Daimler’s Annual Report is only cited in the appeals evidence and not in the feedback received during engagement. Companies that did not formally engage on evidence with the CHRB can only appeal formally in relation to manifest errors, not differences of opinion or interpretation. Therefore, the claim did not meet the threshold test and the CHRB could not assess the claim’s validity.  The appeal was therefore rejected on technical grounds. Please see the <a href="#">CHRB scoring appeal process for the 2020 benchmark results</a> .						
<b>Indicator:</b> A.2.2	<b>Final Score:</b> 0		<b>Date:</b> 11/04/2021			

<b>APPEAL NUMBER:</b> 004	<b>COMPANY:</b> Daimler
<b>Indicator:</b> B.2.3	<b>Indicator Title:</b> Integrating and Acting: Integrating assessment findings internally and taking appropriate action
<p>Excerpt from Methodology</p> <p>Score 1: The Company describes its global system to take action to prevent, mitigate or remediate its salient human rights issues OR provides an example of the specific conclusions reached and actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes in at least one of its activities/operations.</p> <p>Score 2: The Company meets both of the requirements under Score 1</p>	
<p><b>Scorecard Text:</b></p> <p>Score 1</p> <p>Not met: Action Plans to mitigate risks: The HRRS, which is used as a system that identifies human rights risks, is also a system utilized to prevent that this same risks develop, as stated in 'The HRRS thus primarily protects third parties and is aimed at exerting its effect along our supply chain as well. It consists of four steps that are to be applied to Daimler majority-owned companies and the supply chain: One of these steps is 'definition, implementation and management of preventive measures and countermeasures (program implementation)'. However, no description found of the global system operation to prevent or mitigate all risks identified and assessed. No new evidence found in latest documents. [2018 Sustainability Report, 01/2020: daimler.com]</p> <p>Not met: Including in MO supply chain: The HRRS is also applied on the monitoring of the Company's supply chain, as evidenced in 'Daimler has developed a systematic due diligence approach called the Daimler Human Rights Respect System (HRRS). It aims to protect the human rights of our own employees and to ensure that human rights are respected at our direct suppliers (Tier 1) and at riskrelevant points of the supply chain beyond Tier 1.' However, no description found on how the system to implement action plans to tackle risks is generally implemented for risks identified in supply chain. No new evidence found in latest documents. [2018 Sustainability Report, 01/2020: daimler.com]</p> <p>Met: Example of Actions decided: The Company states that 'Along with the implementation of our own measures, we also commissioned an external auditing firm to examine one of our future battery supply chains in accordance with OECD standards. The firm audited both downstream suppliers (from the battery manufacturers to the refineries) and upstream suppliers (from the refineries to the mines). This audit provided us with comprehensive cobalt supply chain mapping, which in turn forms the basis for greater transparency and better monitoring and influencing of the supply chain. The audit also included an examination of the systems used to prevent child labor and modern forms of slavery. In those areas where potential for improvement was identified through the audits, individual corrective action plans were agreed on with suppliers, and we continue to monitor compliance with these plans. The examination of the battery supply chain thus formed the foundation for a</p>	<p><b>2020 Scorecard Score:</b></p> <p>1</p>



process of continuous improvement, and the implementation of the corrective action plans improves our due diligence with regard to both direct suppliers and the entire supply chain'. [2018 Sustainability Report, 01/2020: daimler.com]

Score 2

Not met: Both requirements under score 1 met

<b>Requested Score:</b>  2	<b>Justification from Company:</b>  In our view, there has been communication via mail between CHRB and Daimler in May 2020 regarding this indicator that indicated full score. Furthermore, we have found evidence in the snapshot of the 20 largest German companies where Daimler also have reached full score on this indicator. We are aware of the fact that the latter assessment was not conducted by CHRB itself. Nevertheless, it was made on the basis of CHRB's UNGP Core Indicators. Therefore, we were very surprised that Daimler hasn't reached full score on this indicator in the 2020 assessment. Furthermore, in Ford's scorecard, score has been given even though it explains measures that have been taken to mitigate particular risks whereas Daimler explains measures to tackle risks in particular supply chains, e.g. corrective action plans and capacity building in the cobalt supply chain. In our view, there might be some inconsistencies with regard to the assessment as it is just a different perspective on the same matter.
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<b>Valid:</b> No	<b>Sources from Company:</b> 1. Daimler's Score Card 2. Ford's Score Card 3. Daimler's Sustainability Report 2019, pp. 145-148 <a href="https://sustainabilityreport.daimler.com/2019/">https://sustainabilityreport.daimler.com/2019/</a> 4. Snapshot of the largest German companies 2019 <a href="https://www.business-humanrights.org/en/from-us/briefings/respect-for-human-rights-a-snapshot-of-the-largest-german-companies">https://www.business-humanrights.org/en/from-us/briefings/respect-for-human-rights-a-snapshot-of-the-largest-german-companies</a>
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<b>Decision</b>	<b>Accepted</b> <input type="checkbox"/>	<b>Partially Accepted</b> <input type="checkbox"/>	<b>Rejected</b> <input checked="" type="checkbox"/>
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**Justification:**

When considering the company request and the requirements of the indicator, the following determination was made:

**The Company did not formally engage with the CHRB during the engagement and feedback phases of the assessment providing feedback on B.2.3.** Companies that did not formally engage with the CHRB can only appeal formally in relation to manifest errors, not differences of opinion or interpretation. Therefore, the claim did not meet the threshold test and the CHRB could not assess the claim's validity.

**The appeal was therefore rejected on technical grounds.** Please see the [CHRB scoring appeal process for the 2020 benchmark results](#).

<b>Indicator:</b> B.2.3	<b>Final Score:</b> 1	<b>Date:</b> 11/04/2021
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<b>APPEAL NUMBER:</b> 005	<b>COMPANY:</b> Daimler
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<b>Indicator:</b> C.6	<b>Indicator Title:</b>
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		Company involvement with State-based judicial and non-judicial grievance mechanisms			
Excerpt from Methodology					
<p>Score 1: The Company publicly commits to not impeding access to state-based judicial or non-judicial mechanisms or other available mechanisms for persons who make allegations of adverse human rights impacts AND indicates that it does not, and that it has not in any past case, require(d) affected individuals or communities participating in a grievance/mediation process permanently to waive their legal rights to bring a claim through a judicial process as a condition of participating in the grievance/mediation process.</p> <p>Score 2: The Company also sets out the process by which it will cooperate with state-based non-judicial grievance mechanism complaints brought against it AND provides an example of issues resolved (if applicable).</p>					
<b>Scorecard Text:</b>  Score 1  <ul style="list-style-type: none"> <li>• Not met: Won't impede state-based mechanisms: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material (methodology requires evidence to be in English).</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> Score 2  <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non-judicial mechanisms</li> <li>• Not met: Example of issue resolved (if applicable)</li> </ul>					<b>2020 Scorecard Score:</b>  0
<b>Requested Score:</b>  1	<b>Justification from Company:</b>  Regarding this indicator there has been communication between CHRB and Daimler and we've provided comments with regard to legal sources that Daimler has to comply to. These sources contain that Whistleblowers are free to contact government agencies (police, public prosecutors, financial services regulators, etc.) or the media at any time. This is also explicitly provided for in the EU Whistleblowing Directive of 2019 (implementation by 2021). Also the process of "cooperation with state complaints institutions" is already regulated by law (e.g. StPO, GDPR). The scorecard only states that "The Company has provided comments to CHRB regarding this indicator. However, evidence was not material (methodology requires evidence to be in English)". Nevertheless, as German companies are already obliged by law regarding this issue, we don't see how this indicator cannot be fulfilled.				
<b>Valid:</b>  No	<b>Sources from Company:</b>  No sources provided				
<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>
<b>Justification:</b>  When considering the company request and the requirements of the indicator, the following determination was made:					

Regardless of legal obligations, the CHRB requires companies to have a public statement of commitment to meet Score 1 of C.6. The CHRB does not give companies points in cases where they are legally required to comply with obligations, but rather on a public statement from the company committing to requirements. In addition, the CHRB research team does not cross-check regulations against our requirements, we rely on companies to publicly disclose what they do – especially global companies.

**The appeal was therefore rejected on the grounds that the CHRB did not identify a clear and unambiguous commitment to not impeding access to state-based judicial or non-judicial mechanisms or other available mechanisms for persons who make allegations of adverse human rights impacts.**

<b>Indicator:</b> C.6	<b>Final Score:</b> 0	<b>Date:</b> 11/04/2021
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<b>APPEAL NUMBER:</b> 006	<b>COMPANY:</b> Daimler
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<b>Indicator:</b> F.1	<b>Indicator Title:</b> Company willingness to publish information
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Excerpt from Methodology

F.1 assesses the company’s willingness to publish information and gives credit to companies that disclose information regardless of whether that information meets all the CHRB requirements to achieve a point score.

Because of the half marks (0.5, 1.5) available in most indicators of the CHRB Methodology (see Annex 2 for more information on scoring) CHRB is able to identify where companies are not meeting all the requirements to reach a score of 1, but are disclosing relevant information on a topic. In the case of a half mark, a company is demonstrating a level of transparency, but is not necessarily reaching the required level of performance on that human rights topic to score a 1 on CHRB’s methodology.

F.1 looks at all of the company disclosures in Themes A-E and identifies where there is sufficient disclosure to warrant a score of a half-mark and above. The score for F.1 is based on the proportion of indicators in Themes A-E which score 0.5 and above. There are 4 points available for F.1 representing 4% of the total CHRB score. E.g. A company is assessed on a total of 60 indicators across themes A-E. The Company scores a zero in 12 indicators (all other scores are ½, 1, 1 ½ or 2). In other words, it is disclosing on 48 out of 60 indicators, showing a relatively high level of transparency. As Indicator Scoring more than 0 = 48 and Total Indicators scored = 60. Therefore F.1 score =  $4 * (48/60) = 3.2\%$  out of a maximum of 4%.

<b>Scorecard Text:</b>	<b>2020 Scorecard Score:</b>
<p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Won't impede state-based mechanisms: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material (methodology requires evidence to be in English).</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non-judicial mechanisms</li> </ul>	1.87 out of 4

• Not met: Example of issue resolved (if applicable)						
<b>Requested Score:</b>  TBD	<b>Justification from Company:</b>  Disclosure Score is not calculated correctly or we just couldn't retrace the calculation accordingly. There is conflicting information regarding F.1's calculation in the scorecard and the methodology about the indicators to be included. In Daimler's scorecard it says there were 60 indicators in section A-D to be included but there are only 56. In the methodology it says there were 56 indicators in section A-E to be included, but there are 59 or 65 depending on the calculation method (i.e. each E indicator counts as one or an average of E.1, E.2 and E.3). Either way, we come to different results in the disclosure score.					
<b>Valid:</b> N/A	<b>Sources from Company:</b> No sources provided					
<b>Decision</b>	<b>Accepted</b>	<input type="checkbox"/>	<b>Partially Accepted</b>	<input type="checkbox"/>	<b>Rejected</b>	<input checked="" type="checkbox"/>
<b>Justification:</b>  When considering the company request and the requirements of the indicator, the following determination was made:  <b>The Company did not formally engage with the CHRB during the engagement and feedback phases of the assessment providing feedback on F.1.</b> Companies that did not formally engage with the CHRB can only appeal formally in relation to manifest errors. However, if manifest error occurred in the initial review, the CHRB will acknowledge the error to the company and make a note for the assessment to be updated in the next iteration of the benchmark but will not address the issue publicly unless doing so would change the company's score by 2 points or more.  While F.1 was not calculated correctly, correcting this error would have resulted in a slight score reduction (the company's score would not have changed by 2 points or more). Therefore, the claim did not meet the threshold test and the CHRB did not change the score accordingly.  <b>The appeal was therefore rejected on technical grounds.</b> Please see the <a href="#">CHRB scoring appeal process for the 2020 benchmark results</a> .						
<b>Indicator:</b> F.1	<b>Final Score:</b> 1.87 out of 4		<b>Date:</b> 11/04/2021			

As a result of the appeals, Daimler's score increased by 2 points:

Daimler Group	Theme A	Theme B	Theme C	Theme D	Theme E	Theme F	Total	Change Band?
2020 Score	2.7	11.6	2.9	2	7.5	3.9	30.6	No
After Appeal	4.7	11.6	2.9	2	7.5	3.9	32.4	
Change	2	0	0	0	0	0	32.4	

**Once CHRB has replied in detail to all companies we will update the table online as well as the downloadable data sheets.**

**Company Name** Daimler  
**Industry** Automobiles  
**Overall Score (\*)** 30.6 out of 100

Theme Score	Out of	For Theme
2.7	10	A. Governance and Policies
11.6	25	B. Embedding Respect and Human Rights Due Diligence
2.9	15	C. Remedies and Grievance Mechanisms
2.0	20	D. Performance: Company Human Rights Practices
7.5	20	E. Performance: Responses to Serious Allegations
3.9	10	F. Transparency

(\*) While other sectors are being measured against a reduced set of CHRB Core UNGP Indicators this year the Automotive Manufacturing sector is being measured against the full CHRB Methodology as it is the first year that the sector has been analysed.

Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: General HRs commitment: The Company states that 'As a founding member of the United Nations Global Compact, we are committed to respecting human rights, respecting the rights of employees and their representatives, protecting the environment, enabling fair competition and fighting against corruption.' [Integrity Code, 10/2019: <a href="https://www.daimler.com">daimler.com</a>]</li> <li>Met: UNGC principles 1 &amp; 2: As stated above, Daimler is one of the founding members of the UNGC: 'Daimler is a founding member of the UN Global Compact and is committed to its global responsibility.' [Integrity Code, 10/2019: <a href="https://www.daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not met: UNGPs: The Company states in its Integrity Code: 'Daimler respects the internationally recognized human rights and bases its actions on the</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>United Nations Guiding Principles on Business and Human Rights'. In addition, it indicates in its Sustainability Report: ' Our internal principles and policies are founded on this international frame of reference and other international principles, including [...], and the UN Guiding Principles on Business and Human Rights.' However, 'base its action on' or 'being founded on' are not considered a formal statement of commitment according to CHRB wording criteria. The Company provided additional sources to CHRB regarding this indicator. However, no formal statement of commitment to follow UNGPs was found. [Integrity Code, 10/2019: <a href="http://daimler.com">daimler.com</a> &amp; 2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</p> <ul style="list-style-type: none"> <li>• Not met: OECD: As indicated above, the Company indicates in its Sustainability Report: ' Our internal principles and policies are founded on this international frame of reference and other international principles, including [...] the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.' However, 'being founded on' is not considered a formal statement of commitment according to CHRB wording criteria. The Company has provided comments to CHRB regarding this indicator. However, evidence was not material (referring to OECD Guidelines on conflict minerals). [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; 2019 Annual Report, 03/2020: <a href="http://daimler.com">daimler.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: UNGC principles 3-6: The Company is a founding member of the UN Global Compact and active participant. [Integrity Code, 10/2019: <a href="http://daimler.com">daimler.com</a> &amp; UN Global Compact status, N/A: <a href="http://unglobalcompact.org">unglobalcompact.org</a>]</li> <li>• Met: Explicitly list ALL four ILO for MO suppliers: The Company states that 'Forced or compulsory labor is prohibited. Employees must have the freedom to terminate their employment, provided they give reasonable notice. Child labor is not allowed at any phase of production or processing [...]. Suppliers are obligated to ensure equal opportunity of employment and avoid all forms of discrimination [...]. Companies should preserve freedom of association and actively acknowledge the right to collective bargaining. They must ensure that their employees can discuss working conditions openly with management without fear of punishment. The right of employees to assemble, join a union, appoint representatives and be elected to the union must be respected'. [Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Explicit commitment to All four ILO Core: The Company states that 'Our employees have the right to organize themselves in labor unions. We also ensure this right in countries in which freedom of association is not legally protected. We work together constructively with the employee representatives and the trade unions. [...] 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 a vehicle manufacturer, the emphasis is on employee rights, fair working conditions, and the rejection of every form of discrimination and of forced labor and child labor.' Regarding supplier sustainability standards (see above), the Company indicates the following: 'Daimler AG applies the same provisions concerning labor standards, business ethics, environmental protection and safety to its own business operations'. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The Company states that 'One of Daimler's top priorities is the health, safety and well-being of its employees. We create a working environment in which everyone can perform to the best of their ability while maintaining their physical and mental health'. [Integrity Code, 10/2019: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Met: H&amp;S applies to MO suppliers: The Company states that 'As employers, suppliers shall ensure health and safety in the workplace at levels no less than those required by national legislation, and shall support the continuous advancement and improvement of working conditions'. [Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Met: Working hours for workers: The Company states in its Supplier Sustainability Standards: 'Daimler AG applies the same provisions concerning labor standards, business ethics, environmental protection and safety to its own business operations.' The provision included in this document related to working hours reads: 'Work hours and time off must, as a minimum, be in conformity with applicable laws, industry standards or relevant ILO conventions, whichever are strictest'. [Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Working hours for MO suppliers: The Company states that 'Compensation and social benefits must correspond to the basic principles of minimum wages, applicable overtime regulations and statutory social benefits. Work hours and time off must, as a minimum, be in conformity with applicable laws, industry standards or relevant ILO conventions, whichever are strictest'. [Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> </ul>
A.1.3.MO.a	Commitment to responsible sourcing of minerals	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Responsible mineral sourcing in conflict areas: The Company states: 'we endeavor to create as much transparency as possible about the upstream value-added stages of raw material supply chains that have a high risk of human rights violations. In this way we want to identify areas that are critical to human rights and to define and implement targeted measures. In addition to our own measures, we are also active in raw materials initiatives that complement the impact of our activities to promote the responsible procurement of raw materials and can amplify them. The focus of these initiatives is the responsible use of cobalt, steel, and aluminum. With these goals in mind, we are active in the Responsible Minerals Initiative, the Responsible Steel Initiative, the Aluminium Stewardship Initiative, and other organizations. Through targeted cooperation with relevant stakeholders in raw material supply chains, we want to contribute to improving working conditions and preventing human rights violations in raw material mining operations. These initiatives serve as important platforms that also make available sophisticated instruments to enable the traceability of the origin of materials such as cobalt, steel, and aluminum.' However, no evidence was found on a commitment on responsible sourcing in conflict areas. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Not met: Based on OECD Guidance: The Company indicates: 'Cobalt is a special area of focus for our sustainability management activities because of the potential human rights risks associated with its supply chain. [...] The company's task is to audit the cobalt supply chains of the battery cell suppliers of Mercedes-Benz AG at the time the commission was issued. These audits will be conducted to determine if the supply chains meet the OECD standards'. However, no evidence found of a formal commitment to responsible sourcing of minerals in conflict areas based on OECD Guidance. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Not met: Requires responsible mineral sourcing from suppliers: The Company states: 'Our Supplier Sustainability Standards define our requirements for working conditions, upholding human rights, environmental protection, safety, business ethics, and compliance. They also serve as the guidelines for our sustainable supply chain management system'. However, no evidence regarding responsible sourcing of minerals was found in the document. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Not met: Requires suppliers to follow the OECD Guidance</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responsible conflict mineral sourcing covers all minerals</li> <li>• Not met: Suppliers expected to make similar requirements of their suppliers</li> </ul>
A.1.3.MO.b	Commitment to respect human rights particularly relevant to the industry (ICT)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Women's Rights: The Company is a signatory to the Women Empowerment Principles. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Not met: Expecting suppliers to respect these rights: Although the Company included provisions against discrimination and child labor in its Supplier Sustainability Standards, CHRB could not find a requirement committing to respect children/migrant /women's rights. [Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: CEDAW/Women's Empowerment Principles: As indicated above, the Company is a signatory to the Women Empowerment Principles. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Not met: Child Rights Convention/Business principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Respecting the right to water</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to stakeholder engagement: The Company states that 'We consider it important to engage in a continuous dialog with all of our interest</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>groups so that we can bring together various perspectives on our involvement with sustainability issues, identify and address future trends early on, and share experiences. We also want to engage in constructive discussions of controversial themes at a very early stage. We always focus on conducting a dialog that is fruitful and productive for both sides. In order to conduct this kind of dialog, we need to identify our stakeholders. We define stakeholders as individuals and organizations that have legal, financial, ethical or ecological expectations regarding Daimler. One of the criteria for identifying and weighting stakeholders is the extent to which a person or group is affected by our company's decisions or, conversely, can influence such decisions. Our primary stakeholders are our shareholders, employees, customers, and suppliers. However, we also communicate regularly with civil groups such as NGOs, as well as associations, trade unions, the media, analysts, municipalities, residents in the communities where we operate, and representatives of science and government.' [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Regular stakeholder design engagement: The Company reports in its Sustainability Report: 'During the further development of our management approach to human rights, we also incorporated the feedback from our stakeholders at the human rights working group of the "Daimler Sustainability Dialogue." At this annual event, we discuss and evaluate our progress as well as the challenges that arise during the implementation of our management approach.' In addition, it discloses the results of its Sustainability Dialogue - Working Groups, including topic discussed and new insights, such as: [Topic] Progress on HRRS implementation – Production Material [New insights]: Request: more transparency on challenges/ successes, and concrete approach in raw material supply chains; Debate about leaving a country (e.g. DRC) due to human rights risks. Majority recommended to stay, leaving a country only as an ultima ratio; Acknowledged: Dilemmas with ambiguous impact are challenging, debate them publicly'. According the Company's website section 'Sustainability Dialogue 2019' among the participants of these Dialogue sessions were representatives from industry, science, politics, NGOs, associations, trade unions and municipalities. In addition, in the 'Participants organisations' document, appears IndustriALL Global Union. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; Sustainability Dialogue - Working Group Results, 12/2019: <a href="https://daimler.com">daimler.com</a>]</li> </ul>
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to remedy: The Company states in its Sustainability Report: 'Employees and external third parties can use various channels 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.' Daimler also indicates that it bases its actions on the United Nations Guiding Principles on Business and Human Rights. However, no evidence of a formal commitment to provide remedy was found. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; Integrity Code, 10/2019: <a href="https://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with MO suppliers to remedy impacts: The Company also reports: 'The Group systematically investigates individual notifications and suspected violations in the supply chain, including the use of child labor for the extraction of raw materials. In cases where we have identified a need for action, we implement the necessary measures — also in cooperation with our partners'. However, no specific statement found that includes remedy, just 'need for action'. This looks for commitment to collaborate with suppliers to remedy either through the suppliers' own mechanisms, or collaborating with them in the development of third party non-judicial mechanism. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul>
A.1.6	Commitment to respect the rights of human rights defenders	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Zero tolerance attacks on HRs Defenders (HRDs): The Company states that 'Daimler rejects all forms of discrimination in hiring and employment, slavery, child labor, threats against people who defend human rights and other human rights violations.' [Integrity Code, 10/2019: <a href="https://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Expects MO suppliers to reflect company HRD commitments: The Company expects its suppliers to follow the same principles adopted by Daimler: 'We work towards ensuring that also our business partners, especially suppliers and their</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			subcontractors, also observe these principles'. [Integrity Code, 10/2019: <a href="http://daimler.com">daimler.com</a> ]

### A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: CEO or Board approves policy: The Company states that 'The Chairman shall – in agreement with all other members of the Board of Management – determine the principles of the Company's business policies and its organization as well as the corporate strategy. These decisions shall be binding for the exercise of management responsibilities by all members of the Board of Management.' However, it is not clear if CEO or Supervisory board signs or approves human rights commitments. [Rules of Procedure for the Board of Management, 11/2019: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Not met: Board level oversight for HRs: The Company states: 'The Advisory Board for Integrity and Corporate Responsibility has been an important source of input for sustainability activities at Daimler since 2012. The board's members — external experts from the fields of science and business, as well as from civic organizations — utilize an external point of view to offer us constructive criticism and independent support in questions of integrity and corporate responsibility at Daimler. The board meets at regular intervals and also holds discussions with members of the Board of Management and responsible personnel from the respective specialist units. During the reporting year, the Advisory Board also held a joint meeting with the Supervisory Board. The Advisory Board's members have extensive expertise and possess diverse specialized knowledge regarding environmental and social policy, various human rights and ethical issues, and the development of transport and mobility. During the reporting year, the Advisory Board focused in particular on the further development of the sustainable business strategy.' Furthermore, 'The responsibility for human rights issues lies with the Integrity and Legal Affairs Board of Management function. The member of the Board of Management responsible for Integrity and Legal Affairs works with the procurement units on ensuring human rights compliance and also receives regular information and the corresponding reports on human rights activities from the Chief Compliance Officer and from specialist units in the Social Compliance and Corporate Responsibility Management departments. [...] This is supplemented by regular reports submitted jointly to the entire Board of Management and the Group Sustainability Board by all of the participating specialist units.' However, no evidence was found on a Supervisory Board committee/member having oversight over Human Rights. Current evidence seems to refer to an external board of experts that are not part of the Board of Directors, and management responsibility, which is assessed under B.1.1 [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Speeches/letters by Board members or CEO: The Company displays an interview with Renata Jungo Brüngger, member of the Board of Management of Daimler AG and Mercedes-Benz AG responsible for Integrity and Legal Affairs. However, evidence for this indicator requires intervention from the CEO or Board of Directors (supervisory board) member. [Interview - Human rights are not simply there, N/A: <a href="http://daimler.com">daimler.com</a>]</li> </ul>
A.2.2	Board discussions	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Board/Committee review of salient HRs: The Company states: 'The lead responsibility for the controlling of human rights issues lies with the Integrity and Legal Affairs executive division of Daimler AG. The member of the Board of Management responsible for Integrity and Legal Affairs works with the procurement units on ensuring human rights compliance and also receives regular information and the corresponding reports on human rights activities from the Chief Compliance Officer and from specialist units in the Social Compliance and Corporate Responsibility Management departments [...]. This is supplemented by regular reports submitted jointly to the entire Board of Management and the Group Sustainability Board by all of the participating specialist units'. However, no evidence was found of Supervisory Board member/committee reviewing salient Human Rights. On the other hand, it reports: 'The Advisory Board for Integrity and Corporate Responsibility has been an important source of input for sustainability activities at Daimler since 2012. The board's members — external experts from the fields of science and business, as well as from civic organizations — utilize an external point of view to offer us constructive criticism and independent support</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>in questions of integrity and corporate responsibility at Daimler. The board meets at regular intervals and also holds discussions with members of the Board of Management and responsible personnel from the respective specialist units. During the reporting year, the Advisory Board also held a joint meeting with the Supervisory Board.' According to its website 'Meetings of the Advisory Board during the reporting year focused on current topics and challenges, including ethical aspects in connection with [...], Daimler's approach to respecting human rights, [...].' However, no evidence was found regarding a Supervisory Board committee/member reviewing salient Human Rights. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; The Advisory Board for Integrity and Corporate Responsibility, N/A: <a href="https://daimler.com">daimler.com</a>]</p> <ul style="list-style-type: none"> <li>• Not met: Examples or trends re HR discussion: According to its website 'Meetings of the Advisory Board during the reporting year focused on current topics and challenges, including ethical aspects in connection with [...], Daimler's approach to respecting human rights, [...].' However, no evidence of a specific discussion regarding human rights topics was found, including at Board of Directors (supervisory) level. [The Advisory Board for Integrity and Corporate Responsibility, N/A: <a href="https://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both examples and process</li> </ul>
A.2.3	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Incentives for at least one board member: The Company indicates in its Sustainability Report: '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 to 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 its 2019 Annual Report, Daimler indicates that part of the Board of Management remuneration is composed of non-financial targets, which are oriented toward sustainability and cultural aspects. However, no evidence was found on this strategy applying to members of the Supervisory Board and or CEO. The Company provided additional comments to CHRB regarding this indicator. However, evidence was not material. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; 2019 Annual Report, 03/2020: <a href="https://daimler.com">daimler.com</a>]</li> <li>• Not met: At least one key MO HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public: The Company states that 'The non-financial targets [...] are divided into four categories. Each category is weighted equally and receives an addition or a deduction of up to 2.5 percentage points to or from the degree of achievement of the financial target. After the end of the financial year, the degree of target achievement is calculated by comparing the target value and the actual value. On this basis, an addition to or a deduction from the degree of financial target achievement of up to a total amount of 10 percentage points is possible. The total of the addition or deduction resulting from the non-financial targets is rounded to two significant figures. For the financial year 2019 this results in an addition of +3% (rounded).' However, no evidence was found on this remuneration policy applying to members of the Supervisory Board. [2019 Annual Report, 03/2020: <a href="https://daimler.com">daimler.com</a>]</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2. The Company is committed to UNGC</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Senior responsibility for HR: The Company states: 'The lead responsibility for the controlling of human rights issues lies with the Integrity and Legal Affairs executive division of Daimler AG. The member of the Board of Management responsible for Integrity and Legal Affairs works with the procurement units on ensuring human rights compliance and also receives regular information and the corresponding reports on human rights activities from the Chief Compliance Officer and from specialist units in the Social Compliance and Corporate Responsibility Management departments. Relevant procurement units also provide information on their respective human rights compliance measures to the Procurement Council and the Board of Management members directly responsible for the units in question. This is supplemented by regular reports submitted jointly to the entire Board of Management and the Group Sustainability Board by all of the participating specialist units.' The Integrity and Legal Affairs Board of Management is headed by Renata Jungo Brünnger, who also leads the Company's Corporate Sustainability Board. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>] Score 2</li> <li>• Met: Day-to-day responsibility: It also indicates: 'Cross-functional teams work together closely on the development and implementation of suitable preventive activities and countermeasures. The teams consist of human rights and compliance experts, as well as staff from the operational procurement units and, if necessary, from other specialist units as well. The relevant specialist units are responsible for implementing and monitoring the measures developed in each case'. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Met: Day-to-day responsibility for MO in supply chain: With respect its day-to day work in its supply chain, the Company indicates: 'Our newly established Social Compliance department works with specialist units and procurement units on measures to safeguard human rights. In our holistic Group-wide approach, each specialist unit is responsible for implementing and monitoring the measures that have been assigned to it. The distinguishing feature of the HRRS is that it focuses primarily on the risks faced by rights-holders, i.e. the affected individuals on the ground, rather than focusing solely on the risks to the company. [...] To ensure that human rights are respected and protected, Daimler has developed a due diligence approach called the Daimler Human Rights Respect System (HRRS). [...] [The new Social Compliance department] is responsible for leading the implementation of our HRRS and to this end utilizes tried-and-tested methods and processes from our Compliance Management System.' [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul>
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Senior manager incentives for human rights: The Company indicates in its Annual Report: '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 to 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.' However, it is not clear whether the non-financial targets are related to the human rights issues. [2019 Annual Report, 03/2020: <a href="https://daimler.com">daimler.com</a>]</li> <li>• Not met: At least one key MO HR risk, beyond employee H&amp;S Score 2</li> <li>• Not met: Performance criteria made public</li> </ul>
B.1.3	Integration with enterprise risk management	1	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Met: HR risks is integrated as part of enterprise risk system: The Company states that 'To ensure that human rights are respected and protected, Daimler has developed a systematic due diligence approach called the Daimler Human Rights Respect System (HRRS). It aims to protect the human rights of our own employees and to ensure that human rights are respected at our direct suppliers (Tier 1) and at risk-relevant points of the supply chain beyond Tier 1. Through our systematic approach to ensuring respect and protection for human rights, we aim to be exemplary for the automotive and mobility services sectors [...] The Human Rights Respect System is designed to enable the early identification and avoidance of systemic risks and possible negative effects of our business activities on respect for human rights. The HRRS is oriented upon our Group-wide Compliance Management System (CMS). [2018 Sustainability Report, 01/2020: <a href="https://daimler.com">daimler.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Audit Ctte or independent risk assessment: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. This indicator seeks for a description of how the Company assess the adequacy of the system that manage human rights risks in managing these risks (not the risks themselves).</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2</li> <li>• Met: Communicates its policy to all workers in own operations: The Company states on its website: 'We develop specially tailored teams in order to train the different specialist units in their respective functions on the issue of human rights. For example, our integrity training for all employees presents sample cases and complex situations from the daily work routine, including related to human rights. We have developed a training course specifically for our compliance experts for identifying human rights risks in our affiliates and for communicating our responsibility as per the UN Guiding Principles on Business and Human Rights'. In addition, in its Sustainability Report, it indicates: 'Our Integrity Code provides our employees with information about human rights and raises their awareness of the corresponding risks. The rules contained in the Code are binding for all employees at Daimler AG and for all employees at the Group companies controlled by Daimler. Depending on the area of work, the onboarding process for new employees may include mandatory training courses containing corresponding information. [...] Using our updated Integrity Code as a basis, we are currently revising the mandatory basic module of our web-based training program for integrity, compliance, and legal issues [...]. We have made use of various training and communications measures such as "Tone from the Top" mailings and special training courses and dialog sessions in order to sensitize employees at development and certification units at all divisions to issues relating to technical integrity, compliance, and legal regulations in the product creation process. [...] Together with the relevant development departments, we have supplemented the provisions of the Integrity Code by formulating so-called commitment statements that support employees and offer them guidance for ensuring proper conduct in their daily activities. These principles have been discussed with employees at dialog sessions held around the world'. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; Strong for human rights, N/A: <a href="https://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Commits to all 4 ILO core conventions</li> <li>• Not met: Communication of policy commitments to stakeholder: The Company states in its Sustainability Report: 'All relevant contractors or service providers must sign a declaration that they comply with these standards. Only if they fulfill this prerequisite can they receive purchase orders.' In addition, the Company has a Supplier Portal where it communicates its policies and other important documents to its Suppliers, including its Supplier Sustainability Standards and other tools and training modules (Supplier Compliance Awareness Module). However, no evidence found about how policies are communicated to local communities and other external stakeholders (different than suppliers)'. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; Supplier Portal - Standards and requirements, N/A: <a href="https://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Not met: How policy commitments are made accessible to audience</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to all 4 ILO core conventions for suppliers</li> <li>• Met: Requiring MO suppliers to communicate policy down the chain: The Company states that 'We demand that our direct suppliers commit themselves to observing our sustainability standards, communicating them to their employees and to their upstream value chains, and then checking to ensure that the standards are complied with. We support them in these activities by providing them with targeted information and training and qualification measures. The central information platform for suppliers is our Daimler Supplier Portal'. [2018 Sustainability Report, 01/2020: <a href="https://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: How HR commitments made binding/contractual: The Company indicates that its Supplier Sustainability Standards 'are an integral part of our conditions of business'. The supplier standards also indicate that 'the contents of this document are incorporated into the terms of the contracts with our suppliers around the</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>world'. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a> &amp; Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</p> <ul style="list-style-type: none"> <li>• Not met: Including on MO suppliers: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. This indicator looks for evidence of how the Company cascades (or requires to cascade) human rights contractual binding arrangements down the supply chain, to indirect suppliers.</li> </ul>
B.1.5	Training on Human Rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Scores at least 1 on A.1.2</li> <li>• Not met: Trains all workers on HR policy commitments: The Company states: 'Our Integrity Code provides our employees with information about human rights and raises their awareness of the corresponding risks. The rules contained in the Code are binding for all employees at Daimler AG and for all employees at the Group companies controlled by Daimler. Depending on the area of work, the onboarding process for new employees may include mandatory training courses containing corresponding information. During the reporting year, we have, among other things, held a training course that raises awareness of human rights among the regional heads of the Group's global security organization. [...] We have made use of various training and communications measures such as "Tone from the Top" mailings and special training courses and dialog sessions in order to sensitize employees at development and certification units at all divisions to issues relating to technical integrity, compliance, and legal regulations in the product creation process. The Technical Integrity initiative, as part of the tCMS, focuses on strengthening awareness of the importance of responsible behavior during the product creation process, particularly in situations where legal provisions may be unclear. Together with the relevant development departments, we have supplemented the provisions of the Integrity Code by formulating so-called commitment statements that support employees and offer them guidance for ensuring proper conduct in their daily activities. These principles have been discussed with employees at dialog sessions held around the world. Various communications measures regarding the commitment statements have been made known to all employees and anchored in selected training courses.' The Company also discloses information about the training courses made during the year, and the number of participants. However, it is not clear whether all of the Company's workers are trained on human rights commitments. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Met: Trains relevant MO managers including procurement: The Company also reports about specific training programs conducted during the years and the number of participants, including the 'Expert Module —Integrity &amp; Compliance@ Procurement' addressed to 'All employees and managers in purchasing functions worldwide'. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Score of 2 on A.1.2</li> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.1.6	Monitoring and corrective actions	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Scores at least 1 on A.1.2</li> <li>• Met: Monitoring implementation of HR policy commitments: The Company states: 'We are currently working to further expand the Daimler Human Rights Respect System (HRRS) step by step at all Group companies of the Daimler AG and to integrate it into our Groupwide Compliance Management System. [...] The HRRS, which orients itself to our Group-wide Compliance Management System (CMS), utilizes a risk-based approach in its focus on Group companies including our production locations and our supply chain. In the spring of 2019, we established a new Social Compliance department. This department is responsible for leading the implementation of our HRRS and to this end utilizes tried-and-tested methods and processes from our Compliance Management System. Plans call for the HRRS at Daimler AG Group companies to be gradually integrated into the Group-wide CMS'. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Met: Monitoring MO suppliers: The Company states that 'In financial year 2018, we completed the implementation of our globally standardized process for the effective and efficient examination of all new and existing business partners (Business Partner Due Diligence Process). Our continuous monitoring here is designed to ensure we can identify possible integrity violations by our business partners.' Furthermore, ' We also require our business partners to adhere to clear compliance requirements because we regard our business partners' integrity and behavior in conformity with regulations as a precondition for trusting cooperation',</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>meaning that suppliers are also a part of the Company's Compliance Management System. The Company also indicates that To ensure that our direct suppliers comply with the sustainability standards, we regularly conduct risk analyses. We use regular database research and other measures to discover any violations of our sustainability and compliance rules by our current suppliers. We systematically follow up all reports of violations. With the help of an online survey, we also question our main suppliers about their sustainability management and their communication of these requirements to their upstream value chains. On the basis of the results, we define measures to improve their sustainability performance [2018 Sustainability Report, 01/2020: <a href="https://www.daimler.com">daimler.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Score of 2 on A.1.2</li> <li>• Not met: Describes corrective action process: The Company indicates: 'We systematically follow up reports of violations. In case of anomalies discovered for example during audits or database research, we conduct further reviews and supplier surveys. Mercedes-Benz Cars does this by means of an online questionnaire. These surveys require suppliers to provide information about their sustainability management system and the measures they take to ensure that their own suppliers comply with sustainability standards. If the results of such surveys indicate insufficient sustainability performance, we instruct the supplier in question to improve the relevant processes'. However, no further details found, including number of incidents found. [2019 Sustainability Report, 04/2020: <a href="https://www.sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Not met: Example of corrective action</li> <li>• Not met: Discloses % of MO supply chain monitored: The Company reports: 'Daimler performed a total of 1,127 CSR audits at suppliers around the globe in 2019. These audits also focused on human rights issues'. However, it is not clear the actual percentage of supply chain monitored. [2019 Sustainability Report, 04/2020: <a href="https://www.sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul>
B.1.7	Engaging business relationships	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: HR affects MO selection of suppliers: The Company states: 'Our Supplier Sustainability Standards define our requirements for working conditions, upholding human rights [...]. Compliance with the standards is systematically reviewed. For example, the procurement units of Mercedes-Benz Cars and Daimler Trucks &amp; Buses examine new production material suppliers in the course of their on-site assessments, also with regard to sustainability issues. Such examinations are even more thorough in high-risk countries. If there are any doubts regarding the sustainability performance of a new supplier, the responsible team initiates a deeper review. In critical cases we discuss the results of the analyses in management committees and take them into account in decisions on whether to award a contract'. [2019 Sustainability Report, 04/2020: <a href="https://www.sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Not met: HR affects on-going MO supplier relationships: In addition, it indicates: 'Our Supplier Sustainability Standards define our requirements for working conditions, upholding human rights [...]. We demand that our direct suppliers commit themselves to observing our sustainability standards, communicating them to their employees and to their upstream value chains, and then checking to ensure that the standards are complied with. [...] Along with the assessment of new suppliers, we also examine sustainability risks at our existing direct suppliers as part of our regular risk assessments. Among other things, we conduct annual database research to identify any violations of our sustainability and compliance rules by our current suppliers. This is part of our supplier screening process. [...] We systematically follow up reports of violations. In case of anomalies discovered for example during audits or database research, we conduct further reviews and supplier surveys. Mercedes-Benz Cars does this by means of an online questionnaire. These surveys require suppliers to provide information about their sustainability management system and the measures they take to ensure that their own suppliers comply with sustainability standards. If the results of such surveys indicate insufficient sustainability performance, we instruct the supplier in question to improve the relevant processes'. However, it is not clear how human rights performance affects on-going relationships. [2019 Sustainability Report, 04/2020: <a href="https://www.sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Met: Working with MO suppliers to improve performance: The Company's Supplier Portal includes the Compliance Awareness Module: 'The sustainability eLearning: Daimler AG also offers you a free eLearning training module on</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>sustainability in the supply chain, effective immediately. [...] The offer is to ensure compliance with sustainability requirements in the supply chain. The eLearning course represents a continuing education option that is easy to use for suppliers. A special feature is that you are able to offer this training class to your own employees and to suppliers. The free web-based training provides basic knowledge on the importance of sustainability. The topics range from corporate ethics and working conditions to human rights and environmental standards.' [Supplier Portal - Training, N/A: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</p>
B.1.8	Approach to engagement with potentially affected stakeholders	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Stakeholder process or systems: The Company states that ' We define our stakeholders as individuals and organizations that have legal, financial, ethical or ecological expectations regarding Daimler. One of the criteria for identifying and weighting stakeholders is the extent to which a person or group is affected by our company's decisions or, conversely, is taken into account in such decisions. Our primary stakeholders are our shareholders, creditors, employees, customers and suppliers. However, we also communicate regularly with civil groups such as NGOs, as well as associations, trade unions, the media, analysts, municipalities, residents and neighbors in the communities where we operate and representatives of science and government'. Furthermore, 'In order to implement the dialog with our stakeholders throughout the Group, we have defined clear areas of responsibility, communication channels and specific dialog formats. The proactive dialog with our stakeholders is initiated by experts from the Integrity and Legal Affairs department and coordinated by our corporate sustainability bodies. One essential tool of the dialog with our stakeholders is the "Daimler Sustainability Dialogue," which has been held annually in Stuttgart since 2008 and brings various stakeholder groups together with members of our Board of Management and executive management.' [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Met: Frequency and triggers for engagement: The Company reports: 'In order to maintain effective relationships with our stakeholders, we have defined areas of responsibility, communication channels, and dialog formats that are valid throughout the Daimler Group. Our Corporate Responsibility Management department is responsible for establishing an institutionalized and proactive dialog with our stakeholders. This dialog is then coordinated by our Corporate Sustainability Board and the Corporate Sustainability Office. The central format for our stakeholder dialog is the "Daimler Sustainability Dialogue", which has been held annually in Stuttgart since 2008 and brings various stakeholder groups together with representatives of our Board of Management and executive management. Each "Daimler Sustainability Dialogue" event focuses on sharing ideas in a variety of themed work-shops. The Daimler representatives obtain feedback from the external participants and work together with the stakeholders to achieve agreed targets throughout the course of the year.' In addition, it discloses information about several engagement activities and strategies to engaged with its stakeholders, including the following: Annual Daimler Sustainability Dialogue (Germany/regions); Group-wide internal integrity dialog; Conferences on social issues; debates; [...]; Local dialog with residents and communities; Dialog concerning specific occasions and projects'. As indicated below, local dialog with residents and communities is triggered during regular audits. [Stakeholder dialogue, N/A: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Met: Communities in the MO SC engaged: According its website the Company engage with suppliers' local communities during audits: 'Our interdisciplinary teams conduct, among other things, on-site checks and audits using so-called ""supply chain walks,"" but communications and training measures for suppliers are also part of the HRRS. We also talk with the people locally, the so-called rights holders. Their perspective is an important aspect in the implementation of the Human Rights Respect System.' [Strong for human rights, N/A: <a href="http://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Analysis of stakeholder views and company's actions on them: The Company discloses its 'Sustainability Dialogue - Working Groups Results', where it summarizes the topics discussed, new insights, the Company's approach, and its planned activities. This document include a section about Human Rights, including the following topics discussed and new insights given: Progress on HRRS [Human Rights Respect System] implementation - Services: Continuous review and adaption of processes necessary, e.g. review of risk commodities, Think about risk-specific questionnaire,. integrating feedback from e.g. trade unionists, Be aware of limits of „friendly, dialogue oriented approach“; Progress on HRRS implementation - Production Materials: Request: more transparency on challenges/successes, and concrete approach in raw material supply chains, Debate about leaving a country</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			(e.g. DRC) due to human rights risks. Majority recommended to stay, leaving a country only as an ultima ratio, Acknowledged: Dilemmas with ambiguous impact are challenging, debate them publicly. [Sustainability Dialogue - Working Group Results, 12/2019: <a href="http://daimler.com">daimler.com</a> ]

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Identifying risks in own operations: The Company states that its due diligence system includes 'identification of potential human rights risks'. In relation to this step, it indicates the following 'Identification of human rights risks at Daimler majority holdings: The risk assessment is a two-step process. The first step involves a categorization of the majority holdings on the basis of predefined criteria, such as the risk situation in specific countries and risks associated with specific business operations. In the second step, units that display a heightened human rights risk are subject to an on-site assessment. The modular approach we employ here takes into account fundamental human rights standards such as those defined in the Universal Declaration of Human Rights and the Core Labour Standards of the International Labour Organization (ILO). During the reporting year, we made adjustments to our risk assessment methods and also had external stakeholders verify our risk assessment process. The feedback we receive from stakeholders is used to further develop and improve the risk assessment system. We are also currently developing an effective approach to program implementation, monitoring and reporting'. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Met: Identifying risks in MO suppliers: The Company states that 'Since 2008 we have defined our expectations towards our suppliers regarding sustainability in our Supplier Sustainability Standards. Upholding human rights and in particular stipulations concerning working conditions are key components of these requirements. In order to ensure that we can meet our human-rights due-diligence obligations even more systematically, we have developed risk classifications tailored to various product areas (such as production materials and services). This enables us to identify services and raw materials that may pose risks to human rights, including minerals that are potentially associated with conflicts. During the year under review, we started using our analyses here as a basis for defining and implementing measures that can also be applied beyond the level of our direct suppliers if necessary.' [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: As indicated above the Company indicates that 'during the reporting year, we made adjustments to our risk assessment methods and also had external stakeholders verify our risk assessment process. The feedback we receive from stakeholders is used to further develop and improve the risk assessment system. We are also currently developing an effective approach to program implementation, monitoring and reporting'. In relation to supply chain, as indicated above, explanations cover 'year under review'. The system applies globally. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Met: In consultation with stakeholders: The Company states that 'The HRRS also involves consultation and exchange with rights holders (for example our employees and their representatives) and external third parties such as civic organizations and local residents.' [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Not met: In consultation with HR experts</li> <li>• Not met: Triggered by new circumstances: The Company states that 'the first step involves a categorization of the majority holdings on the basis of predefined criteria, such as the risk situation in specific countries and risks associated with specific business operations'. The Company also indicates that the system 'is designed to enable the early identification and avoidance of systemic risks and possible negative effects of our business activities with respect to human rights'. However, no description found regarding how it is triggered specifically by new circumstances (changes in regulations, new additions to supply chain or entry in new countries). No new relevant evidence found in latest documents. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context): As stated in the previous indicator, the Company indicates how its risk system functions. However, no evidence regarding the company's salient human rights risks was found.</li> <li>• Not met: Public disclosure of salient risks</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	(salient risks and key industry risks)		Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Action Plans to mitigate risks: The HRRS, which is used as a system that identifies human rights risks, is also a system utilized to prevent that this same risks develop, as stated in 'The HRRS thus primarily protects third parties and is aimed at exerting its effect along our supply chain as well. It consists of four steps that are to be applied to Daimler majority-owned companies and the supply chain: One of these steps is 'definition, implementation and management of preventive measures and countermeasures (program implementation)'. However, no description found of the global system operation to prevent or mitigate all risks identified and assessed. No new evidence found in latest documents. [2018 Sustainability Report, 01/2020: <a href="https://www.daimler.com">daimler.com</a>]</li> <li>Not met: Including in MO supply chain: The HRRS is also applied on the monitoring of the Company's supply chain, as evidenced in 'Daimler has developed a systematic due diligence approach called the Daimler Human Rights Respect System (HRRS). It aims to protect the human rights of our own employees and to ensure that human rights are respected at our direct suppliers (Tier 1) and at risk-relevant points of the supply chain beyond Tier 1.' However, no description found on how the system to implement action plans to tackle risks is generally implemented for risks identified in supply chain. No new evidence found in latest documents. [2018 Sustainability Report, 01/2020: <a href="https://www.daimler.com">daimler.com</a>]</li> <li>Met: Example of Actions decided: The Company states that 'Along with the implementation of our own measures, we also commissioned an external auditing firm to examine one of our future battery supply chains in accordance with OECD standards. The firm audited both downstream suppliers (from the battery manufacturers to the refineries) and upstream suppliers (from the refineries to the mines). This audit provided us with comprehensive cobalt supply chain mapping, which in turn forms the basis for greater transparency and better monitoring and influencing of the supply chain. The audit also included an examination of the systems used to prevent child labor and modern forms of slavery. In those areas where potential for improvement was identified through the audits, individual corrective action plans were agreed on with suppliers, and we continue to monitor compliance with these plans. The examination of the battery supply chain thus formed the foundation for a process of continuous improvement, and the implementation of the corrective action plans improves our due diligence with regard to both direct suppliers and the entire supply chain'. [2018 Sustainability Report, 01/2020: <a href="https://www.daimler.com">daimler.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: System to check if Actions are effective: The Company indicates: 'To ensure that human rights are respected and protected, Daimler has developed a due diligence approach called the Daimler Human Rights Respect System (HRRS).' The cycle of the HRRS has 4 stages, including: 'Evaluation of adequacy/ effectiveness of the risk assessment and program implementation'. However, no further evidence found describing how the process to check effectiveness of Actions implemented works. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>Met: Lessons learnt from checking effectiveness: Following the example of cobalt described in indicator B.2.3, the Company states that 'The examination of the battery supply chain thus formed the foundation for a process of continuous improvement, and the implementation of the corrective action plans improves our due diligence with regard to both direct suppliers and the entire supply chain. Plans also call for long-term cooperation with the external service provider in order to safeguard the continuous improvement process. Capacity building at suppliers will be addressed more extensively as a result of supply chain mapping, cobalt supply chain auditing, scoring assessments for individual suppliers and the implementation of the corrective action plans. Our aim here is to support suppliers' efforts to prevent human rights violations. The aforementioned audit will be expanded to include other cobalt supply chains in the future'. No new relevant evidence found in latest reports (company provided comments to CHRB regarding this indicator, it is already awarded). [2018 Sustainability Report, 01/2020: <a href="https://www.daimler.com">daimler.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirement under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Comms plan re identifying risks: See indicator B.2.1. The Company describes its global system to evaluate human rights risks (risk identification).</li> <li>• Not met: Comms plan re assessing risks: In order to be awarded, the Company needs to have full score in B.2.2</li> <li>• Not met: Comms plan re action plans for risks: In order to be awarded, the Company needs to have full score in B.2.3</li> <li>• Not met: Comms plan re reviewing action plans: In order to be awarded, the Company needs to have full score in B.2.4</li> <li>• Not met: Including MO suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. This indicator looks for evidence of how the Company has responded, in terms of communication, to specific concerns on human rights raised by (or on behalf of) affected stakeholders.</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

### C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company states that 'Employees and external parties can use various channels, such as the BPO (Business Practices Office) whistleblower system and the World Employment Committee, 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'. [2018 Sustainability Report, 01/2020: <a href="https://www.daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved: The Company states: 'In 2019, 59 new BPO cases were opened. A total of 44 cases in which 72 individuals were involved were closed "with merit." In these cases, the initial suspicion was confirmed. Seven of these cases were in the category "Corruption", while five related to "Technical compliance" and five concerned "Reputational damage." Accusations of inappropriate behavior of employees toward third parties were confirmed in 13 cases. Four cases were categorized as "Damage exceeding 100,000 euros." The remaining cases fell into other categories.' However, no evidence regarding specific human rights complaints received, addressed/ resolved was found (even if none). The Company provided additional comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. [2019 Annual Report, 03/2020: <a href="https://www.daimler.com">daimler.com</a>]</li> <li>• Not met: Channel is available in all appropriate languages: The Company states that 'Whistleblower System BPO (Business Practices Office) enables employees and external whistleblowers to report misconduct anywhere in the world. [...] In Brazil, Japan, South Africa and the USA, a hotline is also available. If your country is not listed here, please contact the BPO by e-mail [...]' However, it is not clear if actual complaints can be made in all appropriate languages. The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. [Whistleblower System, N/A: <a href="https://www.daimler.com">daimler.com</a>]</li> <li>• Met: Opens own system to MO supplier workers: The Company states that 'The whistleblower system BPO (Business Practices Office) is open to all employees, business partners and third parties who wish to report violations of rules or regulations that pose a serious threat to the company and its employees'. [Integrity Code, 10/2019: <a href="https://www.daimler.com">daimler.com</a>]</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: The Company states that 'The whistleblower system BPO (Business Practices Office) is open to all employees, business partners and third parties who wish to report violations of rules or regulations that pose a serious threat to the company and its employees'. [Integrity Code, 10/2019: <a href="https://www.daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages: The Company states that 'Whistleblower System BPO (Business Practices Office) enables employees and external whistleblowers to report misconduct anywhere in the world. [...] In Brazil, Japan, South Africa and the USA, a hotline is also available. If your country is not</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>listed here, please contact the BPO by e-mail [...] However, it is not clear if actual complaints can be made in all appropriate languages. The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. [Whistleblower System, N/A: <a href="http://daimler.com">daimler.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: MO supplier communities use global system: See above</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages users to create or assess system: The Company states that 'The BPO process was developed further during the year under review. A risk-based initial assessment and standardized processes enable more rapid identification and effective processing of high-risk reports submitted to the BPO. The case categories used by the BPO have been updated and new categories have been added in order to incorporate the latest social and legal developments into the BPO process.' However, it is not clear if users were a part of this development process. No new relevant evidence found in latest documents. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Not met: Example of how they do this</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: MO suppliers consult users in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Response timescales</li> <li>• Not met: How complainants will be informed</li> <li>• Not met: Who is handling the complaint</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Escalation to senior/independent level: The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. No evidence found of details on escalation process available for complainants. [Rules of Procedure of the Supervisory Board and its Committees, 11/2019: <a href="http://daimler.com">daimler.com</a>]</li> </ul>
C.5	Commitment to non-retaliation over complaints or concerns made	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Public statement prohibiting retaliation: The Company states that 'whistleblowers who contact the BPO are also protected. They do not need to worry that their report might result in negative consequences for themselves'. As indicated in the integrity code: 'The whistleblower system BPO (Business Practices Office) is open to all employees, business partners and third parties who wish to report violations of rules or regulations that pose a serious threat to the company and its employees'. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a> &amp; Integrity Code, 10/2019: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Not met: Practical measures to prevent retaliation: The Company states: 'The BPO is available around the clock to receive information that is sent by e-mail or normal mail or by filling out a special form. An external tollfree hotline is also available in Brazil, the United States, Japan, and South Africa. Reports can be submitted anonymously if local laws permit this. In Germany, whistleblower reports can also be submitted to an external neutral intermediary in addition to the BPO.' However, it is not clear whether there are alternative measures to prevent retaliation where anonymity is not allowed. [2019 Annual Report, 03/2020: <a href="http://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Has not retaliated in practice</li> <li>• Not met: Expects MO suppliers to prohibit retaliation</li> </ul>
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Won't impede state based mechanisms: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material (methodology requires evidence to be in English).</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non judicial mechanisms</li> <li>• Not met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remedying adverse impacts and	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Describes how remedy has been provided</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	incorporating lessons learned		<ul style="list-style-type: none"> <li>• Not met: Says how it would remedy key sector risks: The Company states that 'According to our assessments, no cases of child labor, forced labor or violations against the right to collective bargaining or freedom of association within the Daimler Group were reported in 2018. Our company systematically investigates individual cases of potential violations in the supply chain, including the use of child labor for the extraction of raw materials. In addition to these measures, we reviewed and followed up on reports of incidents and tips we received from the general public. In cases where we identify a need for action, we implement the necessary measures, alone or in cooperation with our partners.' However, no specific details on how the Company would approach this type of situation were found. No new relevant evidence was found in latest documents. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

## D. Performance: Company Human Rights Practices (20% of Total)

### D.5 Automotive Manufacturing

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.1.a	Living wage (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage target timeframe</li> <li>• Not met: Describes how living wage determined: The Company states that 'Wherever in the world you work for Daimler, you can rely on the fact that all the Group's companies pay the standard rates for the market and industry they operate in. This means that salary levels are determined by collective agreements. Where there are obligations arising from collective bargaining, the Daimler companies normally offer additional voluntary benefits. Employees of Daimler AG in Germany currently receive compensation that is substantially above the level agreed by collective bargaining.' However, no evidence found regarding whether this reaches living wage in its operations globally. [Compensation and Benefits, N/A: <a href="http://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Achieved payment of living wage</li> <li>• Not met: Regularly review definition of living wage with unions</li> </ul>
D.5.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage in supplier code or contracts: In the Supplier Sustainability Standards document, it is stated that 'Compensation and social benefits must correspond to the basic principles of minimum wages, applicable overtime regulations and statutory social benefits'. However, no evidence found regarding living wages. [Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Not met: Improving living wage practices of suppliers: The Company reports: 'The awarding and performance of contracts for work and services are subject to standards that extend beyond existing legislation in many areas. These standards define our requirements with regard to occupational health and safety, accommodation, remuneration, use of temporary workers, commissioning of subcontractors, and the prevention of illegal false self-employment. [...] All relevant contractors or service providers must sign a declaration that they comply with these standards.' However, no evidence found describing how the Company proactively works to improve living wage practices of its suppliers. [GRI Index 2019, 2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.5.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Avoids business model pressure on HRs</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Positive incentives to respect human rights: The Company states that it is a participant of a few sustainable initiatives and associations, and that ' Among other things, these associations and initiatives develop measures to improve sustainability in supply chains. The common framework established by the Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain sets minimum social and ecological standards for automotive companies and their suppliers'. However, no evidence regarding positive human rights incentives via purchasing practices was found. No new relevant evidence found in latest documents. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> </ul> Score 2
D.5.3	Mapping and disclosing the supply chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Identifies suppliers back to product source: The Company indicates that it identifies and discloses suppliers back to product source within our cobalt supply chains for battery cells. However, it is not clear whether the Company maps all its suppliers, not only cobalt related. [Strong for human rights, N/A: <a href="http://daimler.com">daimler.com</a> &amp; Cobalt: Overview of smelters and refiners, N/A: <a href="http://daimler.com">daimler.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Discloses significant parts of supply chain and why</li> </ul>
D.5.4.a	Prohibition on child labour: Age verification and corrective actions (in own production or manufacturing operations)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Does not use child labour: The Company states that 'Daimler rejects all forms of discrimination in hiring and employment, slavery, child labor, threats against people who defend human rights and other human rights violations'. [Integrity Code, 10/2019: <a href="http://daimler.com">daimler.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Age verification of job applicants and workers</li> <li>• Not met: Remediation if children identified: The Company discloses information with respect 'Bon Pasteur' project: 'The joint project by Bon Pasteur and Daimler rests on five pillars. [...] Another focus of the project is to support children in giving up working in the mines and attending school. A network of social workers, teachers, psychologists and nurses assists the children in Kolwezi with suitable age-appropriate programs. [...] Since 2012, Bon Pasteur has been supporting women and children in the mining regions of Kolwezi with the aim of improving their living conditions. By 2015, the organization was already able to help 5,000 people. More than 90 percent of the children cared for in the pilot project gave up working in the mines and are attending school.' However, it is not clear how the Company conducts remediation programs when child labour is found in its operations, as this evidence refers to supply chain. [Bon Pasteur, N/A: <a href="http://daimler.com">daimler.com</a>]</li> </ul>
D.5.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Child Labour rules in codes or contracts: The Company states that 'Child labor is not allowed at any phase of production or processing. As a minimum, suppliers are requested to comply with the ILO's conventions on minimum employment age and the ban on child labor. Children must not be inhibited in their development. Their health and safety must not be impaired'. However, no evidence was found on age verification mechanisms and remediation programmes. The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. [Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on child labour: The Company provided comments to CHRB regarding this indicator. However, no material evidence found.</li> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.5.5.a	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Pays workers in full and on time: The Company indicates: 'Our Corporate Compensation Policy, which is valid for all groups of employees, establishes the framework conditions and minimum requirements for the design of the remuneration systems'. However, no details found indicating that it pays its workers regularly, in full and on time and that it does not require workers to pay work related fees or costs (or the corporate compensation policy). [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Payslips show any legitimate deductions: The Company indicates: 'We are now providing employees with additional information regarding the implementation of Germany's Remuneration Transparency Act. This includes information that shows employees the various remuneration components of comparable groups of all genders.' However, no evidence found indicating that all workers worldwide receive a payslip explaining any legitimate deductions. [GRI Index 2019, 2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul>
D.5.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Debt and fees rules in codes or contracts: The Company's Supplier Sustainability Standards document requires: 'Forced or compulsory labor is prohibited. Employees must have the freedom to terminate their employment, provided they give reasonable notice.' In addition, the Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. CHRB could not find a provision to prohibit suppliers to impose financial burdens on workers as part of a contractual agreement document. [Supplier Sustainability Standards, 07/11/2019: <a href="https://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Not met: How working with suppliers on debt &amp; fees: The Company provided comments to CHRB regarding this indicator. However, no material evidence found.</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.5.5.c	Prohibition on forced labour: Restrictions on workers (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Does not retain documents or restrict movement: Although the Company states in its Sustainability Report that it has 'issued our own Group-wide Principles of Social Responsibility, which are based on the International Labour Organization's (ILO) work and social standards', no specific information found indicating that it does not retain workers' personal documents or restrict workers' freedom of movement. [GRI Index 2019, 2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How sure about agencies or brokers</li> </ul>
D.5.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Free movement rules in codes or contracts: The Company's Supplier Sustainability Standards requires: 'Forced or compulsory labor is prohibited. Employees must have the freedom to terminate their employment, provided they give reasonable notice'. In addition, the Company indicates in another document: 'Freely Chosen Employment - The Partner will not employ anyone against their will or force them to work. Employees must be free to leave employment with reasonable notice. Employees must not be required to hand over government-issued identification, passports or work permits as a condition of employment. The Partner is particularly obligated to observe the requirements of the ILO Convention no. 29. The Partner shall place its suppliers and their sub-suppliers under a corresponding obligation and shall carry out control measures in this regard.' However, this document or its content has not been found in publicly available sources. [Supplier Sustainability Standards, 07/11/2019: <a href="https://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters: The Company provided comments to CHRB regarding this indicator. However, no material evidence found.</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The Company states: 'Our employees have the right to organize themselves in labor unions. We also ensure this right in countries in which freedom of association is not legally protected. We work together constructively with the employee representatives and the trade unions. Important partners here include the local works councils, the European Works Council, and the World Employee Committee (WEC). Collective bargaining agreements apply to the majority of our employees throughout the Group.' Furthermore, Daimler states in its Integrity Code that it does not tolerate discrimination of any kind, including towards unionized workers. However, no evidence was found on the extent of collective bargaining coverage or measures put in place to prohibit retaliation against union members or its representatives. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; Integrity Code, 10/2019: <a href="https://daimler.com">daimler.com</a>]</li> <li>• Not met: Discloses % covered by collective bargaining</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
D.5.6.b	Freedom of association and collective bargaining (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: FoA &amp; CB rules in codes or contracts: The Company states that 'Companies should preserve freedom of association and actively acknowledge the right to collective bargaining. They must ensure that their employees can discuss working conditions openly with management without fear of punishment. The right of employees to assemble, join a union, appoint representatives and be elected to the union must be respected'. [Supplier Sustainability Standards, 07/11/2019: <a href="https://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Not met: How working with suppliers on FoA and CB: The Company provided comments to CHRB regarding this indicator. However, no material evidence found.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.5.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Injury Rate disclosures: The Company states that, in 2019, its number of occupational accidents was 2.957, and that its accident frequency (OA (1-n DA)/Ah x 1 million) was 6.8. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Met: Lost days or near miss disclosure: The Company states that its Loss of working time in days due to occupational accidents (worldwide) was of 46.097 [Key Figures Human Resources, N/A: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Met: Fatalities disclosures: The Company states that it had 1 Fatality among employees due to occupational accidents. [Key Figures Human Resources, N/A: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Set targets for H&amp;S performance</li> <li>• Not met: Met targets or explains why not</li> </ul>
D.5.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Sets out clear Health and Safety requirements: With respect Health and Safety, the Company's Supplier Sustainability Standards requires: 'As employers, suppliers shall ensure health and safety in the workplace at levels no less than those required by national legislation, and shall support the continuous advancement and improvement of working conditions.' However, no further information found setting out clear health and safety requirements. The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. [Supplier Sustainability Standards, 07/11/2019: <a href="https://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Not met: Injury rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosures: The Company states that it had 1 fatalities among subcontracted employees due to occupational accidents. No details found in relation to suppliers' workers. [Key Figures Human Resources, N/A: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.8.a	Women's rights (in own production or manufacturing operations)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Process to stop harassment and violence: The Company states that it prohibits any kind of discrimination, including gender discrimination. In addition, the Company indicates in its Sustainability Report: 'Employees who have been victims of discrimination, bullying or sexual harassment, or who observe improper behavior by colleagues can report such violations of policy to their supervisors, the HR department, our counseling service, their plant medical services organization or the Works Council. In conversations with all the individuals involved, we examine the matter in depth and document it. Additional points of contact are the "InfoPoint Integrity" and the whistleblower system BPO (Business Practices Office). In this way, all staff members around the world, as well as external whistleblowers, can report violations that pose a high risk to the company and its employees. These also include severe cases of sexual harassment, discrimination, and racism as well as misconduct that could pose a threat of serious damage to the reputation of the company. In verifiable cases we will take action under employment law. Such action will be proportionate to the severity of the violation.' However, no evidence regarding specific measures to prevent harassment against women was found. [Integrity Code, 10/2019: <a href="https://daimler.com">daimler.com</a> &amp; 2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Not met: Working conditions take account of gender: The Company also reports: 'Today's living and working conditions require working times to be flexibly organized in accordance with individual needs. In many cases, this can contribute to improvements in the performance and satisfaction of employees and managers. For this reason, we support them with a wide range of flexible working options that make it easier for them to reconcile their work with their personal lives. Examples of these options include mobile working, reduced working hours, and job sharing. Furthermore, employees have the opportunity to leave the company for a number of years with a guaranteed option to return — for example, to take a sabbatical, study for a qualification or care for relatives.' However, no evidence describing how it takes into account differential impacts on women and men working conditions. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Met: Equality of opportunity at all levels: The Company indicates in its Sustainability Report: 'The principle of equality between men and women has been set out in binding form at Daimler AG, Mercedes-Benz AG, Daimler Truck AG, and Daimler Brand &amp; IP Management GmbH &amp; Co. KG in company-wide agreements on "The Advancement of Women" and "Equal Opportunity." Furthermore, our policies regarding diversity and equal opportunity are described in our Integrity Code and our Group-wide "Fair Treatment in the Workplace" agreement. [...] We have set ourselves the goal of promoting women at all levels of the company. We have introduced a number of measures for this purpose — from fostering young talent in schools to recruiting and individual professional development. With actions such as the "Girls' Day" and the "Genius" education initiative, Daimler is pursuing the goal of arousing the interest of girls in particular in technical careers and promoting young women engineers. We also address women as a specific target group at college career fairs and "Women Career Days." In order to prepare women for management positions, we offer special leadership workshops or mentoring programs, for example. Exchange is promoted by means of networks specifically created by and for women employed at Daimler. These include: Frauennetzwerk (FNW), Women's Business Network (WBN), Frauen in Technik (FIT), and CAREer Women's International Network (CAR-WIN).' [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Meets all of the requirements under score 1</li> </ul>
D.5.8.b	Women's rights (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Women's rights in codes or contracts: Although the Company includes a provision related to no discrimination in its Supplier Sustainability Standards, no reference to women's rights was found in contractual agreement documents. [Supplier Sustainability Standards, 07/11/2019: <a href="https://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Not met: How working with suppliers on women's rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.9.a	Working hours (in own production or manufacturing operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Respects max hours, min breaks and rest periods in its own operations: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material (sources need to be in English).</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How it implements and checks this</li> </ul>
D.5.9.b	Working hours (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Working hours in codes or contracts: The Company states in supplier sustainability standards that 'Work hours and time off must, as a minimum, be in conformity with applicable laws, industry standards or relevant ILO conventions, whichever are strictest'. [Supplier Sustainability Standards, 07/11/2019: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> <li>• Not met: How working with suppliers on working hours: The Company provided comments to CHRB regarding this indicator. However, no material evidence found.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.5.10.a	Responsible Mineral Sourcing: Arrangements with Suppliers and Smelters/Refiners in the Mineral Resource Supply Chains	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Due diligence in accordance with OECD Guidance in supplier contracts: The Company states that 'Within the framework of our Human Rights Respect System, we also examine tin, tantalum, tungsten and gold, which in some cases are mined in potential conflict-ridden regions. We require our suppliers to provide us with transparent information on the origins of such materials. Based on this information, we provide them with suggestions for implementing improvements. In this manner, we make a continuous effort to increase transparency and work towards the responsible procurement of materials from conflict-ridden regions. Our activities in associations and initiatives, such as the Responsible Minerals Initiative, also include the formulation of improvement measures'. Furthermore, 'in cases of certain identified high-risk materials, such as cobalt, we use questionnaires prior to new awarding's in our supply chains. The goal is to document the sustainability performance not only of our direct suppliers but also beyond them. This questionnaire is supplemented with a specific questionnaire on supply chain transparency and human rights due diligence that is based on the requirements of the five-step framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Our employees carefully review the information provided by the potential battery suppliers during the on-site assessments.' However, no evidence was found on contractual requirements for responsible sourcing. No new relevant evidence in latest revision. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a> &amp; 2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Not met: Works with smelters/refiners and suppliers to build capacity: The Company reports in its Sustainability Report: 'Over the long-term, we focus on capacity building measures for suppliers. Our aim here is to support suppliers enhance their ability to prevent human rights violations.' However, no specific information found describing how it is working with suppliers and smelters/refiners in capacity building activities in relation to conflict minerals. [2019 Sustainability Report, 04/2020: <a href="http://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Contractual requirement to disclosure smelter/refiner information: The Company states that ' We require our suppliers to provide us with transparent information on the origins of such materials. Based on this information, we provide them with suggestions for implementing improvements'. The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources. No new relevant evidence found in latest revision. [2018 Sustainability Report, 01/2020: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Not met: Contractual requirement covers all minerals</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.10.b	Responsible Mineral Sourcing: Risk Identification in Mineral Supply Chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Risk identification and disclosure in line with OECD Guidance: The Company indicates: 'Within the framework of the Upfront Risk Assessment, which is part of the separate due diligence approach for our supply chains, we have identified 24 raw materials and 27 services whose extraction and further processing/provision (services)pose potential risks to human rights. Various international reference documents serve as the basis for these risk assessments. With regard to raw materials, we use the "Child and Forced Labor List" from the US Department of Labor, for example. Extraction and mining methods, and the countries where raw materials are located, all play an important role in our analyses'. However, no further evidence found, including the process to identify and prioritise the human rights risks related to conflict minerals, including at least 3TGs. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Not met: Identification of smelter/refiners and OECD Guidance</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Discloses smelters/refiners judged in line with OECD Guidance: The Company discloses the list of smelters /refiners within its cobalt supply chain. However, no similar disclosure found for all relevant conflict minerals (including 3TG). [Cobalt: Overview of smelters and refiners, N/A: <a href="https://daimler.com">daimler.com</a>]</li> <li>• Not met: Risk identification and disclosure covers all minerals</li> </ul>
D.5.10.c	Responsible Mineral Sourcing: Risk Management in the Mineral Supply Chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Describes mineral risk management plan for supply chain: The Company states that 'Within the framework of our Human Rights Respect System, we also examine tin, tantalum, tungsten and gold, which in some cases are mined in potential conflict-ridden regions. We require our suppliers to provide us with transparent information on the origins of such materials'. Regarding the description about the risk management system, the Company states that 'For example, in cases of certain identified high-risk materials, such as cobalt, we use questionnaires prior to new awarding's in our supply chains. The goal is to document the sustainability performance not only of our direct suppliers but also beyond them. This questionnaire is supplemented with a specific questionnaire on supply chain transparency and human rights due diligence that is based on the requirements of the five-step framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas'. However, no further details found, including actions carried out to respond to risks identified. No new relevant evidence found in latest revision. The Company has provided comments to CHRB regarding this indicator. However, evidence was not material as it was not related with conflict minerals (3TGs). [2018 Sustainability Report, 01/2020: <a href="https://daimler.com">daimler.com</a>]</li> <li>• Not met: Monitoring, tracking and whether better risk prevention/mitigation over time: Regarding its Human Rights Respect System, the Company states that 'The HRRS thus primarily protects third parties and is aimed at exerting its effect along our supply chain as well. It consists of four steps that are to be applied to Daimler majority-owned companies and the supply chain: 1. identification of potential human rights risks (risk assessment); 2. definition, implementation and management of preventive measures and countermeasures (program implementation); 3. monitoring of the effectiveness of the measures, in particular at higher-risk units and in supply chains that are at a high risk of human rights violations (monitoring), and 4. periodic internal reporting on relevant issues, compliance with external reporting requirements (reporting)'. However, no evidence found of the specific work carried out to monitor and track performance of risk management in the context of conflict minerals. No new relevant evidence found in latest revision. [2018 Sustainability Report, 01/2020: <a href="https://daimler.com">daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Disclose better risk prevention/mitigation over time</li> <li>• Not met: Suppliers and stakeholders engaged in risk management strategy</li> <li>• Not met: Risk management and response processes cover all minerals</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.5.11	Responsible Materials Sourcing	[SD.5.10]	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Due diligence for raw materials in supplier code/contracts: The Company states: 'In order to increase the sustainability of our supply chains, we plan to improve transparency and traceability with regard to the raw materials we procure — for example in the supply chain for battery cell production. Here there are concerns that the raw materials needed to manufacture electric vehicles might possibly be obtained under conditions that are critical in terms of human rights. We are also closely examining the supply chains used by our service providers and continuing our dialog with all of our suppliers'. However, no evidence was found on due diligence processes for supply of raw materials within contracts or the supplier code. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> <li>• Not met: Works with suppliers to build capacity in risk assessment and due diligence</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Meets all requirements under score 1</li> <li>• Not met: Identify the sources of high-risk raw materials in its supply chain</li> </ul>

### E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>• <b>Headline:</b> Daimler faces child labour claims in its supply chain in the Democratic Republic of Congo</li> <li>• <b>Area:</b> Child labour</li> <li>• <b>Story:</b> On November 15, 2017, Amnesty International, a Human Rights NGO, released a report which reveals that electronic and electric vehicle companies, including Daimler, are still not doing enough to stop human rights abuses entering their cobalt supply chains.</li> </ul> <p>The report assessed the policies and practices of 29 companies and how much their cobalt-sourcing practices have improved since its previous report published in January 2016. More than half of the world's cobalt, a key element in lithium-ion batteries, is from the Democratic Republic of Congo (DRC), where Amnesty has found human rights abuses. Amnesty International stated that about a fifth of the country's cobalt production is mined by informal miners including children, often in dangerous conditions .</p> <p>The electronics companies and the automobile manufacturers included in the report are: Apple, Samsung SDI, Dell, HP, BMW, Tesla, LG Chem, Sony, Samsung Electronics, General Motors, Volkswagen, Fiat-Chrysler, Daimler, Hunan, Shanshan, Amperex Technology, Tianjin Lishen, Microsoft, Lenovo, Renault, Vodafone, Huawei, L&amp;F, Tianjin B&amp;M, BYD, Coslight, Shenzhan BAK and ZTE.</p> <p>The new event does not change our opinion on the severity of the case.</p> <ul style="list-style-type: none"> <li>• Sources: [Amnesty International - 15/11/2017: <a href="https://www.amnesty.org/en/latest/news/2017/11/daimler-child-labour-claims/">amnesty.org</a>][Amnesty International - 15/11/2017: <a href="https://www.amnesty.org/en/latest/news/2017/11/daimler-child-labour-claims/">amnesty.org</a>][[]]</li> </ul>
E(1).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Public response available: The Company responded to Amnesty International, stating 'we initialized a follow up process with our direct suppliers in order to further inquire the issues raised by Amnesty International and to check the processes and measures taken by our suppliers upstream supply chains. We have since also engaged with suppliers further down the supply chain and are currently working on identifying the smelters and mines from which the cobalt included in our parts is sourced.' [Company responses to Amnesty International, 15/11/2017: <a href="https://www.amnesty.org/en/latest/news/2017/11/daimler-child-labour-claims/">amnesty.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail</li> </ul>
E(1).2	The Company has appropriate policies in place	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised: The Company's Integrity Code includes the prohibition of child labour. [Integrity Code, 10/2019: <a href="https://www.daimler.com">daimler.com</a>]</li> <li>• Met: Policies apply to the type of business relationships involved: The Company's Supplier Sustainability Standards includes similar policy for suppliers. [Supplier Sustainability Standards, 06/2016: <a href="https://www.supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Policies address the specific rights in question</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).3	The Company has taken appropriate action	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Engages with affected stakeholders: In 2018, the Company started a project with the organisation Good Shepherd International Foundation in order to combat child labour in the mining region of Kolwezi of the Democratic Republic of the Congo. The Company has pledged over one million euros from 2018-2022 to help send children from the area to school. This comes as a result of stakeholder dialogue, including with NGOs and development workers. [Education to counter child labor, 12/3/2019: <a href="http://media.daimler.com">media.daimler.com</a>]</li> <li>• Met: Provides remedies to affected stakeholders: As above, the Company is taking steps in order to send children in the mining area to school. [Education to counter child labor, 12/3/2019: <a href="http://media.daimler.com">media.daimler.com</a>]</li> <li>• Not met: Has reviewed management systems to prevent recurrence: The Company responded to Amnesty International, stating that it had taken the following steps to further engage with the issues: 'we first of all initialized a follow up process with our direct suppliers in order to further inquire the issues raised by Amnesty International and to check the processes and measures taken by our suppliers to prevent such alleged practices in their upstream supply chains. [...] To ensure that our direct suppliers maintain compliance with the sustainability standards, we audit them with a risk-based approach.' However, this seems to be part of an already existing system, and not a change implemented because of the allegation. Additionally, the Company, 'together with other companies, has taken additional and further action and initiated a pilot project under the auspices of the German Global Compact Network, to conduct a joint human rights risk assessment. At Daimler's and other participants' own suggestion, this project focused on high-voltage batteries and electro mobility and aimed to assess potential risks associated with these products. This process specifically included, but was not limited to, Cobalt, and, at the request of the participants also assessed other materials connected with electro mobility.' However, it is unclear how the results of this project have translated into changes in the Company's own management system. What is more, the Company 'decided to devote an explicit Working Group at its annual Stakeholder Dialogue to the topic raised by your report and invited Amnesty International to be the Key Impulse Giver as well as participate in the discussions. We underline, as we did at the time, that the specific aim of these dialogues is to discuss current processes and further steps towards improving human rights due diligence within the supply-chain together with critical stakeholders such as yourself.' Again, it is unclear how the results of this working group impacted management systems to prevent the use of child labour. [Company responses to Amnesty International, 15/11/2017: <a href="http://amnesty.org">amnesty.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Not met: Has improved systems and engaged affected stakeholders</li> </ul>
E(2).0	Serious allegation No 2		<ul style="list-style-type: none"> <li>• Headline: Daimler, AkzoNobel, PPG, and others accused of sourcing mica from India that is mined by children</li> <li>• Area: child labour; Forced labour</li> <li>• Story: "Paint used by car makers including Vauxhall, BMW, Volkswagen and Audi linked to illegal mines in India reliant on child labour and debt bondage. In 2018, Terres de Hommes, a Dutch child rights NGO published a report on child labour in the Mica industry. Mica is a mineral that creates the shimmering car paint used on millions of vehicles around the world. It is estimated that up to 20,000 children work in hundreds of small-scale mines in northern Jharkhand and southern Bihar. On visits this year to illegal mines in the Tisri subdistrict in the Indian state of Jharkhand, the Guardian documented children aged 12 mining mica underground in hazardous, leaking mineshafts, hammering glittering rock flakes from walls and carrying heavy loads through slippery tunnels. In addition, many families are bonded to the mines by large debts owed to local moneylenders or mine owners who charge up to 200% annual interest. Some of the world's biggest car makers including Vauxhall, BMW, Volkswagen and Audi are launching investigations into their paint supply chains after the Guardian linked their suppliers to illegal mines in India where child labour and debt bondage are widespread. "</li> <li>• Sources: [Trouw - 07/04/2018: <a href="http://trouw.nl">trouw.nl</a>][The Guardian - 28/07/2016: <a href="http://theguardian.com">theguardian.com</a>][Terres de Hommes - 12/03/2018: <a href="http://terredeshommes.nl">terredeshommes.nl</a>]</li> </ul>
E(2).1	The Company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Public response available: The Company acknowledged on its website that 'Mica is used in vehicle paints to achieve a shimmering effect. The mining of glimmer has repeatedly been connected with child labor in India. The company consistently pursues such indications. Within the framework of the systematic</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>approach developed by Daimler to respect human rights, the Human Rights Respect System, mica was classified as potentially risky. Therefore Mercedes-Benz Cars has decided to make the supply chain transparent.' [Next step in the offensive "Strong for human rights", 21/6/2018: <a href="http://media.daimler.com">media.daimler.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail</li> </ul>
E(2).2	The Company has appropriate policies in place	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised: The Company rejects child labour and slave labour. It is also a founding member of the UN Global Compact, which includes policy against other types of forced labour. [Integrity Code, 10/2019: <a href="http://daimler.com">daimler.com</a>]</li> <li>• Met: Policies apply to the type of business relationships involved: The Company has standards for suppliers against using child labour and forced labour. [Supplier Sustainability Standards, 06/2016: <a href="http://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Policies address the specific rights in question: no evidence was found on age verification mechanisms.</li> </ul>
E(2).3	The Company has taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders</li> <li>• Not met: Provides remedies to affected stakeholders</li> <li>• Met: Has reviewed management systems to prevent recurrence: The Company started performing due diligence in its mica supply chain in 2018: 'Mercedes-Benz Cars has taken the next step for a sustainable raw material supply chain. The company exemplarily examined the entire supply chain for mica - from the mine to the painting of vehicles in the plant. The aim of the project was to increase transparency throughout all steps of the value chain, to ensure all aspects of sustainability amongst indirect raw material suppliers. [...] "Our initiative for a sustainable raw material supply chain continues: In a pilot project we followed the path of the raw material mica back to its source and increased transparency in the mica supply chain. Further raw materials will follow this lighthouse project," said Renata Jungo Brüngger, Member of the Board of Management of Daimler AG, responsible for Integrity and Legal Affairs. During its on-the-spot visits to different stages in the mica supply chain, Mercedes-Benz Cars discovered and assessed isolated abuses and took corresponding measures. In close cooperation with direct partners one sub-supplier was excluded from the paint supply chain, for example. The company is engaged in further dialogue with this supplier to monitor possible progress.' [Next step in the offensive "Strong for human rights", 21/6/2018: <a href="http://media.daimler.com">media.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Not met: Has improved systems and engaged affected stakeholders</li> </ul>
E(3).0	Serious allegation No 3		<ul style="list-style-type: none"> <li>• Headline: Mercedes-Benz alleged to be behind the "disappearances" of 15 workers during Argentinian dictatorship</li> <li>• Area: Right to security</li> <li>• Story: 15 workers of the Mercedes-Benz factory in Argentina have been missing since the 1970s. According to the website CELS, 'Between May 22 and June 19, witnesses testified before Federal Oral Criminal Court No.1 about the kidnappings and disappearances of seven workers between 1976 and 1978, of whom six remain disappeared [...] There is sufficient evidence that shows how company executives gave information about the workers to the dictatorship. The victims were not selected at random: they were all labor activists.' Dictatorship forces allegedly used company documents to track down active labour union members and illegally detain them. One witness testified that military officials inside the factory shot at the floor in front of workers in order to intimidate them.</li> <li>• Sources: [CELS - 24/06/2019: <a href="http://cels.org.ar">cels.org.ar</a>]</li> </ul>
E(3).1	The Company has responded publicly to the allegation	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Public response available</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Response goes into detail</li> </ul>
E(3).2	The Company has appropriate policies in place	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Company policies address the general issues raised: The Company states that 'Daimler respects the internationally recognized human rights and bases its actions on the United Nations Guiding Principles on Business and Human Rights. We place special importance on the rights stated in the International Bill of Human</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Rights and the core labor standards of the International Labour Organization (ILO).<sup>1</sup> [Integrity Code, 10/2019: <a href="https://daimler.com">daimler.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Policies apply to the type of business relationships involved: In its supplier standards the company states that 'Suppliers are obligated to respect internationally recognized human rights and to promote adherence to them' [Supplier Sustainability Standards, 07/11/2019: <a href="https://supplier-portal.daimler.com">supplier-portal.daimler.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Policies address the specific rights in question: The Company rejects 'threats against people who defend human rights and other human rights violations.' The Company also works towards ensuring the same for all business partners. [Integrity Code, 10/2019: <a href="https://daimler.com">daimler.com</a>]</li> </ul>
E(3).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Engages with affected stakeholders</li> <li>• Not met: Provides remedies to affected stakeholders</li> <li>• Not met: Has reviewed management systems to prevent recurrence</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims</li> <li>• Not met: Has improved systems and engaged affected stakeholders</li> </ul>

## F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.87 out of 4	Out of a total of 60 indicators assessed under sections A-D of the benchmark, Daimler made data public that met one or more elements of the methodology in 28 cases, leading to a disclosure score of 1.87 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Company reports on GRI: The Company states: 'This report has been prepared in accordance with the GRI Standards: Comprehensive option.' There is a GRI Index document. [2019 Sustainability Report, 04/2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a> &amp; GRI Index 2019, 2020: <a href="https://sustainabilityreport.daimler.com">sustainabilityreport.daimler.com</a>]</li> </ul>
F.3	Key, High Quality Disclosures	0 out of 4	<p>Daimler met 0 of the 10 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator.</p> <p>Specificity and use of concrete examples</p> <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.2 : Board discussions</li> <li>• Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>• Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>• Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> <p>Discussing challenges openly</p> <ul style="list-style-type: none"> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> <p>Demonstrating a forward focus</p> <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> <li>• Not met: Score 1 for D.5.1.a: Living wage (in own production or manufacturing operations)</li> <li>• Not met: Score 2 for D.5.7.a: Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)</li> </ul>

### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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