

# Sustainability



The new Mercedes-Benz Vito E-CELL wagon:  
the first seven-seater with a locally emission-free drive system.

Daimler is committed to the principle of sustainability and has a holistic view of this topic. So for us, economic, social and environmental responsibility are inseparable from each other.

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### Detailed reporting on the subject of sustainability.

Detailed information is provided in our separate Sustainability Report. It describes transparently and factually the sustainability aspects of the past year.

The web-based Interactive Sustainability Report supplements our sustainability reporting with additional details and information  [sustainability.daimler.com](http://sustainability.daimler.com).

In 2013, the new Sustainability Report will be available as of early April in time for the Annual Shareholders' Meeting.

Further information on the subject of sustainability can be found on our website at  [daimler.com/sustainability](http://daimler.com/sustainability).

# Sustainability at Daimler

Sustainability is an integral part of our corporate strategy. Efficient management structures support the implementation of sustainability policies at all of our divisions. In the year under review, we continued and expanded our intensive dialog with our stakeholders concerning issues related to sustainability.

**Our sustainability strategy.** We want to enhance the value of our company over the long term. And we can do that only if we define value creation holistically and measure the success of our business operations not only in terms of financial metrics, but also in relation to their social acceptance. In order to do that, we have established sustainability as an integral part of our pyramid of goals and as a basic principle of our corporate strategy. In addition, the ideas that are of fundamental importance to us include the ten principles of the Global Compact. As one of the Global Compact's founding members and a member of the LEAD team since 2011, we are strongly committed to these principles. We are also guided by the labor standards established by the International Labour Organization (ILO) and by the OECD guidelines for multinational companies.

Our effective and coordinated strategies and initiatives ensure that the concept of sustainability is firmly embedded in our business operations. In our Group-wide sustainability management system, these strategies are implemented by means of concrete measures and measurable target indicators. Our Sustainability Program 2010–2020, which we presented for the first time in April 2011, is an important step toward our goal. This program defines our essential areas of activity in the years ahead. We aim to steadily continue reducing pollutants and emissions, further enhance the safety of our vehicles, expand the dialog with our suppliers and dealers, and further strengthen our social involvement.

**The economic dimension:** Profitable growth and long-term economic success safeguard our commitment to sustainable development. As the technological pacesetter of the automotive industry, we aim to stand out because of our top performance and to shape the future of safe and environmentally compatible mobility. Our business operations are based on responsible corporate management that focuses on integrity, good corporate governance and the principles of compliance. In addition, our corporate management requires and encourages the irreproachable ethical behavior of every single executive and employee.

**The environmental dimension:** Environmental protection, innovation and safety are the biggest issues our company will have to deal with as it strives to attain its sustainability goals. Our cars and commercial vehicles are among the very best in their respective market segments in terms of their environmental friendliness and safety. As we explore new mobility concepts, we are extending our focus beyond the individual vehicles themselves and testing environmentally compatible approaches to urban mobility. Also in the production of our vehicles, we carefully design every production step to make it as environmentally compatible as possible.

A key focus of our research and development work is to continuously improve our products and processes in terms of their environmental compatibility. In this area, we achieved impressive results during the year under review in particular. For example, in just one year, we succeeded in reducing the CO<sub>2</sub> emissions of our newly registered cars in the European Union by an average of 10 grams, thus meeting the target of 140 g/km that we set in our Sustainability Report.

**The social dimension:** Daimler regards itself as an active member of society. That's why we are committed to our employees, our customers and the people who live and work near our business locations. After all, we benefit from highly motivated and well-qualified employees, satisfied customers and relationships with our stakeholders that are based on mutual trust. We want to create values for society, and through our donations, sponsorships and foundation activities, we help people in need, promote intercultural understanding and support the arts, culture, education, science and sports.

**Intensified dialog with our stakeholders.** As a member of the Global Compact, we once again intensified the dialog with our stakeholders in connection with our commitment to sustainability. We also support the Code of Responsible Conduct in Business, which promotes a social market economy in which fair rules govern global competition. Through our Daimler Sustainability Dialog, we bring social leaders, politicians and scientists together with representatives of Daimler's top management. The aim of these events is to intensify dialog on various topics, including critical issues, and to engage in a joint search for practical solutions.



Daimler has a unique portfolio of cars and commercial vehicles with environmentally friendly drive systems.

In November 2012, around 130 participants came together in Stuttgart at the fifth Daimler Sustainability Dialog. Among other things, the event focused on workshops dealing with the following topics: electric mobility, generation management and human rights – particularly with respect to the supply chain and community involvement. As always, the results of the workshops will be further developed in the following twelve months in working groups that include representatives of the company's stakeholders. This process will create the starting point for the next Sustainability Dialog.

In May 2012, we conducted a stakeholder dialog for the third time in China. The event was held in Beijing for the second time after taking place in Shanghai in 2010. The subjects it focused on were air pollution and traffic congestion in urban areas, qualification measures for university graduates and corporate ethical standards with regard to suppliers and business partners. For the first time, Daimler Northeast Asia published a separate sustainability report for that region. With this report, Daimler reinforced its clear long-term commitment to China and underscored the importance of sustainable business practices in this important economic area.

**First stakeholder survey conducted.** In order to make a comparative analysis of the interests of our stakeholders and those of Daimler AG, we conducted the first international open stakeholder survey from November 15 to December 14, 2012. Daimler employees, shareholders, customers and suppliers as well as representatives of associations, environmental and human rights organizations, politicians, and interested members of the public all took part. This survey, which is new in terms of its scope and openness, serves to make the discourse with our stakeholders transparent and understandable.

**Comprehensive reporting on sustainability.** The year 2012 saw the publication of our eighth Group-wide Daimler sustainability report, which was prepared according to the guidelines set forth by the Global Reporting Initiative (GRI). It provides a detailed and comprehensive analysis of our sustainability performance for the previous financial year, and is enhanced by an interactive online sustainability report that contains more detailed and extensive information.

[sustainability.daimler.com](http://sustainability.daimler.com)

The new Sustainability Report 2012, which will be presented at the Daimler Annual Shareholders' Meeting in early April 2013, already focuses on the future requirements of the GRI. In this context, important Daimler aspects are highlighted. This applies above all to key topics such as internationality or our cross-divisional mobility concepts. In addition, with the new report, we take the opportunity to report on other specific concerns such as generation management or our methods for reducing CO<sub>2</sub> emissions.

# Innovation, Safety and the Environment

Innovations have always been the driving force at Daimler. Our goal is to offer our customers fascinating products and customized solutions for safe and sustainable mobility. During the year under review, we made substantial progress in reducing the CO<sub>2</sub> emissions of our vehicles. We also further expanded the range of vehicles we offer with alternative drive systems. In addition, our trend-setting innovations underscored our pioneering role in vehicle safety.

**A tradition of innovation.** Innovations have played a key role at our company ever since Carl Benz and Gottlieb Daimler invented the automobile. This is truer than ever today. After all, we must now reinvent the automobile if we are to cope with the accelerated pace of technological progress and the challenges posed by climate change and environmental protection measures. Our customers expect safe, comfortable and powerful vehicles that are increasingly fuel-efficient and environmentally friendly. In order to meet these requirements, we are forging ahead with the work in our research and development units.

At a total of €5.6 billion, Daimler's investment in research and development once again reached the very high level of the prior year in 2012. At the end of the year, approximately 21,100 men and women were employed at Group Research and the in development departments of Mercedes-Benz Cars, Daimler Trucks, Mercedes-Benz Vans and Daimler Buses. We were also able to offer interesting employment opportunities to highly qualified staff – particularly at our international research and development facilities.

Our company's innovative prowess is demonstrated by our extensive portfolio of intellectual property rights, which includes more than 21,000 patents and a broad range of trademarks and protected designs. Daimler registered 2,200 patents in 2012 (2011: 2,175), most of them for drive systems and safety. More than 1,000 of those patents involved emission-free mobility, especially in relation to electric drive systems with batteries or fuel cells.

**On the road to emission-free mobility.** Finite petroleum reserves, rising energy prices, a growing population – especially in cities – and the unabated demand for mobility require new solutions for all aspects of road transport. Our aim is to offer an intelligent mix of drive systems for every need. In this way, we want to significantly reduce the fuel consumption and pollutant emissions of our vehicles today, while striving to eliminate the use of fossil fuels and emissions entirely in the long term. We are now implementing this intelligent mix of drive systems for our cars and commercial vehicles as part of our "Road to Emission-free Driving" strategy. In doing so, we are focusing on the following areas:

1. We are continuing to develop and further optimize our vehicles with state-of-the-art combustion engines in order to achieve significantly lower fuel consumption and emissions.
2. We are achieving clear further increases in efficiency through customized hybridization, i.e. the combination of combustion engines and electric motors.
3. Our electric vehicles with battery or fuel cells are making locally emission-free driving possible.

## **Further reductions in fuel consumption and CO<sub>2</sub> emissions.**

We have significantly reduced the fuel consumption and CO<sub>2</sub> emissions of our cars in recent years. This reduction was largely due to our new and extremely efficient combustion engines, our downsizing/supercharging concepts, and our new transmissions. In 2012, we were able to further reduce the CO<sub>2</sub> emissions of our fleet of new vehicles in the European Union by 10 grams per kilometer to an average of 140 g/km. We thus achieved an above-average reduction in the CO<sub>2</sub> emissions of our vehicle fleet once again in 2012, while undercutting the EU targets for this year. The use of new engines and our 7 G-TRONIC PLUS automatic transmission enabled us to lower the fuel consumption of our new 2011 and 2012 models by up to 30% compared to their predecessors. This achievement underscores our determination to consistently implement fuel efficiency technologies in all our vehicle segments. Our goal now is to reduce our fleet consumption and CO<sub>2</sub> emissions in Europe to 125 g/km by 2016. Our new and highly fuel-efficient compact models and our rising volumes of vehicles with hybrid and electric drive systems will play a key role here.

**Environmental certificate for the A-Class.** The new A-Class from Mercedes-Benz uniquely combines driving pleasure, efficiency and environmental compatibility. Its low emissions – starting at 92 g CO<sub>2</sub>/km – and a Cd value starting at 0.26 are leading the way in the compact segment. What's more, all gasoline-engine variants of the new A-Class already meet the EURO 6 emission standard that will not take effect until 2015. The direct-injection gasoline-engine models (A 180, A 200 and A 250) already boast particulate emissions per kilometer that are below the extremely stringent limit which will become compulsory when the second stage of EURO 6 goes into effect in 2017. The outstanding environmental compatibility of the new A-Class was confirmed in October 2012 by neutral auditors from the TÜV Süd technical inspection authority, which awarded the model an environmental certificate in accordance with ISO standard TR 14062. The certificate was awarded following a comprehensive evaluation of the car's environmental



The most economical large premium sedan in the world: The Mercedes-Benz E 300 BlueTEC HYBRID.

performance. This evaluation examined and documented every environmentally relevant detail. An analysis of the total lifecycle of the Mercedes-Benz A-Class – from its production and use to its disposal – reveals that the A 180 BlueEFFICIENCY version of the new model emits 16% less CO<sub>2</sub> (5.7 tons) than its predecessor.

#### **The most economical large premium sedan in the world.**

Despite its higher torque and increased power, the new E 300 BlueTEC HYBRID boasts minimal fuel consumption values (combined consumption: 4.1 liters/100 km; combined CO<sub>2</sub> emissions: 107 g/km). The vehicle's modular hybrid concept, which includes a lithium-ion battery, places no restrictions on space while ensuring an impressive driving experience. The four-cylinder diesel engine in the E 300 BlueTEC HYBRID has an output of 150 kW (204 hp) and produces 500 Nm of torque. The engine is perfectly complemented by a 20 kW/250 Nm electric motor. The hybridization concept also enhances driving comfort, as the vehicle starts and begins accelerating almost noiselessly. The hybrid module dampens vibrations from the combustion engine and the vehicle's climate control system remains fully operational in the start/stop mode. The E 300 BlueTEC HYBRID has been available for delivery to customers in both a sedan and a station wagon version since June 2012.

#### **Environmentally friendly drive systems for the B-Class.**

Our presentation of the Concept B-Class Electric Drive at the 2012 Paris Motor Show offered an initial preview of the electric future of the B-Class. The so-called ENERGY SPACE in the vehicle floor ensures that the space inside the model is generous and variable. The ENERGY SPACE accommodates the lithium-ion battery in a safe and space-saving manner and ensures a good center of gravity. The model's high-torque electric motor and powerful battery guarantee locally emission-free driving pleasure over a range of 200 kilometers on a single charge. The electric vehicle with the three-pointed star, which is particularly family-friendly, is almost ready for series production. Its market launch is scheduled for 2014.

The Mercedes B 200 Natural Gas Drive, which we also presented at the Paris Motor Show, has 16% lower CO<sub>2</sub> emissions, much cleaner exhaust gases than those produced by gasoline or diesel engines and around 50% lower fuel costs than a comparable gasoline-engine model. This vehicle, which is fitted with either a manual transmission or the 7G DCT dual clutch automatic transmission, has been available at dealerships since the beginning of 2013.

With the B-Class, Mercedes-Benz now has a versatile automobile that can be equipped with the most diverse types of drive systems, ranging from combustion engines to all-electric battery-powered drive and fuel cells.

**Series-produced electric vehicles.** With a total of nine models, we offer a range of battery and fuel cell-powered, locally emission-free vehicles that is unique in the automotive industry. Our lineup starts with the smart-brand ebike and extends to passenger cars, vans, light trucks and buses. As a result, we can meet almost all mobility requirements. In June 2012, we began manufacturing the new smart fortwo electric drive, which will be launched in various markets, including China and the United States. This vehicle is also being used for the innovative car2go urban mobility concept. [see pages 58 f](#) Our Mercedes-Benz B-Class F-CELL and the Mercedes-Benz Citaro FuelCELL Hybrid city bus are the most extensively tested fuel-cell vehicles in the world. The Mercedes-Benz A-Class E-CELL has been on the road since the fall of 2010, and the Mercedes-Benz Vito E-CELL van has been delivered to customers since the middle of 2010. We also supply the Fuso Canter E-CELL and the Freightliner Custom Chassis MT E-Cell light-duty trucks. The Mercedes-Benz SLS AMG Coupe Electric Drive will be delivered to its first customers in mid-2013. The model is geared toward super-sports car fans with a passion for state-of-the-art engineering and futuristic high-tech solutions. In 2013, we will also launch the first electric vehicle built by the new DENZA brand in the Chinese market. We jointly developed, and now produce, this innovative model with our Chinese partner BYD. Finally, smart will launch a new electric scooter for use in urban areas in 2014.

Our broad spectrum of electric vehicles now on the road is being supplemented by economical hybrid models that meet a range of demands. They include the new Mercedes-Benz E 300 BlueTEC HYBRID. Hybrid technology also offers major advantages for distribution transportation involving light trucks. For example, the new Fuso Canter Eco Hybrid, which is now also manufactured in Portugal for sale in Europe, requires about 25% less fuel than a comparable Canter model equipped with a conventional drive system. The Freightliner M2e Hybrid truck boasts up to 30% lower fuel consumption, and that figure for the Atego Bluetec Hybrid is between 10% and 15%. There are currently more than 3,000 Daimler hybrid light-duty trucks and walk-in vans on the road worldwide.

**Economical heavy-duty trucks for Europe and North America.** We have also continually reduced the fuel consumption of our heavy-duty commercial vehicles over the past few years. Our success here is due to engines that are even more efficient, improvements we have made to tires and aerodynamics, and the use of an axle drive ratio in line with vehicle requirements. Our BLUETEC technology has also made a major contribution to this development.

The new Actros is the world's first truck to comply with the future Euro VI emission limits. Extremely economical engines, a sophisticated aerodynamic concept and services such as the Fleetboard telematics system make our heavy-duty Actros and Antos trucks among the most efficient and environmentally friendly vehicles in their respective classes. For example, despite their sophisticated exhaust gas treatment systems, our new heavy-duty Euro V truck engines consume up to 7% less diesel fuel than their predecessors, while the fuel consumption of the Euro VI variants is as much as 4% lower. Our goal for the complete Daimler truck fleet in Europe is to reduce fuel consumption by an average of 20% per ton-kilometer for the period 2005–2020. We continue to work hard to develop the technological innovations that will allow us to achieve this reduction.

This year, we will also set a new benchmark for fuel efficiency in the North American truck market with the launch of our new heavy-duty Freightliner Cascadia Evolution, whose fuel consumption is up to 7% lower than that of the current model. This increase in fuel economy was measured in the course of a one-week real-life test drive across the United States and was confirmed by an independent agency. At the beginning of 2012, the Environmental Protection Agency (EPA) certified Daimler Trucks North America's (DTNA) complete range of Freightliner and Western Star trucks as fully compliant with the Greenhouse Gas 2014 (GHG14) regulations. DTNA is thus a pioneer in the US commercial-vehicle sector, since it already complies with the EPA and National Highway Traffic Safety Administration (NHTSA) standards that will go into effect at the beginning of 2014.

**New buses with impressive fuel economy.** In the Record Run Buses 2012, the new Mercedes-Benz Citaro urban regular-service bus and the new Setra ComfortClass 500 travel coach demonstrated that fuel consumption can be reduced in Euro VI-compliant buses and coaches as well. During the Record Run Buses, five buses were monitored by neutral parties over a distance of almost 18,000 kilometers in October 2012. As it turned out, the anticipated fuel savings of four to six percent were noticeably exceeded, with the new Euro VI-compliant Citaro consuming 8.5% less fuel than its certified fuel-efficient predecessor. The new Setra ComfortClass S 515 HD also performed outstandingly, consuming 21.0 liters/100 km on average over a distance of 7,000 km – 8.2% less than a comparison model. Development engineers achieved these reductions by closely examining not only the drive systems of the Mercedes-Benz Citaro and the Setra ComfortClass 500, but also their auxiliary components. Whether alternators, battery management systems, radiator fans or air compressors – these and other components significantly affect fuel consumption and were therefore optimized down to the last detail in both model series. Aerodynamics also plays a key role in fuel economy – particularly when it comes to travel coaches. That is why we further improved the aerodynamic properties of the new Setra ComfortClass 500. The result is an outstanding drag coefficient of just 0.33. The drag was also reduced by a technology that is without parallel in the bus industry and lowers the vehicle's height by 20 mm at speeds above 95 km/h.

**Predictive Powertrain Control lowers fuel consumption.** Predictive Powertrain Control, which has been available in the Mercedes-Benz Actros since May 2012, reduces the fuel consumption of our heavy-duty trucks by a further 3%. This new driver assistance system recognizes the topography of the road ahead and can then react in a manner that optimizes fuel consumption. It is particularly effective when a truck is traveling uphill. In such a situation, the world's first GPS-based cruise control system not only regulates vehicle speed and braking, but also intervenes in gear-shifting operations. The system thus increases the effectiveness of the fuel-saving EcoRoll function, which is standard in the Actros. It can also initiate a single or double downshift if it determines that such action is needed. All in all, this intelligent cruise control system helps to achieve the type of driving performance that could only be matched by an extremely motivated truck driver with an exceptional level of concentration.

**Our Road to Accident-Free Driving.** Vehicle safety is one of our core areas of expertise and a key component of our product strategy. For over 60 years, our engineers have been ahead of their time when it comes to developing new safety technologies. With our Road to Accident-Free Driving strategy, we are striving to make mobility as safe as possible for all road users.

**The new S-Class with all-round vision.** What began ten years ago with PRE-SAFE® and continued with DISTRONIC PLUS is now leading to a new dimension in driving at Mercedes-Benz that will open up new perspectives for both drivers and automobile developers. In the future, all of our fully networked and intelligent driver assistance systems will be combined into our Mercedes-Benz Intelligent Drive package, which will begin making driving safer and more comfortable in the new S-Class and already in the new E-Class, approaching the goal of autonomous driving. The features involved include the new DISTRONIC PLUS adaptive cruise control with Steering



The new "Active Brake Assist 3" now independently applies the full brakes if a stationary object is detected ahead.

Assist and the new BAS PLUS system with an intersection assistance function. The Adaptive Highbeam Assist PLUS system enables drivers to keep their high beams switched on continuously without blinding the drivers of other vehicles, which are kept out of the light cone. The new Traffic Sign Assist system now recognizes no-passing zones and can also alert drivers to road access restrictions. All of these new systems are based on an intelligent combination of multistage radar sensors and a new stereo camera whose two "eyes" enable it to monitor an area extending approximately 50 meters in front of the vehicle in 3D. The system can also maintain an overall view up to a distance of 500 meters ahead. The data provided by the camera is further processed by various systems with the help of intelligent algorithms that analyze the information. As a result, the system can detect and spatially localize oncoming vehicles, vehicles ahead and vehicles coming from the side. It can also recognize pedestrians, various types of traffic signs and road markings. Due to the simultaneous determination of position (three dimensions) and directional movement (an additional three dimensions) the system has been named "6D vision."

**An airbag for seatbelts.** The Beltbag is another innovation being launched with the new S-Class as standard equipment. The device – an inflatable seatbelt strap – can reduce the risk of injury to back-seat passengers in a head-on collision by lowering the strain placed on the rib cage. Once crash sensors detect a severe frontal impact, the airbag control unit triggers the inflation of the Beltbag. A gas generator then expands the multilayered belt strap with tear seams to as much as three times its normal width. The resulting larger surface area can better distribute the force acting on the occupants, thereby reducing the risk of injury.

**Even greater safety in Mercedes-Benz trucks.** Although the Mercedes-Benz Actros is already considered the world's safest truck, both it and the new Mercedes-Benz Antos for distribution transportation are now becoming even safer, thanks to the next generation of the unique Active Brake Assist 3 (ABA 3) system. Adaptive cruise control and emergency braking systems currently available on the market are able to recognize and react to moving objects such as vehicles moving or slowing down ahead. The new Mercedes-Benz ABA 3 system, which we presented in September 2012 at the IAA Commercial Vehicles show in Hanover, Germany, is also effective in situations involving stationary obstacles such as construction site safety vehicles or vehicles that have broken down. In such situations, the new system independently brakes the truck until it comes to a standstill. ABA 3 thus provides important support – especially when lapses in attention occur. As a result, it can play a major role in reducing the number of accidents on the road.

**Digital vehicle networking.** Automobiles are increasingly being transformed into intelligent and digitally networked companions that not only react to situations and think ahead, but also link drivers to their social networks and the surrounding environment. [see pages 38 ff](#) One of the world's biggest practical tests for car-to-X communication (C2X) is now demonstrating how networked vehicles can improve safety and efficiency. The trials – part of the simTD (Safe Intelligent Mobility – test field Germany) research project headed by Daimler AG – are examining 120 vehicles that have been on the road in the Rhine-Main region since mid-2012. These cars are linked to one another and to the traffic infrastructure, thereby enabling them to keep each other informed about the current traffic situation. Daimler is also researching and developing C2X communication systems in the United States, where the Group is equipping vehicles with C2X systems and carrying out tests at its site in Palo Alto, California. These activities in the USA enable Daimler, as a major global car maker, to take account of the American market's unique needs regarding C2X communication and to harmonize technologies as much as possible.

# Human Resources

A motivated and committed workforce is a precondition for sustained business success.

Our extensive range of training and continuing education programs supports the personal development of our employees and improves their qualifications and on-the-job performance. The use of flexible work models is becoming more and more important in today's environment of increasingly volatile markets. Daimler employs such models in order to meet the company's business requirements – and also to help employees balance their professional and private lives.

## 5.01

### Human resources

	2012	2011	12/11
Employees (December 31)			% change
Daimler Group	275,087	271,370	+1
Mercedes-Benz Cars	98,020	99,091	-1
Daimler Trucks	80,519	77,295	+4
Mercedes-Benz Vans	14,916	14,889	+0
Daimler Buses	16,901	17,495	-3
Sales & Marketing Organization	50,683	49,699	+2
Daimler Financial Services	7,779	7,065	+10
Other	6,269	5,836	+7

**Workforce development.** As of December 31, 2012, Daimler AG employed 275,087 men and women worldwide, which represents an increase of 3,717 compared with the end of 2011. This increase in workforce numbers enabled us to expand our production capacities in line with the higher demand for our products. ↗ 5.01

The number of people employed in Germany at the end of 2012 was 166,363 (2011: 167,684). We also employed 21,720 people in the United States (2011: 20,702), 14,610 in Brazil (2011: 14,533) and 11,286 in Japan (2011: 11,479). Our consolidated subsidiaries in China had 2,730 employees at the end of last year (2011: 2,121). You can find further information about the development of our workforce in the individual divisions in the Management Report of this Annual Report. 🔗 see page 101

**Employee qualifications.** “An investment in knowledge always pays the best interest.” This motto of Benjamin Franklin serves as a guiding principle for the further development of our employees and the enhancement of their skills and qualifications. We therefore provide our staff with training and continuing education opportunities throughout their entire careers. Our range of qualification measures includes practical training courses, seminars, workshops, specialist conferences and instruction with digital media. In Germany alone, we spent €112 million on the training and qualification of our employees in 2012 (2011: €101 million). On average, every employee spent 4.0 days on qualification measures in 2012 (2011: 3.8 days).

**Securing young talent.** Daimler adopts a holistic approach when it comes to recruiting and promoting talented young people. For example, our Genius initiative provides children and teenagers with valuable insights into the technologies of the future and career opportunities in the automotive industry. 🌐 [genius-community.com](http://genius-community.com). School leavers can apply to participate in a technical or commercial training program at one of our locations, or to study at the Cooperative State University. They can also apply directly to our company for an entry-level position via our CAREer program.

In 2012, CAREer once again enabled approximately 400 college graduates from around the world to begin a career. The program focuses on graduates in technical and commercial fields with above-average grades and initial practical experience. The proportion of women in CAREer is currently around 33% and our trainees come from approximately 30 different nations.

Within the framework of our “Training Abroad” strategic initiative, we are supporting the establishment and sustainable expansion of Daimler training centers around the world, with a focus on the BRIC countries. We intend to strengthen our production and sales activities, especially in growth markets, by securing highly skilled employees as needed.

We had 8,267 trainees worldwide at the end of 2012 (2011: 8,499). A total of 2,109 young people began traineeships at Daimler in Germany last year (2011: 2,067). The number of people we train and subsequently hire is based solely on our company's needs and its future development. In 2012, 91% of the apprentices and trainees in Germany were hired after completing their programs (2011: 91%).

**Promoting talent and retaining expertise within the company.** The Daimler Academic Programs are an important instrument when it comes to lifelong learning and promoting a holistic and forward-looking approach to human resources development. The programs offer employees with or without a college education the opportunity to obtain academic degrees and certificates through a full-time or part-time course of study. This ensures that talented employees and the company as a whole will be prepared for the challenges of the future.



Apprenticeships at Daimler include “green technology modular elements” on electric drive systems and lightweight construction.

Our new “FACTS” support program offers highly talented staff from technical fields the opportunity to further their careers. This pilot program was launched in 2012 with an initial group of 20 participants at four company locations in Germany.

**Diversity management.** We have launched a variety of activities as part of our diversity management initiative. They range from diversity workshops and mentoring programs to the establishment of employee networks. Our commitment to such activities underscores our determination to make diversity a value factor in our human resources processes and our corporate culture. Our main goals at the moment are to increase the proportion of women in managerial positions (gender diversity), raise intercultural awareness and promote effective generation management.

Our instruments for supporting the targeted promotion of women include flexible working-time models, childcare facilities close to work and special mentoring programs. Daimler has committed itself to increasing the proportion of women in senior management positions throughout the Group to 20% by 2020. The proportion of women in such positions has continually risen over recent years and reached almost 12% by the end of last year (2011: 10%). As a technologically oriented company, when we defined our targets we took into account industry-specific conditions as well as the current proportion of women at Daimler AG (14.4%) and at the Daimler Group (16.2%).

In order to enhance intercultural awareness, we organize special regional diversity conferences. In 2012, these events took place in South Africa; Portland, Oregon (USA); and Singapore. Additional measures in this context include training programs and workshops on intercultural cooperation, international job assignments and the targeted recruitment of employees and managers with an international background. Our networking efforts also make an important contribution to the further internationalization of our workforce.

**Flexible working arrangements.** Increasingly volatile markets are making it ever more important to establish flexible working arrangements that allow us to exploit market opportunities and reduce risks. Within the framework of our human resources and employment strategy, we utilize instruments such as flexible working-hour models, working-time account management systems, personnel rotations and temporary work programs. Working-time accounts in particular make it possible to variably distribute working time in line with workload fluctuations and the needs of individual employees. Temporary work enables the company to react quickly and flexibly to fluctuations in demand, and therefore to safeguard the core workforce.

**A “thank you” to our workforce.** This year too, the Daimler Board of Management would once again like to thank all the members of the workforce for their commitment. The performance and dedication of our employees enabled us to make 2012 a successful business year, even though the economy weakened as the year progressed. We can expect to face various business challenges in the future as well. However, we are convinced that our employees’ motivation and expertise will remain the most important assets of our company. Building on this foundation, we will be able to achieve long-term success and cope with any difficult market conditions that we encounter.

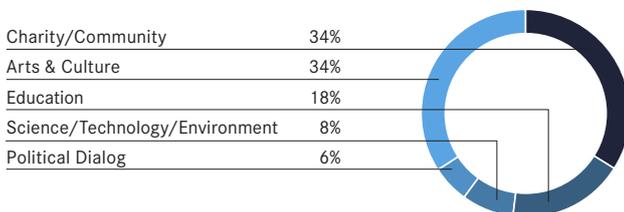
We would also like to thank the employee representatives for their commitment and constructive cooperation in the past year.

# Social Responsibility

In 2012, we spent a total of €58 million supporting nonprofit institutions and socially beneficial projects. As a good corporate citizen, we want to go beyond our business operations and create socially beneficial added value in the communities near our company locations, while also helping to overcome social challenges and promoting intercultural dialog.

## 5.02

### Donations and sponsoring in 2012



#### Areas in which we promote socially beneficial causes.

We support projects that promote the common good. By helping people help themselves, these projects have a long-term impact and contribute to sustainable development. We provide support in the form of donations, sponsorships, corporate volunteering, funding through foundations and projects that we have initiated ourselves. Our support focuses on areas connected to our role as a good corporate citizen. These activities enable us to put our special skills and key expertise as an automaker to good use in the communities in which we do business worldwide. Among other things, we promote science, technology, environmental protection, the arts and culture, education, charitable projects, community programs and political dialog. ↗ 5.02 In addition, we are involved in a variety of different initiatives for enhancing traffic safety.

[mobilekids.net](http://mobilekids.net); [mbdrivingacademy.com](http://mbdrivingacademy.com)

**Requirements for receiving our support.** Due to the worldwide scope of our activities, the selection and organization of social responsibility initiatives require a high level of transparency and in-depth knowledge of local conditions. In 2012, we therefore consolidated our donation and sponsorship guidelines and instituted more stringent selection criteria. The guidelines create a mandatory system for regulating the Group's entire support and funding process. They ensure that our support is provided according to verifiable criteria and that it meets legal requirements and ethical standards. To ensure transparent structures and clear areas of responsibility, we have also developed Group-wide guidelines for donations and sponsorships.

The Donations and Sponsorship Committee coordinates and assumes responsibility for the strategic focus of the various activities. The committee cooperates very closely with the Board of Management and our various sales and production locations throughout the world to define the areas in which action needs to be taken and to approve all of the major projects and funding activities. All of the Group's donations and sponsorships are registered in a database so that the activities can be systematically monitored with the help of regular analyses and reports. In-house campaigns and projects help raise our employees' awareness of social responsibility issues. Our compliance training program also teaches managers how they should deal with donations and sponsorships.

Donations to political parties must be expressly authorized by the Board of Management. In 2012, we supported political parties only in Germany, donating a total of €435,000 (2011: €435,000) to the CDU, the SPD, the FDP, the CSU and the Greens.

**Funding through foundations.** Because international knowledge sharing and the promotion of innovation are key conditions of sustainable development, we support universities, research institutes and interdisciplinary science projects throughout the world in the following areas: mankind, technology and the environment. We have consolidated these measures in foundations. A further focus of our work through foundations is the promotion of sports activities.

The Daimler and Benz Foundation [daimler-benz-stiftung.de](http://daimler-benz-stiftung.de) supports research projects in the areas of mobility, environmental protection and safe technology. Within the framework of the Founders' Association for German Science [stifterverband.org](http://stifterverband.org), the Daimler Foundation is involved, among other things, in selecting the winners of the German Future Prize for Technology and Innovation.

Mercedes-Benz is a global partner of the Laureus Sport for Good Foundation [laureus.com](http://laureus.com), which uses sports to promote social change. The foundation has collected more than €40 million since its inception and currently supports around 90 socially beneficial sports projects for helping disadvantaged children and teenagers around the world.

**The arts and culture.** As a promoter of creative change, we place high priority on the sponsorship of the arts and culture. Through a long-term partnership with the Staatsgalerie Stuttgart art museum, we are promoting the city's cultural



For the benefit of Laureus Sport for Good Foundation, Mercedes-Benz apprentices restored two 230 SL “pagoda-roof” cars from the 1960s.

life and also offering educational opportunities to our employees and their families. Last year, we also intensified our partnerships with leading art institutions and events at our international business locations. Examples include the Art Beijing trade show in China and the Villa Romana artists’ residence in Italy. In addition, we support Germany’s national youth orchestra and help with the Emerging Artist Award program in the United States.

**Education.** Improving access to education is one of the most long-lasting investments in society. That’s why we are involved in numerous projects that support young people, as they will be the skilled employees of tomorrow. The most prominent example of this involvement is our Genius education initiative [genius-community.com](http://genius-community.com). The initiative is geared toward children and teenagers and combines various educational projects focusing on future technologies, mobility, and environmental issues.

With the support of the initiative Big Brothers Big Sisters in Germany [bbbsi.org](http://bbbsi.org), we are also helping to expand mentoring activities for socially disadvantaged children and teenagers between the ages of six and 16. The mentors provide the young people with help, encouragement and new perspectives on the various situations they face in their lives.

**Charitable projects.** As a result of our global presence, we regard it as our mission to support aid projects that improve the communities in which we do business. In addition to offering effective disaster relief when necessary, we have initiated a number of projects for providing long-term assistance to enable people to help themselves. For example, through its SEED (Sustainability Education Empowerment Development) program, Daimler Financial Services assists slum inhabitants and street children in Chennai, India. Other initiatives include the micro-credit program for women in need in Ethiopia, which we developed in cooperation with the Menschen für Menschen foundation, and our global partnership with the SOS Children’s Villages organization. We also support the work of the German chapter of Doctors of the World, which organizes more than 350 healthcare programs in almost 80 countries.

As part of our national sponsorship program, we also donated money last year to charitable initiatives that focus on helping families and children in Germany. Among them is the brotZeit project [brotzeitfuerkinder.com](http://brotzeitfuerkinder.com), which combines programs for supporting active senior citizens with the care of socially disadvantaged children. Needy children are served balanced breakfasts free of charge, and senior-citizen volunteers provide slow learners with individualized support.

**Corporate volunteering.** We are working together with our employees to improve living conditions in the communities in which we do business. Among other things, we further expanded our ProCent initiative in the year under review. In this initiative, Daimler employees voluntarily donate the cent amounts of their net salaries to nonprofit organizations. Every donated cent is matched by the company. The donations are collected in a fund and used to support environmentally and socially beneficial projects that are recommended and implemented by the company’s employees. In 2012, ProCent began to support its first group of 100 projects.

On the Day of Caring, employees from Daimler Financial Services contribute a day of work to support the company’s socially and environmentally beneficial projects. During this event, the employees help to build schools, construct housing for people in need, and renovate social welfare facilities. In 2012, the Day of Caring was held in 18 countries worldwide.

More details of projects promoted by the Group and activities related to our social commitment can be found in the Daimler Sustainability Report and on our website under “Sustainability.” [daimler.com/sustainability](http://daimler.com/sustainability)